

Independent School District No. 709  
Audit Presentation  
Year Ended June 30, 2024  
Wipfli LLP



# Auditor Responsibility

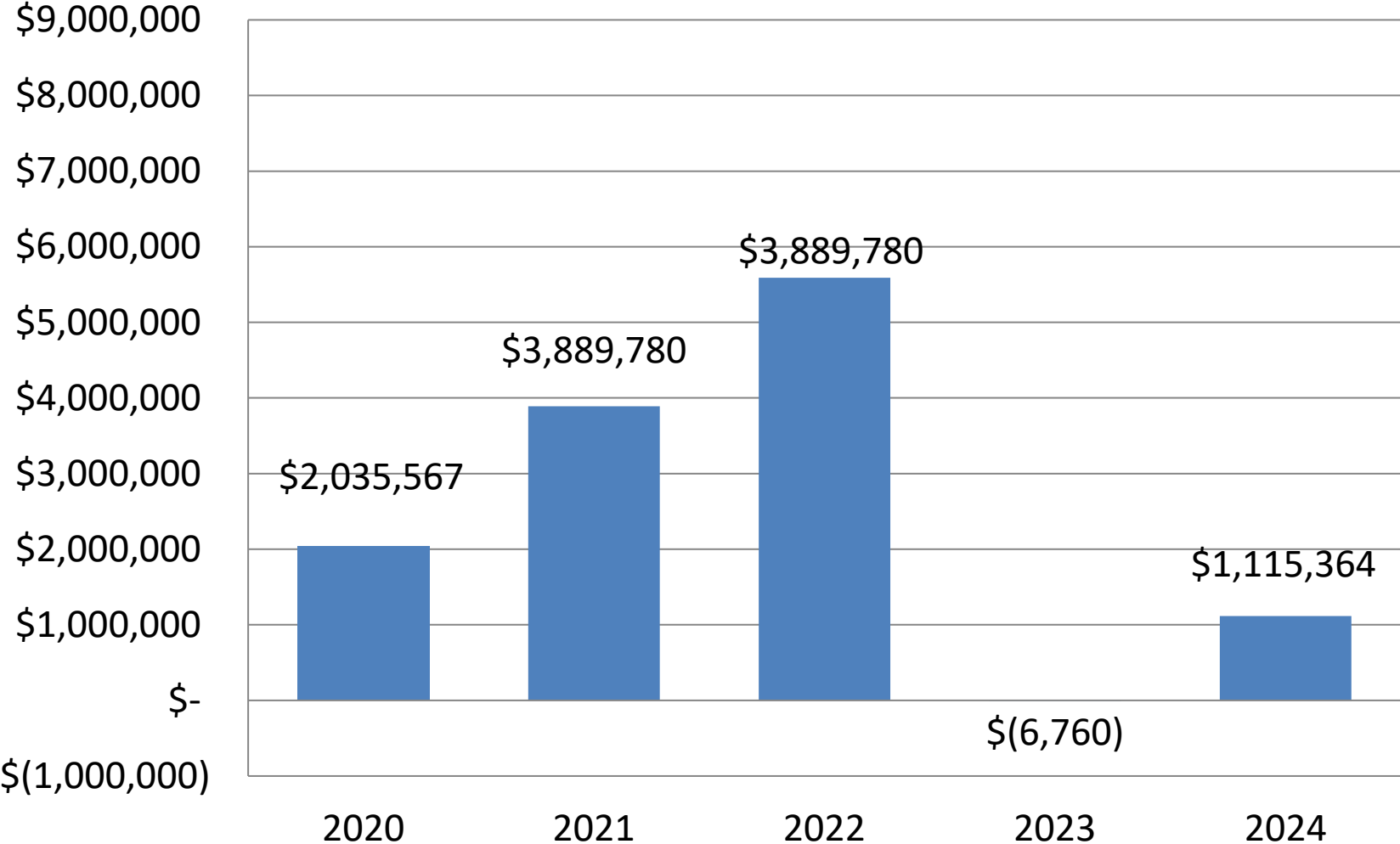
- Issue an opinion on the basic financial statements
- Report on compliance and internal controls over financial reporting
- Report on compliance and internal controls over federal programs – Uniform Guidance
- Report on compliance with Minnesota statutes tested

# Auditor Results

- Unmodified opinion on the basic financial statements
- Internal controls findings over financial reporting (Material Weaknesses)
  - Audit adjustments/Reconciliation of Significant Accounts
  - Financial Statement Presentation and Disclosure
- No compliance or internal controls finding over federal programs
- No noncompliance with Minnesota statutes tested

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# General Fund - Unassigned Balance



# General Fund – Fund Balances

	<u>June 30, 2023</u>	<u>Change</u>	<u>June 30, 2024</u>
Nonspendable			
Inventory	\$ 68,774	3,758	\$ 72,532
Restricted for:			
Student activities	363,546		363,546
Staff development	313,515		313,515
Teacher development & evaluation	16,729		16,729
Safe schools - crime levy	476,489	(16,220)	460,269
Gifted and talented	12,682		12,682
Operating capital	1,685,548	(280,723)	1,404,825
Basic skills	134,134	442,340	576,474
ALC	11,367	201,641	213,008
LTFM	1,553,883		1,553,883
Medical assistance	199,860	494,656	694,516
American Indian ed aid		114,974	114,974
Literary incentive aid		399,418	399,418
Assigned			
Textbooks	1,960,610		1,960,610
Equipment	1,059,000		1,059,000
Severance - insurance premiums	4,100,000		4,100,000
Property	7,653,600	(5,435,691)	2,217,909
Instructional equipment	1,573,359		1,573,359
Special programs	510,000		510,000
Student activities	887,350		887,350
Unassigned	<u>(6,760)</u>	<u>1,122,124</u>	<u>1,115,364</u>
 Total	 <u><u>\$ 22,573,686</u></u>	 <u><u>\$ (2,953,723)</u></u>	 <u><u>\$ 19,619,963</u></u>



# Overview of General Fund Variances from Budget to Actual

## Explanation:

Revenue over budget due to additional state and federal funding for special education.

Expenditures over budget due to special education and transportation costs along with multiple capital projects that did not get reimbursed until FY25.

# General Fund Results of Operation

<b>Results of Operation</b>	Budget	Final	Over (Under) Budget
Revenues	\$ 135,663,432	\$ 144,065,766	\$ 8,402,334
Total revenue	135,663,432	144,065,766	
Expenditures	136,959,157	149,001,601	12,042,444
Total expenditures	136,959,157	149,001,601	
Excess (deficiency) of revenues over expenditures	(1,295,725)	(4,935,835)	(3,640,110)
Other financing sources			
Proceeds from capital lease	-	265,587	265,587
Transfers out	-	(55,279)	(55,279)
Sale of capital assets	-	1,771,804	1,771,804
Net change in fund balance	\$ (1,295,725)	(2,953,723)	\$ (1,657,998)
Fund balance, June 30, 2023		22,573,686	
Fund balance, June 30, 2024		\$ 19,619,963	



# Food Service Fund

## Results of Operation and Fund Balances

<b>Results of Operation</b>	Budget	Final	Over (Under) Budget
Revenues	\$ 6,000,000	\$ 5,989,694	\$ (10,306)
Expenditures	6,002,502	5,281,828	(720,674)
Net change in fund balance	\$ (2,502)	707,866	\$ (730,980)
Fund balance, June 30, 2023		2,231,900	
Fund balance, June 30, 2024		\$ 2,939,766	
 <b>Fund Balance</b>			
Nonspendable			
Inventory		\$ 115,606	
Restricted		2,824,160	
Total		\$ 2,939,766	



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# Community Service Fund

## Results of Operation and Fund Balances

<b>Results of Operation</b>	Budget	Final	Over (Under) Budget
Revenues	\$ 8,516,153	\$ 8,979,477	\$ 463,324
Expenditures	9,005,183	9,076,215	(71,032)
Net change in fund balance	\$ (489,030)	(96,738)	\$ 392,292
Transfer		55,279	
Fund balance, June 30, 2023		2,254,856	
Fund balance, June 30, 2024		\$ 2,213,397	
 <b>Fund Balance</b>			
Restricted			
Community education		\$ 1,757,163	
Early childhood family education		157,507	
Adult basic education		229,717	
School readiness		69,010	
Unassigned		-	
Total		\$ 2,213,397	



# Capital Projects Fund

## Results of Operation and Fund Balance

<b>Results of Operation</b>	Budget	Final	Over (Under) Budget
Revenues	\$	\$ 713,942	\$ 713,942
Expenditures		6,158,353	6,158,353
Excess (deficiency) of revenues over expenditures	\$ -	(5,444,411)	\$ 6,872,295
Net change in fund balance	\$	(5,444,411)	\$ 6,872,295
Fund balance, June 30, 2023		12,290,786	
Fund balance, June 30, 2024		\$ 6,846,375	
<b>Fund Balances</b>			
Restricted			
LTFM		\$ 6,846,375	
Total		\$ 6,846,375	



# Debt Service Fund

## Results of Operation and Fund Balance

<b>Results of Operation</b>	Budget	Final	Over (Under) Budget
Revenues	\$ 24,571,443	\$ 26,555,634	\$ 1,984,191
Expenditures	24,691,485	27,358,438	(2,666,953)
Excess (deficiency) of revenues over expenditures	(120,042)	(802,804)	(682,762)
Sale of bonds		21,708,231	
Refunding of bonds		(21,285,827)	
Total other financing resources		422,404	
Net change in fund balance	\$ (120,042)	(380,400)	\$ (682,762)
Fund balance, June 30, 2023		2,718,648	
Fund balance, June 30, 2024		\$ 2,338,248	
 <b>Fund Balances</b>			
Restricted			
Bond refunding		16,432	
Debt service		2,321,816	
Total		\$ 2,338,248	



# Outstanding Debt

<u>G.O. Bonds</u>	<u>Balance</u> <u>06/30/23</u>	<u>New</u> <u>Debt</u>	<u>Principal</u> <u>Paid</u>	<u>Balance</u> <u>06/30/24</u>
\$44,320,000 G.O. Refunding Bonds, Series 2015B	\$ 24,160,000		\$ 4,490,000	\$ 19,670,000
\$31,497,602 G.O. Capital Appreciation Bonds, Series 2021C	31,497,602			31,497,602
\$10,035,000 G.O. Facilities Maintenance Bonds, Series 2021D	8,215,000		4,165,000	4,050,000
\$21,709,231 Taxable General Obligation Capital Appreciation Bonds, Series 2024A		21,708,231		21,708,231
<b>Total G.O. Bonds</b>	<b>63,872,602 #</b>	<b>21,708,231 #</b>	<b>8,655,000 #</b>	<b>76,925,833</b>
 <u>Certificates of Participation</u>				
\$82,605,000 Certificates of Participation, Series 2016A	43,385,000		7,440,000	35,945,000
\$41,715,000 Full Term Refunding Certificates of Participation, Series 2019B	25,910,000		4,470,000	21,440,000
\$2,710,000 Full Term Refunding Certificates of Participation, Series 2019C	1,615,000		295,000	1,320,000
\$18,385,000 Full Term Refunding Certificates of Participation, Series 2021A	15,265,000		1,560,000	13,705,000
\$5,070,000 Refunding Certificates of Participation, Series 2021B	4,145,000		4,145,000	
\$24,130,000 Refunding Certificates of Participation, Series 2019A	19,125,000		19,125,000	
<b>Total Certificates of Participation</b>	<b>109,445,000</b>		<b>37,035,000</b>	<b>72,410,000</b>
<b>Total Debt Outstanding</b>	<b>\$ 173,317,602</b>	<b>\$ 21,708,231</b>	<b>\$ 45,690,000</b>	<b>\$ 149,335,833</b>

# Thank you for your time

For any questions regarding this report, please feel free to reach out to either:

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- Zak Sharp (Audit Manager) [zsharp@wipfli.com](mailto:zsharp@wipfli.com)
- Presenting Partner – [mswoboda@wipfli.com](mailto:mswoboda@wipfli.com)

The logo for WIPFLI, featuring the word "WIPFLI" in a bold, white, serif font centered within a solid blue rectangular background.

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