

Independent School District No. 709
Audit Presentation
Year Ended June 30, 2020
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
- No internal controls finding over financial reporting
- No compliance or internal controls finding over federal programs
- No noncompliance with Minnesota statutes tested

General Fund

Results of Operation

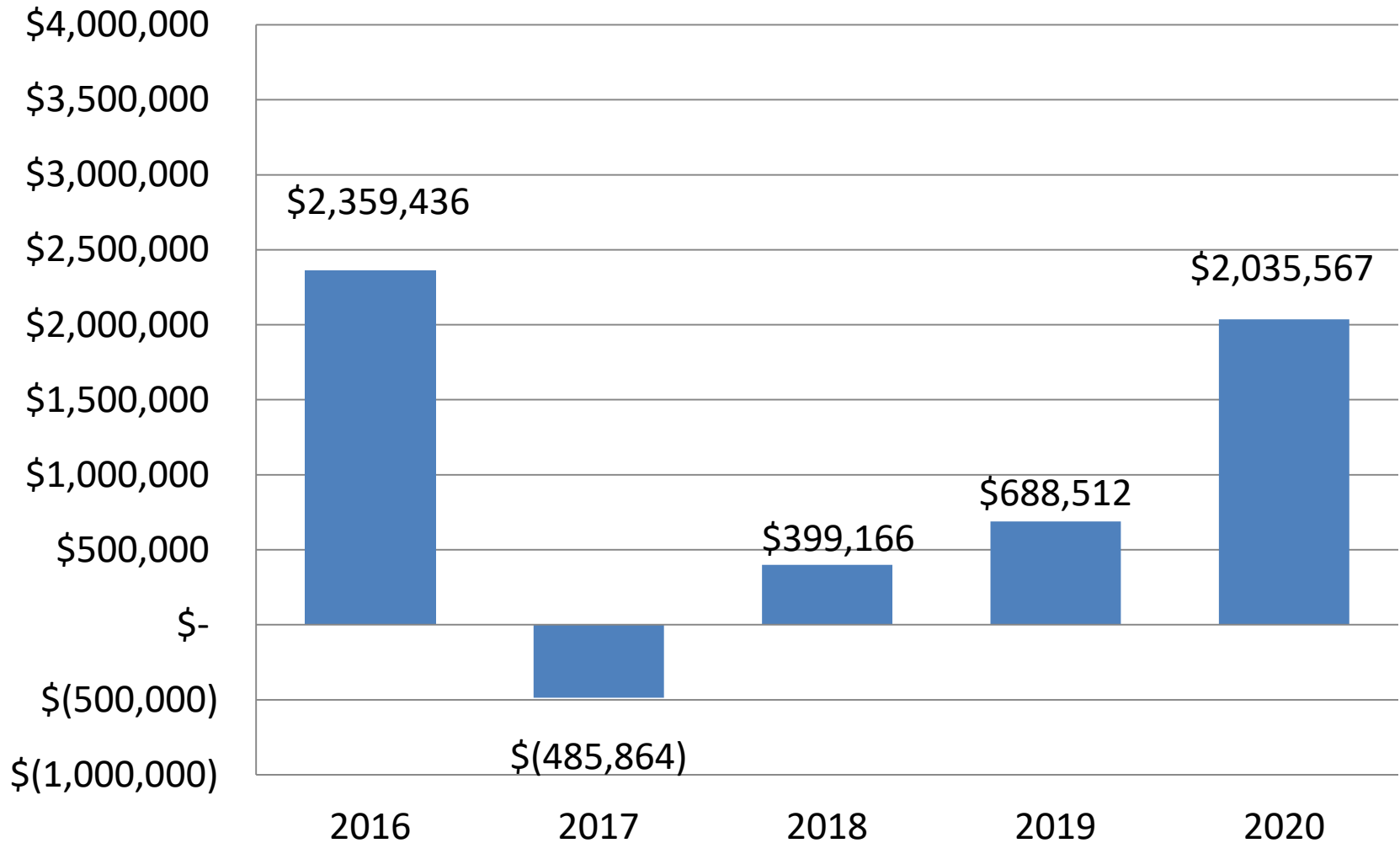
| Results of Operation | Budget | Final | Over (Under) Budget |
|--|-----------------------|----------------------|---------------------------|
| Revenues | \$ 114,703,995 | \$ 121,428,731 | \$ 6,724,736 |
| Total revenue | 114,703,995 | 121,428,731 | |
| Expenditures | 115,942,742 | 114,802,964 | (1,139,778) |
| Total expenditures | 115,942,742 | 114,802,964 | |
| Excess (deficiency) of revenues over expenditures | (1,238,747) | 6,625,767 | 7,864,514 |
| Other financing sources | 104,439 | 451,256 | 346,817 |
| Net change in fund balance | <u>\$ (1,134,308)</u> | 7,077,023 | <u>\$ 8,211,331</u> |
| Fund balance, June 30, 2019 | | 4,401,125 | |
| Fund balance, June 30, 2020 | | <u>\$ 11,478,148</u> | |

Actual revenues would be \$5,080,768 LOWER and Expenses would be \$5,080,768 LOWER but due to a required reporting of TRA/PERA adjustments, unknown at the time of budgeting, are causing a variance. The adjusted amounts would be: \$116,347,963 Revenues over budget by \$1,643,968 and \$109,722,196 Expenses under budget by \$6,220,546.

General Fund – Fund Balances

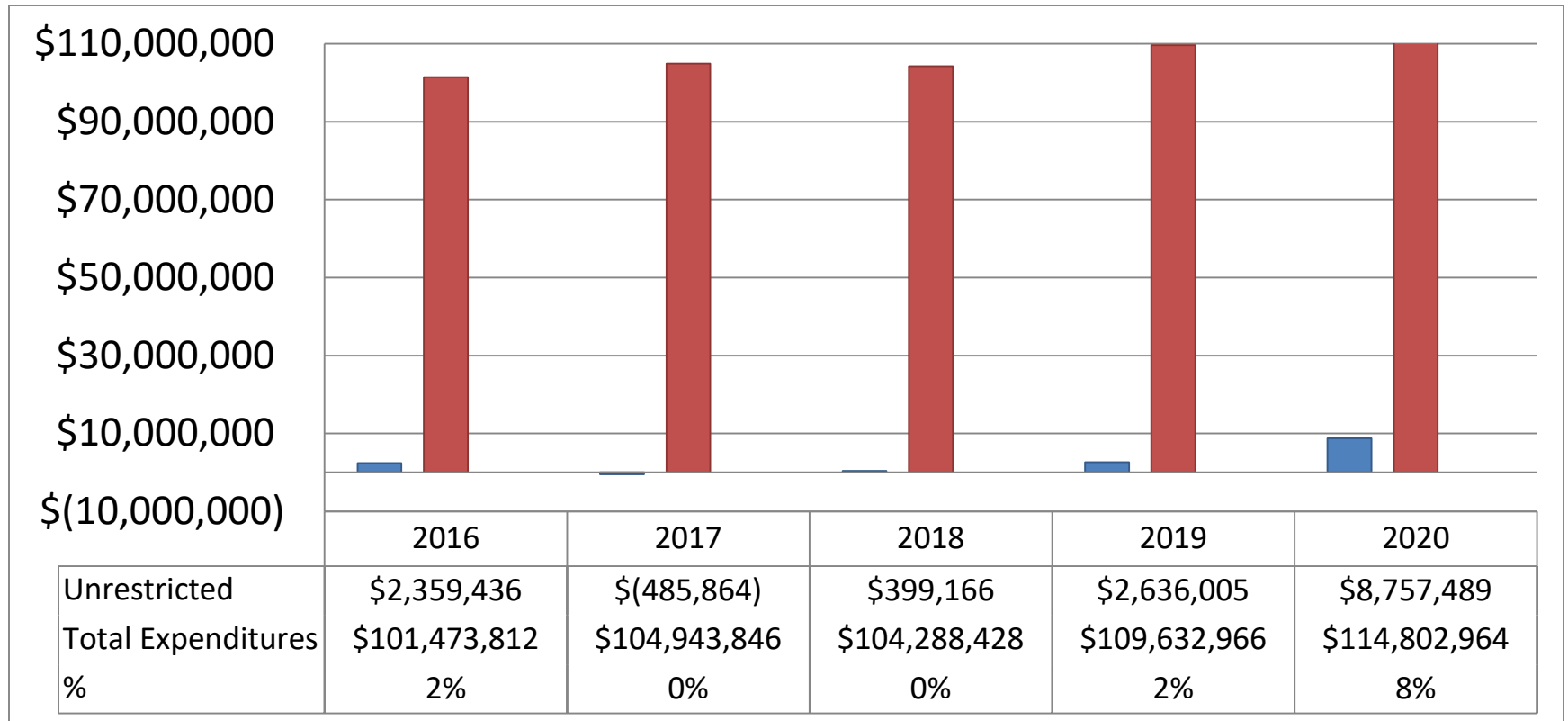
| | <u>June 30, 2019</u> | <u>Change</u> | <u>June 30, 2020</u> |
|----------------------------------|-------------------------|-------------------------|--------------------------|
| Nonspendable | | | |
| Inventory | \$ 56,189 | (648) | \$ 55,541 |
| Prepayments | 122,163 | 236,258 | 358,421 |
| Restricted for: | | | |
| Student activities | | 237,460 | 237,460 |
| Staff development | 22,184 | (944) | 21,240 |
| Teacher development & evaluation | 47,135 | (30,406) | 16,729 |
| Gifted and talented | | 12,594 | 12,594 |
| Safe schools - crime levy | | 93,644 | 93,644 |
| Operating capital | 57,718 | 704,616 | 762,334 |
| Bond refunding | 4,668 | (4,668) | - |
| ALC | 166,449 | (22,876) | 143,573 |
| LTFM | 848,766 | (21,262) | 827,504 |
| Medical assistance | 439,848 | 165,733 | 605,581 |
| Assigned | | | |
| Textbooks | 410,610 | 650,000 | 1,060,610 |
| Equipment | 500,000 | 300,000 | 800,000 |
| Severance - insurance premiums | | 3,000,000 | 3,000,000 |
| Instructional equipment | | 400,000 | 400,000 |
| Special programs | | 160,000 | 160,000 |
| Student activities | 1,036,883 | (149,533) | 887,350 |
| Unassigned | <u>688,512</u> | <u>1,347,055</u> | <u>2,035,567</u> |
| Total | <u>\$ 4,401,125</u> | <u>\$ 7,077,023</u> | <u>\$ 11,478,148</u> |

General Fund - Unassigned Balance



General Fund

Unrestricted Fund Balance as a % of Expenditures



Food Service Fund

Results of Operation and Fund Balances

| Results of Operation | Budget | Final | Over (Under) Budget |
|-----------------------------|--------------|--------------|---------------------------|
| Revenues | \$ 4,367,140 | \$ 4,006,668 | \$ (360,472) |
| Expenditures | 4,392,982 | 3,815,618 | (577,364) |
| Net change in fund balance | \$ (25,842) | 191,050 | \$ (937,836) |
| Fund balance, June 30, 2019 | | 1,150,456 | |
| Fund balance, June 30, 2020 | | \$ 1,341,506 | |
| Fund Balance | | | |
| Nonspendable | | | |
| Inventory | | \$ 152,246 | |
| Prepayments | | 1,082 | |
| Restricted | | 1,188,178 | |
| Total | | \$ 1,341,506 | |

Community Service Fund

Results of Operation and Fund Balances

| Results of Operation | Budget | Final | Over (Under) Budget |
|----------------------------------|--------------|--------------|---------------------------|
| Revenues | \$ 7,940,467 | \$ 7,567,943 | \$ (372,524) |
| Expenditures | 8,166,838 | 7,669,651 | 497,187 |
| Net change in fund balance | \$ (226,371) | (101,708) | \$ 124,663 |
| Fund balance, June 30, 2019 | | 1,272,445 | |
| Fund balance, June 30, 2020 | | \$ 1,170,737 | |
| Fund Balance | | | |
| Nonspendable | | | |
| Prepayments | | \$ 13,354 | |
| Restricted | | | |
| Community education | | 884,843 | |
| Early childhood family education | | 9,591 | |
| Adult basic education | | 260,031 | |
| Community service | | 2,918 | |
| Total | | \$ 1,170,737 | |

Capital Projects Fund

Results of Operation and Fund Balance

| Results of Operation | Budget | Final | Over (Under) Budget |
|--|--------------|-----------|---------------------------|
| Revenues | \$ 16,669 | \$ 16,800 | \$ 131 |
| Expenditures | 180,720 | 180,851 | 131 |
| Excess (deficiency) of revenues over expenditures | \$ (164,051) | (164,051) | \$ 262 |
| Net change in fund balance | \$ (164,051) | (164,051) | \$ 262 |
| Fund balance, June 30, 2019 | | 164,060 | |
| Fund balance, June 30, 2020 | | \$ 9 | |
| Fund Balances | | | |
| Restricted | | | |
| LTFM | | \$ - | |
| Projects funded by COP | | 9 | |
| Total | | \$ 9 | |

Debt Service Fund

Results of Operation and Fund Balance

| Results of Operation | Budget | Final | Over (Under) Budget |
|--|---------------|---------------|---------------------------|
| Revenues | \$ 21,713,803 | \$ 21,622,791 | \$ (91,012) |
| Expenditures | 20,744,824 | 20,734,173 | 10,651 |
| Excess (deficiency) of revenues over expenditures | 968,979 | 888,618 | (80,361) |
| Net change in fund balance | \$ 968,979 | 888,618 | \$ (80,361) |
| Fund balance, June 30, 2019 | | 2,885,585 | |
| Fund balance, June 30, 2020 | | \$ 3,774,203 | |
| Fund Balances | | | |
| Restricted | | | |
| Bond refunding | | 3,993 | |
| Debt service | | 3,770,210 | |
| Total | | \$ 3,774,203 | |

Outstanding Debt

| <u>G.O. Bonds</u> | <u>Balance</u> <u>06/30/19</u> | <u>New</u> <u>Debt</u> | <u>Refunded</u> | <u>Principal</u> <u>Paid</u> | <u>Balance</u> <u>06/30/20</u> |
|--|-----------------------------------|---------------------------|-----------------|---------------------------------|-----------------------------------|
| \$44,320,000 G.O. Refunding Bonds, Series 2015B | \$ 40,125,000 | | | \$ 3,735,000 | \$ 36,390,000 |
| \$3,640,000 G.O. Taxable Facilities Maintenance Bonds, Series 2017A | 2,195,000 | | | 710,000 | 1,485,000 |
| \$615,000 G.O. Taxable Capital Facilities Bonds, Series 2017B | 370,000 | | | 120,000 | 250,000 |
| Total G.O. Bonds | 42,690,000 | | | 4,565,000 | 38,125,000 |
| <u>Certificates of Participation</u> | | | | | |
| \$12,800,424.50 Full Term Capital Appreciation C.O.P., Series 2012A | 12,800,425 | | | | 12,800,425 |
| \$82,605,000 Certificates of Participation, Series 2016A | 68,075,000 | | | 5,560,000 | 62,515,000 |
| \$41,715,000 Full Term Refunding Certificates of Participation, Series 2019B | 41,715,000 | | | 4,215,000 | 37,500,000 |
| \$2,710,000 Full Term Refunding Certificates of Participation, Series 2019C | 2,710,000 | | | 295,000 | 2,415,000 |
| \$1,650,000 Full Term Refunding Certificates of Participation, Series 2010D | 985,000 | | | 75,000 | 910,000 |
| \$6,340,000 Certificates of Participation, Series 2012B | 4,715,000 | | | 290,000 | 4,425,000 |
| \$24,130,000 Refunding Certificates of Participation, Series 2019A | 24,130,000 | | | 1,350,000 | 22,780,000 |
| Total Certificates of Participation | 155,130,425 | | | 11,785,000 | 143,345,425 |
| Total Debt Outstanding | \$ 197,820,425 | \$ - | \$ - | \$ 16,350,000 | \$ 181,470,425 |

Thank you for your time

WIPFLIⁱ LLP
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