

Independent School District No. 709  
Audit Presentation  
Year Ended June 30, 2025  
Wipfli LLP

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# 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

# Audit 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 report on compliance and internal controls over federal programs – Uniform Guidance (Testing not completed)
- No noncompliance with Minnesota statutes tested

# General Fund – Fund Balances

	June 30, 2024	Change	June 30, 2025
Nonspendable			
Inventory	\$ 72,532	(6,270)	\$ 66,262
Restricted for:			
Student activities	363,546		363,546
Staff development	313,515	(7,515)	306,000
Teacher development & evaluation	16,729		16,729
Safe schools - crime levy	460,269	(31,682)	428,587
Gifted and talented	12,682	(7)	12,675
Operating capital	1,404,825	(435,195)	969,630
Basic skills	576,474		576,474
ALC	213,008	287,776	500,784
LTFM	1,553,883	(445,516)	1,108,367
Medical assistance	694,516	219,260	913,776
American Indian ed aid	114,974	(114,974)	-
Teacher comp READ act	-	114,649	114,649
Student support personnel	-	32,939	32,939
Literary incentive aid	399,418	(197,497)	201,921
Assigned			
Textbooks	1,960,610	(1,100,000)	860,610
Equipment	1,059,000		1,059,000
Severance - insurance premiums	4,100,000	(3,000,000)	1,100,000
Property	2,217,909	(222,196)	1,995,713
Instructional equipment	1,573,359	(1,073,359)	500,000
Special programs	510,000	(510,000)	-
Student activities	887,350	(887,350)	-
Unassigned	1,026,549	(4,155,669)	(3,129,120)
Total	<u>\$ 19,531,148</u>	<u>\$(11,532,606)</u>	<u>\$ 7,998,542</u>

# General Fund

## Results of Operation

Results of Operation	Budget	Final	Positive (Negative) Variance
Revenues	\$ 135,436,279	\$ 140,885,518	\$ 5,449,239
Total revenue	135,436,279	140,885,518	
Expenditures	137,943,905	153,211,953	(15,268,048)
Total expenditures	137,943,905	153,211,953	
Excess (deficiency) of revenues over expenditures	(2,507,626)	(12,326,435)	(9,818,809)
Other financing sources			
Issuance of leases	-	158,681	158,681
Transfers out	(272,565)	-	272,565
Insurance recoveries	-	537,753	537,753
Sale of capital assets	1,500	97,393	95,893
Net change in fund balance	<u>\$ (2,778,691)</u>	(11,532,608)	<u>\$ (8,753,917)</u>
Fund balance, June 30, 2024		19,619,963	
Prior period adjustment		<u>(88,815)</u>	
Fund balance, June 30, 2025		<u>\$ 7,998,540</u>	

# Food Service Fund

## Results of Operation and Fund Balances

			Positive (Negative) Variance
<b>Results of Operation</b>	<u>Budget</u>	<u>Final</u>	
Revenues	\$ 6,000,000	\$ 5,766,603	\$ (233,397)
Expenditures	<u>6,055,958</u>	<u>5,770,644</u>	<u>(285,314)</u>
Net change in fund balance	<u>\$ (55,958)</u>	(4,041)	<u>\$ 51,917</u>
Fund balance, June 30, 2024		<u>2,939,766</u>	
Fund balance, June 30, 2025		<u>\$ 2,935,725</u>	
<b>Fund Balance</b>			
Nonspendable			
Inventory		\$ 112,990	
Restricted		<u>2,822,735</u>	
Total		<u>\$ 2,935,725</u>	

# Community Service Fund

## Results of Operation and Fund Balances

Results of Operation	Budget	Final	Positive (Negative) Variance
Revenues	\$ 8,673,768	\$ 7,442,498	\$ (1,231,270)
Expenditures	7,943,065	8,261,108	(318,043)
Net change in fund balance	<u>\$ 730,703</u>	(818,610)	<u>\$ (1,549,313)</u>
Fund balance, June 30, 2024		<u>2,213,397</u>	
Fund balance, June 30, 2025		<u>\$ 1,394,787</u>	
<b>Fund Balance</b>			
Restricted			
Community education		\$ 1,196,428	
Early childhood family education		(18,854)	
Adult basic education		144,572	
School readiness		51,875	
Unassigned		<u>20,766</u>	
Total		<u>\$ 1,394,787</u>	

# Capital Projects Fund

## Results of Operation and Fund Balance

			Positive (Negative)
<b>Results of Operation</b>	<u>Budget</u>	<u>Final</u>	<u>Variance</u>
Revenues	\$	\$ 553,432	\$ 553,432
Expenditures	<u>993,432</u>	<u>4,482,725</u>	<u>(3,489,293)</u>
Net change in fund balance	<u>\$ (993,432)</u>	(3,929,293)	<u>\$ (2,935,861)</u>
Fund balance, June 30, 2024		<u>6,846,375</u>	
Fund balance, June 30, 2025		<u>\$ 2,917,082</u>	
<b>Fund Balances</b>			
Restricted			
LTFM		<u>\$ 2,917,082</u>	



# Debt Service Fund

## Results of Operation and Fund Balance

	Budget	Final	Positive (Negative) Variance
<b>Results of Operation</b>			
Revenues	\$ 28,067,285	\$ 27,625,319	\$ (441,966)
Expenditures	27,393,530	27,398,833	(5,303)
Net change in fund balance	<u>\$ 673,755</u>	226,486	<u>\$ (447,269)</u>
Fund balance, June 30, 2024		<u>2,338,248</u>	
Fund balance, June 30, 2025		<u>\$ 2,564,734</u>	
<b>Fund Balances</b>			
Restricted			
Bond refunding		16,432	
Debt service		<u>2,548,302</u>	
Total		<u>\$ 2,564,734</u>	

# Outstanding Debt

<u>G.O. Bonds</u>	<u>Balance</u> <u>06/30/24</u>	<u>New</u> <u>Debt</u>	<u>Principal</u> <u>Paid</u>	<u>Balance</u> <u>06/30/25</u>
\$44,320,000 G.O. Refunding Bonds, Series 2015B	\$ 19,670,000	\$ -	\$ 4,675,000	\$ 14,995,000
\$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	4,050,000		2,005,000	2,045,000
\$21,709,231 Taxable General Obligation Capital Appreciation Bonds, Series 2024A	21,708,231		\$ 1,749,650	19,958,581
<b>Total G.O. Bonds</b>	<b>76,925,833</b>	<b>#</b>	<b># 8,429,650</b>	<b># 68,496,183</b>
 <u>Certificates of Participation</u>				
\$82,605,000 Certificates of Participation, Series 2016A	35,945,000		8,065,000	27,880,000
\$41,715,000 Full Term Refunding Certificates of Participation, Series 2019B	21,440,000		4,810,000	16,630,000
\$2,710,000 Full Term Refunding Certificates of Participation, Series 2019C	1,320,000		310,000	1,010,000
\$18,385,000 Full Term Refunding Certificates of Participation, Series 2021A	13,705,000		2,060,000	11,645,000
<b>Total Certificates of Participation</b>	<b>72,410,000</b>		<b>15,245,000</b>	<b>57,165,000</b>
 <b>Total Debt Outstanding</b>	 <b>\$ 149,335,833</b>	 <b>\$ -</b>	 <b>\$ 23,674,650</b>	 <b>\$ 125,661,183</b>

# Thank you for your time

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

- Rob Ganschow (Audit Partner) [rganschow@wipfli.com](mailto:rganschow@wipfli.com) or
- Zak Sharp (Audit Manager) [zsharp@wipfli.com](mailto:zsharp@wipfli.com)

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