

Independent School District No. 709
Audit Presentation
Year Ended June 30, 2021
Wipfli LLP



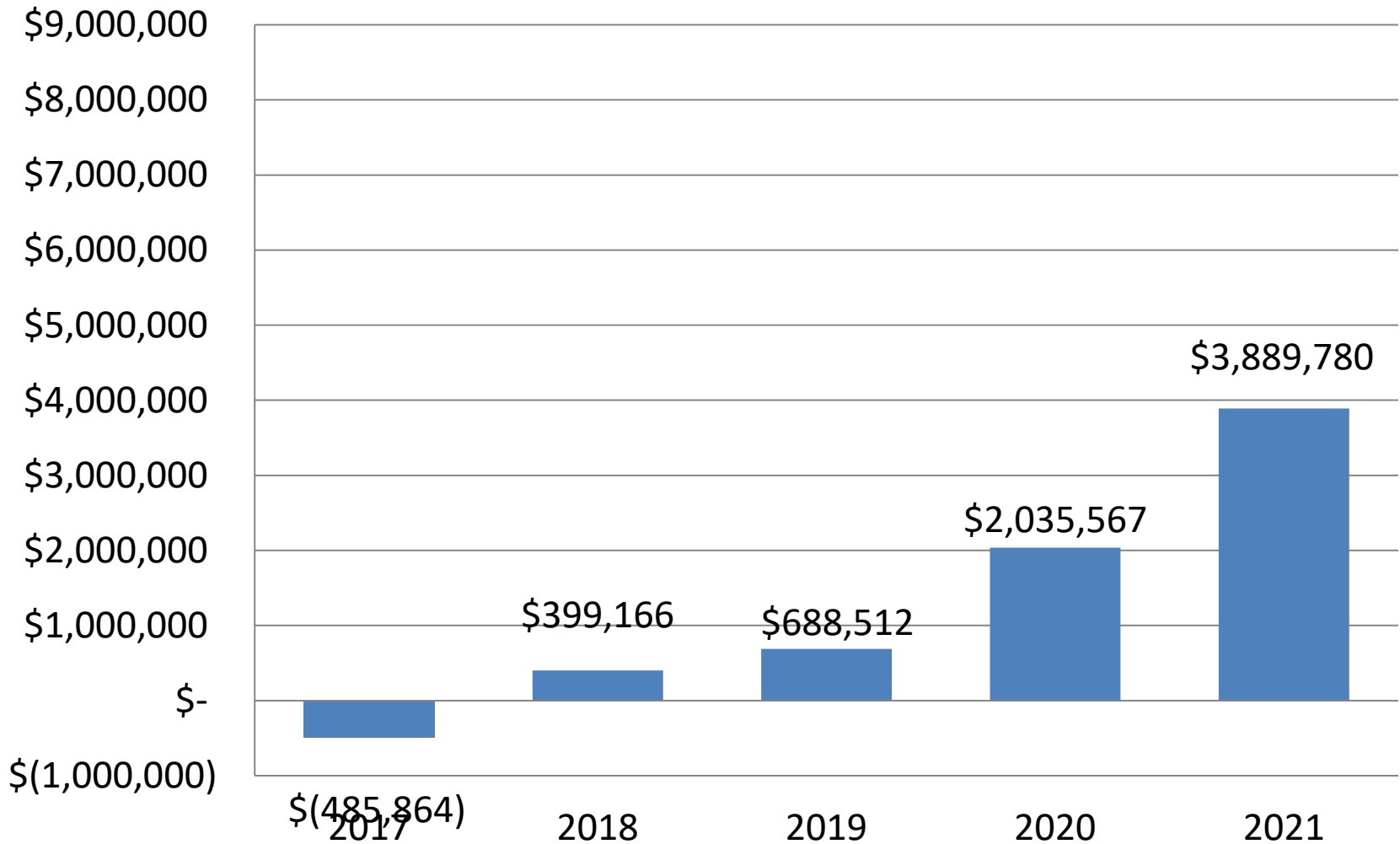
Auditor Responsibility

- 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

General Fund - Unassigned Balance



General Fund – Fund Balances

	<u>June 30, 2020</u>	<u>Change</u>	<u>June 30, 2021</u>
Nonspendable			
Inventory	\$ 55,541	(29,068)	\$ 26,473
Prepayments	358,421	29,068	387,489
Restricted for:			
Student activities	237,460	87,927	325,387
Staff development	21,240	292,275	313,515
Teacher development & evaluation	16,729	-	16,729
Gifted and talented	12,594	(12,594)	-
Safe schools - crime levy	93,644	326,028	419,672
Operating capital	762,334	625,828	1,388,162
Basic skills		222,148	222,148
ALC	143,573	-	143,573
LTFM	827,504	1,166,091	1,993,595
Medical assistance	605,581	(148,299)	457,282
Assigned			
Textbooks	1,060,610	900,000	1,960,610
Equipment	800,000	259,000	1,059,000
Severance - insurance premiums	3,000,000	1,100,000	4,100,000
Instructional equipment	400,000	1,173,359	1,573,359
Special programs	160,000	350,000	510,000
Student activities	887,350	-	887,350
Unassigned	<u>2,035,567</u>	<u>1,854,213</u>	<u>3,889,780</u>
Total	<u><u>\$ 11,478,148</u></u>	<u><u>\$ 8,195,976</u></u>	<u><u>\$ 19,674,124</u></u>

Overview of General Fund Variances from Budget to Actual

Explanation: The following major budget categories had budgets that were not fully spent in FY21 due to timing issues and results of COVID-19 and different learning models in the 20-21 school year.

- Operating Capital \$3.6 million
- General Fund Maintenance & Operations \$2 million
- Transportation \$500,000
- ESSER Unbudgeted \$500,000
- Technology \$600,000

These funds will be spent in future budgets to meet the new project timelines.

General Fund Results of Operation

Results of Operation	Budget	Final	Over (Under) Budget
Revenues	\$ 119,162,884	\$ 118,862,678	\$ (300,206)
Total revenue	119,162,884	118,862,678	
Expenditures	120,575,045	110,787,843	(9,787,202)
Total expenditures	120,575,045	110,787,843	
Excess (deficiency) of revenues over expenditures	(1,412,161)	8,074,835	9,486,996
Other financing sources			
Transfers in	2,672,334	2,672,334	
Transfers out	(2,672,334)	(2,672,334)	
Issuance of debt		5,070,000	5,070,000
Premium on the issuance of debt		16,528	16,528
Payment to refunding escrow agent	-	(4,965,387)	(4,965,387)
Net change in fund balance	\$ (1,412,161)	8,195,976	\$ 9,608,137
Fund balance, June 30, 2020		11,478,148	
Fund balance, June 30, 2021		\$ 19,674,124	

Food Service Fund

Results of Operation and Fund Balances

Results of Operation	Budget	Final	Over (Under) Budget
Revenues	\$ 4,290,000	\$ 2,721,587	\$ (1,568,413)
Expenditures	4,433,337	3,009,046	(1,424,291)
Net change in fund balance	\$ (143,337)	(287,459)	\$ (2,992,704)
Fund balance, June 30, 2020		1,341,506	
Fund balance, June 30, 2021		\$ 1,054,047	
 Fund Balance			
Nonspendable			
Inventory		\$ 108,545	
Prepayments		-	
Restricted		945,502	
Total		\$ 1,054,047	

Community Service Fund

Results of Operation and Fund Balances

Results of Operation	Budget	Final	Over (Under) Budget
Revenues	\$ 8,234,131	\$ 7,406,841	\$ (827,290)
Expenditures	8,621,076	7,152,997	1,468,079
Net change in fund balance	<u>\$ (386,945)</u>	253,844	<u>\$ 640,789</u>
Fund balance, June 30, 2019		1,170,737	
Fund balance, June 30, 2020		<u>\$ 1,424,581</u>	
 Fund Balance			
Nonspendable			
Prepayments		\$ 13,354	
Restricted			
Community education		1,102,827	
Community service		66,303	
Early childhood family education		7,317	
Adult basic education		270,860	
School readiness		(36,080)	
Total		<u>\$ 1,424,581</u>	

Capital Projects Fund

Results of Operation and Fund Balance

Results of Operation	Budget	Final	Over (Under) Budget
Revenues	\$ -	\$ -	\$ -
Expenditures	-	1,631,023	1,631,023
Excess (deficiency) of revenues over expenditures	\$ -	(1,631,023)	\$ 1,631,023
Net change in fund balance	\$ -	(1,631,023)	\$ 1,631,023
 Fund balance, June 30, 2020		9	
 Fund balance, June 30, 2021		\$ (1,631,014)	
 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	\$ 21,798,286	\$ 22,214,203	\$ 415,917
Expenditures	21,506,300	21,828,096	(321,796)
Excess (deficiency) of revenues over expenditures	291,986	386,107	94,121
Other financing sources (uses)			
Issuance of bonds		18,385,000	
Principal refunding payments from escrow			
Payment to refunding escrow agent		(18,056,559)	
Other financing sources (uses)		328,441	
Net change in fund balance	\$ 291,986	714,548	\$ 94,121
Fund balance, June 30, 2020		3,774,203	
Fund balance, June 30, 2021		\$ 4,488,751	
Fund Balances			
Restricted			
Bond refunding		3,994	
Debt service		4,484,757	
Total		\$ 4,488,751	

Outstanding Debt

<u>G.O. Bonds</u>	<u>Balance</u> <u>06/30/20</u>	<u>New</u> <u>Debt</u>	<u>Refunded</u>	<u>Principal</u> <u>Paid</u>	<u>Balance</u> <u>06/30/21</u>
\$44,320,000 G.O. Refunding Bonds, Series 2015B	\$ 36,390,000			\$ 3,880,000	\$ 32,510,000
\$3,640,000 G.O. Taxable Facilities Maintenance Bonds, Series 2017A	1,485,000			730,000	755,000
\$615,000 G.O. Taxable Capital Facilities Bonds, Series 2017B	250,000			125,000	125,000
Total G.O. Bonds	38,125,000			4,735,000	33,390,000
 <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	62,515,000			5,935,000	56,580,000
\$41,715,000 Full Term Refunding Certificates of Participation, Series 2019B	37,500,000			3,575,000	33,925,000
\$2,710,000 Full Term Refunding Certificates of Participation, Series 2019C	2,415,000			255,000	2,160,000
\$1,650,000 Full Term Refunding Certificates of Participation, Series 2010D	910,000			910,000	
\$6,340,000 Certificates of Participation, Series 2012B	4,425,000			4,425,000	
\$18,385,000 Full Term Refunding Certificates of Participation, Series 2021A		18,385,000			18,385,000
\$5,070,000 Refunding Certificates of Participation, Series 2021B		5,070,000			5,070,000
\$24,130,000 Refunding Certificates of Participation, Series 2019A	22,780,000			1,175,000	21,605,000
Total Certificates of Participation	143,345,425	23,455,000		29,075,425	137,725,000
 Total Debt Outstanding	 \$ 181,470,425	 \$ 23,455,000	 \$ -	 \$ 33,810,425	 \$ 171,115,000

Thank you for your time

WIPFLIⁱ LLP

CPAs and Consultants

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