

Independent School District No. 318  
Audit Presentation  
Year Ended June 30, 2019  
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

# Auditor Results

- Unmodified opinion on the basic financial statements
- Internal control over financial reporting
  - Material weakness for material audit adjustments
  - Material weakness for bank reconciliations not being performed timely
- No significant deficiencies or material weaknesses over compliance or internal controls over federal programs
- Minnesota statutes legal compliance findings
  - Insufficient collateral

# General Fund

## Results of Operation

	Final Budget	Actual	Variance Over (Under)
Total Revenues	\$ 52,068,967	\$ 52,810,270	\$ 741,303
Total Expenditures	51,941,048	53,970,413	2,029,365
Deficiency of revenues over expenditures	127,919	(1,160,143)	(1,288,062)
Other financing sources Sale of capital assets	4,000	9,930	5,930
Net change in fund balance	<u>\$ 131,919</u>	(1,150,213)	<u>\$ (1,282,132)</u>
Fund balance, beginning		8,935,138	
Fund balance, ending		<u>\$ 7,784,925</u>	

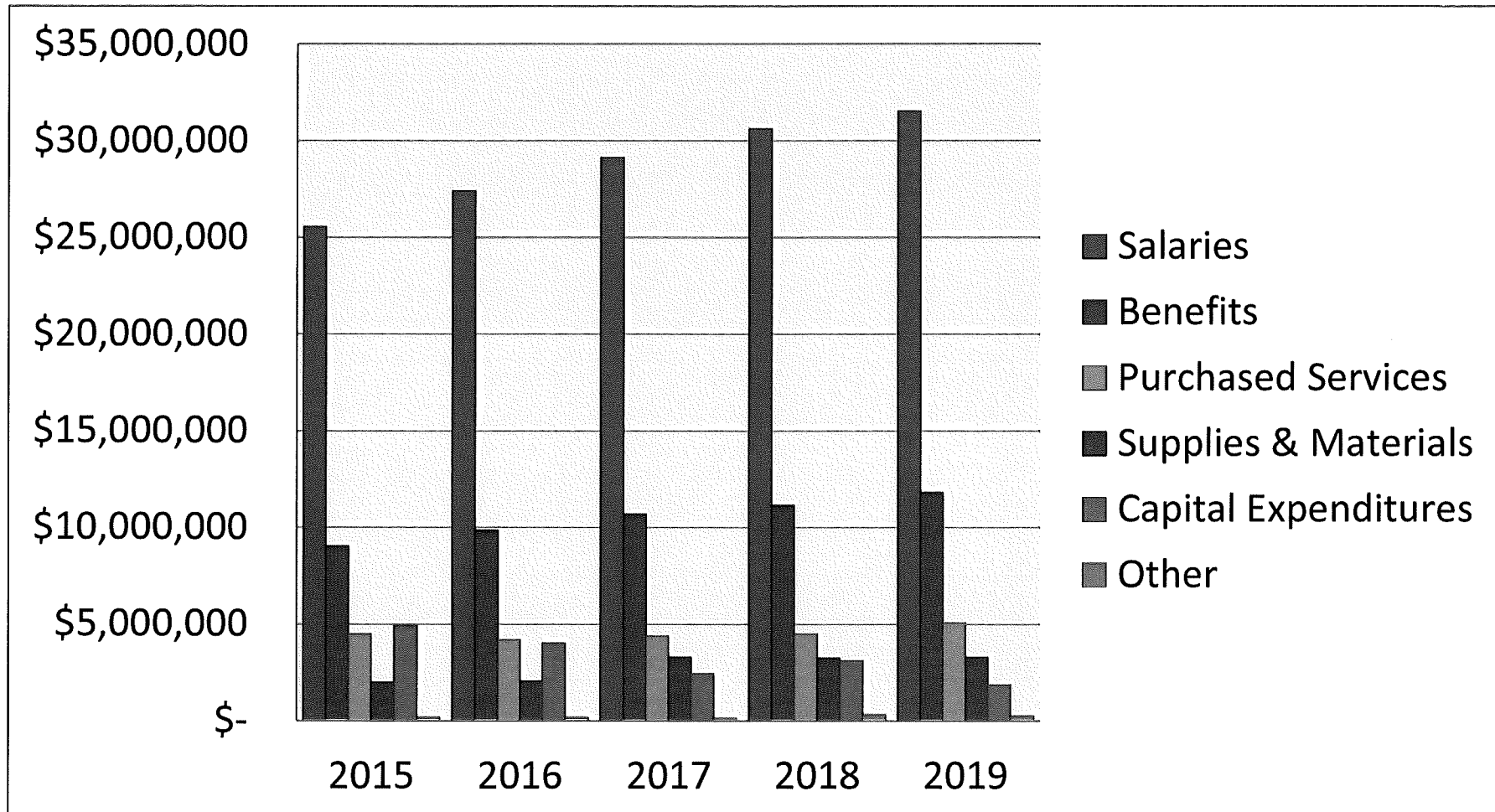
# General Fund

## Fund Balances

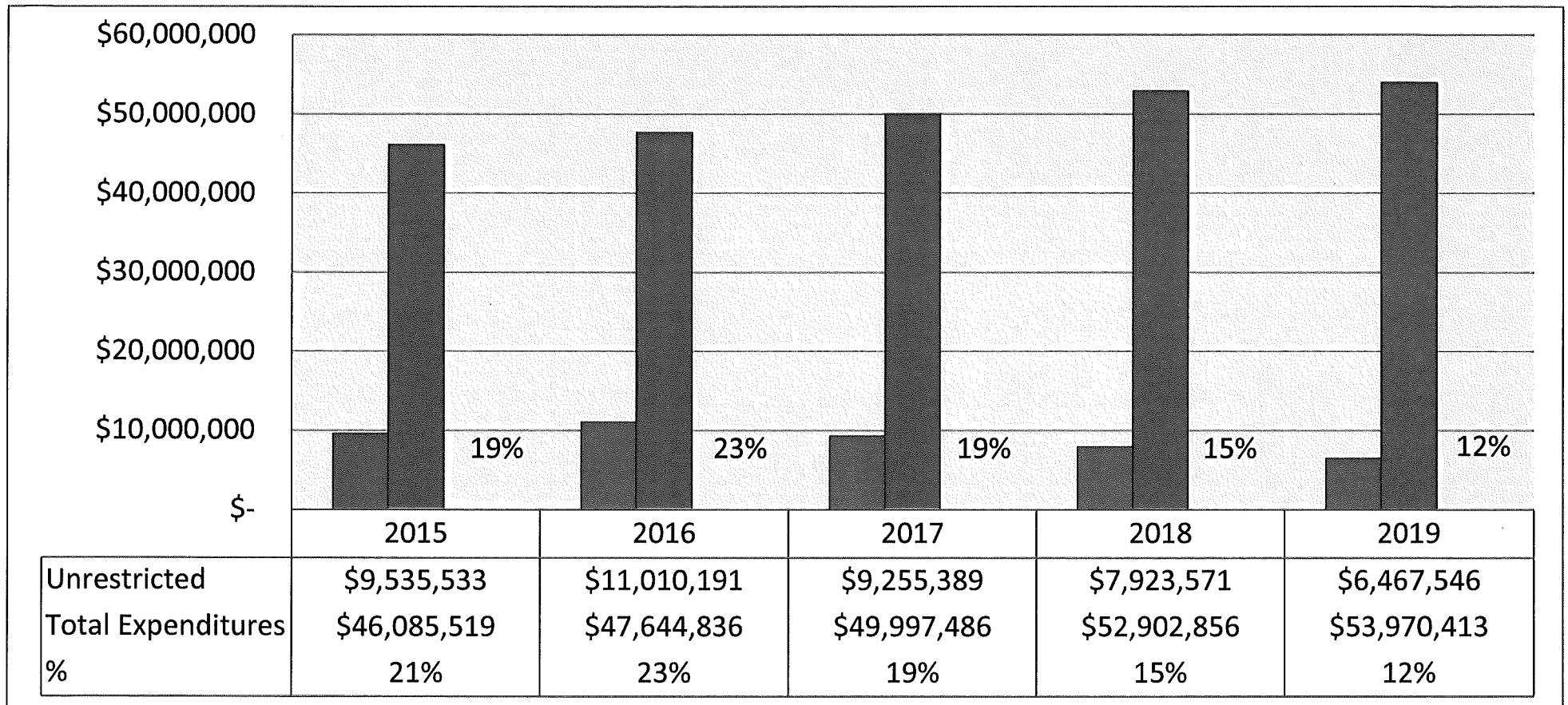
	Fund Balances July 1, 2018	Revenues	Expenditures	Transfers Other Sources (Uses), and Adjustments	Fund Balances July 1, 2019
<b>General Fund</b>					
Nonspendable	\$ 224,525			\$ (1,060)	\$ 223,465
Restricted					
Staff development	1,169	1,336			2,505
Federal PILT					
LTFM	(257,663)	31,712	166,360		(392,311)
Health and safety	194,549	57,330	251,879		
Operating capital	46,930	575,656	492,734		129,852
Area learning center	75,345	1,603,208	1,634,471		44,082
Gifted and talented	39,129	56,920	71,531		24,518
Teacher development & eval	64,991		8,461		56,530
Basic skills program	70,621				70,621
Safe schools	45,699		40,558		5,141
Medical assistance	539,145	221,520			760,665
Assigned	2,243,102			284,571	2,527,673
Unassigned	5,647,596	50,262,588	51,304,419	(273,581)	4,332,184
<b>Total</b>	<b>\$ 8,935,138</b>	<b>\$ 52,810,270</b>	<b>\$ 53,970,413</b>	<b>\$ 9,930</b>	<b>\$ 7,784,925</b>

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# General Fund Expenditures



## General Fund Unrestricted Fund Balance as a % of Expenditures



# Food Service

## Results of Operation and Fund Balance

	Final Budget	Actual	Variance Over (Under)
Total Revenues	\$ 1,867,127	\$ 1,829,760	\$ (37,367)
Total Expenditures	1,866,374	1,831,430	(34,944)
Net change in fund balance	<u>\$ 753</u>	(1,670)	<u>\$ (2,423)</u>
Fund balance, beginning		<u>539,795</u>	
Fund balance, ending		<u>\$ 538,125</u>	
<b>Fund Balance</b>			
Nonspendable - Inventory		\$ 79,977	
Restricted		<u>458,148</u>	
Total fund balance		<u>\$ 538,125</u>	



# Community Service

## Results of Operation and Fund Balance

	Final Budget	Actual	Variance Over (Under)
Total Revenues	\$ 1,379,087	\$ 1,292,414	\$ (86,673)
Total Expenditures	1,183,495	1,340,058	156,563
Net change in fund balance	<u>\$ 195,592</u>	(47,644)	<u>\$ (243,236)</u>
Fund balance, beginning		<u>423,990</u>	
Fund balance, ending		<u>\$ 376,346</u>	
<b>Fund Balances</b>			
Restricted		<u>\$ 376,347</u>	

# Debt Service Fund

## Results of Operation and Fund Balance

	Final Budget	Actual	Variance Over (Under)
Total Revenues	\$ 1,603,224	\$ 16,359	\$ (1,586,865)
Total Expenditures	1,625,621	1,628,421	2,800
Net change in fund balance	<u>\$ (22,397)</u>	(1,612,062)	<u>\$ (1,589,665)</u>
Fund balance, beginning		<u>2,236,937</u>	
Fund balance, ending		<u>\$ 624,875</u>	
<b>Fund Balance</b>			
Restricted		<u>\$ 624,875</u>	

# OPEB Debt Service Fund

## Results of Operation and Fund Balance

	Final Budget	Actual	Variance Over (Under)
Total Revenues	\$ 4,800,529	\$ 4,745,939	\$ (54,590)
Total Expenditures	4,664,990	4,665,190	200
Deficiency of revenues over expenditures	135,539	80,749	(54,790)
Other financing uses Principal paid from escrow			
Net change in fund balance	<u>\$ 135,539</u>	80,749	<u>\$ (54,790)</u>
Fund balance, beginning		658,268	
Fund balance, ending		<u>\$ 739,017</u>	
<b>Fund Balance</b>			
Restricted		<u>\$ 739,017</u>	

# Building Construction Fund

## Results of Operation and Fund Balance

	Final Budget	Actual	Variance Positive (Negative)
Total Revenues	\$ 2,113,200	\$ 2,429,896	\$ 316,696
Total Expenditures	13,750,000	10,781,107	(2,968,893)
Excess (deficiency) of revenues over expenditures	(11,636,800)	(8,351,211)	3,285,589
Other financing sources (uses)			
Issuance of bonds		4,380,000	4,380,000
Premium on issuance		429,275	429,275
Transfer in			
Total other financing sources (uses)		4,809,275	4,809,275
Net change in fund balance	<u>\$(11,636,800)</u>	(3,541,936)	<u>\$ 8,094,864</u>
Fund balance, beginning		68,630,035	
Fund balance, ending		<u>\$ 65,088,099</u>	
<b>Fund Balance</b>			
Restricted		<u>\$ 65,088,099</u>	

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# Long-term Debt

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019
<b>General Obligation Bonds</b>				
Facilities Maintenance, Series 2019A	\$	\$ 4,380,000	\$	\$ 4,380,000
Taxable OPEB Refunding Bonds, Series 2016A	29,710,000		(3,940,000)	25,770,000
School Building Bonds, Series 2018A	65,440,000			65,440,000
<b>Total General Obligation Bonds</b>	<b>95,150,000</b>	<b>4,380,000</b>	<b>(3,940,000)</b>	<b>95,590,000</b>
<b>Other</b>				
Equipment obligation	39,000		(13,000)	26,000
Lease purchase agreement	536,495		(97,608)	438,887
Lease purchase agreement	246,495		(78,307)	168,188
Lease purchase agreement	190,494		(90,206)	100,288
<b>Total Other</b>	<b>1,012,484</b>		<b>(279,121)</b>	<b>733,363</b>
<b>Total</b>	<b>\$ 96,162,484</b>	<b>\$ 4,380,000</b>	<b>\$ (4,219,121)</b>	<b>\$ 96,323,363</b>

# Postemployment Benefits Revocable Trust Fund

## Fiduciary Net Position

	Postemployment Benefits Revocable Trust Fund
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<b>Assets</b>	
Cash and temporary cash Investments	\$ 21,014,944
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<b>Liabilities</b>	
Due to other funds	2,640,922
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<b>Net position</b>	
Restricted for OPEB obligations	18,374,022
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Total liabilities and net position	\$ 21,014,944
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# Health Insurance Fund

## Statement of Changes in Fiduciary Net Position

	Health Insurance Fund
Operating revenues	
Contributions from the District and employees	\$ 10,813,071
Operating expenses	
Health care benefits/claims	11,539,313
Administrative costs	403,480
Total operating expenses	11,942,793
Operating loss	(1,129,722)
Nonoperating income	
Investment income	88,792
Net loss	(1,040,930)
Net position, beginning of year	4,923,704
Net position, end of year	\$ 3,882,774

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