

Independent School District No. 318  
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
- Internal control over financial reporting
  - 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
  - None

# General Fund

## Results of Operation

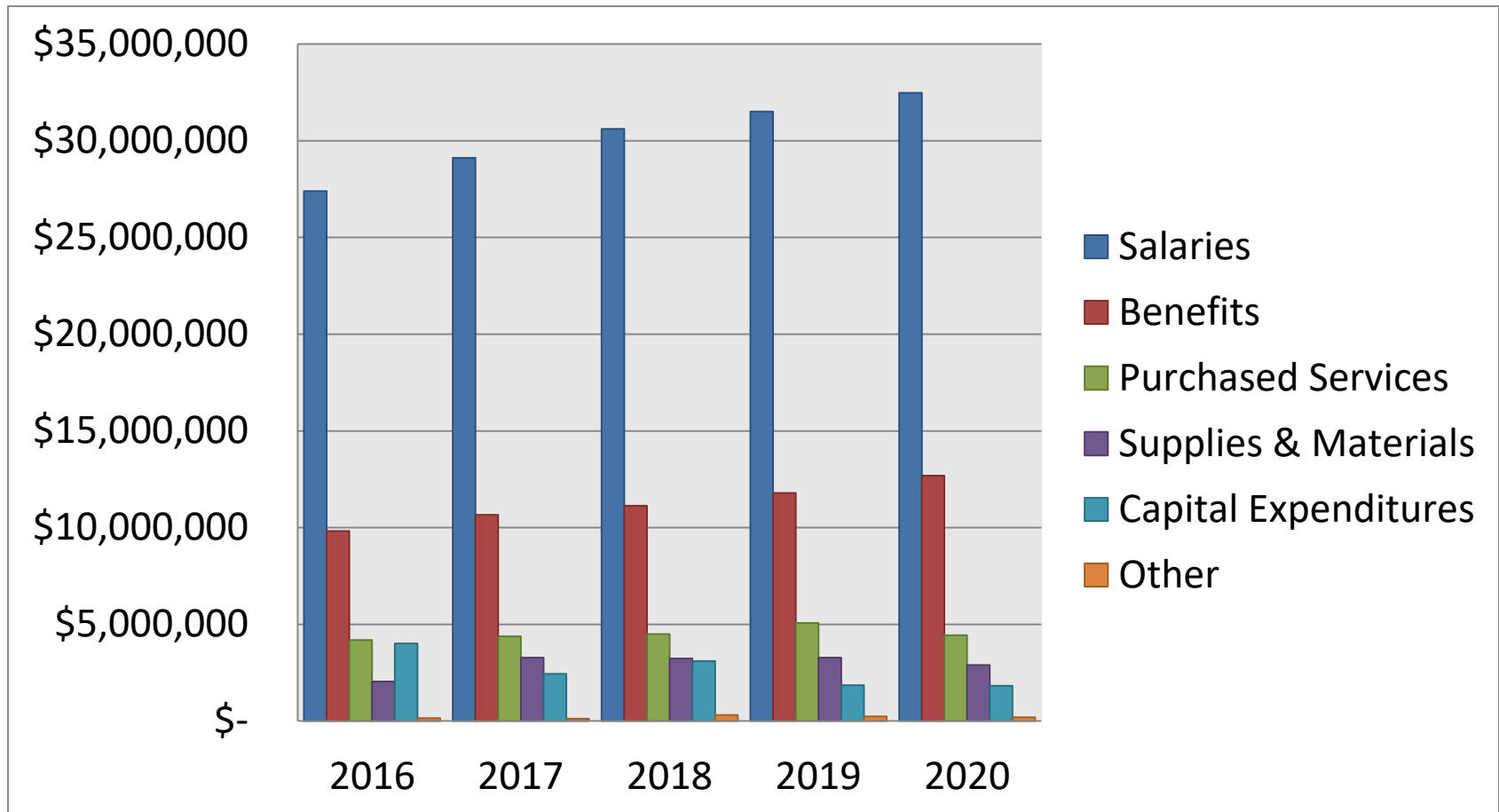
	Final Budget	Actual	Variance Over (Under)
Total Revenues	\$ 53,117,674	\$ 54,390,875	\$ 1,273,201
Total Expenditures	<u>56,119,829</u>	<u>54,915,730</u>	<u>(1,204,099)</u>
Deficiency of revenues over expenditures	<u>(3,002,155)</u>	<u>(524,855)</u>	<u>2,477,300</u>
Other financing sources			
Transfers in		446,709	446,709
Transfers out		(72,984)	(72,984)
Sale of capital assets	<u>9,500</u>	<u>38,957</u>	<u>29,457</u>
Net change in fund balance	<u><u>\$ (2,992,655)</u></u>	(112,173)	<u><u>\$ 2,880,482</u></u>
Fund balance, beginning		<u>7,784,925</u>	
Prior period adjustment		<u>199,081</u>	
Fund balance, ending		<u><u>\$ 7,871,833</u></u>	

# General Fund

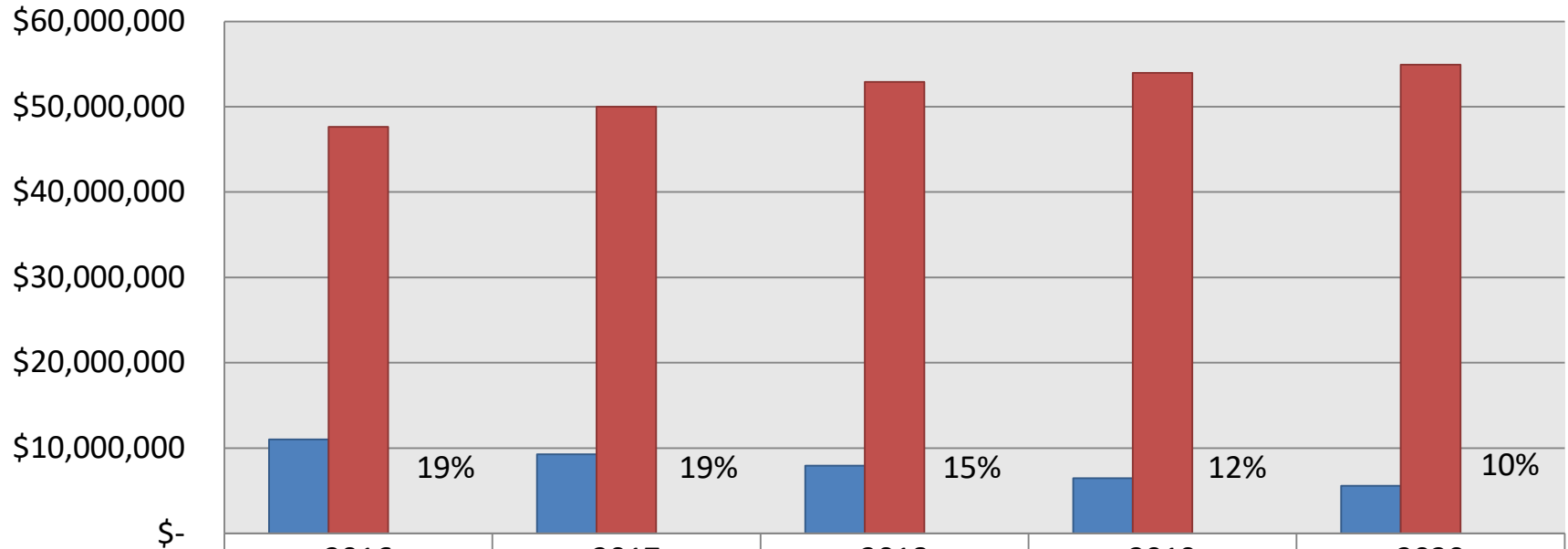
## Fund Balances

	Fund Balances July 1, 2019	Revenues	Expenditures	Transfers Other Sources (Uses), and Adjustments	Fund Balances July 1, 2020
<b>General Fund</b>					
Nondisposable	\$ 223,465			\$ (17,958)	\$ 205,507
Restricted					
Staff development	2,505			(2,505)	
Student activities				168,924	168,924
LTFM	(392,311)	1,793,170	918,023		482,836
Operating capital	129,852	2,174,586	1,960,609		343,829
Area learning center	44,083	886,957	903,295		27,745
Gifted and talented	24,518			(7,970)	16,548
Teacher development & eval	56,530		2,681	(53,849)	
Basic skills program	70,621	2,139,035	2,197,958		11,698
Safe schools	5,141	288,713	278,708		15,146
Medical assistance	760,665	718,546	263,521		1,215,690
Assigned	2,527,673			(740,948)	1,786,725
Unassigned	4,332,183	46,389,868	48,390,935	1,266,069	3,597,185
<b>Total</b>	<u>\$ 7,784,925</u>	<u>\$ 54,390,875</u>	<u>\$ 54,915,730</u>	<u>\$ 611,763</u>	<u>\$ 7,871,833</u>

# General Fund Expenditures



# General Fund Unrestricted Fund Balance as a % of Expenditures



	2016	2017	2018	2019	2020
Unrestricted	\$11,010,191	\$9,255,389	\$7,923,571	\$6,467,546	\$5,589,417
Total Expenditures	\$47,644,836	\$49,997,486	\$52,902,856	\$53,970,413	\$54,915,730
%	23%	19%	15%	12%	10%

# Food Service

## Results of Operation and Fund Balance

	Final Budget	Actual	Variance Over (Under)
Total Revenues	\$ 1,880,036	\$ 1,648,118	\$ (231,918)
Total Expenditures	<u>1,893,007</u>	<u>1,724,292</u>	<u>(168,715)</u>
Other financing sources			
Transfer in	<u>                    </u>	<u>72,984</u>	<u>72,984</u>
Net change in fund balance	<u>\$ (12,971)</u>	(3,190)	<u>\$ (63,203)</u>
Fund balance, beginning		<u>538,125</u>	
Fund balance, ending		<u>\$ 534,935</u>	
<b>Fund Balance</b>			
Nonspendable - Inventory		\$ 107,563	
Restricted		<u>427,372</u>	
Total fund balance		<u>\$ 534,935</u>	



# Community Service

## Results of Operation and Fund Balance

	Final Budget	Actual	Variance Over (Under)
Total Revenues	\$ 1,249,487	\$ 1,336,184	\$ 86,697
Total Expenditures	<u>1,207,342</u>	<u>1,307,121</u>	<u>99,779</u>
Net change in fund balance	<u>\$ 42,145</u>	29,063	<u>\$ (13,082)</u>
Fund balance, beginning		<u>376,346</u>	
Fund balance, ending		<u>\$ 405,409</u>	
<b>Fund Balances</b>			
Restricted			
Community education		\$ 326,873	
Community service		<u>78,536</u>	
Total restricted		<u>\$ 405,409</u>	

# Debt Service Fund

## Results of Operation and Fund Balance

	Final Budget	Actual	Variance Over (Under)
Total Revenues	\$ 3,034,832	\$ 3,028,574	\$ (6,258)
Total Expenditures	<u>3,067,647</u>	<u>3,067,897</u>	<u>250</u>
Net change in fund balance	<u>\$ (32,815)</u>	(39,323)	<u>\$ (6,508)</u>
Fund balance, beginning		<u>624,875</u>	
Fund balance, ending		<u>\$ 585,552</u>	
<b>Fund Balance</b>			
Restricted		<u>\$ 585,552</u>	

# OPEB Debt Service Fund

## Results of Operation and Fund Balance

	Final Budget	Actual	Variance Over (Under)
Total Revenues	\$ 4,826,133	\$ 4,800,756	\$ (25,377)
Total Expenditures	4,666,315	4,665,865	(450)
Deficiency of revenues over expenditures	159,818	134,891	(24,927)
Net change in fund balance	<u>\$ 159,818</u>	134,891	<u>\$ (24,927)</u>
Fund balance, beginning		<u>739,017</u>	
Fund balance, ending		<u>\$ 873,908</u>	
<b>Fund Balance</b>			
Restricted		<u>\$ 873,908</u>	



# Long-term Debt

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020
<b>General Obligation Bonds</b>				
Facilities Maintenance, Series 2019A	\$ 4,380,000		\$ (215,000)	\$ 4,165,000
Taxable OPEB Refunding Bonds, Series 2016A	25,770,000		(4,030,000)	21,740,000
School Building Bonds, Series 2018A	65,440,000			65,440,000
<b>Total General Obligation Bonds</b>	<b>95,590,000</b>		<b>(4,245,000)</b>	<b>91,345,000</b>
<b>Other</b>				
Equipment obligation	26,000		(13,000)	13,000
Lease purchase agreement	438,887		(102,229)	336,658
Lease purchase agreement	168,188		(82,104)	86,084
Lease purchase agreement	100,288		(92,477)	7,811
<b>Total Other</b>	<b>733,363</b>		<b>(289,810)</b>	<b>443,553</b>
<b>Total</b>	<b>\$ 96,323,363</b>	<b>\$</b>	<b>\$ (4,534,810)</b>	<b>\$ 91,788,553</b>

# Postemployment Benefits Revocable Trust Fund

## Statement of Revenue, Expenses, and Changes in Net Position

	Postemployment Benefits Revocable Trust Fund
Operating revenues	
Contributions from the District and employees	\$
Contributions from employees and retirees	279,462
<b>Total operating revenues</b>	<b>279,462</b>
Operating expenses	
Health care benefits/claims	3,261,055
Administrative costs	
<b>Total operating expenses</b>	<b>3,261,055</b>
Operating loss	(2,981,593)
Nonoperating income	
Investment income	1,239,689
Net income loss	(1,741,904)
Net position, beginning of year	18,374,022
<b>Net position, end of year</b>	<b>\$ 16,632,118</b>

# Health Insurance Fund

## Statement of Revenue, Expenses, and Changes in Net Position

	Health Insurance Fund
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Operating revenues	
Contributions from the District and employees	\$ 11,385,090
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Operating expenses	
Health care benefits/claims	11,670,107
Administrative costs	403,480
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Total operating expenses	12,073,587
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Operating loss	(688,497)
Nonoperating income	
Investment income	73,216
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Net loss	(615,281)
Net position, beginning of year	3,882,774
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Net position, end of year	\$ 3,267,493
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**WIPFLI**<sup>i</sup> LLP

CPAs and Consultants

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