

**INDEPENDENT SCHOOL DISTRICT NO. 833  
SOUTH WASHINGTON COUNTY SCHOOLS  
COTTAGE GROVE, MINNESOTA**

**Audit Report  
Year Ended June 30, 2018**





# AUDITOR'S ROLE

- **Opinion on Financial Statements**
  - **District Audit**
  - **Student Activities Audit**
- **Internal Controls and Compliance**
  - **Financial Statement Audits**
  - **Federal "Single Audit"**
  - **State Laws and Regulations**
  - **Manual for Activity Fund Accounting**



# AUDIT RESULTS

## ■ District Audit

- Unmodified Opinion on Basic Financial Statements
- Internal Control and Compliance Reports
  - No material weaknesses or instances of noncompliance reported in the current year.



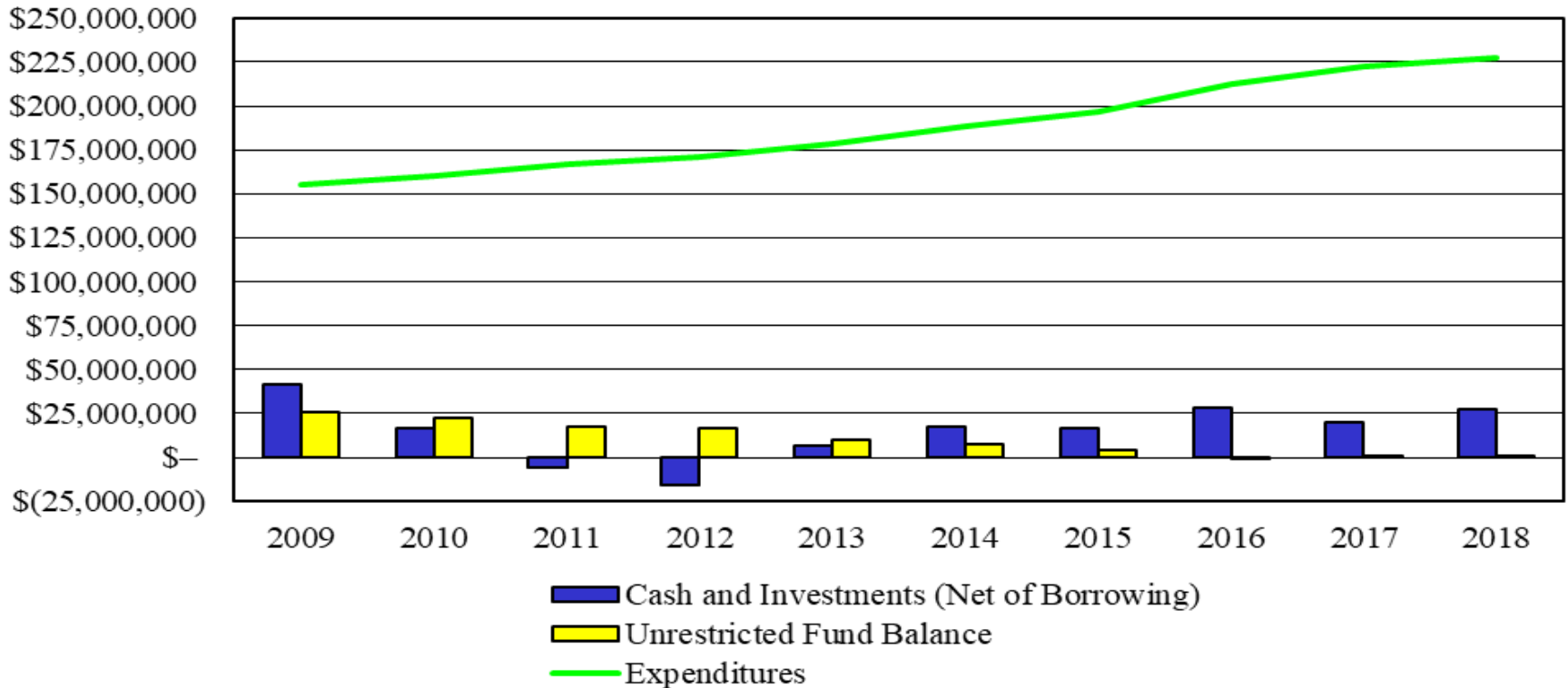
# AUDIT RESULTS

## ■ Student Activity Audit

- Our opinion was qualified for a limitation related to the completeness of cash receipts reported. The reported cash balances and cash receipts and disbursements are fairly presented.
  
- Internal Control and Compliance Reports
  - 2018-001 The District reports student activities on a cash basis and internal controls are not sufficient to assure that all cash receipts have been recorded.

# GENERAL FUND FINANCIAL POSITION

General Fund Financial Position  
 Year Ended June 30,





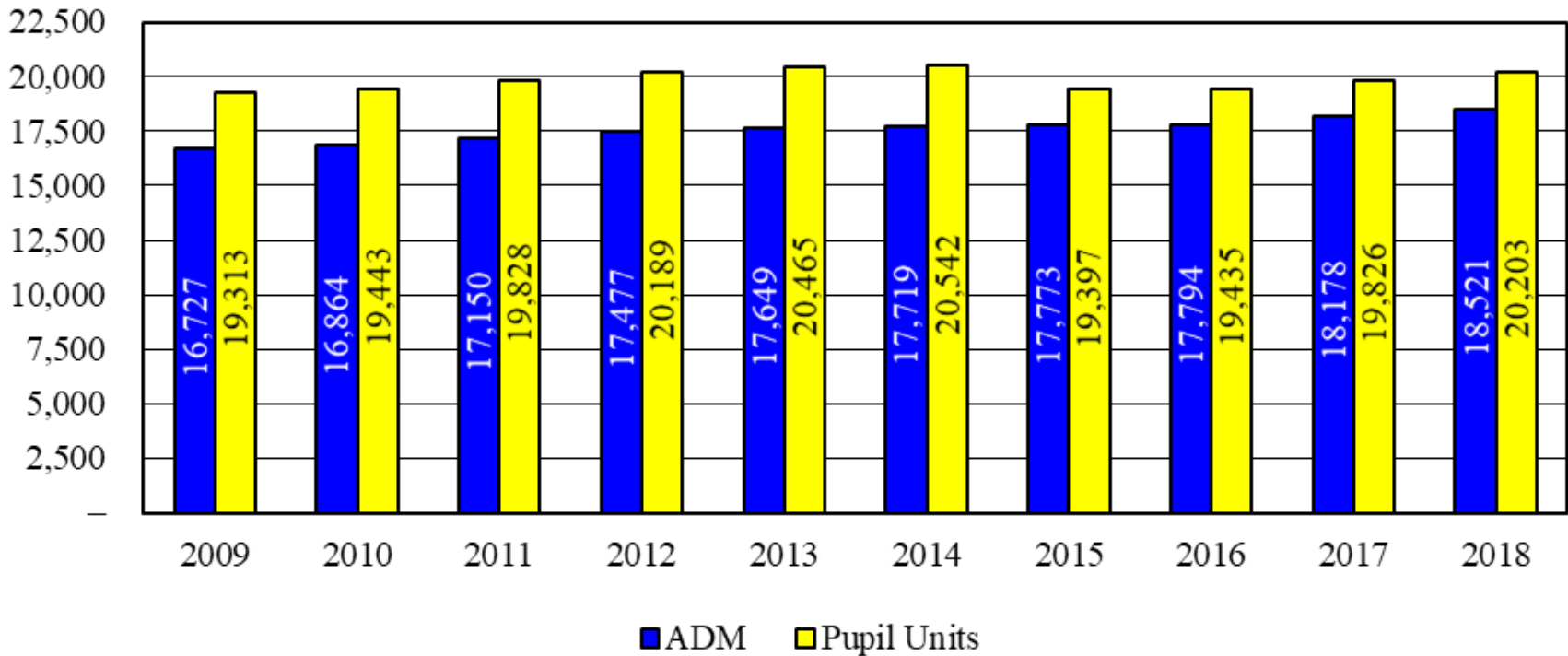
# GENERAL FUND FINANCIAL POSITION

	June 30,				
	2014	2015	2016	2017	2018
Nonspendable fund balances	\$ 1,135,917	\$ 2,949,314	\$ 3,139,510	\$ 3,257,797	\$ 1,396,426
Restricted fund balances (1)	1,155,136	3,250,381	5,232,246	4,102,168	5,721,348
Unrestricted fund balances					
Committed	3,531,073	1,611,060	2,848,063	2,349,140	2,698,868
Assigned	1,068,692	2,506,731	–	–	–
Unassigned	2,594,734	–	(3,916,752)	(2,291,408)	(1,404,393)
 Total fund balance	 <u>\$ 9,485,552</u>	 <u>\$ 10,317,486</u>	 <u>\$ 7,303,067</u>	 <u>\$ 7,417,697</u>	 <u>\$ 8,412,249</u>
 Unrestricted fund balances as a percentage of total expenditures	 <u>3.8%</u>	 <u>2.1%</u>	 <u>(0.5%)</u>	 <u>–</u>	 <u>0.6%</u>
 Unassigned fund balances as a percentage of total expenditures	 <u>1.4%</u>	 <u>–</u>	 <u>(1.8%)</u>	 <u>(1.0%)</u>	 <u>(0.6%)</u>

(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.

# ADJUSTED ADM AND PUPIL UNITS SERVED

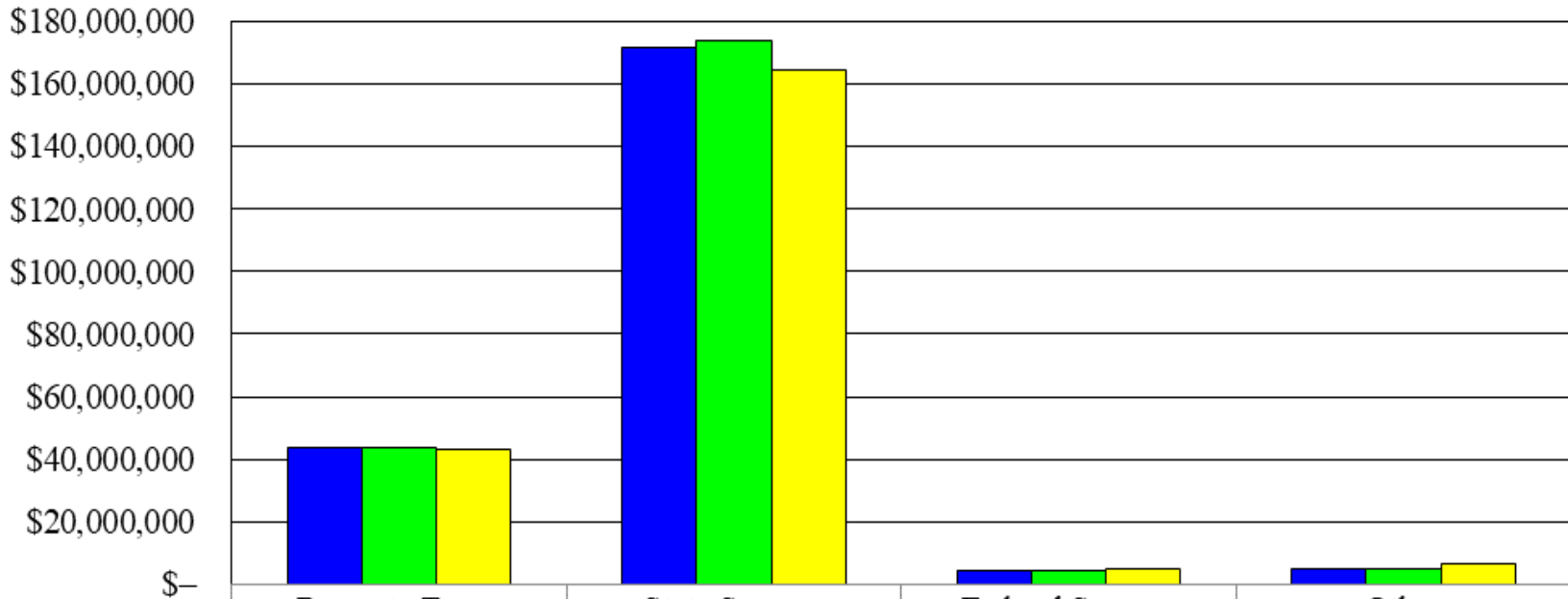
Adjusted ADM and Pupil Units Served



The change in pupil units for 2015 includes the effect of legislative reductions to pupil units.

# GENERAL FUND REVENUE

General Fund Revenue

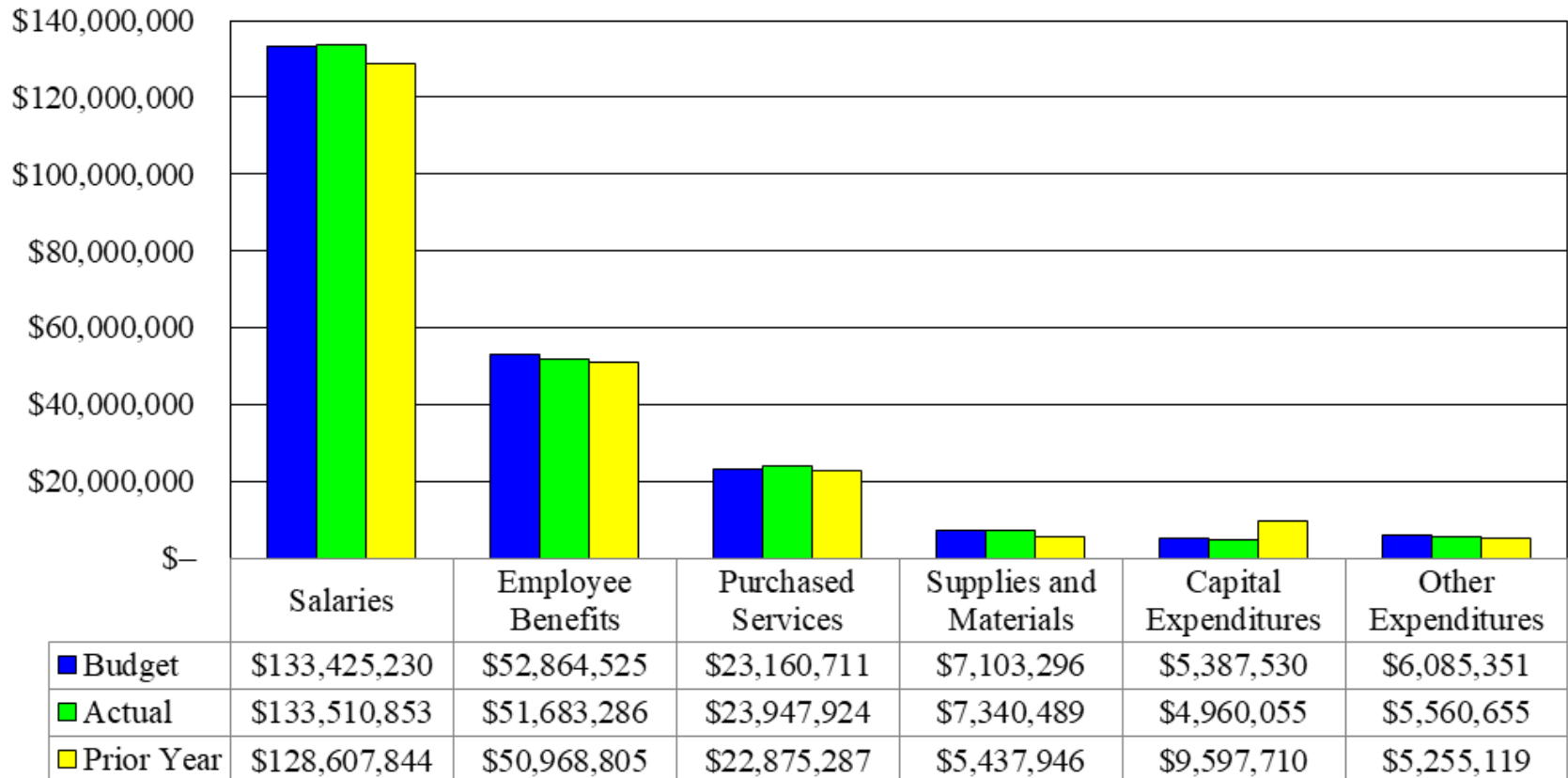


	Property Taxes	State Sources	Federal Sources	Other
■ Budget	\$43,607,355	\$171,393,743	\$4,399,258	\$5,183,589
■ Actual	\$43,551,656	\$173,609,738	\$4,430,240	\$4,876,626
■ Prior Year	\$43,100,551	\$164,509,854	\$4,784,475	\$6,841,491



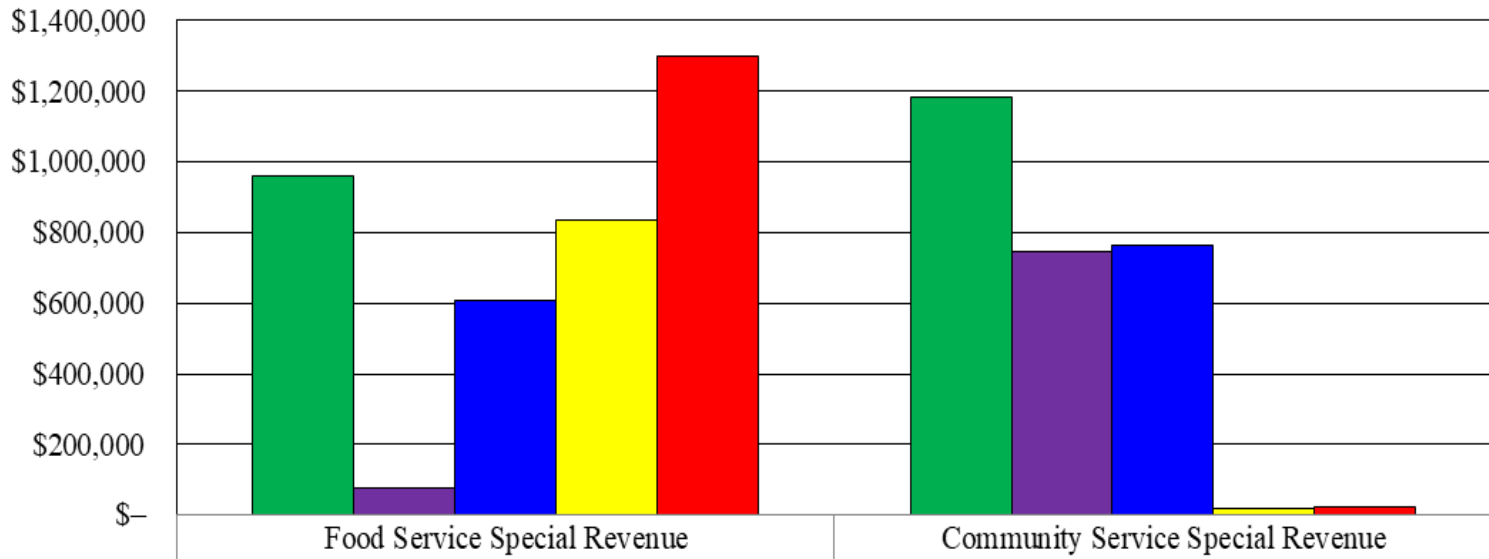
# GENERAL FUND EXPENDITURES

General Fund Expenditures



# OTHER GOVERNMENTAL FUNDS

Other Operating Funds  
 Total Fund Balances



■ 2014	\$959,153	\$1,184,391
■ 2015	\$78,680	\$747,755
■ 2016	\$609,048	\$764,920
■ 2017	\$834,629	\$17,428
■ 2018	\$1,299,704	\$24,626



# INTERNAL SERVICE FUNDS

	June 30,		
	2016	2017	2018
Operating revenue			
Contributions from governmental funds	\$           —	\$           —	\$           —
Operating expenses			
Post-employment severance and health benefits	<u>2,363,511</u>	<u>2,205,681</u>	<u>4,197,334</u>
Operating income (loss)	(2,363,511)	(2,205,681)	(4,197,334)
Nonoperating revenue			
Investment earnings	<u>13,722</u>	<u>64,661</u>	<u>96,669</u>
Change in net position	(2,349,789)	(2,141,020)	(4,100,665)
Net position			
Beginning of year, as previously reported	11,290,827	8,941,038	3,549,169
Change in accounting principle	—	(3,250,849)	3,165,928
Beginning of year, as restated	<u>11,290,827</u>	<u>5,690,189</u>	<u>6,715,097</u>
End of year	<u>\$ 8,941,038</u>	<u>\$ 3,549,169</u>	<u>\$ 2,614,432</u>



# DISTRICT-WIDE STATEMENT OF NET POSITION

	June 30,		Change
	2018	2017	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 74,429,823	\$ 227,817,936	\$ (153,388,113)
Total capital assets, net of depreciation	423,294,044	375,583,643	47,710,401
PERA and TRA pension adjustments	(250,559,802)	(186,476,061)	(64,083,741)
OPEB adjustments	(14,466,546)	–	(14,466,546)
Other long-term debt	(380,447,144)	(497,594,634)	117,147,490
Other adjustments	(2,092,169)	(3,756,505)	1,664,336
Total net position – governmental activities	<u>\$ (149,841,794)</u>	<u>\$ (84,425,621)</u>	<u>\$ (65,416,173)</u>
Net position			
Net investment in capital assets	\$ 105,081,336	\$ 97,078,662	\$ 8,002,674
Restricted	10,386,276	8,559,909	1,826,367
Unrestricted	<u>(265,309,406)</u>	<u>(190,064,192)</u>	<u>(75,245,214)</u>
Total net position	<u>\$ (149,841,794)</u>	<u>\$ (84,425,621)</u>	<u>\$ (65,416,173)</u>