

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

**Audit Report  
Year Ended June 30, 2019**





# 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**
    - **2019-001 Internal Control Over Compliance With Federal Allowable Costs Requirements**



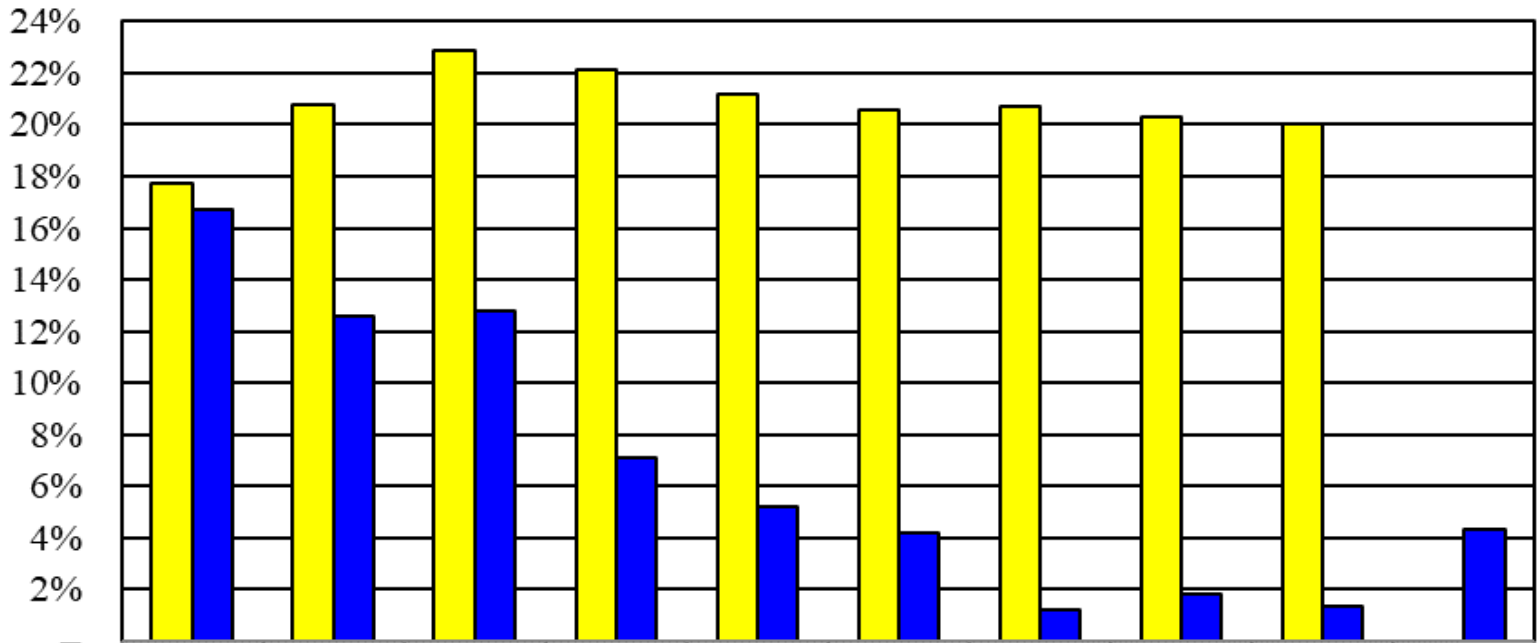
# AUDIT RESULTS

## ■ 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
  - 2019-001 The District reports student activities on a cash basis and internal controls are not sufficient to assure that all cash receipts have been recorded.
  - 2019-002 Activity purpose forms were not available for certain groups as required by the MAFA.
  - Emphasis of a matter paragraph.

# STATE-WIDE FUND BALANCES

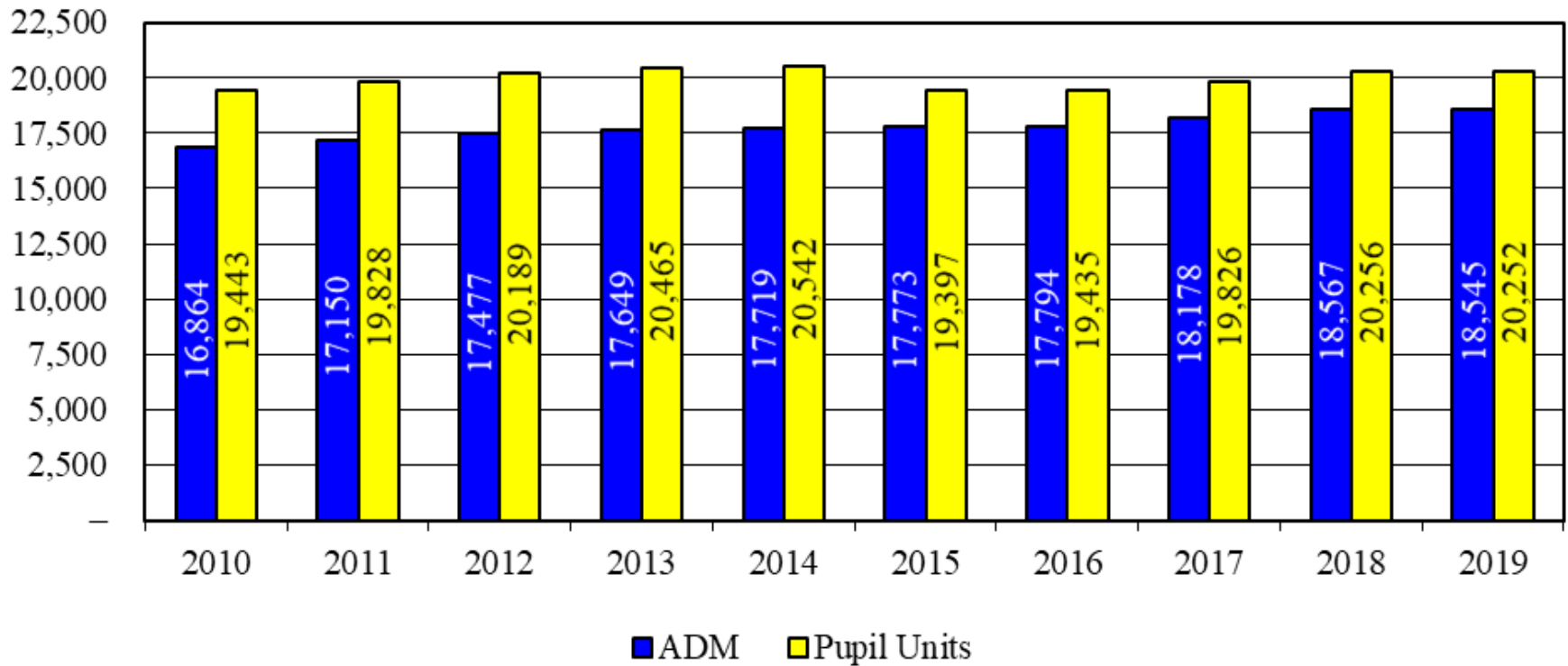
State-Wide Unrestricted Operating Fund Balance  
 as a Percentage of Operating Expenditures



■ State-Wide	17.7%	20.8%	22.9%	22.1%	21.2%	20.6%	20.7%	20.3%	20.0%	
■ ISD No. 833	16.7%	12.6%	12.8%	7.1%	5.2%	4.2%	1.2%	1.8%	1.4%	4.4%

# ADJUSTED ADM AND PUPIL UNITS SERVED

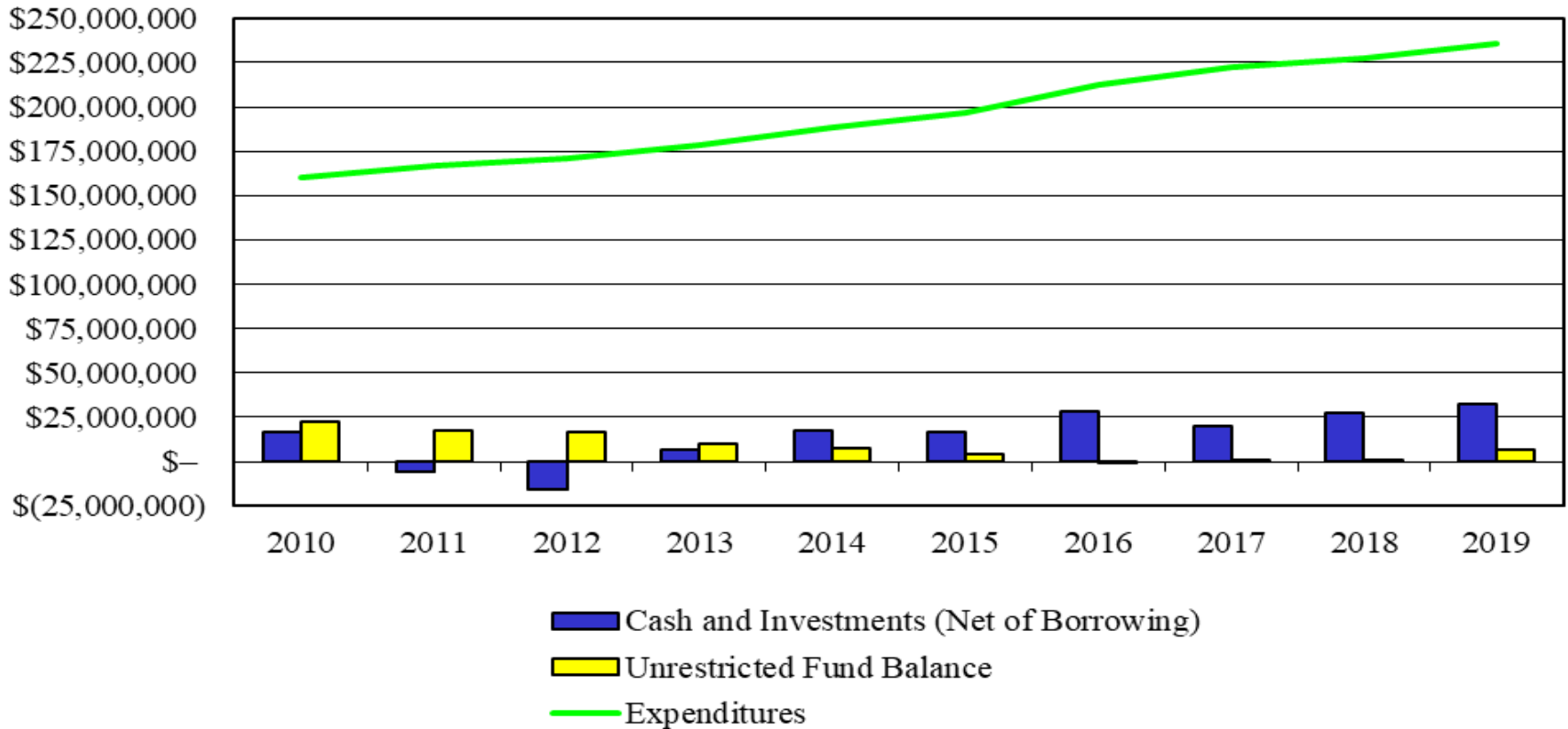
Adjusted ADM and Pupil Units Served



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

# GENERAL FUND FINANCIAL POSITION

General Fund Financial Position  
 Year Ended June 30,





# GENERAL FUND FINANCIAL POSITION

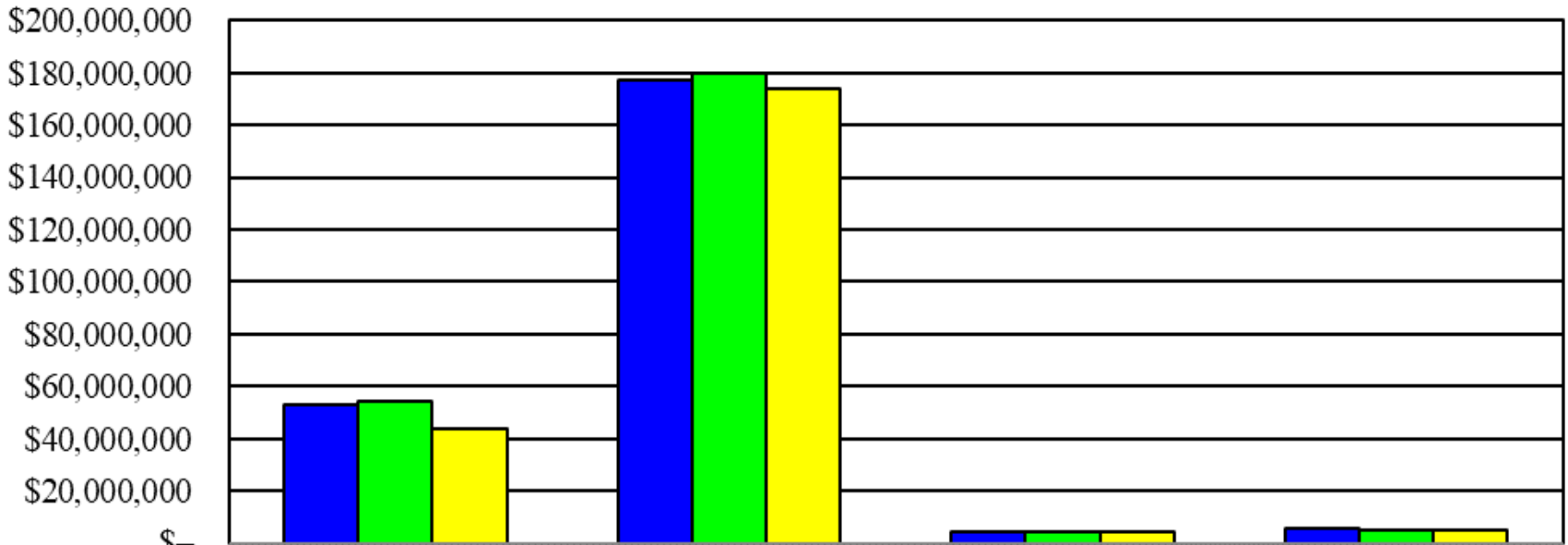
	June 30,				
	2015	2016	2017	2018	2019
Nonspendable fund balances	\$ 2,949,314	\$ 3,139,510	\$ 3,257,797	\$ 1,396,426	\$ 1,952,300
Restricted fund balances (1)	3,250,381	5,232,246	4,102,168	5,721,348	7,209,146
Unrestricted fund balances					
Committed	1,611,060	2,848,063	2,349,140	2,698,868	2,384,590
Assigned	2,506,731	–	–	–	1,147,687
Unassigned	–	(3,916,752)	(2,291,408)	(1,404,393)	3,274,893
 Total fund balance	 <u>\$ 10,317,486</u>	 <u>\$ 7,303,067</u>	 <u>\$ 7,417,697</u>	 <u>\$ 8,412,249</u>	 <u>\$ 15,968,616</u>
 Unrestricted fund balances as a percentage of total expenditures	 <u>2.1%</u>	 <u>(0.5%)</u>	 <u>–</u>	 <u>0.6%</u>	 <u>2.9%</u>
 Unassigned fund balances as a percentage of total expenditures	 <u>–</u>	 <u>(1.8%)</u>	 <u>(1.0%)</u>	 <u>(0.6%)</u>	 <u>1.4%</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.



# GENERAL FUND REVENUE

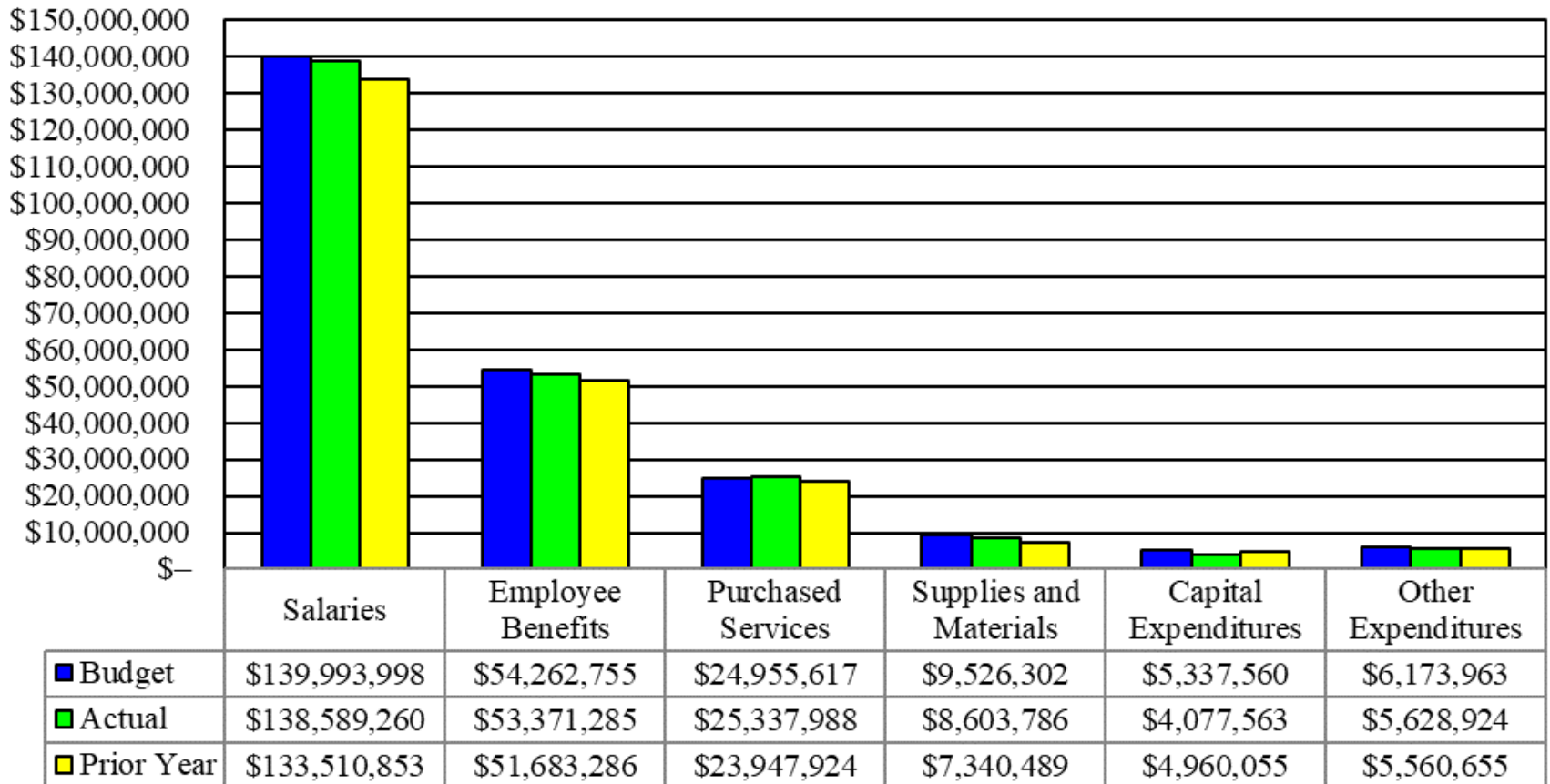
General Fund Revenue



	Property Taxes	State Sources	Federal Sources	Other
■ Budget	\$52,995,783	\$177,154,019	\$4,329,990	\$5,506,918
■ Actual	\$54,091,396	\$179,509,804	\$4,198,284	\$5,306,710
■ Prior Year	\$43,551,656	\$173,609,738	\$4,430,240	\$4,876,626

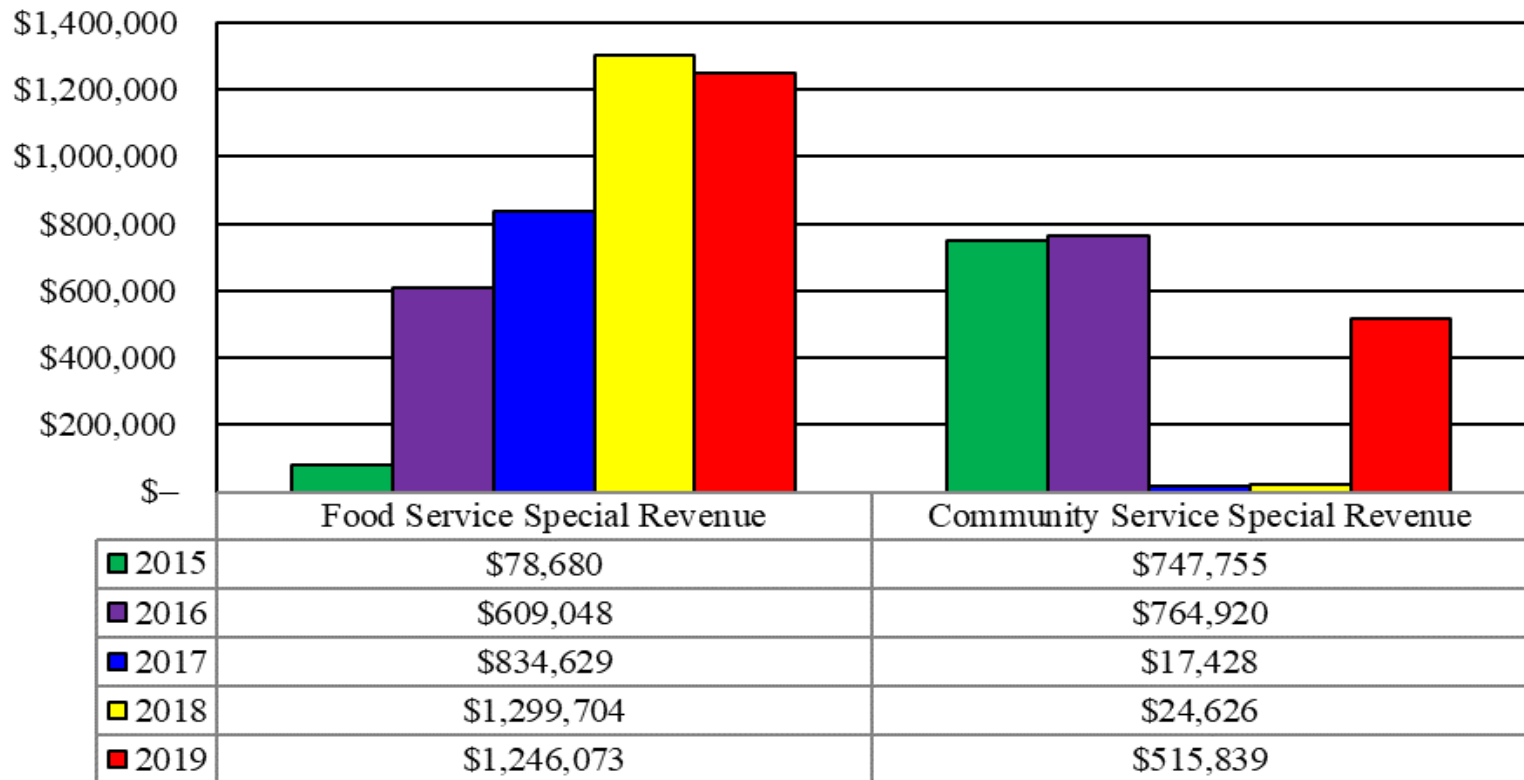
# GENERAL FUND EXPENDITURES

General Fund Expenditures



# OTHER GOVERNMENTAL FUNDS

Other Operating Funds  
 Total Fund Balances





# INTERNAL SERVICE FUNDS

	June 30,		
	2017	2018	2019
Operating revenue			
Contributions from governmental funds	\$           —	\$           —	\$           —
Operating expenses			
Post-employment severance, pension, and health benefits	<u>2,205,681</u>	<u>4,197,334</u>	<u>1,531,533</u>
Operating income (loss)	(2,205,681)	(4,197,334)	(1,531,533)
Nonoperating revenue			
Investment earnings	<u>64,661</u>	<u>96,669</u>	<u>103,628</u>
Change in net position	(2,141,020)	(4,100,665)	(1,427,905)
Net position			
Beginning of year, as previously reported	8,941,038	3,549,169	2,614,432
Change in accounting principle	<u>(3,250,849)</u>	<u>3,165,928</u>	—
Beginning of year, as restated	<u>5,690,189</u>	<u>6,715,097</u>	<u>2,614,432</u>
End of year	<u>\$ 3,549,169</u>	<u>\$ 2,614,432</u>	<u>\$ 1,186,527</u>



# DISTRICT-WIDE STATEMENT OF NET POSITION

	June 30,		Change
	2019	2018	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 42,110,841	\$ 74,429,823	\$ (32,318,982)
Total capital assets, net of depreciation	450,356,693	423,294,044	27,062,649
PERA and TRA pension adjustments	(197,466,809)	(250,559,802)	53,092,993
OPEB adjustments	(15,317,155)	(14,466,546)	(850,609)
Other long-term debt	(355,579,270)	(380,447,144)	24,867,874
Other adjustments	(3,723,746)	(2,092,169)	(1,631,577)
Total net position – governmental activities	<u>\$ (79,619,446)</u>	<u>\$ (149,841,794)</u>	<u>\$ 70,222,348</u>
Net position			
Net investment in capital assets	\$ 116,655,557	\$ 105,081,336	\$ 11,574,221
Restricted	10,961,643	10,386,276	575,367
Unrestricted	<u>(207,236,646)</u>	<u>(265,309,406)</u>	<u>58,072,760</u>
Total net position	<u>\$ (79,619,446)</u>	<u>\$ (149,841,794)</u>	<u>\$ 70,222,348</u>