



Independent School District No. 885  
Audit Report  
Year Ended June 30, 2021  
Malloy Montague, Karnowski,  
Radosevich, & Co., P.A.





# Auditor's Role

- **Opinion on Basic Financial Statements**
- **Single Audit of Federal Awards**
- **Test Internal Controls and Compliance**
  - **Financial Statement Audit**
  - **Federal “Single Audit”**
  - **State Laws and Regulations**



# Audit Results – District Audit

- **Unmodified “Clean” Opinion on Basic Financial Statements**
- **Internal Control Over Financial Reporting**
  - *No Findings for Fiscal 2021*
- **Compliance – Financial Reporting**
  - *No Findings for Fiscal 2021*
- **Minnesota Legal Compliance**
  - *Payment of Claims – 1 of 25 Not paid within statutory time limit*
  - *Advertising for Quotes – For one contract tested, the District did not publish notice soliciting quotes 30 days prior to awarding contract*



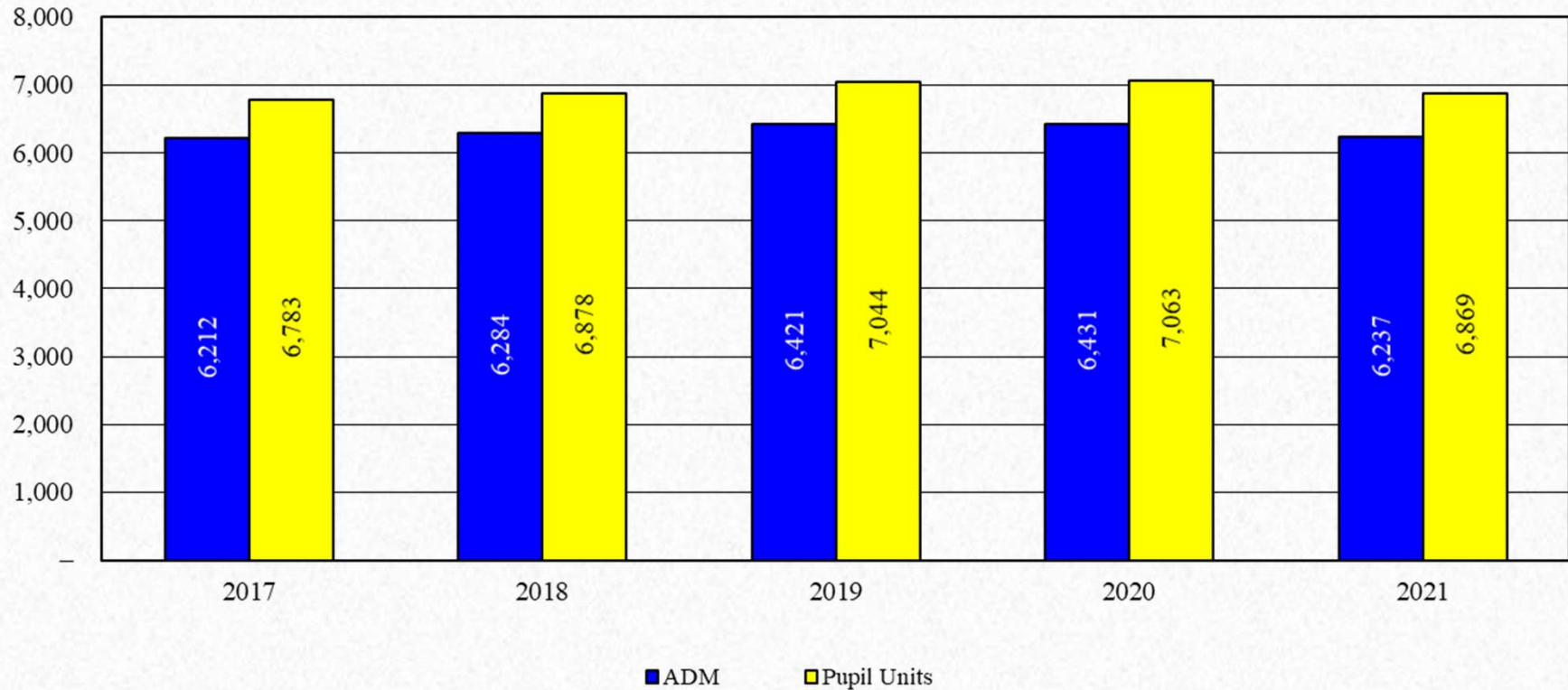
# Audit Results – Federal Single Audit

- **Clean Opinion on Schedule of Federal Awards**
  - *Major Programs Tested: Child Nutrition Cluster and Coronavirus Relief Fund*
  
- **Internal Control Over Federal Compliance**
  - *Controls over Suspension and Debarment for Child Nutrition Cluster*
  - *3 of 4 Vendors – Lacked documentation that “vendor checks” had been performed to ensure vendors were eligible*
  
- **Compliance with Federal Program Requirements**
  - *No transactions noted with suspended or debarred parties*

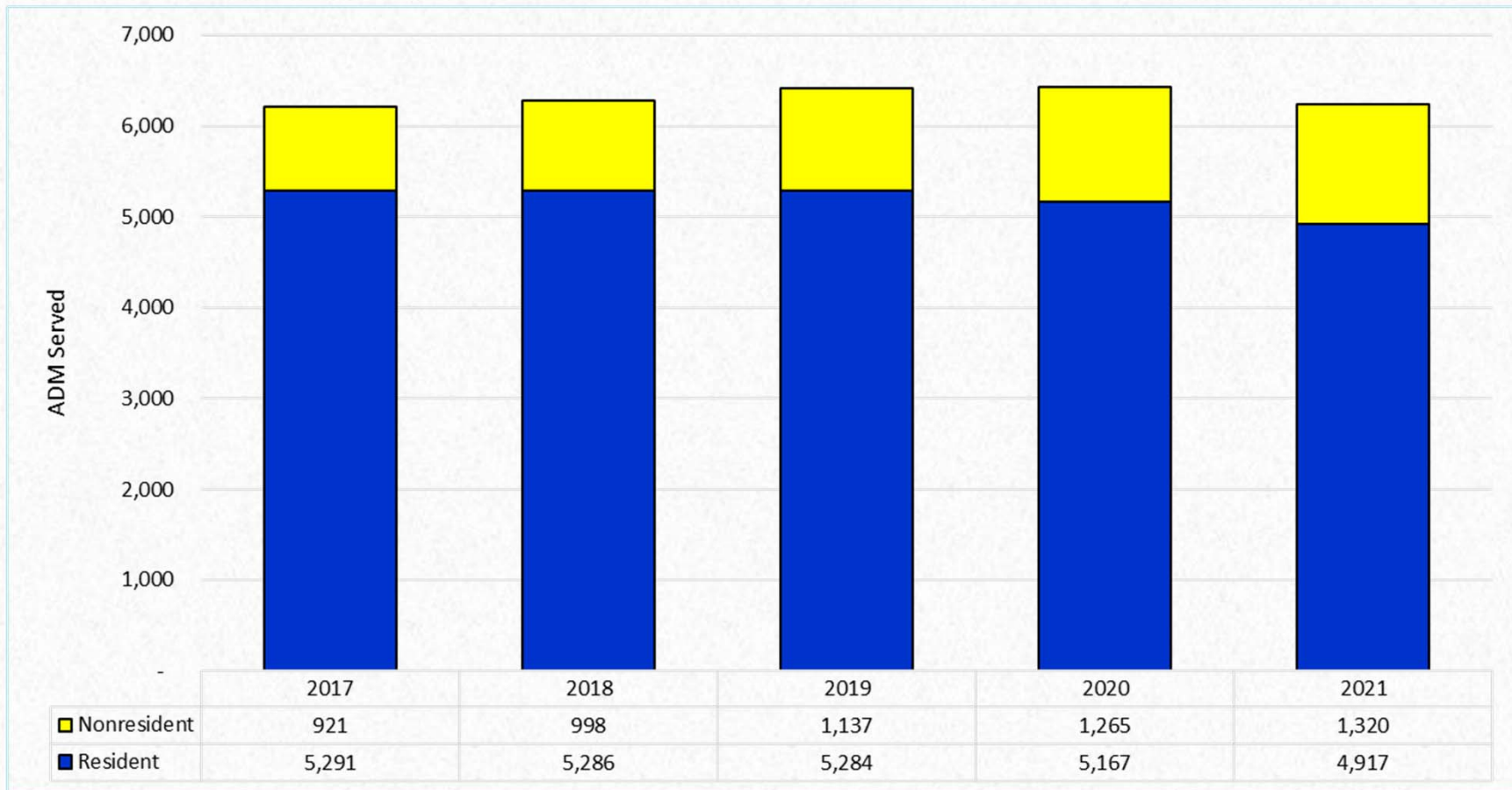


# ADM and Pupil Units Served

Adjusted ADM and Pupil Units Served



# ADM Served Resident and Nonresident





# Governmental Funds Revenue per ADM

	State-Wide		Metro Area		ISD No. 885 – STMA		
	2019	2020	2019	2020	2019	2020	2021
<b>General Fund</b>							
Property taxes	\$ 2,140	\$ 2,345	\$ 2,796	\$ 3,100	\$ 738	\$ 824	\$ 875
Other local sources	556	538	454	417	515	457	284
State	9,883	10,144	9,885	10,127	8,875	9,071	9,506
Federal	475	480	499	499	78	72	491
<b>Total General Fund</b>	<b>13,054</b>	<b>13,507</b>	<b>13,634</b>	<b>14,143</b>	<b>10,206</b>	<b>10,424</b>	<b>11,156</b>
<b>Special revenue funds</b>							
Food Service	559	554	556	539	514	450	468
Community Service	676	632	797	732	806	681	606
Debt Service Fund	1,229	1,322	1,287	1,385	2,250	2,333	2,524
<b>Total revenue</b>	<b>\$ 15,518</b>	<b>\$ 16,015</b>	<b>\$ 16,274</b>	<b>\$ 16,799</b>	<b>\$ 13,776</b>	<b>\$ 13,888</b>	<b>\$ 14,754</b>
ADM served per MDE School District Profiles Report (current year estimated)					<u>6,455</u>	<u>6,451</u>	<u>6,248</u>



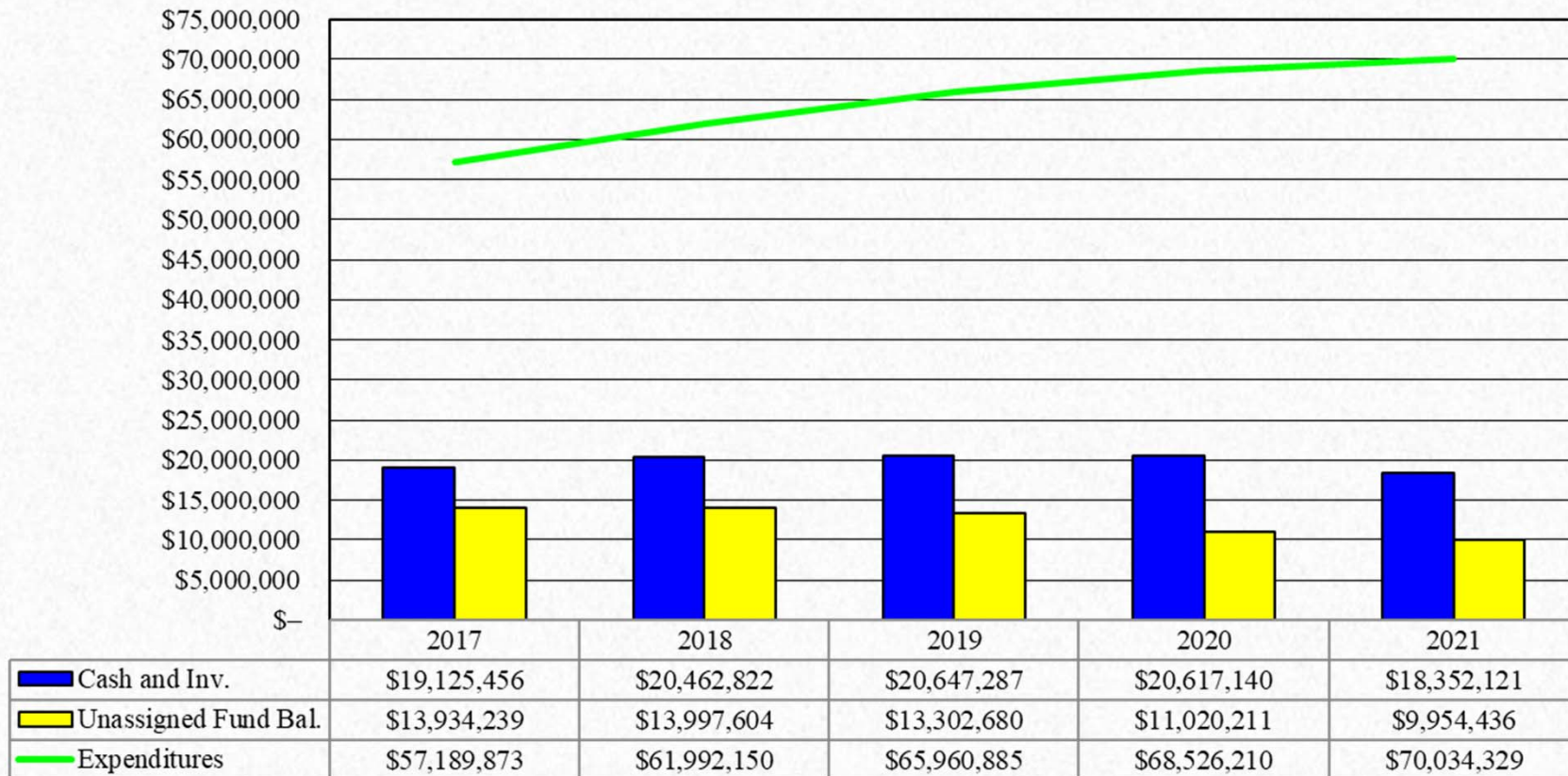
# Governmental Funds Expenditures per ADM

	State-Wide		Metro Area		ISD No. 885 – STMA		
	2019	2020	2019	2020	2019	2020	2021
<b>General Fund</b>							
Administration and district support	\$ 1,065	\$ 1,093	\$ 1,078	\$ 1,100	\$ 509	\$ 541	\$ 607
Elementary and secondary regular instruction	5,787	5,881	6,112	6,231	5,131	5,262	5,609
Career and technical instruction	180	186	165	171	131	191	267
Special education instruction	2,380	2,481	2,505	2,626	1,304	1,421	1,542
Instructional support services	669	683	751	787	930	948	1,159
Pupil support services	1,178	1,203	1,282	1,316	736	751	752
Sites, buildings, and other	960	952	907	910	1,156	1,152	1,079
<b>Total General Fund – noncapital</b>	<b>12,219</b>	<b>12,479</b>	<b>12,800</b>	<b>13,141</b>	<b>9,897</b>	<b>10,266</b>	<b>11,015</b>
General Fund capital expenditures	721	748	675	717	319	357	194
<b>Total General Fund</b>	<b>12,940</b>	<b>13,227</b>	<b>13,475</b>	<b>13,858</b>	<b>10,216</b>	<b>10,623</b>	<b>11,209</b>
<b>Special revenue funds</b>							
Food Service	561	556	556	548	560	478	433
Community Service	675	661	799	774	800	788	704
Debt Service Fund	1,313	1,360	1,308	1,379	2,300	2,363	2,506
<b>Total expenditures</b>	<b>\$ 15,489</b>	<b>\$ 15,804</b>	<b>\$ 16,138</b>	<b>\$ 16,559</b>	<b>\$ 13,876</b>	<b>\$ 14,252</b>	<b>\$ 14,852</b>
ADM served per MDE School District Profiles Report (current year estimated)					6,455	6,451	6,248



# General Fund Financial Position

General Fund Financial Position  
Year Ended June 30,





# General Fund Financial Position

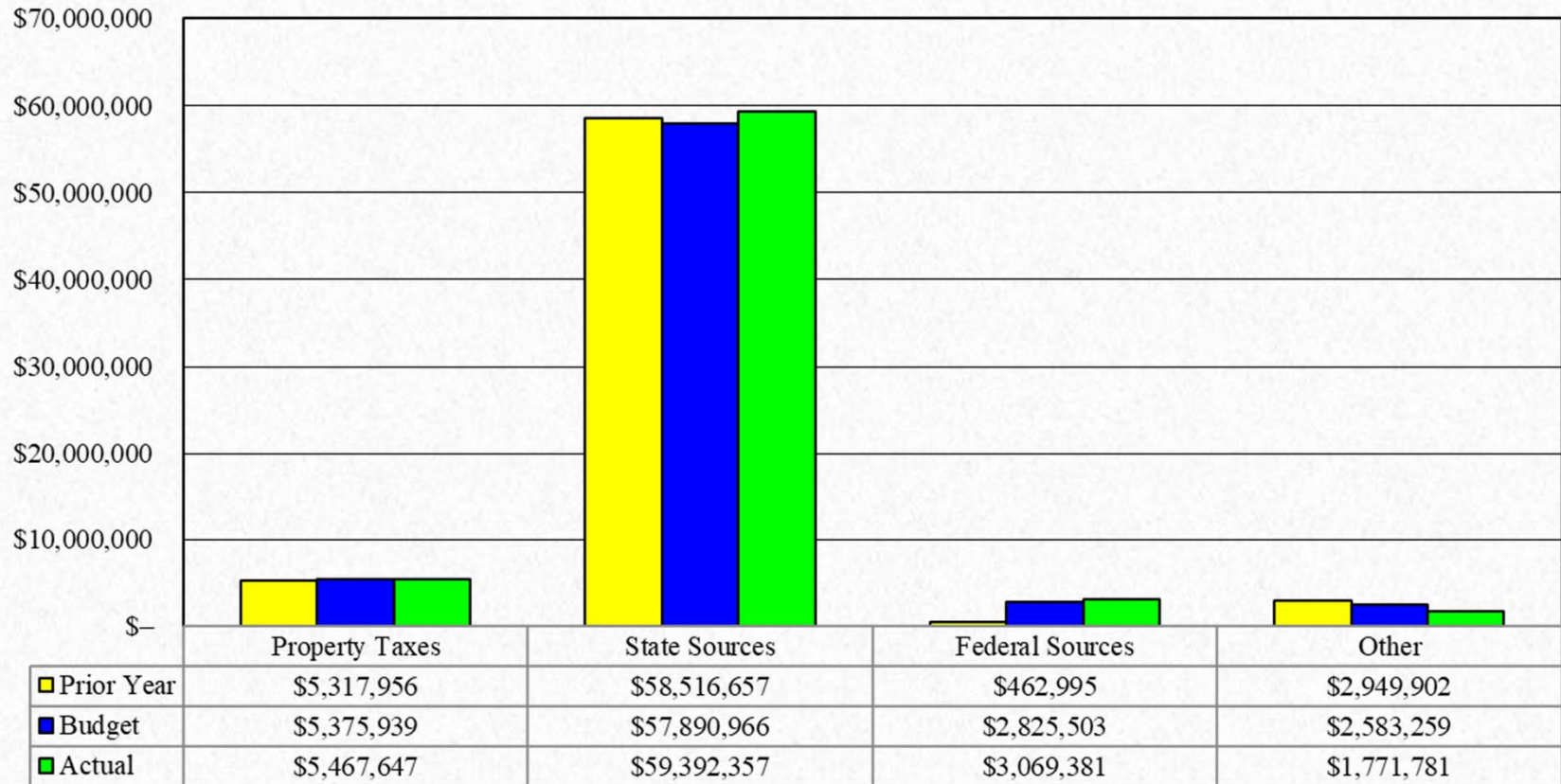
	June 30,		
	<u>2019</u>	<u>2020</u>	<u>2021</u>
Nonspendable fund balances	\$ 89,141	\$ 104,732	\$ 101,264
Restricted fund balances	2,212,770	2,422,024	3,208,716
Unrestricted fund balances			
Committed	49,375	—	—
Assigned	1,288,183	2,169,811	2,119,199
Unassigned	13,302,680	11,020,211	9,954,436
	<u>\$ 16,942,149</u>	<u>\$ 15,716,778</u>	<u>\$ 15,383,615</u>
Unrestricted fund balances as a percentage of expenditures	<u>22.2%</u>	<u>19.2%</u>	<u>17.2%</u>
Unassigned fund balances as a percentage of expenditures	<u>20.2%</u>	<u>16.1%</u>	<u>14.2%</u>

—



# General Fund Revenue by Source

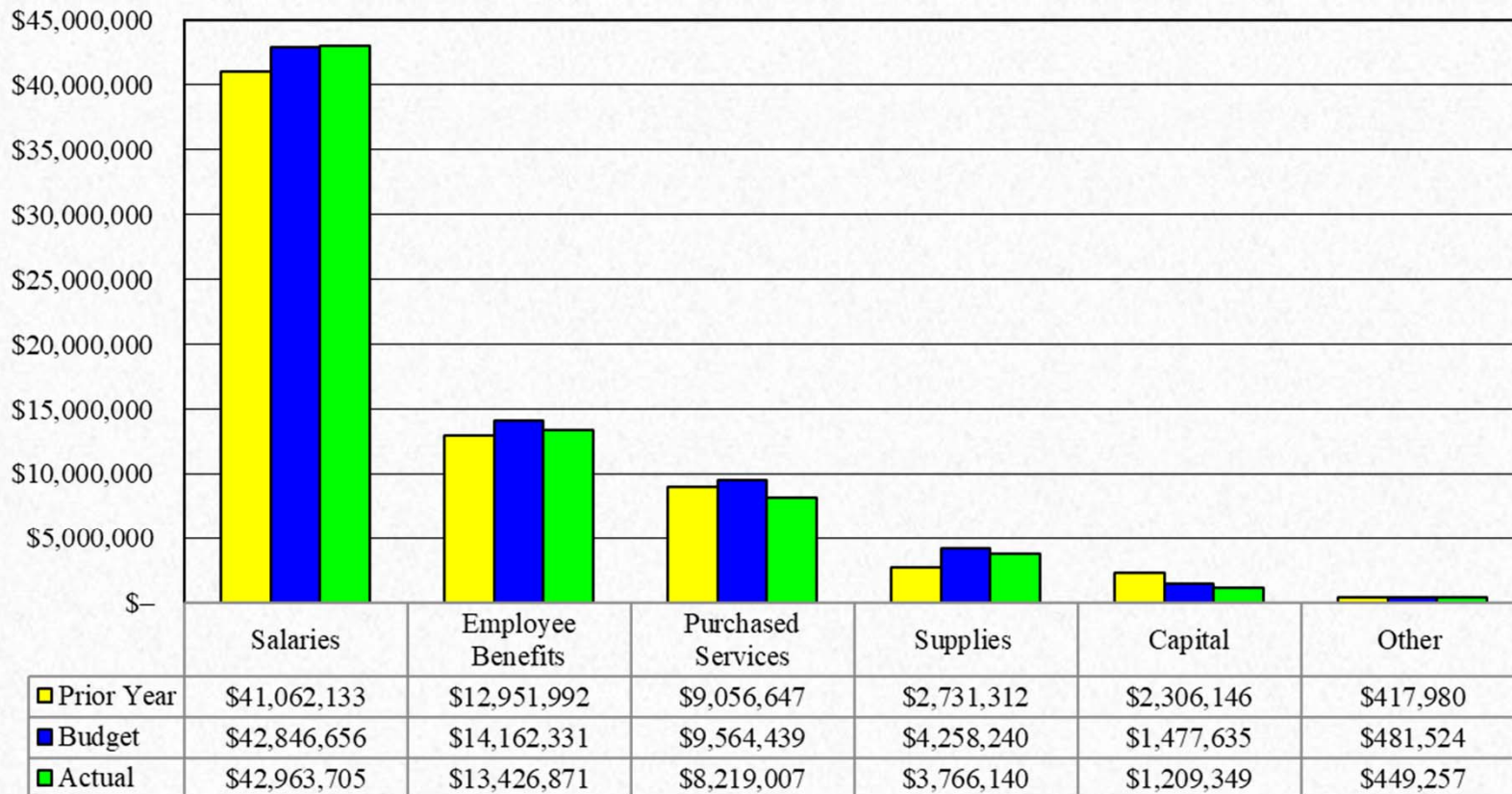
General Fund Revenue





# General Fund Expenditures by Type

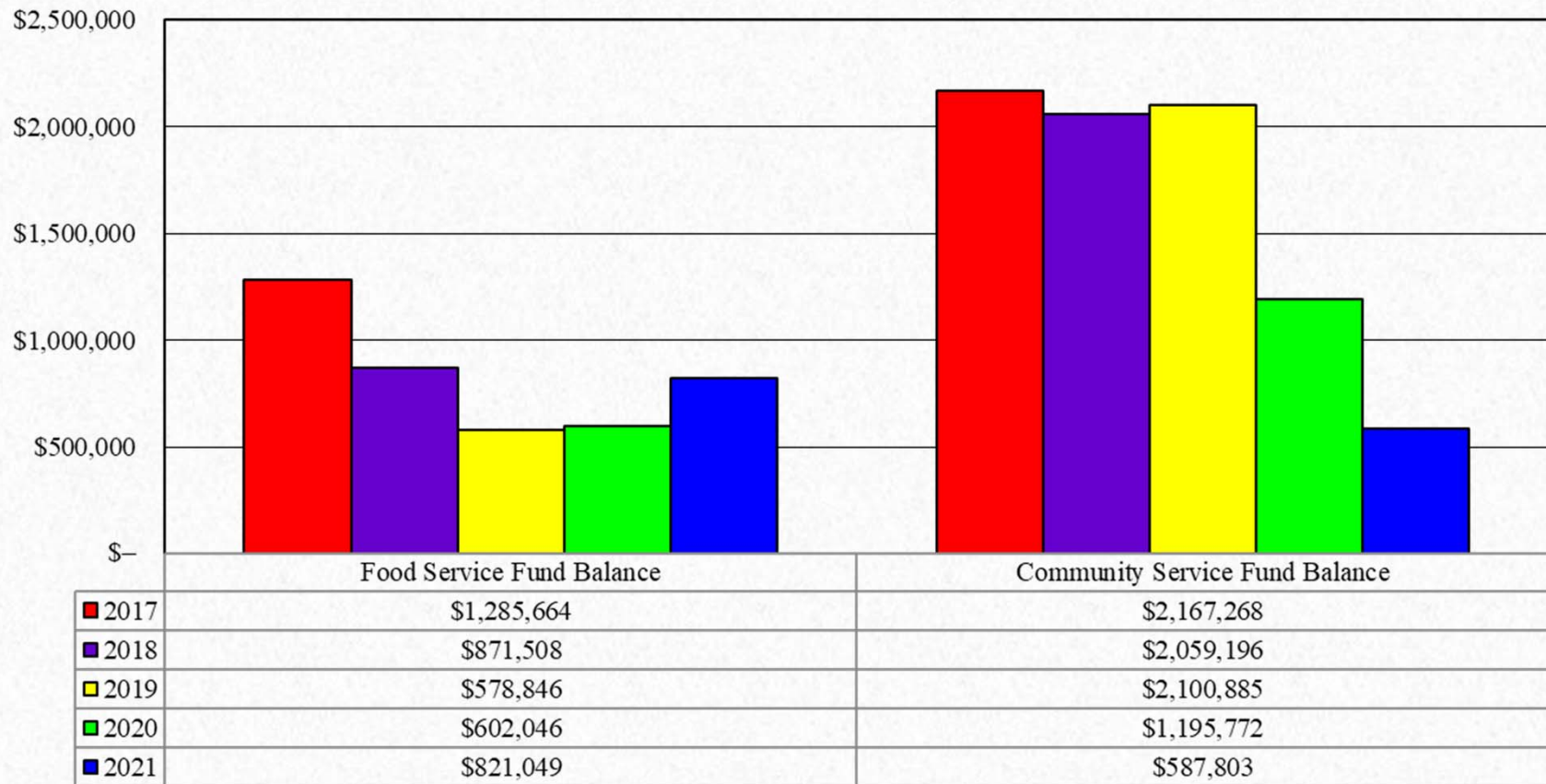
General Fund Expenditures





# Other Governmental Operating Funds

Other Operating Funds  
Total Fund Balances





# District-Wide Statement of Net Position

	June 30,		Change
	2021	2020	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 20,145,425	\$ 20,753,812	\$ (608,387)
Total capital assets, net of depreciation	141,332,096	148,114,264	(6,782,168)
Total long-term debt	(156,587,640)	(167,685,879)	11,098,239
Pension adjustments	(61,422,835)	(57,128,383)	(4,294,452)
Compensated absences	(264,990)	(278,399)	13,409
OPEB adjustments	(3,649,294)	(3,493,667)	(155,627)
Other adjustments	220,104	235,864	(15,760)
	<u>\$ (60,227,134)</u>	<u>\$ (59,482,388)</u>	<u>\$ (744,746)</u>
Net position			
Net investment in capital assets	\$ (13,397,188)	\$ (17,545,042)	\$ 4,147,854
Restricted	5,708,390	5,029,553	678,837
Unrestricted	<u>(52,538,336)</u>	<u>(46,966,899)</u>	<u>(5,571,437)</u>
	<u>\$ (60,227,134)</u>	<u>\$ (59,482,388)</u>	<u>\$ (744,746)</u>