

A modern office desk with a computer monitor, keyboard, and a vase with sticks. The background is a blurred office space with a bookshelf and a plant.

**DO
MORE.**

**Independent School District No. 885
St. Michael-Albertville, Minnesota**

Audited Financial Statements

December 2, 2019

Independent Auditor's Reports

- **Independent Auditor's Report - Unmodified**
 - Financial statements present fairly in all material respects the financial position and change in financial position of the governmental activities, each major fund and the aggregate remaining funds
- **Government Auditing Standards Report**
 - Lack of Segregation of Accounting Duties
 - Timely Bank Reconciliations
- **Single Audit Report**
 - Unmodified Opinion on Compliance with Child Nutrition Program
- **Minnesota Legal Compliance Report**
 - Resolve Old Outstanding Checks

General Fund Budget and Actual

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Local property taxes	\$4,797,745	\$4,797,745	\$4,761,924	\$ (35,821)
Revenue from state sources	56,088,441	56,694,710	57,289,683	594,973
Revenue from federal sources	566,947	567,979	502,483	(65,496)
Other local and county revenues	2,169,680	2,435,255	3,059,511	624,256
Sales and other conversion of assets	333,075	333,075	262,561	(70,514)
Total revenues	63,955,888	64,828,764	65,876,162	1,047,398
Expenditures				
Administration	1,858,815	1,854,349	1,835,946	(18,403)
District support services	1,345,743	1,539,853	1,511,347	(28,506)
Elementary and secondary regular instruction	33,567,964	33,484,924	33,533,763	48,839
Vocational education instruction	796,633	950,634	848,169	(102,465)
Special education instruction	7,912,051	8,363,190	8,476,832	113,642
Instructional support services	6,500,175	6,606,551	6,695,941	89,390
Pupil support services	4,477,186	4,781,753	4,751,465	(30,288)
Sites and buildings	7,650,670	7,728,688	8,072,579	343,891
Fiscal and other fixed cost programs	300,000	235,000	234,843	(157)
Total expenditures	64,409,237	65,544,942	65,960,885	415,943
Excess of revenues under expenditures	(453,349)	(716,178)	(84,723)	631,455
Other financing sources (uses)				
Transfers out	-	(550,000)	-	550,000
Net change in fund balance	\$ (453,349)	\$ (1,266,178)	\$ (84,723)	\$ 1,181,455

Average Daily Membership and Pupil Units

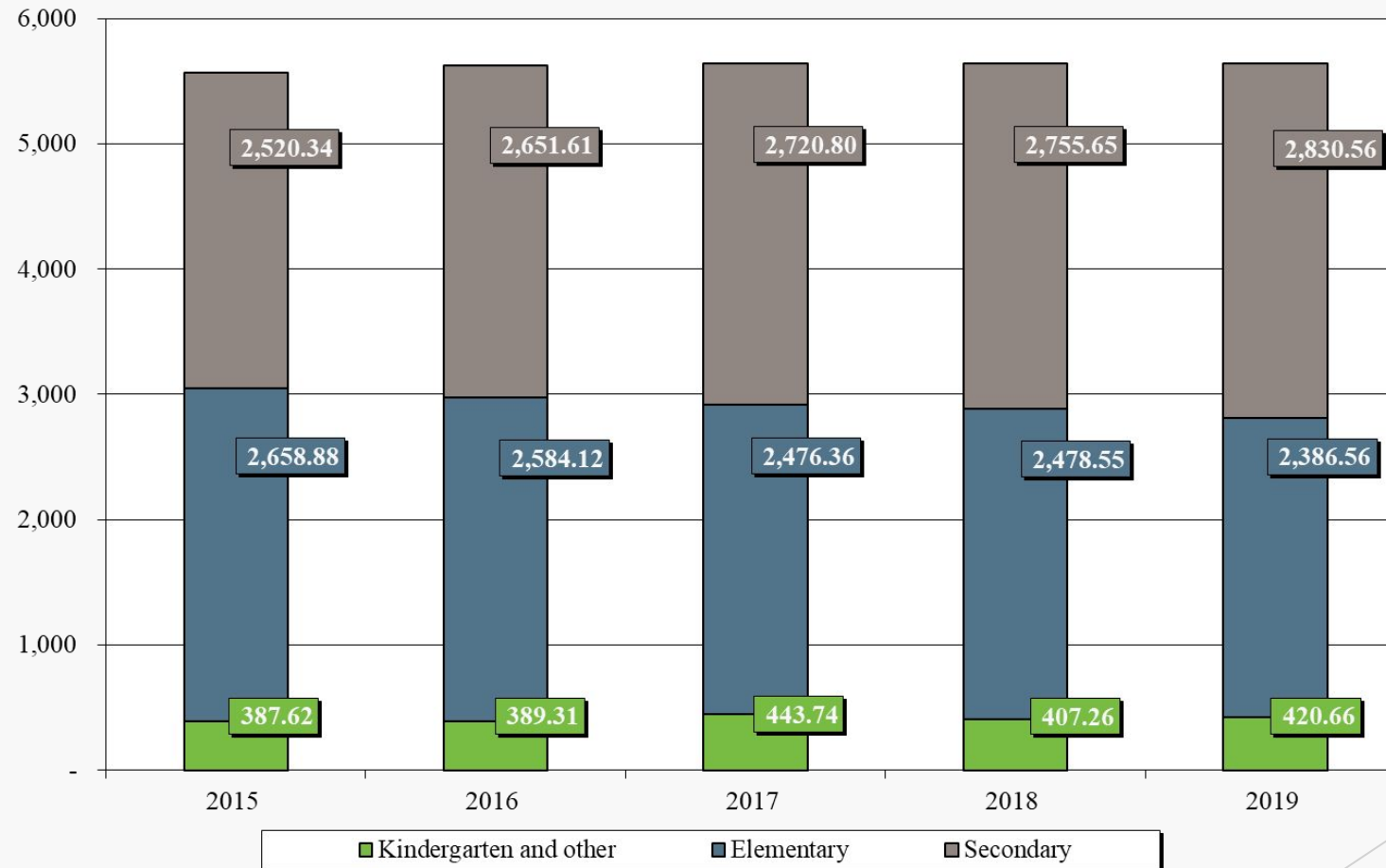
Year	General Education Aid Formula Allowance	
	Amount	Percent Increase
2011	\$ 5,124	0.0%
2012	5,174	1.0%
2013	5,224	1.0%
2014	5,302	1.5%
2015*	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%

* General Education Aid - Of the \$529 increase over 2014, \$105 is for inflation at 1.9%; the remaining \$424 is a shifting of revenue to adjust for pupil weight changes, pension adjustments changes and other restructuring.

Total Resident ADM

Resident ADM	2015	2016	2017	2018	2019
Kindergarten and other	387.62	389.31	443.74	407.26	420.66
Elementary	2,658.88	2,584.12	2,476.36	2,478.55	2,386.56
Secondary	2,520.34	2,651.61	2,720.80	2,755.65	2,830.56
Total Resident ADM	5,566.84	5,625.04	5,640.90	5,641.46	5,637.78

Resident - ADM



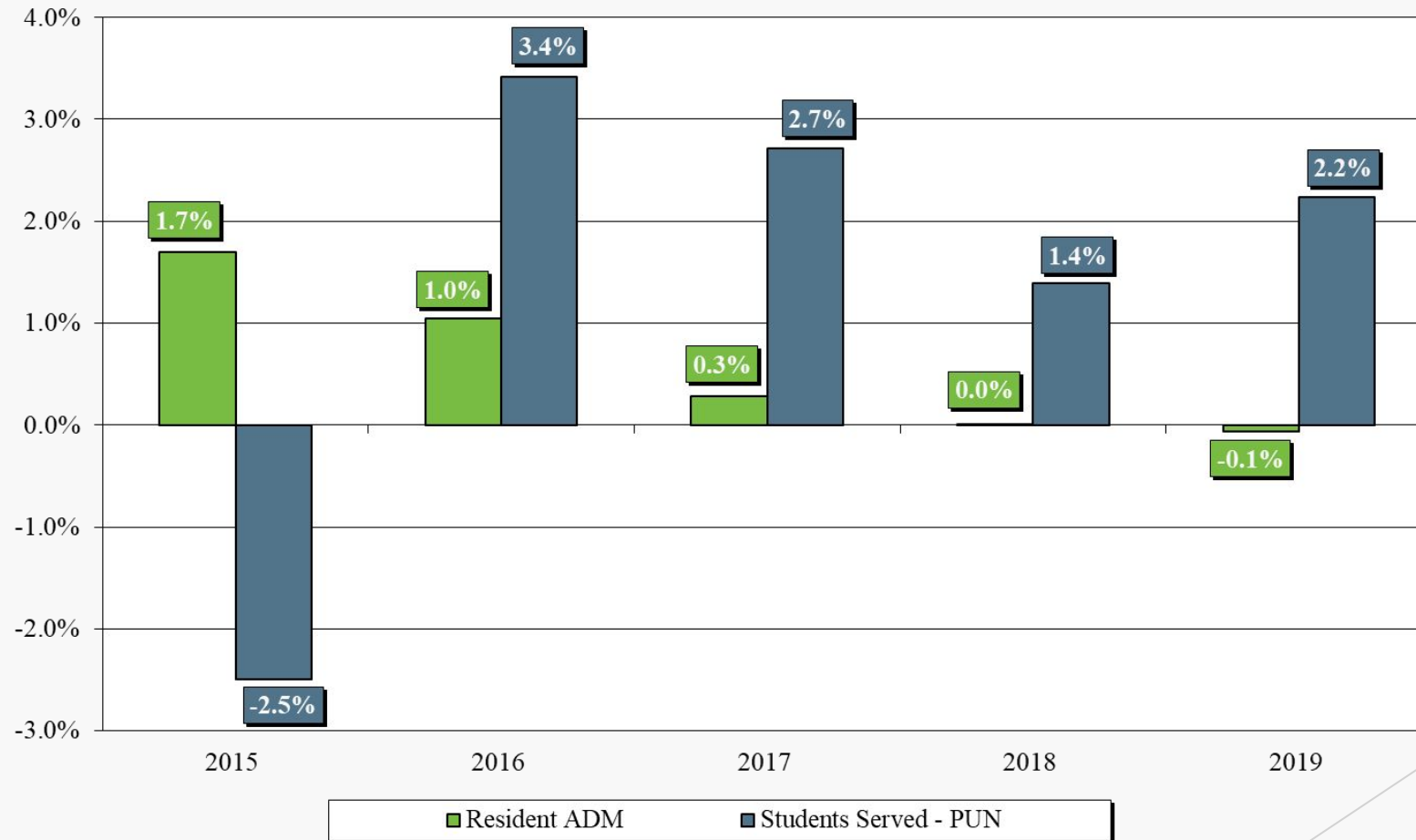
Pupil Units Served

Pupil Units	2015	2016	2017	2018	2019
Residents	6,070.45	6,155.22	6,183.57	6,192.14	6,203.88
Residents going elsewhere	(354.01)	(333.26)	(380.28)	(388.60)	(402.34)
Nonresidents coming in	668.96	781.67	979.94	1,074.12	1,229.71
Total Pupil Units Served	6,385.40	6,603.63	6,783.23	6,877.66	7,031.25

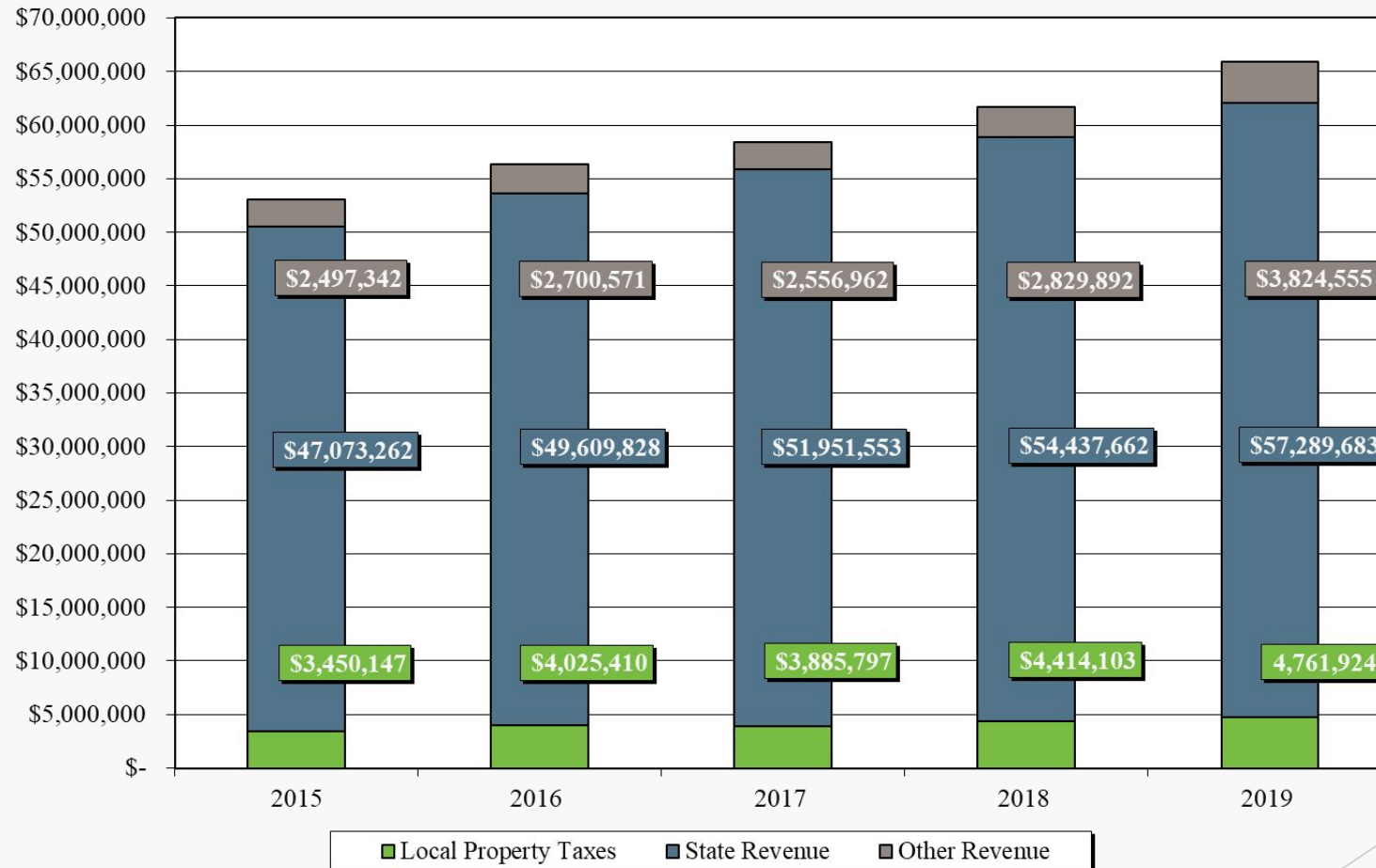
Students Served - PUN



Change in Resident ADM and Students Served - PUN



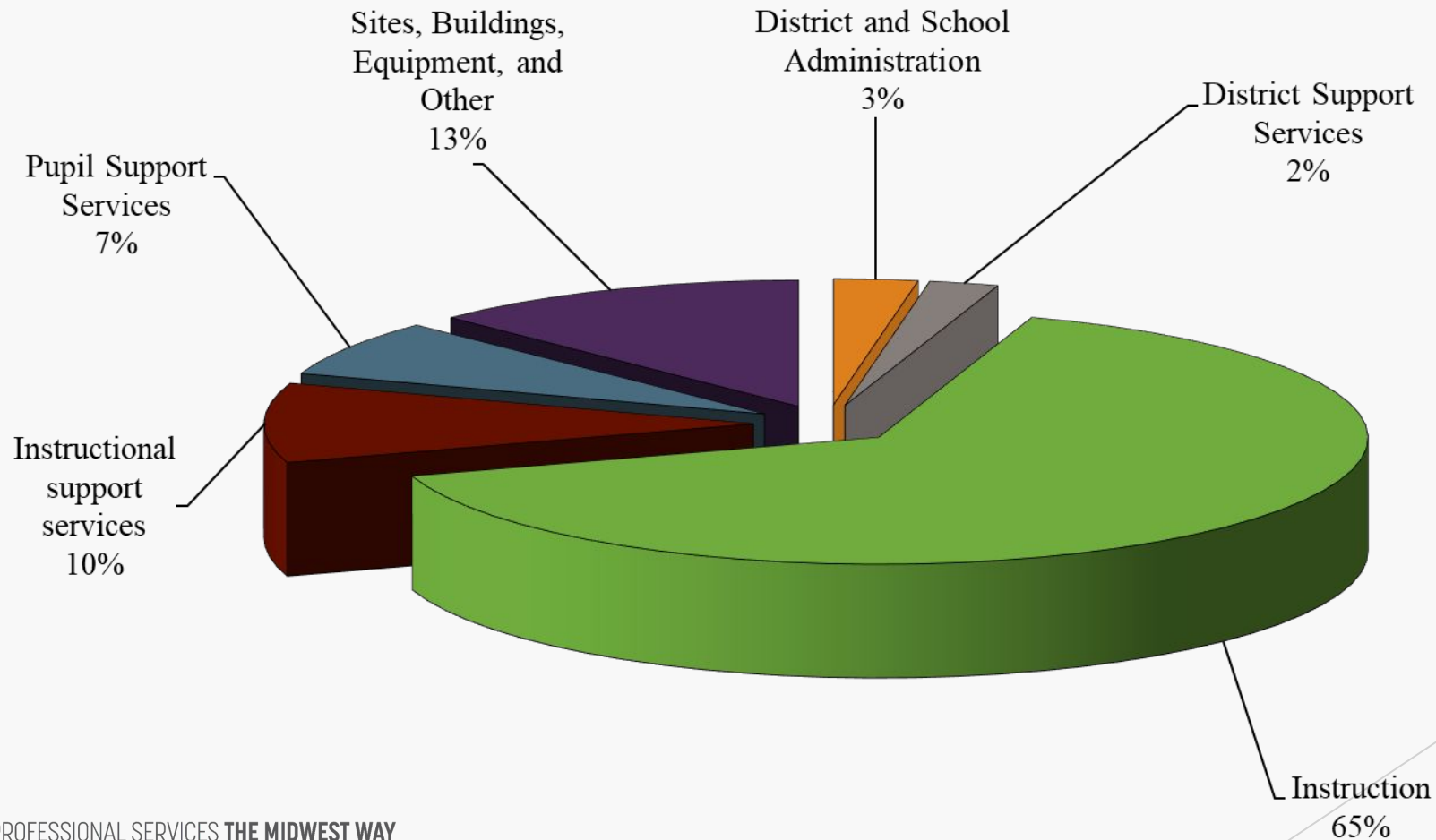
General Fund Sources of Revenue



General Fund Expenditures

General Fund Expenditures	2015	2016	2017	2018	2019
District and school administration	\$ 1,647,819	\$ 1,729,476	\$ 1,794,471	\$ 1,792,330	\$ 1,835,946
District support services	940,031	1,025,896	1,109,216	1,243,599	1,511,347
Instruction	32,693,060	35,558,080	37,465,174	40,386,323	42,858,764
Instructional support services	5,071,044	5,456,131	5,623,771	5,929,752	6,695,941
Pupil support services	3,272,091	3,809,196	4,255,459	4,582,319	4,751,465
Sites, buildings, equipment and other	6,579,388	6,132,078	6,941,782	8,057,827	8,307,422
Total	\$ 50,203,433	\$ 53,710,857	\$ 57,189,873	\$ 61,992,150	\$ 65,960,885

General Fund Expenditure Allocation



Revenues

Per ADM Served

District	2015	2016	2017	2018	2019
General Fund	\$ 8,990	\$ 9,277	\$ 9,346	\$ 9,746	\$ 10,215
Food Service	424	443	457	459	514
Community Service	726	792	782	786	807
Building Construction	1	-	12	63	142
Debt Service	2,417	2,226	2,106	2,203	2,252
Total Revenues Per Student	\$ 12,558	\$ 12,738	\$ 12,703	\$ 13,257	\$ 13,932

State-Wide Average (All Districts) **	2015	2016	2017	2018	2019
General Fund	\$ 11,614	\$ 12,047	\$ 12,364	\$ 12,691	N/A
Food Service	517	543	554	553	N/A
Community Service	525	562	595	607	N/A
Building Construction	94	108	66	55	N/A
Debt Service	1,002	991	1,050	1,056	N/A
Fund Balance, June 30	\$ 13,752	\$ 14,251	\$ 14,629	\$ 14,962	N/A

Expenditures

Per ADM Served

District	2015	2016	2017	2018	2019
General Fund	\$ 8,512	\$ 8,845	\$ 9,153	\$ 9,724	\$ 10,228
Food Service	413	450	465	525	561
Community Service	691	737	759	804	801
Building Construction	1	-	285	3,128	2,404
Debt Service	2,429	11,644	2,183	8,254	2,302
Total	\$ 12,046	\$ 21,676	\$ 12,845	\$ 22,435	\$ 16,296

State-Wide Average (Districts 4000 ADM)	2015	2016	2017	2018	2019
General Fund	\$ 11,821	\$ 11,956	\$ 12,587	12,892	N/A
Food Service	523	539	541	544	N/A
Community Service	612	550	682	713	N/A
Building Construction	982	1,405	1,848	1,999	N/A
Debt Service	1,465	1,433	1,276	1,288	N/A
Total	\$ 15,403	\$ 15,883	\$ 16,934	\$ 17,436	N/A

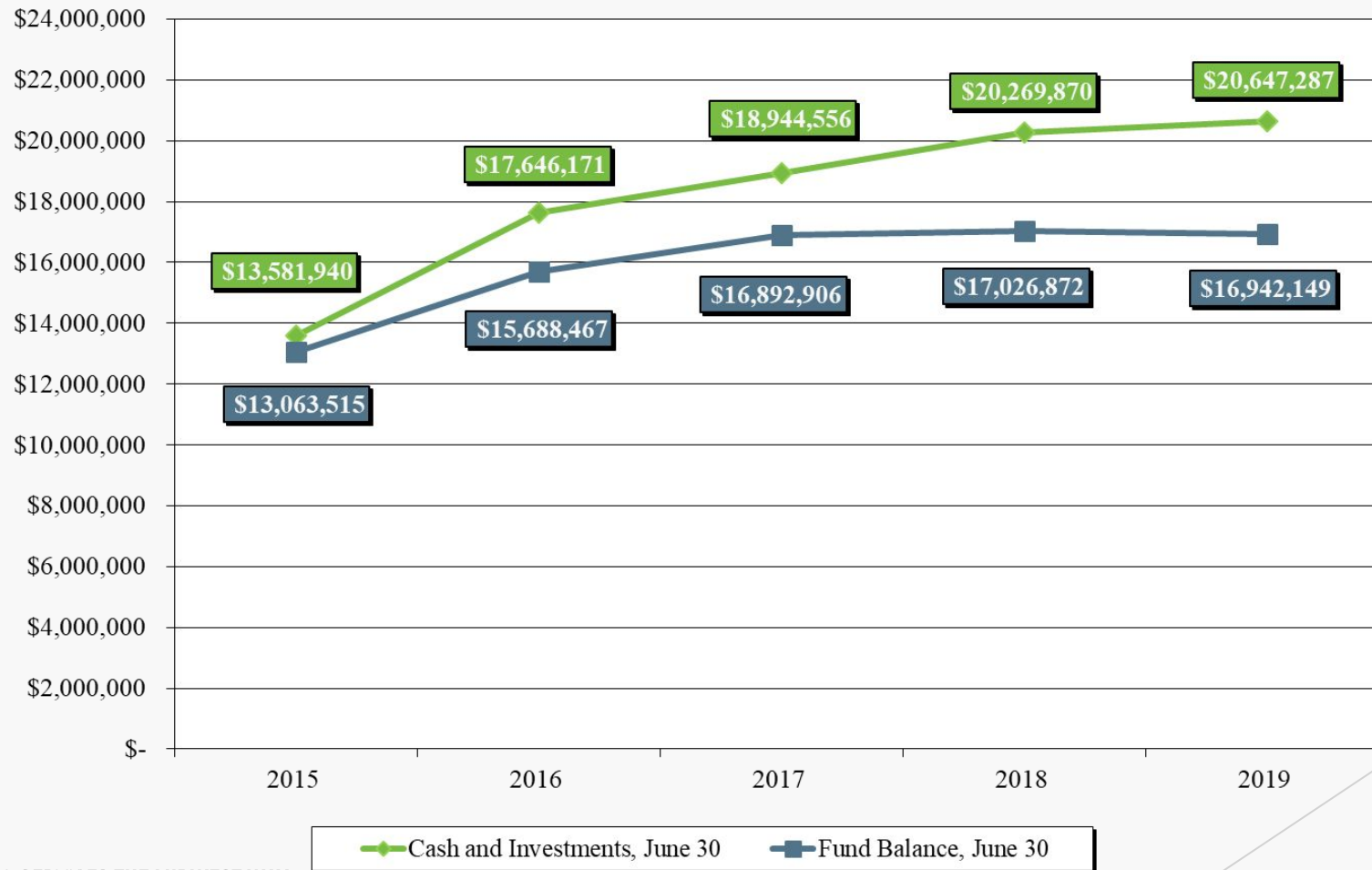
General Fund Operations

For the Year Ended June 30,	2015	2016	2017	2018	2019
Revenues	\$ 53,020,751	\$ 56,335,809	\$ 58,394,312	\$ 61,681,657	\$ 65,876,162
Expenditures	50,203,433	53,710,857	57,189,873	61,992,150	65,960,885
Excess of revenues over (under) expenditures	2,817,318	2,624,952	1,204,439	(310,493)	(84,723)
Add other sources	-	-	-	444,459	-
Less transfers out	(1,956)	-	-	-	-
Fund balance, July 1	10,248,153	13,063,515	15,688,467	16,892,906	17,026,872
Fund Balance, June 30	\$ 13,063,515	\$ 15,688,467	\$ 16,892,906	\$ 17,026,872	\$ 16,942,149

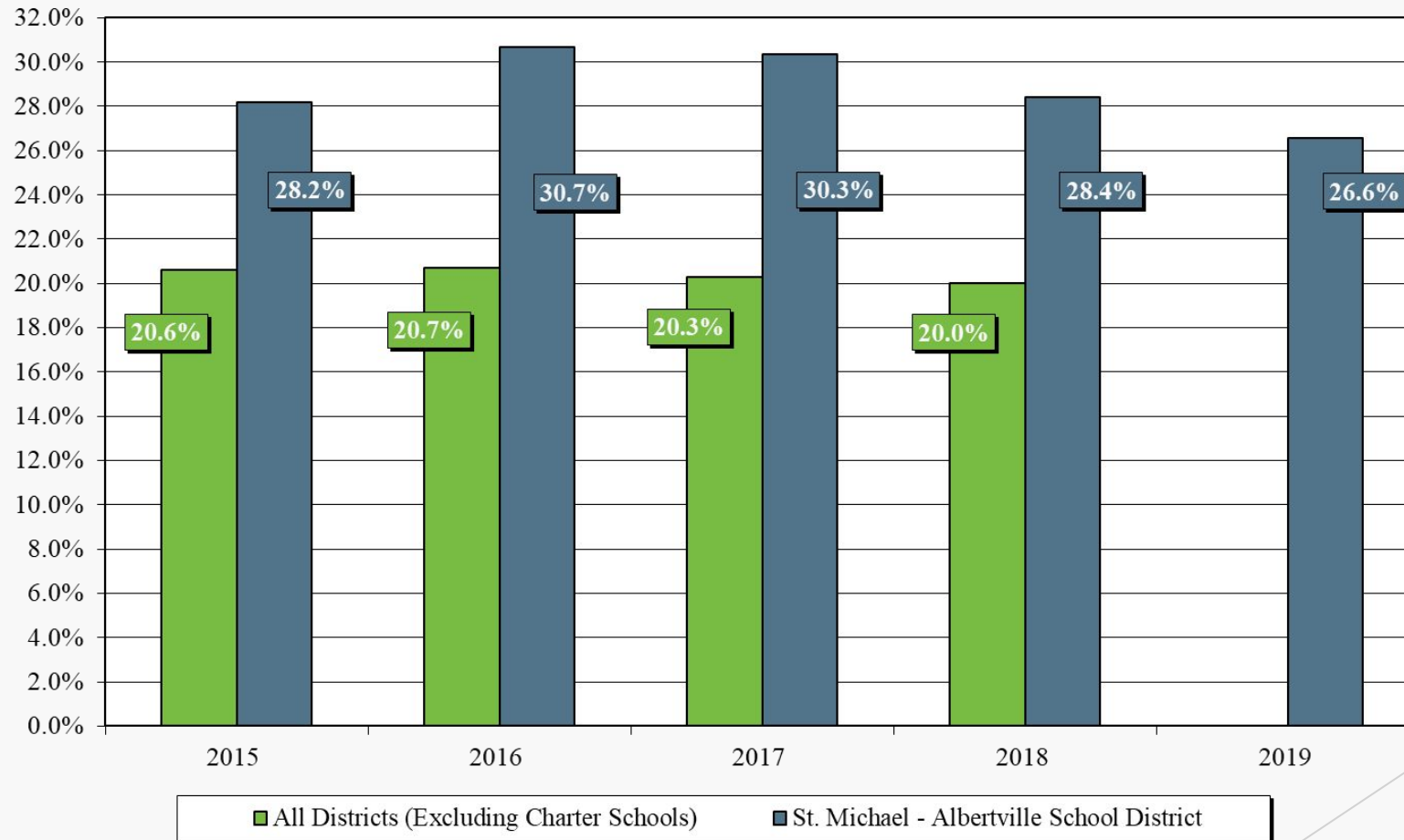
General Fund Operations

For the Year Ended June 30,	2015	2016	2017	2018	2019
Nonspendable for					
Prepaid items	\$ 83,780	\$ 90,505	\$ 81,378	\$ 83,903	\$ 89,141
Restricted for					
Staff development	255,279	519,157	770,557	968,535	1,112,731
Health and safety	(281,242)	-	-	-	-
Deferred maintenance	162,842	165,002	-	-	-
Operating capital	1,079,056	1,068,553	862,583	809,185	581,256
Safe school - crime	28,117	61,822	91,262	(24,076)	6,335
Long-term facilities maintenance	-	-	196,416	214,115	126,239
Medical assistance	-	-	252,215	294,251	386,209
Committed for					
Separation benefits	44,625	31,125	33,250	41,000	49,375
Assigned					
Student activities	313,595	336,370	327,582	279,871	280,826
Staff development	100,884	84,597	54,424	19,327	7,666
Q Comp	164,985	357,186	196,670	250,827	227,361
Medical assistance	126,585	185,753	-	-	-
Insurance claims	55,398	73,864	92,330	92,330	92,330
Subsequent year spend down	-	-	-	-	680,000
Unassigned	10,929,611	12,714,533	13,934,239	13,997,604	13,302,680
Fund Balance, June 30	\$ 13,063,515	\$ 15,688,467	\$ 16,892,906	\$ 17,026,872	\$ 16,942,149

General Fund Financial Position



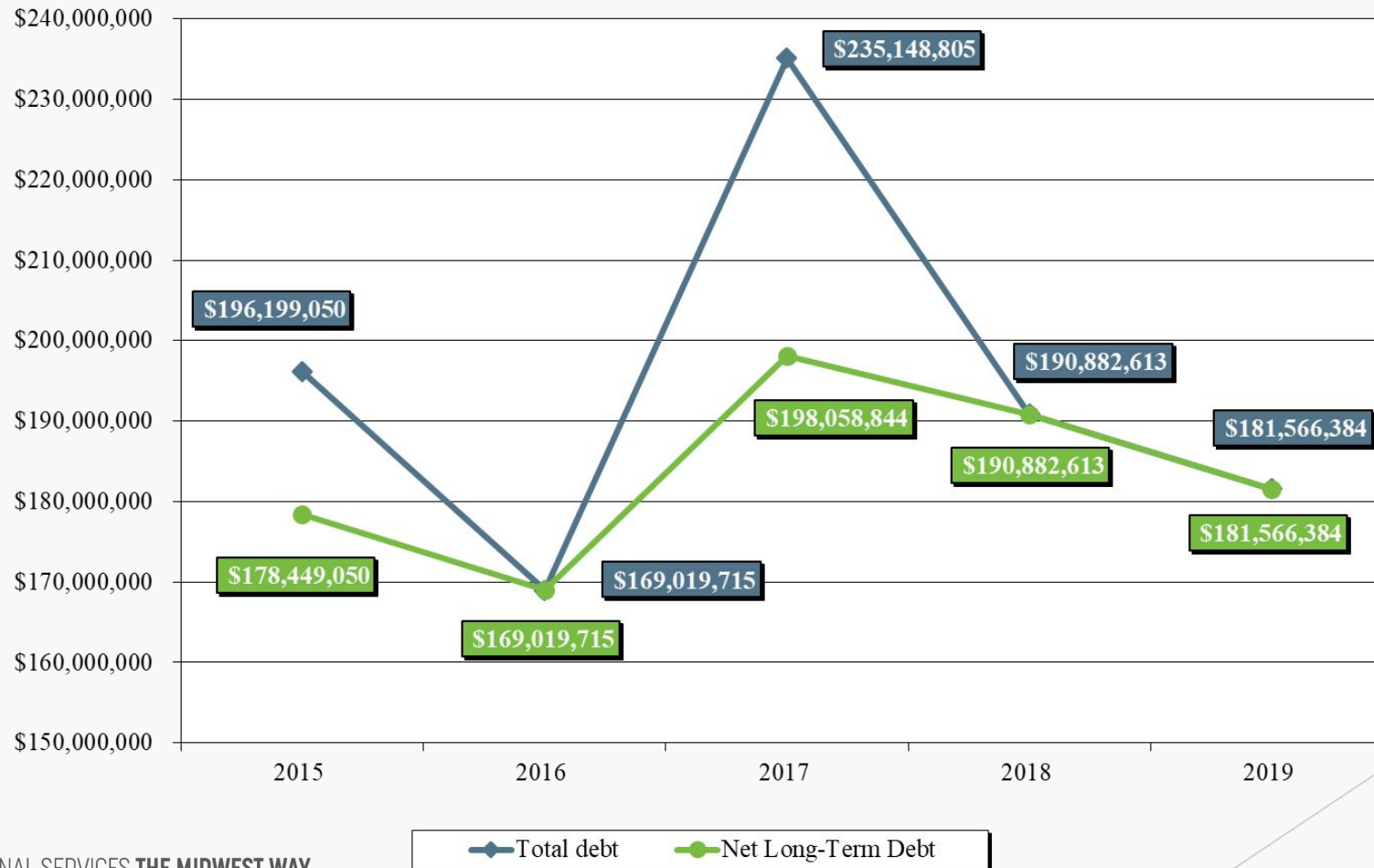
General Fund Financial Health



Long-Term Debt

Long-Term Debt	2015	2016	2017	2018	2019
Bonds and leases payable	\$ 193,908,361	\$ 166,371,566	\$ 232,109,287	\$ 187,636,088	\$ 178,016,723
Severance benefits payable and net OPEB	2,290,689	2,648,149	3,039,518	3,246,525	3,549,661
Total debt	196,199,050	169,019,715	235,148,805	190,882,613	181,566,384
Escrow reserved for debt retirement	(17,750,000)	-	(37,089,961)	-	-
Net Long-Term Debt	\$ 178,449,050	\$ 169,019,715	\$ 198,058,844	\$ 190,882,613	\$ 181,566,384

Long-Term Debt

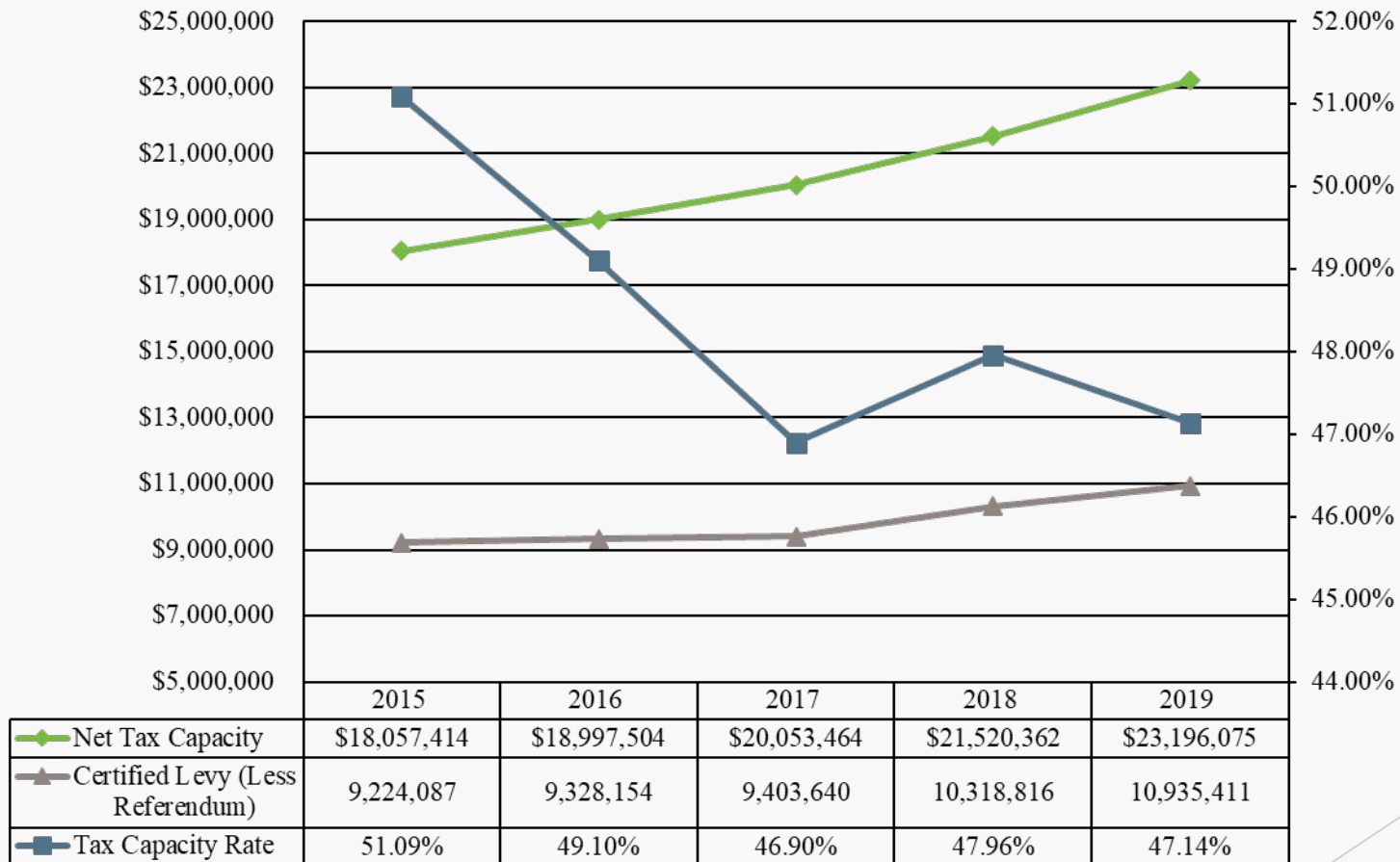


Tax Levies and Tax Capacity Rates

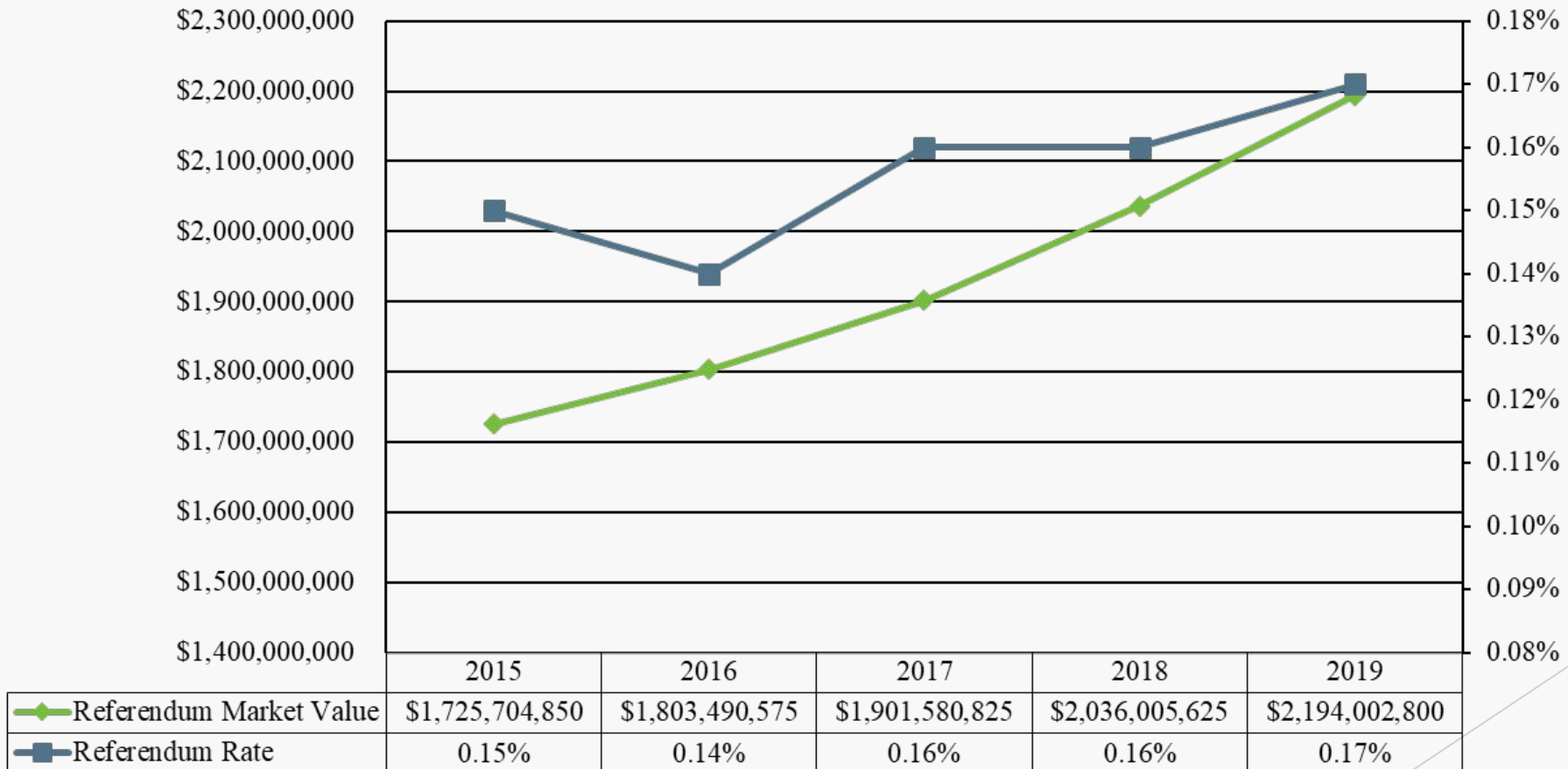
Certified	2014	2015	2016	2017	2018
Levy Payable	2015	2016	2017	2018	2019
Year Recognized	2016	2017	2018	2019	2020
Referendum	\$ 2,579,929	\$ 2,601,715	\$ 3,090,537	\$ 3,246,967	\$ 3,624,862
School maintenance	1,331,914	1,250,985	1,255,198	1,449,305	1,588,229
Community service	301,378	312,509	306,577	326,603	348,436
Debt service	7,590,795	7,764,660	7,841,865	8,542,908	8,998,746
Total	\$ 11,804,016	\$ 11,929,869	\$ 12,494,177	\$ 13,565,783	\$ 14,560,273

Certified	2014	2015	2016	2017	2018
Levy Payable	2015	2016	2017	2018	2019
Year Recognized	2016	2017	2018	2019	2020
School maintenance	7.38%	6.59%	6.26%	6.74%	6.85%
Community service	1.67%	1.65%	1.53%	1.52%	1.50%
Debt service	42.04%	40.87%	39.11%	39.70%	38.79%
Total	51.09%	49.10%	46.90%	47.96%	47.14%

Tax Levies and Tax Capacity Rates



Referendum Tax Rate and Referendum Market Value



Food Service Fund

For the Year Ended June 30,	2015	2016	2017	2018	2019
Revenues	\$ 2,500,383	\$ 2,689,045	\$ 2,844,894	\$ 2,895,758	\$ 3,317,535
Expenditures	2,436,392	2,735,230	2,898,668	3,309,914	3,616,697
Excess of revenues over (under) expenditures	63,991	(46,185)	(53,774)	(414,156)	(299,162)
Other financing sources	-	-	9,000	-	6,500
Fund balance, July 1	1,312,632	1,376,623	1,330,438	1,285,664	871,508
Fund Balance, June 30	\$ 1,376,623	\$ 1,330,438	\$ 1,285,664	\$ 871,508	\$ 578,846

Community Service Fund

For the Year Ended June 30,	2015	2016	2017	2018	2019
Revenues	\$ 4,284,375	\$ 4,811,198	\$ 4,876,268	\$ 4,967,271	\$ 5,204,220
Expenditures	4,073,822	4,474,038	4,735,453	5,075,343	5,162,531
Excess of revenues over (under) expenditures	210,553	337,160	140,815	(108,072)	41,689
Fund balance, July 1	1,478,740	1,689,293	2,026,453	2,167,268	2,059,196
Fund Balance, June 30	\$ 1,689,293	\$ 2,026,453	\$ 2,167,268	\$ 2,059,196	\$ 2,100,885

For the Year Ended June 30,	2015	2016	2017	2018	2019
Restricted for					
Community Education	\$ 1,267,630	\$ 1,479,284	\$ 1,581,492	\$ 1,493,182	\$ 1,497,777
ECFE	171,101	277,785	348,864	362,978	353,472
School Readiness	12,902	4,204	(33,752)	(57,942)	(17,997)
Community Service	237,660	265,180	162,592	260,978	267,633
Fund Balance, June 30	\$ 1,689,293	\$ 2,026,453	\$ 2,059,196	\$ 2,059,196	\$ 2,100,885

Questions?

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MORE.



THANK
LET'S DO MORE, TOGETHER.
YOU

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We are powered by people who do business the Midwest way delivering comprehensive business, financial and technology solutions including business planning and consulting, tax, assurance and accounting, technology, wealth management and turnaround management services. From tax reform to technology, we go beyond so you can...

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General Fund Overview



ST. MICHAEL ALBERTVILLE SCHOOLS

Beginning Balances	13,997,603.79
Unassigned/Unrestricted*	
Assigned - Q-Comp	250,827.31
Assigned	391,528.10
Committed - Severance	41,000.00
Restricted - Staff Development	968,534.86
Restricted - Operating Capital	809,185.46
Restricted - LTFM	214,114.80
Restricted - Safe Schools	(24,075.93)
Restricted - MA	294,250.62
Non-Spendable	83,903.20
	<u>517,026,872.21</u>

General Fund Revenue by Source

	Revenue	Expenditures
Property Taxes	4,761,923.43	
State Aid	57,289,683.30	
Federal	502,482.44	
Other Local/Misc.	3,322,072.50	

General Fund Expenditures by Program Area

Administration		1,836,019.62
District Support Services		1,848,802.11
Elementary & Secondary Regular Instruction		33,533,714.36
Vocational Education Instruction		848,166.57
Special Education Instruction		8,476,839.81
Instructional Support Services		6,358,470.64
Pupil Support Services		4,751,451.99
Sites & Buildings		8,072,574.45
Fiscal & Other Fixed-Cost Programs		234,843.08

Total General Fund Revenue & Expenditures

Total Change to Fund Balance

\$65,876,161.67

\$65,960,882.63

(84,720.96)

Ending Balances

Unassigned/Unrestricted*	\$13,982,682.82
Assigned - Q-Comp	227,361.28
Assigned - Student Activity Accounts	380,820.71
Committed - Severance	49,375.00
Restricted - Staff Development	1,112,730.77
Restricted - Operating Capital	581,255.92
Restricted - LTFM	126,239.48
Restricted - Safe Schools	6,335.10
Restricted - MA	386,208.90
Non-Spendable	89,141.27

\$16,942,151.25

General Fund

Budget to Actual



ST. MICHAEL ALBERTVILLE
SCHOOLS

General Fund Revenue by Source

Property Taxes	4,797,745.00	4,761,923.43	(35,821.57)	-0.75%
State Aid	56,694,710.00	57,289,683.30	594,973.30	1.05%
Federal	567,979.00	502,482.44	(65,496.56)	-11.53%
Other Local/Misc.	2,768,330.00	3,322,072.50	553,742.50	20.00%
	<u>64,828,764.00</u>	<u>65,876,161.67</u>	<u>1,047,397.67</u>	<u>1.62%</u>

General Fund Expenditures by Program Area

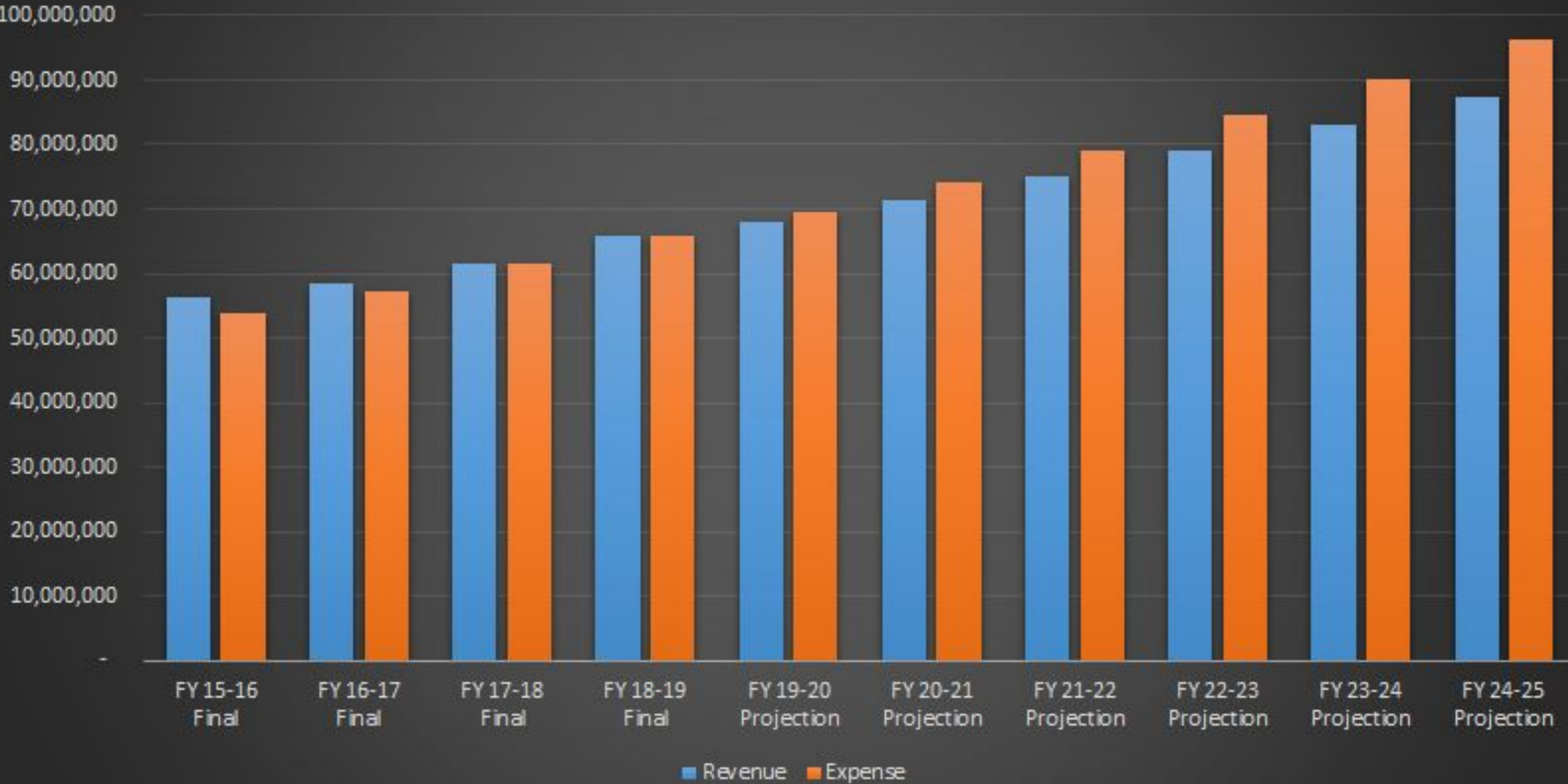
Administration	1,854,349.00	1,836,019.62	(18,329.38)	-0.99%
District Support Services	1,780,868.00	1,848,802.11	67,934.11	3.81%
Elementary & Secondary Regular Instruction	33,484,924.00	33,533,714.36	48,790.36	0.15%
Vocational Education Instruction	950,634.00	848,166.57	(102,467.43)	-10.78%
Special Education Instruction	8,363,190.00	8,476,839.81	113,649.81	1.36%
Instructional Support Services	6,365,536.00	6,358,470.64	(7,065.36)	-0.11%
Pupil Support Services	4,781,753.00	4,751,451.99	(30,301.01)	-0.63%
Sites & Buildings	7,728,688.00	8,072,574.45	343,886.45	4.45%
Fiscal & Other Fixed-Cost Programs	235,000.00	234,843.08	(156.92)	-0.07%
Fund to Fund Transfers	550,000.00	-	(550,000.00)	-100.00%
	<u>66,094,942.00</u>	<u>65,960,882.63</u>	<u>(134,059.37)</u>	<u>-0.20%</u>

Difference (Net change to fund balance)

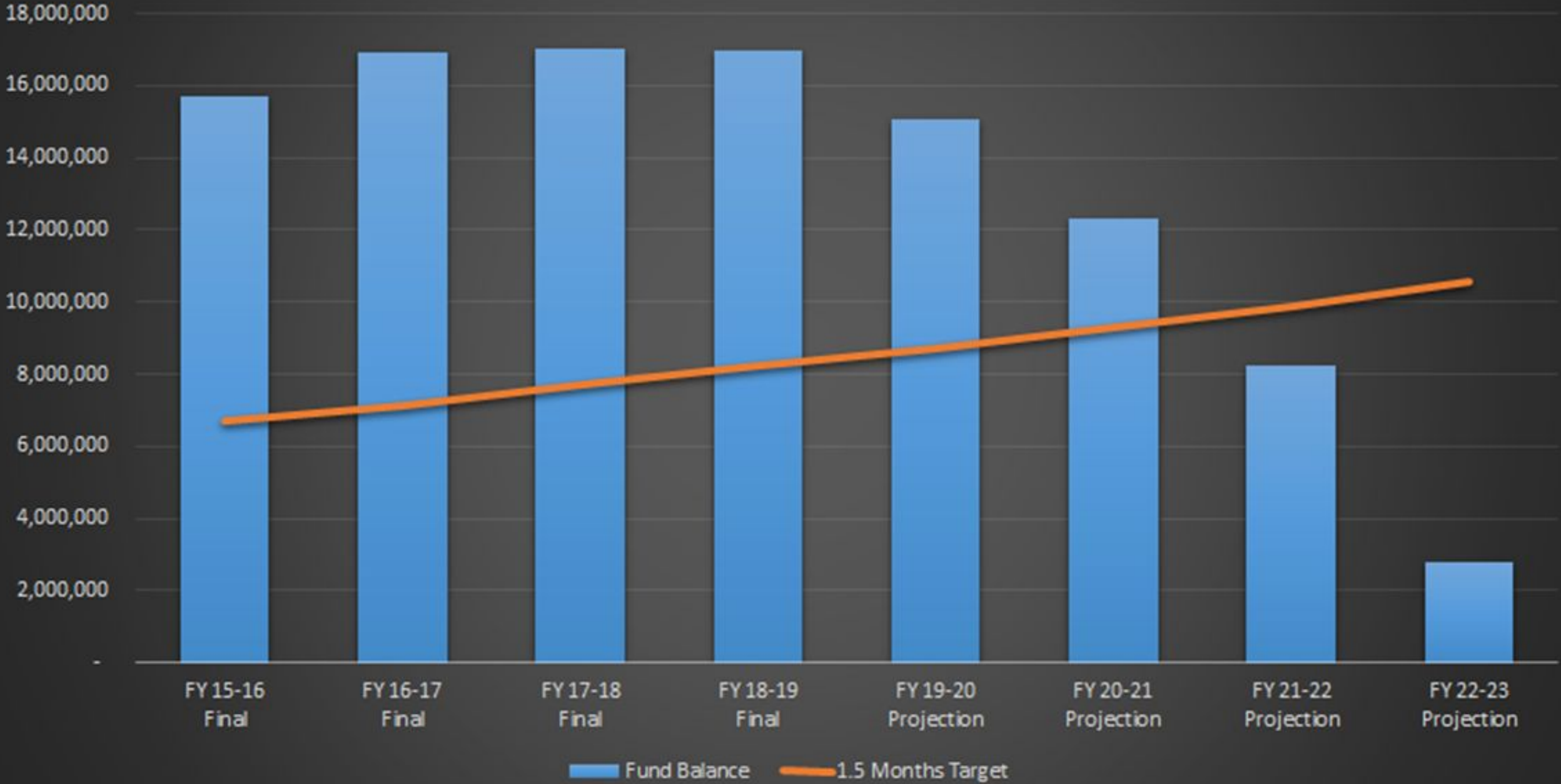
(1,266,178.00)

(84,720.96)

General Fund Revenue & Expenditures - Over Time



General Fund - Fund Balance & Target



What's next



Fiscal Year Financial Planning Cycle

FY 2018-2019

1. Property Tax Levy (Payable 2018)
2. Preliminary Budget
3. Revised Budget
4. Annual Financial Audit

FY 2019-2020

1. Property Tax Levy (Payable 2019)
2. Preliminary Budget
3. Revised Budget
4. Annual Financial Audit

FY 2020-2021

1. Property Tax Levy (Payable 2020)
2. Preliminary Budget
3. Revised Budget
4. Annual Financial Audit

Recommendation: Approve FY 2018-2019 Audit Report