

INDEPENDENT SCHOOL DISTRICT NO. 281 ROBBINSDALE, MINNESOTA

Audit Report
Year Ended June 30, 2022





AUDITOR'S ROLE

- **Opinions on Financial Statements**
 - **District Financial Statement Audit**
 - **“Single Audit” of Federal Awards Expenditures**
- **Internal Controls and Compliance**
 - **Financial Statement Audit**
 - **Federal “Single Audit”**
 - **State Laws and Regulations**



AUDIT RESULTS

FINANCIAL STATEMENT AUDIT

- **Opinion on Financial Statements –**
 - **Unmodified “Clean” Opinion**
 - **Issuance of Financial Statements Delayed**
 - **Potentially material unrecorded liability for prior-year 403B plan employer contributions**
 - **District hired benefits attorney and actuarial consultant to calculate estimated liability based on IRS guidelines**
 - **Liability estimate calculation completed in June 2023**
 - **Implemented GASB Statement 87 – *Leases***
 - **Added \$6.5 million of lease assets and liabilities to the government-wide financial statements**
 - **No restatement of beginning net position**



AUDIT RESULTS

FINANCIAL STATEMENT AUDIT

- **Internal Controls over Financial Reporting**
 - Finding reported for material audit adjustment – unrecorded contract payable liabilities and construction in progress
- **Compliance over Financial Reporting**
 - No findings reported for the current year
- **Compliance with Minnesota Laws and Regulations**
 - Audited financial statements not submitted by December 31 statutory deadline due to undetermined 403B liability issue



AUDIT RESULTS

FEDERAL SINGLE AUDIT

- **Opinion on SEFA**
 - Fairly Stated in Relation to Basic Financial Statements
- **Internal Controls Over Federal Compliance**
 - No findings reported for the current year
- **Noncompliance with Federal Requirements**
 - Reportable noncompliance – Required Single Audit reporting could not be completed by March 31, 2023, deadline.
 - Audited financial statements are part of the required information to be submitted, which were not available by the deadline due to the 403B liability issue.



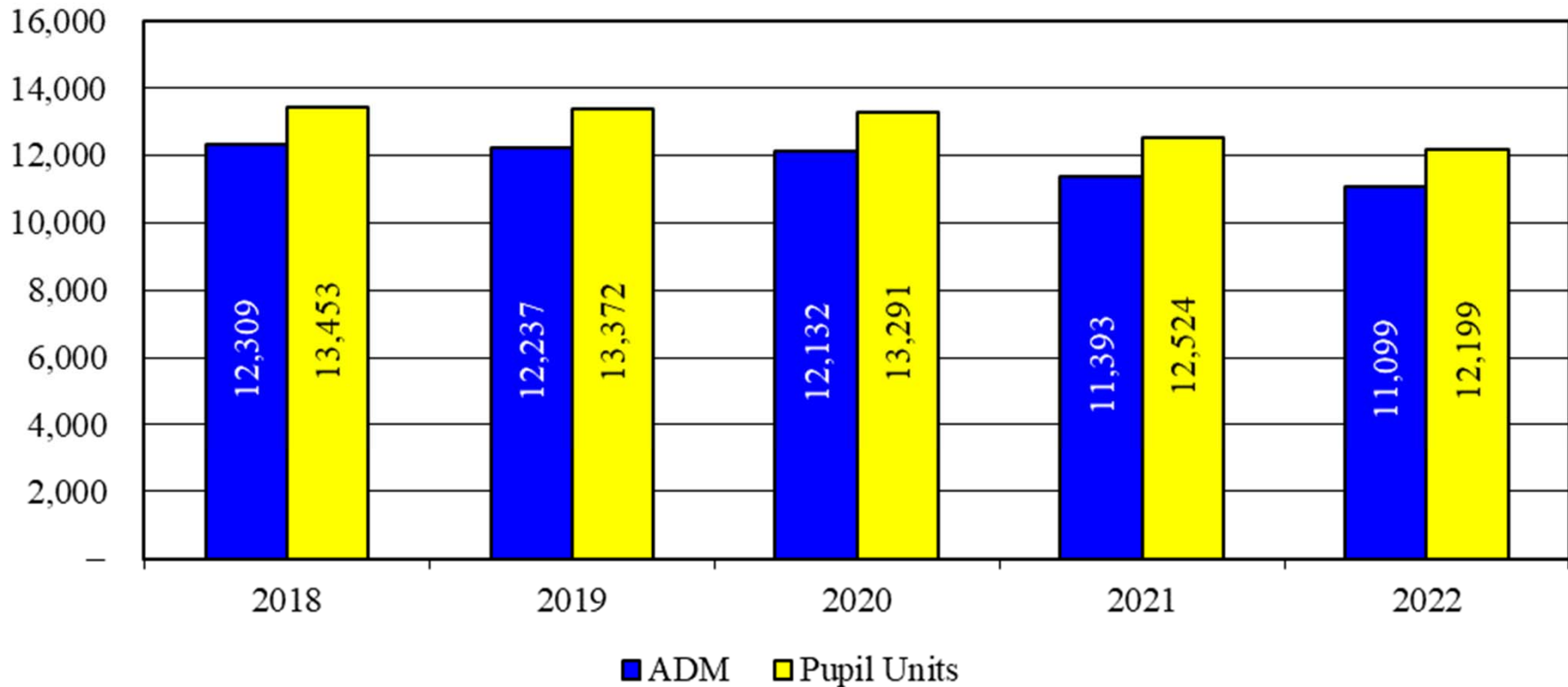
AUDIT RESULTS

FOLLOW-UP ON 2021 FINDINGS

- Findings Resulting From The District's Fiscal 2021 Audit Corrected in Fiscal 2022:
 - Financial Reporting Internal Control Deficiency
 - Monthly bank reconciliations not being completed in a timely manner due to turnover
 - Federal Internal Control Deficiency
 - Expenditures claimed for reimbursement that occurred outside of the period of performance for CSLFRF grant
 - Minnesota Legal Compliance
 - Unclaimed property report not filed with state
 - Disbursement claims not paid within 35 days

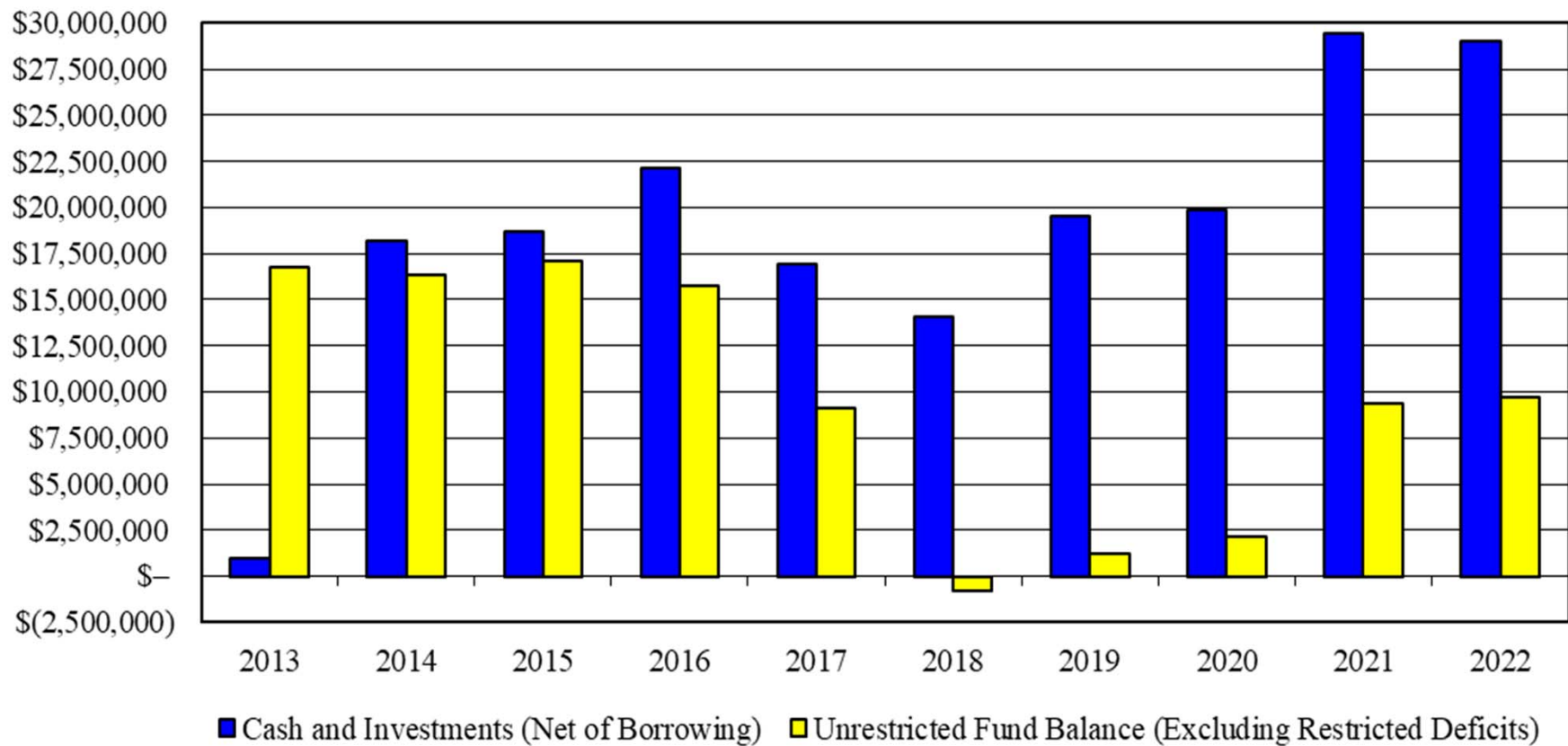
ADJUSTED ADM AND PUPIL UNITS SERVED

Adjusted ADM and Pupil Units Served



PRELIMINARY GENERAL FUND FINANCIAL POSITION

General Fund Financial Position
 Year Ended June 30,





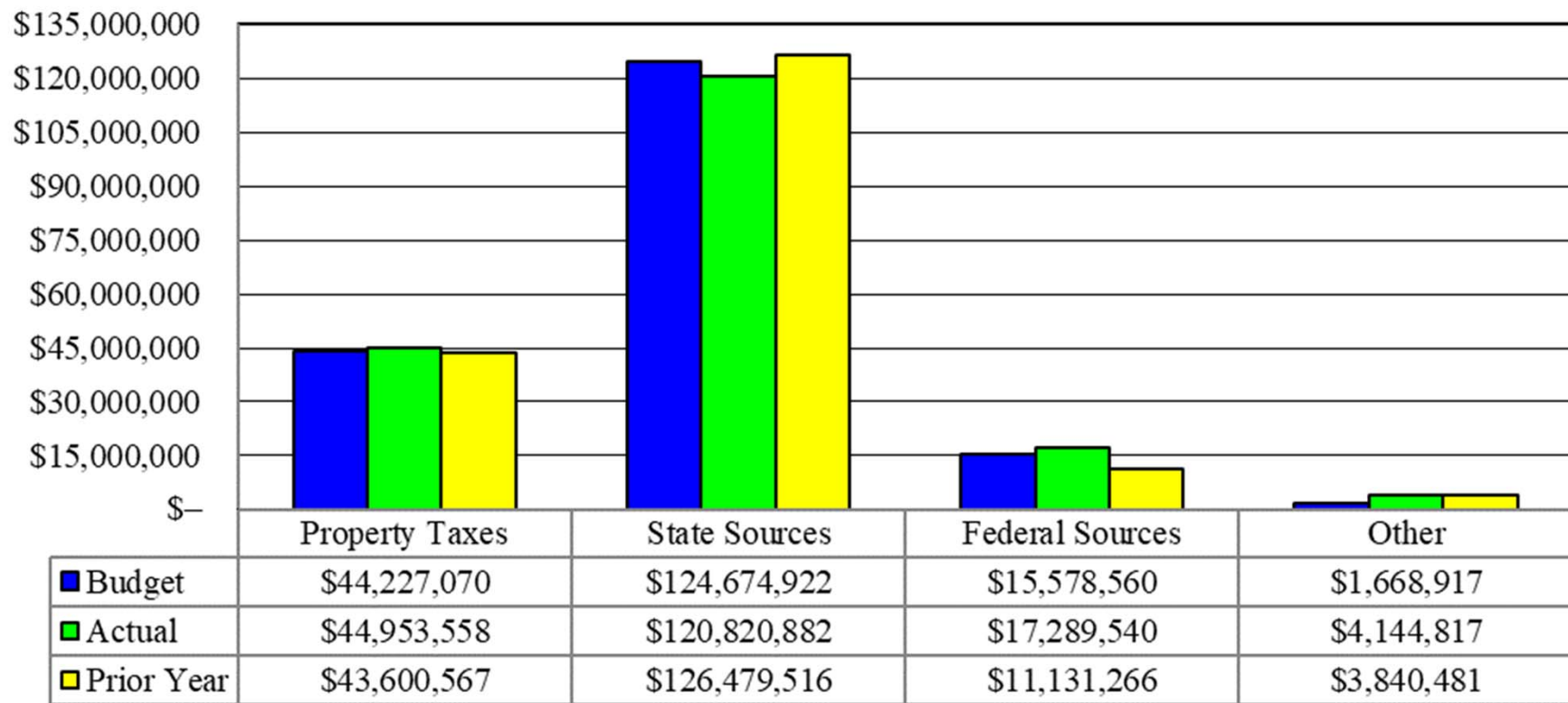
PRELIMINARY GENERAL FUND FINANCIAL POSITION –UFARS BASIS

	June 30,				
	2018	2019	2020	2021	2022
Nonspendable fund balances	\$ 486,096	\$ 264,546	\$ 713,515	\$ 1,218,616	\$ 1,687,909
Restricted fund balances (1)	5,271,636	4,579,465	5,397,172	8,493,612	9,147,685
Unrestricted fund balances					
Assigned	—	1,210,419	1,507,829	1,882,535	6,960,051
Unassigned	(777,819)	—	622,412	7,502,120	2,739,848
 Total fund balance	 <u>\$ 4,979,913</u>	 <u>\$ 6,054,430</u>	 <u>\$ 8,240,928</u>	 <u>\$ 19,096,883</u>	 <u>\$ 20,535,493</u>
 Unrestricted fund balances as a percentage of expenditures	 <u>(0.4%)</u>	 <u>0.7%</u>	 <u>1.2%</u>	 <u>5.4%</u>	 <u>5.2%</u>
 Unassigned fund balances as a percentage of expenditures	 <u>(0.4%)</u>	 <u>—</u>	 <u>0.3%</u>	 <u>4.3%</u>	 <u>1.5%</u>

(1) Includes any 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.

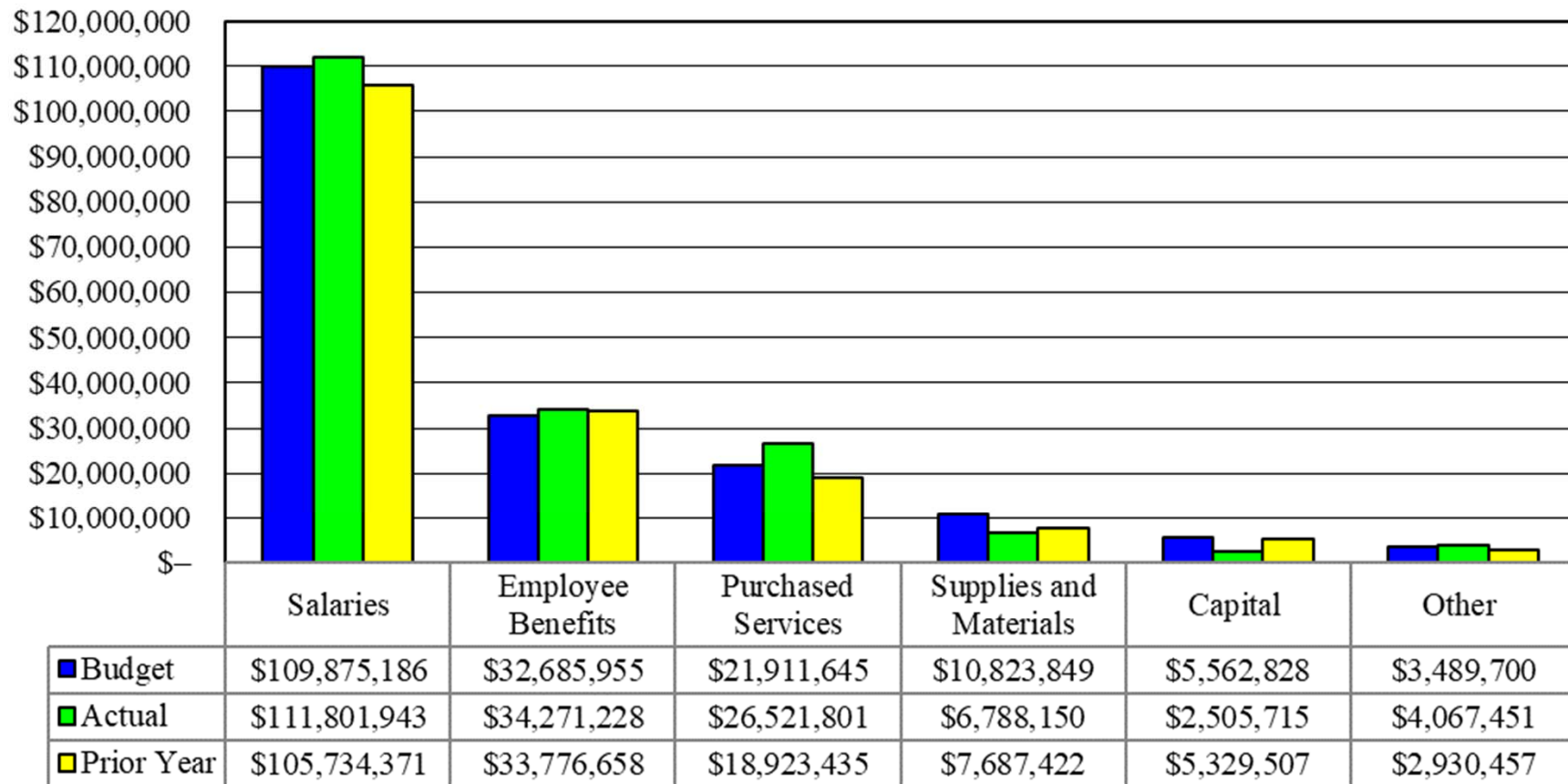
GENERAL FUND REVENUE

General Fund Revenue



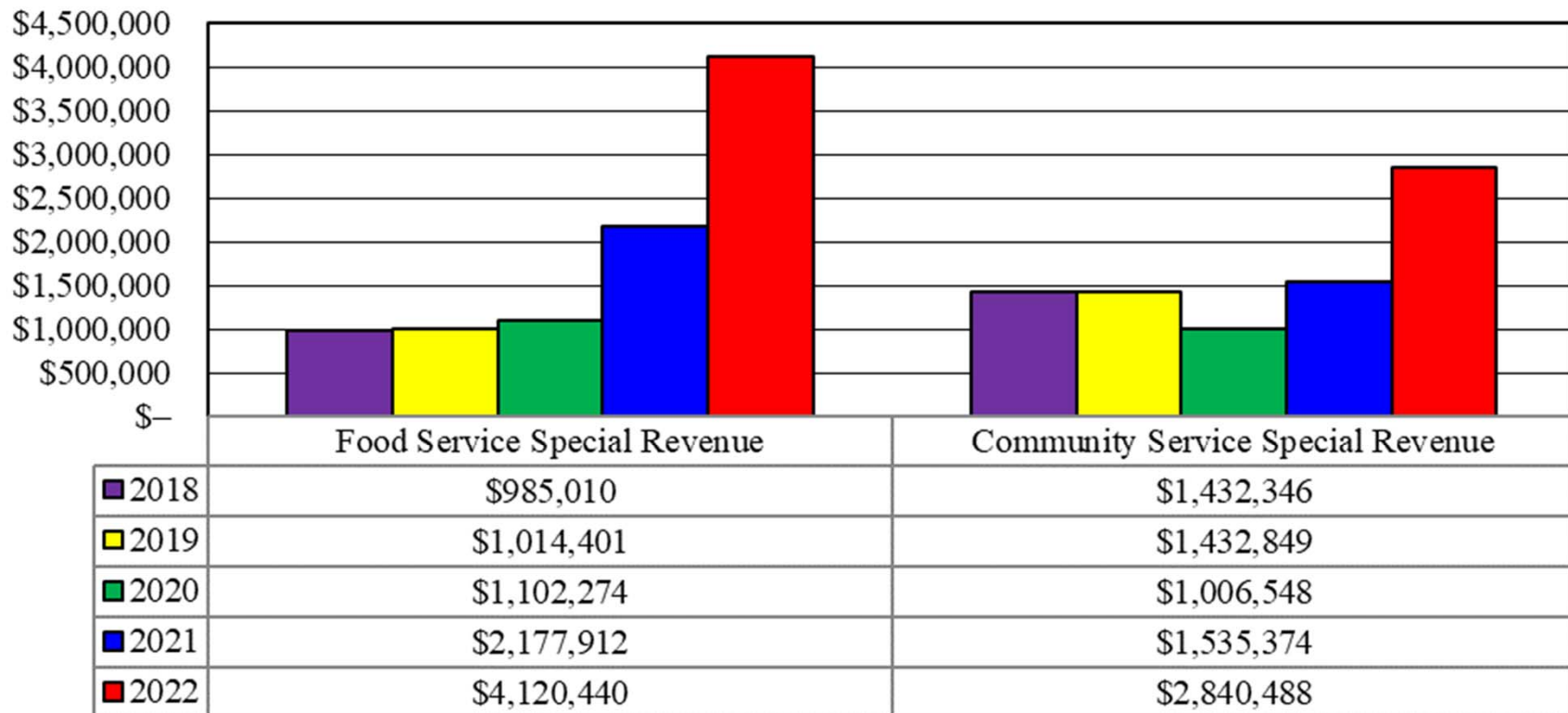
GENERAL FUND EXPENDITURES

General Fund Expenditures



OTHER OPERATING FUNDS FUND BALANCES

Other Operating Funds
Total Fund Balances



SELF-INSURANCE INTERNAL SERVICE FUNDS

	<u>Self-Insured Dental Benefits</u>	<u>Self-Insured Health Benefits</u>
Change in net position		
Operating revenue – contributions	\$ 1,326,258	\$ 18,410,932
Operating expenses – benefits	<u>1,384,785</u>	<u>19,980,118</u>
Operating income (loss)	(58,527)	(1,569,186)
Nonoperating revenue (expense)	<u>1,405</u>	<u>(44)</u>
Change in net position	(57,122)	(1,569,230)
Net position – Beginning of Year	<u>1,379,125</u>	<u>(285,133)</u>
Net position – End of Year	<u><u>\$ 1,322,003</u></u>	<u><u>\$ (1,854,363)</u></u>



DISTRICT-WIDE STATEMENT OF NET POSITION

	June 30,		
	2022	2021	Change
Net position – governmental activities			
Total fund balances – governmental funds	\$ 41,415,082	\$ 29,063,998	\$ 12,351,084
Total capital assets, net of depreciation/amortization	303,825,003	305,146,648	(1,321,645)
OPEB asset, net of deferments	5,615,407	5,264,541	350,866
Bonds, COPs, financed purchases, and leases	(209,392,887)	(196,321,885)	(13,071,002)
PERA and TRA pensions, net of deferments	(162,105,824)	(171,605,370)	9,499,546
Other adjustments	(6,889,768)	(6,099,049)	(790,719)
Total net position – governmental activities	<u>\$ (27,532,987)</u>	<u>\$ (34,551,117)</u>	<u>\$ 7,018,130</u>
Net position			
Net investment in capital assets	\$ 111,931,629	\$ 119,977,952	\$ (8,046,323)
Restricted	17,685,336	13,711,368	3,973,968
Unrestricted	<u>(157,149,952)</u>	<u>(168,240,437)</u>	<u>11,090,485</u>
Total net position	<u>\$ (27,532,987)</u>	<u>\$ (34,551,117)</u>	<u>\$ 7,018,130</u>