

**INDEPENDENT SCHOOL DISTRICT NO. 2149  
MINNESWASKA AREA SCHOOLS**

**FINANCIAL INFORMATION PRESENTATION**

**YEAR ENDED JUNE 30, 2020**

## **Purpose of the Audit Presentation**

The District receives audited financial statements each year. These will be delivered to the District shortly. The School Board should have access to this information as it is available.

This is not a required report and I offer no opinion on the audit presentation, except that it is derived from audited financial statements. I believe this information will provide a clearer picture of the financial condition of the District.

I hope this audit presentation encourages discussion of the District's financial condition and to:

- Make the School Board and management aware of financial condition trends, both favorable and unfavorable.

There are advantages and disadvantages to using this approach to evaluate financial condition.

Advantages may include:

- District data was compiled under consistent accounting principles and audited under Government Auditing Standards.
- Analysis was performed independent of District management and offers a new perspective of the District's financial condition.

Disadvantages may include:

- The analysis is historical rather than a projection of future financial condition.
- The analysis provides a broad overview rather than detailed analysis.
- The analysis does not attempt to measure level and quality of services.

## **Audit Expectation Gap**

The expectation gap is the gap between the auditor's actual standard of performance and various expectations of auditor's performance by the public. In simpler terms, the gap is the difference between what auditors actually do and what the public thinks they do. When referring to auditors in this discussion, I am referring to certified public accountants (CPAs) hired to perform financial statement audits.

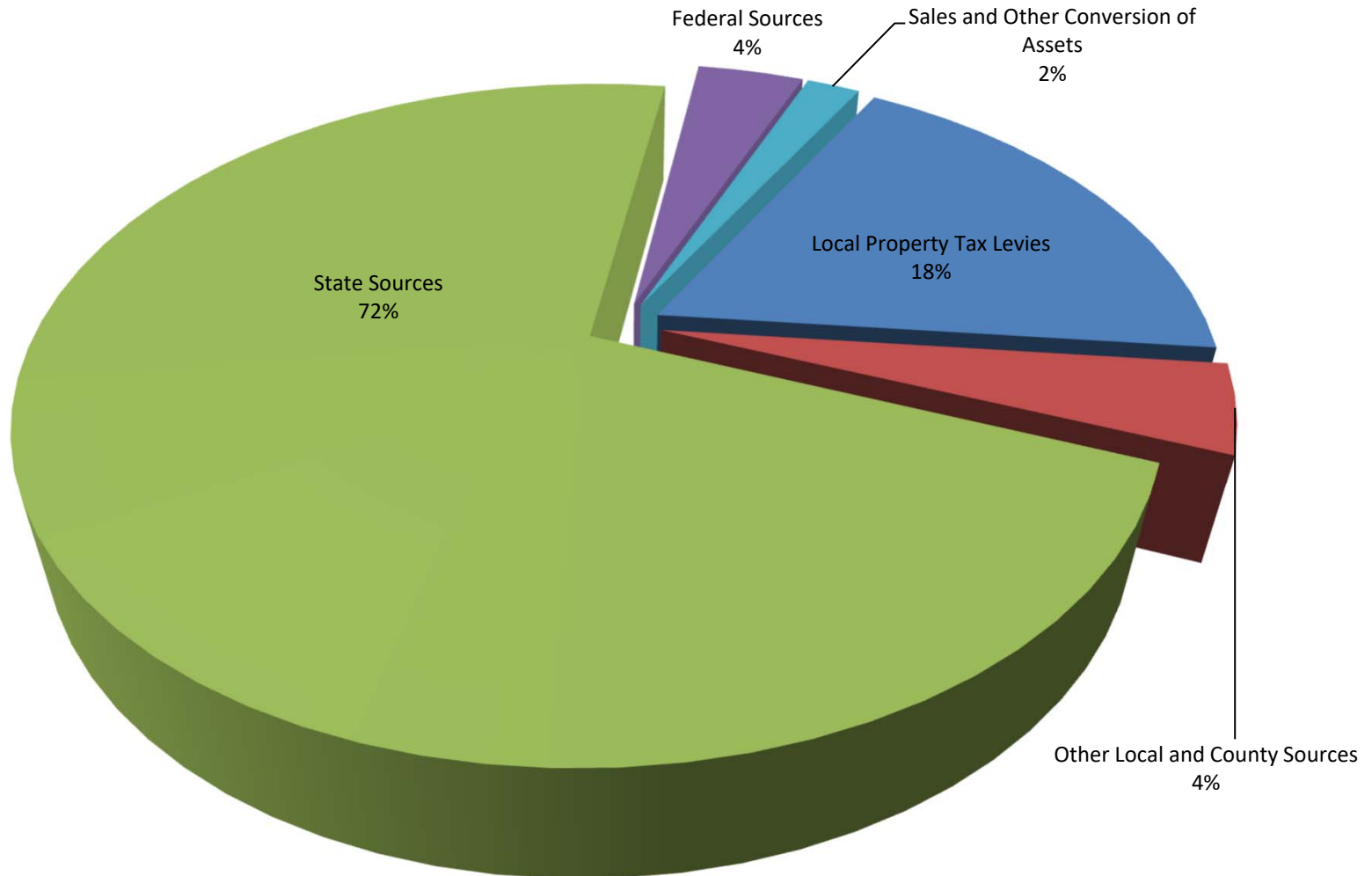
What do many members of the public expect auditors to do?

- Test every transaction – In reality, sampling is used.
- Accept prime responsibility for the financial statements – In reality, financial statements are the responsibility of the District's management.
- Detect fraud – In reality fraud will be reported if it is found, but most frauds are not detected by the external auditors.

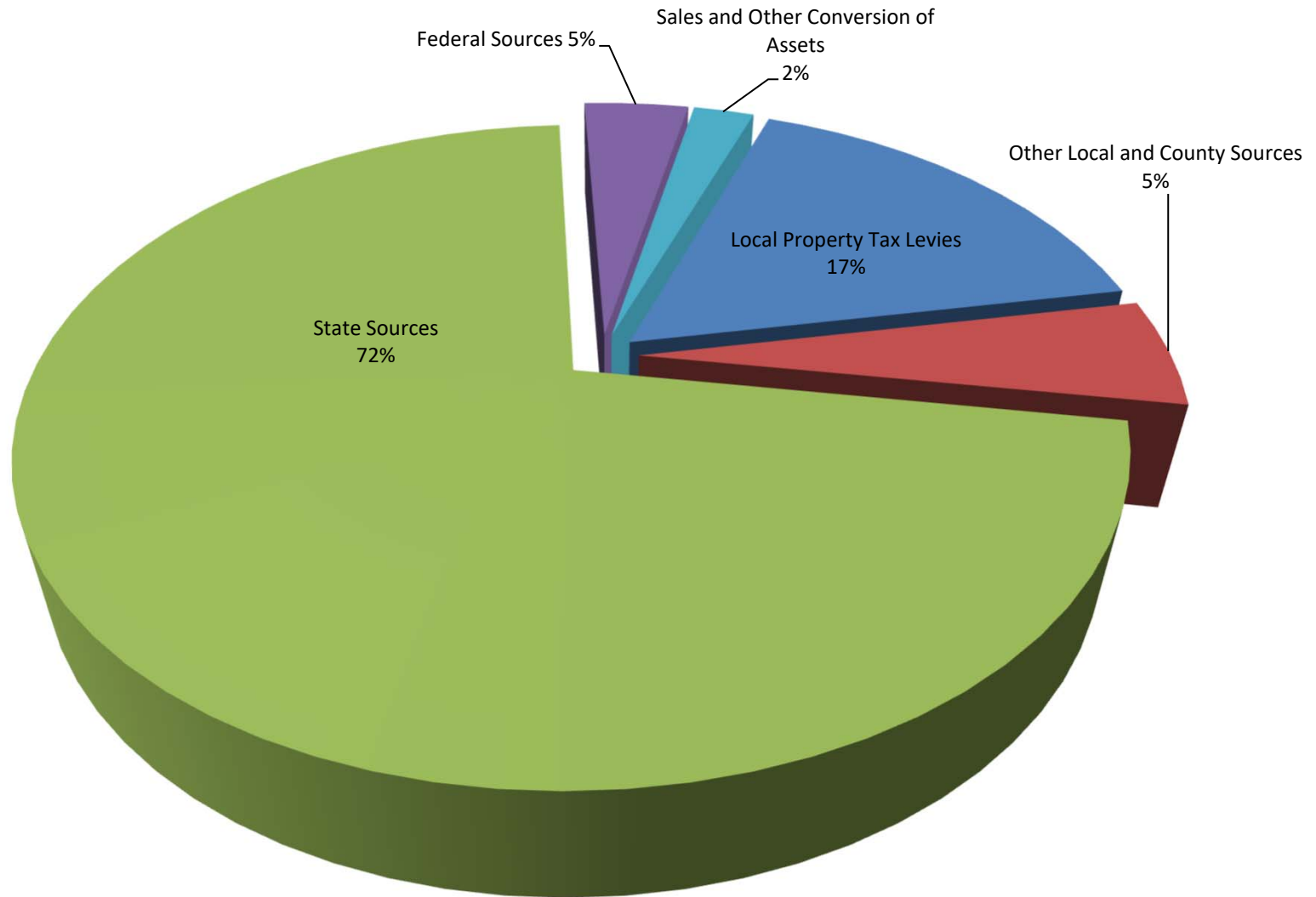
## **Perspective for the Audit Presentation**

The following tables provide summary information for your analysis. The final audit report will have more detailed information.

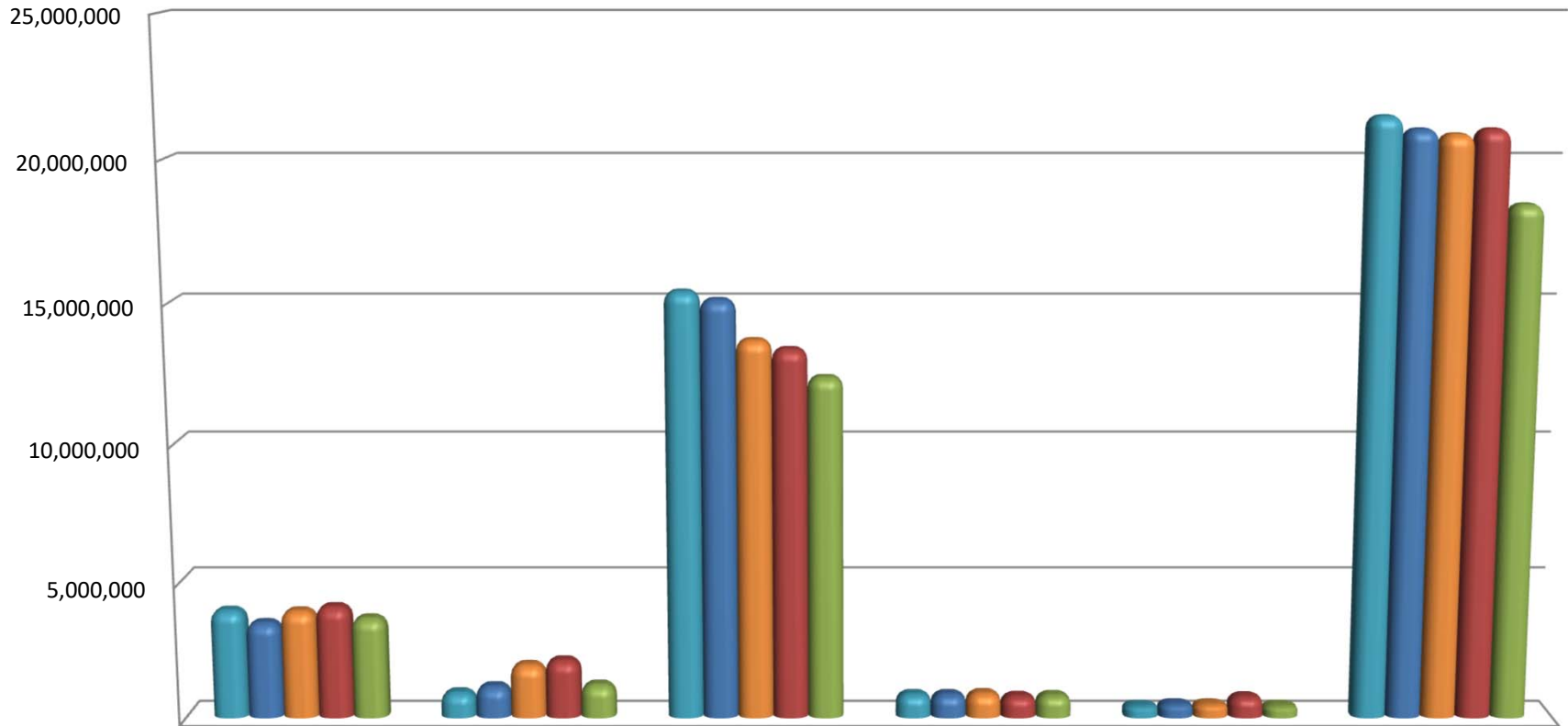
# Independent School District No. 2149 Revenues for the Year Ended June 30, 2020



# Independent School District No. 2149 Revenues for the Year Ended June 30, 2019

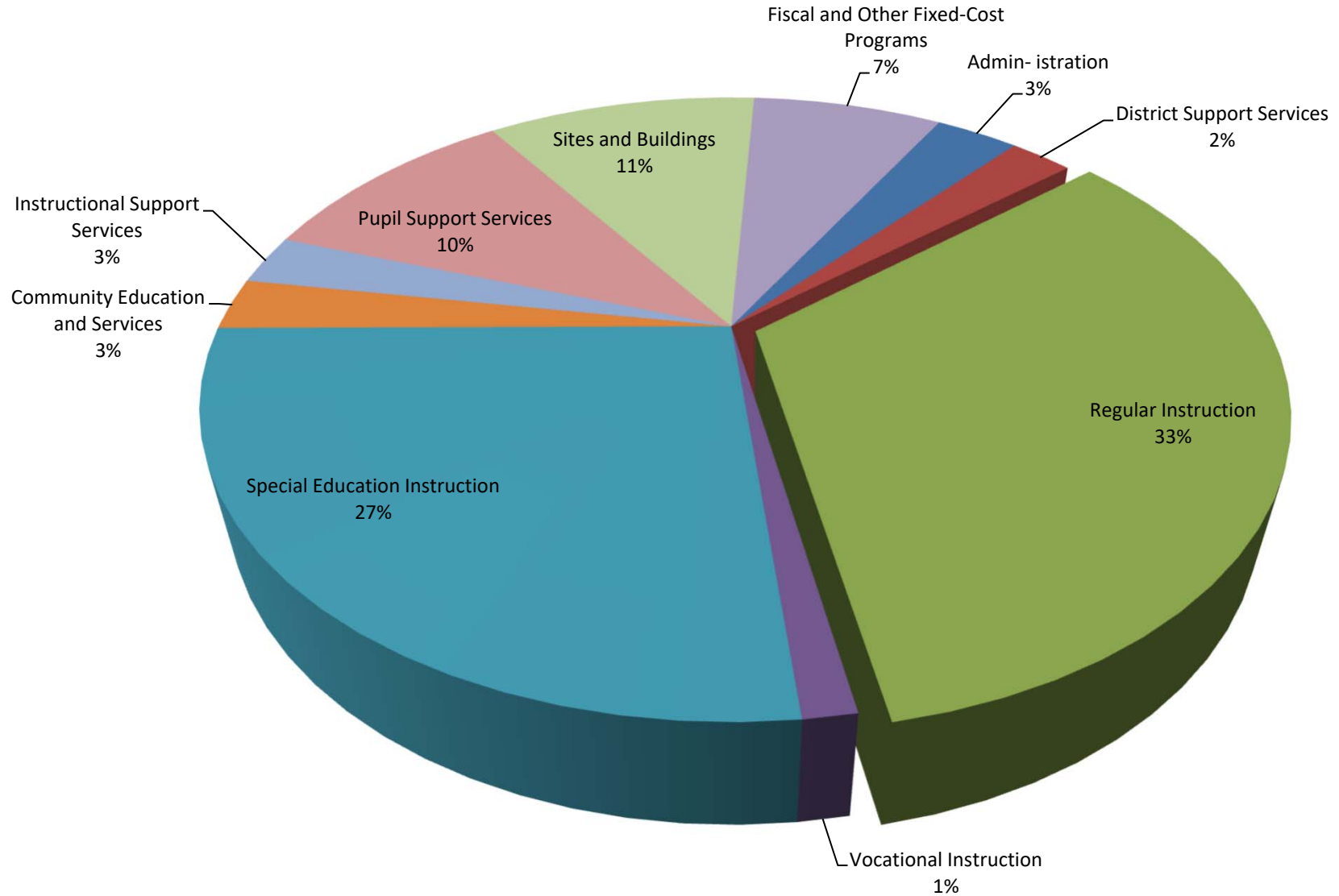


## Independent School District No. 2149 Comparative Revenues

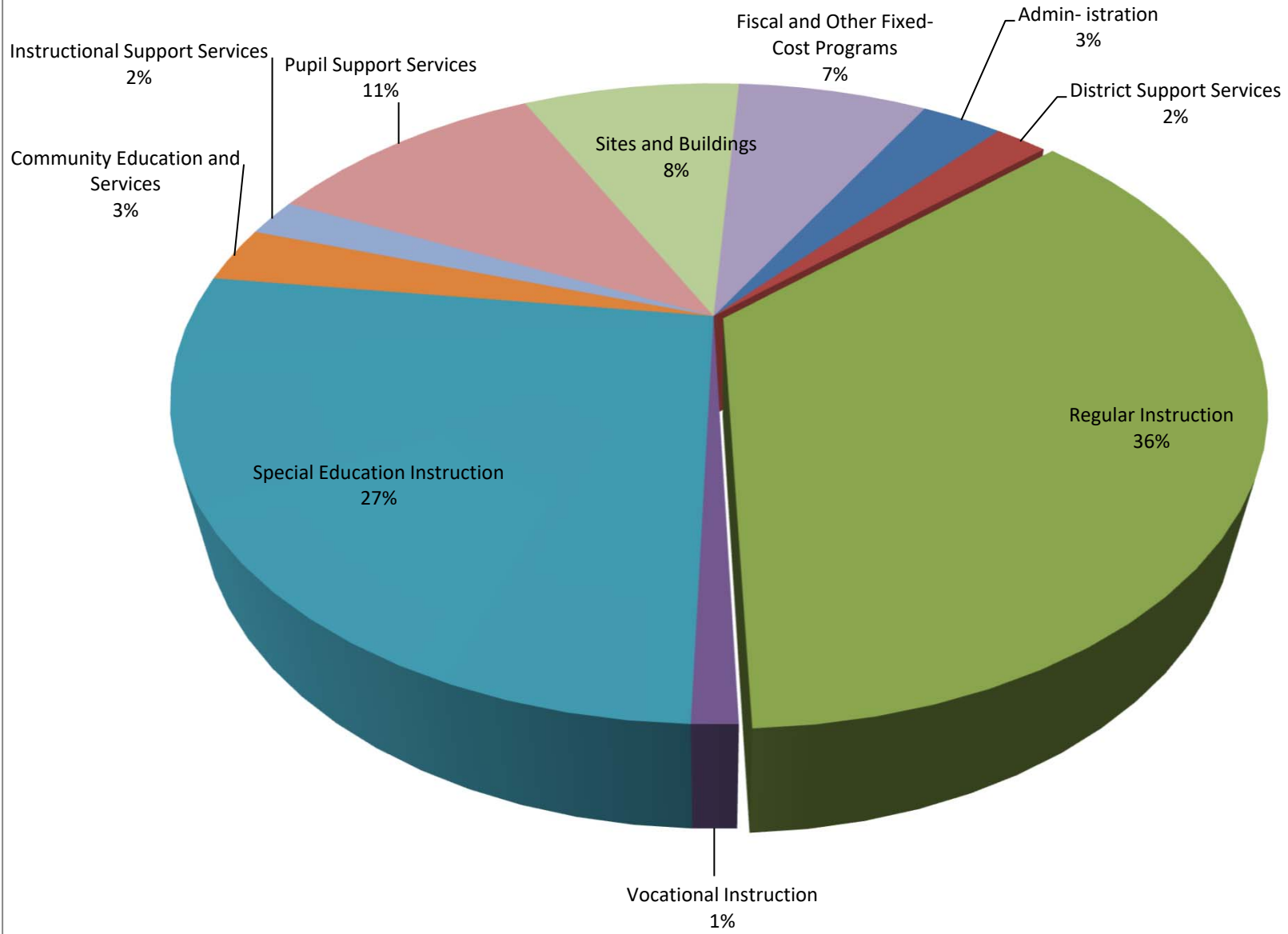


	Local Property Tax Levies	Other Local and County Sources	State Sources	Federal Sources	Sales and Other Conversion of Assets	Total Revenue
■ 2020	3,933,765	907,549	15,390,747	839,661	418,865	21,490,587
■ 2019	3,477,920	1,136,768	15,096,065	839,133	485,087	21,034,973
■ 2018	3,909,409	1,927,686	13,671,053	877,465	477,785	20,863,398
■ 2017	4,064,574	2,096,256	13,354,991	768,434	751,960	21,036,215
■ 2016	3,648,635	1,195,182	12,355,997	802,702	420,594	18,423,110

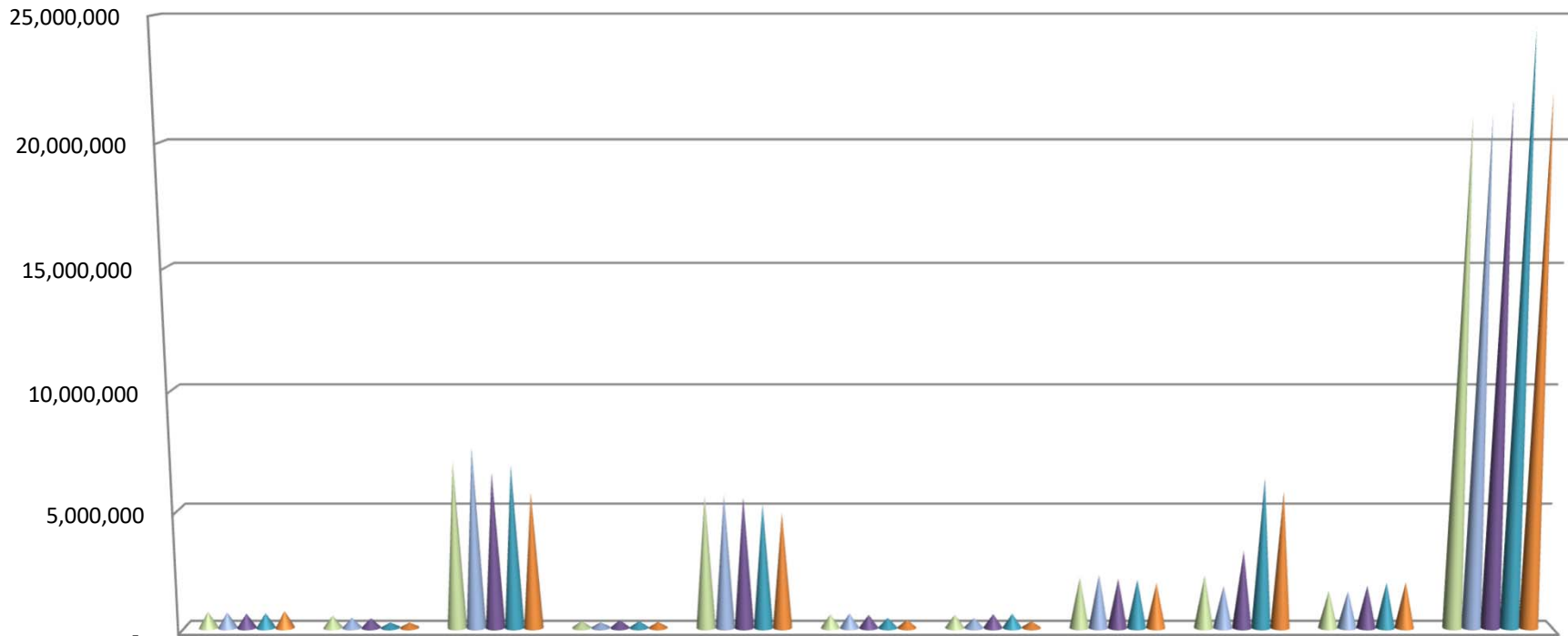
# Independent School District No. 2149 Expenditures for the Year Ended June 30, 2020



# Independent School District No. 2149 Expenditures for the Year Ended June 30, 2019



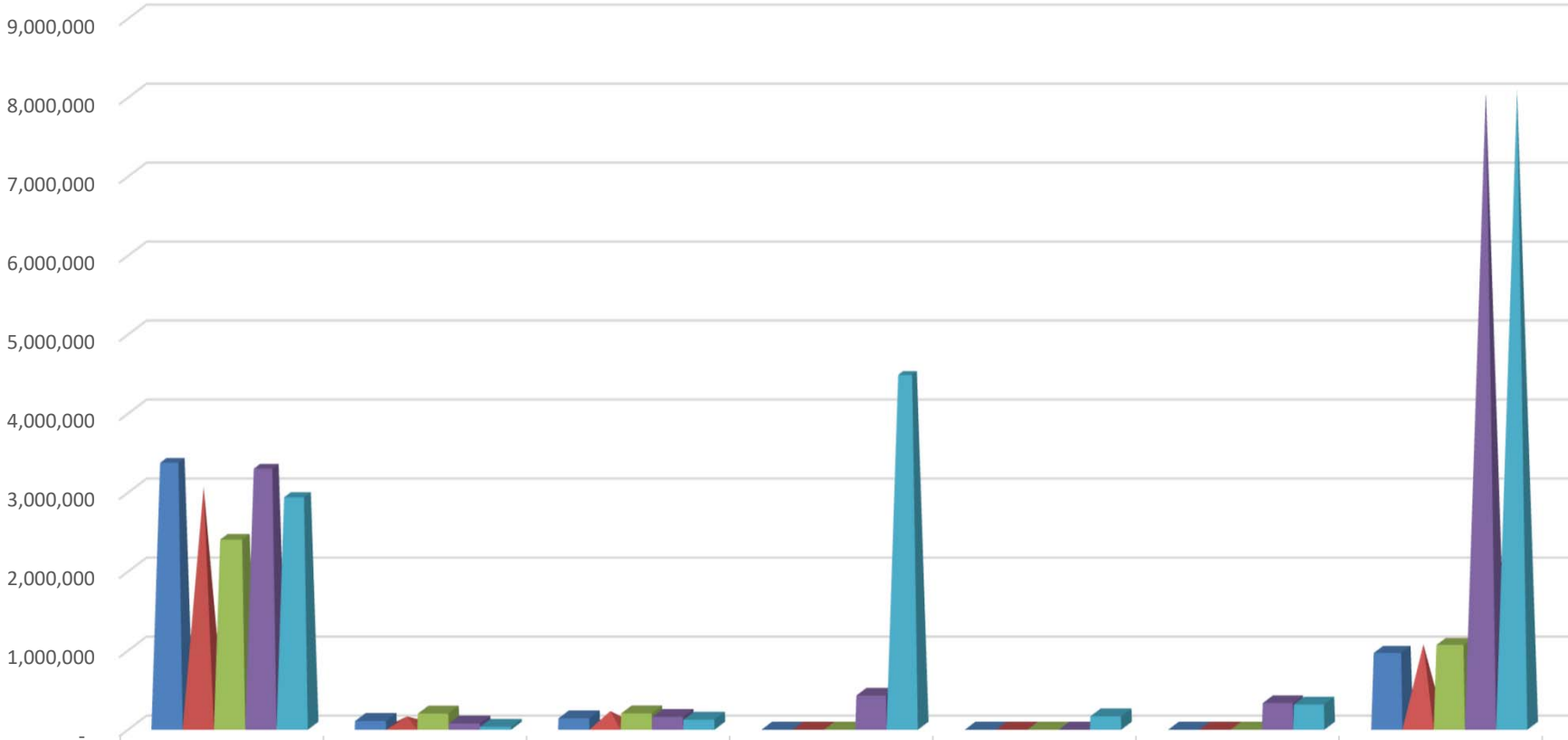
## Independent School District No. 2149 Comparative Expenditures for the years ended June 30, 2020



	Admin- istration	District Support Services	Regular Instruction	Vocational Instruction	Special Education Instruction	Community Education and Services	Instructional Support Services	Pupil Support Services	Sites and Buildings	Fiscal and Other Fixed- Cost Programs	Total Expenditures
■ 2020	678,103	508,368	6,981,806	276,637	5,595,087	571,353	556,211	2,130,624	2,222,280	1,566,019	21,086,488
■ 2019	653,306	422,053	7,610,085	225,251	5,620,791	607,752	415,622	2,246,274	1,775,874	1,552,208	21,129,216
■ 2018	602,156	409,042	6,541,848	323,753	5,514,255	548,512	577,323	2,076,212	3,265,637	1,788,176	21,646,912
■ 2017	618,089	225,034	6,839,403	278,706	5,215,229	418,191	597,534	2,045,101	6,323,806	1,923,861	24,484,953
■ 2016	711,460	223,972	5,726,730	249,472	4,869,017	332,732	268,032	1,899,032	5,769,845	1,936,827	21,987,119

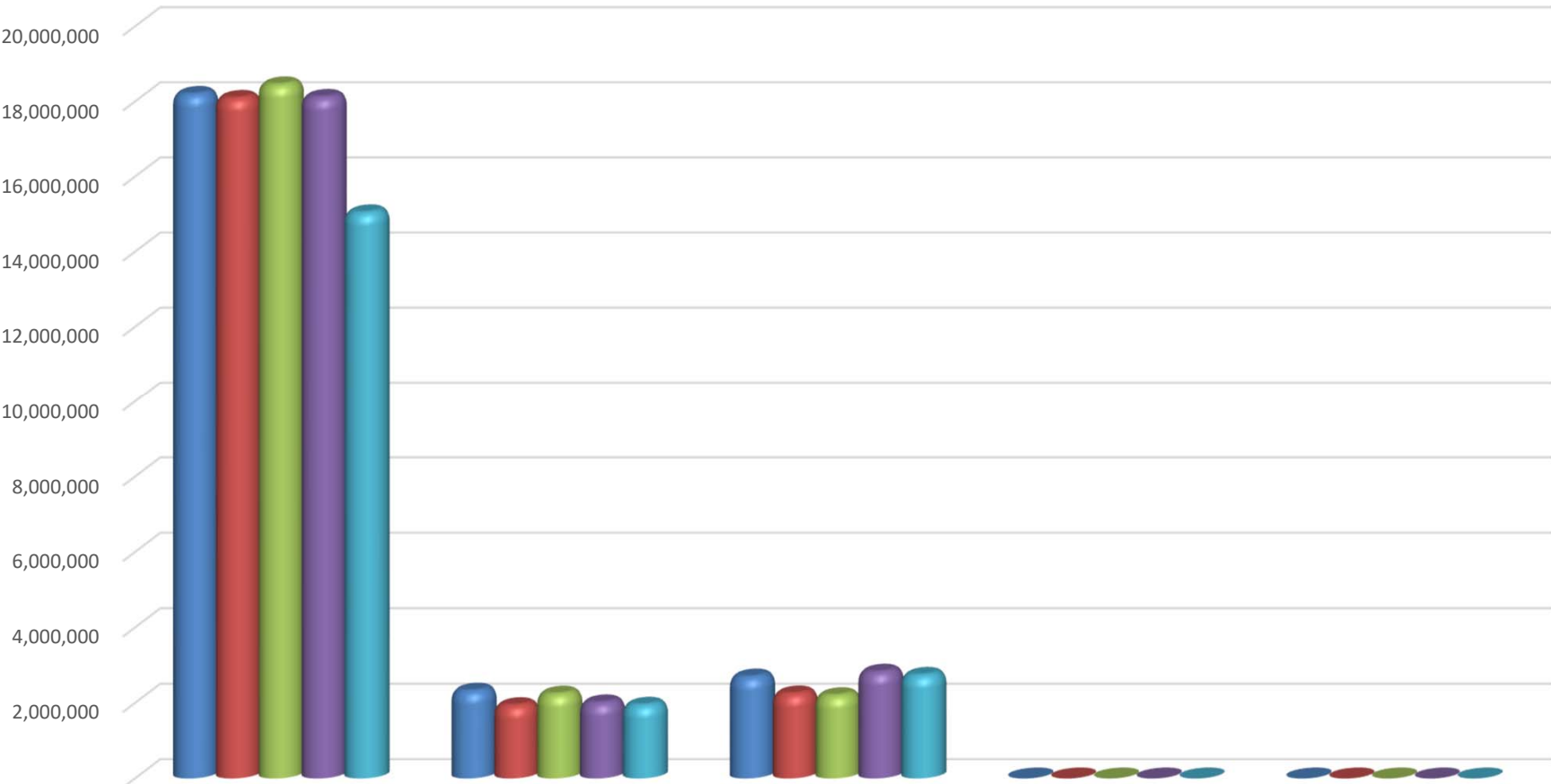


## Independent School District No. 2149 Cash and Investment Balances as of June 30



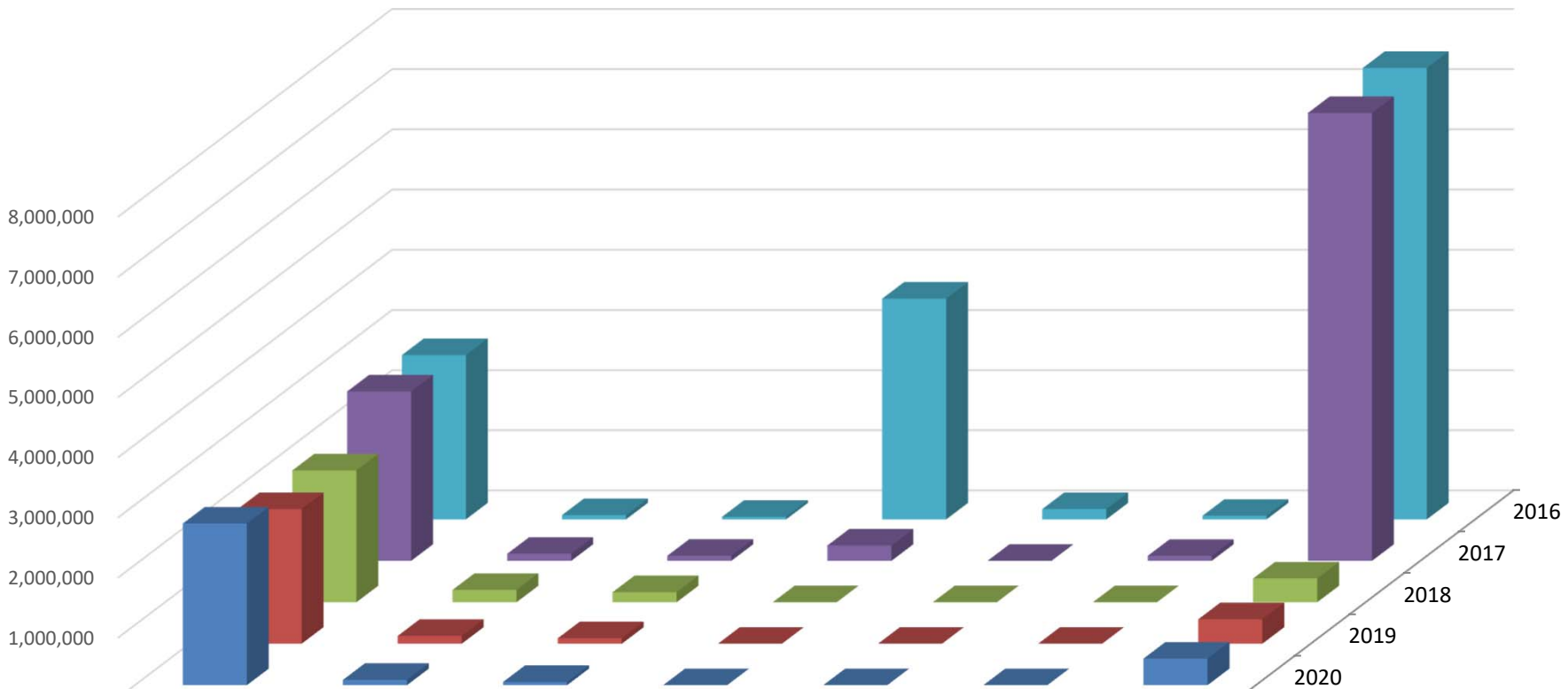
	General Fund	Food Service Fund	Community Service Fund	Building Const Fund	OPEB Irrevocable Trust Fund	OPEB Debt Service Fund	Debt Service Fund
2020	3,357,584	109,310	143,907	-	-	-	965,691
2019	3,027,453	117,531	185,905	-	-	-	1,029,763
2018	2,391,238	202,694	205,767	-	-	-	1,066,299
2017	3,283,038	78,562	161,821	431,225	-	335,584	7,987,122
2016	2,923,831	35,957	125,935	4,464,010	169,123	318,006	8,050,470

## Independent School District No. 2149 General Fund Months of Fund Balance



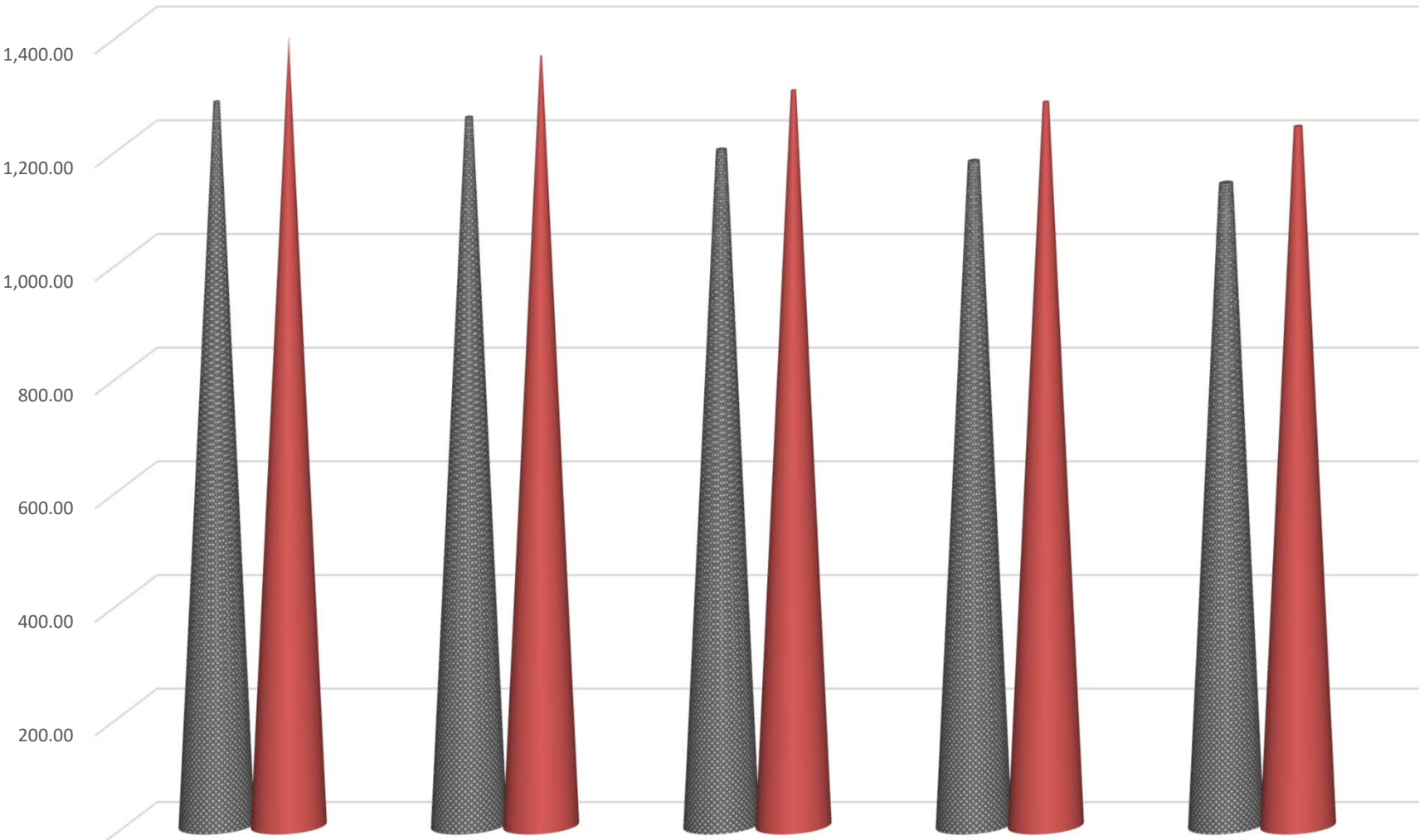
	General Fund Total Expenditures	General Fund Unassigned Fund Balance	General Fund Total Fund Balance	General Fund Months of Unassigned Fund Balance	General Fund Months of Total Fund Balance
2020	18,191,569	2,315,121	2,689,187	1.53	1.77
2019	18,086,088	1,929,861	2,239,861	1.28	1.49
2018	18,445,146	2,234,458	2,194,085	1.45	1.43
2017	18,112,288	2,003,699	2,817,496	1.33	1.87
2016	15,038,909	1,941,126	2,733,036	1.55	2.18

# Independent School District No. 2149 Fund Balances



	General Fund Total Fund Balance	Food Service Fund Total Fund Balance	Community Service Fund Total Fund Balance	Building Const Fund Total Fund Balance	OPEB Irrevocable Trust Fund Total Fund Balance	OPEB Debt Service Fund Total Fund Balance	Debt Service Fund Total Fund Balance
2020	2,689,187	87,955	53,010	-	-	-	441,718
2019	2,239,861	130,370	90,828	-	-	-	406,712
2018	2,194,085	205,399	167,511	-	-	-	395,019
2017	2,817,496	117,280	84,297	255,575	-	81,839	7,444,040
2016	2,733,036	70,589	42,482	3,670,833	171,719	59,059	7,501,546

# Independent School District No. 2149 Pupil Units



	2020	2019	2018	2017	2016
Total ADM	1,274.70	1,247.55	1,190.79	1,170.72	1,131.92
Total PUN	1,389.79	1,354.79	1,294.57	1,274.16	1,231.26

## **Independent School District No. 2149 Summary of Findings for 2020**

### **FINDING 2020-001: Controls over Period End Financial Reporting Process**

**Summary:** The District relies on the audit firm to prepare the financial statements.

**Resolution:** The District Continues to rely on the auditor for preparation of the financial statements, but does perform a detailed review.

### **Finding 2020-002 Lack of Segregation of Accounting Duties**

**Summary:** The District has a small office staff and accordingly a lack of segregation in the accounting functions.

**Resolution:** The District has certain procedures in place to mitigate the lack of segregation, but the duties are not able to segregated at the current time and staffing level.

### **Finding 2020-003 Donations Accepted by Resolution**

**Summary:** The District's accepted donations by motion instead of by resolution.

**Resolution:** The District will begin accepting gifts and donations by resolution during the current year.

### **Finding 2020-004 Transactions with a Board Member**

**Summary:** The District did not obtain an affidavit and adopt a resolution prior to transacting business with a board member.

**Resolution:** The School Board has an affidavit and resolution for approval at the November meeting.

### **Finding 2020-005 Compliance with the Manual for Activity Fund Accounting**

**Summary:** The District did not fully implement the procedures and standards required by MAFA for the year ended June 30, 2020. The District was not in compliance with the following provisions:

- Did the District obtain a Student Activity Purpose Summary on an annual basis?

**Resolution:** The School Board has already approved the activities in the current year, and is now approving fundraising requests. The District has obtained student activity purpose summaries for the current year.