



PRESENTED BY
David R. Youngstrom, CPA

Waterford School District
June 30, 2018





Audit Results

Financial Statements:

•Unmodified Opinion

- Highest level of assurance
- School's financial records and statements are fairly and appropriately presented, and in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.





Balance Sheet-Governmental Funds

	General Fund	Capital Projects		Nonmajor Governmental Funds	Total Governmental Funds
		2016 Series II	2016 Series III		
Assets					
Cash and investments	\$ 14,525,272	\$44,567,234	\$ 9,953,521	\$ 4,828,203	\$ 73,874,230
Due from other governmental units	15,881,159	-	-	572,981	16,454,140
Other assets	2,031,562	-	-	21,331	2,052,893
Total assets	\$ 32,437,993	\$44,567,234	\$ 9,953,521	\$ 5,422,515	\$ 92,381,263
Liabilities and Fund Balance					
Liabilities					
Accounts payable and other liabilities	\$ 2,078,953	\$ 2,430,372	\$ -	\$ 670,485	\$ 5,179,810
State aid note	13,500,000	-	-	-	13,500,000
Accrued salaries payable and related liabilities	9,686,984	-	-	-	9,686,984
Total liabilities	25,265,937	2,430,372	-	670,485	28,366,794
Fund Balance					
Non-spendable	560,574	-	-	21,033	581,607
Restricted for:					
Food service	-	-	-	1,473,231	1,473,231
Debt service	-	-	-	1,903,002	1,903,002
Capital projects	-	42,136,862	9,953,521	-	52,090,383
Special Education center programs	-	-	-	550,000	550,000
Assigned	283,715	-	-	804,764	1,088,479
Unassigned	6,327,767	-	-	-	6,327,767
Total fund balance	7,172,056	42,136,862	9,953,521	4,752,030	64,014,469
Total liabilities and fund balance	\$ 32,437,993	\$44,567,234	\$ 9,953,521	\$ 5,422,515	\$ 92,381,263





Statement of Revenues, Expenditures and Changes in Fund Balances

	General Fund	Capital Projects		Nonmajor Governmental Funds	Total Governmental Funds
		2016 Series II	2016 Series III		
Revenues and other sources	\$ 101,017,879	\$ 50,422,802	\$ 10,080,018	\$ 31,810,906	\$ 193,331,605
Expenditures and other uses	<u>98,839,715</u>	<u>8,285,940</u>	<u>126,497</u>	<u>43,272,590</u>	<u>150,524,742</u>
Change in fund balance	2,178,164	42,136,862	9,953,521	(11,461,684)	42,806,863
Fund balance July 1, 2017	<u>4,993,892</u>	<u>-</u>	<u>-</u>	<u>16,213,714</u>	<u>21,207,606</u>
Fund balance June 30, 2018	<u>\$ 7,172,056</u>	<u>\$ 42,136,862</u>	<u>\$ 9,953,521</u>	<u>\$ 4,752,030</u>	<u>\$ 64,014,469</u>

Note:

Non-spendable	\$ 560,574
Assigned	<u>283,715</u>
Net Unassigned Fund Balance	<u>\$ 6,327,767</u>





General Fund Comparison to Budget Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Difference</u>
Revenues and other sources	\$ 100,234,542	\$ 102,019,276	\$ 101,017,879	-0.98%
Expenditures and other uses	<u>100,225,432</u>	<u>101,900,360</u>	<u>98,839,715</u>	-3.00%
	<u>\$ 9,110</u>	<u>\$ 118,916</u>	<u>\$ 2,178,164</u>	

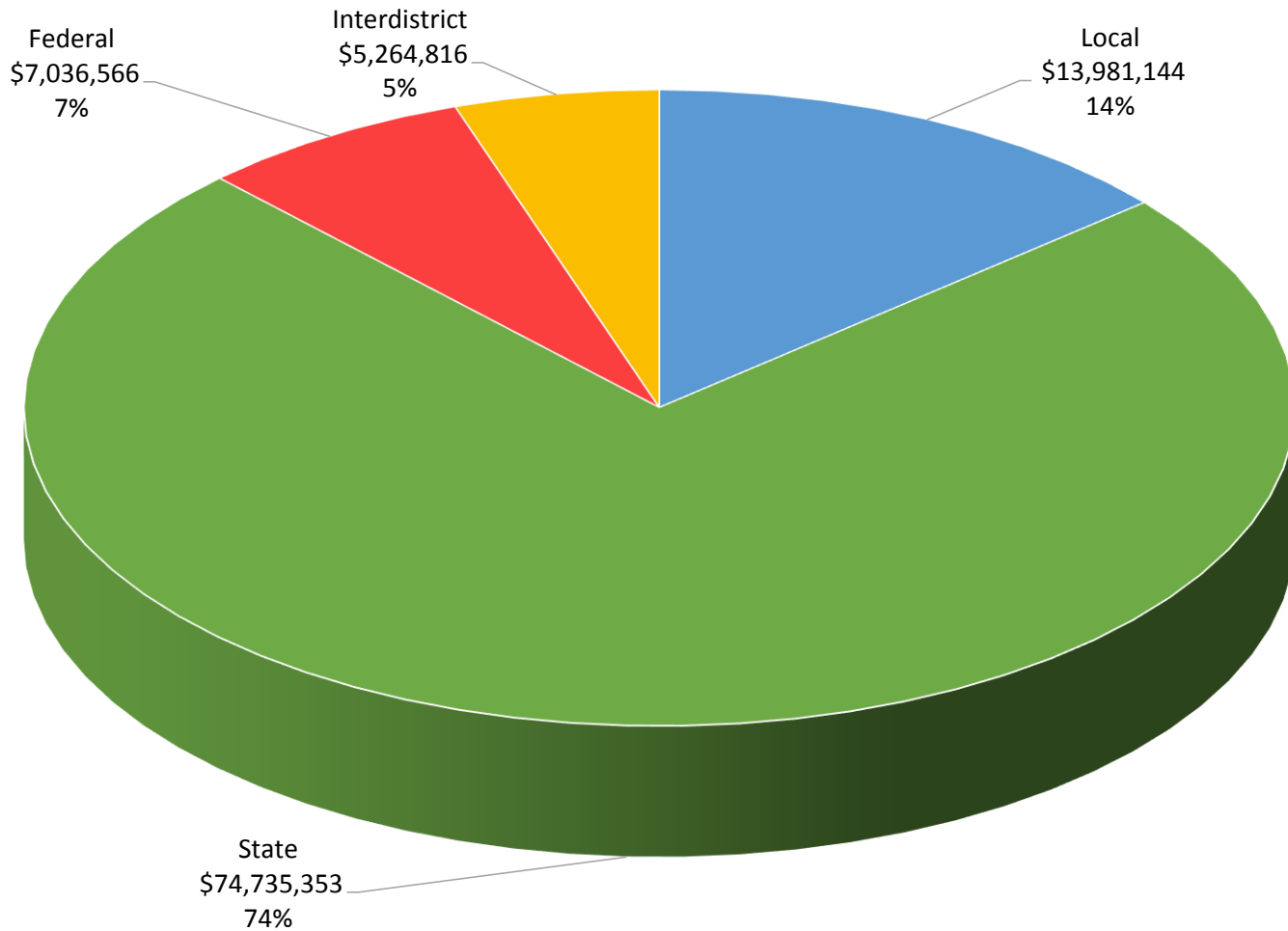
Note:

Non-spendable	\$ 560,574
Assigned	<u>283,715</u>
Unassigned Increase	<u>\$ 1,333,875</u>



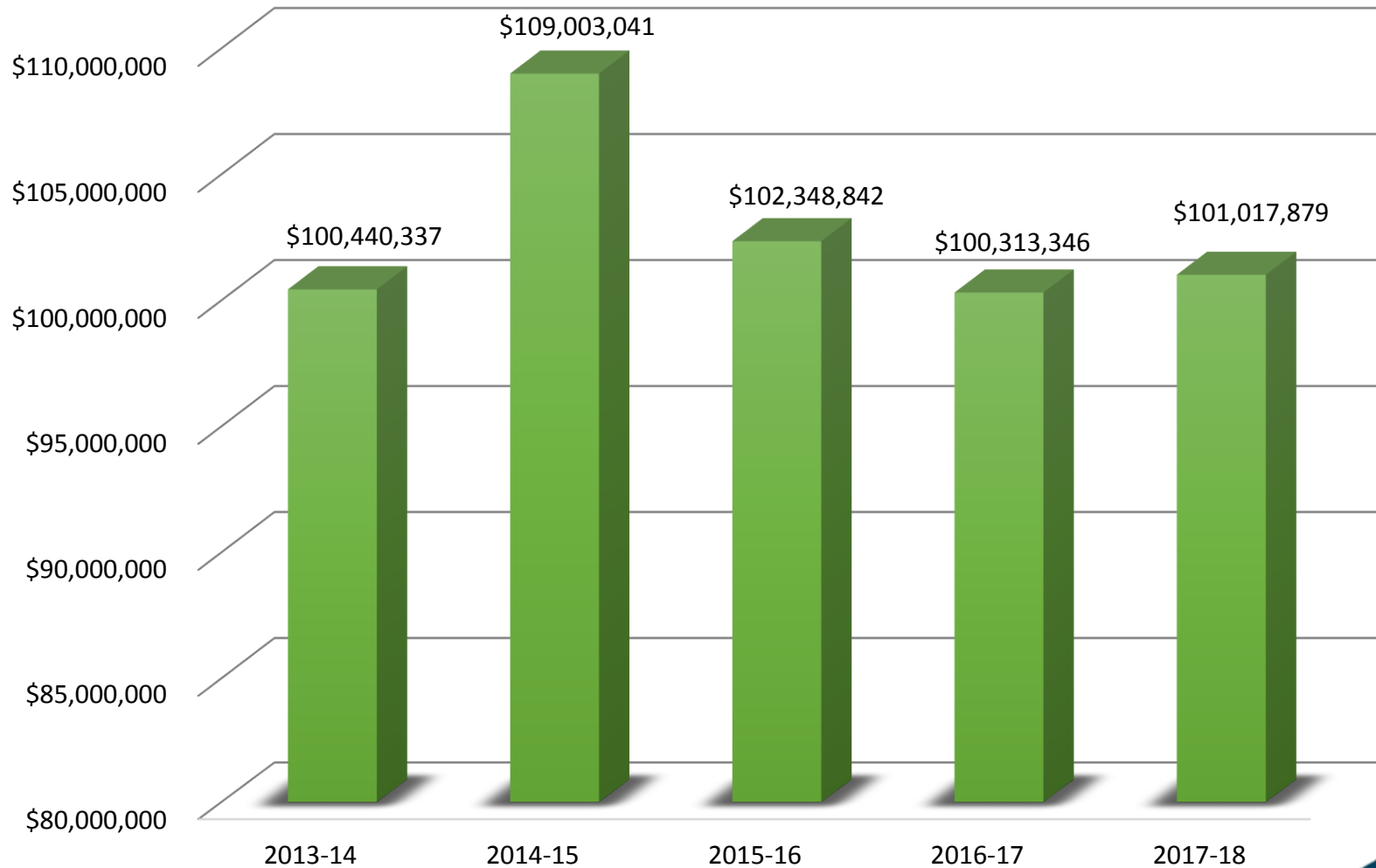


General Fund Revenue Year Ended June 30, 2018



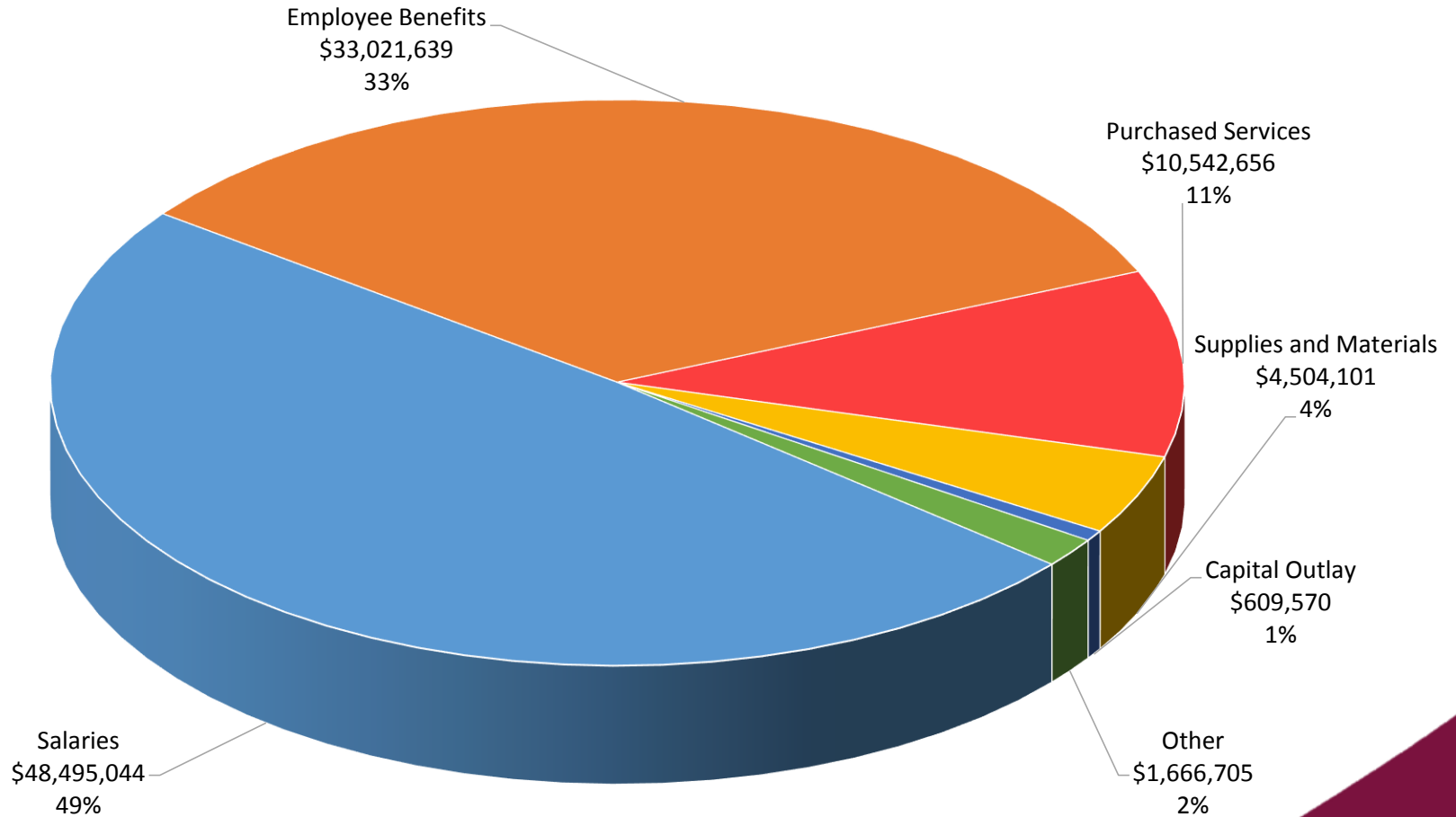


Five Year Trend General Fund Revenue and Other Sources



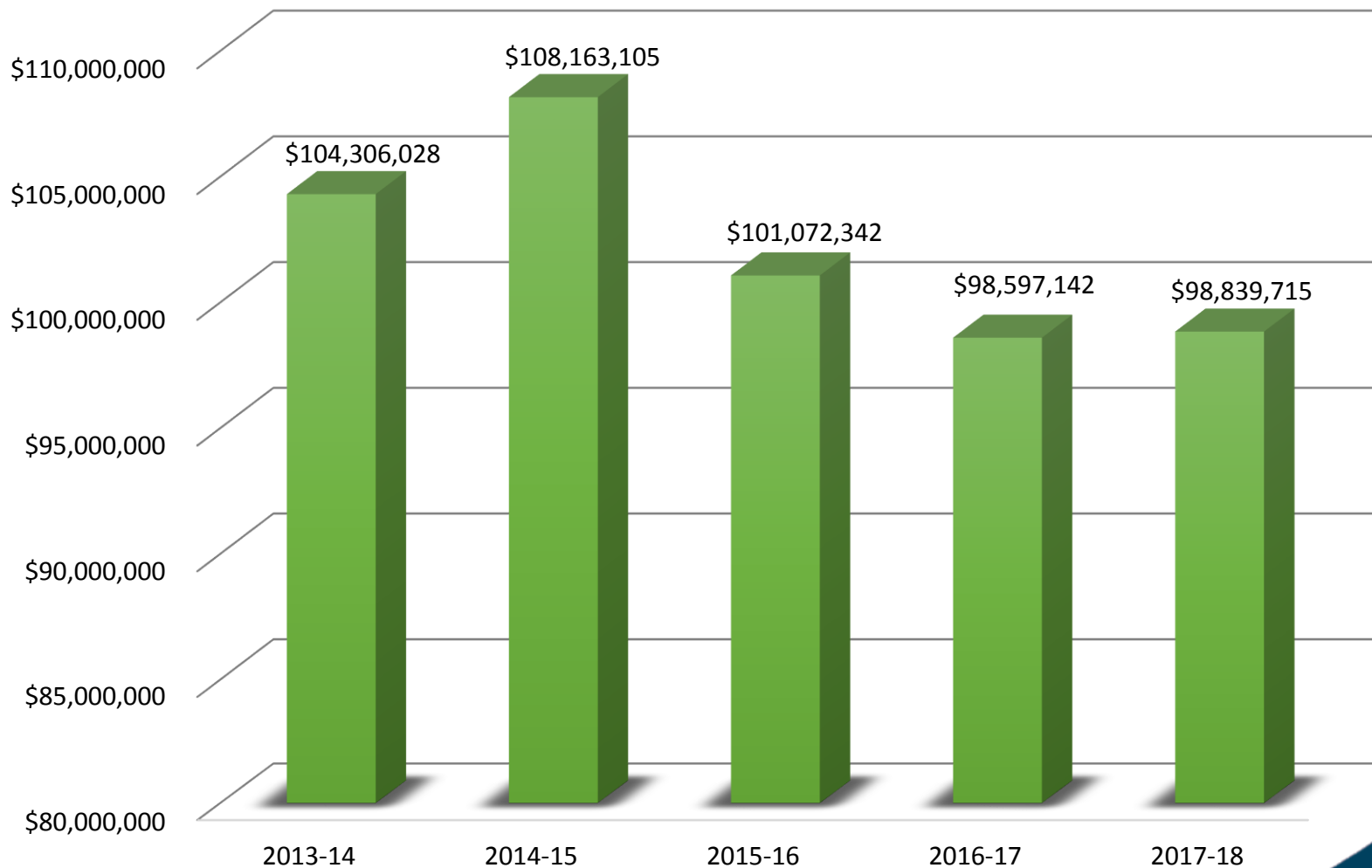


General Fund Expenditures (includes Transfers) Year Ended June 30, 2018



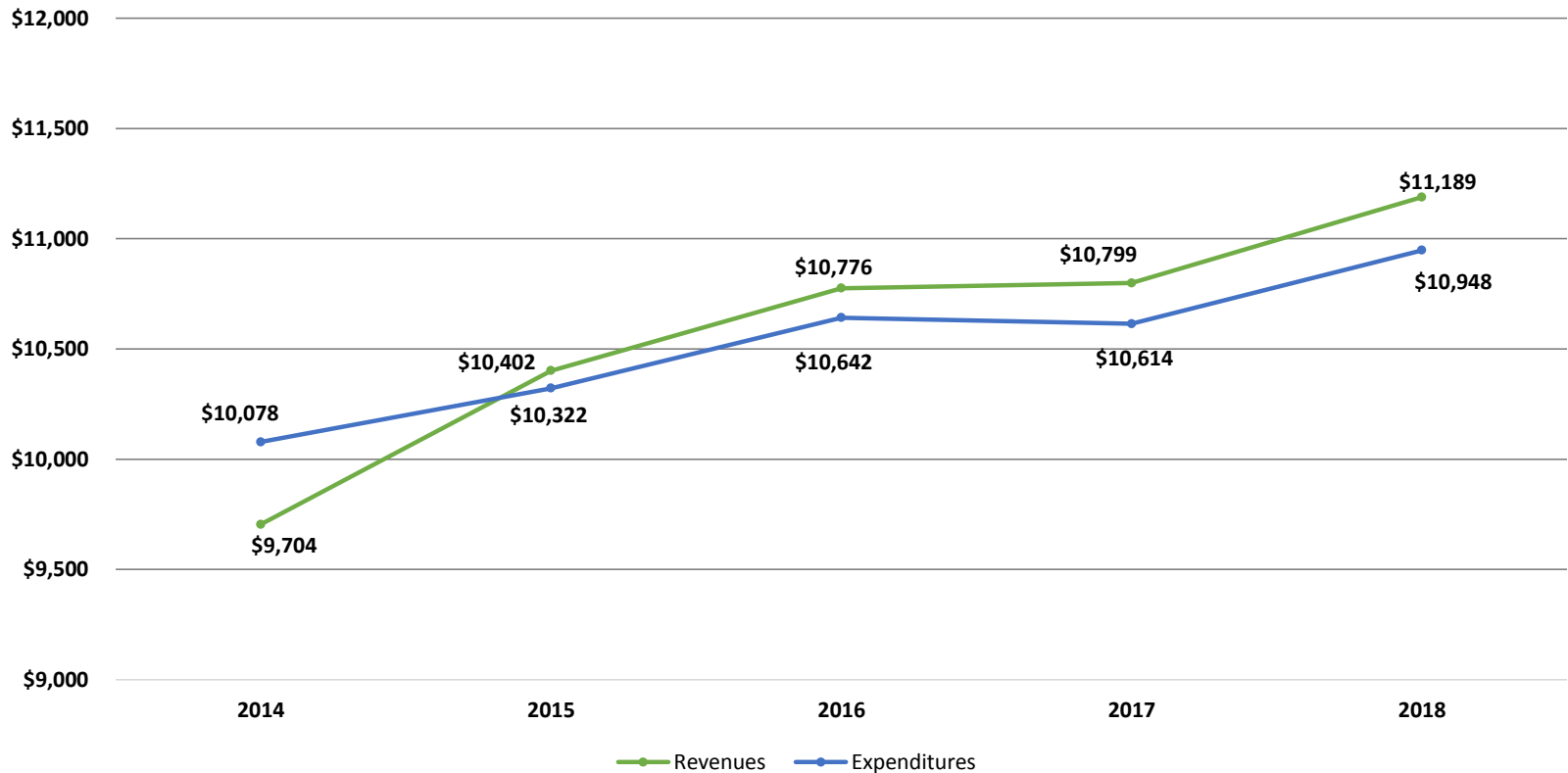


Five Year Trend General Fund Expenditures and Other Uses



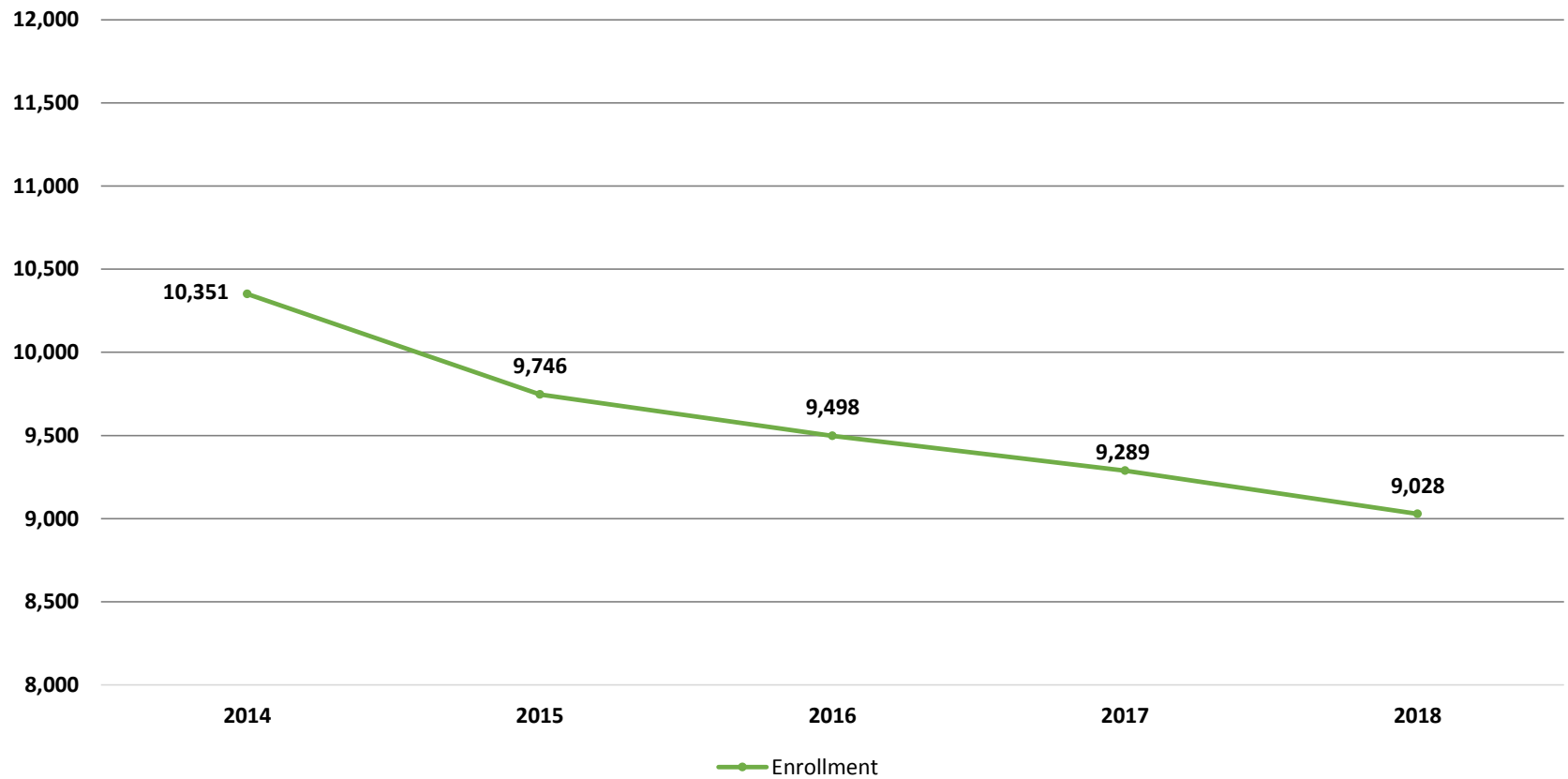


Per-Pupil Analysis of General Fund Revenues, Expenditures, and Transfers



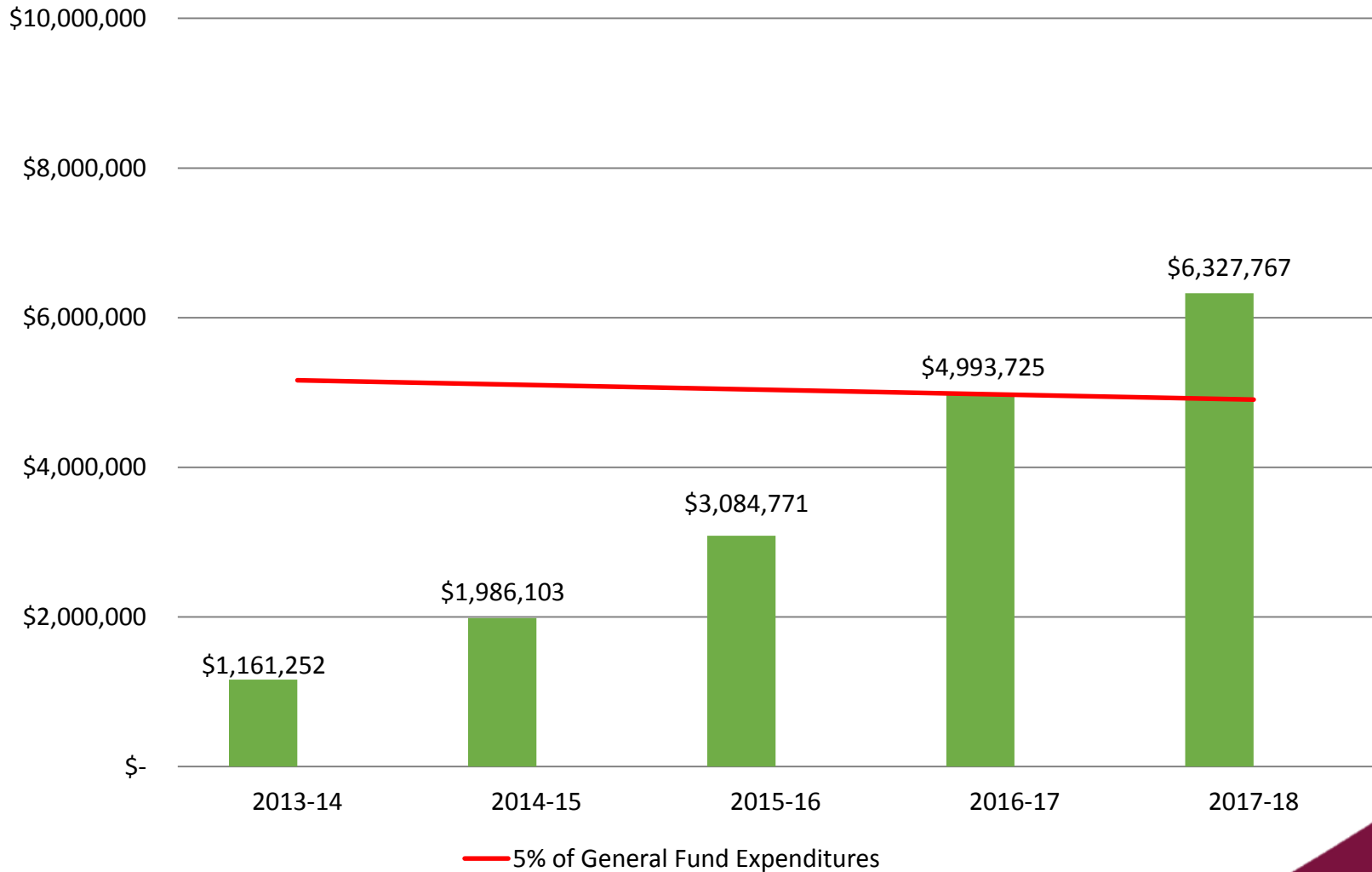


Five Year Enrollment Trend Analysis





General Fund – Unassigned Fund Balance





Internal Controls and Compliance

Financial Statements:

- No Material Weaknesses Identified
- No Significant Deficiencies Identified
- No Material Noncompliance

Federal Awards:

- Major Program – Special Education Cluster
 - Unmodified Opinion
- No Material Weaknesses Identified
- No Significant Deficiencies Identified
- No Material Noncompliance





Governance Letter

Required communication

Management Comments

- Prior Year –
 - Parental Involvement- Corrected
 - Signature Stamp for Checks- Corrected
- Current Year –
 - Activity Funds





Future Challenges

- State economic/political condition
- Rising healthcare costs
- Retirement rate increases
- Enrollment trends
- Staffing shortages
- Legacy cost of pension plan over \$165mm
- Legacy cost of other post-employment benefits over \$56mm



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Thank you!

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