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Independent School District
No. 879

Delano, Minnesota

Audit Presentation

June 30, 2023

Independent Audit's Report

- Independent Auditor's Report
 - Financial statements are management's responsibility; auditor's responsibility to express an opinion on them.
 - Unmodified opinion on the financial statements
 - Financial statements present fairly in all material respects the financial position and change in financial position

Audit Communications

- Report in Accordance with *Government Auditing Standards*
 - Internal control findings
 - Lack of Segregation of Accounting Duties
 - No compliance findings
- Report on Compliance in Accordance with The Uniform Guidance
 - Unmodified opinion on compliance with requirements of major federal programs
 - Child nutrition cluster
- Report on Minnesota Legal Compliance
 - No findings on compliance with legal provisions contained in the *Minnesota Legal Compliance Audit Guide for Local Governments*

Average Daily Membership and Pupil Units – General Education Aid

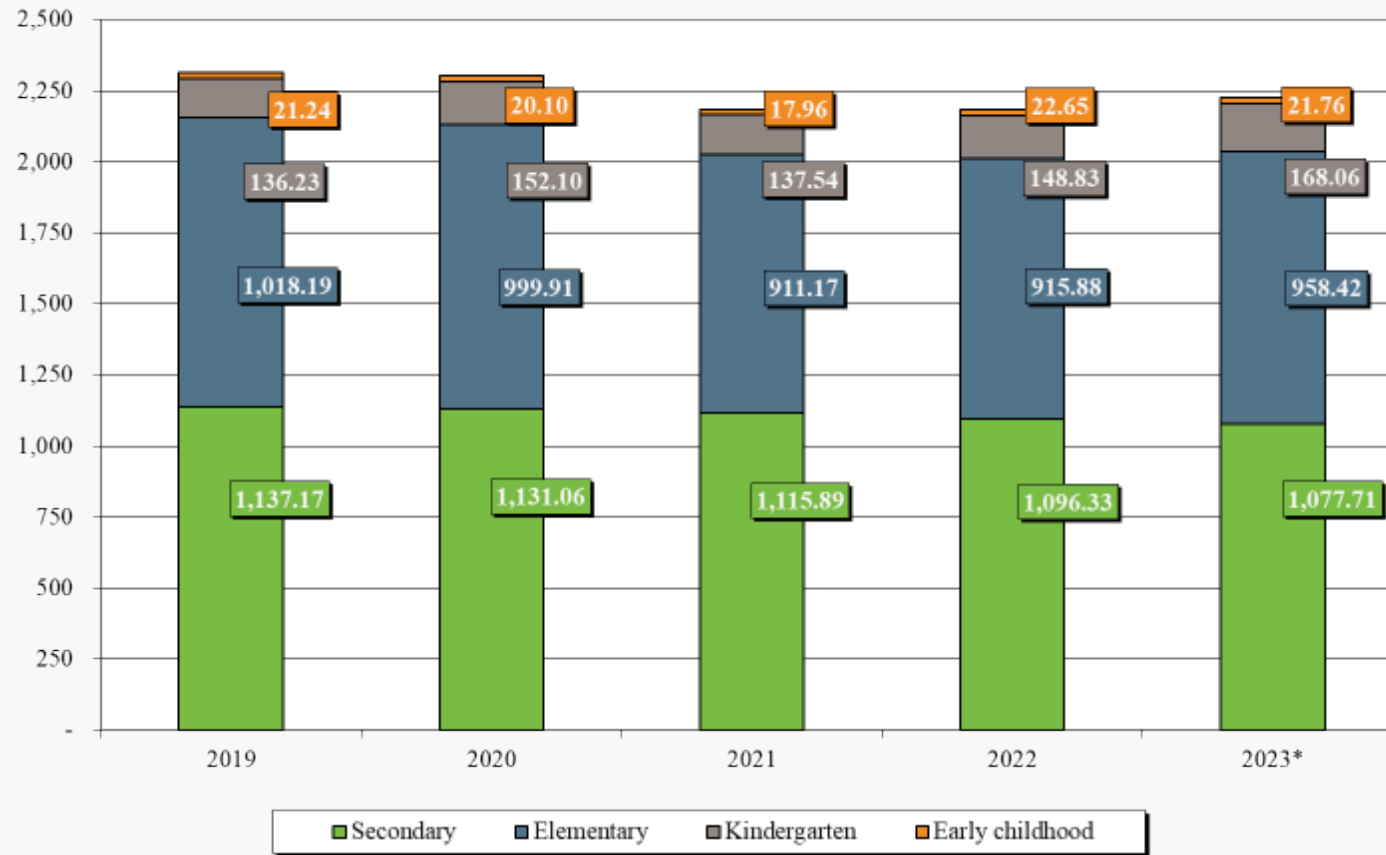
Year	General Education Aid Formula Allowance	
	Amount	Percent Increase
2014	\$ 5,302	1.5%
2015*	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%
2022	6,728	2.5%
2023	6,863	2.0%
2024	7,138	4.0%
2025	7,281	2.0%

* 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.

Average Daily Membership and Pupil Units – Total Resident ADM

ADM	2019	2020	2021	2022	2023*
Early childhood	21.24	20.10	17.96	22.65	21.76
Kindergarten	136.23	152.10	137.54	148.83	168.06
Elementary	1,018.19	999.91	911.17	915.88	958.42
Secondary	1,137.17	1,131.06	1,115.89	1,096.33	1,077.71
Total Resident ADM	2,312.83	2,303.17	2,182.56	2,183.69	2,225.95

Average Daily Membership And Pupil Units – Student's ADM

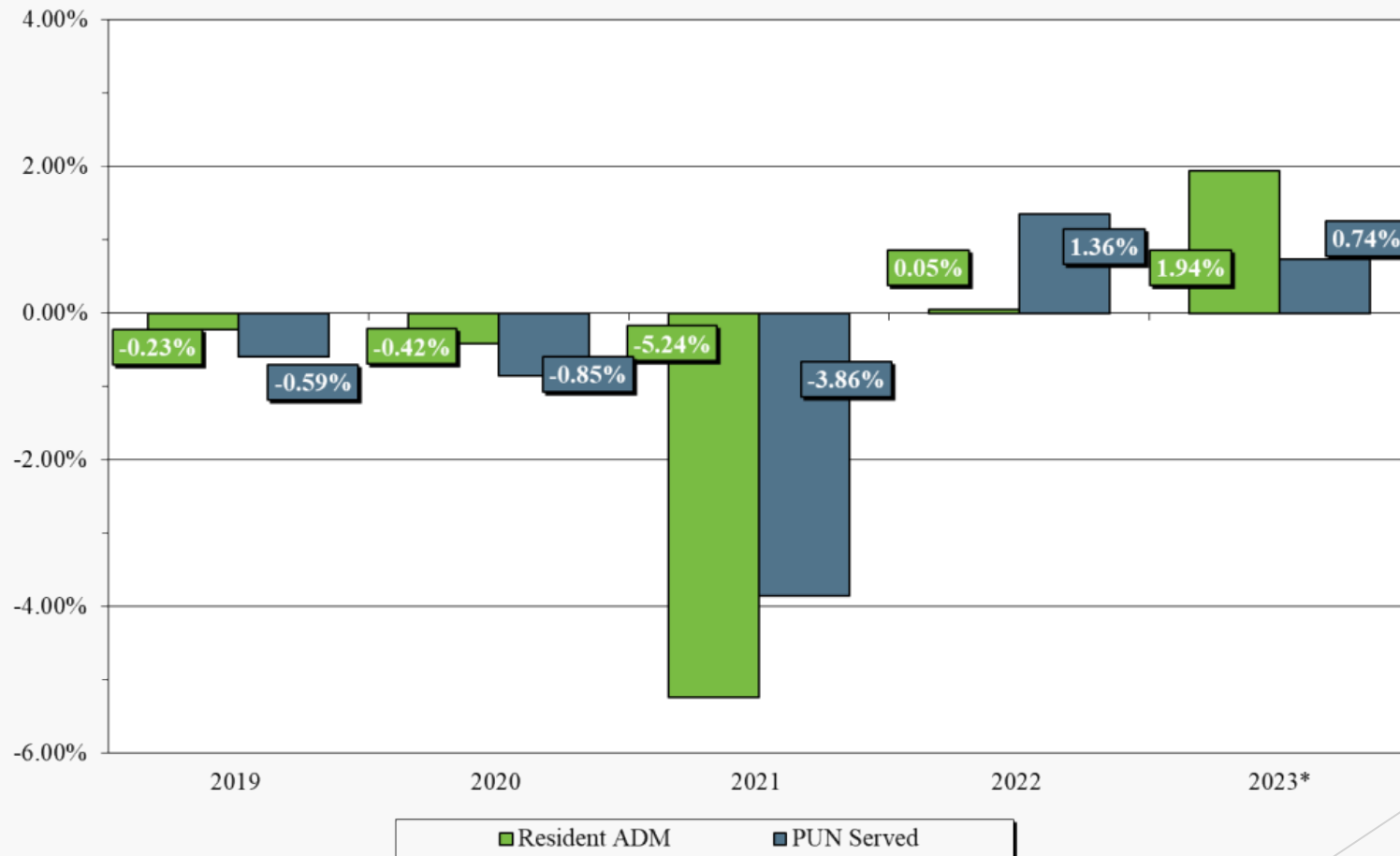


Average Daily Membership And Pupil Units – Weighting and PUN Served

Pupil Units Weighting						
	Early Childhood	Handicapped Kindergarten	Kindergarten	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
Year 2019-2023	1.000	1.000	0.55/ 1.000	1.000	1.000	1.200

PUN	2019	2020	2021	2022	2023*
Residents	2,540.27	2,529.38	2,405.74	2,402.96	2,441.51
Resident PUN loss	(243.19)	(259.10)	(245.67)	(250.22)	(263.25)
Nonresident PUN gain	420.97	424.55	430.67	473.11	466.90
Total PUN Served	2,718.05	2,694.83	2,590.74	2,625.85	2,645.16

Average Daily Membership Change in Resident ADM and PUN Served

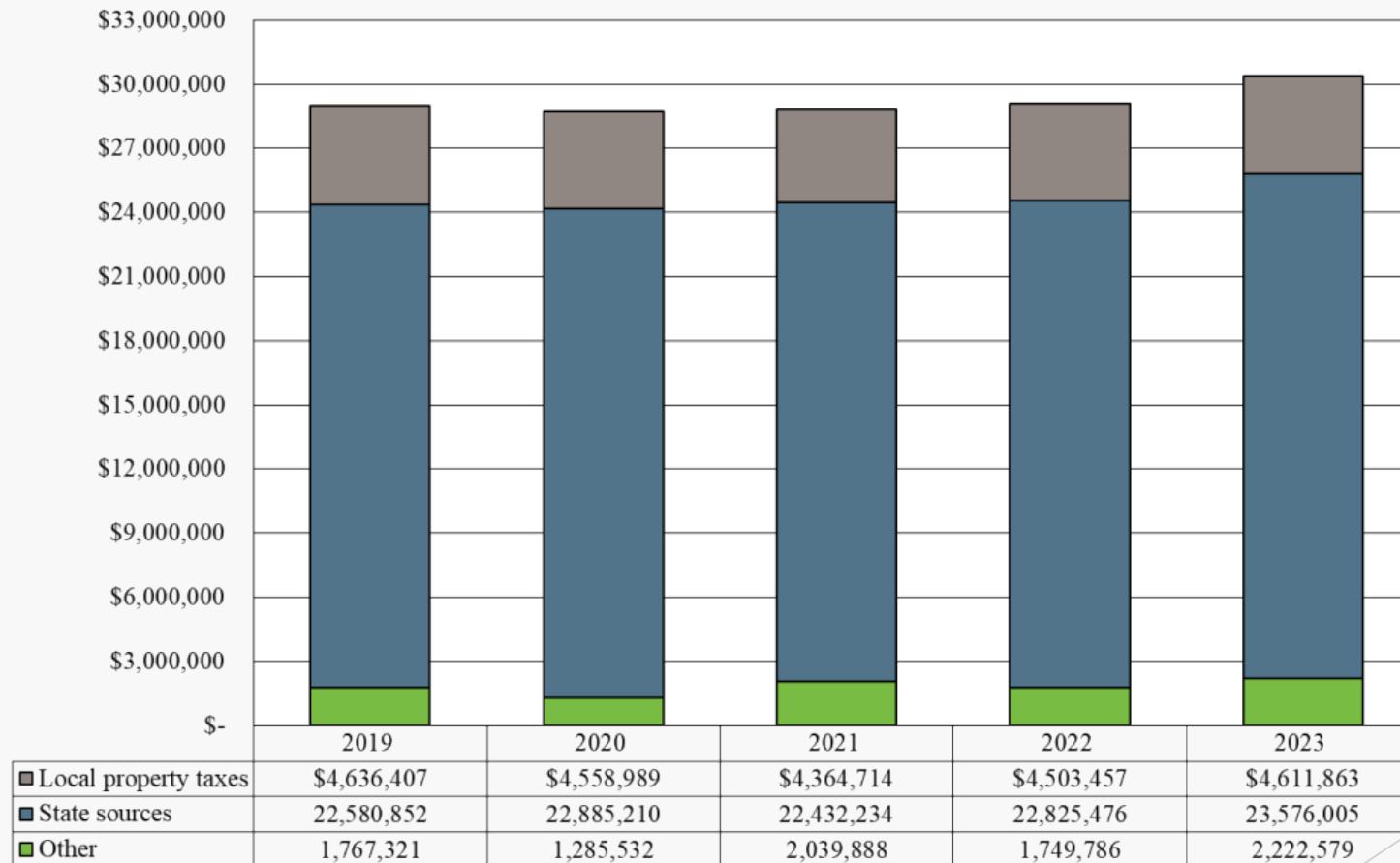


General Fund

Sources of Revenue

	2019	2020	2021	2022	2023
Local property taxes	\$ 4,636,407	\$ 4,558,989	\$ 4,364,714	\$ 4,503,457	\$ 4,611,863
State sources	22,580,852	22,885,210	22,432,234	22,825,476	23,576,005
Other	1,767,321	1,285,532	2,039,888	1,749,786	2,222,579
Total	\$ 28,984,580	\$ 28,729,731	\$ 28,836,836	\$ 29,078,719	\$ 30,410,447

General Fund Sources of Revenue



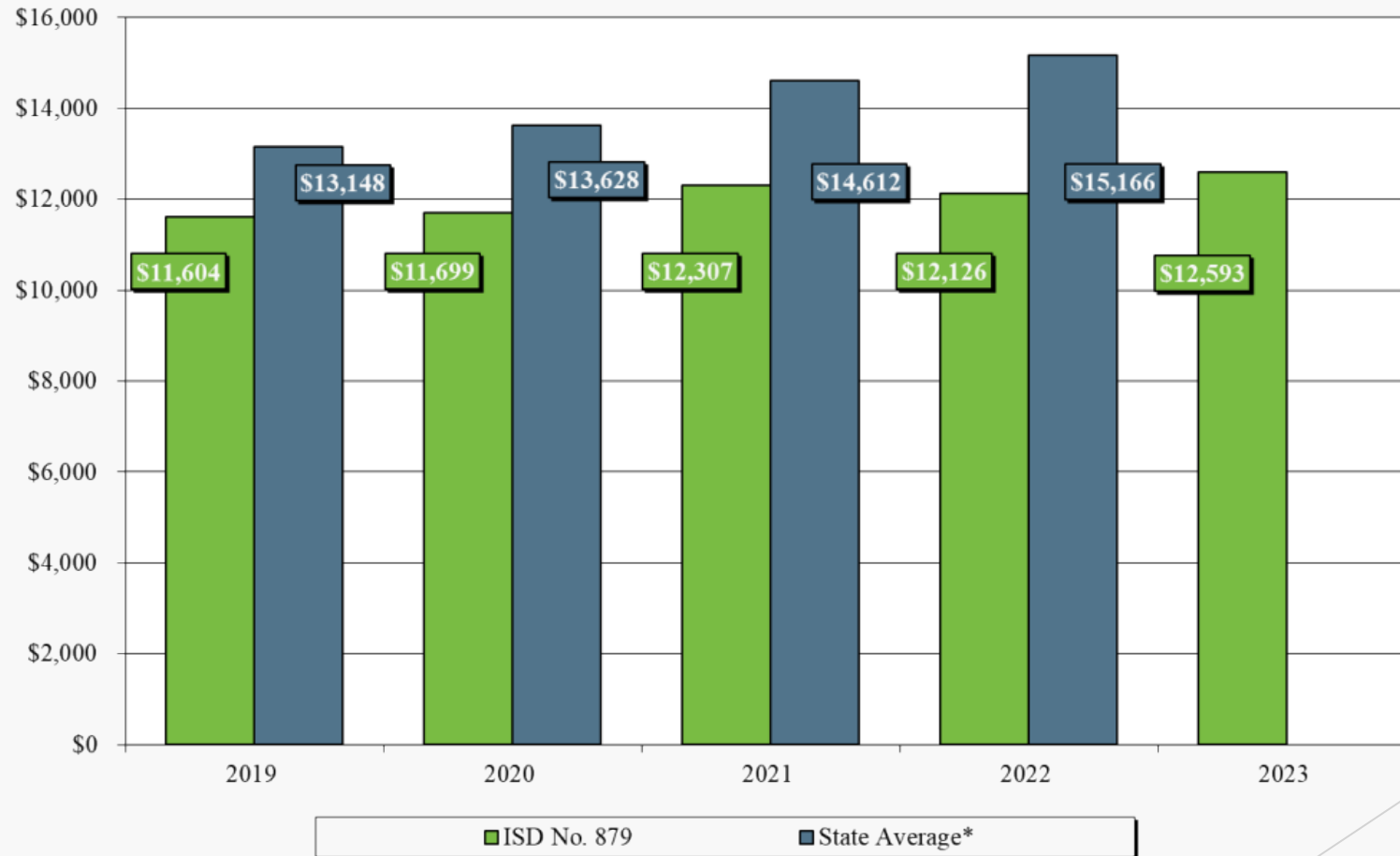
General Fund

Revenues Per ADM Served

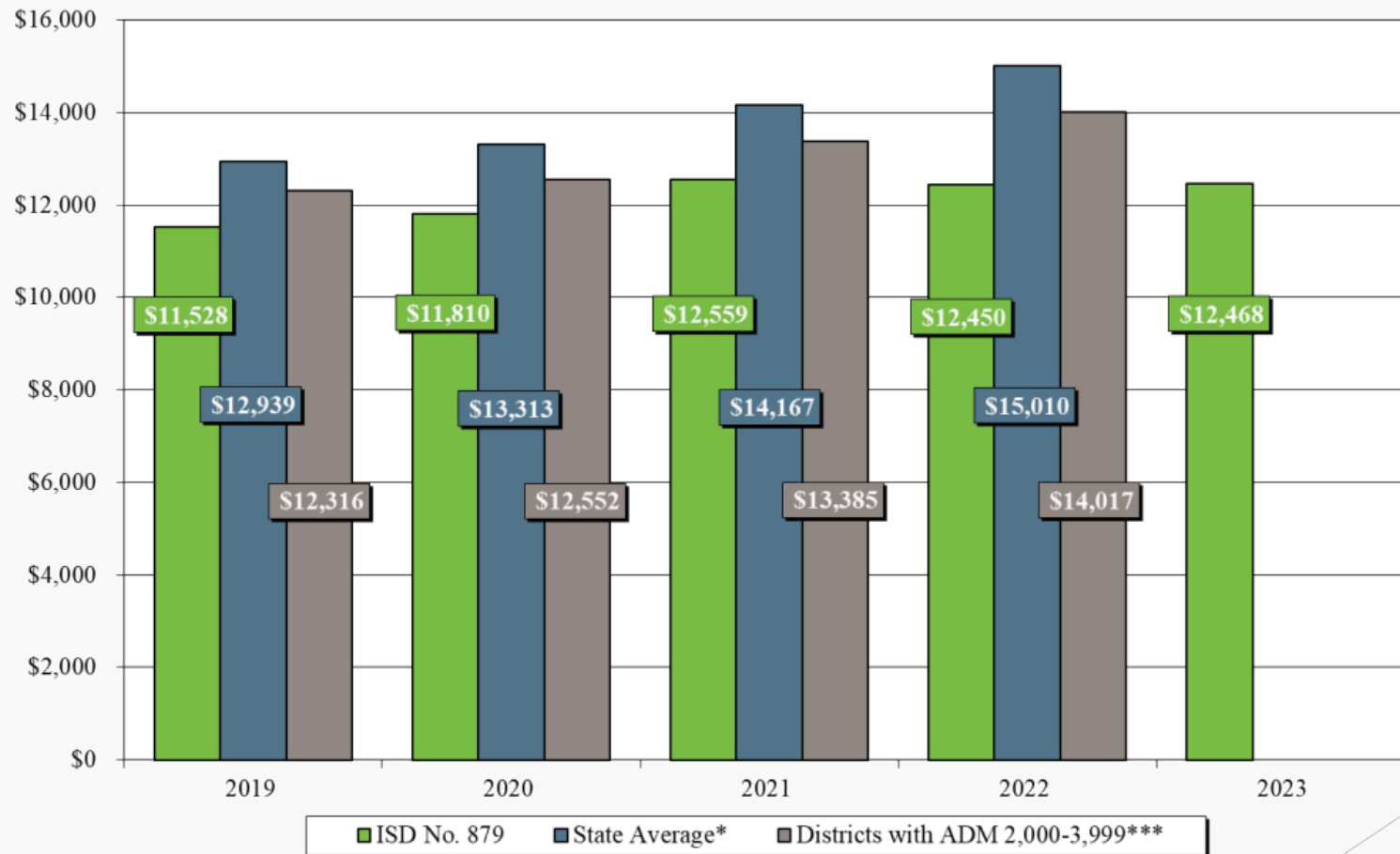
ISD No. 879	2019	2020	2021	2022	2023
Property taxes	\$ 1,832	\$ 1,810	\$ 1,815	\$ 1,782	\$ 1,910
State aid	9,033	9,244	9,494	9,510	9,763
Other	739	645	998	834	920
Total	\$ 11,604	\$ 11,699	\$ 12,307	\$ 12,126	\$ 12,593

State Average *	2019	2020	2021	2022	2023
Property taxes	\$ 1,996	\$ 2,180	\$ 2,381	\$ 2,443	N/A
State aid	10,118	10,393	10,758	10,782	N/A
Other	1,034	1,055	1,473	1,941	N/A
Total	\$ 13,148	\$ 13,628	\$ 14,612	\$ 15,166	N/A

General Fund Revenues Per ADM Served

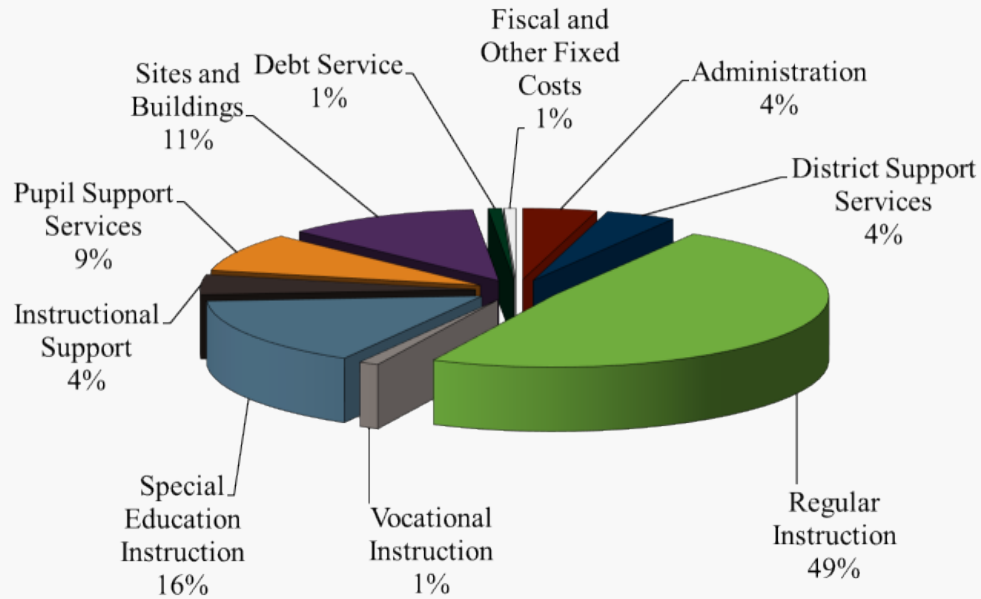


General Fund Expenditures Per ADM Served

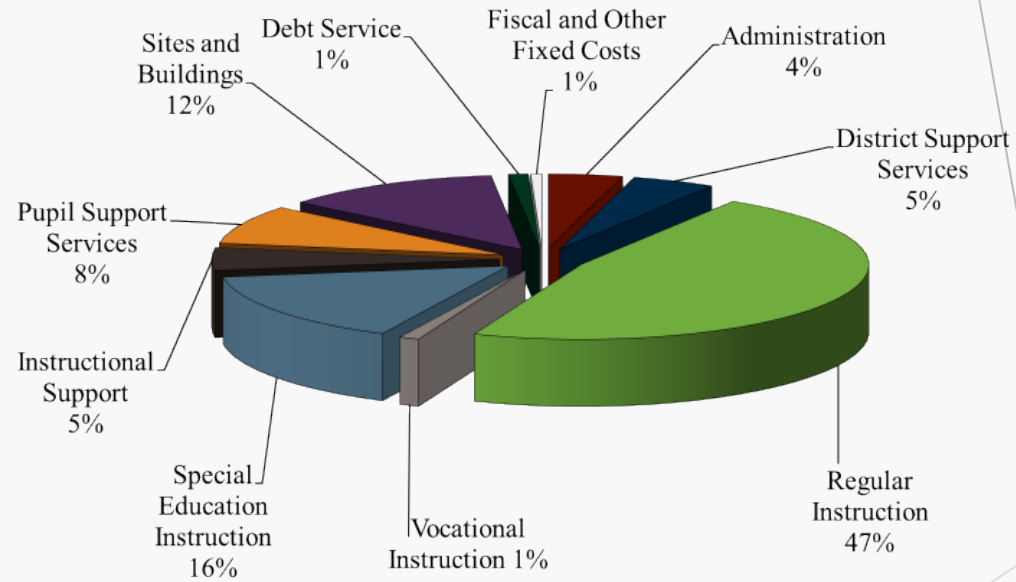


General Fund Expenditures

General Fund Expenditures 2023



General Fund Expenditures 2022



General Fund Budget and Actual

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Local property taxes	\$ 4,729,880	\$ 4,697,630	\$ 4,611,863	\$ (85,767)
Other local and county revenues	591,800	1,538,987	1,544,632	5,645
Revenue from state sources	23,070,794	23,731,707	23,576,005	(155,702)
Revenue from federal sources	495,111	726,100	674,649	(51,451)
Sales and other conversion of assets	-	3,298	3,298	-
Total revenues	<u>28,887,585</u>	<u>30,697,722</u>	<u>30,410,447</u>	<u>(287,275)</u>
Expenditures				
Administration	1,346,808	1,425,349	1,312,028	(113,321)
District support services	1,193,220	1,164,294	1,248,309	84,015
Regular instruction	14,070,003	14,935,724	14,645,778	(289,946)
Vocational education instruction	305,238	349,998	347,648	(2,350)
Special education instruction	4,962,674	4,843,976	4,685,579	(158,397)
Instructional support services	1,576,310	1,380,711	1,358,712	(21,999)
Pupil support services	2,606,171	2,673,346	2,625,944	(47,402)
Food service	87,671	87,671	-	(87,671)
Sites and buildings	4,196,208	3,817,882	3,429,297	(388,585)
Fiscal and other fixed cost programs	201,000	212,400	212,398	(2)
Debt service	229,354	261,436	242,381	(19,055)
Total expenditures	<u>30,774,657</u>	<u>31,152,787</u>	<u>30,108,074</u>	<u>(1,044,713)</u>
Excess of revenues over (under) expenditures	(1,887,072)	(455,065)	302,373	757,438
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	45	45	-
Proceeds from capital leases	-	-	107,069	107,069
Total other financing sources	<u>-</u>	<u>45</u>	<u>107,114</u>	<u>107,069</u>
Net change in fund balance	<u>\$ (1,887,072)</u>	<u>\$ (455,020)</u>	<u>\$ 409,487</u>	<u>\$ 864,507</u>

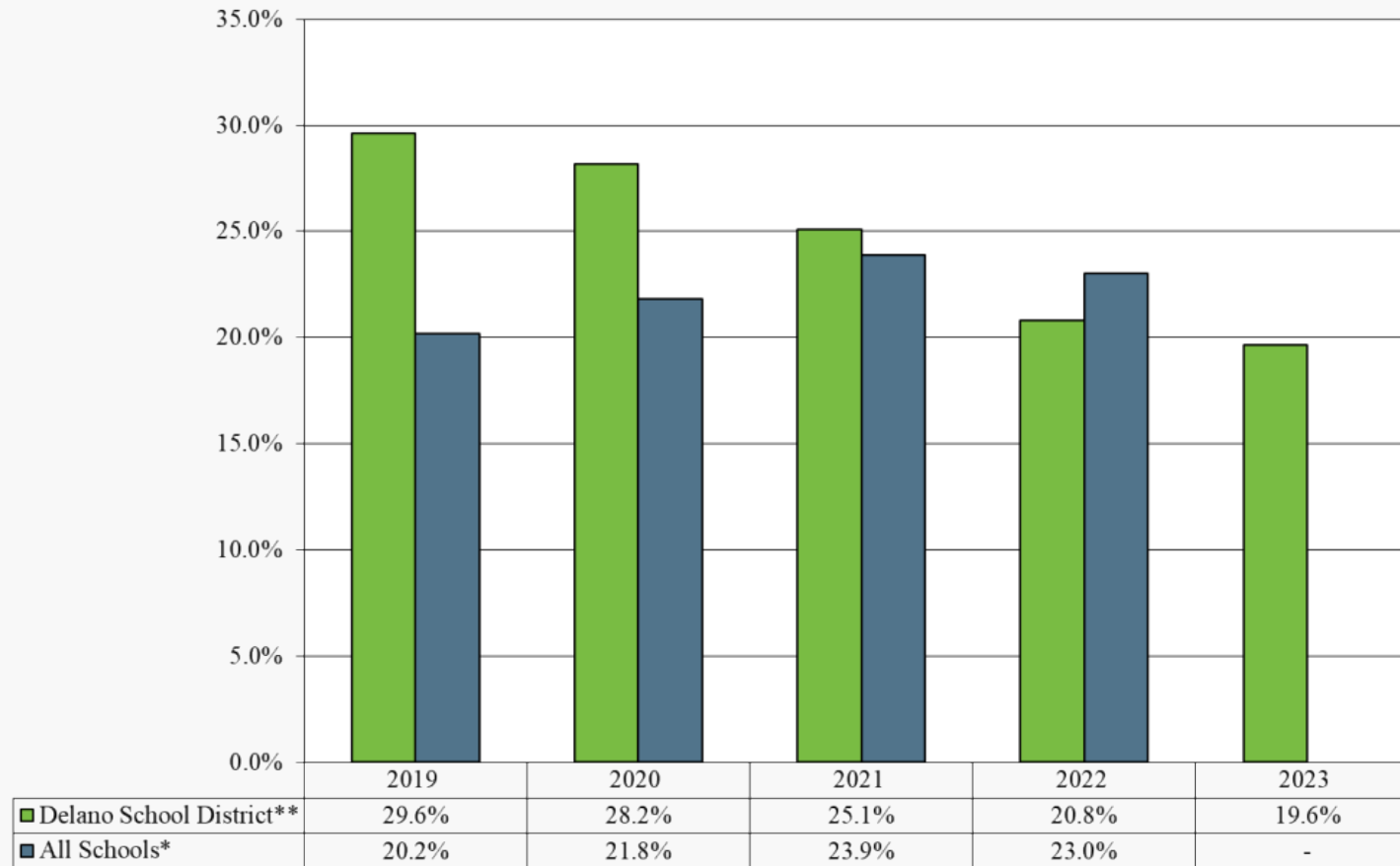
General Fund Operations

	2019	2020	2021	2022	2023
Revenues	\$ 28,984,580	\$ 28,729,731	\$ 28,836,836	\$ 29,078,719	\$ 30,410,447
Expenditures	28,793,555	29,627,446	29,647,752	29,853,526	30,108,074
Excess of revenues over (under) expenditures	191,025	(897,715)	(810,916)	(774,807)	302,373
Transfers/other financing sources/uses	618	624,287	218,055	146	107,114
Fund balance, July 1	9,689,800	9,881,443	9,611,428	9,018,567	8,243,906
Change in accounting principle	-	3,413	-	-	-
Beginning Balance, Restated	9,689,800	9,884,856	9,611,428	9,018,567	8,243,906
Fund Balance, June 30	\$ 9,881,443	\$ 9,611,428	\$ 9,018,567	\$ 8,243,906	\$ 8,653,393

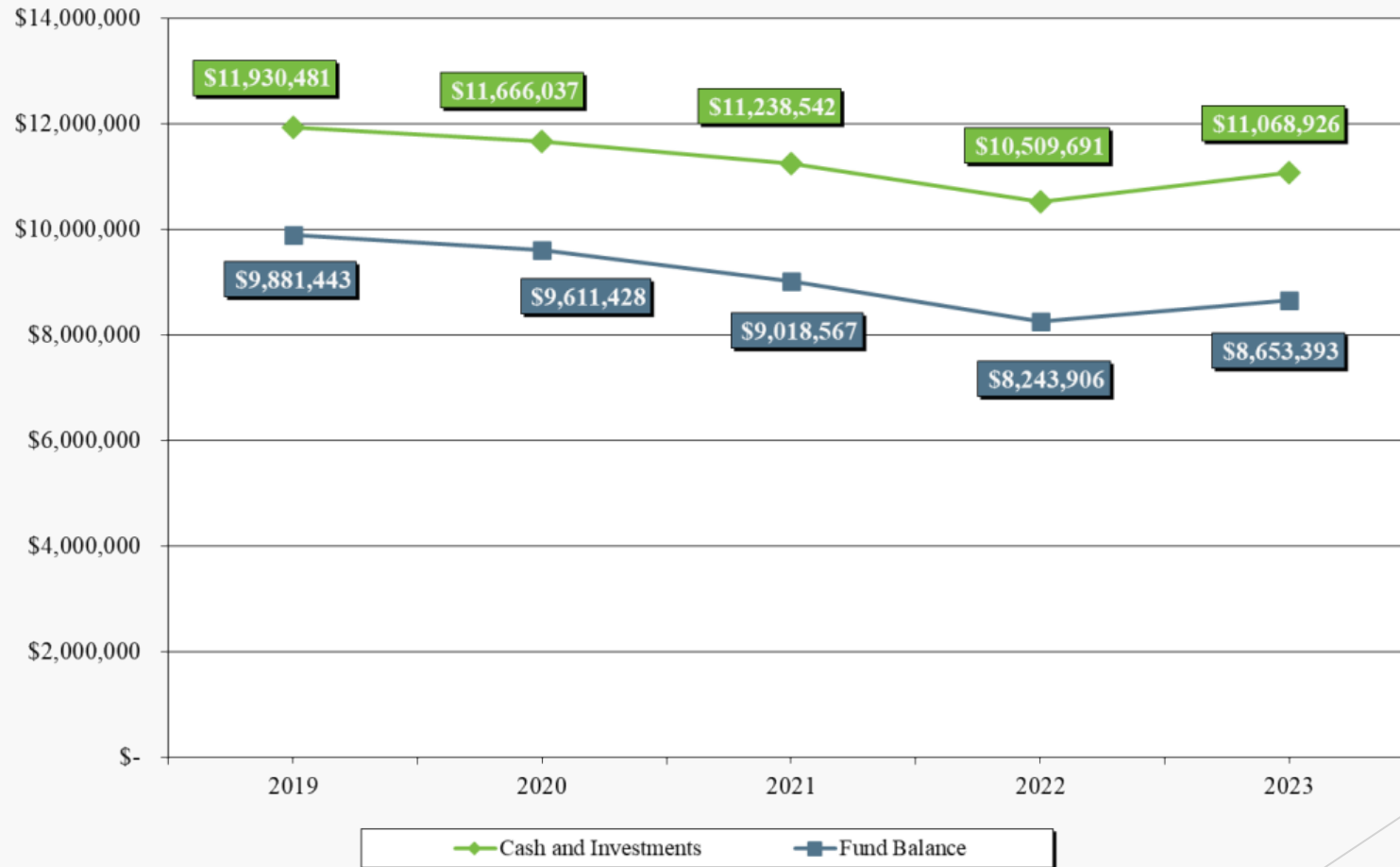
Components					
Unassigned	\$ 6,547,697	\$ 6,459,490	\$ 5,691,027	\$ 4,493,020	\$ 4,460,854
Assigned for					
Donated funds	377,507	460,797	450,099	489,523	509,357
Student activities	33,718	578	578	66	4,803
Q comp	425,936	253,776	387,428	439,297	303,129
Providing transformative learning	4,109	14,654	14,654	14,654	29,133
Committed for					
Severance	117,942	75,731	82,994	117,525	43,136
Restricted for					
Student activities	-	30,190	30,713	35,998	47,727
Scholarships	-	2,730	2,230	7,210	1,710
Staff development	237,822	219,275	168,557	125,581	136,471
Operating capital	1,089,261	898,044	984,938	1,109,765	1,041,295
Area learning center	12,861	19,004	5,737	6,385	7,260
Safe school crime	-	76,254	-	-	-
Long-term facilities maintenance	972,994	1,027,746	1,083,160	1,299,938	1,938,707
Medical assistance	6,246	30,134	48,522	9,276	18,794
Nonspendable	55,350	43,025	67,930	95,668	111,017
Total	\$ 9,881,443	\$ 9,611,428	\$ 9,018,567	\$ 8,243,906	\$ 8,653,393

General Fund

Fund Balance as Percentage of Expenditures



General Fund Financial Position



Food Service Fund

For the Year Ended June 30,	2019	2020	2021	2022	2023
Revenues	\$ 1,108,020	\$ 944,700	\$ 933,449	\$ 1,646,718	\$ 1,603,656
Expenditures	1,131,666	952,415	928,231	1,268,235	1,461,624
Excess of revenues over (under) expenditures	(23,646)	(7,715)	5,218	378,483	142,032
Fund balance, July 1	293,328	269,682	261,967	267,185	645,668
Fund Balance, June 30	\$ 269,682	\$ 261,967	\$ 267,185	\$ 645,668	\$ 787,700

Community Service Fund

For the Year Ended June 30,	2019	2020	2021	2022	2023
Revenues	\$ 2,441,324	\$ 2,155,642	\$ 1,908,152	\$ 2,465,483	\$ 2,799,473
Expenditures	2,294,948	2,173,429	2,006,653	2,386,064	2,616,172
Excess of revenues over (under) expenditures	146,376	(17,787)	(98,501)	79,419	183,301
Transfers/other financing sources	-	-	-	-	3,904
Fund balance, July 1	105,111	251,487	233,720	135,219	214,638
Change in accounting principle	-	20	-	-	-
Beginning Balance, Restated	105,111	251,507	233,720	135,219	214,638
Fund Balance, June 30	\$ 251,487	\$ 233,720	\$ 135,219	\$ 214,638	\$ 401,843

Components					
Nonspendable	\$ 14,573	\$ 13,846	\$ 13,259	\$ 13,259	\$ 7,795
Restricted for					
Community Education	183,496	123,259	42,893	143,078	321,327
ECFE	42,477	71,580	71,943	45,856	53,240
School Readiness	8,139	19,991	4,381	9,494	16,114
Adult Basic Education	966	966	966	897	897
Fund Purpose	1,836	4,078	1,777	2,054	2,470
Total	\$ 251,487	\$ 233,720	\$ 135,219	\$ 214,638	\$ 401,843

Questions?

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