

Independent School District No. 22

Executive Summary – June 30, 2026

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Audit Results and Findings



Audit Opinion

- The District received a “clean” audit opinion
  - Unmodified opinion – financial statements are prepared using accounting principles generally accepted in the U.S. (GAAP)
  - Financial statements do not contain material misstatements and are fairly presented

- Opinion is merely the auditor’s professional opinion, based on audit work, on whether the financial statements were prepared in accordance with GAAP, free from material misstatement, and fairly presented

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Audit of Federal Funds

** Still in Process due to 2026 Compliance Supplement Delays

Findings

- **Financial Statements:**
  1. Preparation of Financial Statements
  2. Material Journal Entries
  3. Segregation of Duties

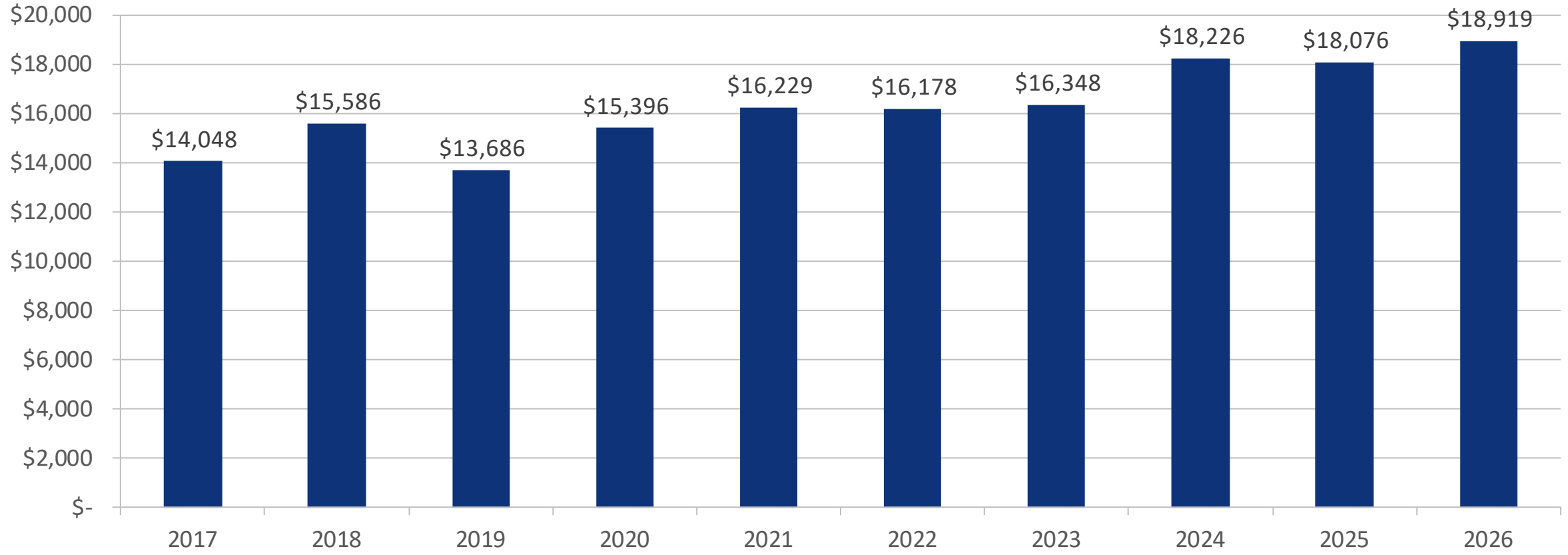


Cash and Investments

Cash/Investments

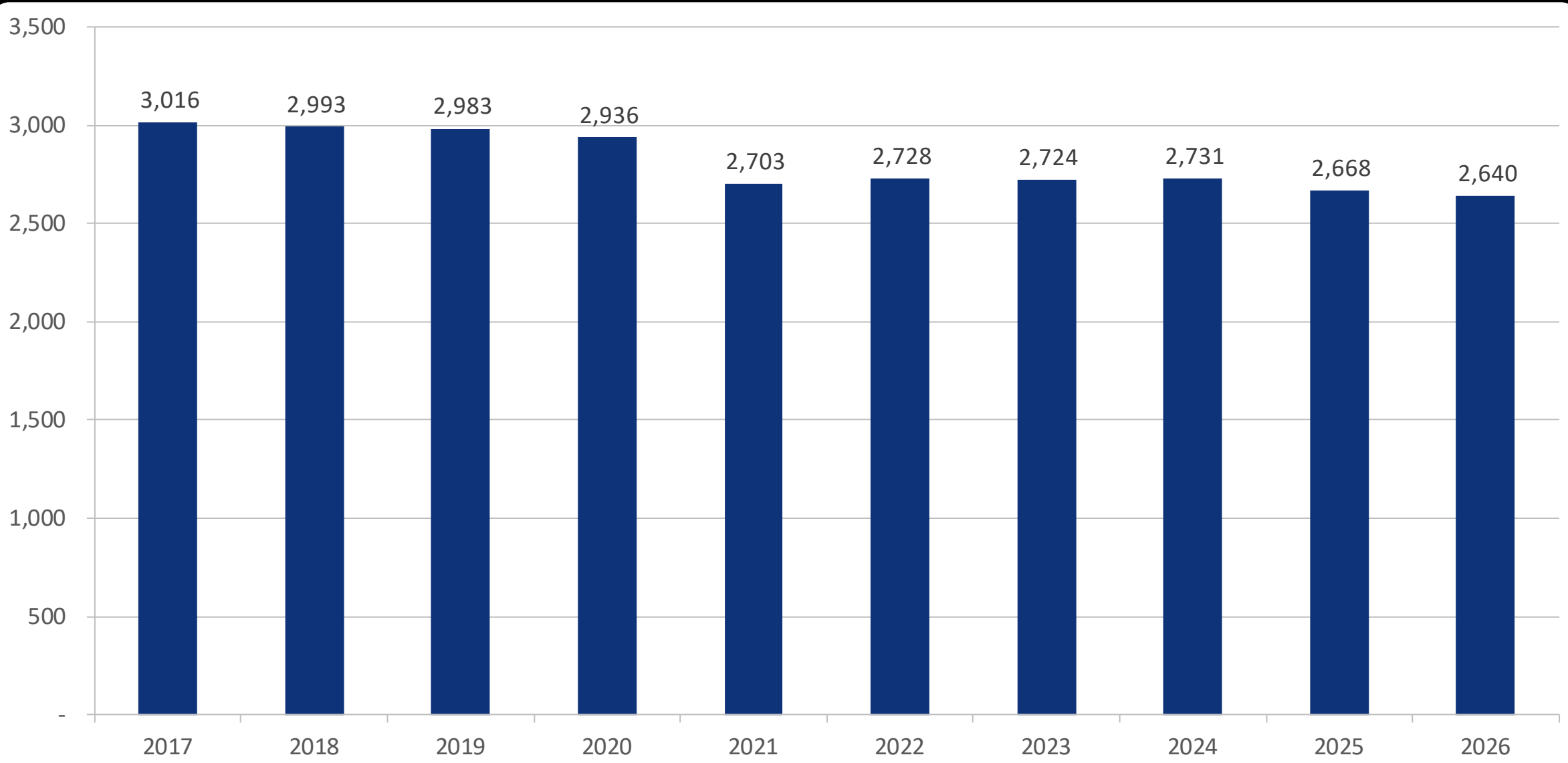
Most significantly affected by the state aid payment's structure.

Balances (in thousands) of the District for the past ten years:



General Fund

ADM Served


3,500
3,000
2,500
2,000
1,500
1,000
500
-
3,016
2,993
2,983
2,936
2,703
2,728
2,724
2,731
2,668
2,640
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026

Budget to Actual

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
State sources	$ 35,872,977	$ 36,112,002	$ 35,441,248	$ (670,754)
Local levies	4,955,216	4,955,216	4,982,473	27,257
Federal sources	1,727,500	1,458,735	1,391,794	(66,941)
Other	2,350,950	2,075,950	2,249,628	173,678
Total revenues	44,906,643	44,601,903	44,065,143	(536,760)
				1.2% Under
Expenditures				
Current				
Regular and vocational instruction	19,656,987	19,142,917	18,221,939	920,978
Administration and district support services	4,052,526	4,038,736	3,818,912	219,824
Special education instruction	8,612,871	8,512,036	8,205,771	306,265
Instructional and pupil support services	7,476,674	7,437,184	7,003,342	433,842
Sites and buildings	4,216,555	4,423,905	5,205,098	(781,193)
Other	247,500	247,500	246,839	661
Debt service	275,000	275,000	646,991	(371,991)
Capital outlay	682,000	838,500	758,271	80,229
Total expenditures	45,220,113	44,915,778	44,107,163	808,615
				1.8% Under
Excess (Deficiency) of Revenues over (under) Expenditures	(313,470)	(313,875)	(42,020)	271,855
Other Financing Sources				
Sale of property	-	15,000	491,054	476,054
Leases (as lessee)	-	-	606,072	606,072
Total other financing sources	-	15,000	1,097,126	1,082,126
Net Change in Fund Balance	$ (313,470)	$ (298,875)	1,055,106	$ 1,353,981
Fund Balance, Beginning of Year			13,330,221	
Fund Balance, End of Year			$ 14,385,327	

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A Positive Fund Balance

1. Contributes to a favorable bond rating

2. Produces investment income and provides a source of working capital to meet cash flow needs

3. Offers a cushion for unexpected expenditures or revenue shortfalls



Fund Balance Categories

Nonspendable	Restricted	Committed	Assigned	Unassigned
Represents amounts that cannot be spent	Legally restricted by outside parties	Intended for a specific activity	Intended for a specific activity by school board or designated individuals	Reserves
Not in spendable form	Cannot be appropriated for other spending	Imposed by formal action of the school board but is not legally restricted	Not legally restricted	“Rainy day” fund
Inventory, prepaid expenses				

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Changes in UFARS Fund Balances

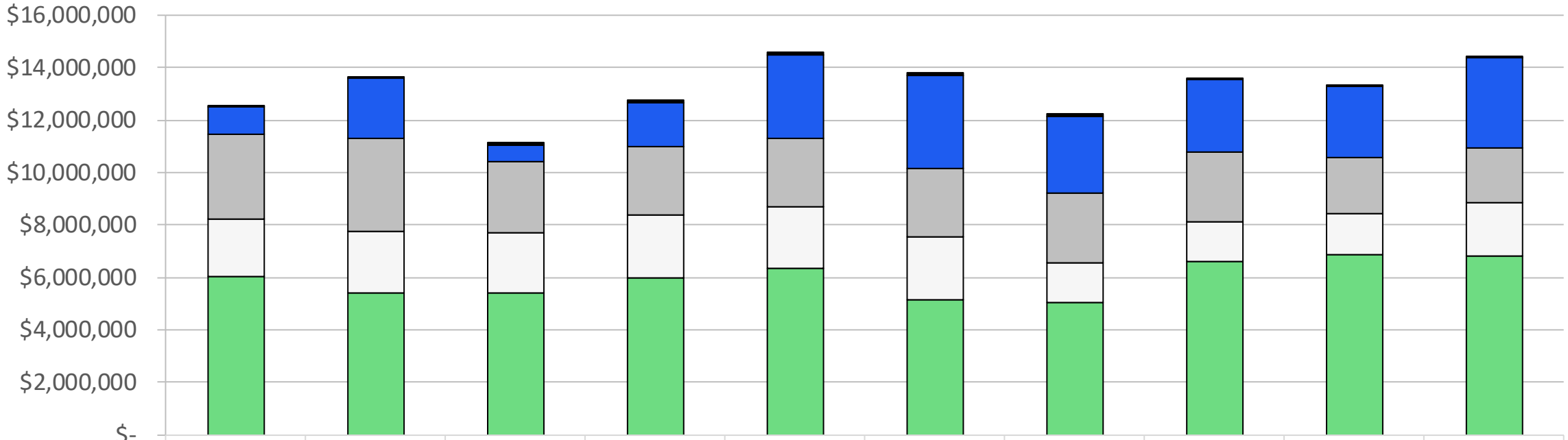
Fund Balance: cumulative difference between fund assets and fund liabilities

	Fund Balance Beginning of Year	Net Change in Fund Balance	Fund Balance End of Year
Nonspendable	$ 36,140	$ (16,448)	$ 19,692
Restricted for student activities	249,026	25,998	275,024
Restricted for staff development	315,559	92,181	407,740
Restricted for operating capital	1,455,024	266,105	1,721,129
Restricted for Q comp	18,538	9,919	28,457
Restricted for gifted and talented	973	(906)	67
Restricted for safe schools levy	189,163	(200)	188,963
Restricted for literacy aid	110,875	(13,966)	96,909
Restricted for Teacher Comp Read Act	100,860	(726)	100,134
Restricted for long term facilities maintenance	(512,971)	282,972	(229,999)
Restricted for student support personnel	-	28,330	28,330
Restricted for medical assistance	775,695	53,790	829,485
Committed for separation/retirement benefits	2,169,414	(98,000)	2,071,414
Assigned for construction	1,552,640	491,054	2,043,694
Unassigned	6,869,285	(64,997)	6,804,288
	$ 13,330,221	$ 1,055,106	$ 14,385,327

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Total Fund Balances

Total fund balances of the General Fund for the past 10 years:



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Nonspendable	$36,805	$48,830	$96,869	$97,746	$60,483	$60,009	$93,043	$38,395	$36,140	$19,692
Restricted	$1,064,545	$2,296,487	$620,109	$1,711,785	$3,186,679	$3,574,763	$2,944,080	$2,787,950	$2,702,742	$3,446,239
Committed	$3,224,655	$3,547,151	$2,674,249	$2,558,467	$2,619,415	$2,619,414	$2,619,414	$2,619,414	$2,169,414	$2,071,414
Assigned	$2,200,000	$2,333,837	$2,333,837	$2,428,302	$2,364,446	$2,379,685	$1,552,640	$1,552,640	$1,552,640	$2,043,694
Unassigned	$6,015,088	$5,425,230	5,393,503	5,975,199	6,336,203	5,147,443	5,018,458	6,592,109	6,869,285	6,804,288

Recommendations Regarding Fund Balances

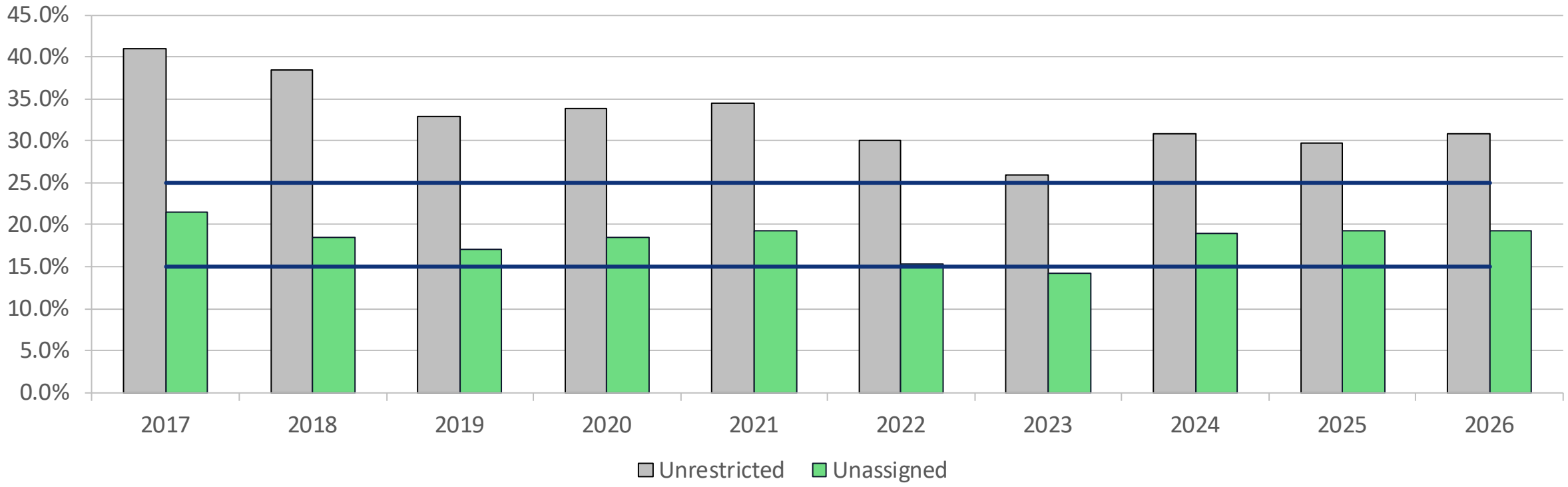
The District's Policy: strive to maintain a minimum unassigned fund balance in a range of 15% to 25% of the annual Statutory Operating Debt expenditures. For the current year that target amount is $5.3 million - $8.8 million.

Government Finance Officers Association (GFOA): recommends, at a minimum, that governments maintain unrestricted fund balances in their general fund of no less than two months (16.67%) of regular general fund expenditures. For the current year that target amount is approximately $7.3 million.

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Unrestricted and Unassigned Fund Balance

The District's unrestricted fund balance and unassigned fund balance as a percentage of expenditures in the General Fund for the last 10 years:



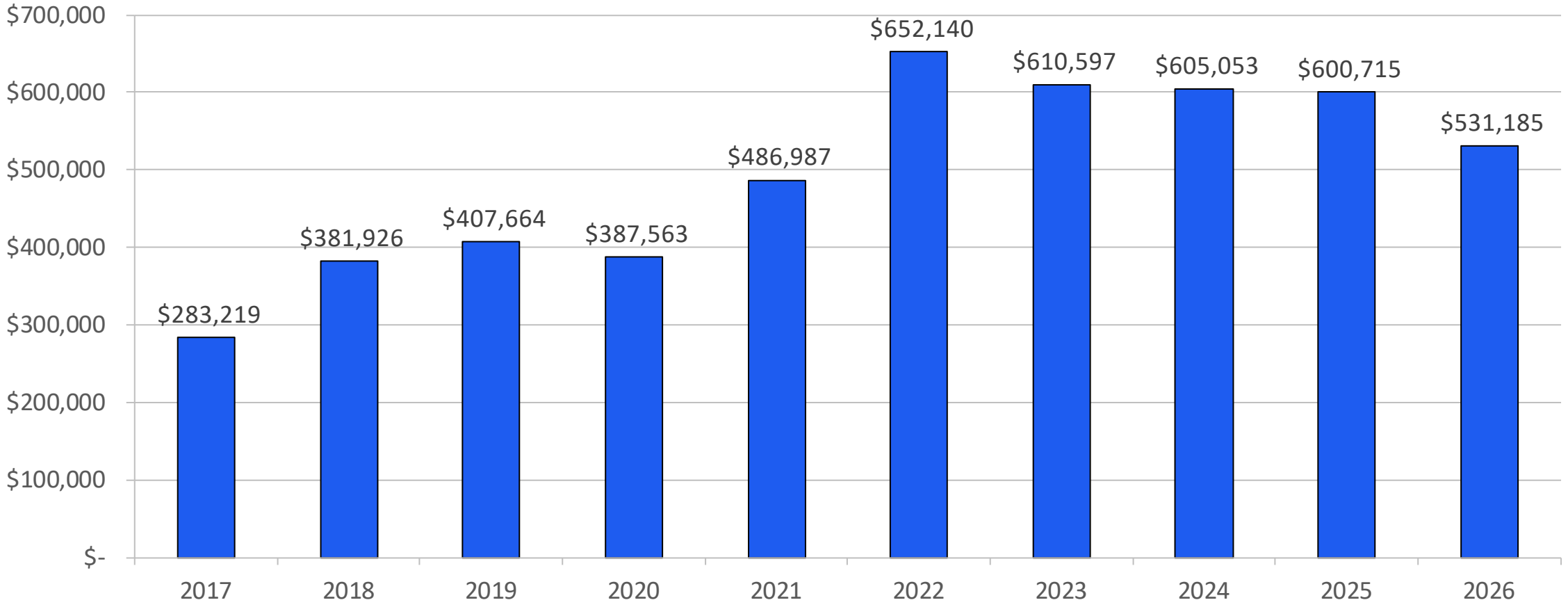
The blue lines indicate the District's fund balance policy of maintaining an Unassigned General Fund Balance range of 15% - 25% of SOD Expenditures.

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Other Funds

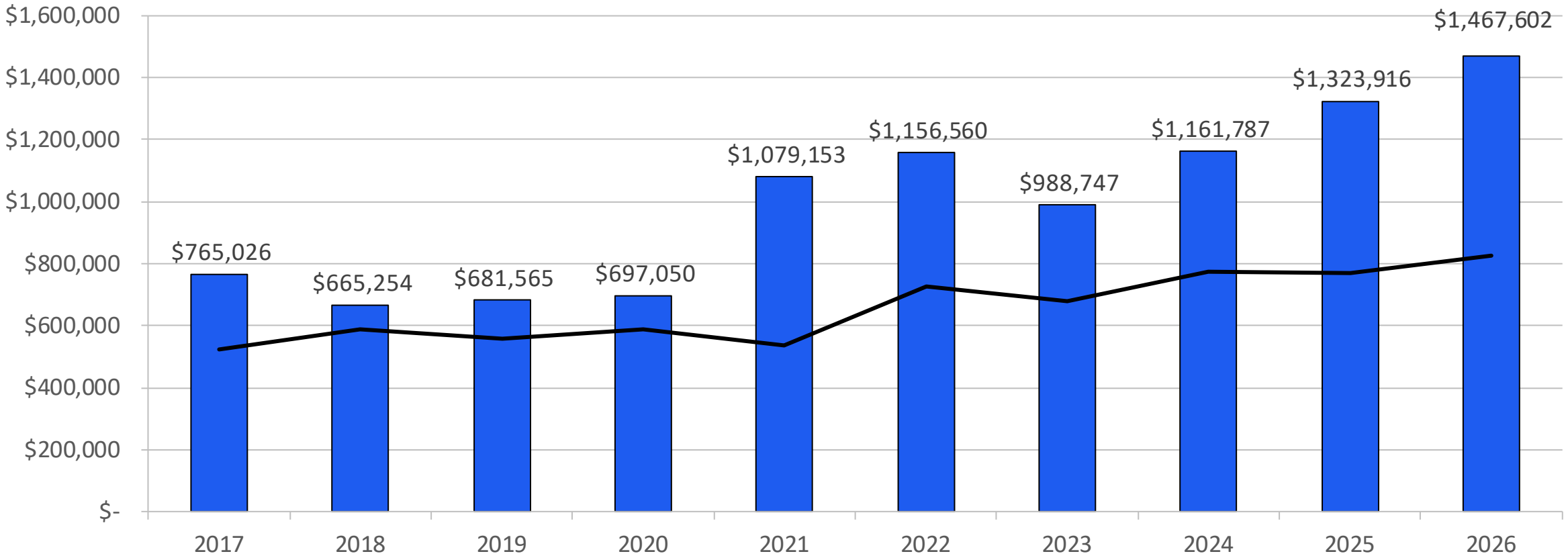
Year-End Fund Balance – Community Service Fund

Positive fund balance indicates that revenues of the community service programs are sufficient to cover the expenditures of the programs.



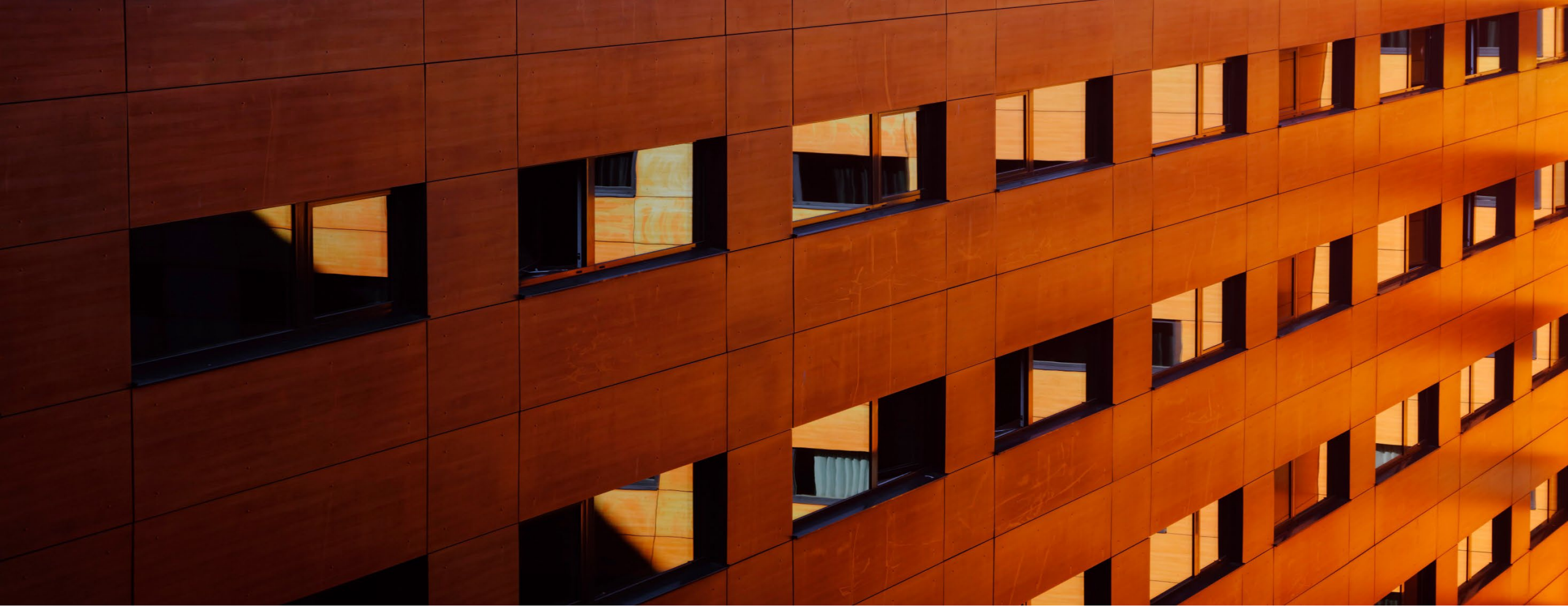
Year-End Fund Balance – Food Service Fund

Positive fund balance indicates that revenues of the food service program are sufficient to cover the expenditures of the program.



The black line indicates the maximum allowable fund balance of three months expenditures

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Questions?

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Thank You!

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