ISD No. 726
Becker, MN

Nancy Schulzetenberg, CPA

CP ASSURANCE®

(formerly BerganKDV)

The Audit

Independent Auditor's Report

- Financial Statement Opinion
  - Unmodified Opinion on the District's Basic Financial Statements, which comprise the District's governmental activities, each major fund, the aggregate remaining fund information.
  - Financial statements present fairly, in all material respects, the financial position and change in financial position of the governmental activities, each major fund and the aggregate remaining funds.

Other Communications

- Report related to *Government Auditing Standards*
  - One internal control finding
  - No compliance findings
- Preliminary Report on results of Single Audits performed in accordance with the Uniform Guidance
  - Unmodified opinion on compliance anticipated
  - No internal control findings preliminarily noted
- Report on the results of testing *on Minnesota Legal Compliance*
  - No findings
- Financial Analysis, Required Communication, Emerging Issues, Legislative Summary as provided in our Communication Letter

Financial Communications

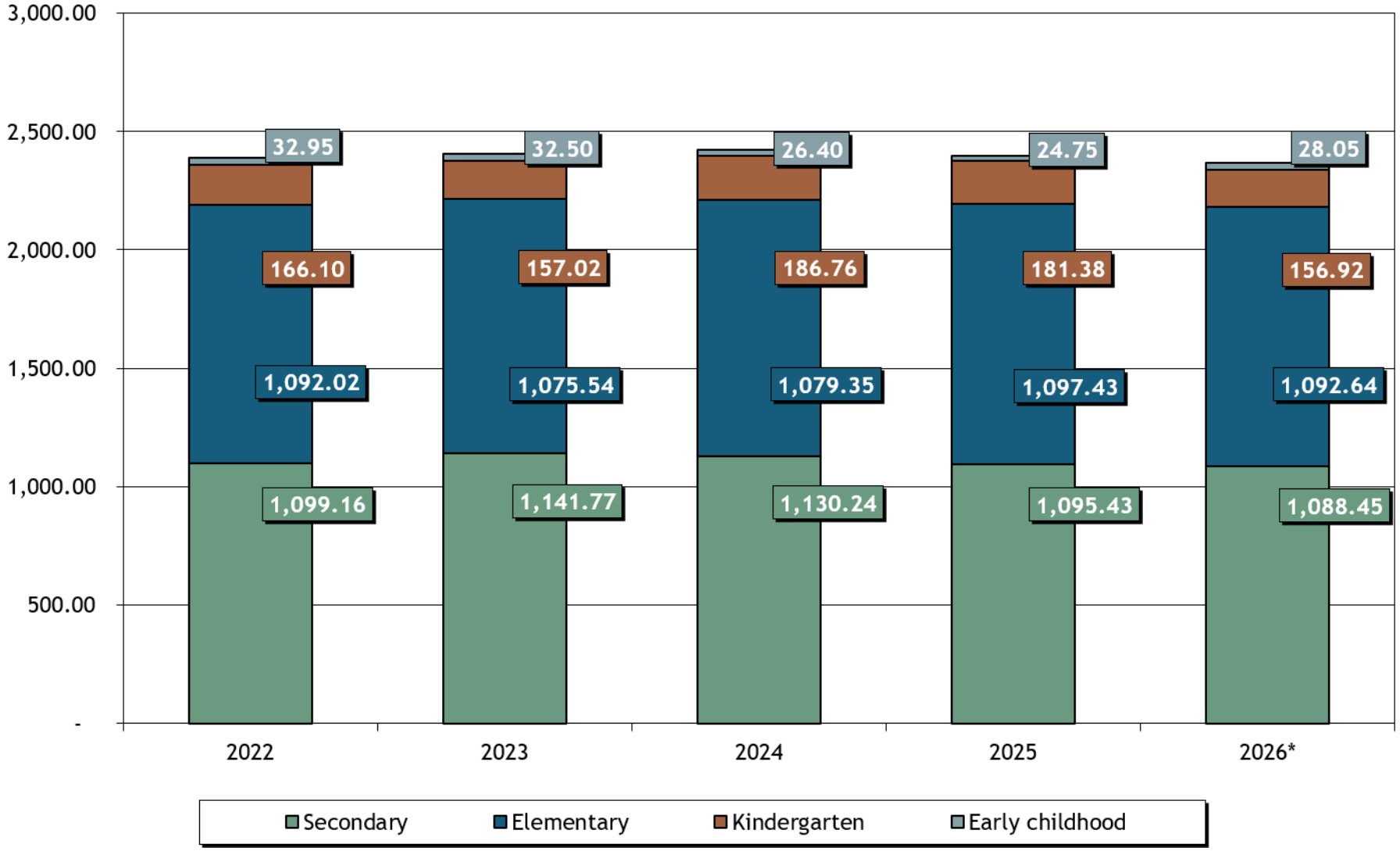
General Education Aid – Formula Allowance

Year	General Education Aid Formula Allowance Amount	Percent Increase
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%
2026	7,481	2.7%
2027	7,683	2.7%

Average Daily Membership
Resident ADM and Adjusted ADM

ADM	2022	2023	2024	2025	2026*
Early childhood	32.95	32.50	26.40	24.75	28.05
Kindergarten	166.10	157.02	186.76	181.38	156.92
Elementary	1,092.02	1,075.54	1,079.35	1,097.43	1,092.64
Secondary	1,099.16	1,141.77	1,130.24	1,095.43	1,088.45
Total Resident ADM	**2,390.23**	**2,406.83**	**2,422.75**	**2,398.99**	**2,366.06**
Total Adjusted ADM	**2,866.46**	**2,897.25**	**2,798.19**	**2,805.41**	**2,755.63**

Average Daily Membership – Students ADM

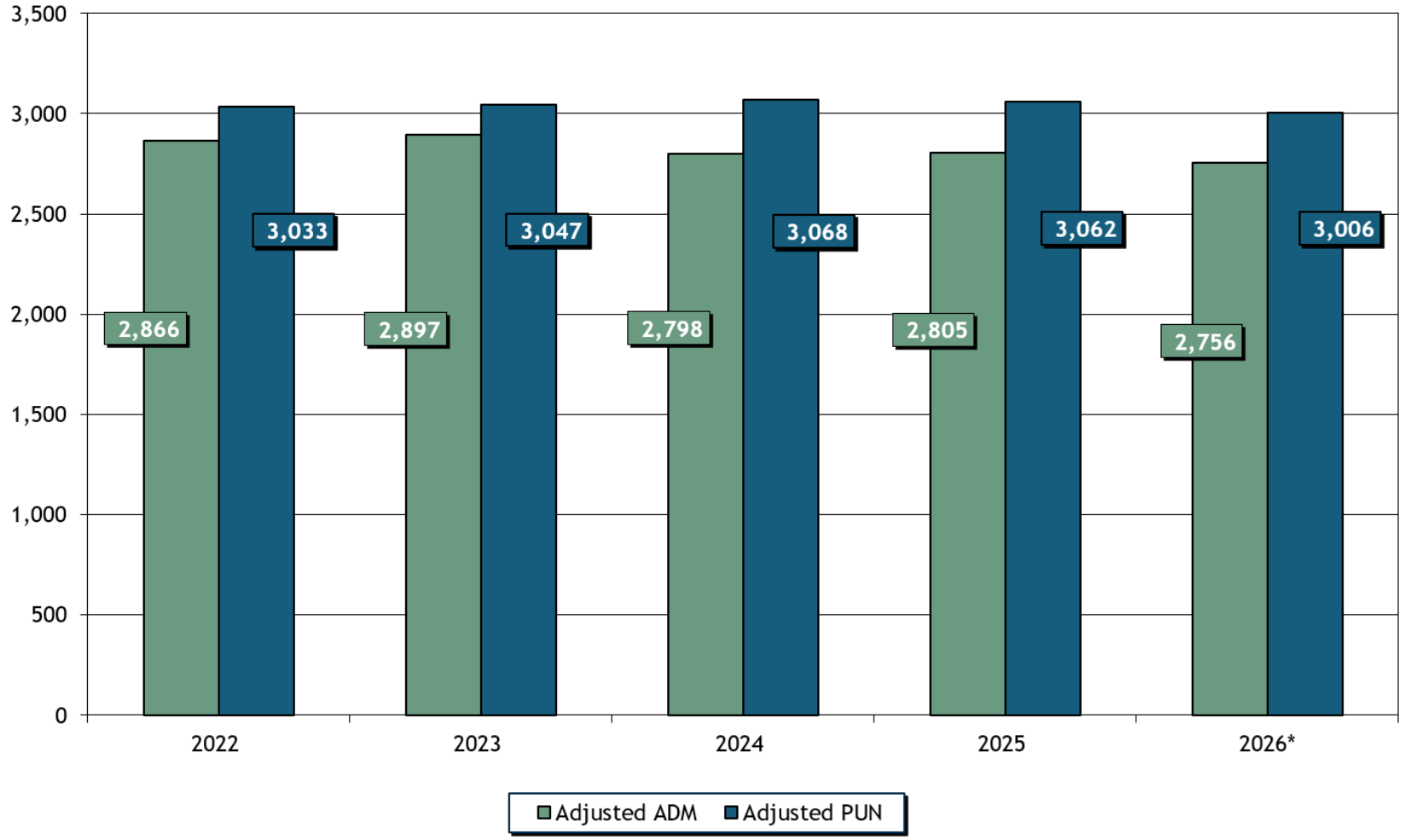


Average Daily Membership and Pupil Units – Weighting and Adjusted PUN

Pupil Units Weighting						
	Early Childhood	Handicapped Kindergarten	Kindergarten	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
2022-2026	1.000	1.000	1.000	1.000	1.000	1.200

Adjusted PUN	2022	2023	2024	2025	2026*
Residents	2,610.05	6.00	2,648.83	2,618.08	2,583.76
Resident loss	(164.56)	(186.62)	(196.94)	(187.24)	(204.82)
Nonresident gain	587.26	598.59	616.21	630.94	627.03
Total Adjusted PUN	**3,032.75**	**417.97**	**3,068.10**	**3,061.78**	**3,005.97**

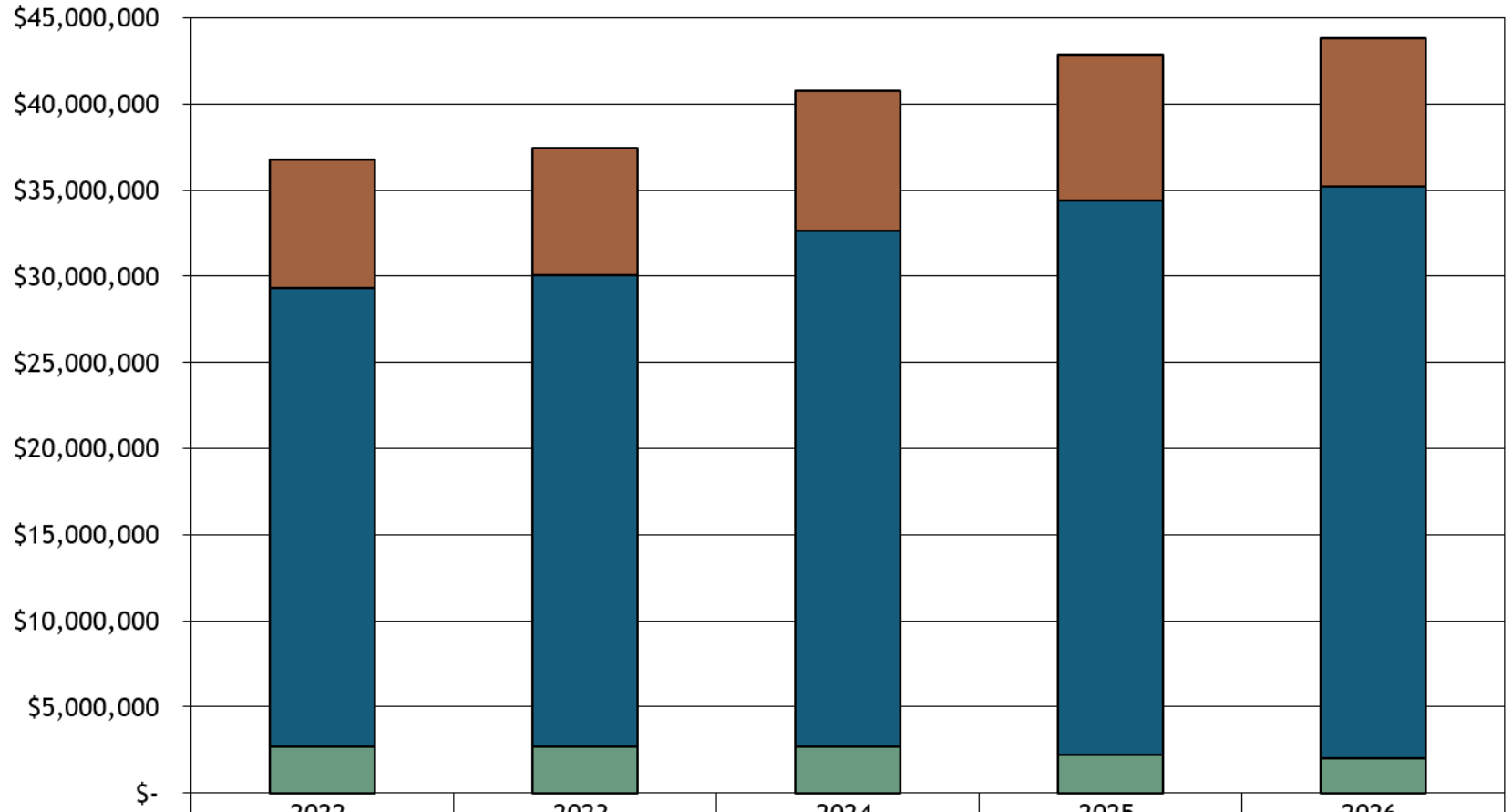
Average Daily Membership – Adjusted ADM and Adjusted PUN



General Fund – Budget to Actual

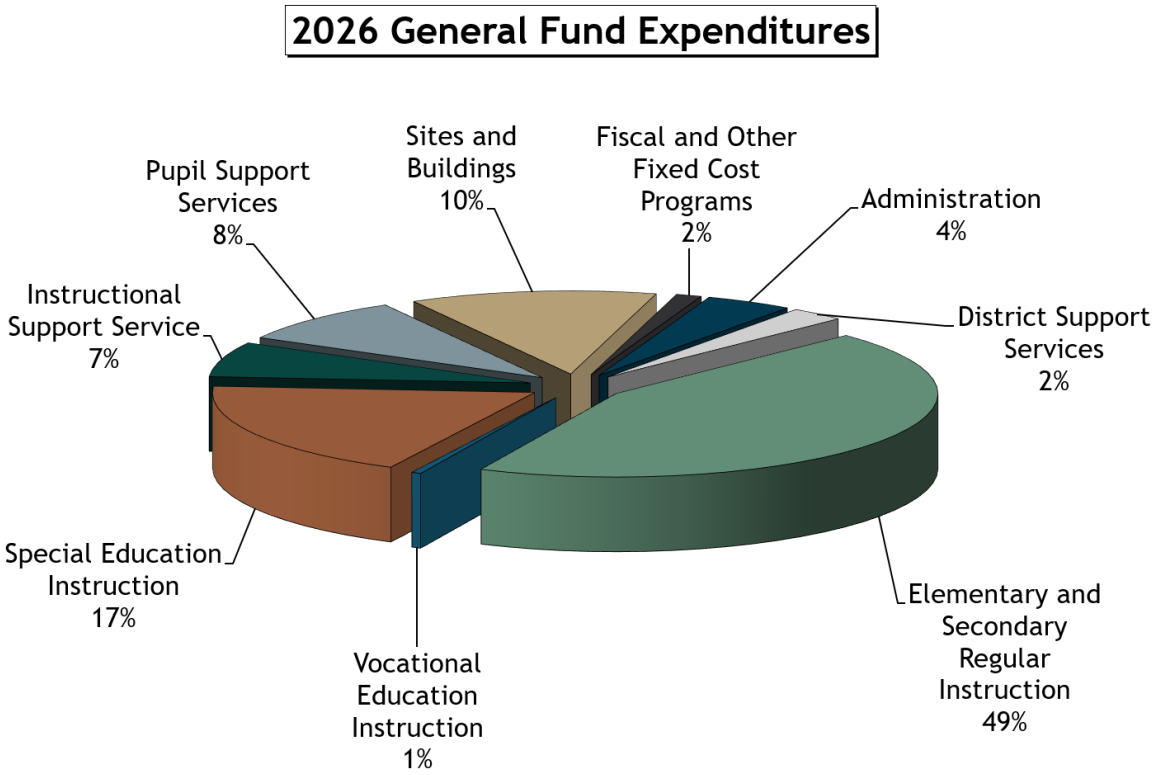
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues				
Local property taxes	$ 8,568,089	$ 8,568,089	$ 8,625,401	$ 57,312
State sources	31,757,018	32,867,020	33,206,461	339,441
Other	1,672,697	1,352,470	2,007,340	654,870
Total revenues	41,997,804	42,787,579	43,839,202	1,051,623
Expenditures				
Administration	1,875,792	1,875,792	1,894,654	18,862
District support services	1,178,940	1,178,940	1,184,857	5,917
Elementary and secondary regular instruction	20,141,428	20,700,378	19,095,514	(1,604,864)
Vocational education instruction	18,500	18,500	208,175	189,675
Special education instruction	7,933,844	7,933,844	8,142,964	209,120
Instructional support services	2,661,691	2,772,039	2,932,102	160,063
Pupil support services	3,638,616	3,690,341	3,847,169	156,828
Sites and buildings	6,262,800	5,635,228	5,352,725	(282,503)
Debt service, fiscal, and other fixed costs	452,867	452,867	551,214	98,347
Total expenditures	44,164,478	44,257,929	43,209,374	(1,048,555)
Excess of revenues over (under) expenditures	(2,166,674)	(1,470,350)	629,828	2,100,178
Net Other Financing Sources (Uses)				
Total other financing sources (uses)	802,000	782,742	790,350	7,608
Net change in fund balances	$ (1,364,674)	$ (687,608)	$ 1,420,178	$ 2,107,786

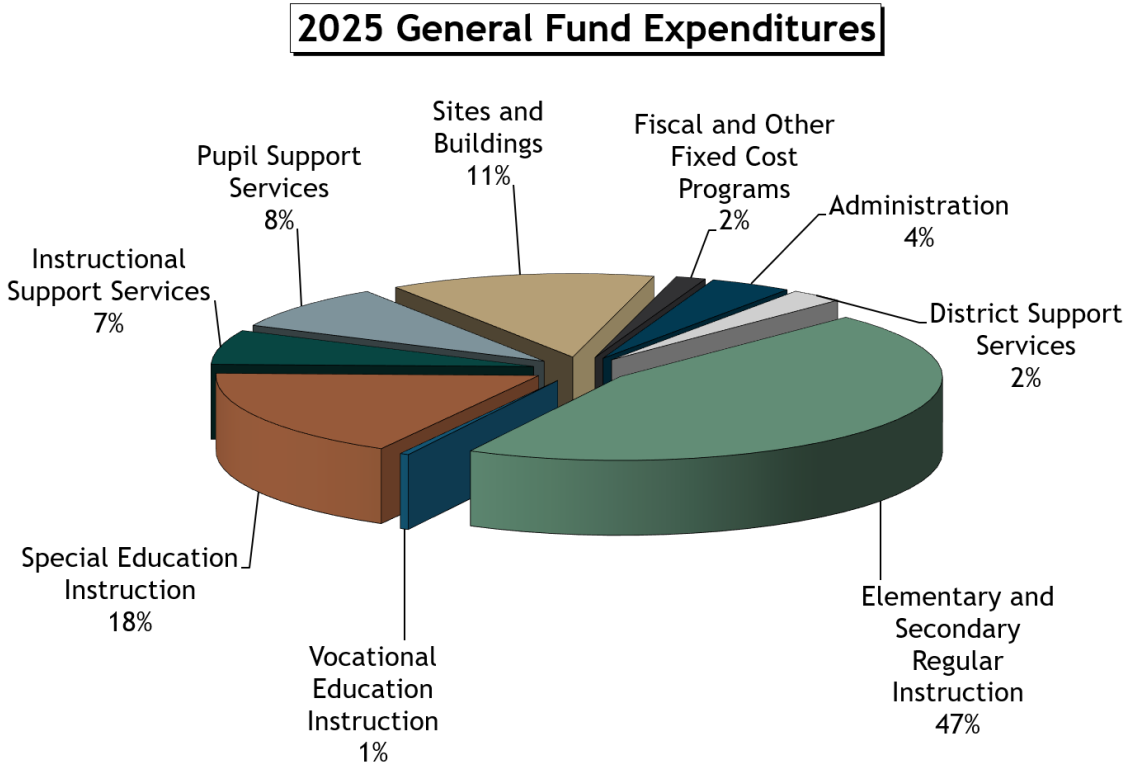
General Fund Sources of Revenue



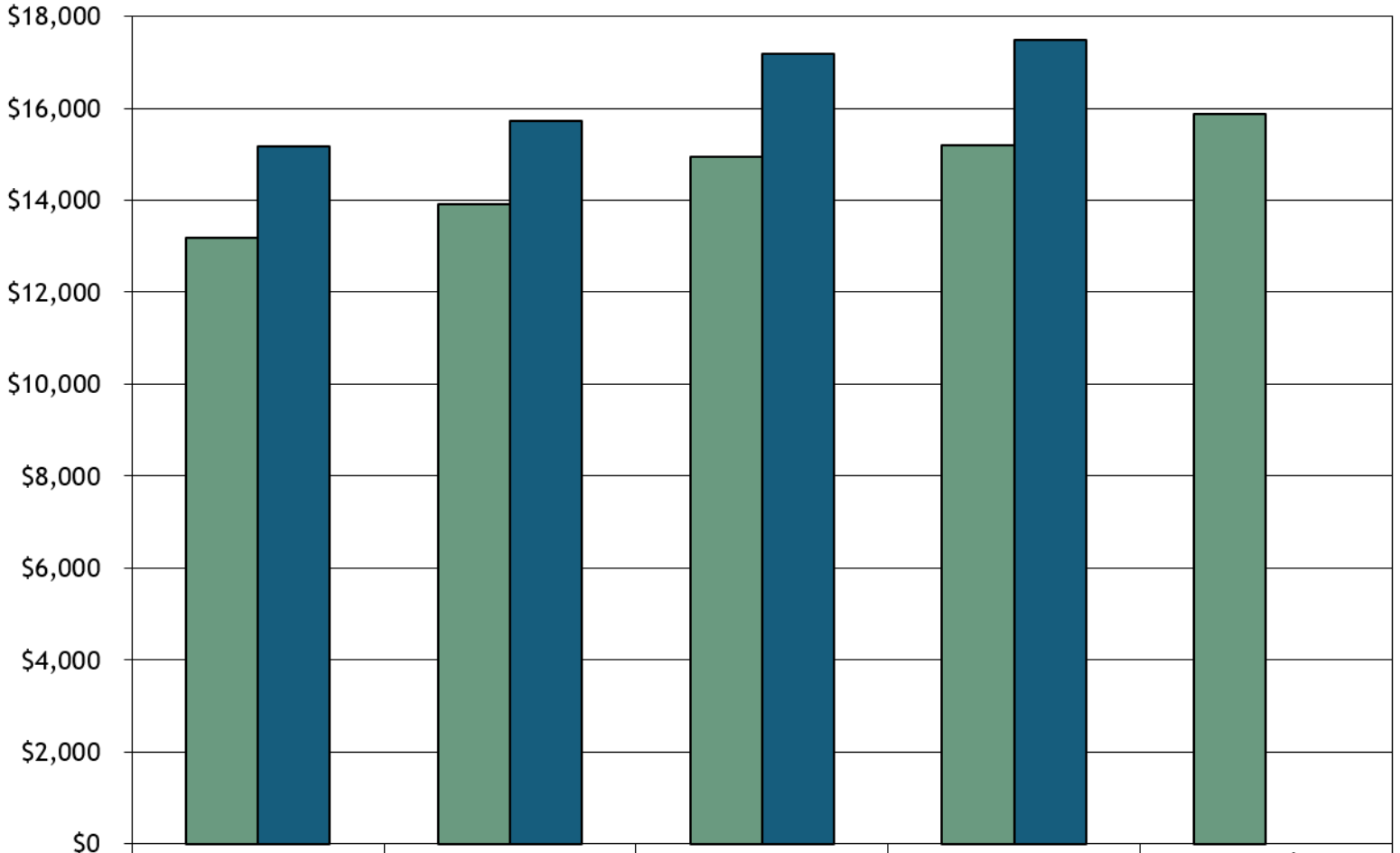
	2022	2023	2024	2025	2026
Local property taxes	$7,435,971	$7,401,568	$8,116,871	$8,498,816	$8,625,401
State sources	26,635,884	27,355,161	29,924,444	32,152,671	33,206,461
Other	2,668,956	2,698,211	2,724,925	2,224,105	2,007,340

General Fund - Expenditures



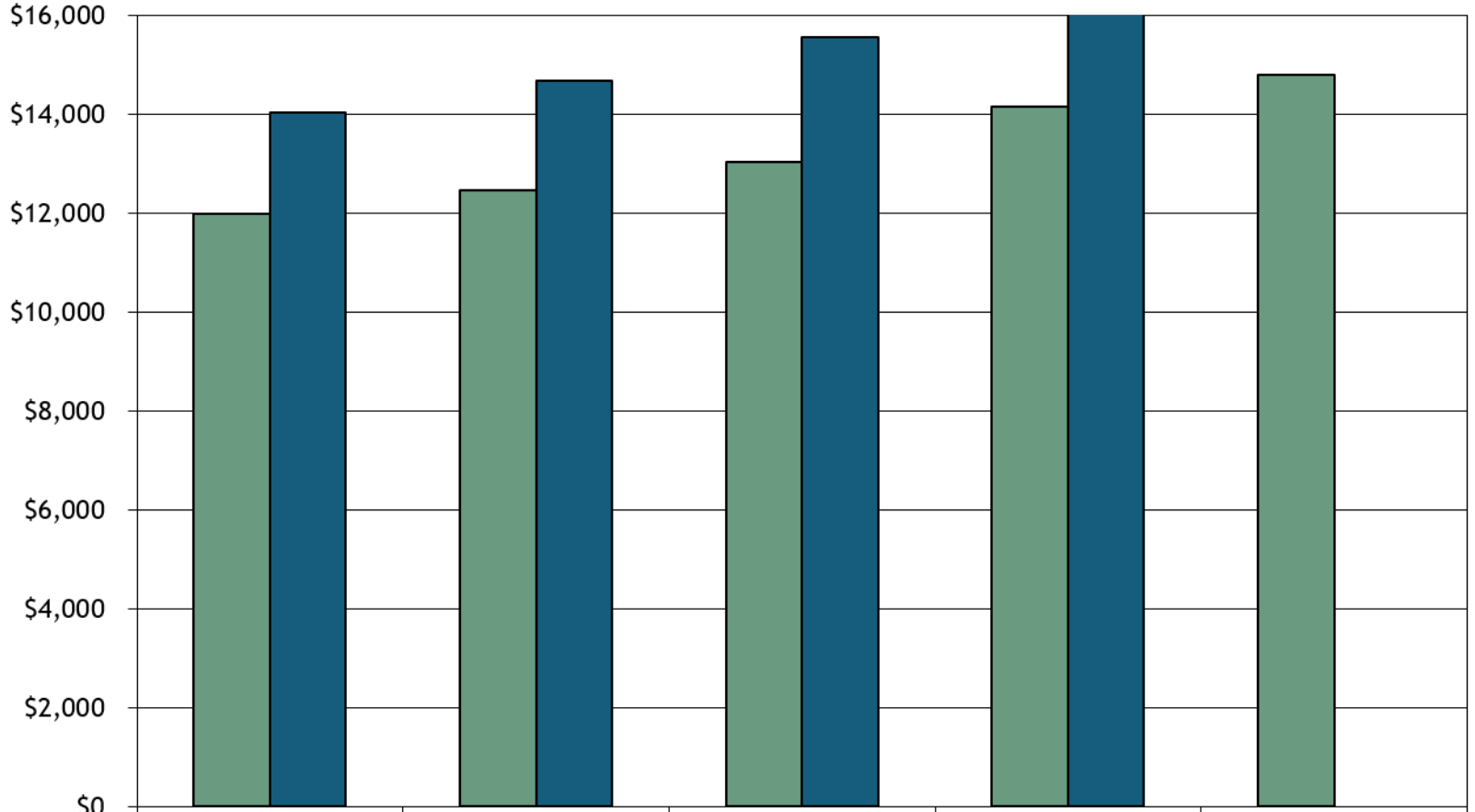


General Fund Revenues Per ADM Served



	2022	2023	2024	2025	2026*
District revenues	$13,180	$13,910	$14,946	$15,209	$15,872
State average revenues**	15,166	15,727	17,187	17,495	-

General Fund Expenditures Per ADM Served



	2022	2023	2024	2025	2026*
District expenditures	$11,991	$12,471	$13,046	$14,164	$14,803
State average expenditures**	14,036	14,677	15,560	16,265	-

General Fund Expenditures by Program and General Fund Operations

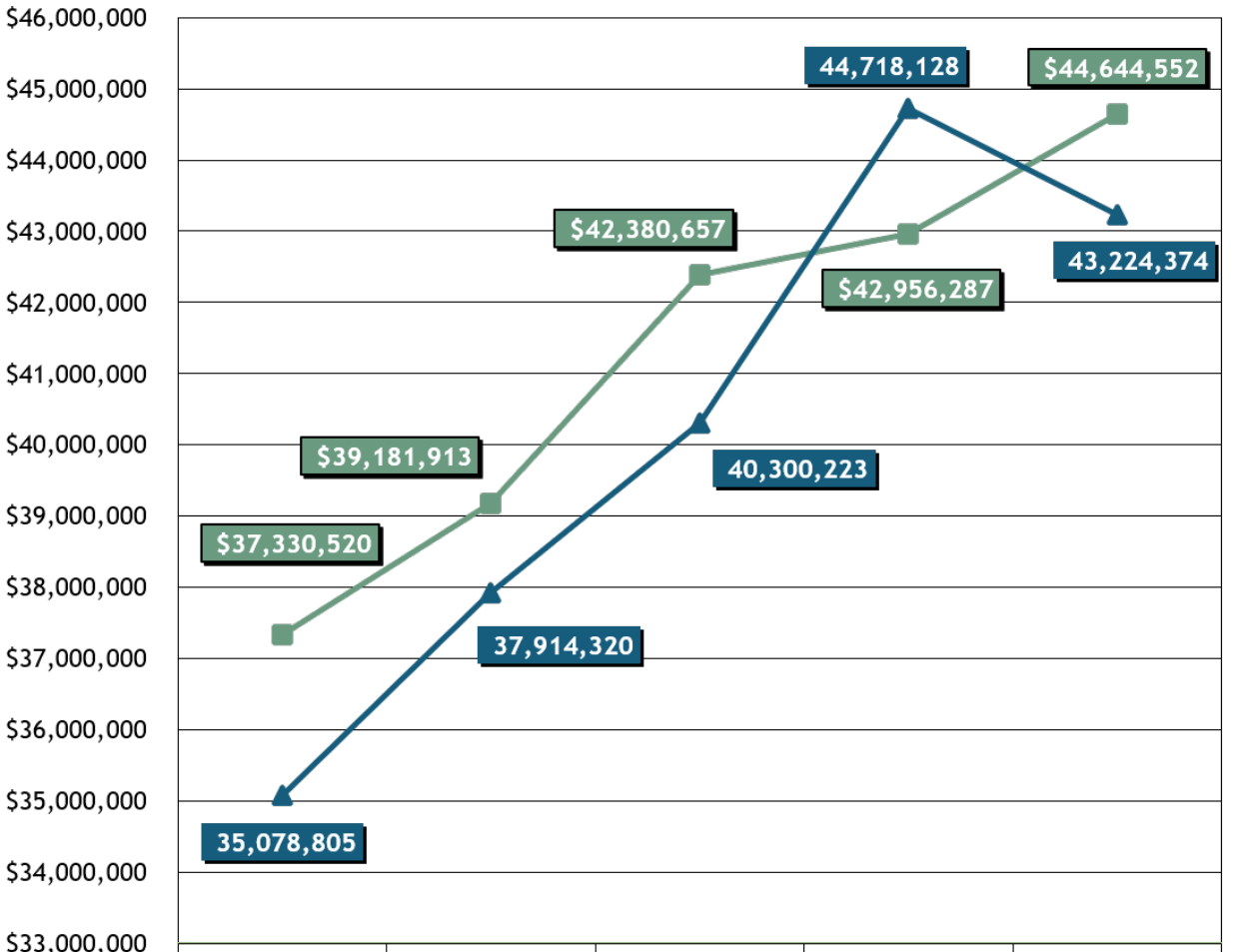
	District	State Average	District	State Average
	2025	2025**	2026*	2026**
District and School Administration	7.8%	8.6%	7.1%	N/A
Regular Instruction***	44.5%	41.1%	44.0%	N/A
Vocational Instruction	0.4%	1.4%	0.5%	N/A
Special Education Instruction	17.3%	20.1%	18.8%	N/A
Instructional Support Services	4.3%	5.2%	5.6%	N/A
Pupil Support Services****	7.2%	10.4%	8.1%	N/A
Sites, Buildings, and Equipment	7.8%	7.0%	10.5%	N/A
Capital Outlay	10.7%	6.2%	5.4%	N/A
Total	**100.0%**	**100.0%**	**100.0%**	**N/A**

General Fund Operations

For the Year Ended June 30,	2022	2023	2024	2025	2026
Revenues	$ 36,740,811	$ 37,454,940	$ 40,766,240	$ 42,875,592	$ 43,839,202
Expenditures	35,984,630	37,904,320	40,290,223	44,718,128	43,209,374
Excess of revenues over (under) expenditures	756,181	(449,380)	476,017	(1,842,536)	629,828
Net other financing sources	218,641	1,716,973	1,604,417	(79,305)	790,350
Fund balance, July 1	3,596,933	4,571,755	5,839,348	7,919,782	5,997,941
Fund Balance, June 30	**$ 4,571,755**	**$ 5,839,348**	**$ 7,919,782**	**$ 5,997,941**	**$ 7,418,119**

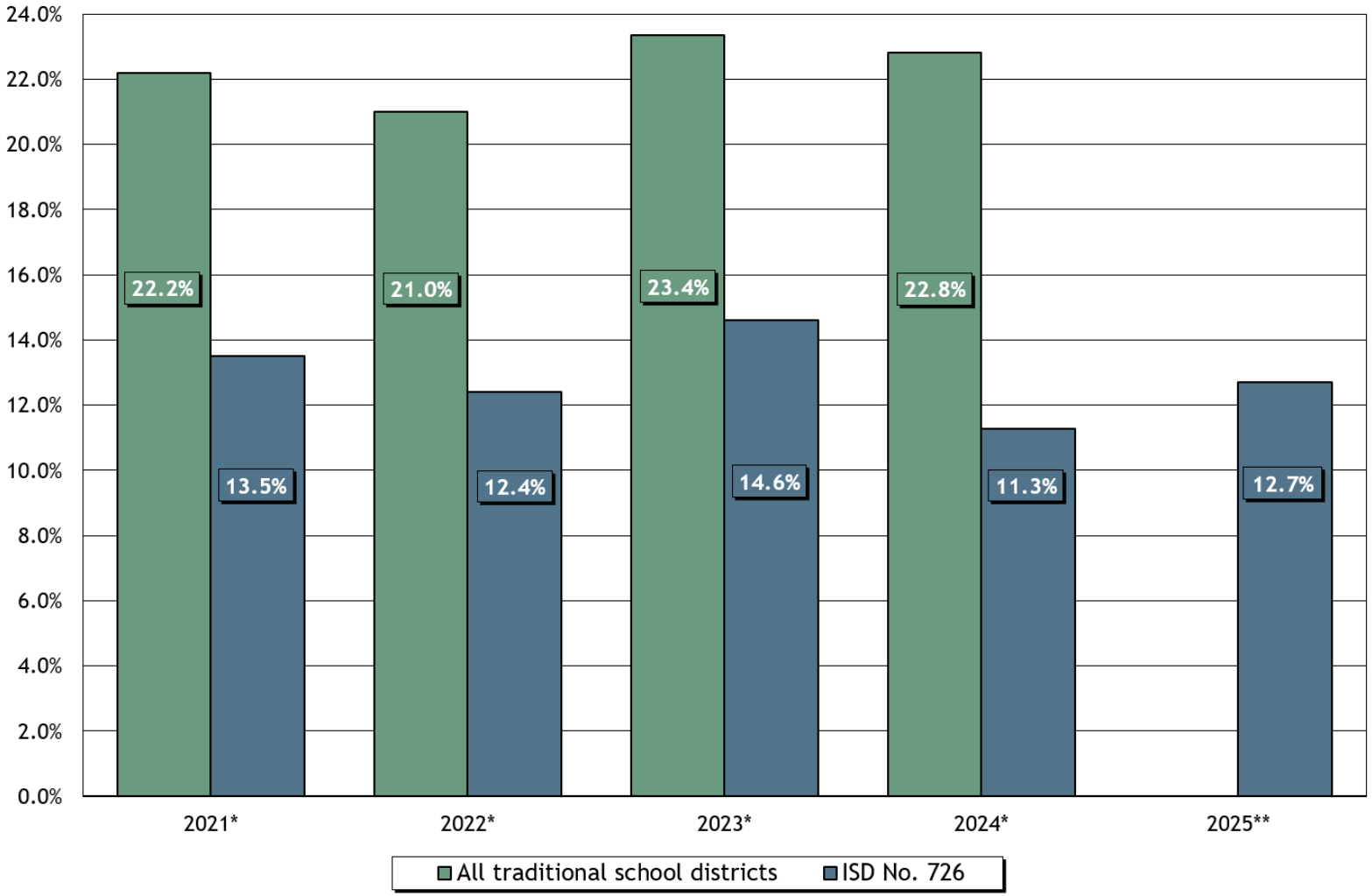
Components	2022	2023	2024	2025	2026
Nonspendable	$ 536,706	$ 820,266	$ 461,251	$ 441,008	$ 580,567
Restricted/reserved for*					
Operating Capital	77,970	1,453,976	2,462,123	336,342	487,308
Literacy Aid	-	-	-	81,638	87,510
Maintenance	89,421	162,548	277,453	1,223,253	1,961,972
American Indian Education Aid	-	-	8,306	-	-
READ Act	-	-	-	36,770	8,781
Student Activities	157,481	124,362	131,412	18,031	22,544
Scholarships	6,811	5,561	7,061	7,061	18,118
Assigned for					
Building level activity	142,739	196,720	345,397	226,492	183,778
Unassigned	3,560,627	3,075,915	4,226,779	3,627,346	4,067,541
Total	**$ 4,571,755**	**$ 5,839,348**	**$ 7,919,782**	**$ 5,997,941**	**$ 7,418,119**

General Fund Revenues and Expenditures

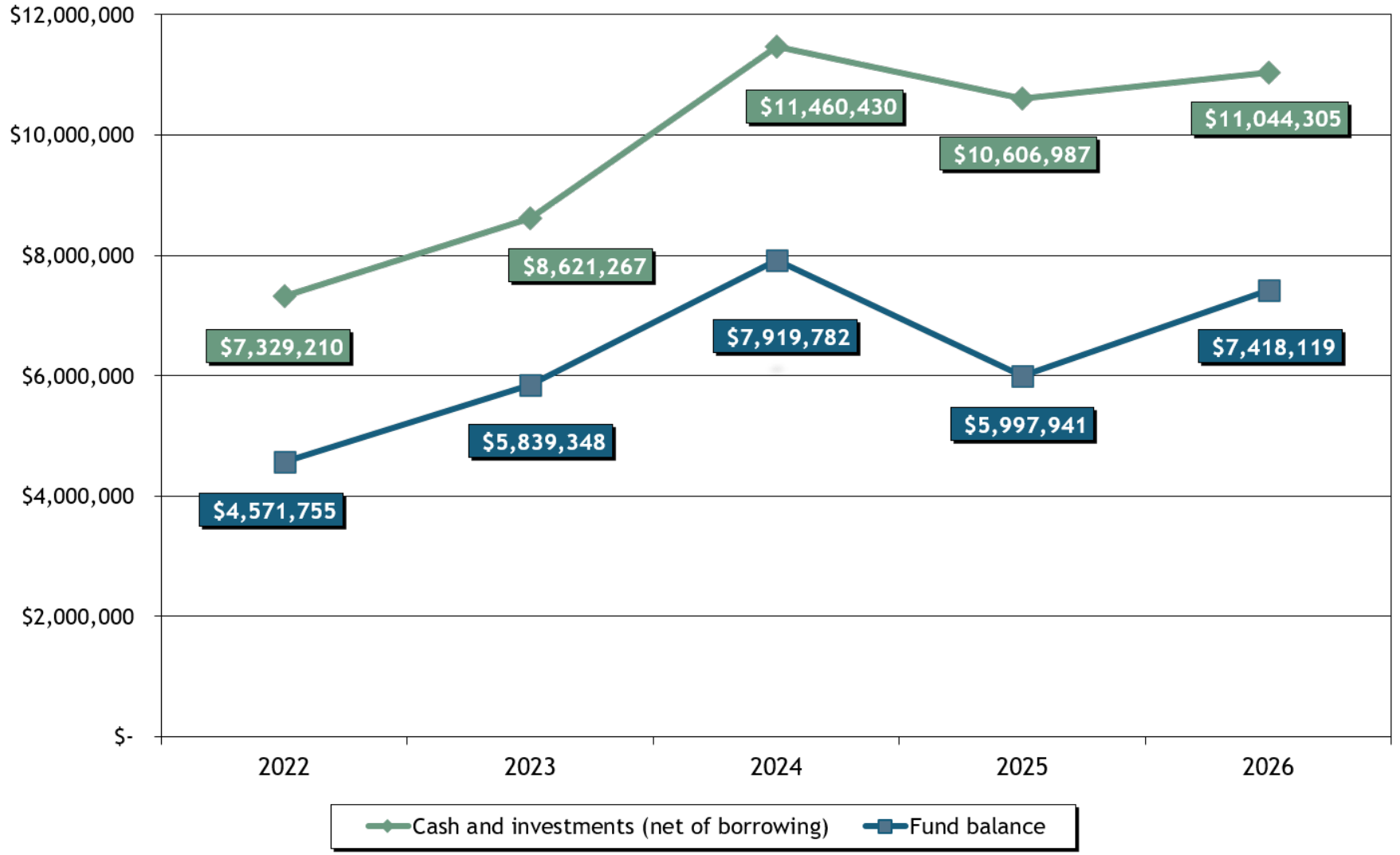


	2022	2023	2024	2025	2026
Revenues and other financing sources	$37,330,520	$39,181,913	$42,380,657	$42,956,287	$44,644,552
Expenditures and other financing uses	35,078,805	37,914,320	40,300,223	44,718,128	43,224,374

General Fund Expenditures of Fund Balance



General Fund Financial Position



Food Service Fund

For the Year Ended June 30,	2022	2023	2024	2025	2026
Revenues	$ 2,775,538	$ 2,046,137	$ 2,645,157	$ 2,700,371	$ 2,802,212
Expenditures	2,044,357	2,217,824	2,720,489	2,675,048	2,985,658
Excess of revenues over (under) expenditures	731,181	(171,687)	(75,332)	25,323	(183,446)
Fund balance, July 1	547,860	1,279,041	1,107,354	1,032,022	1,057,345
Fund Balance, June 30	**$ 1,279,041**	**$ 1,107,354**	**$ 1,032,022**	**$ 1,057,345**	**$ 873,899**

Community Service Fund

For the Year Ended June 30,	2022	2023	2024	2025	2026
Revenues	$ 1,592,931	$ 1,661,919	$ 1,816,604	$ 1,957,837	$ 1,994,927
Expenditures	1,616,519	1,757,800	1,744,720	1,927,820	2,056,219
Excess of revenues over (under) expenditures	(23,588)	(95,881)	71,884	30,017	(61,292)
Transfer in	10,000	10,000	10,000	160,000	15,000
Fund balance, July 1	259,572	245,984	160,103	241,987	432,004
Fund Balance, June 30	**$ 245,984**	**$ 160,103**	**$ 241,987**	**$ 432,004**	**$ 385,712**

Components	2022	2023	2024	2025	2026
Nonspendable	$ 12,738	$ 10,674	$ 16,173	$ 16,153	$ 15,011
Restricted/reserved for					
Community Education*	(6,880)	(80,978)	(169,990)	(1,654)	50,683
Early Childhood and Family Education	210,906	251,988	271,615	293,293	307,383
School Readiness	20,884	(30,726)	120,441	119,126	8,886
Community Service	8,336	9,145	3,748	5,086	3,749
Fund Balance, June 30	**$ 245,984**	**$ 160,103**	**$ 241,987**	**$ 432,004**	**$ 385,712**

Auditor



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Thank You



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