

Independent School District No. 726 Becker, Minnesota Board Presentation

Nancy Schulzetenberg



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
- ◆ Report on results of Single Audits performed in accordance with the Uniform Guidance
 - ◇ Unmodified opinion on compliance
 - ◇ No internal control findings
- ◆ 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 Commnunications

General Education Aid – Formula Allowance

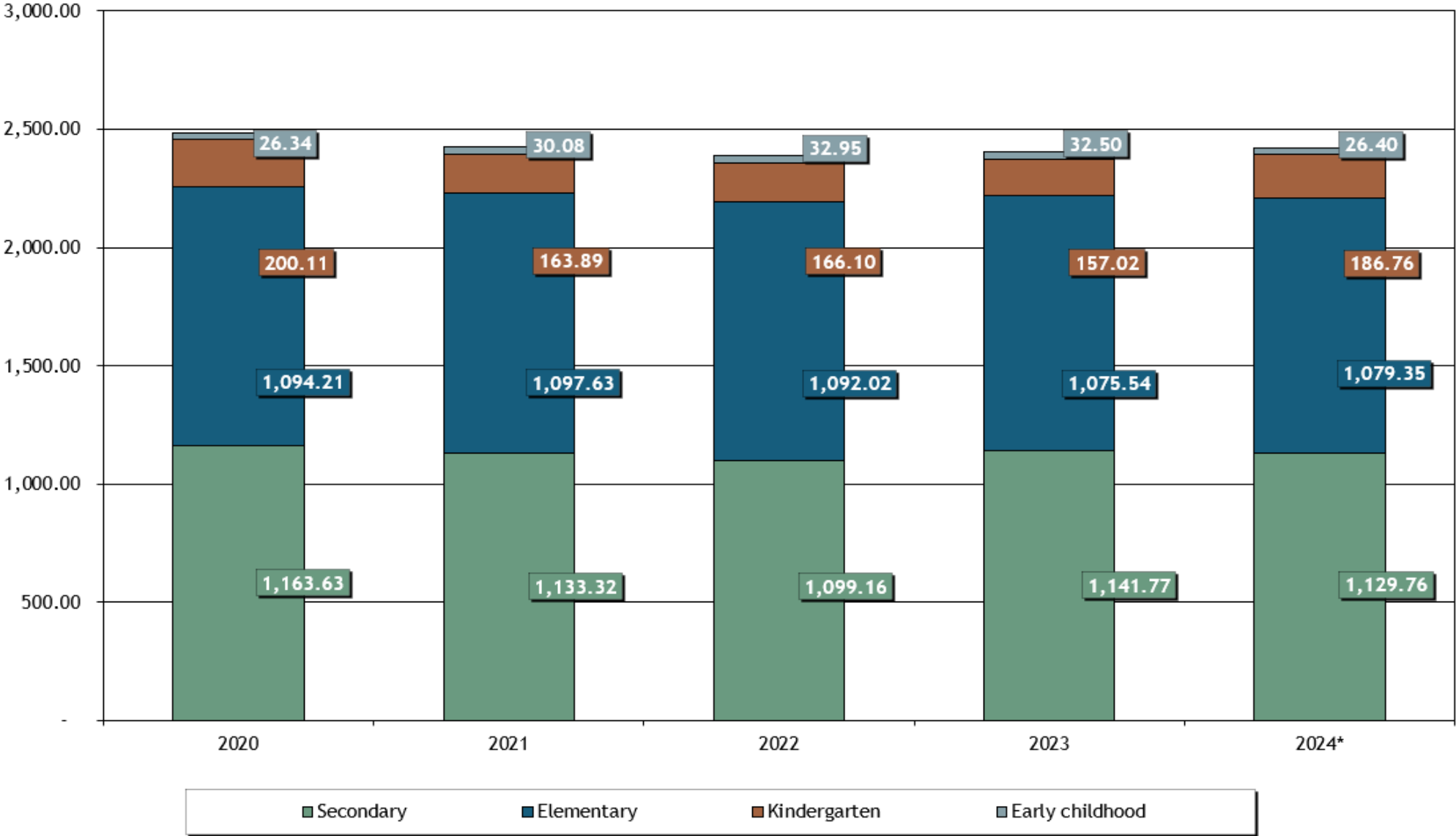
Year	General Education Aid Formula Allowance	
	Amount	Percent Increase
2014	\$ 5,302	1.5%
2015*	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%
2022	6,728	2.5%
2023	6,863	2.0%
2024	7,138	4.0%
2025	7,281	2.0%

* 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 adjustment changes, and other restructuring.

Average Daily Membership – Pupil Units

ADM	2020	2021	2022	2023	2024*
Early childhood	26.34	30.08	32.95	32.50	26.40
Kindergarten	200.11	163.89	166.10	157.02	186.76
Elementary	1,094.21	1,097.63	1,092.02	1,075.54	1,079.35
Secondary	1,163.63	1,133.32	1,099.16	1,141.77	1,129.76
Total Resident ADM	2,484.29	2,424.92	2,390.23	2,406.83	2,422.27
Total Adjusted ADM	2,866.46	2,897.25	2,798.19	2,786.34	2,809.20

Average Daily Membership – Student ADM

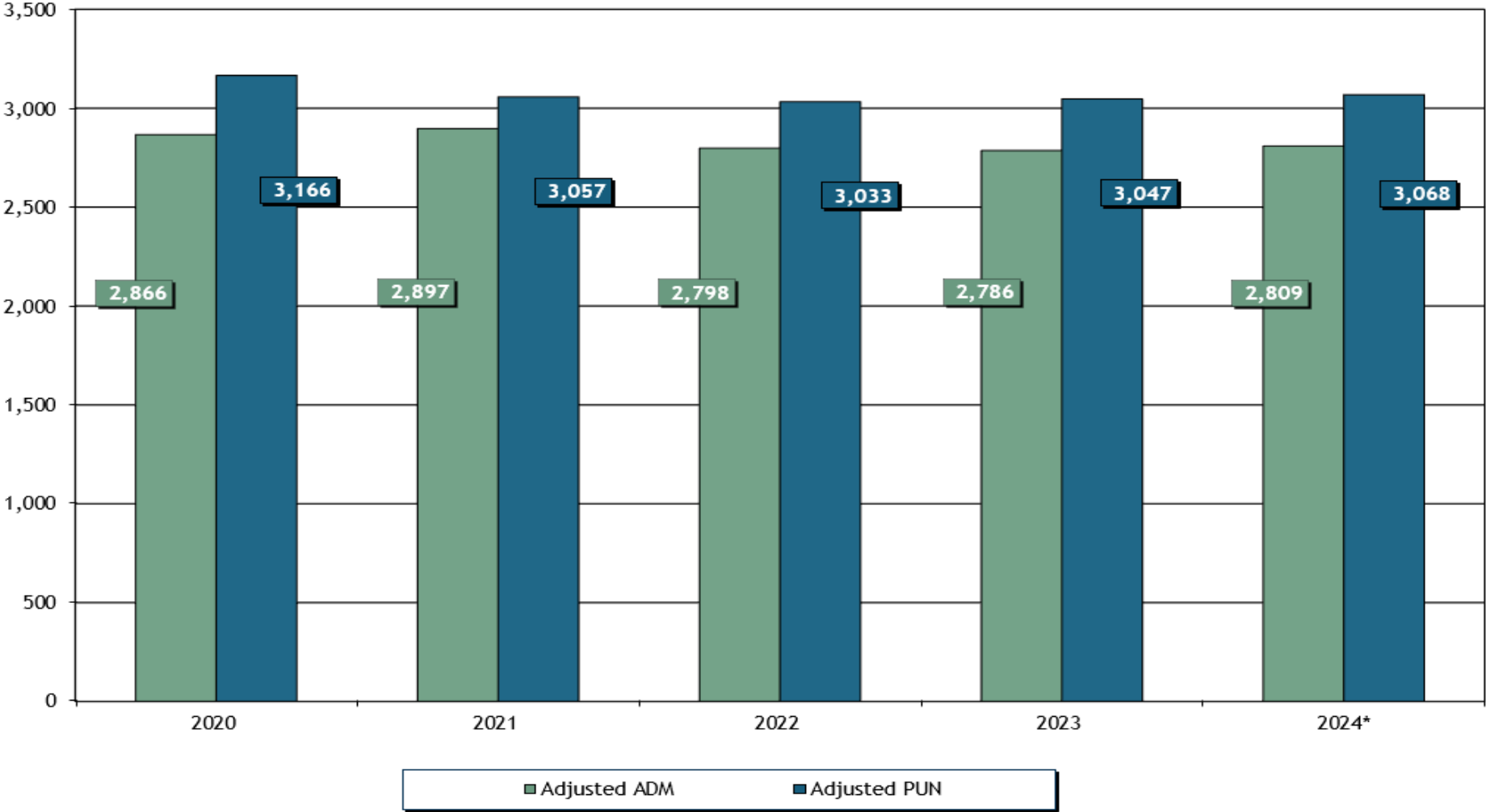


Average Daily Membership and Pupil Units – Weighting and Adjusted PUN

	Pupil Units Weighting					
	Early Childhood	Handicapped Kindergarten	Kindergarten	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
2020-2024	1.000	1.000	1.000	1.000	1.000	1.200

Adjusted PUN	2020	2021	2022	2023	2024*
Residents	2,717.01	2,651.59	2,610.05	2,635.18	2,648.22
Resident loss	(157.40)	(166.11)	(164.56)	(186.62)	(196.49)
Nonresident gain	606.48	571.74	587.26	598.59	616.21
Total Adjusted PUN	3,166.09	3,057.22	3,032.75	3,047.15	3,067.94

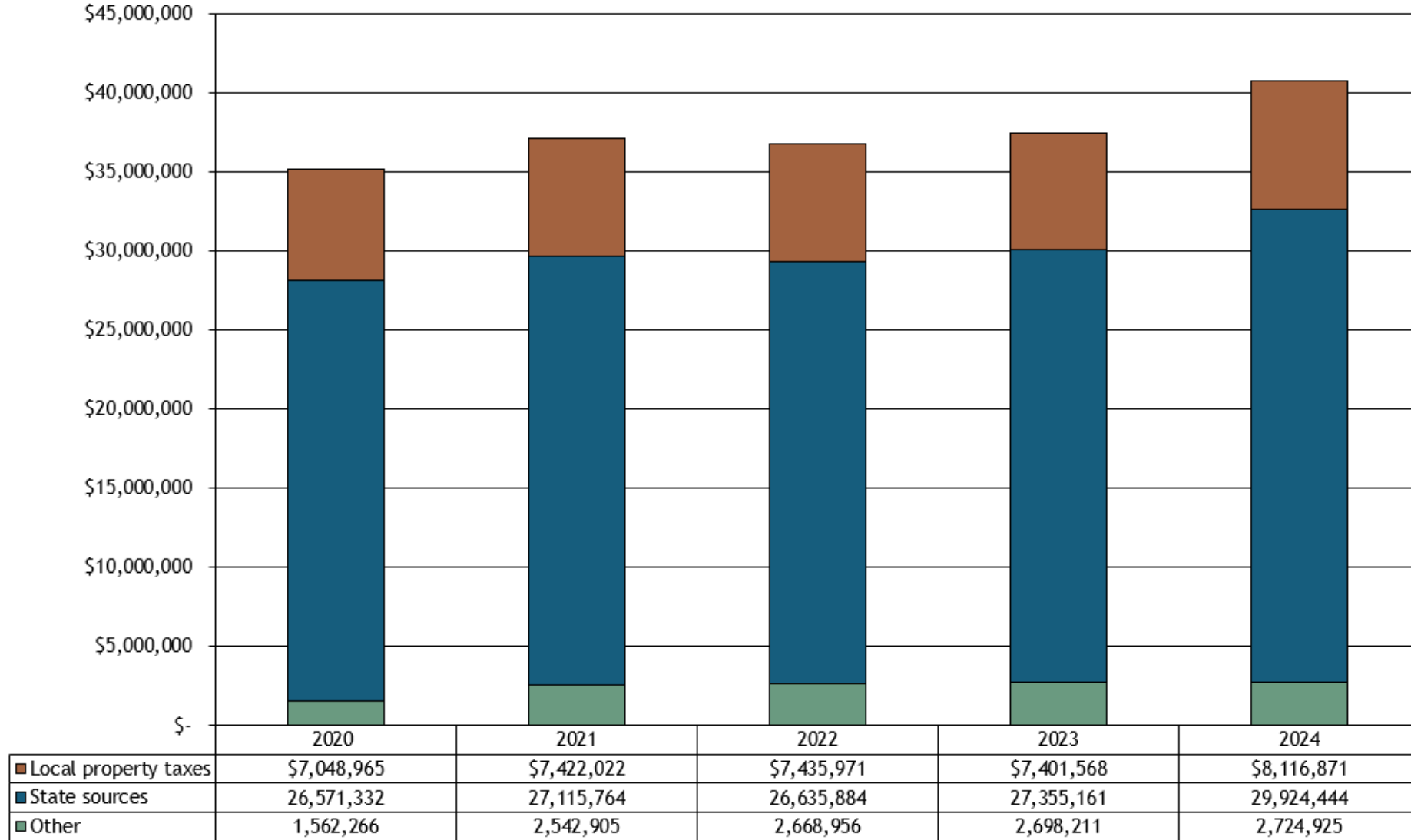
Average Daily Membership – Adjusted ADM and Adjusted PUN



General Fund – Budget to Actual

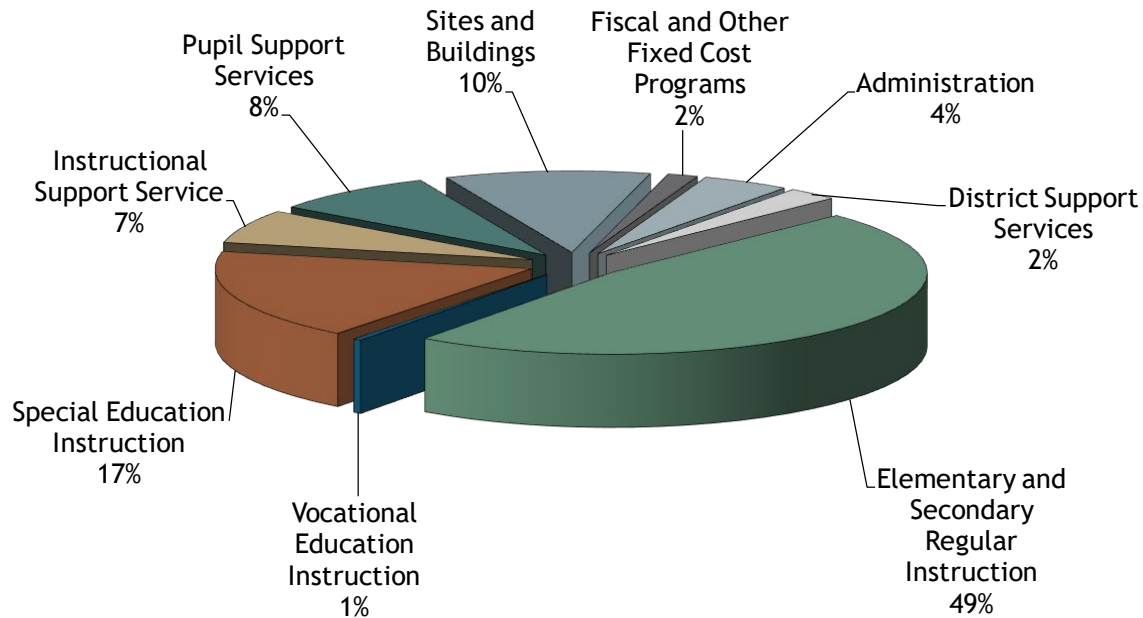
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues				
Local property taxes	\$ 8,009,157	\$ 8,018,184	\$ 8,116,871	\$ 98,687
State sources	29,711,190	30,513,798	29,924,444	(589,354)
Other	1,510,348	1,974,007	2,724,925	750,918
Total revenues	<u>39,230,695</u>	<u>40,505,989</u>	<u>40,766,240</u>	<u>260,251</u>
Expenditures				
Administration	1,822,194	1,821,194	1,811,792	(9,402)
District support services	848,145	1,086,620	1,039,151	(47,469)
Elementary and secondary regular instruction	19,558,819	19,619,622	19,098,973	(520,649)
Vocational education instruction	58,900	58,900	172,420	113,520
Special education instruction	7,094,866	7,112,866	7,218,028	105,162
Instructional support services	2,446,694	2,616,078	2,695,422	79,344
Pupil support services	2,911,676	3,097,800	3,396,392	298,592
Sites and buildings	3,888,278	6,887,988	4,234,733	(2,653,255)
Debt service, fiscal, and other fixed costs	514,546	575,298	623,312	48,014
Total expenditures	<u>39,144,118</u>	<u>42,876,366</u>	<u>40,290,223</u>	<u>(2,586,143)</u>
Excess of revenues over (under) expenditures	86,577	(2,370,377)	476,017	2,846,394
Net Other Financing Sources (Uses)				
Total other financing sources (uses)	-	1,482,000	1,604,417	122,417
Net change in fund balances	\$ 86,577	\$ (888,377)	\$ 2,080,434	\$ 2,968,811

General Fund Sources of Revenue

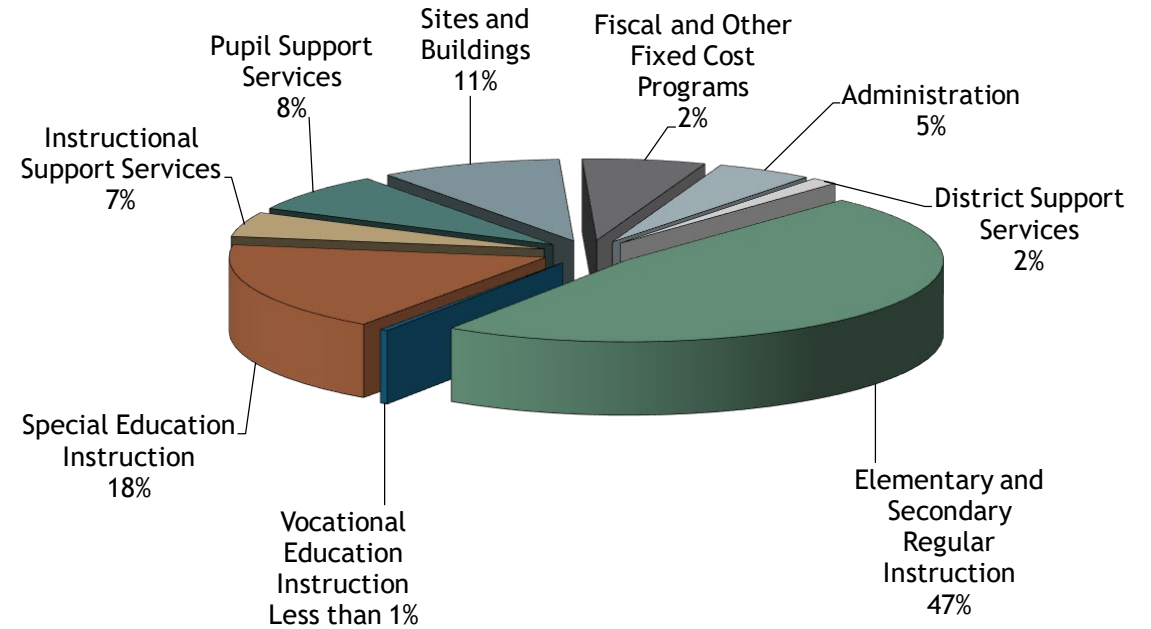


General Fund - Expenditures

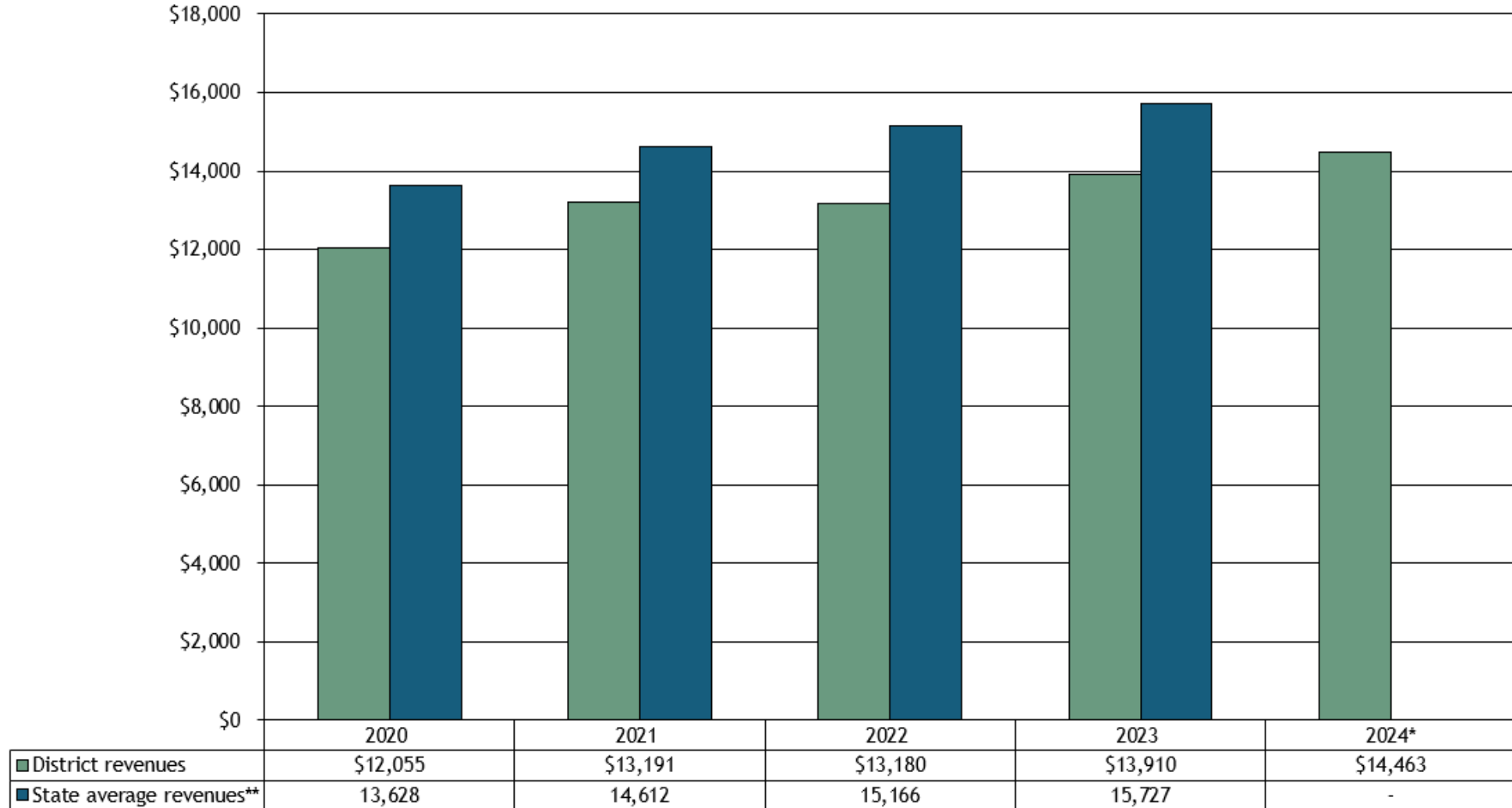
2024 General Fund Expenditures \$40,290,640



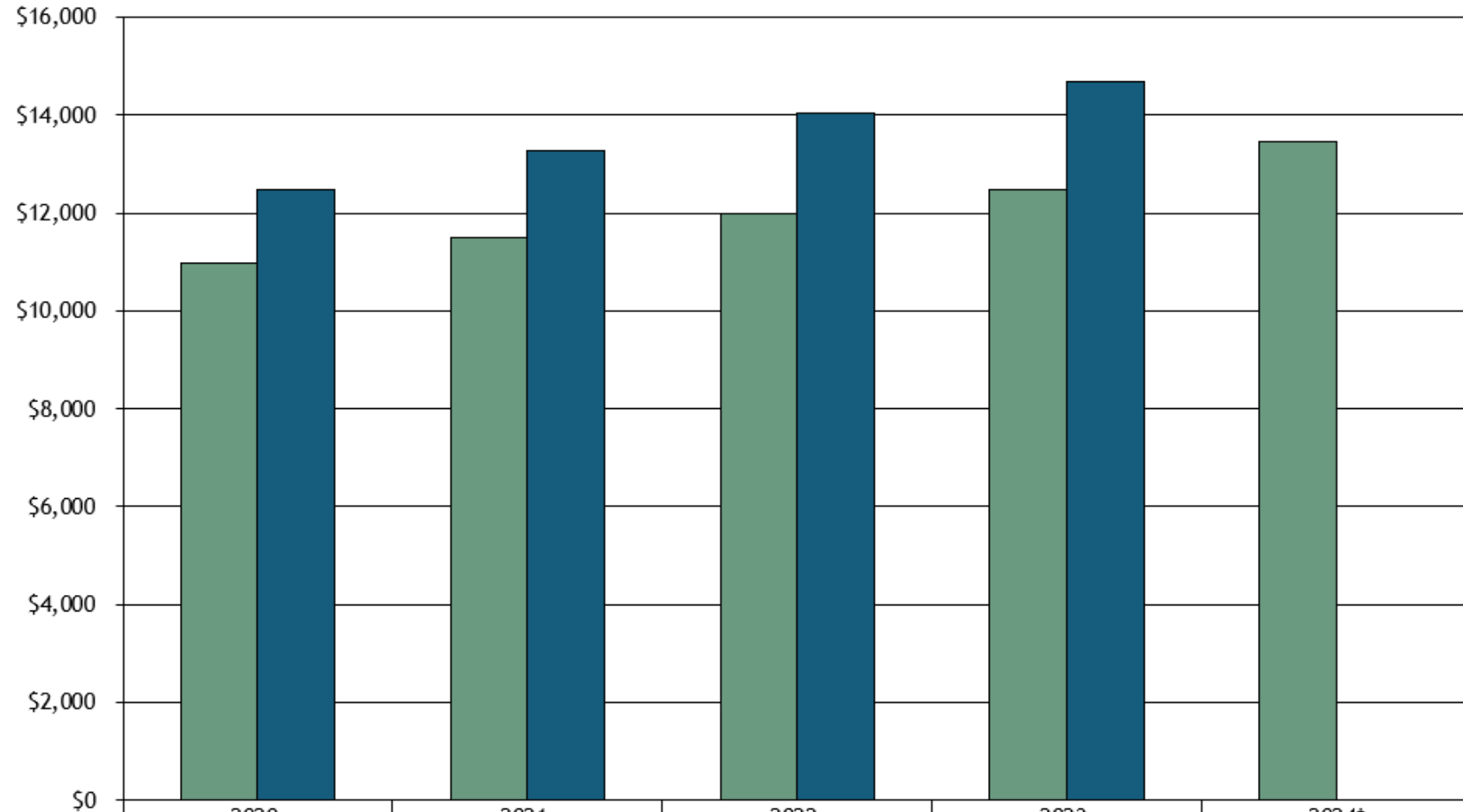
2023 General Fund Expenditures \$37,904,320



General Fund -Revenues Per ADM Served



General Fund – Expenditures Per ADM Served



■ District expenditures	\$10,979	\$11,494	\$11,991	\$12,471	\$13,447
■ State average expenditures**	12,475	13,266	14,036	14,677	-

General Fund Expenditures by Program and General Fund Operations

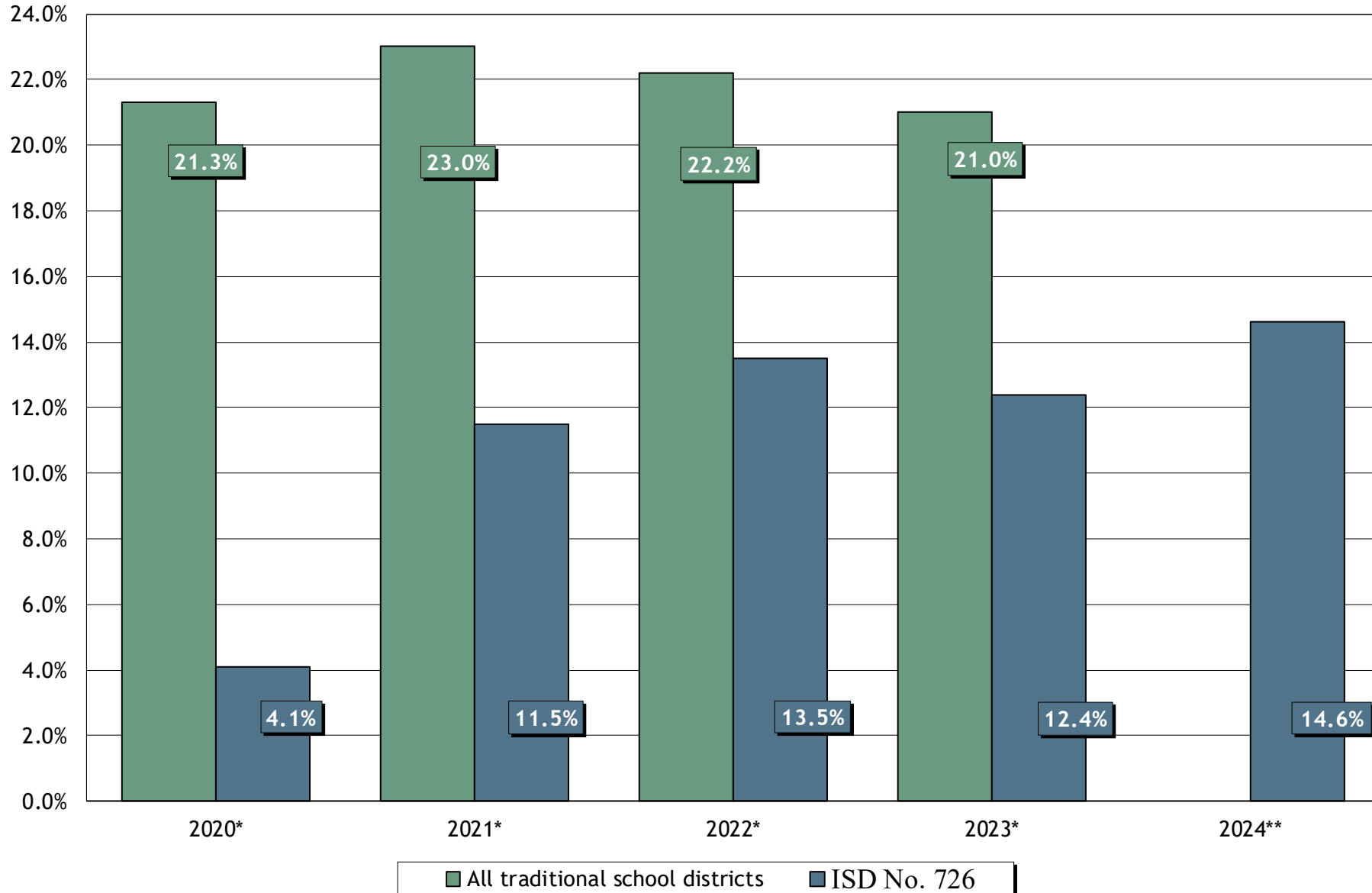
	District	State	District	State
	2023	Average	2024*	Average
	2023	2023**	2024*	2024**
District and School Administration	7.4%	8.7%	6.9%	N/A
Regular Instruction***	47.4%	42.0%	46.4%	N/A
Vocational instruction	0.4%	1.3%	0.4%	N/A
Special education instruction	17.7%	18.6%	17.9%	N/A
Instructional support services	4.1%	5.3%	5.3%	N/A
Pupil support services****	7.7%	9.9%	8.3%	N/A
Sites, buildings, and equipment	7.8%	7.6%	10.0%	N/A
Capital outlay	7.5%	6.7%	4.8%	N/A
Total	100.0%	100.0%	100.0%	N/A

General Fund Operations

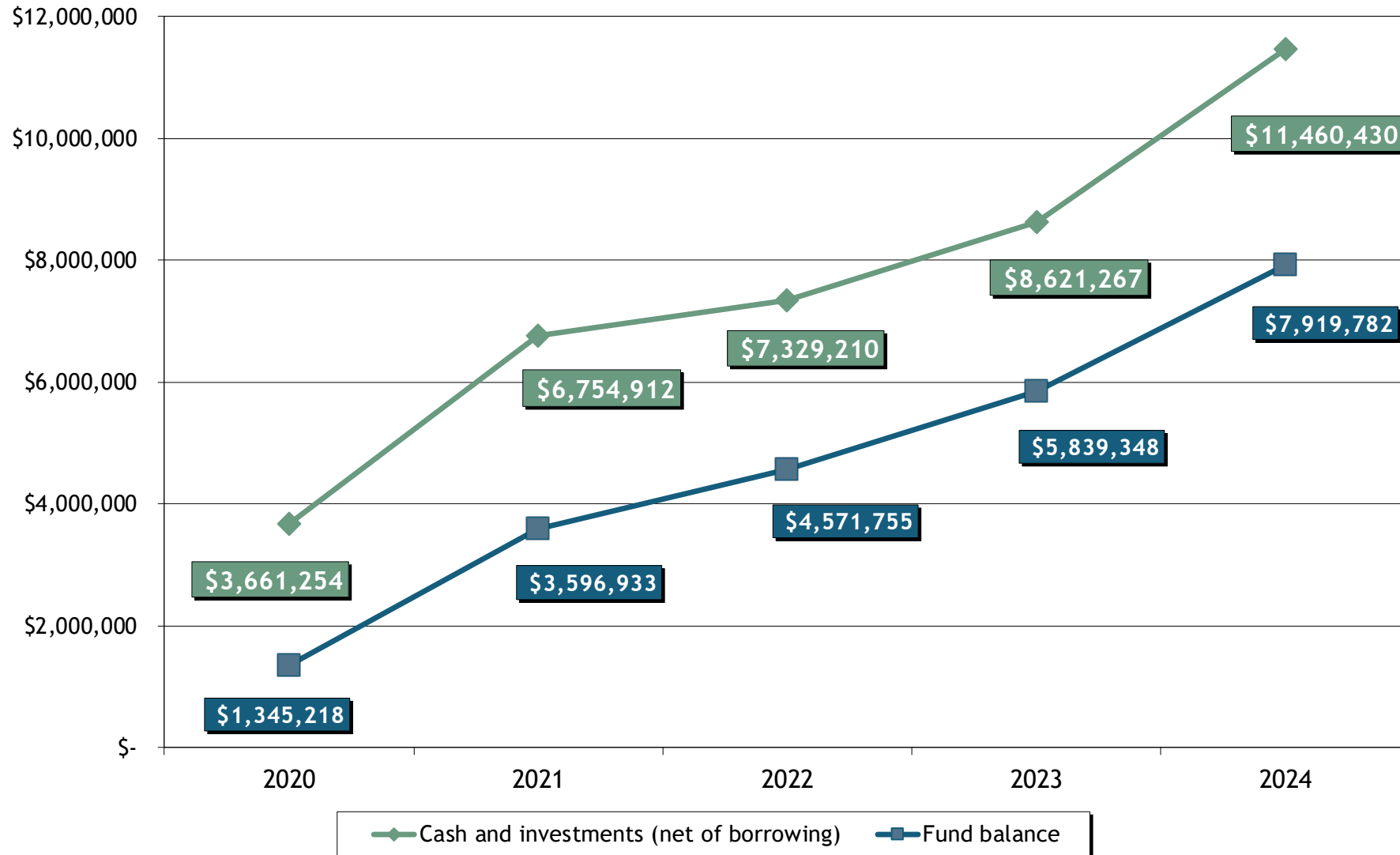
For the Year Ended June 30,	2020	2021	2022	2023	2024
Revenues	\$ 35,182,563	\$ 37,080,691	\$ 36,740,811	\$ 37,454,940	\$ 40,766,240
Expenditures	34,347,042	34,967,805	35,984,630	37,904,320	40,290,223
Excess of revenues over (under) expenditures	835,521	2,112,886	756,181	(449,380)	476,017
Net other financing sources	45,846	138,829	218,641	1,716,973	1,604,417
Fund balance, July 1	462,130	1,345,218	3,596,933	4,571,755	5,839,348
Change in accounting principle	1,721	-	-	-	-
Fund Balance, June 30	\$ 1,345,218	\$ 3,596,933	\$ 4,571,755	\$ 5,839,348	\$ 7,919,782

Components	2020	2021	2022	2023	2024
Nonspendable	\$ 447,816	\$ 238,988	\$ 536,706	\$ 820,266	\$ 461,251
Restricted/reserved for*					
Operating capital	22,530	37,550	77,970	1,453,976	2,462,123
Long-term facilities maintenance	1,250	20,592	89,421	162,548	277,453
American Indian Education Aid	-	-	-	-	8,306
Student Activities	89,608	97,733	157,481	124,362	131,412
Scholarships	3,721	3,471	6,811	5,561	7,061
Assigned for					
Building level activity	115,864	116,890	142,739	196,720	345,397
Unassigned	664,429	3,081,709	3,560,627	3,075,915	4,226,362
Total	\$ 1,345,218	\$ 3,596,933	\$ 4,571,755	\$ 5,839,348	\$ 7,919,365

General Fund Expenditures of Fund Balance



General Fund Financial Position



Food Service Fund

For the Year Ended June 30,	2020	2021	2022	2023	2024
Revenues	\$ 1,533,416	\$ 2,078,853	\$ 2,775,538	\$ 2,046,137	\$ 2,645,157
Expenditures	1,470,741	1,649,404	2,044,357	2,217,824	2,720,489
Excess of revenues over (under) expenditures	62,675	429,449	731,181	(171,687)	(75,332)
Fund balance, July 1	55,736	118,411	547,860	1,279,041	1,107,354
Fund Balance, June 30	\$ 118,411	\$ 547,860	\$ 1,279,041	\$ 1,107,354	\$ 1,032,022

Community Service Fund

For the Year Ended June 30,	2020	2021	2022	2023	2024
Revenues	\$ 1,258,603	\$ 1,355,510	\$ 1,592,931	\$ 1,661,919	\$ 1,816,604
Expenditures	1,311,818	1,385,024	1,616,519	1,757,800	1,744,720
Excess of revenues over (under) expenditures	(53,215)	(29,514)	(23,588)	(95,881)	71,884
Transfer in	100,000	111,000	10,000	10,000	10,000
Fund balance, July 1	131,301	178,086	259,572	245,984	160,103
Fund Balance, June 30	\$ 178,086	\$ 259,572	\$ 245,984	\$ 160,103	\$ 241,987

Components	2020	2021	2022	2023	2024
Nonspendable	\$ 9,840	\$ 8,833	\$ 12,738	\$ 10,674	\$ 16,173
Restricted/reserved for					
Community Education*	8,555	25,549	(6,880)	(80,978)	(169,990)
Early Childhood and Family Education	150,717	185,376	210,906	251,988	271,615
School Readiness	5,833	35,852	20,884	(30,726)	120,441
Community Service	3,141	3,962	8,336	9,145	3,748
Fund Balance, June 30	\$ 178,086	\$ 259,572	\$ 245,984	\$ 160,103	\$ 241,987

Auditor



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Thank You



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