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Independent School District No. 726
Becker, Minnesota

Financial Statement Presentation

June 30, 2021

Independent Auditor's Report

- 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 a Single Audit 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

Pupil Unit Funding

General Education Aid

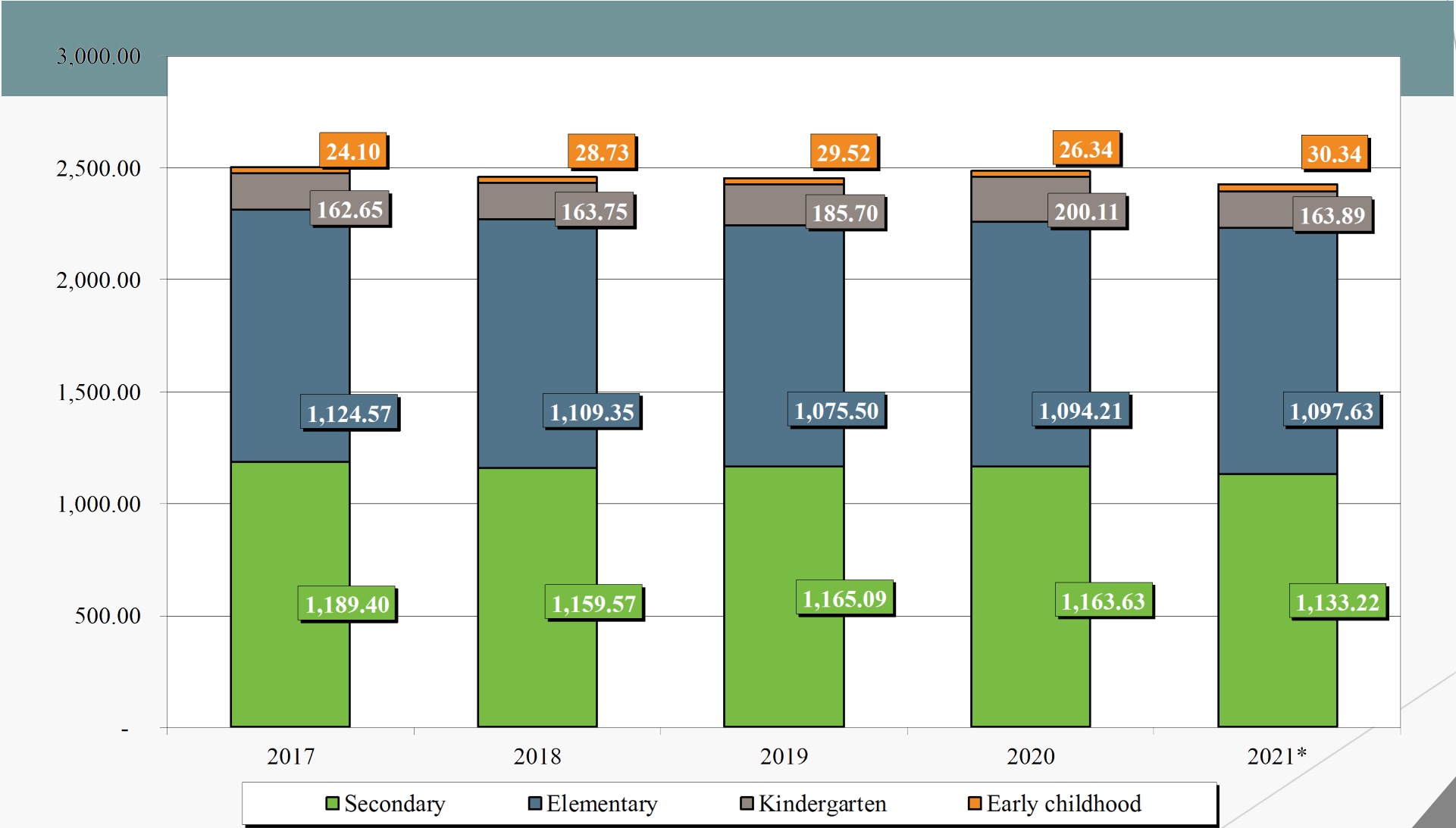
Year	General Education Aid Formula Allowance	
	Amount	Percent Increase
2012	\$ 5,174	1.0%
2013	5,224	1.0%
2014	5,302	1.5%
2015*	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%
2022	6,728	2.5%

* 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.

Resident Average Daily Membership

ADM	2017	2018	2019	2020	2021*
Early childhood	24.10	28.73	29.52	26.34	30.34
Kindergarten	162.65	163.75	185.70	200.11	163.89
Elementary	1,124.57	1,109.35	1,075.50	1,094.21	1,097.63
Secondary	1,189.40	1,159.57	1,165.09	1,163.63	1,133.22
Total resident ADM	2,500.72	2,461.40	2,455.81	2,484.29	2,425.08
Total adjusted ADM	2,846.33	2,850.64	2,866.46	2,897.25	2,798.70

Resident Average Daily Membership



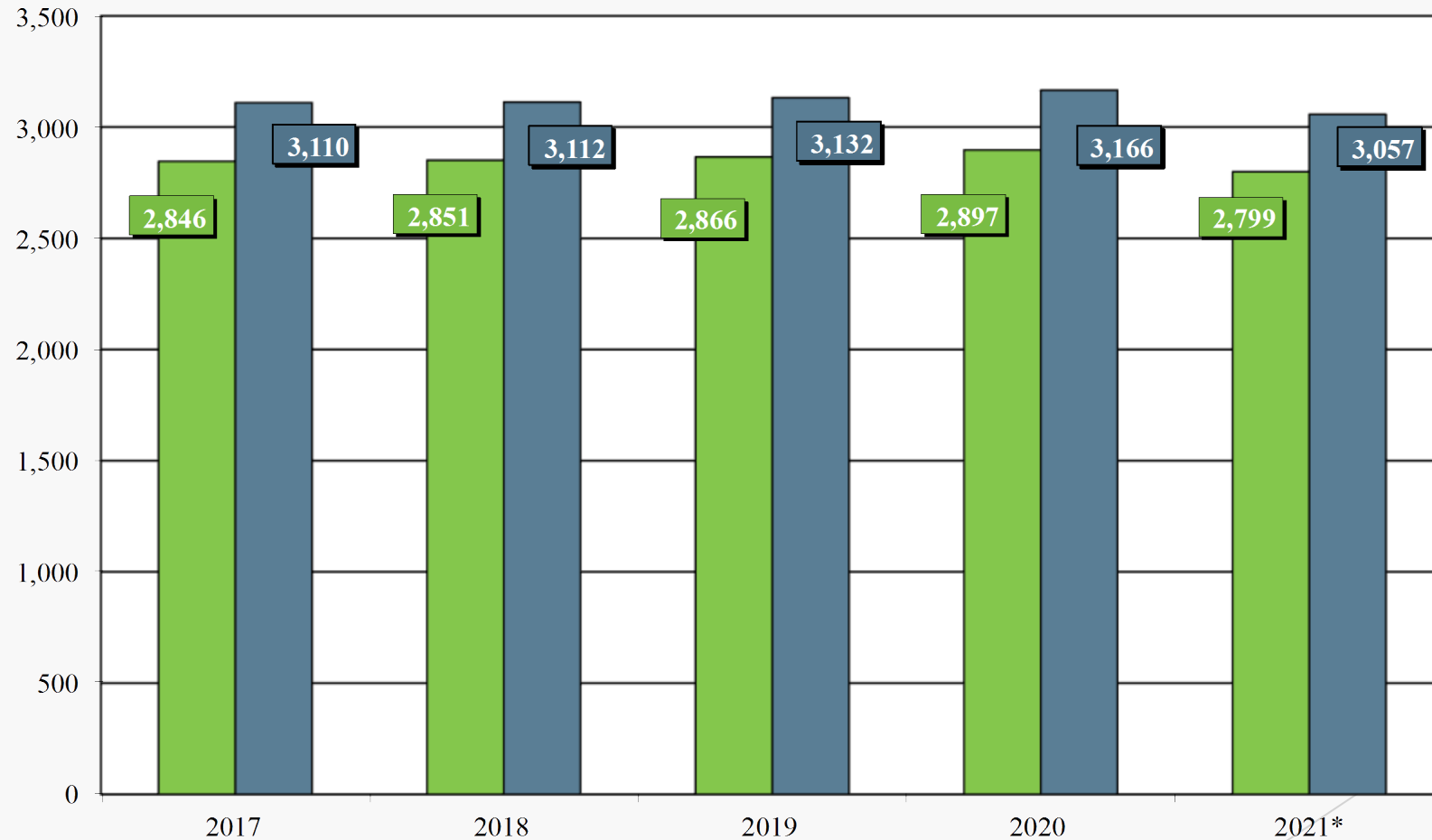
Pupil Unit Weighting and Adjusted Pupil Units

Pupil Units Weighting						
	Early Childhood	Handicapped Kindergarten	Kindergarten	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
2017-2021	1.000	1.000	1.000	1.000	1.000	1.200

Adjusted PUN	2017	2018	2019	2020	2021*
Residents	2,738.60	2,693.32	2,688.84	2,717.01	2,651.73
Resident loss	(119.53)	(126.58)	(136.75)	(157.40)	(166.11)
Nonresident gain	490.79	545.53	579.94	606.48	571.74
Total adjusted PUN	3,109.86	3,112.27	3,132.03	3,166.09	3,057.36

*estimate

Pupil Unit Weighting and Adjusted Pupil Units



General Fund

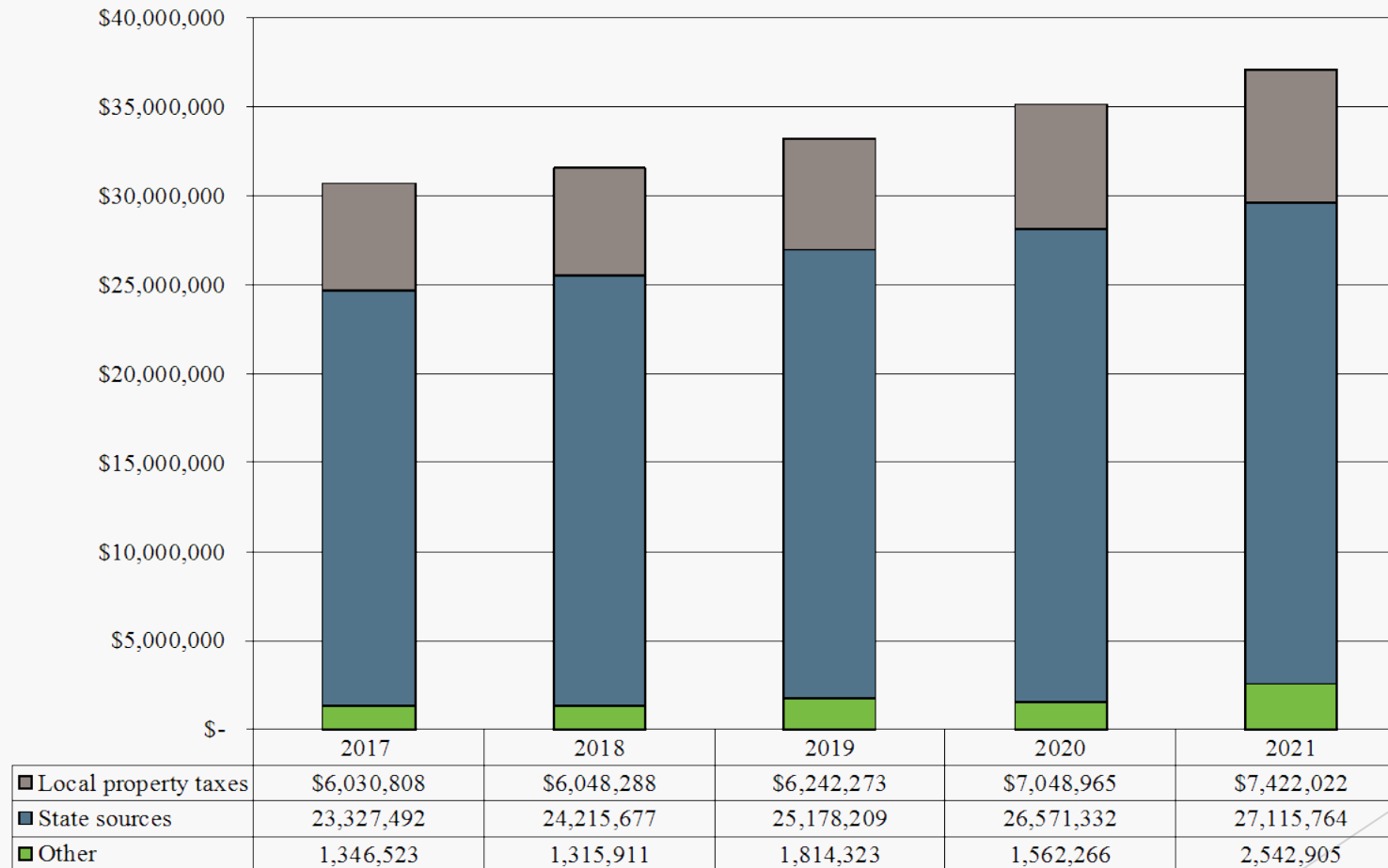
Budget and Actual

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues				
Local property taxes	\$ 7,327,060	\$ 7,327,060	\$ 7,422,022	\$ 94,962
State sources	27,091,713	26,818,874	27,115,764	296,890
Other	1,502,966	2,176,617	2,542,905	366,288
Total revenues	<u>35,921,739</u>	<u>36,322,551</u>	<u>37,080,691</u>	<u>758,140</u>
Expenditures				
Administration	1,570,000	1,570,000	1,596,518	26,518
District support services	694,690	694,690	592,042	(102,648)
Elementary and secondary regular instruction	16,978,962	16,686,497	16,539,724	(146,773)
Vocational education instruction	98,991	98,991	41,821	(57,170)
Special education instruction	6,506,253	6,506,253	6,233,186	(273,067)
Instructional support services	2,523,640	2,925,627	2,595,427	(330,200)
Pupil support services	2,824,578	2,903,534	2,803,333	(100,201)
Sites and buildings	3,687,342	3,963,635	3,916,526	(47,109)
Debt service, fiscal, and other fixed costs	608,086	608,086	649,228	41,142
Total expenditures	<u>35,492,542</u>	<u>35,957,313</u>	<u>34,967,805</u>	<u>(989,508)</u>
Excess of revenues over expenditures	429,197	365,238	2,112,886	1,747,648
Net Other Financing Sources (Uses)				
Total other financing sources (uses)	<u>240,000</u>	<u>179,000</u>	<u>138,829</u>	<u>(40,171)</u>
Net change in fund balances	\$ 669,197	\$ 544,238	\$ 2,251,715	\$ 1,707,477

General Fund Operations

For the Year Ended June 30,	2017	2018	2019	2020	2021
Revenues	\$ 30,704,823	\$ 31,579,876	\$ 33,234,805	\$ 35,182,563	\$ 37,080,691
Expenditures	30,091,998	32,636,654	34,503,824	34,347,042	34,967,805
Excess of revenues over (under) expenditures	612,825	(1,056,778)	(1,269,019)	835,521	2,112,886
Net other financing sources	505,892	682,127	485,674	45,846	138,829
Fund balance, July 1	501,409	1,620,126	1,245,475	462,130	1,345,218
Change in accounting principle	-	-	-	1,721	-
Fund Balance, June 30	\$ 1,620,126	\$ 1,245,475	\$ 462,130	\$ 1,345,218	\$ 3,596,933
Components					
Nonspendable	\$ 464,457	\$ 254,734	\$ 194,665	\$ 447,816	\$ 238,988
Restricted/reserved for*					
Operating capital	76,041	20,035	1,648	22,530	37,550
Achievement and integration	6,656	-	-	-	-
Long-term facilities maintenance	(1,618)	(29,503)	(64,072)	1,250	20,592
Health and safety	(77,920)	-	-	-	-
Student Activities	-	-	-	89,608	97,733
Scholarships	-	-	-	3,721	3,471
Assigned for					
Building level activity	246,904	251,043	153,912	115,864	116,890
Unassigned	905,606	749,166	175,977	664,429	3,081,709
Total	\$ 1,620,126	\$ 1,245,475	\$ 462,130	\$ 1,345,218	\$ 3,596,933

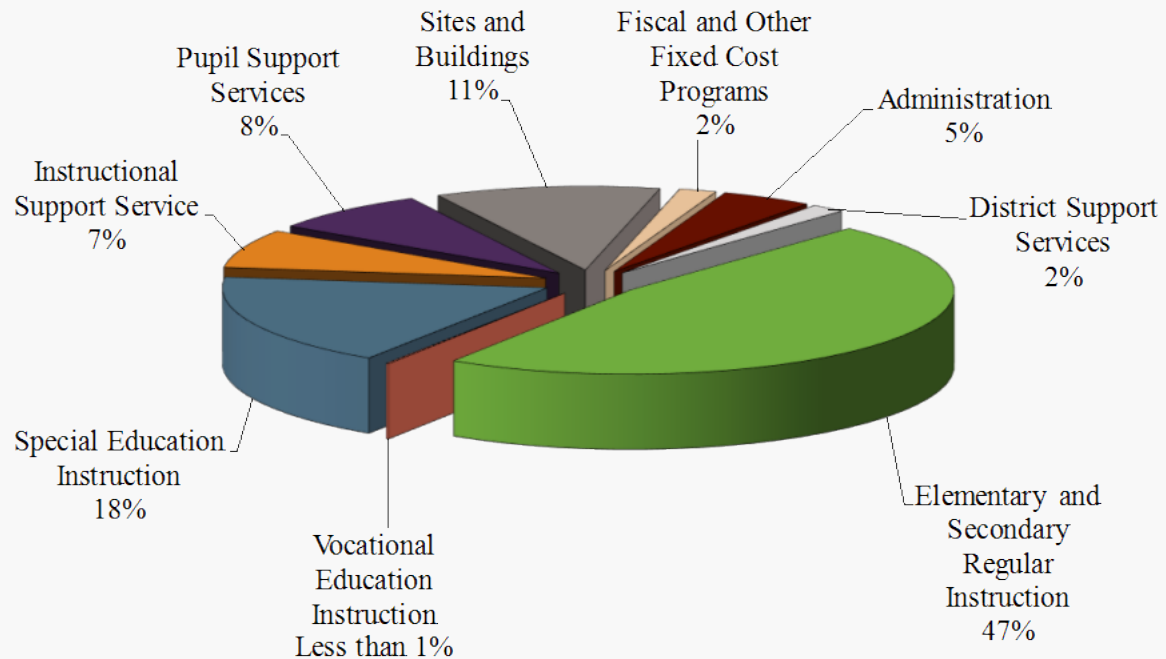
General Fund Sources of Revenue



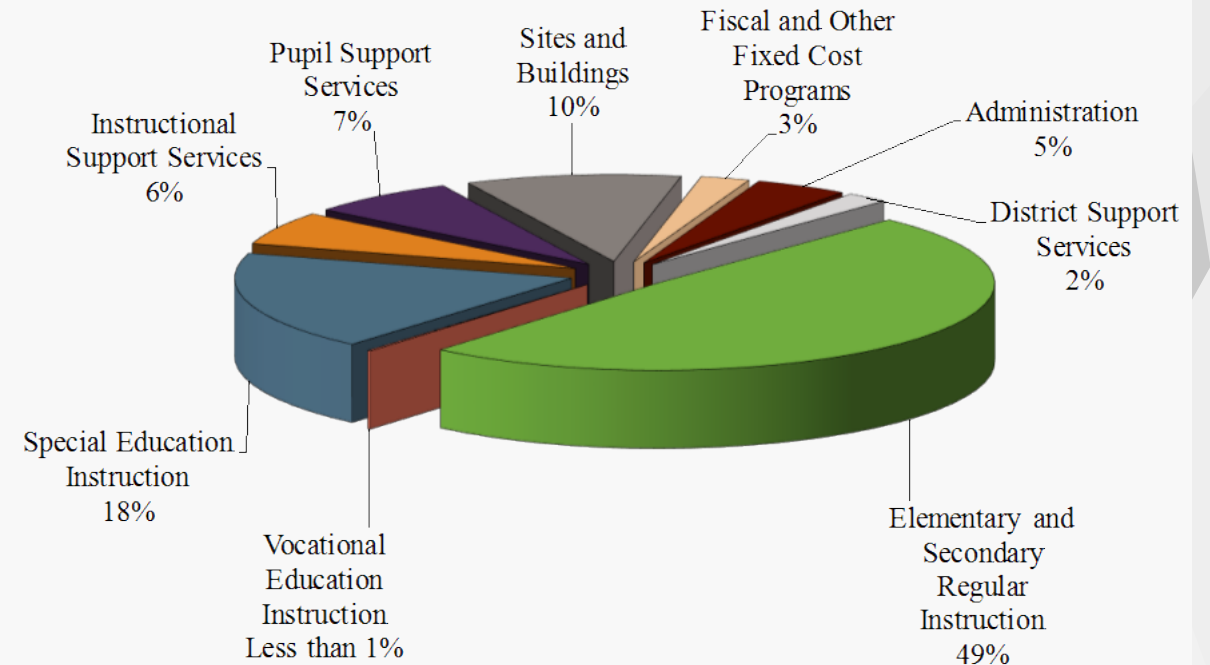
General Fund

2021 and 2020 Expenditures

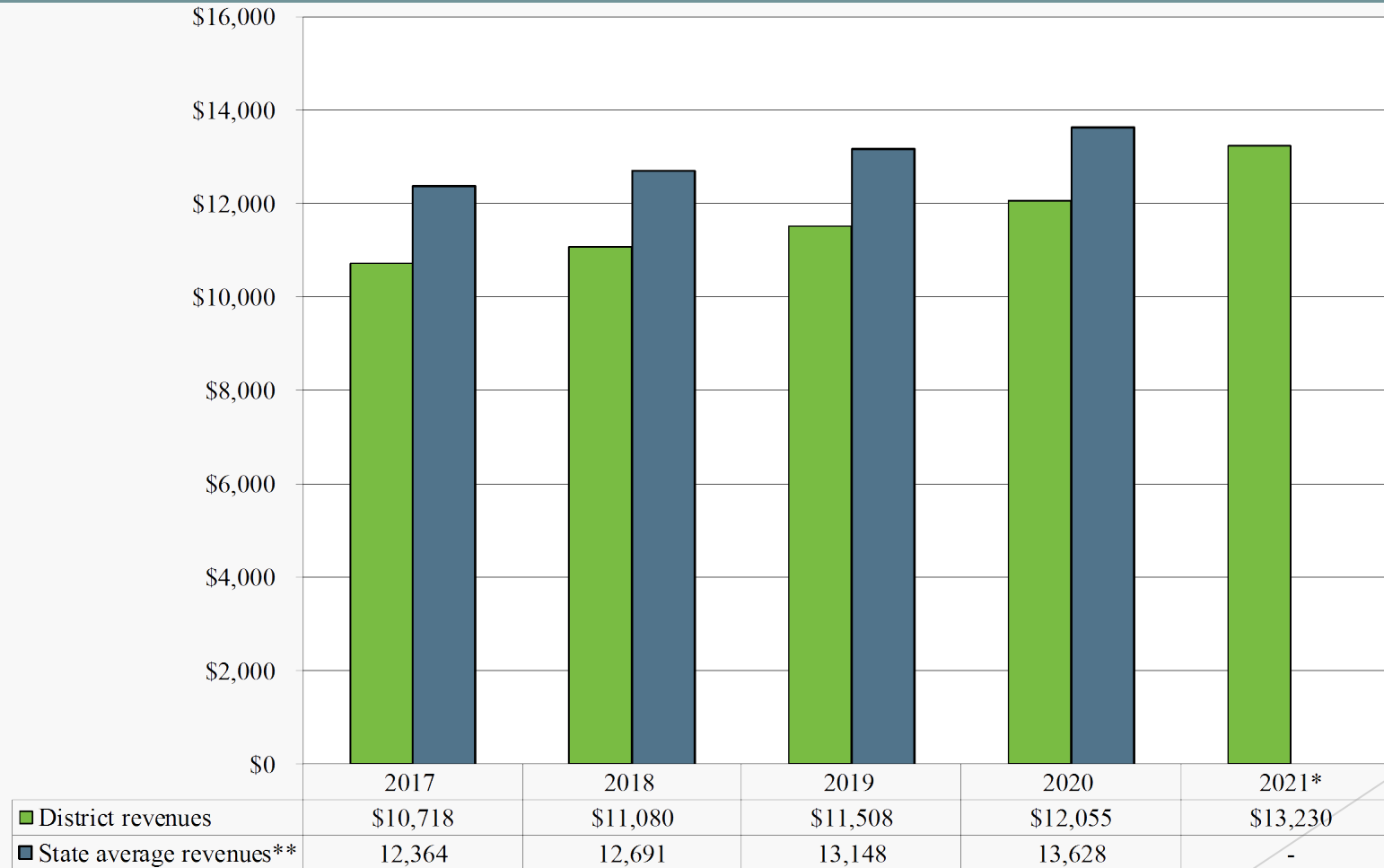
2021 General Fund Expenditures \$34,967,805



2020 General Fund Expenditures \$34,347,042

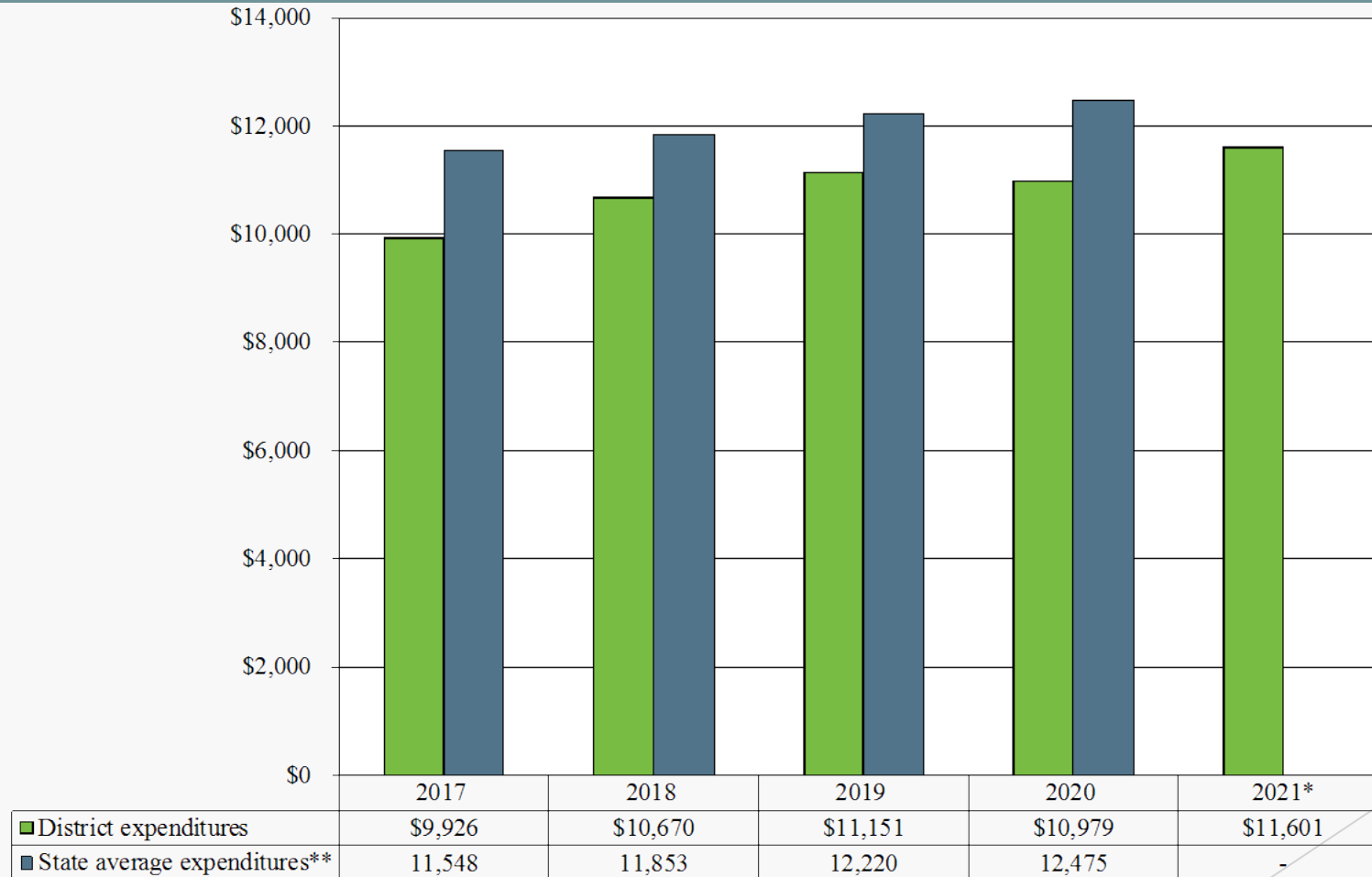


General Fund Revenues per ADM Served



General Fund

Operating Expenditures per ADM Served



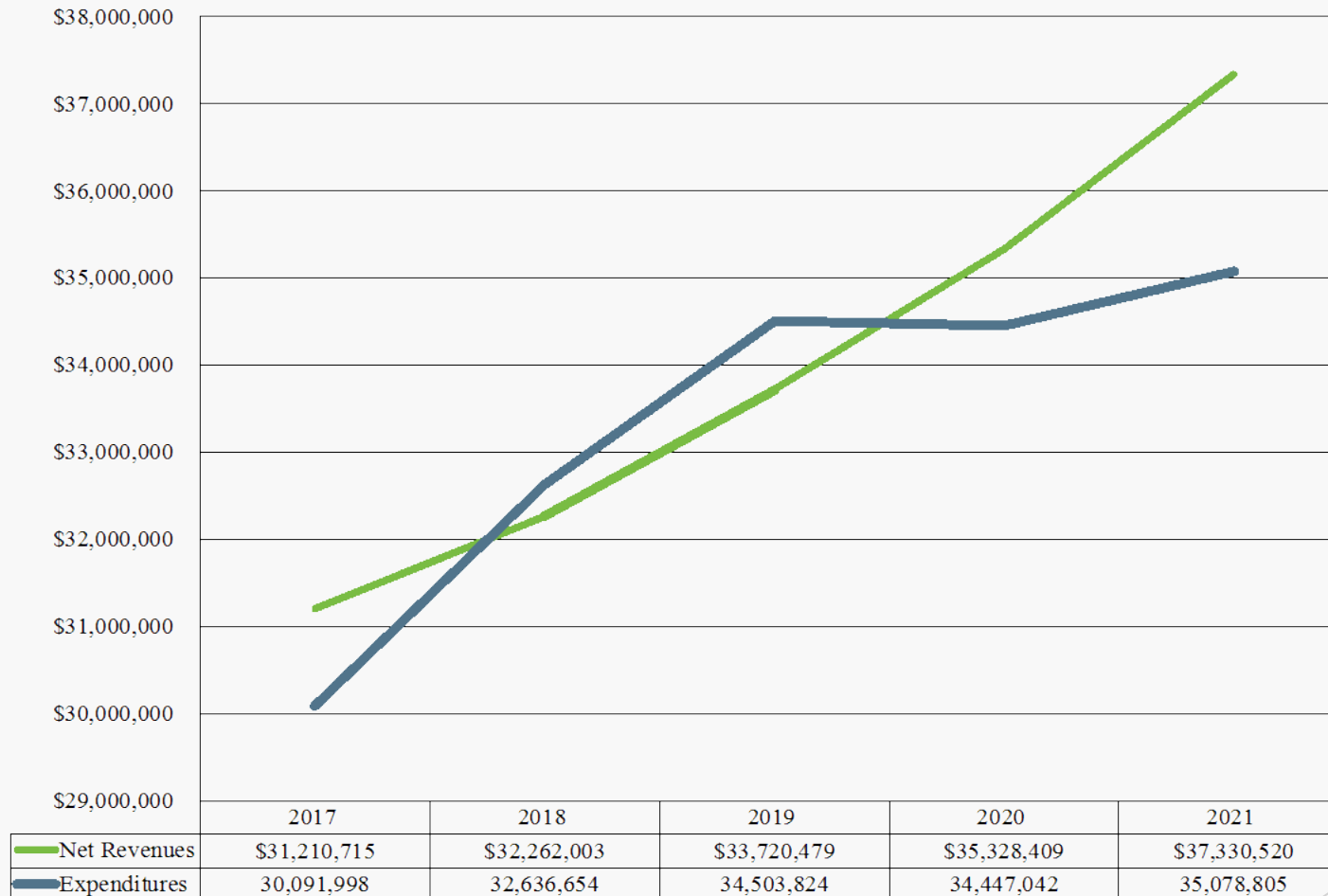
General Fund

Expenditures by Program and General Fund Operations

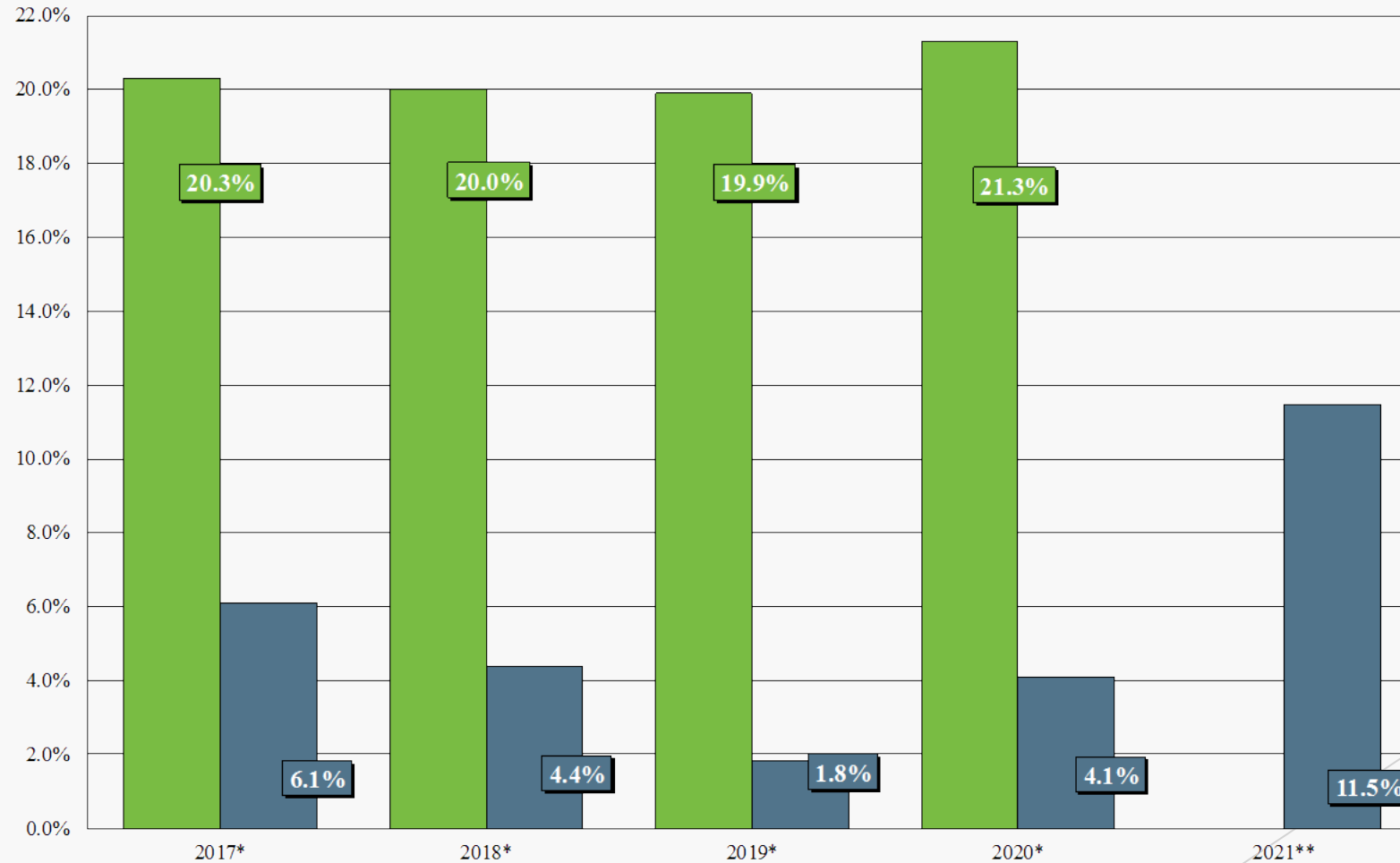
	District	State	District	State
	2020**	Average 2020**	2021*	Average 2021
District and school administration	7.5%	8.6%	6.2%	N/A
Regular instruction***	48.9%	43.8%	47.2%	N/A
Vocational instruction	0.1%	1.3%	0.1%	N/A
Special education instruction	18.4%	18.8%	17.8%	N/A
Instructional support services	4.6%	5.0%	5.5%	N/A
Pupil support services****	6.6%	9.1%	7.6%	N/A
Sites, buildings, and equipment	7.6%	7.1%	10.1%	N/A
Capital outlay	6.3%	6.3%	5.5%	N/A

General Fund

Net Revenues and Expenditures



General Fund Expenditures of Fund Balance



Food Service Fund Operations

For the Year Ended June 30,	2017	2018	2019	2020	2021
Revenues	\$ 1,408,376	\$ 1,448,016	\$ 1,517,153	\$ 1,533,416	\$ 2,078,853
Expenditures	1,391,899	1,444,000	1,476,030	1,470,741	1,649,404
Excess of revenues over (under) expenditures	16,477	4,016	41,123	62,675	429,449
Fund balance, July 1	(5,879)	10,598	14,614	55,737	118,412
Fund Balance, June 30	\$ 10,598	\$ 14,614	\$ 55,737	\$ 118,412	\$ 547,861

Community Service Fund

Operations

For the Year Ended June 30,	2017	2018	2019	2020	2021
Revenues	\$ 1,183,248	\$ 1,202,977	\$ 1,325,962	\$ 1,258,603	\$ 1,355,510
Expenditures	1,056,185	1,249,256	1,471,172	1,311,818	1,385,024
Excess of revenues over (under) expenditures	127,063	(46,279)	(145,210)	(53,215)	(29,514)
Transfer in	-	-	-	100,000	111,000
Fund balance, July 1	195,727	322,790	276,511	131,301	178,086
Fund Balance, June 30	\$ 322,790	\$ 276,511	\$ 131,301	\$ 178,086	\$ 259,572
Components					
Nonspendable	\$ 4,400	\$ 8,227	\$ 8,781	\$ 9,840	\$ 8,833
Restricted/reserved for					
Community education*	98,800	55,374	(7,917)	8,555	25,549
Early childhood and family education	123,782	116,982	113,464	150,717	185,376
School readiness	95,808	95,425	16,540	5,833	35,852
Community service		503	433	3,141	3,962
Fund Balance, June 30	\$ 322,790	\$ 276,511	\$ 131,301	\$ 178,086	\$ 259,572

Questions?

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A modern office interior with a long hallway lined with glass-walled rooms. On the left, a lounge area is visible through the glass, featuring a light-colored sofa, dark blue cushions, a tall floor lamp with a white shade, and a tripod-style coat rack. The hallway has a polished concrete floor and a ceiling with exposed pipes and black pendant lights. At the end of the hallway, a wall of light-colored wood panels is visible.

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We are powered by people who do business the Midwest way delivering comprehensive business, financial and technology solutions including business planning and consulting, tax, assurance and accounting, technology, wealth management and turnaround management services. From tax reform to technology, we go beyond so you can...

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