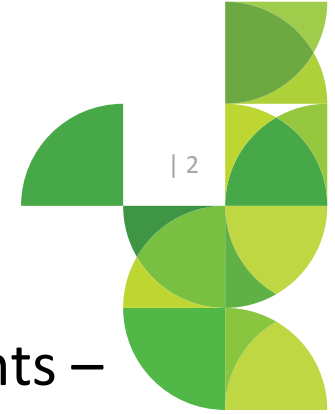




Independent School District
No. 726
Becker, Minnesota

Audited Financial Statements
June 30, 2017

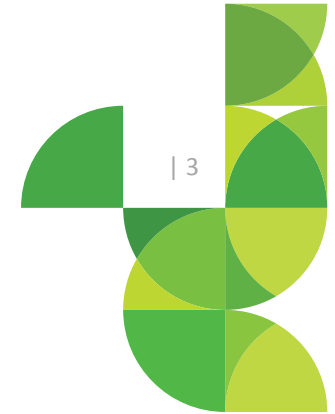




Components of the Audit

- Opinion on the District's Basic Financial Statements – Unmodified Opinion
- Report on the results of an audit performed in accordance with *Government Auditing Standards* – one internal control finding
- Report on the results of testing on *Minnesota Legal Compliance* – no compliance findings
- Required Communication
- Financial Analysis

Pupil Unit Funding – General Education Aid



Year	General Education Aid Formula Allowance	
	Amount	Percent Increase
2008	\$ 5,074	2.0%
2009	5,124	1.0%
2010	5,124	0.0%
2011	5,124	0.0%
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%

* 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.

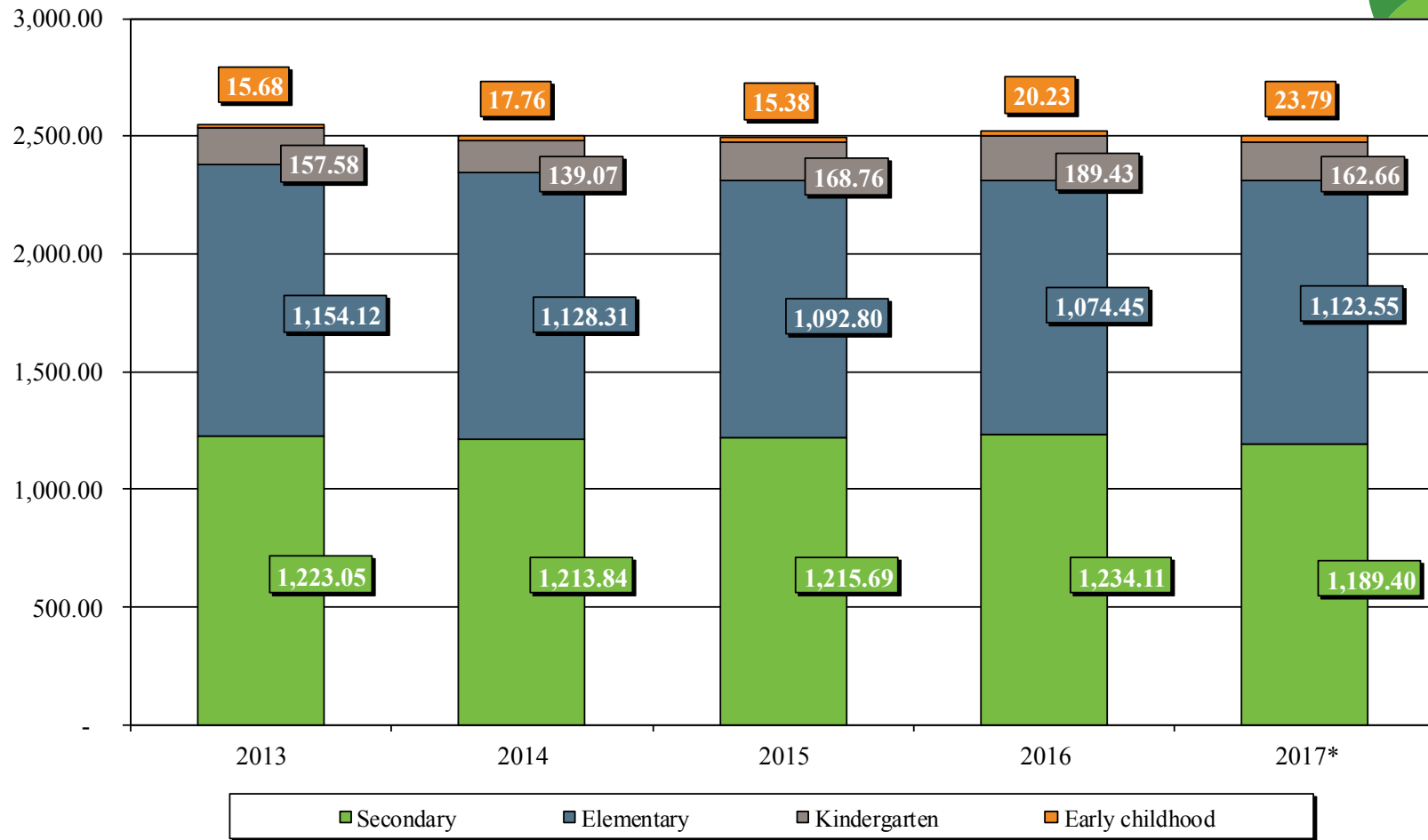
Resident Average Daily Membership and Pupil Units

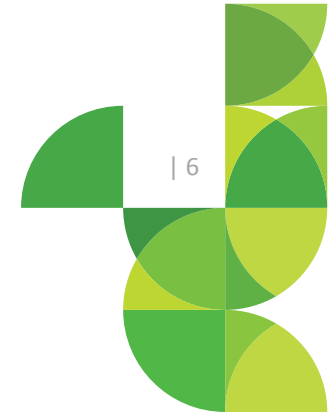


ADM	2013	2014	2015	2016	2017*
Early childhood	15.68	17.76	15.38	20.23	23.79
Kindergarten	157.58	139.07	168.76	189.43	162.66
Elementary	1,154.12	1,128.31	1,092.80	1,074.45	1,123.55
Secondary	1,223.05	1,213.84	1,215.69	1,234.11	1,189.40
Total resident ADM	2,550.43	2,498.98	2,492.63	2,518.22	2,499.40

* Estimate

Resident ADM





Weighted Pupil Units

	Pupil Units Weighting					
	Early Childhood	Handicapped Kindergarten	Kindergarten	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
2013 - 2014	1.250	1.000	0.612	1.115	1.060	1.300
2015 - 2017	1.000	1.000	1.000	1.000	1.000	1.200

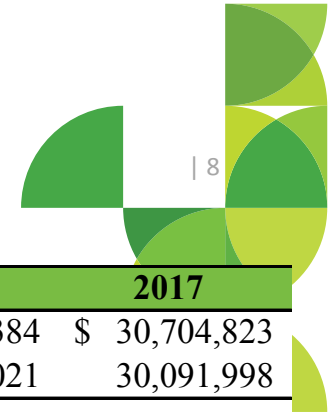
Adjusted WADM/PUN	2013	2014	2015	2016	2017*
Residents	2,963.33	2,915.82	2,735.76	2,765.01	2,737.28
Resident loss	(149.13)	(139.46)	(134.88)	(132.10)	(119.53)
Nonresident gain	337.46	387.08	396.66	435.68	491.78
Total adjusted WADM/PUN	3,151.66	3,163.44	2,997.54	3,068.59	3,109.53

* Estimate

General Fund Budget and Actual

17

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues				
Local property taxes	\$ 6,055,455	\$ 6,064,455	\$ 6,030,808	\$ (33,647)
State sources	22,546,566	23,348,426	23,327,492	(20,934)
Other	1,125,850	1,156,783	1,346,523	189,740
Total revenues	<u>29,727,871</u>	<u>30,569,664</u>	<u>30,704,823</u>	<u>135,159</u>
Expenditures				
Administration	1,342,319	1,498,069	1,472,607	(25,462)
District support services	565,083	597,216	573,005	(24,211)
Elementary and secondary regular instruction	14,537,889	15,346,437	15,369,248	22,811
Vocational education instruction	118,612	113,995	100,495	(13,500)
Special education instruction	4,756,388	4,616,897	4,655,639	38,742
Instructional support services	1,806,028	1,799,627	1,997,143	197,516
Pupil support services	2,046,297	2,182,259	2,262,892	80,633
Sites and buildings	2,872,840	3,040,767	3,168,792	128,025
Debt service, fiscal, and other fixed costs	510,650	492,178	492,177	(1)
Total expenditures	<u>28,556,106</u>	<u>29,687,445</u>	<u>30,091,998</u>	<u>404,553</u>
Excess of revenues under expenditures	1,171,765	882,219	612,825	(269,394)
Net Other Financing Sources	<u>427,000</u>	<u>442,000</u>	<u>505,892</u>	<u>63,892</u>
Net change in fund balances	\$ 1,598,765	\$ 1,324,219	\$ 1,118,717	\$ (205,502)

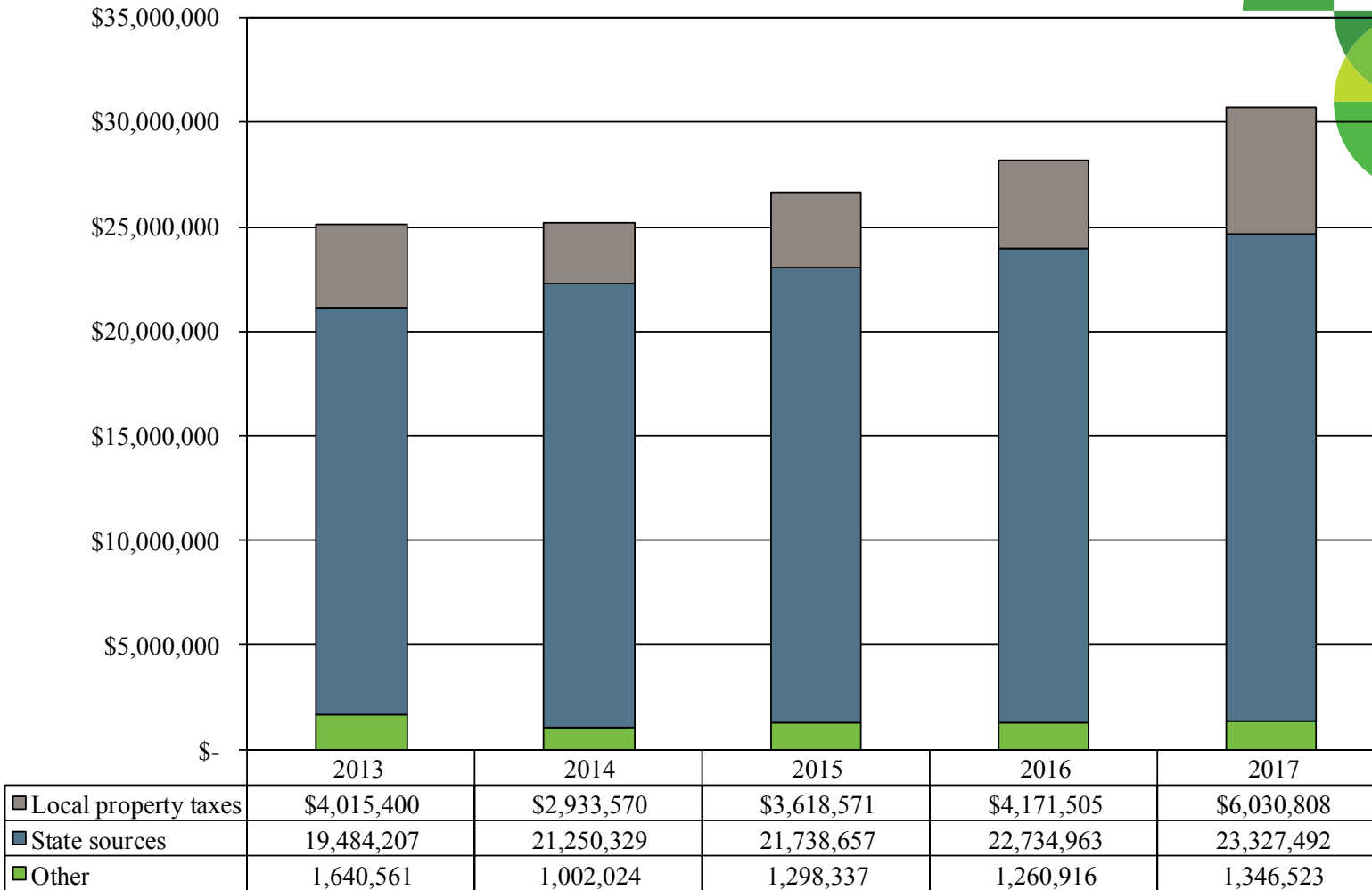


General Fund Operations

For the Year Ended June 30,	2013	2014	2015	2016	2017
Revenues	\$ 25,140,168	\$ 25,185,923	\$ 26,655,565	\$ 28,167,384	\$ 30,704,823
Expenditures	25,532,416	25,527,679	27,574,763	28,514,021	30,091,998
Excess of revenues under expenditures	(392,248)	(341,756)	(919,198)	(346,637)	612,825
Other financing sources	306,351	234,983	635,874	286,085	505,892
Fund balance, July 1	1,037,955	952,058	845,285	561,961	501,409
Fund Balance, June 30	\$ 952,058	\$ 845,285	\$ 561,961	\$ 501,409	\$ 1,620,126

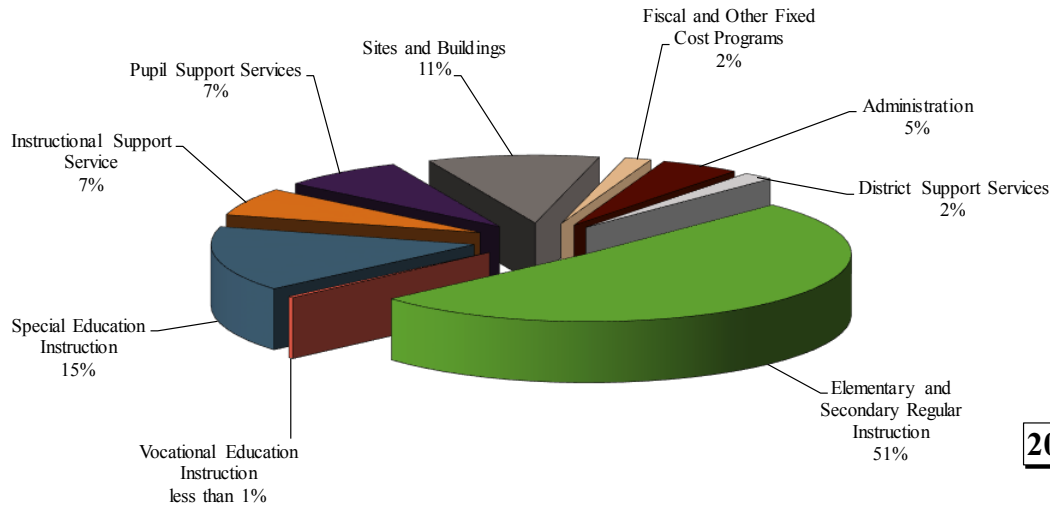
Components					
Nonspendable	\$ 173,023	\$ 221,302	\$ 240,140	\$ 153,002	\$ 464,457
Restricted/reserved for*					
Operating capital	-	-	-	4,407	76,041
Achievement and integration	-	-	-	-	6,656
Long-term facilities maintenance	-	-	-	-	(1,618)
Health and safety	(38,303)	(145,458)	(388,332)	(462,612)	(77,920)
Deferred maintenance	6,006	7,147	13,322	(13,413)	-
Assigned for					
Building level activity	188,814	189,990	221,486	249,334	246,904
Unassigned	622,518	572,304	475,345	570,691	905,606
Total	\$ 952,058	\$ 845,285	\$ 561,961	\$ 501,409	\$ 1,620,126

General Fund Sources of Revenue

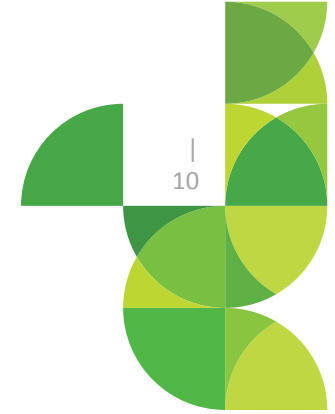
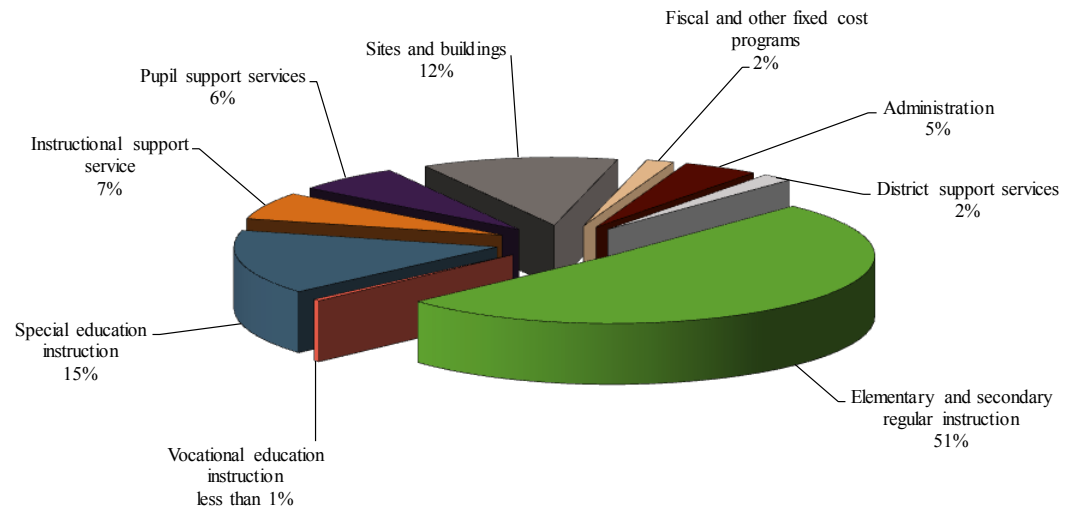


General Fund Expenditures

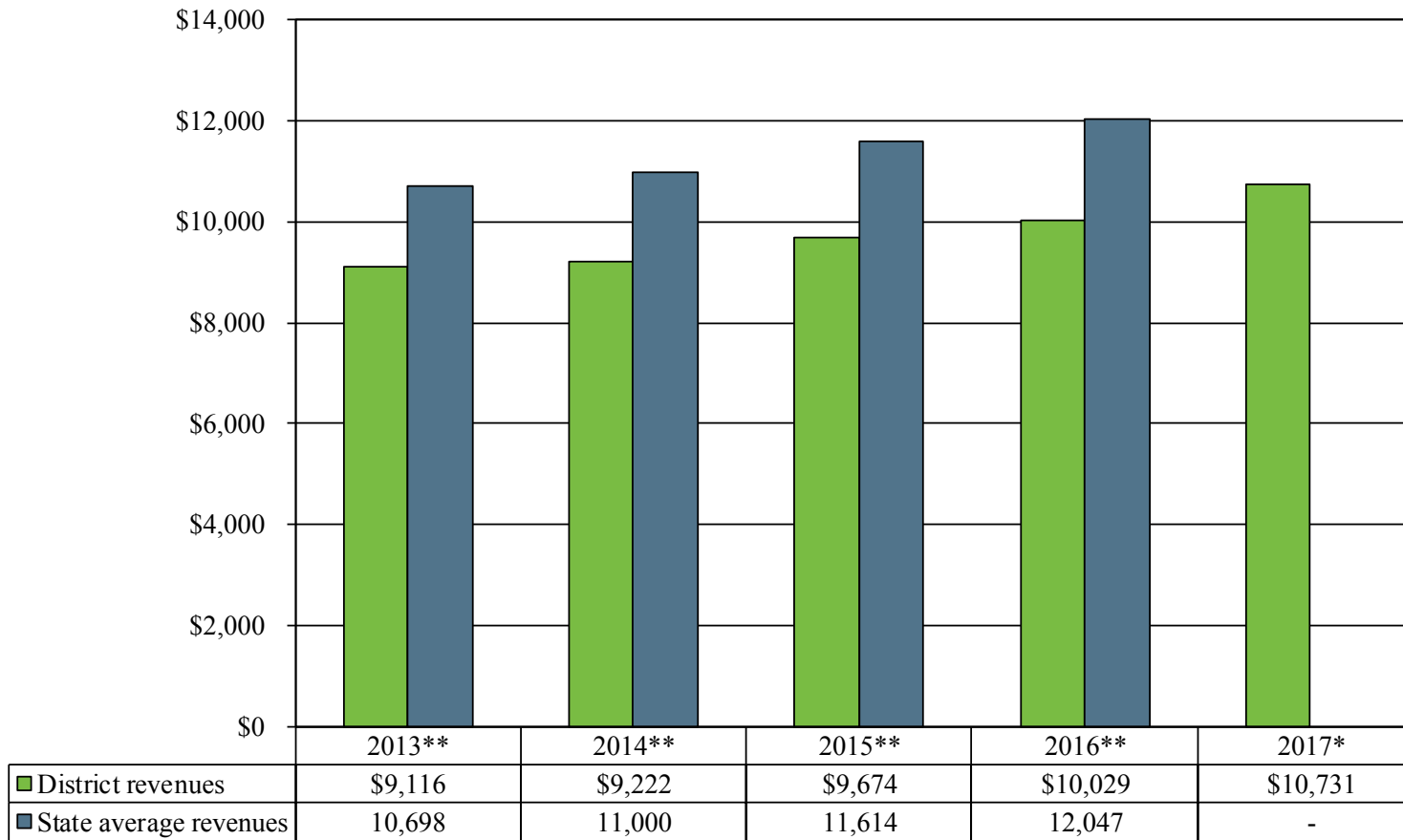
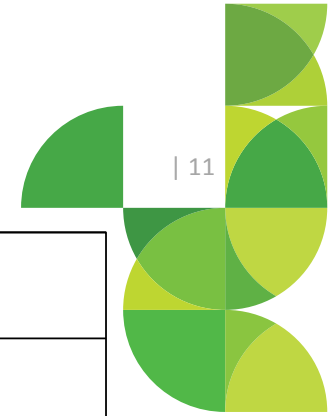
2017 General Fund Expenditures



2016 General Fund Expenditures



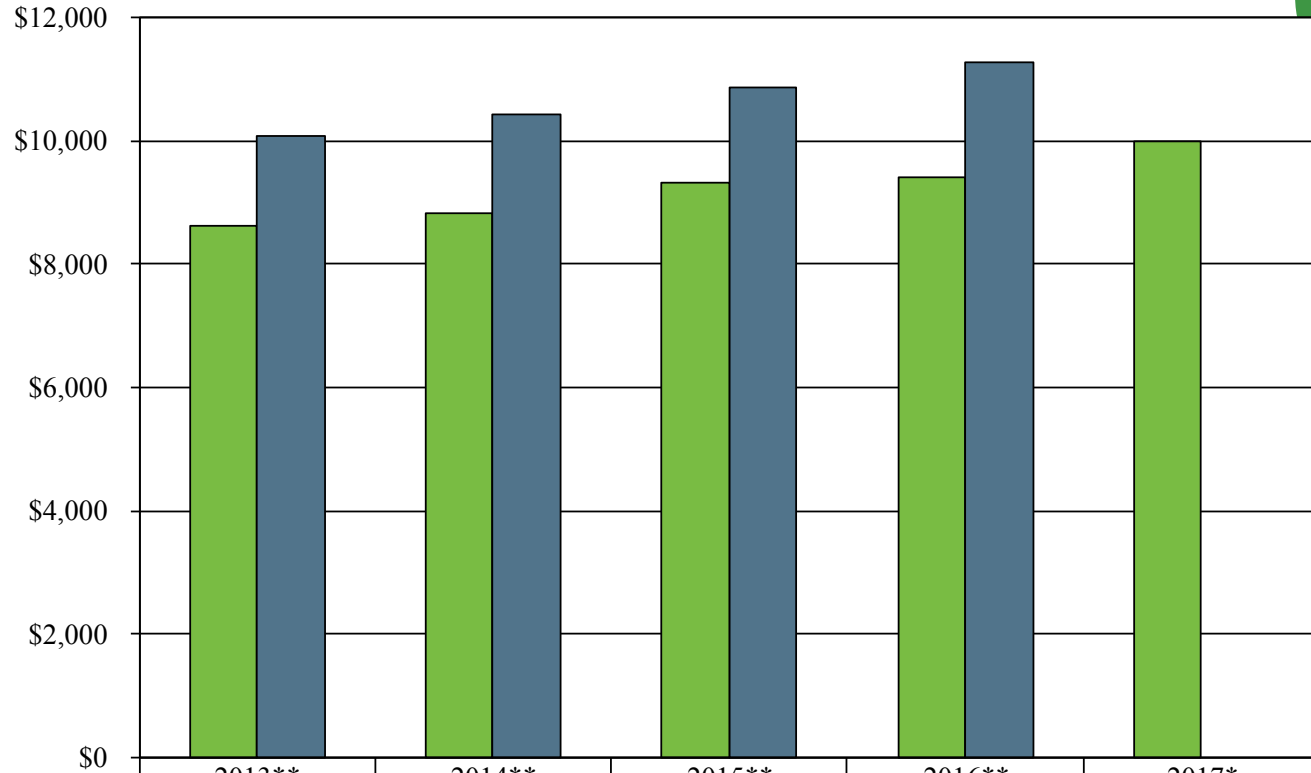
Revenues Per ADM Served



* Estimate

** State averages obtained from the Minnesota Department of Education's (MDE) publication *School District Profiles*. Amounts for 2015 are not yet available.

Operating Expenditures Per ADM Served



	2013**	2014**	2015**	2016**	2017*
District expenditures	\$8,639	\$8,826	\$9,324	\$9,425	\$9,995
State average expenditures	10,096	10,433	10,878	11,279	-

* Estimate

** State averages obtained from the Minnesota Department of Education's (MDE) publication *School District Profiles*. Amounts for 2015 are not yet available.

Expenditures and Revenues per ADM served

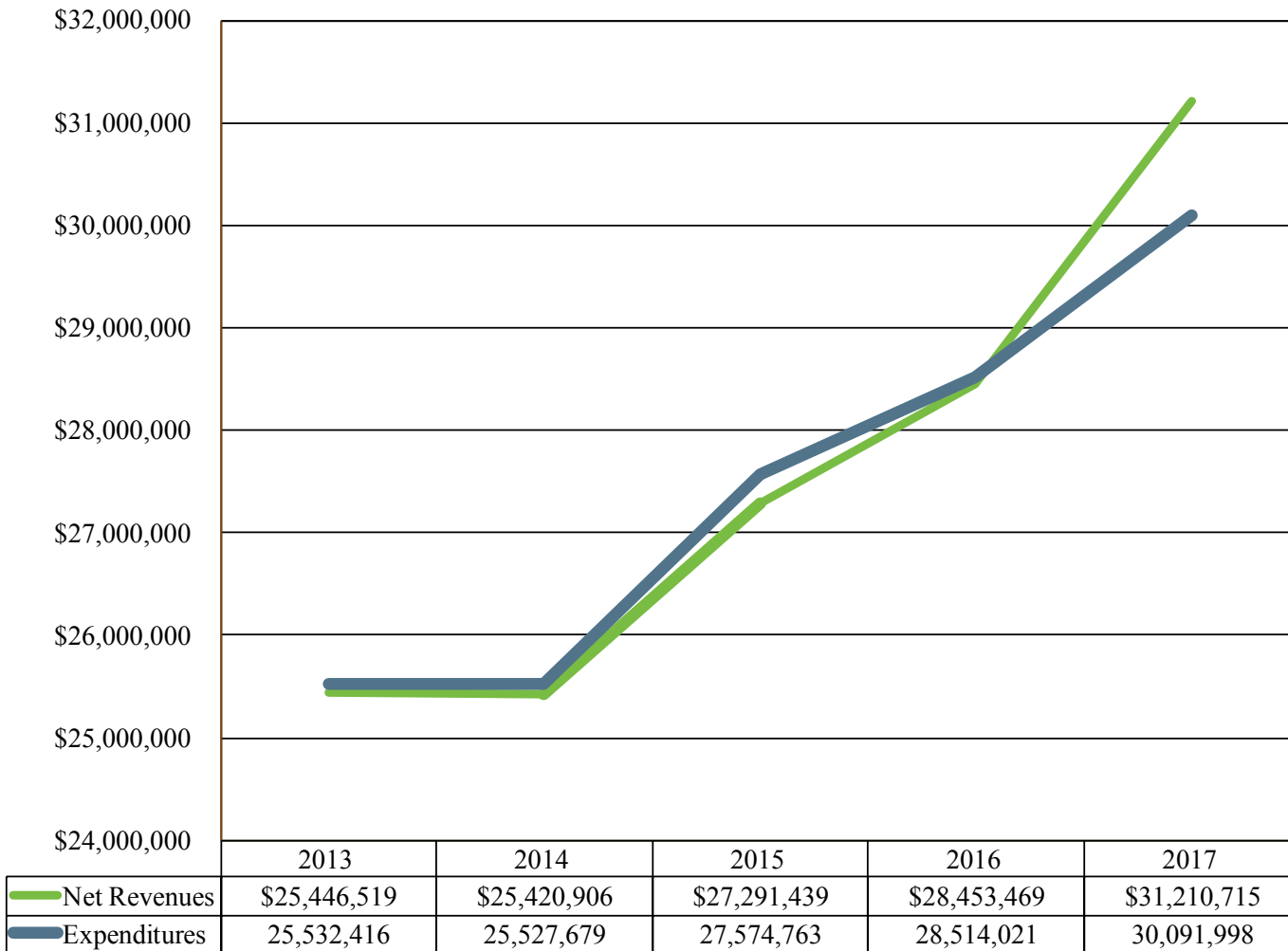


	District 2016**	State Average 2016**	District 2017*	State Average 2017
District and school administration	7.3%	8.5%	6.7%	N/A
Regular instruction***	51.2%	45.4%	50.8%	N/A
Vocational instruction	0.4%	1.3%	0.3%	N/A
Special education instruction	15.4%	18.2%	15.5%	N/A
Instructional support services	4.9%	5.1%	6.5%	N/A
Pupil support services****	5.5%	8.5%	6.9%	N/A
Sites, buildings, and equipment	9.0%	7.4%	9.8%	N/A
Capital outlay	6.3%	5.7%	3.5%	N/A
	100.0%	100.0%	100.0%	

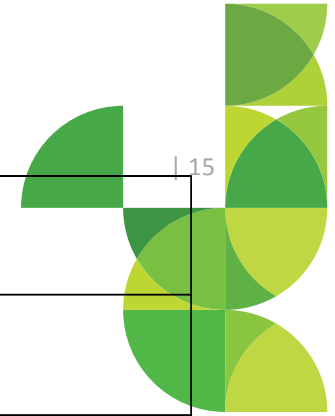
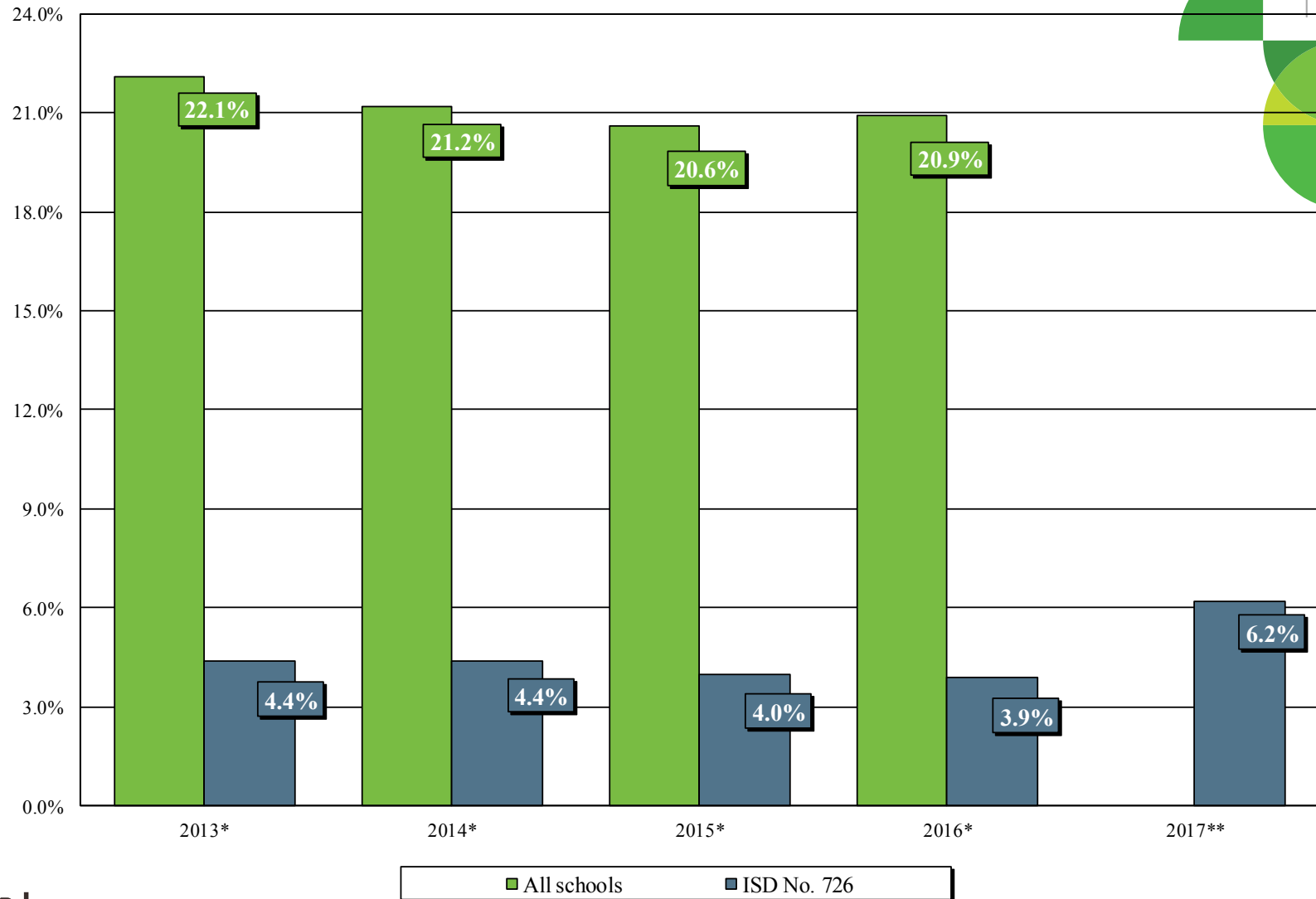
* Estimate

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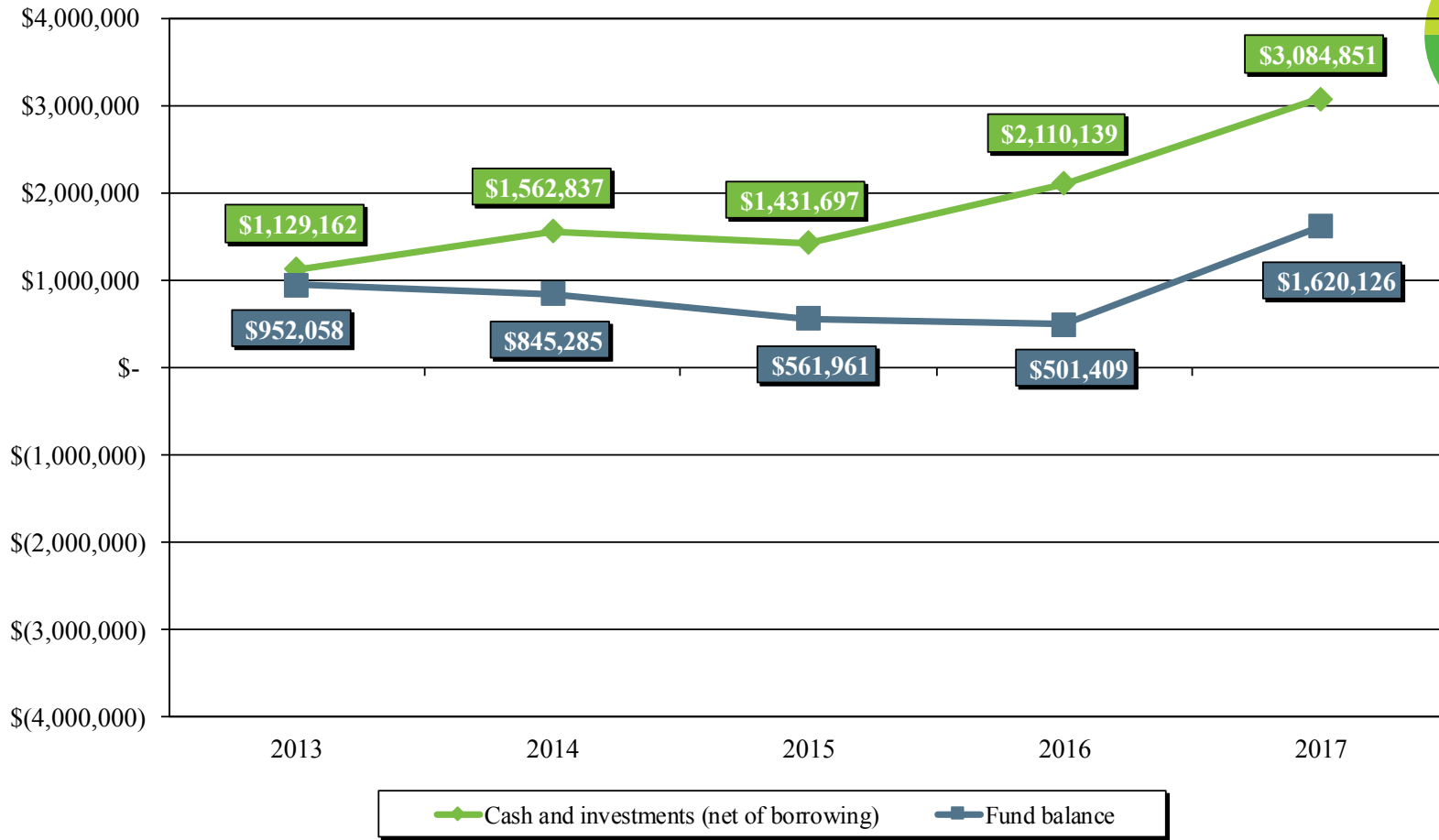
General Fund Net Revenues and Expenditures



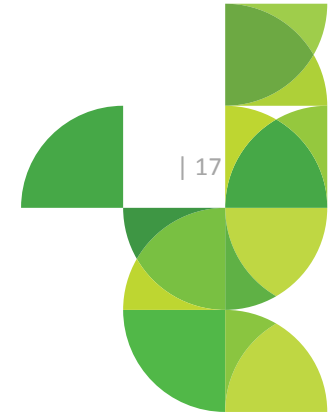
General Fund Expenditures of Fund Balance



General Fund Financial Position



Food Service Fund



For the Year Ended June 30,	2013	2014	2015	2016	2017
Revenues	\$ 1,219,513	\$ 1,142,179	\$ 1,173,868	\$ 1,283,327	\$ 1,408,376
Expenditures	1,218,295	1,257,680	1,294,792	1,334,686	1,391,899
Excess of revenues over (under) expenditures	1,218	(115,501)	(120,924)	(51,359)	16,477
Fund balance, July 1	280,687	281,905	166,404	45,480	(5,879)
Fund Balance, June 30	\$ 281,905	\$ 166,404	\$ 45,480	\$ (5,879)	\$ 10,598

Community Service Fund

For the Year Ended June 30,	2013	2014	2015	2016	2017
Revenues	\$ 1,010,430	\$ 1,067,682	\$ 998,594	\$ 1,067,440	\$ 1,183,248
Expenditures	918,340	1,014,472	954,530	998,286	1,056,185
Excess of revenues over expenditures	92,090	53,210	44,064	69,154	127,063
Fund balance, July 1	(62,791)	29,299	82,509	126,573	195,727
Fund Balance, June 30	\$ 29,299	\$ 82,509	\$ 126,573	\$ 195,727	\$ 322,790
Components					
Nonspendable	\$ 400	\$ -	\$ -	\$ 210	\$ 4,400
Restricted/reserved for					
Community education*	(36,885)	3,362	29,174	49,173	98,800
Early childhood and family education	47,679	64,839	87,774	103,690	123,782
School readiness	18,105	14,520	9,625	42,654	95,808
Unassigned	-	(212)	-	-	-
Fund Balance, June 30	\$ 29,299	\$ 82,509	\$ 126,573	\$ 195,727	\$ 322,790

* In years when deficit, the deficit amount is shown in the unassigned fund balance on the Balance Sheet.

Questions

Jackie Knowles
320-251-7010

Thank you!

bergankdv.com