

KDV, the school district auditors, will present the 2018 financial audit. The audited unassigned general fund summary is shown below.

	7/1/17	2017-18			6/30/18	
Unassigned						
	Beginning Fund Balance	Revenues and Other Funding Sources	Expenditures		Net change Fund Bal.	Ending Fund Balance
General Fund Unassigned	905,606	28,847,462	29,239,536		-156,441	\$ 749,165

**Kevin Januszewski and I recommend approving the FY 18 financial audit as presented.** The June 30, 2018 unassigned fund balance is 2.3% of expenditures. District Policy 714 Fund Balances states that the school district will strive to maintain a minimum unassigned general fund balance of 8%.

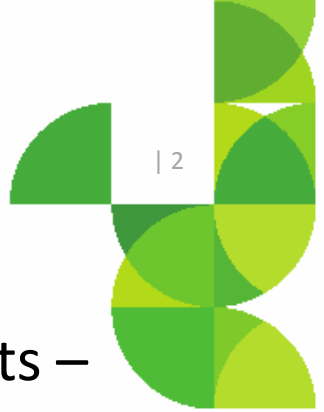


Independent School District  
No. 726  
Becker, Minnesota

Audited Financial Statements  
June 30, 2018



# Components of the Audit



12

- 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
  - No compliance findings
- 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
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%
2019	6,312	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.

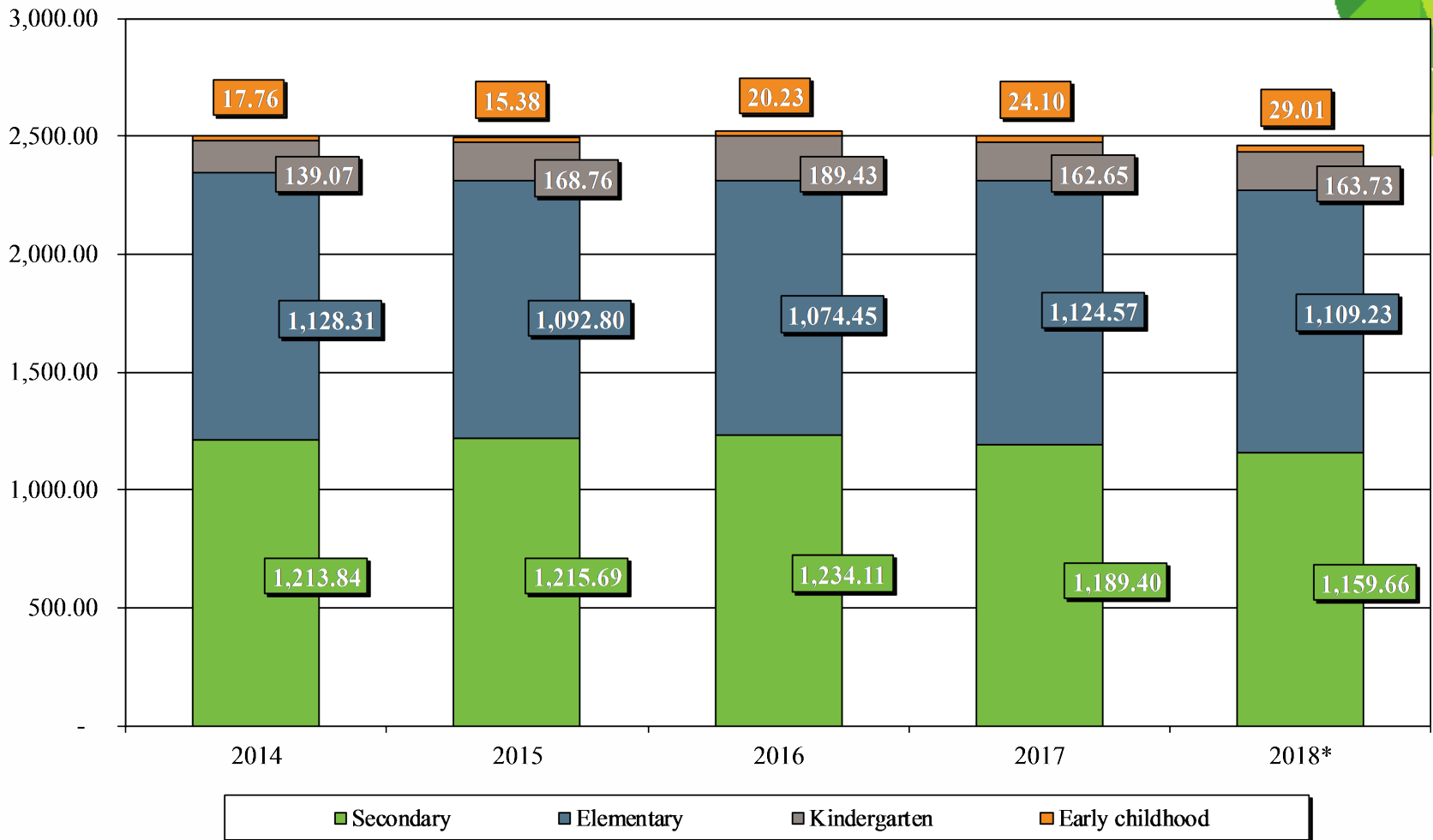
# Resident Average Daily Membership and Pupil Units



ADM	2014	2015	2016	2017	2018*
Early childhood	17.76	15.38	20.23	24.10	29.01
Kindergarten	139.07	168.76	189.43	162.65	163.73
Elementary	1,128.31	1,092.80	1,074.45	1,124.57	1,109.23
Secondary	1,213.84	1,215.69	1,234.11	1,189.40	1,159.66
<b>Total resident ADM</b>	<b>2,498.98</b>	<b>2,492.63</b>	<b>2,518.22</b>	<b>2,500.72</b>	<b>2,461.63</b>

\* Estimate

# Resident ADM



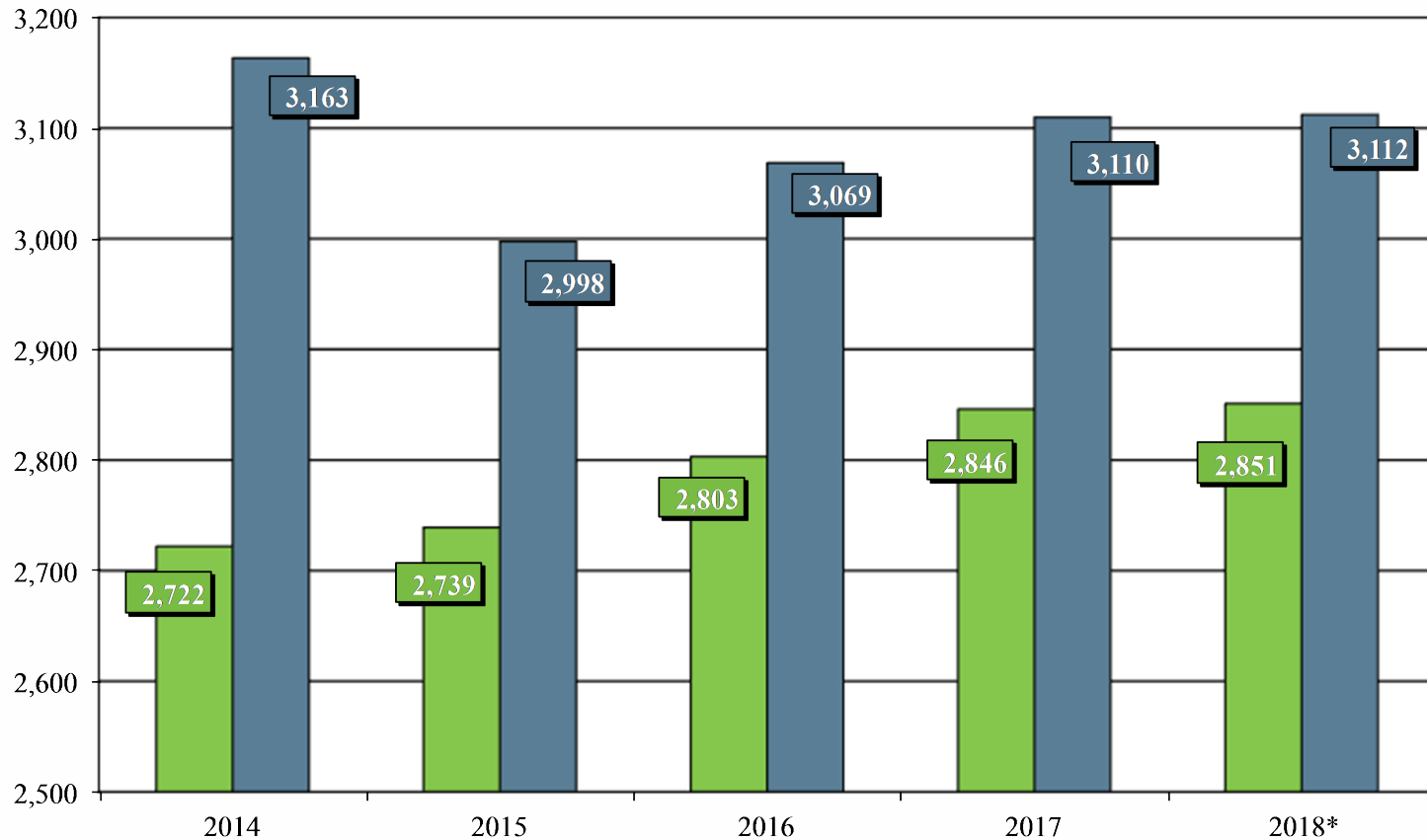
# Weighted Pupil Units

	Pupil Units Weighting					
	Early Childhood	Handicapped Kindergarten	Kindergarten	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
<b>2014</b>	1.250	1.000	0.612	1.115	1.060	1.300
<b>2015 - 2018</b>	1.000	1.000	1.000	1.000	1.000	1.200

Adjusted WADM/PUN	2014	2015	2016	2017	2018*
Residents	2,915.82	2,735.76	2,765.01	2,738.60	2,693.57
Resident loss	(139.46)	(134.88)	(132.10)	(119.53)	(126.80)
Nonresident gain	387.08	396.66	435.68	490.79	545.54
<b>Total adjusted WADM/PUN</b>	<b>3,163.44</b>	<b>2,997.54</b>	<b>3,068.59</b>	<b>3,109.86</b>	<b>3,112.31</b>

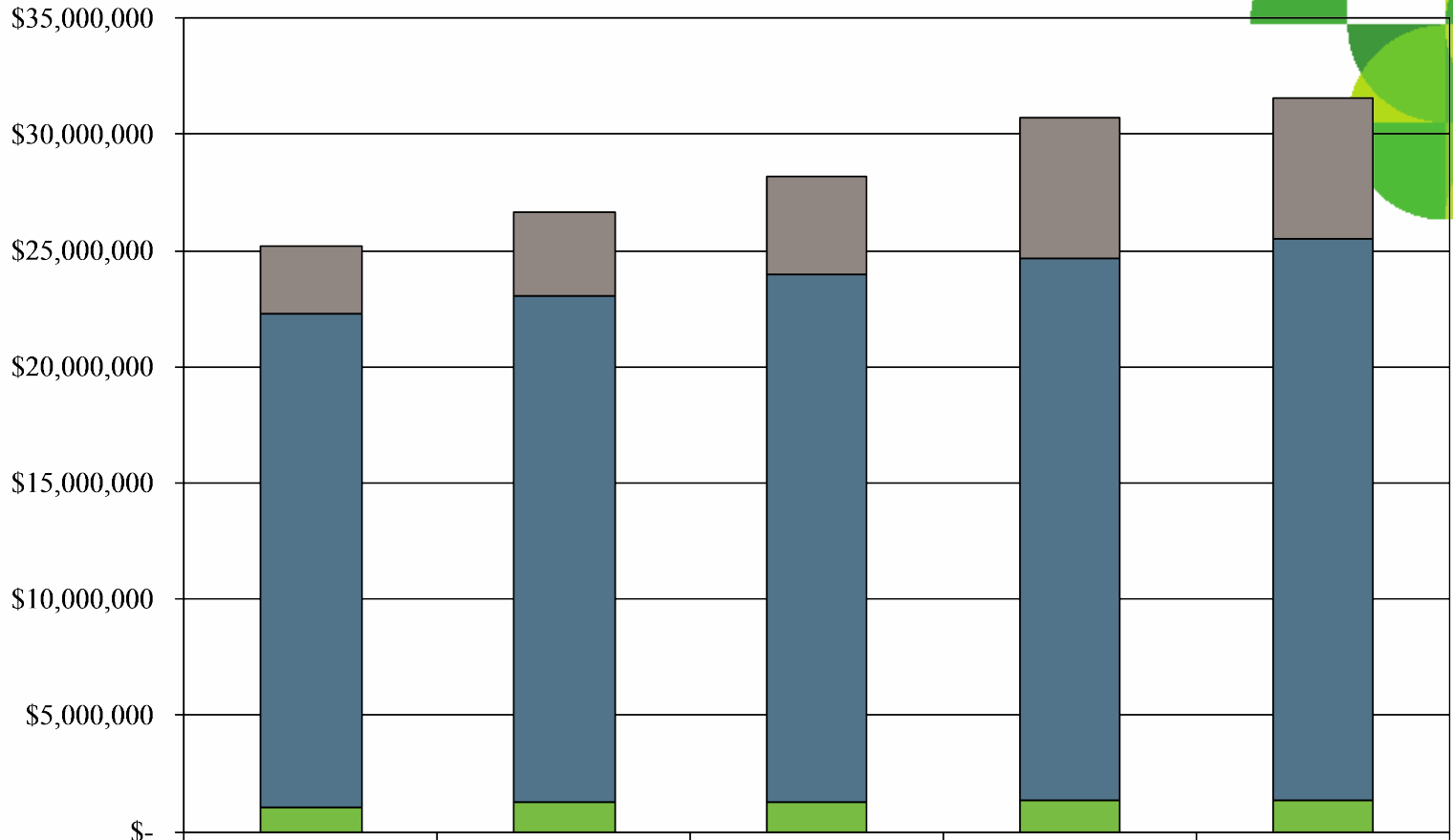
\* Estimate

# Adjusted ADM and Weighted/Adjusted ADM





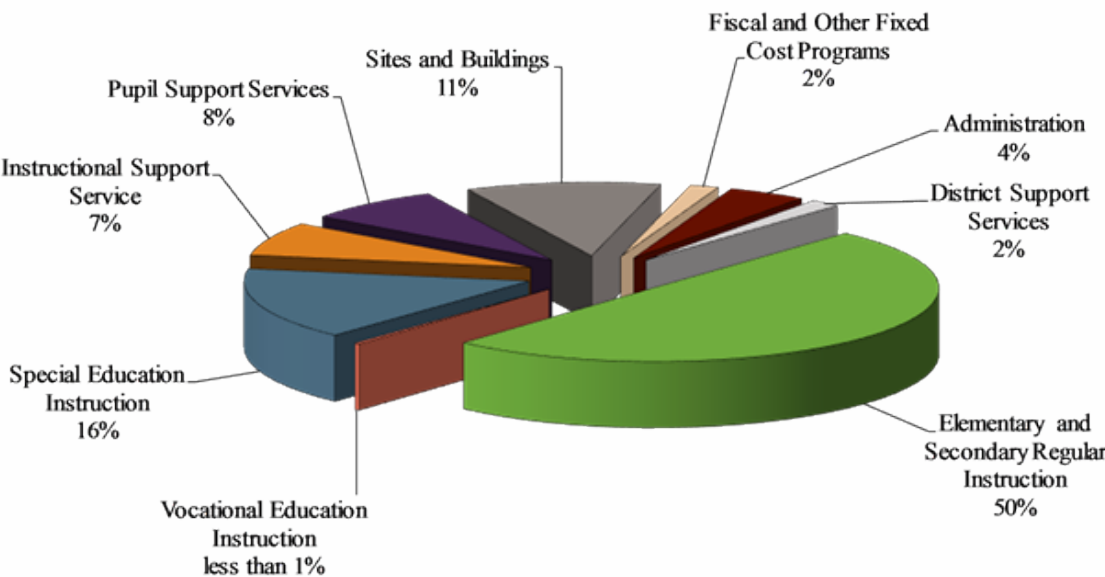
## General Fund Sources of Revenue



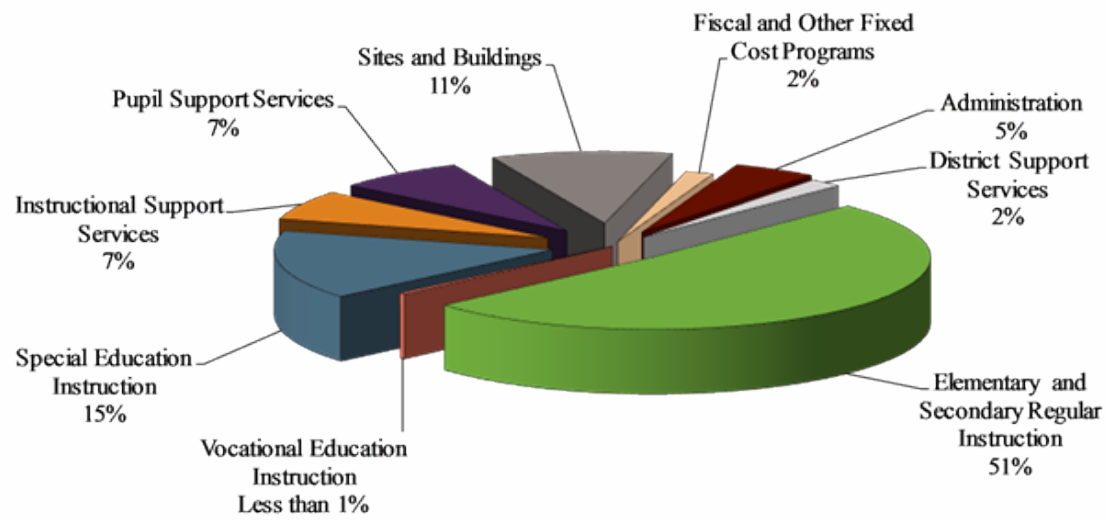
	2014	2015	2016	2017	2018
Local property taxes	\$2,933,570	\$3,618,571	\$4,171,505	\$6,030,808	\$6,048,288
State sources	21,250,329	21,738,657	22,734,963	23,327,492	24,215,677
Other	1,002,024	1,298,337	1,260,916	1,346,523	1,315,911

# General Fund Expenditures

**2018 General Fund Expenditures**



**2017 General Fund Expenditures**



# Expenditures by Program

	District	State	District	State
	2017**	Average	2018*	Average
	2017**	2017**	2018*	2018
District and school administration	7.5%	8.6%	7.6%	N/A
Regular instruction***	51.4%	44.9%	49.4%	N/A
Vocational instruction	0.3%	1.3%	0.3%	N/A
Special education instruction	15.7%	18.2%	15.7%	N/A
Instructional support services	5.5%	5.2%	5.4%	N/A
Pupil support services****	6.3%	8.8%	7.4%	N/A
Sites, buildings, and equipment	9.3%	7.3%	9.9%	N/A
Capital outlay	4.0%	5.7%	4.3%	N/A
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	

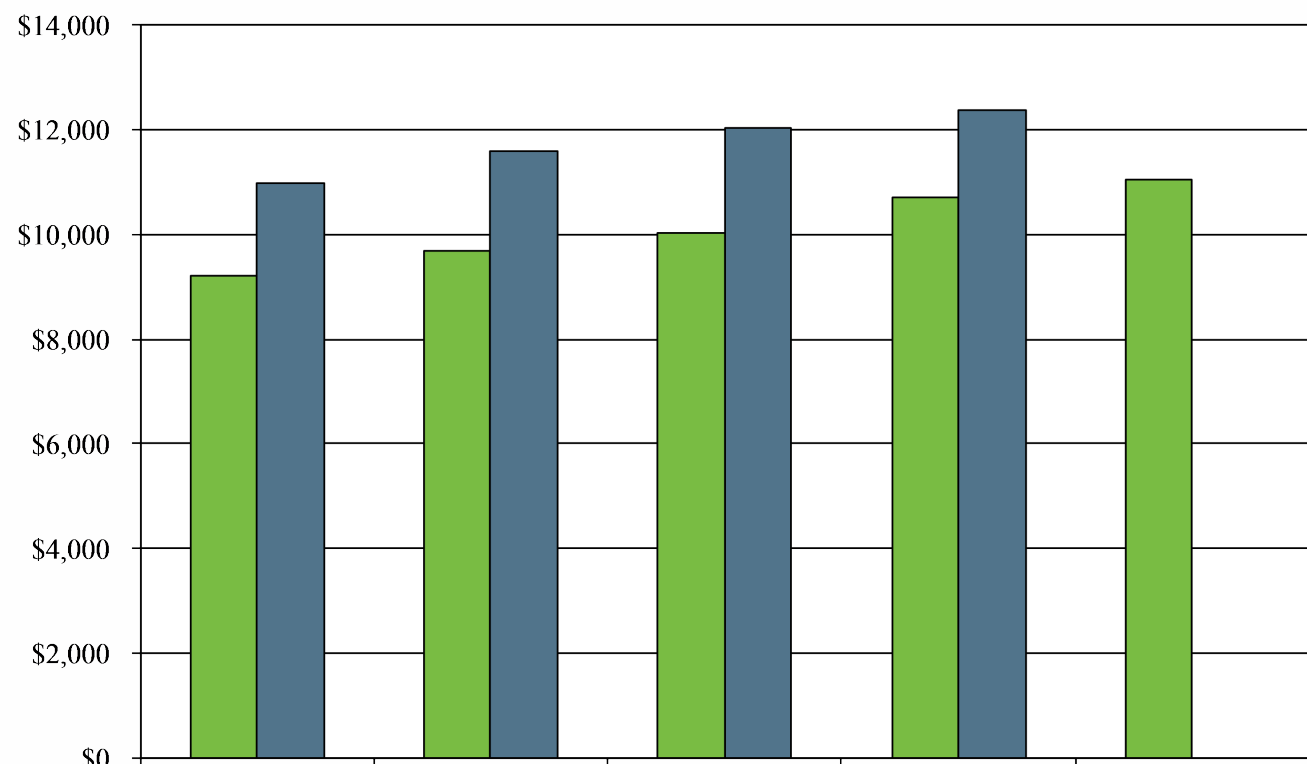
\* Estimate

\*\* State averages obtained from the Minnesota Department of Education's (MDE) publication *School District Profiles*. Amounts for 2018 are not yet available.

\*\*\* Includes student activities and athletics

\*\*\*\* Includes transportation

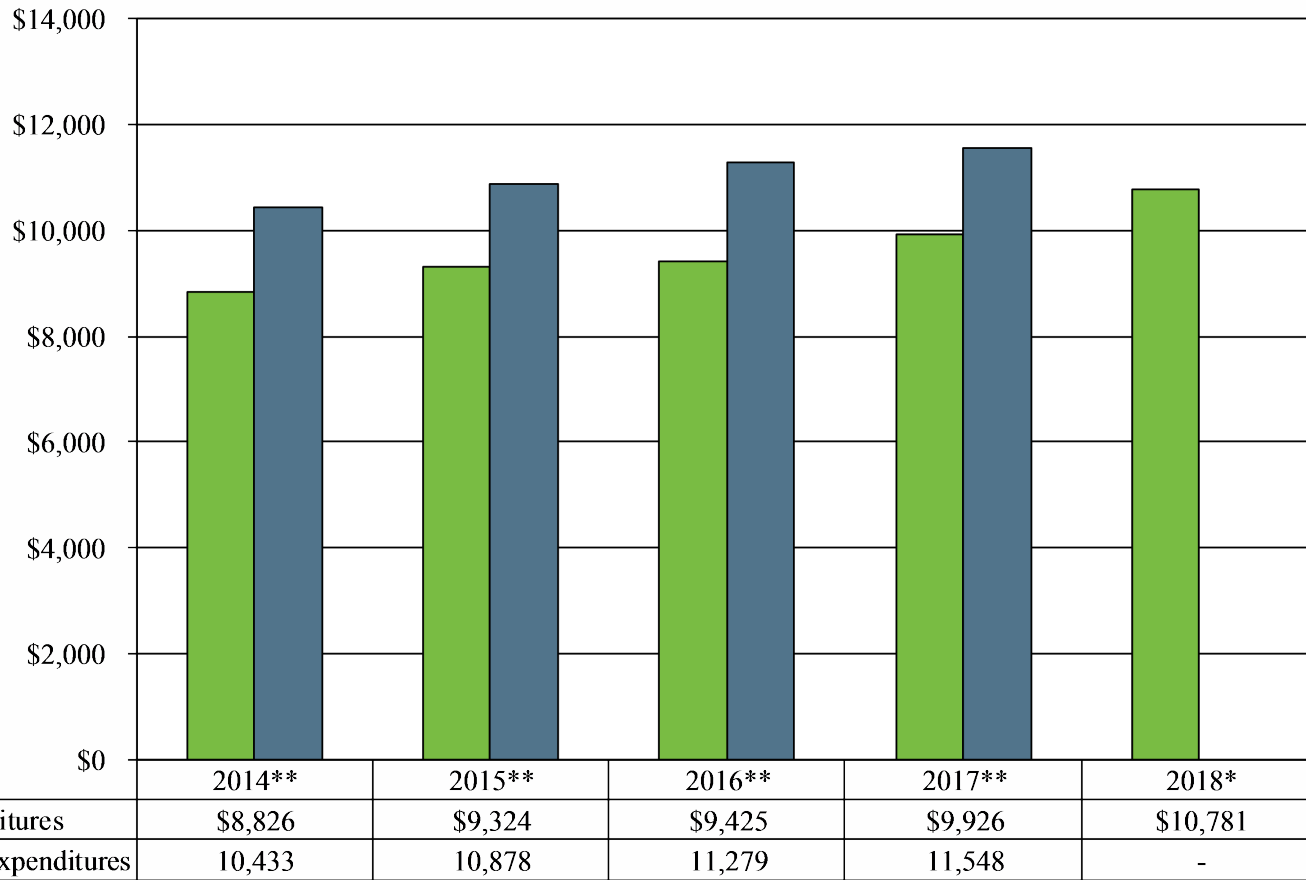
### Revenues Per ADM Served



	2014**	2015**	2016**	2017**	2018*
District revenues	\$9,222	\$9,674	\$10,029	\$10,718	\$11,054
State average revenues	11,000	11,614	12,047	12,364	-

\* Estimate  
 \*\* State averages obtained from the Minnesota Department of Education’s (MDE) publication *School District Profiles*.

## Operating Expenditures Per ADM Served



\* Estimate

\*\* State averages obtained from the Minnesota Department of Education’s (MDE) publication *School District Profiles*.

# General Fund Budget and Actual

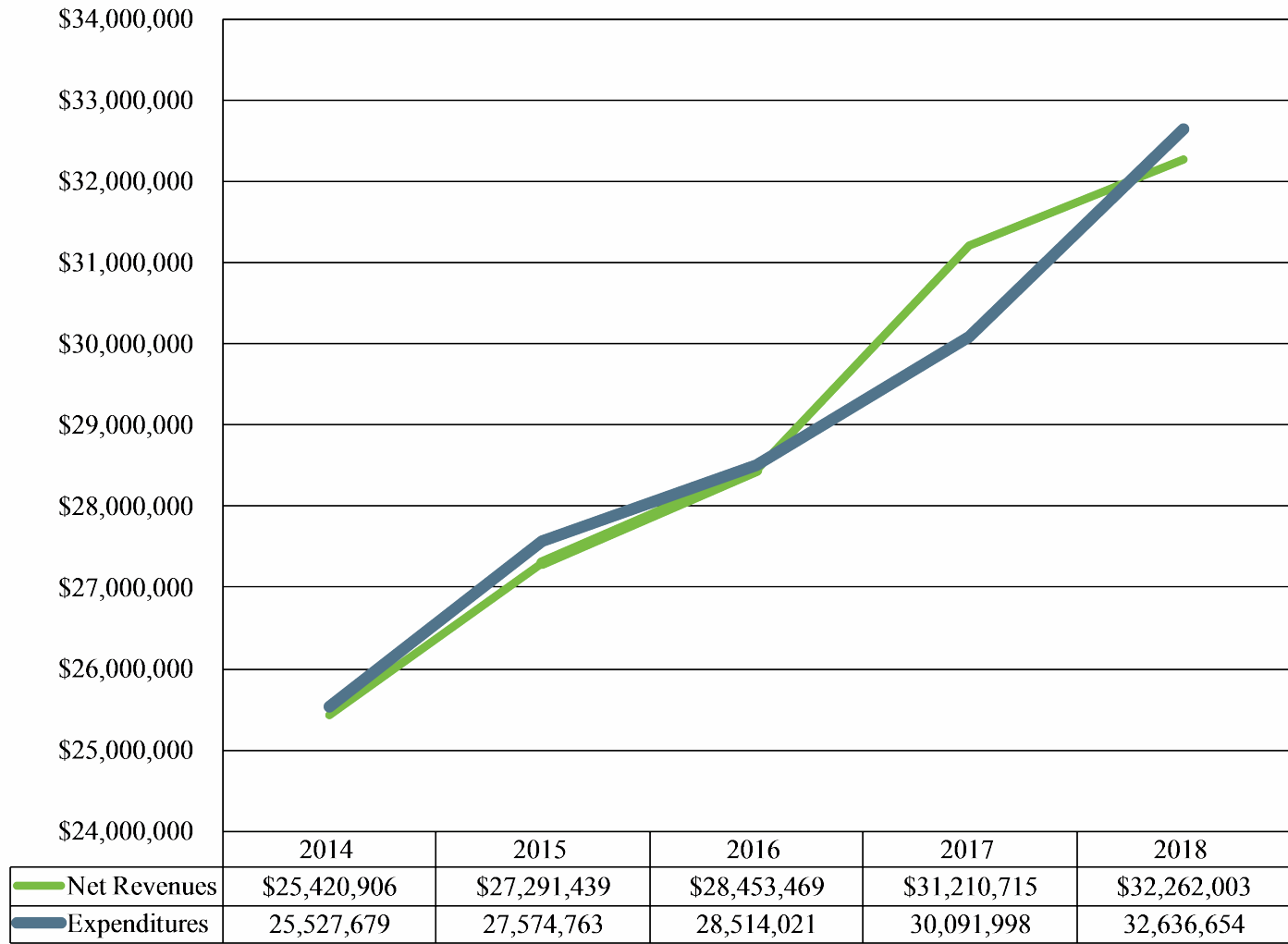
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>				
Local property taxes	\$ 6,067,921	\$ 6,069,921	\$ 6,048,288	\$ (21,633)
State sources	23,912,883	24,348,437	24,215,677	(132,760)
Other	1,110,700	1,241,517	1,315,911	74,394
Total revenues	<u>31,091,504</u>	<u>31,659,875</u>	<u>31,579,876</u>	<u>(79,999)</u>
<b>Expenditures</b>				
Administration	1,458,729	1,454,093	1,457,050	2,957
District support services	581,779	633,482	560,818	(72,664)
Elementary and secondary regular instruction	15,650,056	15,786,565	16,284,478	497,913
Vocational education instruction	117,040	102,540	89,385	(13,155)
Special education instruction	4,726,599	4,855,526	5,149,709	294,183
Instructional support services	2,125,287	2,274,977	2,420,277	145,300
Pupil support services	2,128,358	2,424,863	2,526,455	101,592
Sites and buildings	3,184,225	3,474,048	3,615,890	141,842
Debt service, fiscal, and other fixed costs	493,713	531,621	532,592	971
Total expenditures	<u>30,465,786</u>	<u>31,537,715</u>	<u>32,636,654</u>	<u>1,098,939</u>
Excess of revenues over (under) expenditures	625,718	122,160	(1,056,778)	(1,178,938)
<b>Net Other Financing Sources</b>	<u>230,000</u>	<u>650,350</u>	<u>682,127</u>	<u>31,777</u>
Net change in fund balances	\$ 855,718	\$ 772,510	\$ (374,651)	\$ (1,147,161)

# General Fund Operations

For the Year Ended June 30,	2014	2015	2016	2017	2018
Revenues	\$ 25,185,923	\$ 26,655,565	\$ 28,167,384	\$ 30,704,823	\$ 31,579,876
Expenditures	25,527,679	27,574,763	28,514,021	30,091,998	32,636,654
Excess of revenues over (under) expenditures	(341,756)	(919,198)	(346,637)	612,825	(1,056,778)
Other financing sources	234,983	635,874	286,085	505,892	682,127
Fund balance, July 1	952,058	845,285	561,961	501,409	1,620,126
<b>Fund Balance, June 30</b>	<b>\$ 845,285</b>	<b>\$ 561,961</b>	<b>\$ 501,409</b>	<b>\$ 1,620,126</b>	<b>\$ 1,245,475</b>

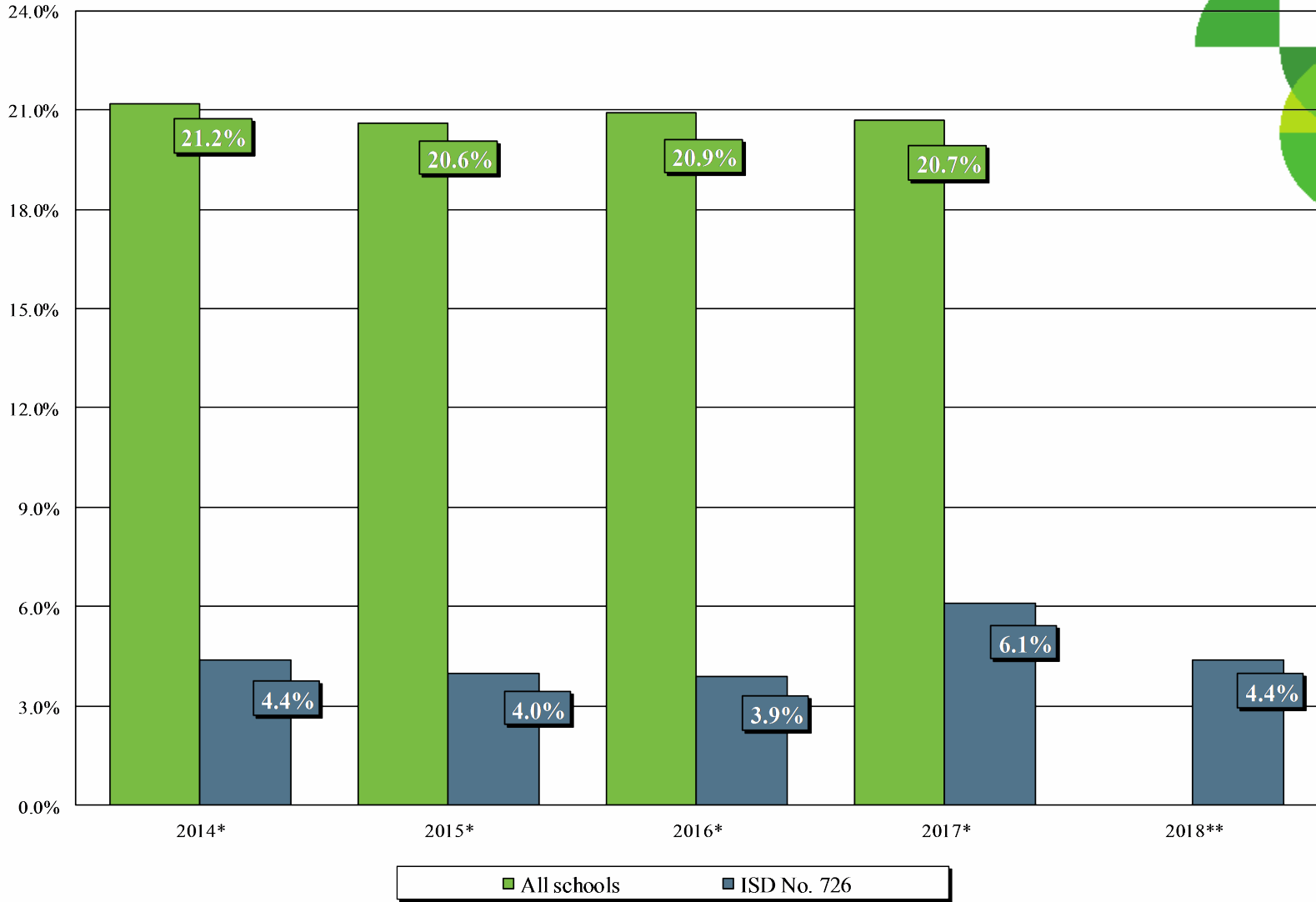
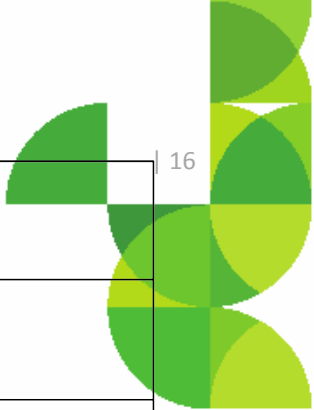
Components					
Nonspendable	\$ 221,302	\$ 240,140	\$ 153,002	\$ 464,457	\$ 254,734
Restricted/reserved for*					
Operating capital	-	-	4,407	76,041	20,035
Achievement and integration	-	-	-	6,656	-
Long-term facilities maintenance	-	-	-	(1,618)	(29,503)
Health and safety	(145,458)	(388,332)	(462,612)	(77,920)	-
Deferred maintenance	7,147	13,322	(13,413)	-	-
Assigned for					
Building level activity	189,990	221,486	249,334	246,904	251,043
Unassigned	572,304	475,345	570,691	905,606	749,166
<b>Total</b>	<b>\$ 845,285</b>	<b>\$ 561,961</b>	<b>\$ 501,409</b>	<b>\$ 1,620,126</b>	<b>\$ 1,245,475</b>

## General Fund Net Revenues and Expenditures

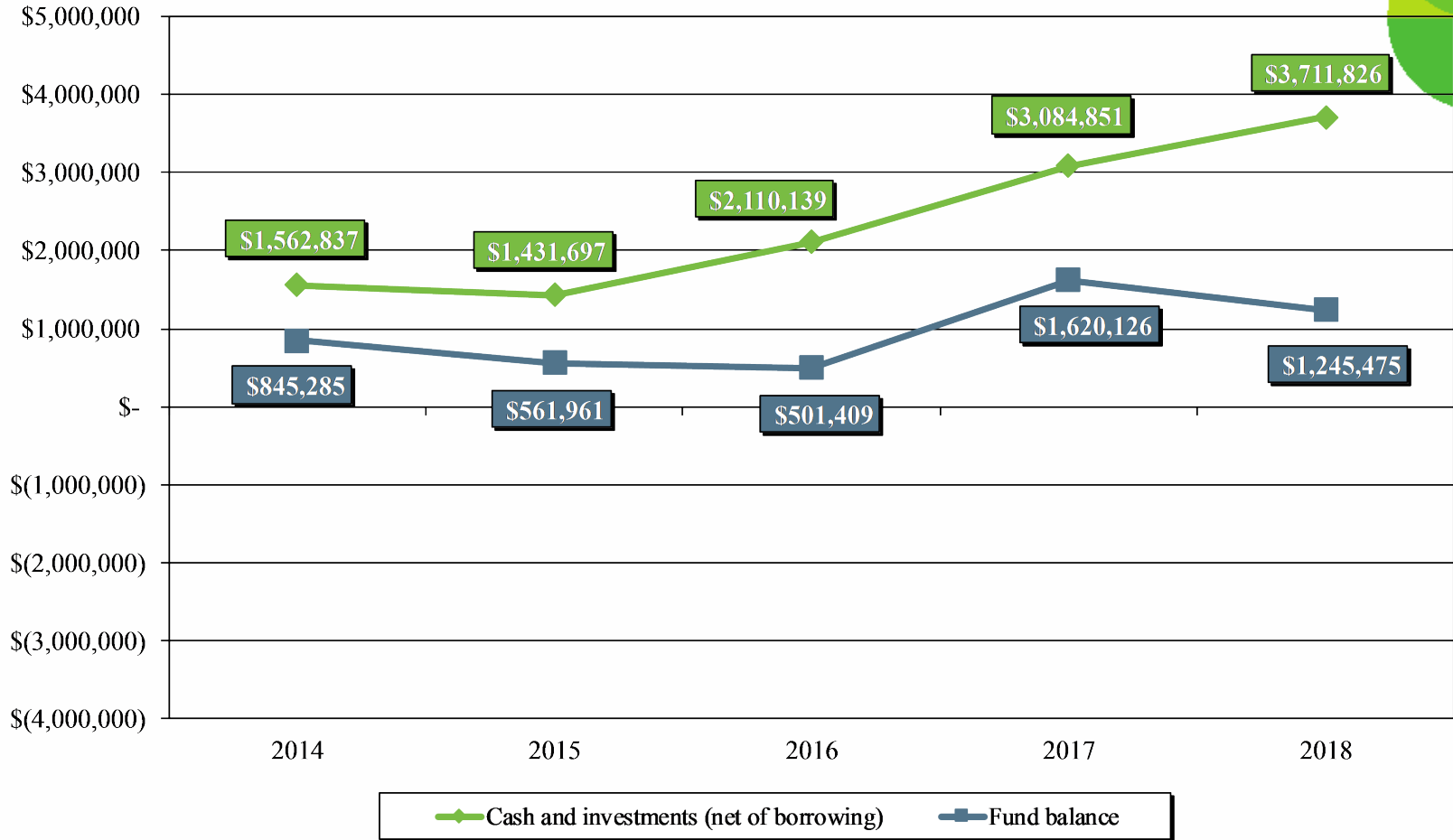




# General Fund Expenditures of Fund Balance



### General Fund Financial Position



# Food Service Fund



<b>For the Year Ended June 30,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Revenues	\$ 1,142,179	\$ 1,173,868	\$ 1,283,327	\$ 1,408,376	\$ 1,448,016
Expenditures	1,257,680	1,294,792	1,334,686	1,391,899	1,444,000
Excess of revenues over (under) expenditures	(115,501)	(120,924)	(51,359)	16,477	4,016
Fund balance, July 1	281,905	166,404	45,480	(5,879)	10,598
<b>Fund Balance, June 30</b>	<b>\$ 166,404</b>	<b>\$ 45,480</b>	<b>\$ (5,879)</b>	<b>\$ 10,598</b>	<b>\$ 14,614</b>

# Community Service Fund

For the Year Ended June 30,	2014	2015	2016	2017	2018
Revenues	\$ 1,067,682	\$ 998,594	\$ 1,067,440	\$ 1,183,248	\$ 1,202,977
Expenditures	1,014,472	954,530	998,286	1,056,185	1,249,256
Excess of revenues over expenditures	53,210	44,064	69,154	127,063	(46,279)
Fund balance, July 1	29,299	82,509	126,573	195,727	322,790
<b>Fund Balance, June 30</b>	<b>\$ 82,509</b>	<b>\$ 126,573</b>	<b>\$ 195,727</b>	<b>\$ 322,790</b>	<b>\$ 276,511</b>
<b>Components</b>					
Nonspendable	\$ -	\$ -	\$ 210	\$ 4,400	\$ 8,227
Restricted/reserved for					
Community education*	3,362	29,174	49,173	98,800	55,374
Early childhood and family education	64,839	87,774	103,690	123,782	116,982
School readiness	14,520	9,625	42,654	95,808	95,425
Unassigned	(212)	-	-	-	503
<b>Fund Balance, June 30</b>	<b>\$ 82,509</b>	<b>\$ 126,573</b>	<b>\$ 195,727</b>	<b>\$ 322,790</b>	<b>\$ 276,511</b>

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

# Questions

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Thank you!

[bergankdv.com](http://bergankdv.com)