



Independent School District
No. 726
Becker, Minnesota

Audited Financial Statements
June 30, 2015

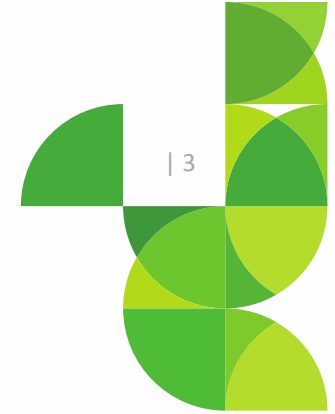


Components of the Audit



- 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 an audit performed in accordance with *OMB Circular A-133* – Unmodified Opinion
- Report on the results of testing on *Minnesota Legal Compliance* – one compliance finding
- Required Communication

Pupil Unit Funding – General Education Aid



		General Education Aid Formula Allowance	
		Amount	Percent Increase
Year			
2005	\$	4,601	0.0%
2006		4,782	4.0%
2007		4,974	4.0%
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%

* 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.

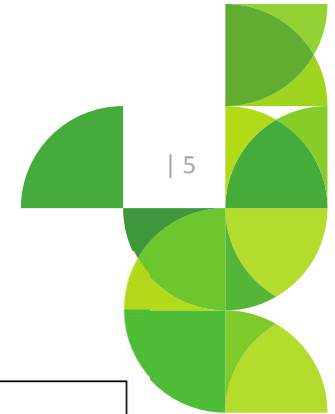
Resident Average Daily Membership and Pupil Units



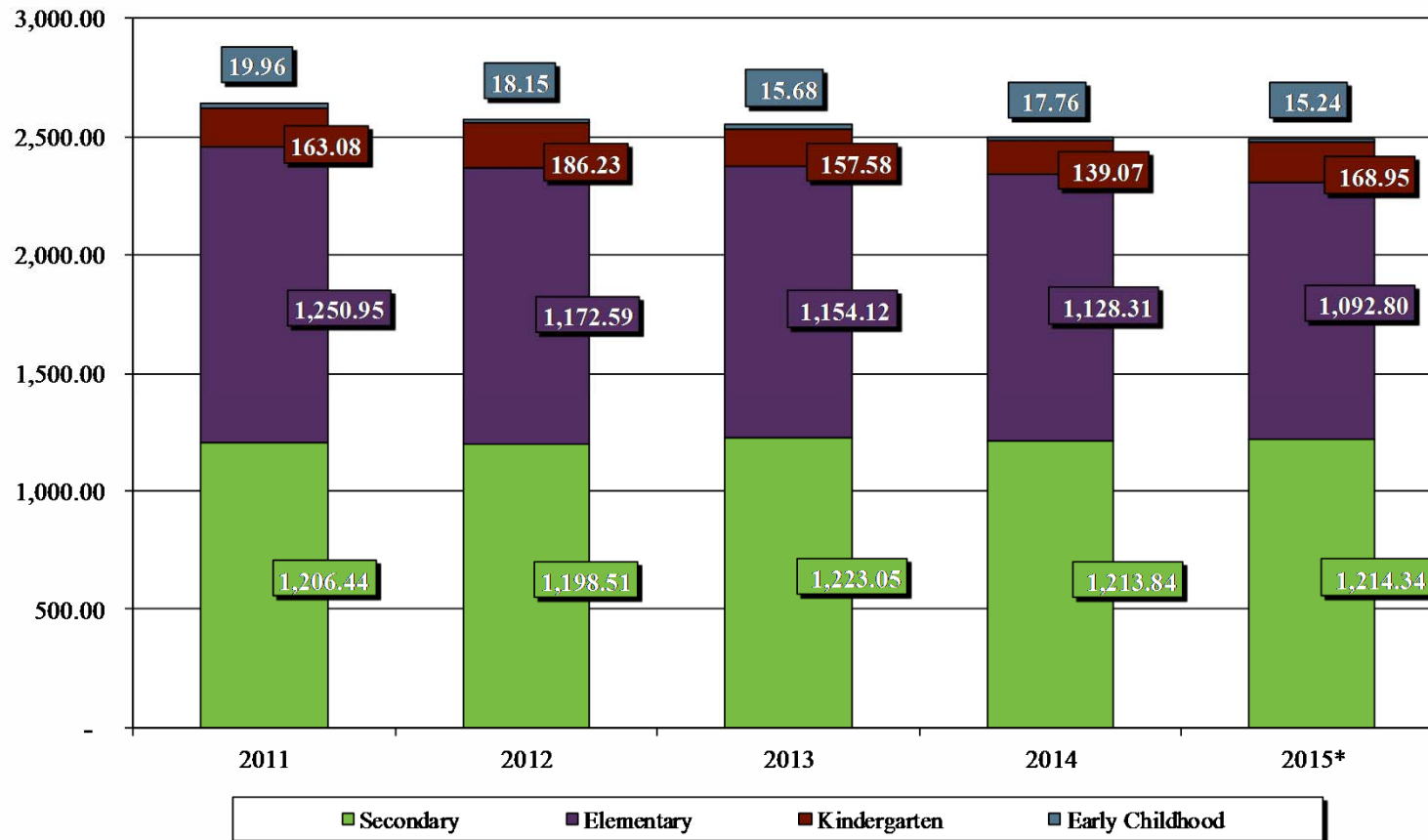
ADM	2011	2012	2013	2014	2015*
Early Childhood	19.96	18.15	15.68	17.76	15.24
Kindergarten	163.08	186.23	157.58	139.07	168.95
Elementary	1,250.95	1,172.59	1,154.12	1,128.31	1,092.80
Secondary	1,206.44	1,198.51	1,223.05	1,213.84	1,214.34
Total Resident ADM	2,640.43	2,575.48	2,550.43	2,498.98	2,491.33

* Estimate

Resident ADM



Students (Average Daily Membership)





Weighted Pupil Units

Pupil Units Weighting						
	Early Childhood	Handicapped Kindergarten	Kindergarten	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
2011 - 2014	1.250	1.000	0.612	1.115	1.060	1.300
2015	1.000	1.000	1.000	1.000	1.000	1.200

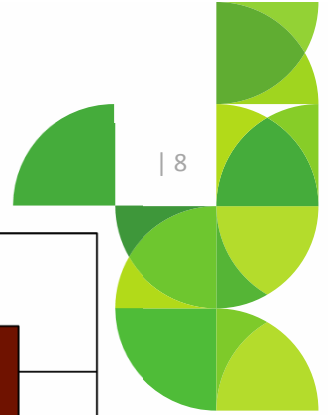
Adjusted WADM/PUN	2011	2012	2013	2014	2015*
Residents	3,056.42	2,974.28	2,963.33	2,915.82	2,734.20
Resident Loss	(121.47)	(121.94)	(149.13)	(139.46)	(133.29)
Nonresident Gain	210.42	281.93	337.46	387.08	396.65
Total Adjusted WADM/PUN	3,145.37	3,134.27	3,151.66	3,163.44	2,997.56

* Estimate

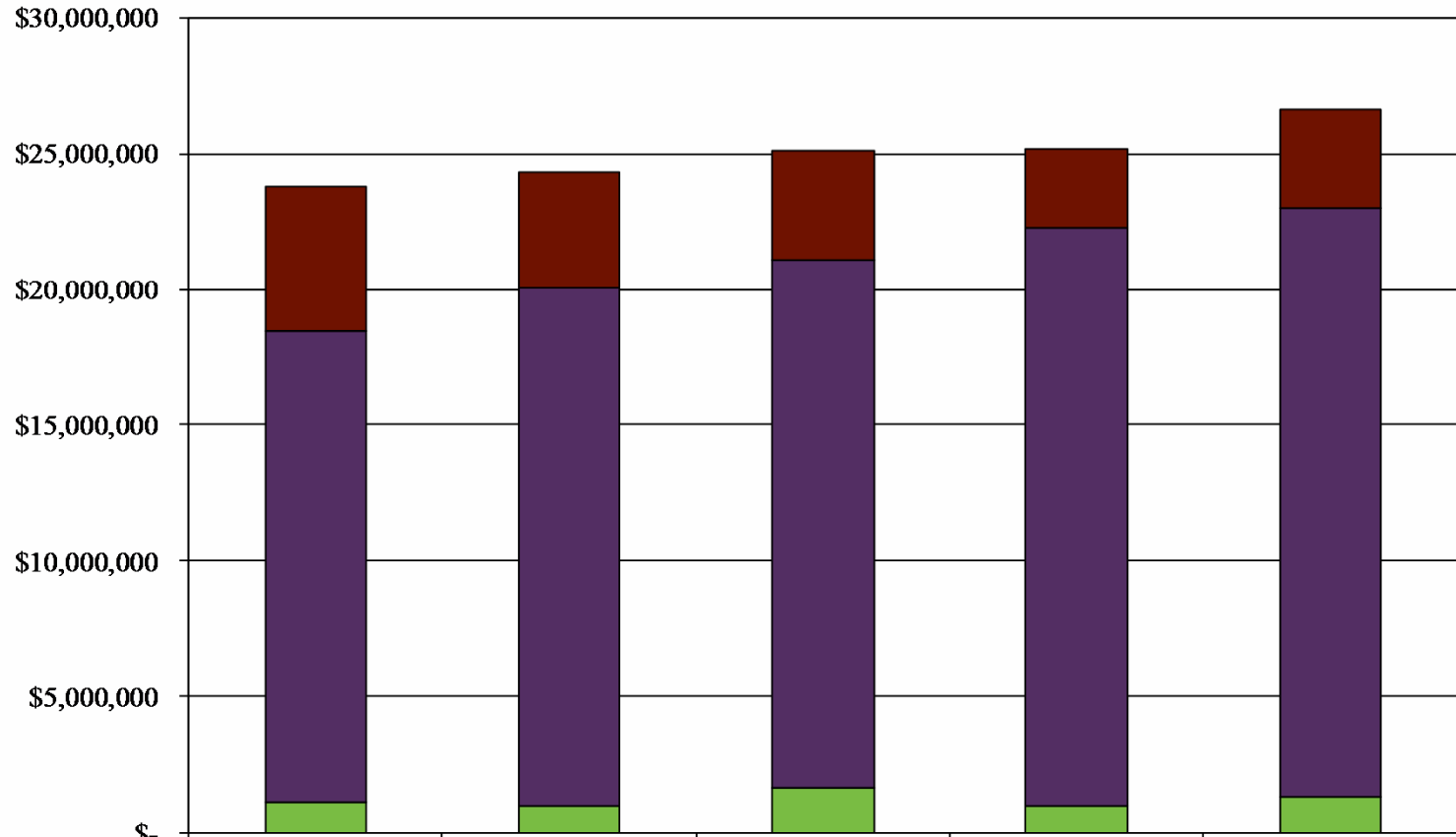
General Fund Budget and Actual

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	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
REVENUES				
Local Property Taxes	\$ 3,636,881	\$ 3,636,881	\$ 3,618,571	\$ (18,310)
State Sources	20,968,779	21,505,540	21,738,657	233,117
Other	1,026,440	1,219,277	1,298,337	79,060
Total Revenues	<u>25,632,100</u>	<u>26,361,698</u>	<u>26,655,565</u>	<u>293,867</u>
EXPENDITURES				
Administration	1,349,629	1,294,293	1,296,893	2,600
District Support Services	568,920	538,559	530,532	(8,027)
Elementary and Secondary Regular Instruction	12,994,442	13,809,217	13,896,110	86,893
Vocational Education Instruction	125,000	114,873	124,313	9,440
Special Education Instruction	4,016,390	4,110,200	4,123,019	12,819
Instructional Support Services	1,754,925	1,724,630	2,207,762	483,132
Pupil Support Services	1,805,615	1,857,291	1,906,819	49,528
Sites and Buildings	2,627,874	2,741,596	3,035,863	294,267
Debt Service, Fiscal and Other Fixed Costs	441,303	453,553	453,452	(101)
Total Expenditures	<u>25,684,098</u>	<u>26,644,212</u>	<u>27,574,763</u>	<u>930,551</u>
Excess of Revenues				
Under Expenditures	(51,998)	(282,514)	(919,198)	(636,684)
OTHER FINANCING SOURCES				
Proceeds from Capital Lease	170,000	170,000	635,874	465,874
Net Change in Fund Balances	<u>\$ 118,002</u>	<u>\$ (112,514)</u>	<u>\$ (283,324)</u>	<u>\$ (170,810)</u>

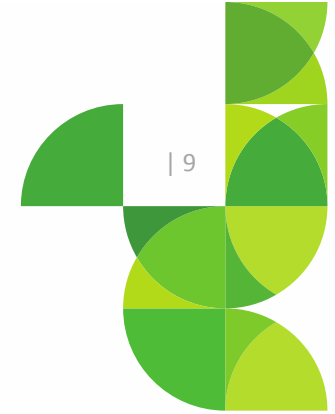


General Fund Sources of Revenue

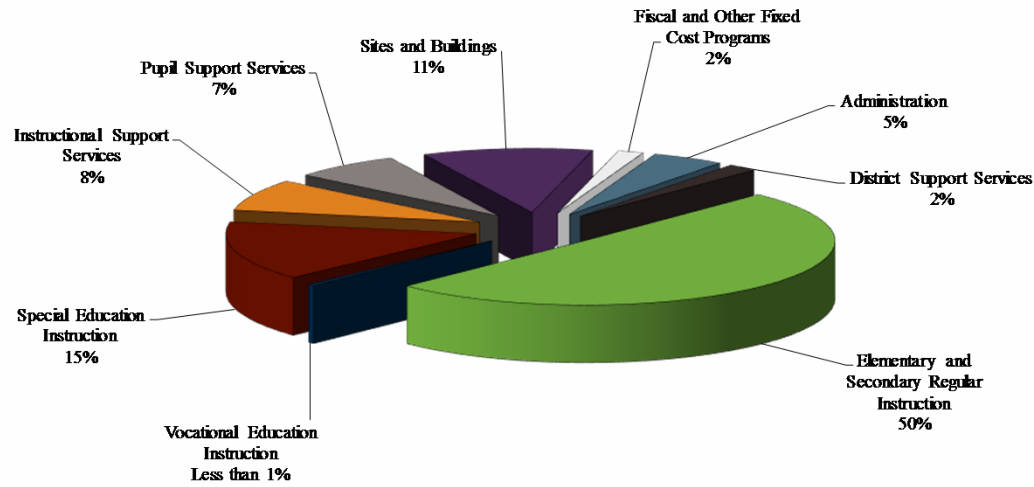


	2011	2012	2013	2014	2015
Local Property Taxes	\$5,369,487	\$4,274,173	\$4,015,400	\$2,933,570	\$3,618,571
State Sources	17,347,880	19,037,431	19,484,207	21,250,329	21,738,657
Other	1,099,278	1,003,582	1,640,561	1,002,024	1,298,337

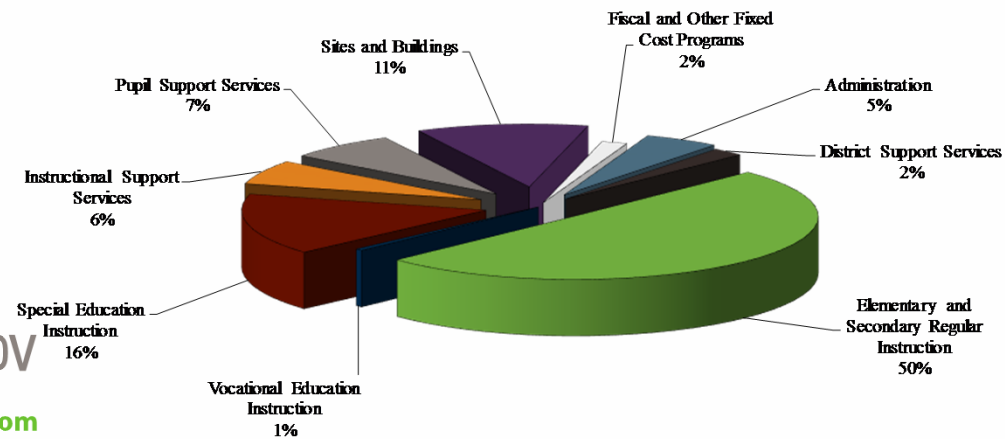
General Fund Expenditures

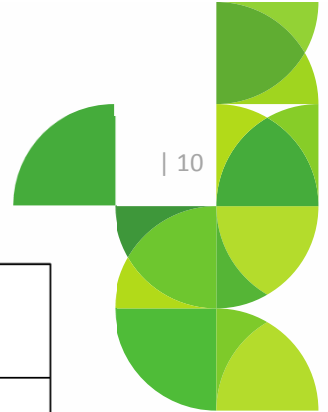


2015 General Fund Expenditures

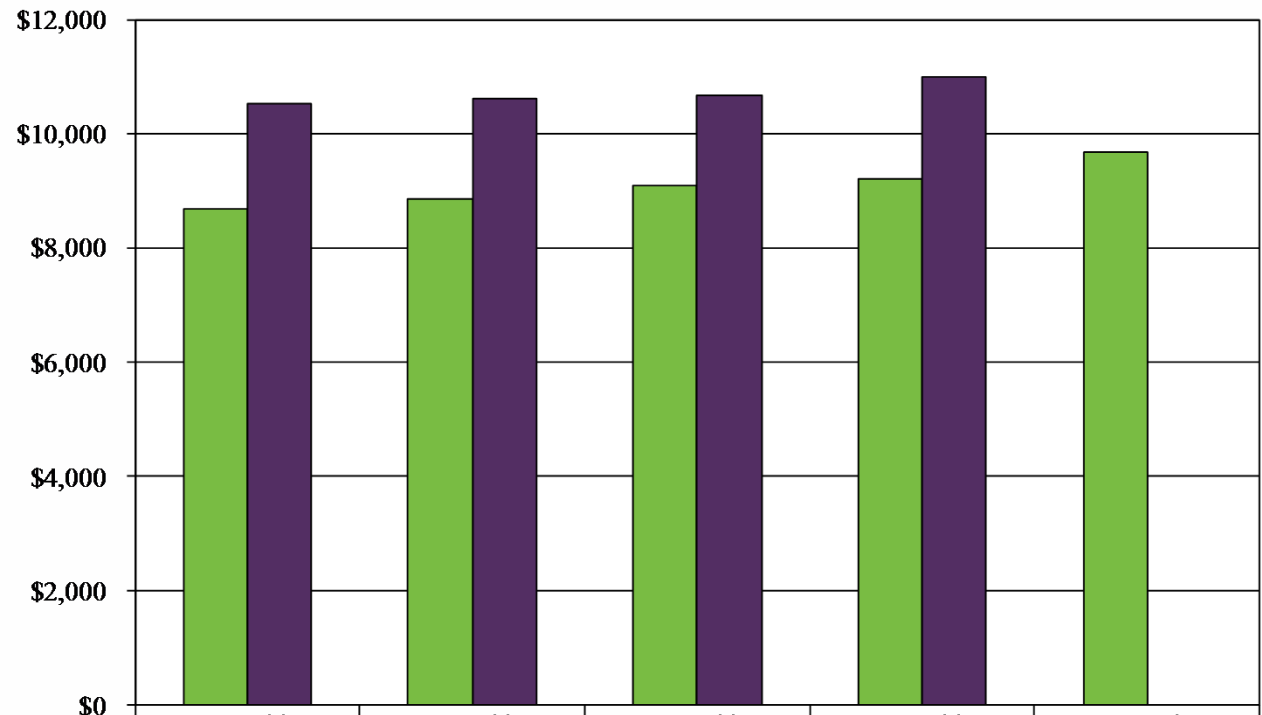


2014 General Fund Expenditures





Revenues Per ADM Served

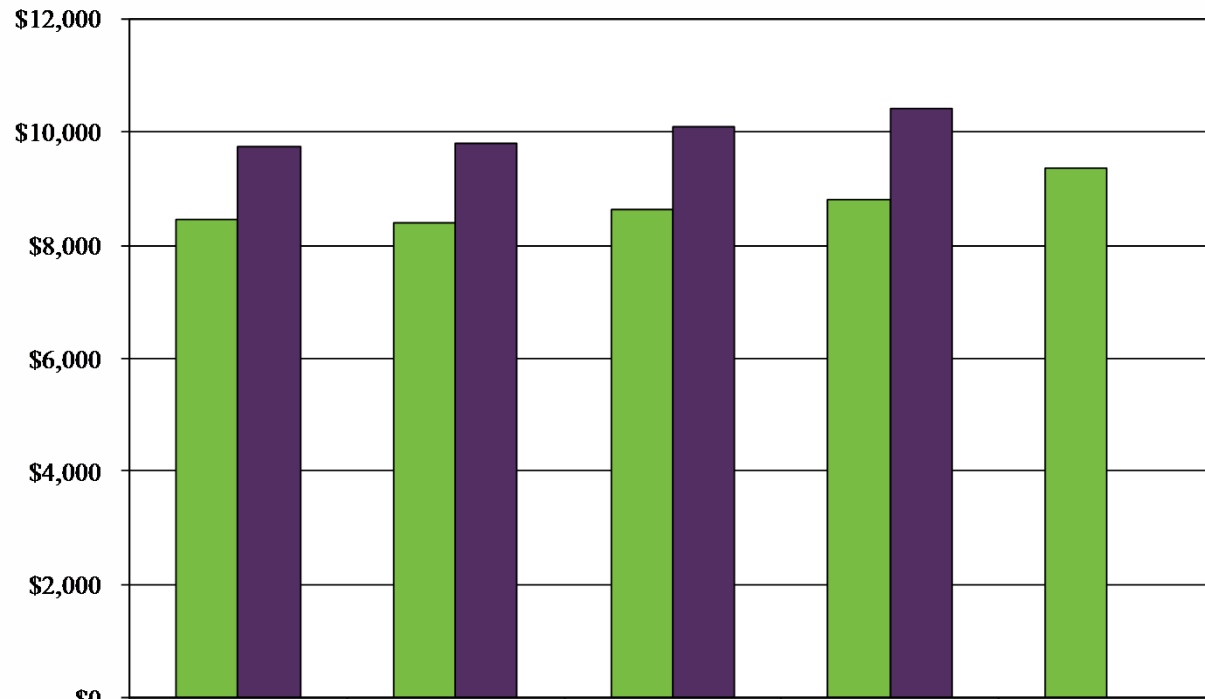


	2011**	2012**	2013**	2014**	2015*
District Revenues	\$8,690	\$8,886	\$9,116	\$9,222	\$9,692
State Average Revenues	10,537	10,617	10,698	11,000	-

* 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



	2011**	2012**	2013**	2014**	2015*
District Expenditures	\$8,473	\$8,404	\$8,639	\$8,826	\$9,361
State Average Expenditures	9,739	9,817	10,096	10,433	-

* Estimate

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

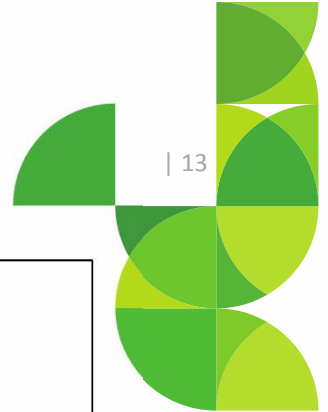
Expenditures and Revenues per ADM served

	District	State	District	State
	2014**	Average	2015*	Average
	2014**	2014**	2015*	2015
District and School Administration	7.8%	8.4%	6.6%	NA
Regular Instruction***	50.3%	45.9%	50.1%	NA
Vocational Instruction	0.5%	1.2%	0.5%	NA
Special Education Instruction	15.6%	18.0%	14.9%	NA
Instructional Support Services	4.7%	4.8%	6.1%	NA
Pupil Support Services****	6.6%	8.6%	6.8%	NA
Sites, Buildings and Equipment	9.8%	7.9%	10.7%	NA
Capital Outlay	4.7%	5.2%	4.3%	NA
	100.0%	100.0%	100.0%	

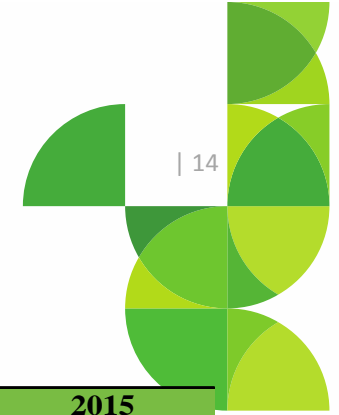
* Estimate

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

General Fund Net Revenues and Expenditures

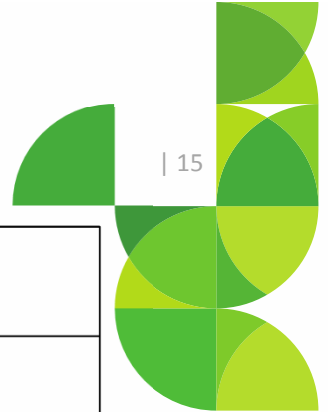


General Fund Operations

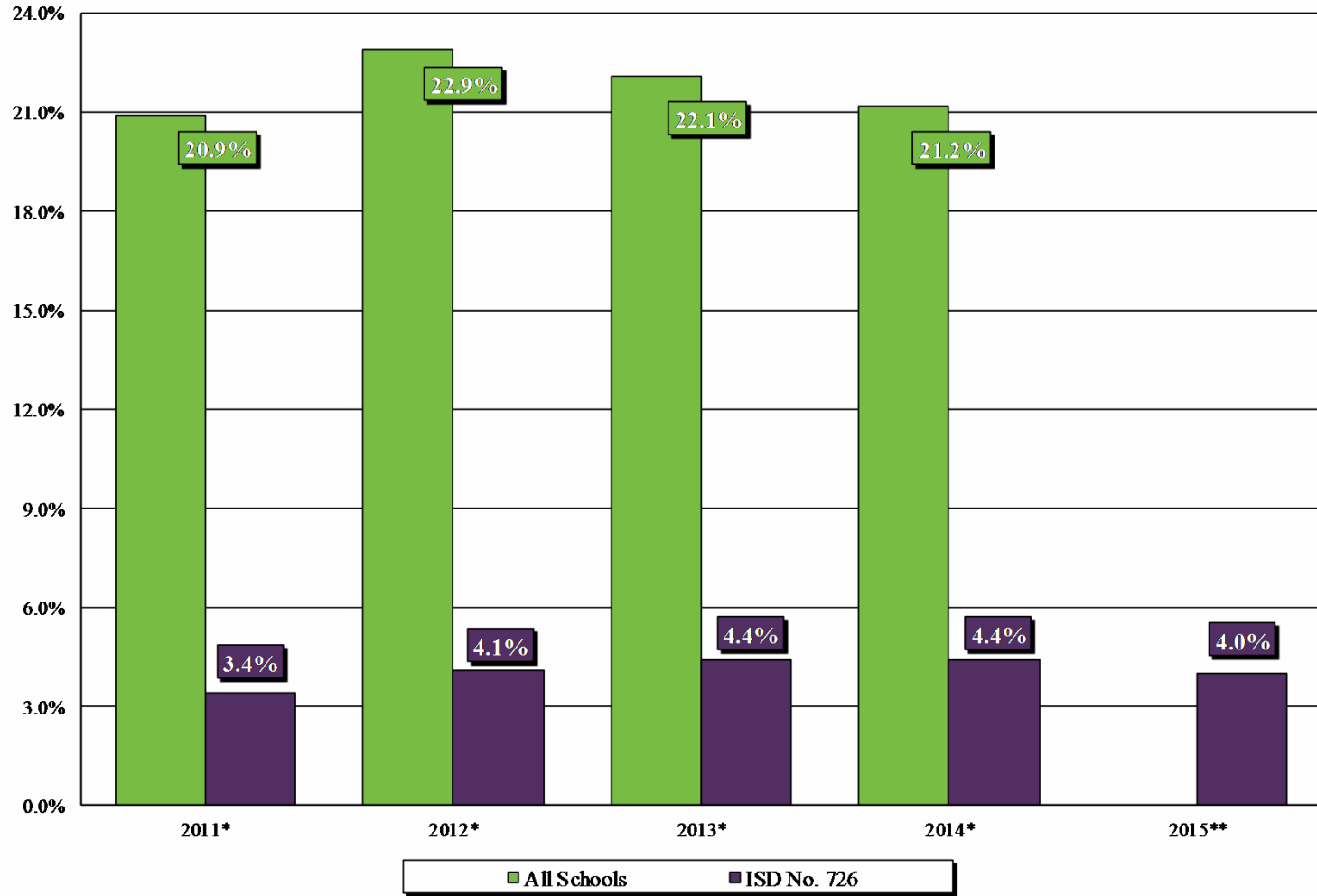


For the Year Ended June 30,	2011	2012	2013	2014	2015
Revenues	\$ 23,816,645	\$ 24,315,186	\$ 25,140,168	\$ 25,185,923	\$ 26,655,565
Expenditures	24,748,789	24,730,824	25,532,416	25,527,679	27,574,763
Excess of Revenues					
Under Expenditures	(932,144)	(415,638)	(392,248)	(341,756)	(919,198)
Other Financing Sources	413,735	515,655	306,351	234,983	635,874
Fund Balance, July 1	1,968,583	937,938	1,037,955	952,058	845,285
Prior Period Adjustment	(512,236)	-	-	-	-
Fund Balance, June 30	\$ 937,938	\$ 1,037,955	\$ 952,058	\$ 845,285	\$ 561,961
Components					
Nonspendable	\$ 53,346	\$ 151,879	\$ 173,023	\$ 221,302	\$ 240,140
Restricted/Reserved for:					
Operating Capital	141,882	26,608	-	-	-
Health and Safety*	27,910	118,140	(38,303)	(145,458)	(388,332)
Deferred Maintenance	20,810	6,796	6,006	7,147	13,322
Assigned for:					
Building Level Activity	120,396	139,616	188,814	189,990	221,486
Unassigned	573,594	594,916	622,518	572,304	475,345
Total	\$ 937,938	\$ 1,037,955	\$ 952,058	\$ 845,285	\$ 561,961

* The deficit amount is shown in the unassigned fund balance on the Balance Sheet.



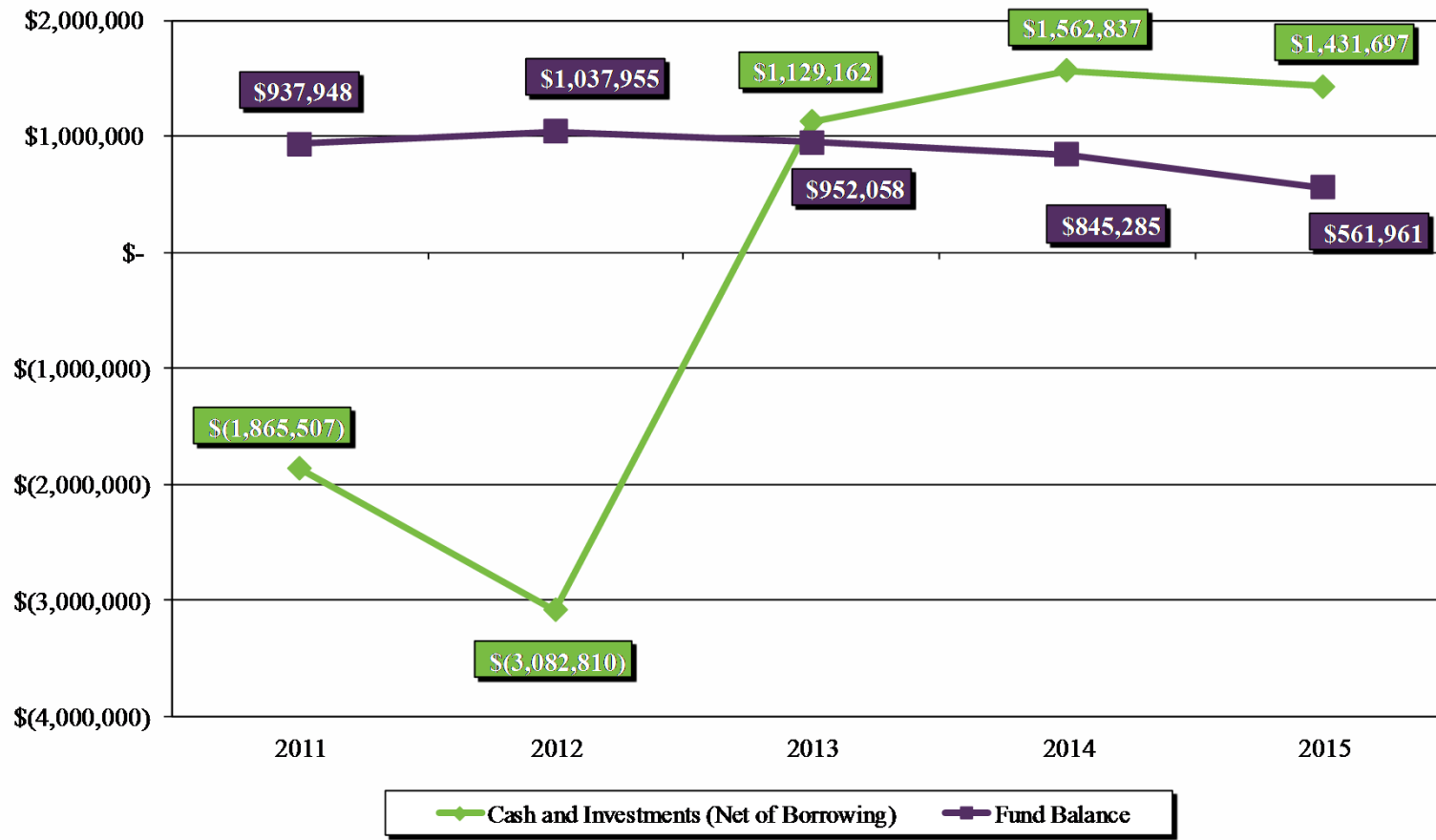
General Fund Expenditures of Fund Balance



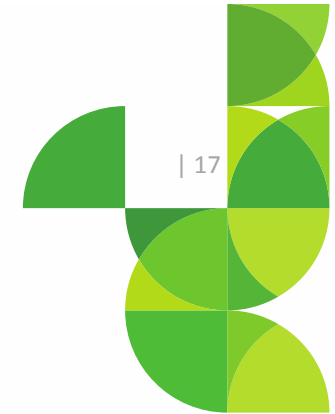
* Information was obtained from the MDE web site report *Fiscal Year 2012-2014 General Fund Unreserved Balance*. 2015 information is not available.

** Estimate

General Fund Financial Position

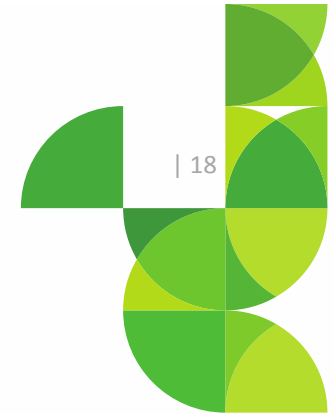


Food Service Fund



For the Year Ended June 30,	2011	2012	2013	2014	2015
Revenues	\$ 1,107,995	\$ 1,146,550	\$ 1,219,513	\$ 1,142,179	\$ 1,173,868
Expenditures	1,063,971	1,161,995	1,218,295	1,257,680	1,294,792
Excess of Revenues Over (Under) Expenditures	44,024	(15,445)	1,218	(115,501)	(120,924)
Fund Balance, July 1	252,108	296,132	280,687	281,905	166,404
Fund Balance, June 30	\$ 296,132	\$ 280,687	\$ 281,905	\$ 166,404	\$ 45,480

Community Service Fund



For the Year Ended June 30,	2011	2012	2013	2014	2015
Revenues	\$ 704,538	\$ 876,179	\$ 1,010,430	\$ 1,067,682	\$ 998,594
Expenditures	690,188	849,905	918,340	1,014,472	954,530
Excess of Revenues					
Over Expenditures	14,350	26,274	92,090	53,210	44,064
Fund Balance, July 1	(103,415)	(89,065)	(62,791)	29,299	82,509
Fund Balance, June 30	\$ (89,065)	\$ (62,791)	\$ 29,299	\$ 82,509	\$ 126,573

Components					
Nonspendable	\$ 623	\$ 6,236	\$ 400	\$ -	\$ -
Restricted/Reserved for:					
Community Education*	(145,108)	(129,147)	(36,885)	3,362	29,174
Early Childhood and					
Family Education	32,108	37,467	47,679	64,839	87,774
School Readiness	23,312	22,653	18,105	14,520	9,625
Unassigned	-	-	-	(212)	-
Nonspendable	\$ (89,065)	\$ (62,791)	\$ 29,299	\$ 82,509	\$ 126,573

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

Questions

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320-650-0219

Thank you!

bergankdv.com