

KDV, the school district auditors, will present the 2012 financial audit. The audited general fund summary is shown below.

	7/1/11	2011-12			6/30/12
	Beginning Fund Balance	Revenues and Other Funding Sources	Expenditures	Net change Fund Bal.	Ending Fund Balance
General Fund	\$937,938	\$24,830,841	-\$24,730,824	\$100,017	\$1,037,955

Joe Prom and I recommend approving the FY 12 financial audit as presented. The June 30, 2012 unassigned fund balance represents is 2.4% of expenditures. District Policy 714 Fund Balances states that the school district will strive to maintain a minimum unassigned general fund balance of 8%.

(KDV PowerPoint Below)



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INDEPENDENT SCHOOL DISTRICT NO. 726

Becker, Minnesota

Audited Financial Statements

June 30, 2012

Components of the Audit

- Opinion on the District's Basic Financial Statements – Unqualified Opinion
- Report on the results of an audit performed in accordance with *Government Auditing Standards*
- Report on the results of an audit performed in accordance with OMB *Circular A-133* – Unqualified Opinion
- Report on the results of testing on *Minnesota Legal Compliance*
- Required Communication

Audit Results

- Material Weakness – None
- Significant Deficiencies
 - Lack of Segregation of Duties
- Deficiencies – None
- Legal Compliance Finding - None



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PUPIL UNIT FUNDING – GENERAL EDUCATION AID

Fiscal Year	Formula Allowance	
	Amount	Percent Increase
2004	\$ 4,601	0.0%
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%



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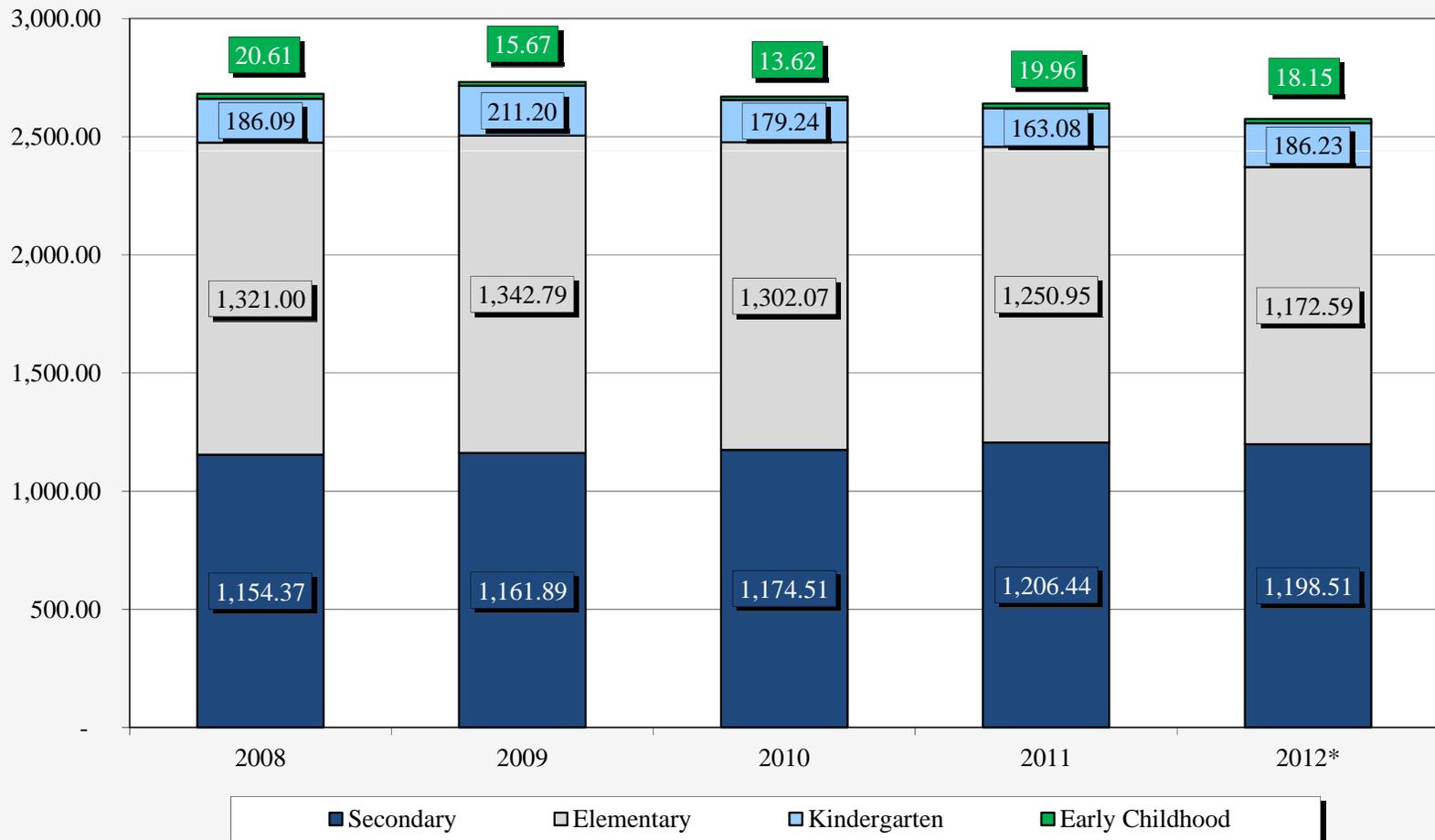
RESIDENT AVERAGE DAILY MEMBERSHIP AND PUPIL UNITS

ADM	2008	2009	2010	2011	2012*
Early Childhood	20.61	15.67	13.62	19.96	18.15
Kindergarten	186.09	211.20	179.24	163.08	186.23
Elementary	1,321.00	1,342.79	1,302.07	1,250.95	1,172.59
Secondary	1,154.37	1,161.89	1,174.51	1,206.44	1,198.51
Total Resident ADM	2,682.07	2,731.55	2,669.44	2,640.43	2,575.48



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Resident ADM





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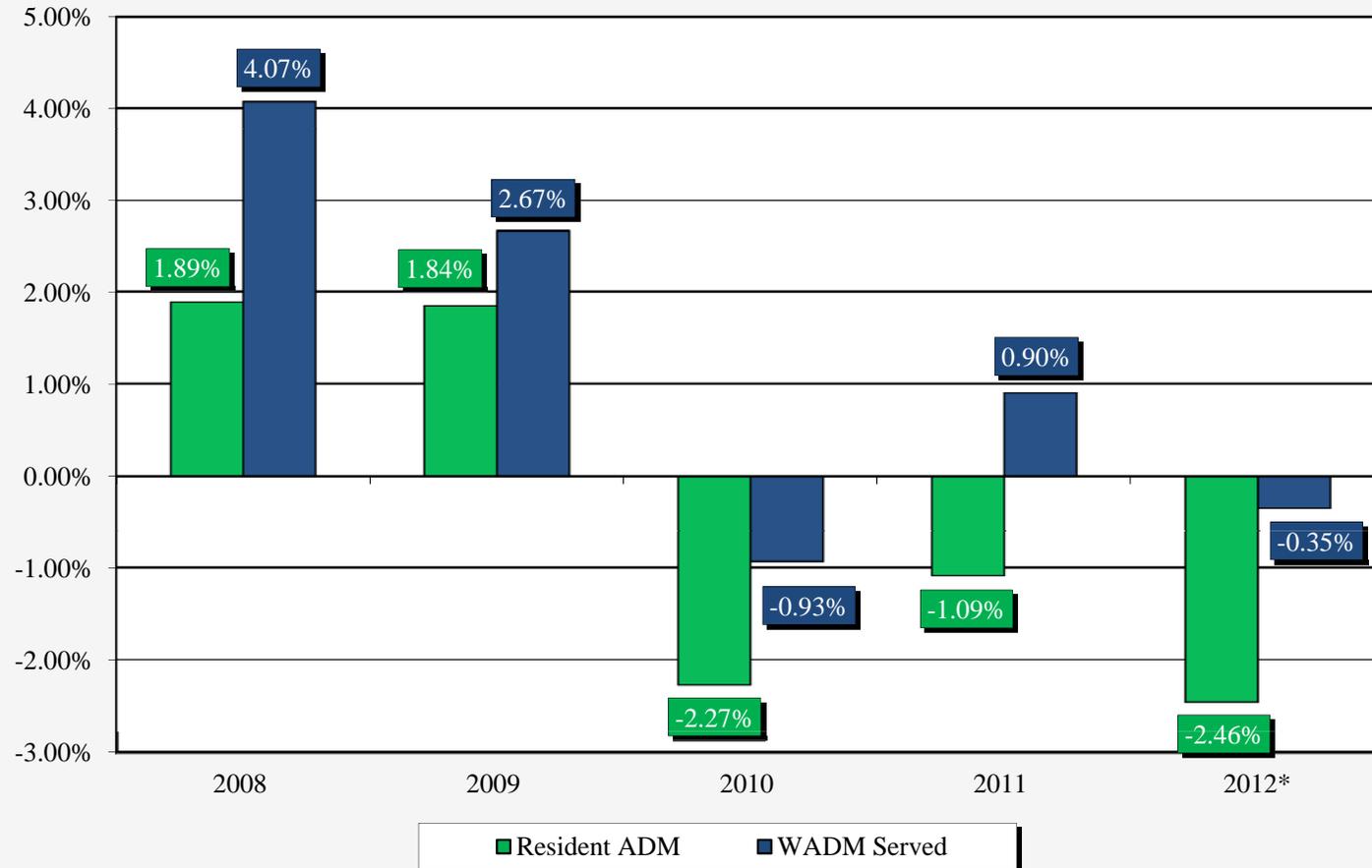
RESIDENT AVERAGE DAILY MEMBERSHIP AND PUPIL UNITS

Pupil Units Weighting						
	Early Childhood	Handicapped Kindergarten	Kindergarten	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
Fiscal 2008 - 2012	1.250	1.000	0.612	1.115	1.060	1.300

Weighted/Adjusted ADM	2008	2009	2010	2011	2012*
Residents	3,081.57	3,122.47	3,071.06	3,056.42	2,974.28
Resident Loss	(120.93)	(102.22)	(133.27)	(121.47)	(121.94)
Nonresident Gain	104.21	126.37	179.46	210.42	282.02
Total Weighted/Adjusted ADM	3,064.85	3,146.62	3,117.25	3,145.37	3,134.36

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Change in Resident ADM and Weighted/Adjusted ADM Served





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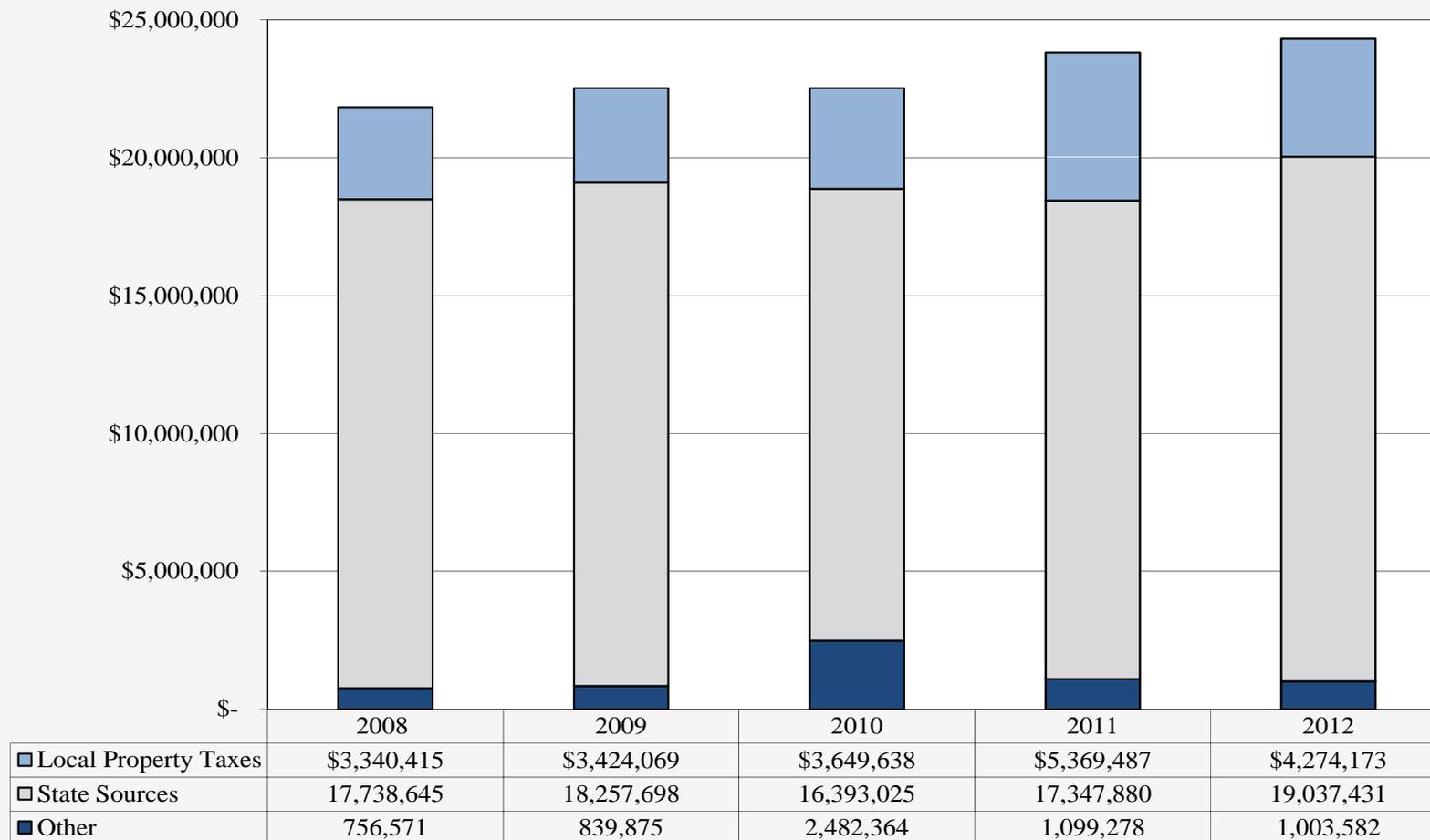
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GENERAL FUND BUDGET AND ACTUAL

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
REVENUES				
Local Property Taxes	\$ 4,236,723	\$ 5,436,723	\$ 4,274,173	\$ (1,162,550)
State Sources	18,326,652	17,445,353	19,037,431	1,592,078
Other	1,417,680	925,421	1,003,582	78,161
Total Revenues	<u>23,981,055</u>	<u>23,807,497</u>	<u>24,315,186</u>	<u>507,689</u>
EXPENDITURES				
Administration	1,249,960	1,240,802	1,208,536	(32,266)
District Support Services	556,470	608,394	584,421	(23,973)
Regular Instruction	13,010,266	12,675,470	12,909,925	234,455
Vocational Education Instruction	50,999	50,999	109,663	58,664
Special Education Instruction	3,143,794	3,286,362	3,372,338	85,976
Instructional Support Services	2,018,018	2,054,951	1,988,829	(66,122)
Pupil Support Services	1,634,575	1,588,529	1,685,583	97,054
Sites and Buildings	2,846,675	2,727,504	2,750,780	23,276
Fiscal and Other Fixed Costs	115,000	122,000	120,749	(1,251)
Total Expenditures	<u>24,625,757</u>	<u>24,355,011</u>	<u>24,730,824</u>	<u>375,813</u>
Excess of Revenues Over (Under) Expenditures	(644,702)	(547,514)	(415,638)	131,876
OTHER FINANCING SOURCES (USES)				
Proceeds from Capital Lease	519,378	515,655	515,655	-
Transfers Out	(5,000)	-	-	-
Total Other Financing Sources (Uses)	<u>514,378</u>	<u>515,655</u>	<u>515,655</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (130,324)</u>	<u>\$ (31,859)</u>	<u>\$ 100,017</u>	<u>\$ 131,876</u>

INDEPENDENT SCHOOL DISTRICT NO. 726

General Fund Sources of Revenue





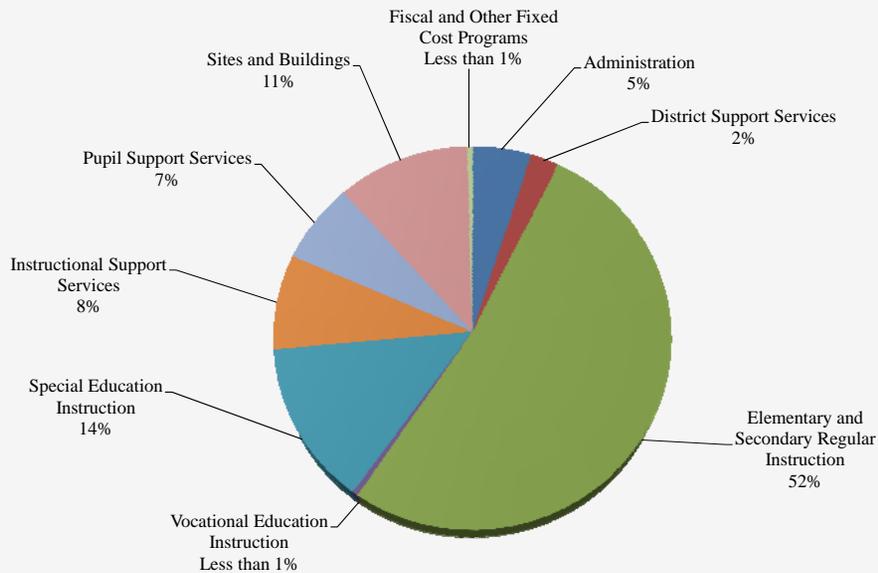
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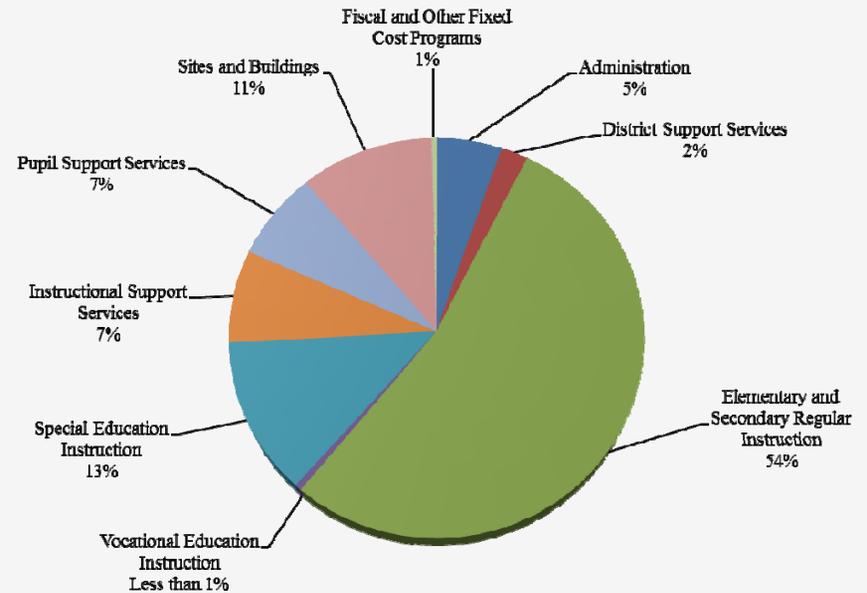


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2012 General Fund Expenditures
\$ 24,730,824

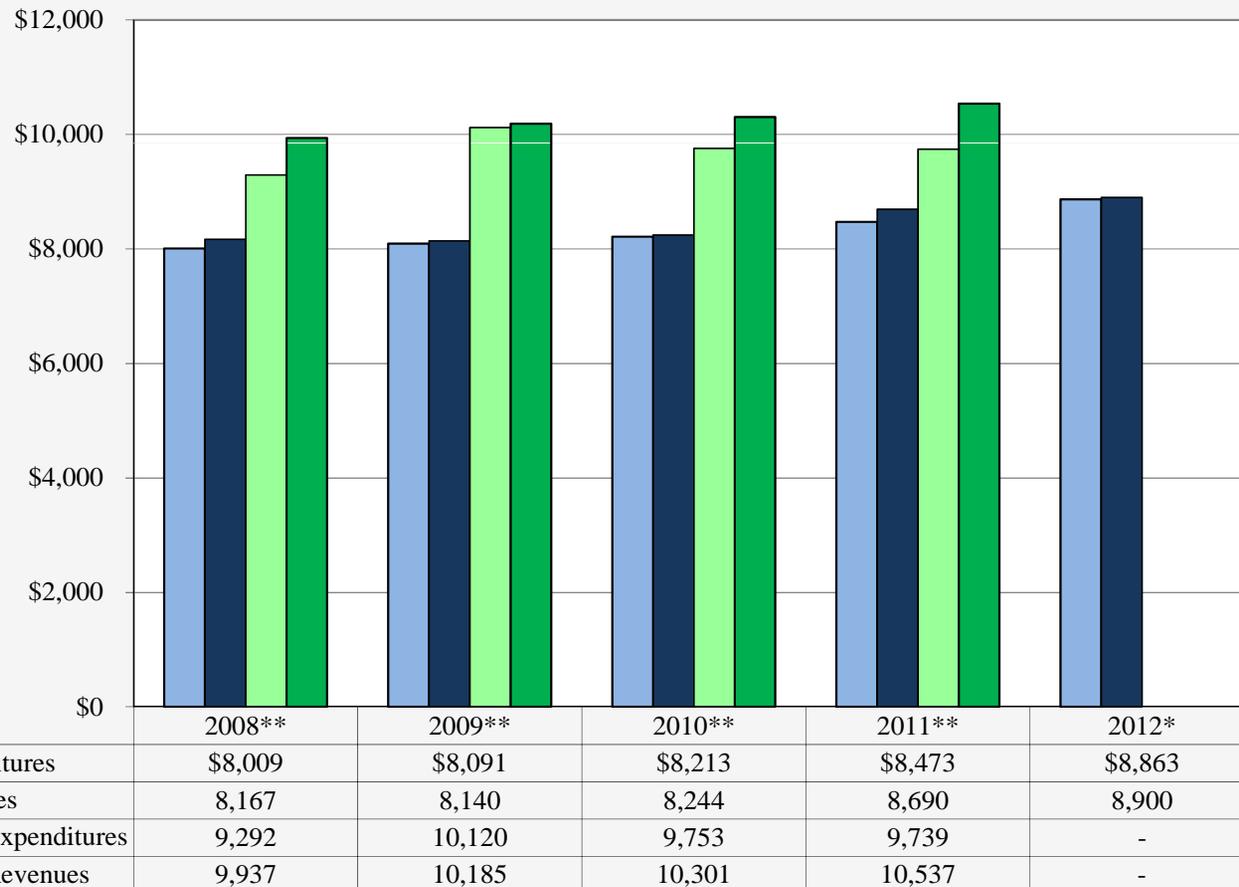


2011 General Fund Expenditures
\$ 24,748,789



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Operating Expenditures and Revenues Per ADM Served





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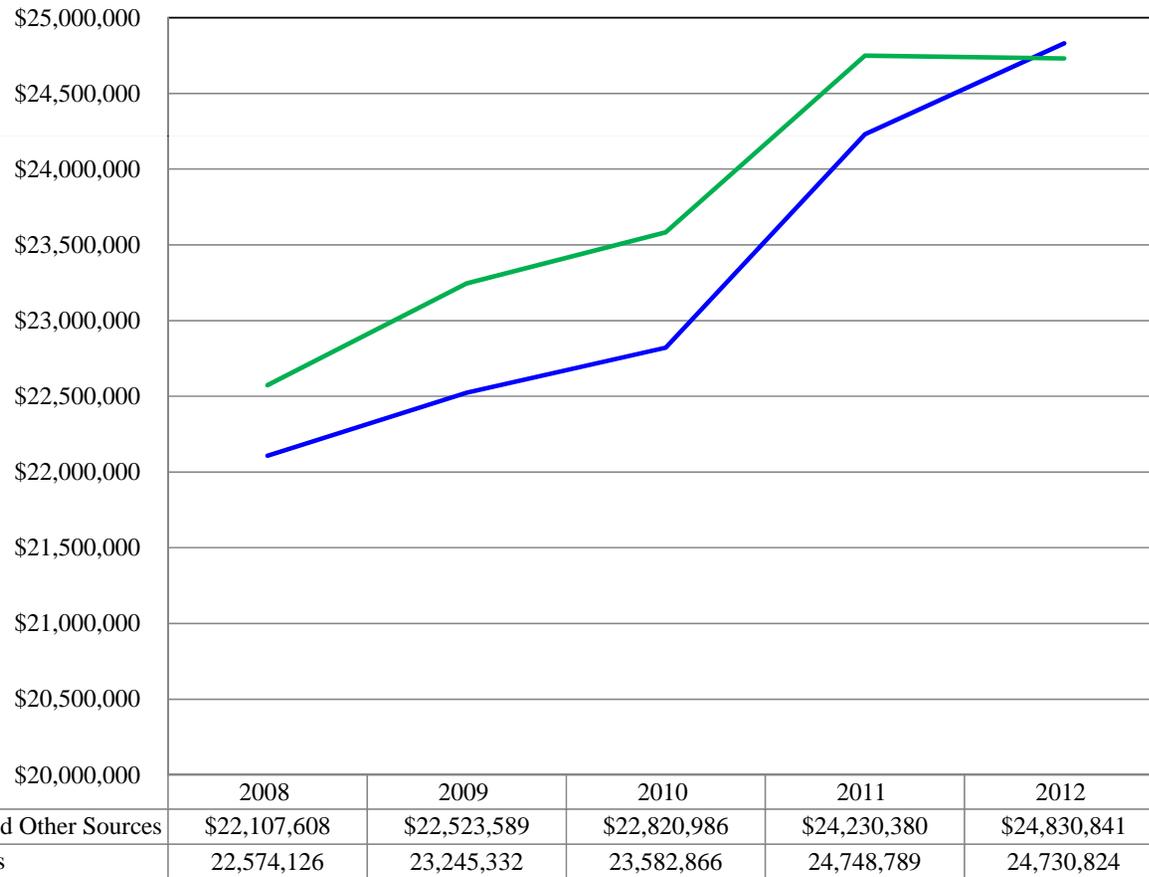
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EXPENDITURES AND REVENUES PER ADM SERVED

	District	State	District	State
	2011*	Average	2012	Average
	2011*	2011*	2012	2012
District and School Administration	8.5%	8.4%	7.2%	NA
Regular Instruction	54.2%	46.9%	51.9%	NA
Vocational Instruction	0.5%	1.3%	0.4%	NA
Special Education Instruction	12.8%	18.0%	13.6%	NA
Instructional Support Services	3.8%	4.2%	4.9%	NA
Pupil Support Services	6.0%	8.5%	5.8%	NA
Sites, Buildings and Equipment	9.6%	7.8%	10.2%	NA
Capital Outlay	4.6%	4.9%	6.0%	NA
	100.0%	100.0%	100.0%	

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General Fund Net Revenues and Expenditures





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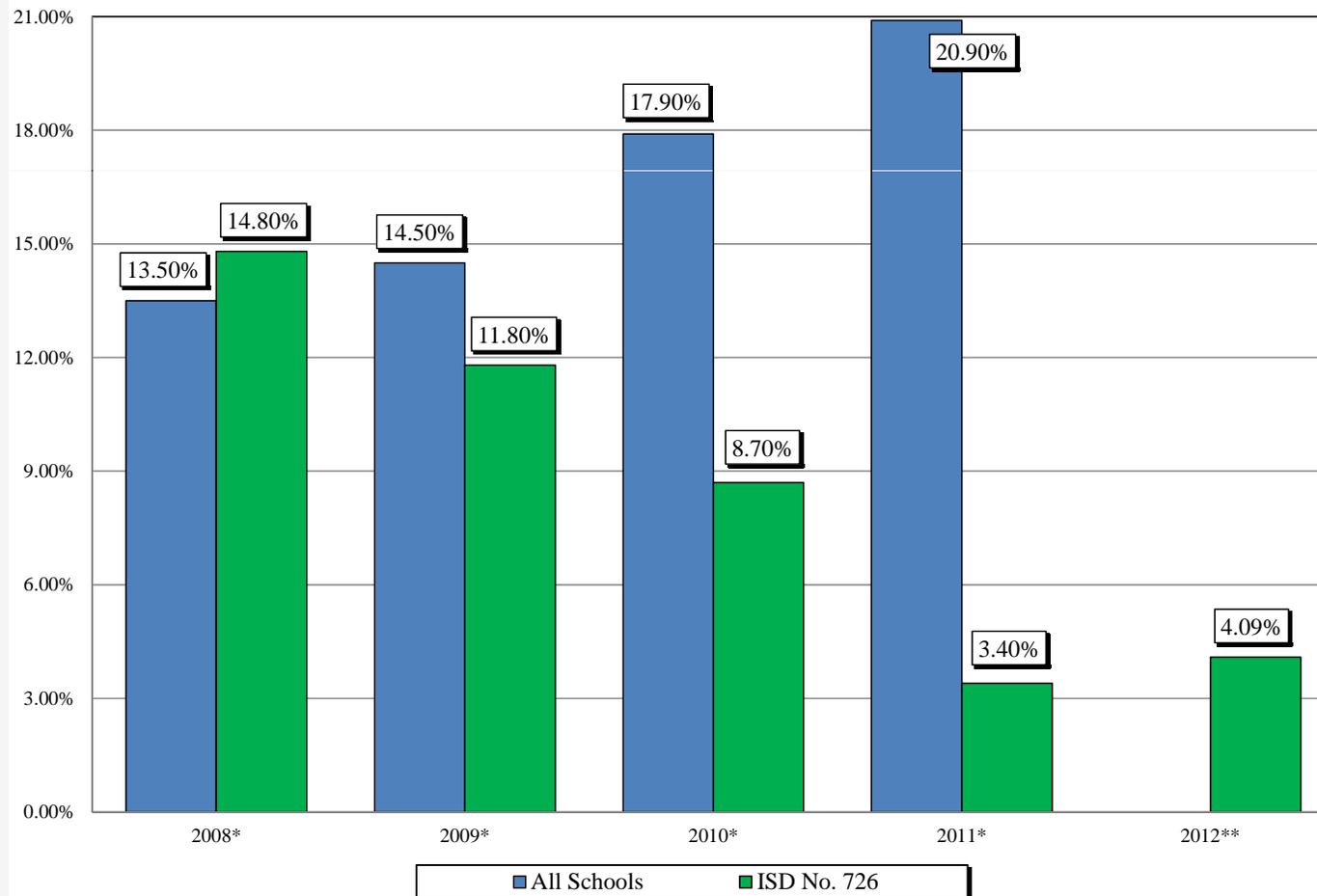
INDEPENDENT SCHOOL DISTRICT NO. 726

GENERAL FUND OPERATIONS

For the Fiscal Year Ended June 30,	2008	2009	2010	2011	2012
Revenues and Other Sources	\$ 21,835,631	\$ 22,521,642	\$ 22,525,027	\$ 23,816,645	\$ 24,315,186
Expenditures	22,574,126	23,245,332	23,582,866	24,748,789	24,730,824
Excess of Revenues Under Expenditures	(738,495)	(723,690)	(1,057,839)	(932,144)	(415,638)
Other Financing Sources	271,977	1,947	295,959	413,735	515,655
Fund Balance, July 1	3,918,724	3,452,206	2,730,463	1,968,583	937,938
Prior Period Adjustment	-	-	-	(512,236)	-
Fund Balance, June 30	\$ 3,452,206	\$ 2,730,463	\$ 1,968,583	\$ 937,938	\$ 1,037,955
Components:					
Nonspendable	\$ 650,740	\$ 735,600	\$ 615,632	\$ 53,346	\$ 151,879
Restricted/Reserved for:					
Staff Development	84,152	135,326	-	-	-
Operating Capital	205,304	273,662	137,445	141,882	26,608
Health and Safety	(17,120)	(122,770)	9,287	27,910	118,140
Deferred Maintenance	-	4,333	7,141	20,810	6,796
Committed for:					
Severance	208,514	-	-	-	-
Assigned for:					
Building Level Activity	152,808	165,721	125,685	120,396	139,616
Unassigned	2,167,808	1,538,591	1,073,393	573,594	594,916
Total	\$ 3,452,206	\$ 2,730,463	\$ 1,968,583	\$ 937,938	\$ 1,037,955

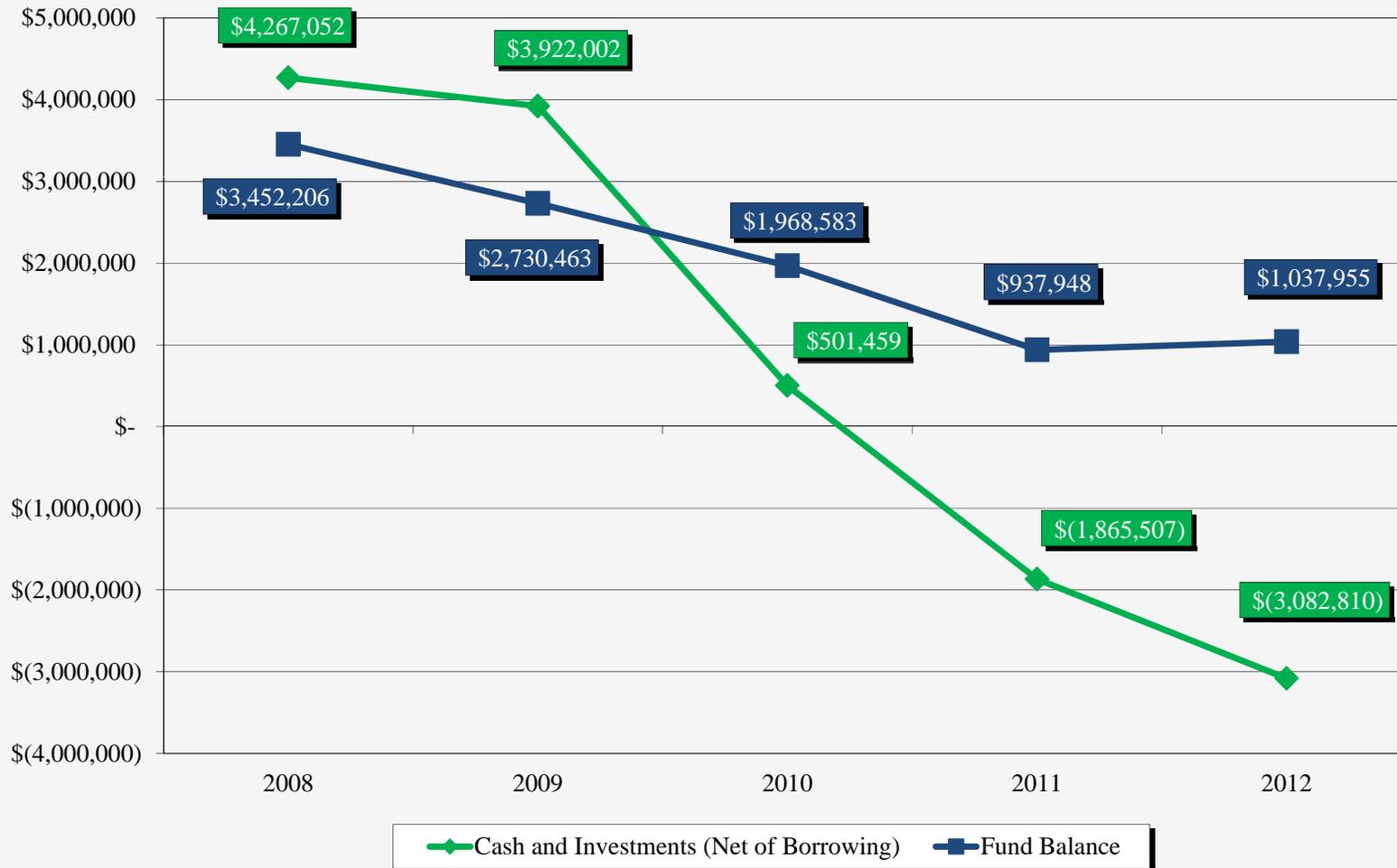
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General Fund Expenditures of Fund Balance



INDEPENDENT SCHOOL DISTRICT NO. 726

General Fund Financial Position





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Food Service Fund

For the Year Ended June 30,	2008	2009	2010	2011	2012
Revenues	\$ 971,641	\$ 1,094,334	\$ 1,079,841	\$ 1,107,995	\$ 1,146,550
Expenditures	955,111	1,071,560	1,069,893	1,063,971	1,161,995
Excess of Revenues Over (Under) Expenditures	16,530	22,774	9,948	44,024	(15,445)
Fund Balance, July 1	202,856	219,386	242,160	252,108	296,132
Fund Balance, June 30	\$ 219,386	\$ 242,160	\$ 252,108	\$ 296,132	\$ 280,687

Community Service Fund

For the Year Ended June 30,	2007	2008	2010	2011	2012
Revenues	\$ 475,121	\$ 664,724	\$ 630,974	\$ 704,538	\$ 876,179
Expenditures	512,683	667,594	632,289	690,188	849,905
Excess of Revenues Over (Under) Expenditures	(37,562)	(2,870)	(1,315)	14,350	26,274
Other Financing Sources	-	20,793	-	-	-
Fund Balance, July 1	(82,461)	(120,023)	(102,100)	(103,415)	(89,065)
Fund Balance, June 30	\$ (120,023)	\$ (102,100)	\$ (103,415)	\$ (89,065)	\$ (62,791)



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Questions?