

**DO
MORE.**

Independent School District No. 726
Becker, Minnesota

Financial Statement Presentation

June 30, 2020

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

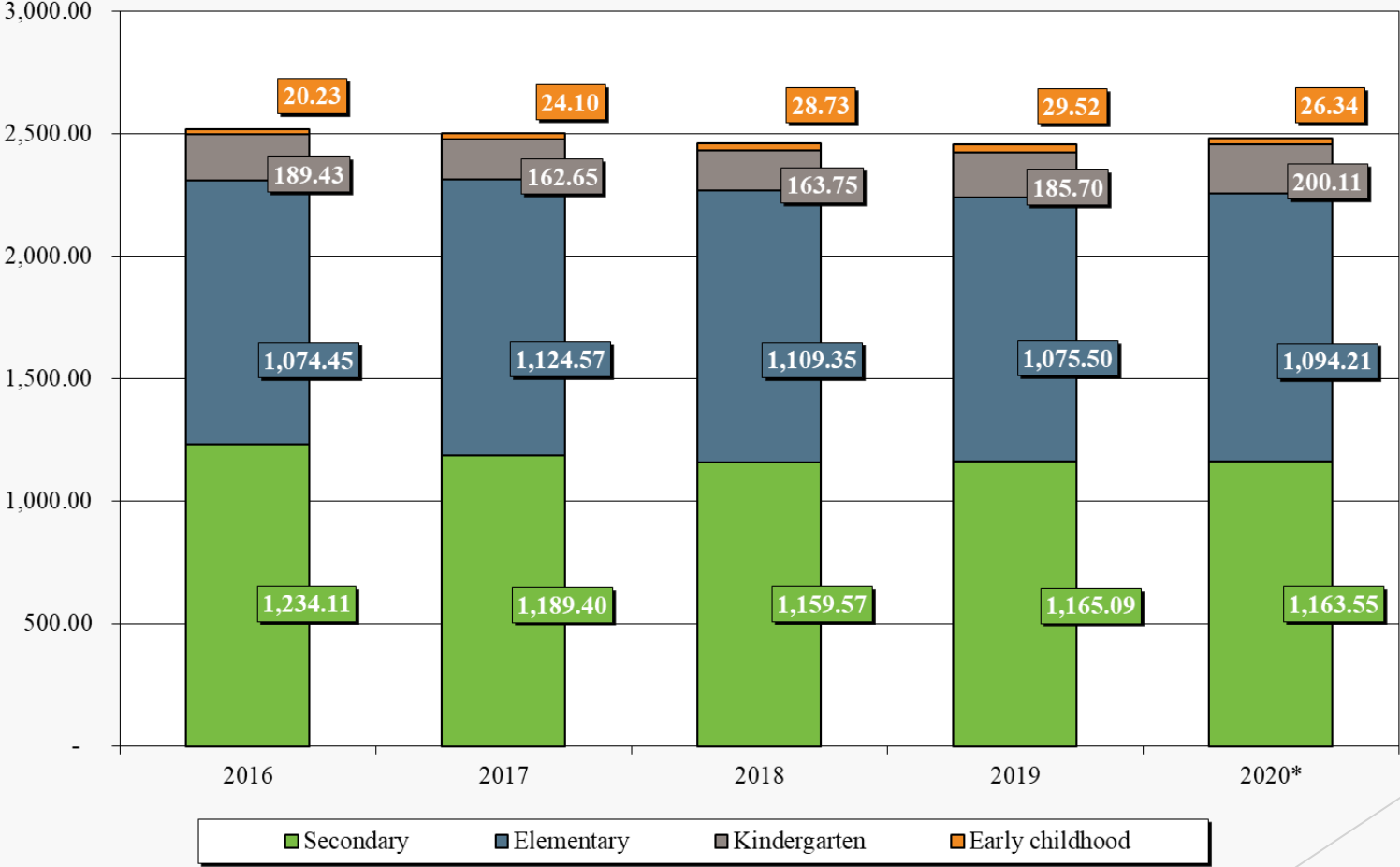
Year	General Education Aid Formula Allowance	
	Amount	Percent Increase
2011	\$ 5,124	0.0%
2012	5,174	1.0%
2013	5,224	1.0%
2014	5,302	1.5%
2015*	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%

* 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

ADM	2016	2017	2018	2019	2020*
Early childhood	20.23	24.10	28.73	29.52	26.34
Kindergarten	189.43	162.65	163.75	185.70	200.11
Elementary	1,074.45	1,124.57	1,109.35	1,075.50	1,094.21
Secondary	1,234.11	1,189.40	1,159.57	1,165.09	1,163.55
Total resident ADM	2,518.22	2,500.72	2,461.40	2,455.81	2,484.21
Total adjusted ADM	2,803.25	2,846.33	2,850.64	2,866.46	2,897.17

Resident Average Daily Membership

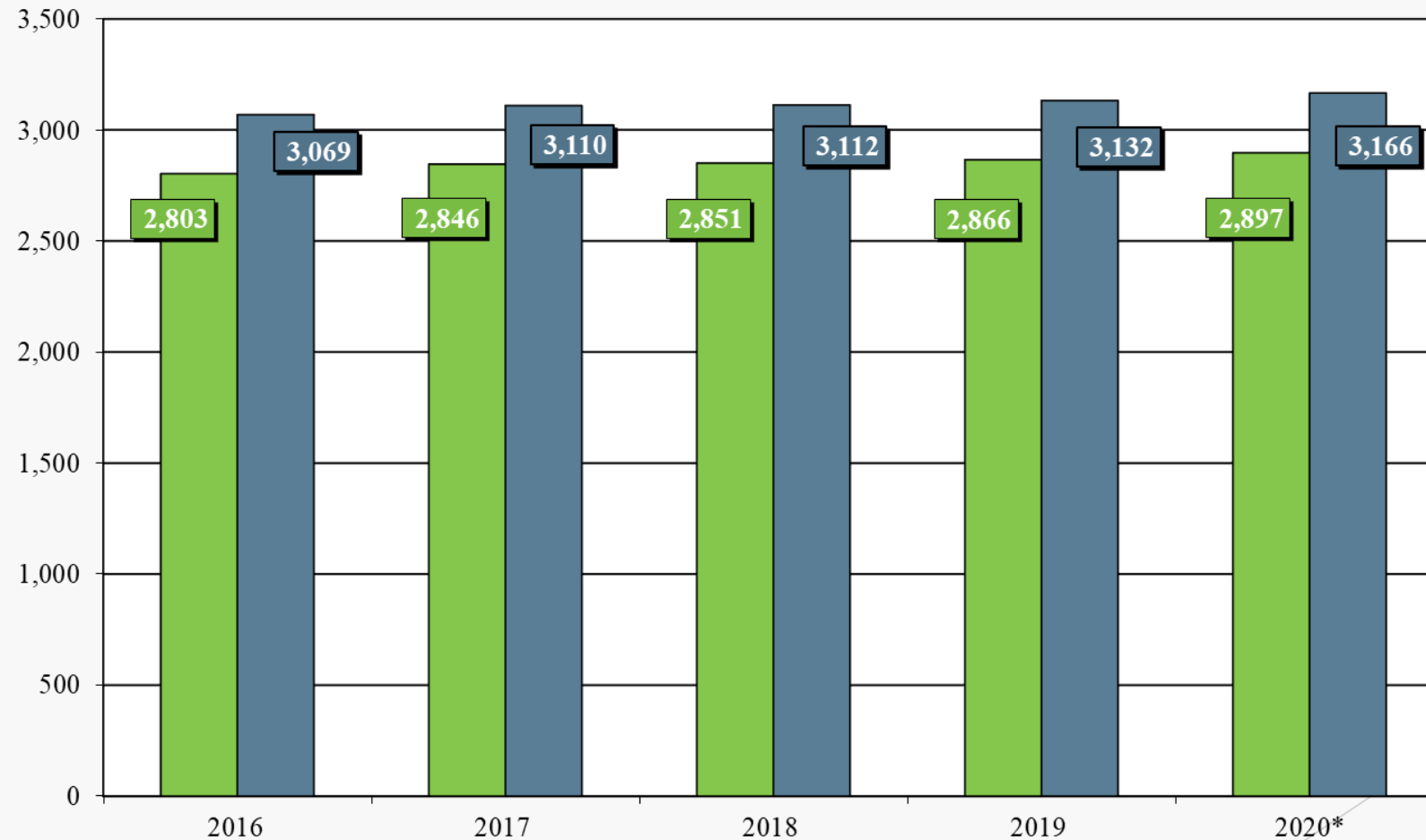


Pupil Unit Weighting and Adjusted Pupil Units

Pupil Units Weighting						
	Early Childhood	Handicapped Kindergarten	Kindergarten	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
2016-2020	1.000	1.000	1.000	1.000	1.000	1.200
Total adjusted ADM		2,803.25	2,846.33	2,850.64	2,866.46	2,897.17
Adjusted PUN	2016	2017	2018	2019	2020*	
Residents	2,765.01	2,738.60	2,693.32	2,688.84	2,716.91	
Resident loss	(132.10)	(119.53)	(126.58)	(136.75)	(157.40)	
Nonresident gain	435.68	490.79	545.53	579.94	606.48	
Total adjusted PUN	3,068.59	3,109.86	3,112.27	3,132.03	3,165.99	

*estimate

Pupil Unit Weighting and Adjusted Pupil Units



General Fund

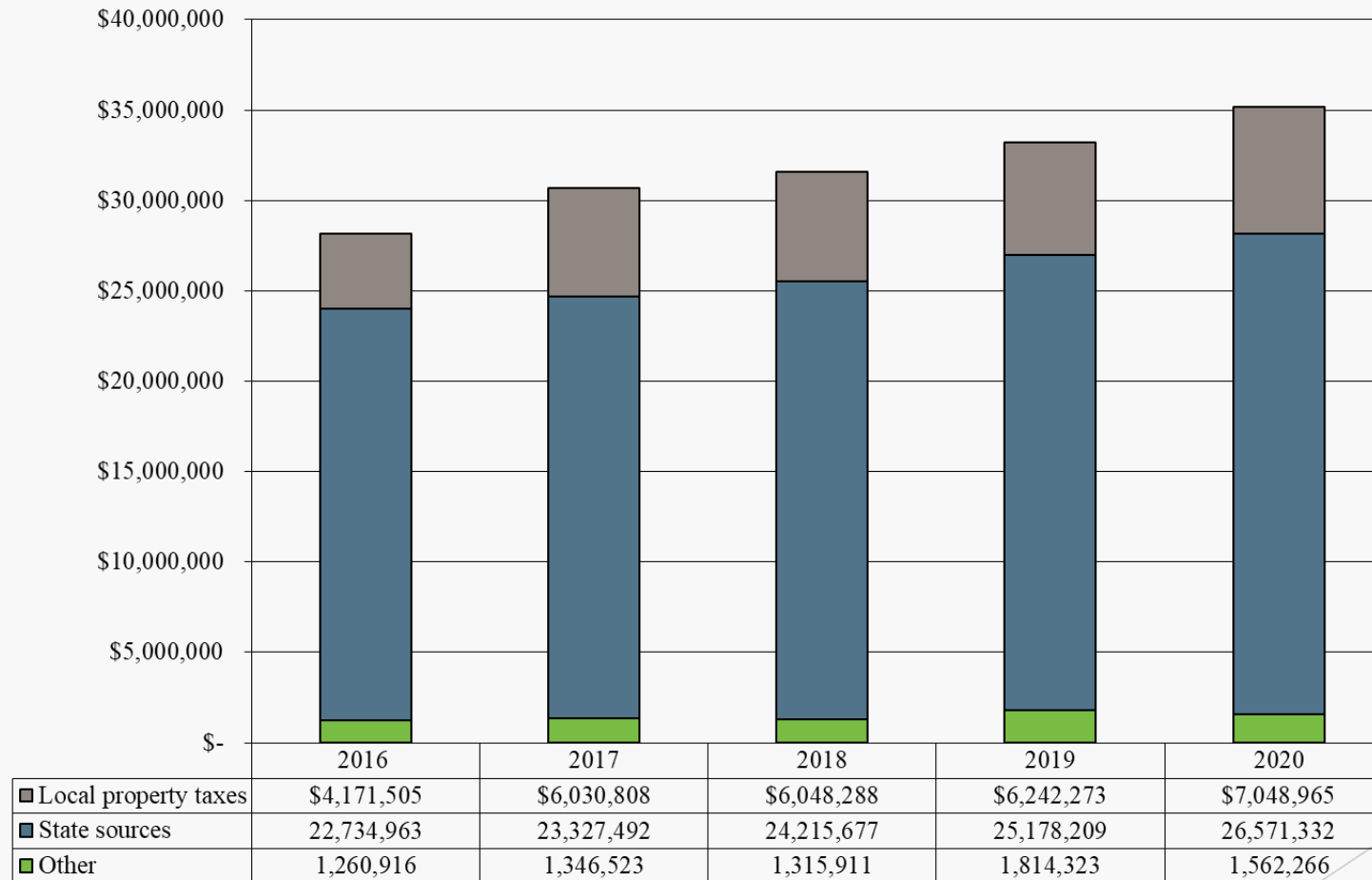
Budget and Actual

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues				
Local property taxes	\$ 7,012,705	\$ 7,012,705	\$ 7,048,965	\$ 36,260
State sources	25,801,407	26,082,427	26,571,332	488,905
Other	1,467,750	1,493,782	1,562,266	68,484
Total revenues	<u>34,281,862</u>	<u>34,588,914</u>	<u>35,182,563</u>	<u>593,649</u>
Expenditures				
Administration	1,481,451	1,481,451	1,531,680	50,229
District support services	640,648	655,448	695,166	39,718
Elementary and secondary regular instruction	16,838,221	17,014,965	16,865,497	(149,468)
Vocational education instruction	99,500	99,500	45,712	(53,788)
Special education instruction	5,977,309	6,180,309	6,294,059	113,750
Instructional support services	2,276,517	2,287,335	2,114,679	(172,656)
Pupil support services	2,514,462	2,515,362	2,448,681	(66,681)
Sites and buildings	3,599,444	3,553,383	3,546,050	(7,333)
Debt service, fiscal, and other fixed costs	803,302	803,302	805,518	2,216
Total expenditures	<u>34,230,854</u>	<u>34,591,055</u>	<u>34,347,042</u>	<u>(244,013)</u>
Excess of revenues over (under) expenditures	51,008	(2,141)	835,521	837,662
Net Other Financing Sources (Uses)				
Total other financing sources (uses)	<u>120,000</u>	<u>48,000</u>	<u>45,846</u>	<u>(2,154)</u>
Net change in fund balances	\$ 171,008	\$ 45,859	\$ 881,367	\$ 835,508

General Fund Operations

For the Year Ended June 30,	2016	2017	2018	2019	2020
Revenues	\$ 28,167,384	\$ 30,704,823	\$ 31,579,876	\$ 33,234,805	\$ 35,182,563
Expenditures	28,514,021	30,091,998	32,636,654	34,503,824	34,347,042
Excess of revenues over (under) expenditures	(346,637)	612,825	(1,056,778)	(1,269,019)	835,521
Net other financing sources	286,085	505,892	682,127	485,674	45,846
Fund balance, July 1	561,961	501,409	1,620,126	1,245,475	462,130
Change in accounting principle	-	-	-	-	1,721
Fund Balance, June 30	\$ 501,409	\$ 1,620,126	\$ 1,245,475	\$ 462,130	\$ 1,345,218
Components					
Nonspendable	\$ 153,002	\$ 464,457	\$ 254,734	\$ 194,665	\$ 447,816
Restricted/reserved for*					
Operating capital	4,407	76,041	20,035	1,648	22,530
Achievement and integration	-	6,656	-	-	-
Long-term facilities maintenance	-	(1,618)	(29,503)	(64,072)	1,250
Health and safety	(462,612)	(77,920)	-	-	-
Deferred maintenance	(13,413)	-	-	-	-
Student Activities	-	-	-	-	89,608
Scholarships	-	-	-	-	3,721
Assigned for					
Building level activity	249,334	246,904	251,043	153,912	115,864
Unassigned	570,691	905,606	749,166	175,977	664,429
Total	\$ 501,409	\$ 1,620,126	\$ 1,245,475	\$ 462,130	\$ 1,345,218

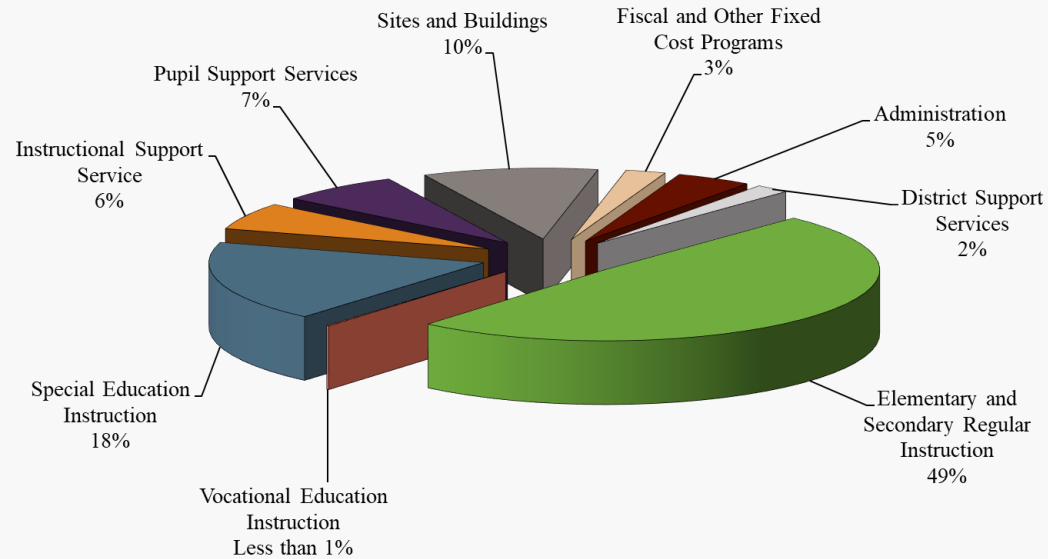
General Fund Sources of Revenue



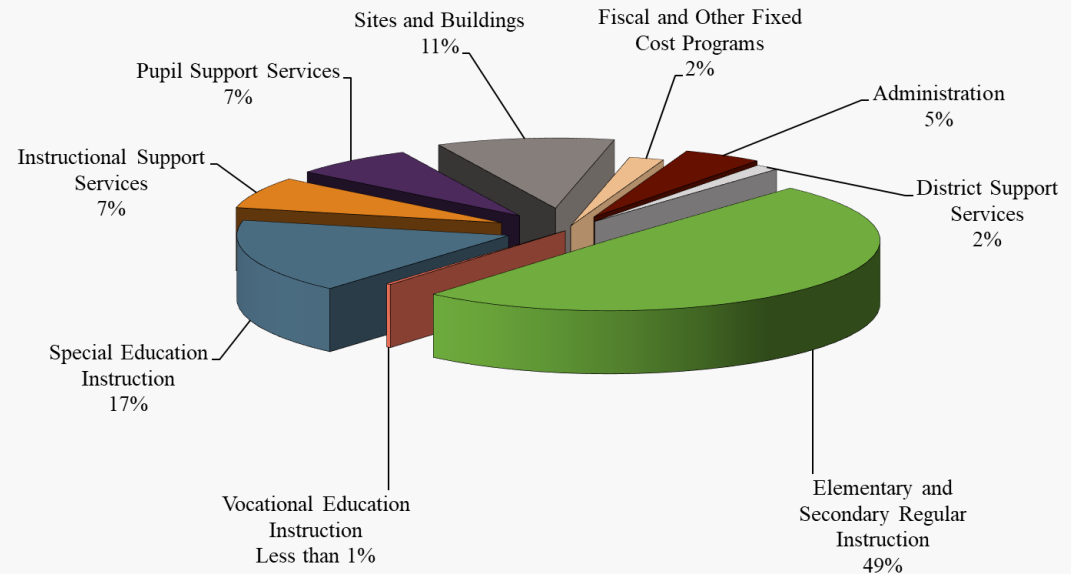
General Fund

2020 and 2019 Expenditures

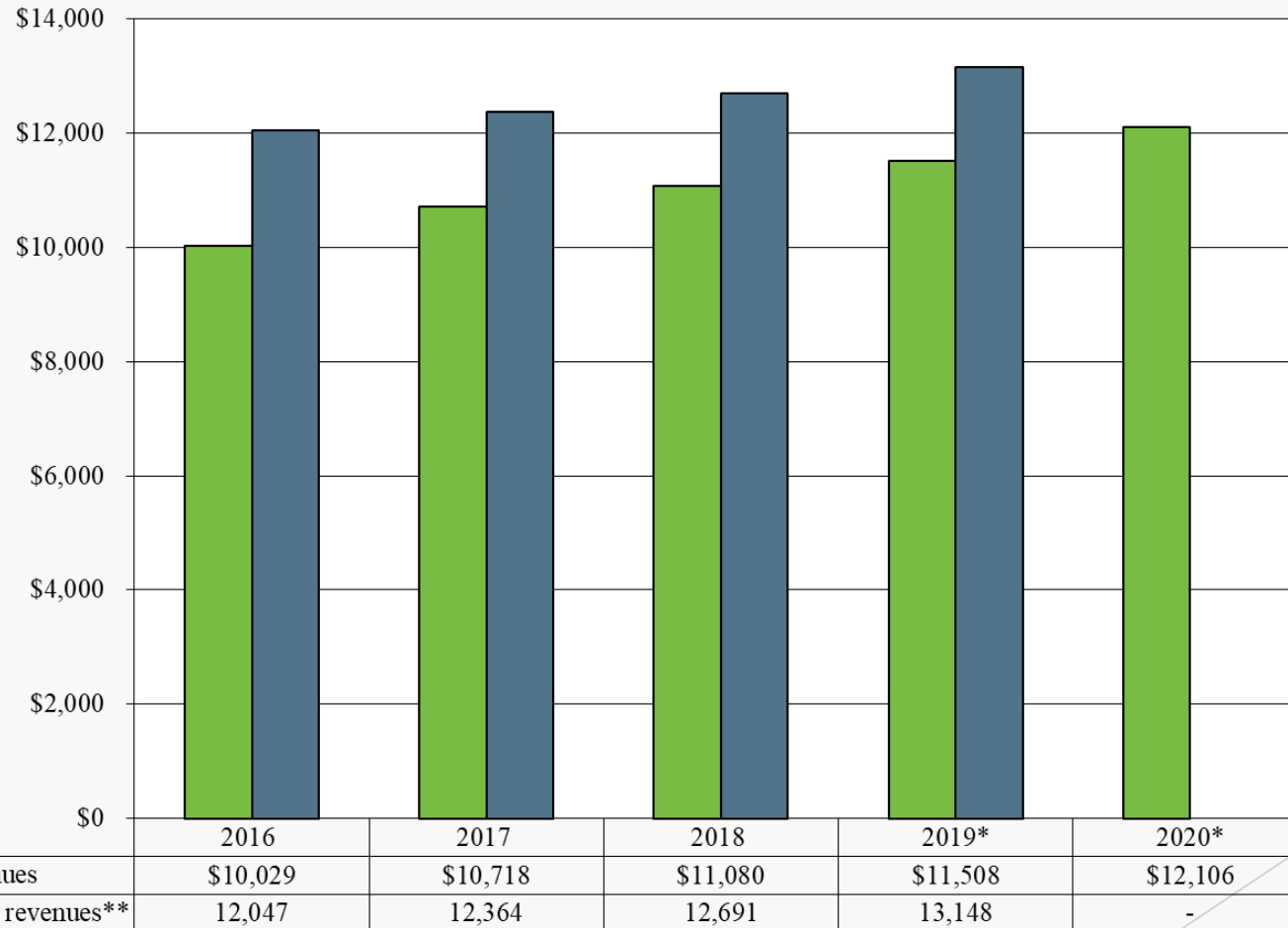
2020 General Fund Expenditures-\$34,347,042



2019 General Fund Expenditures-\$34,503,824

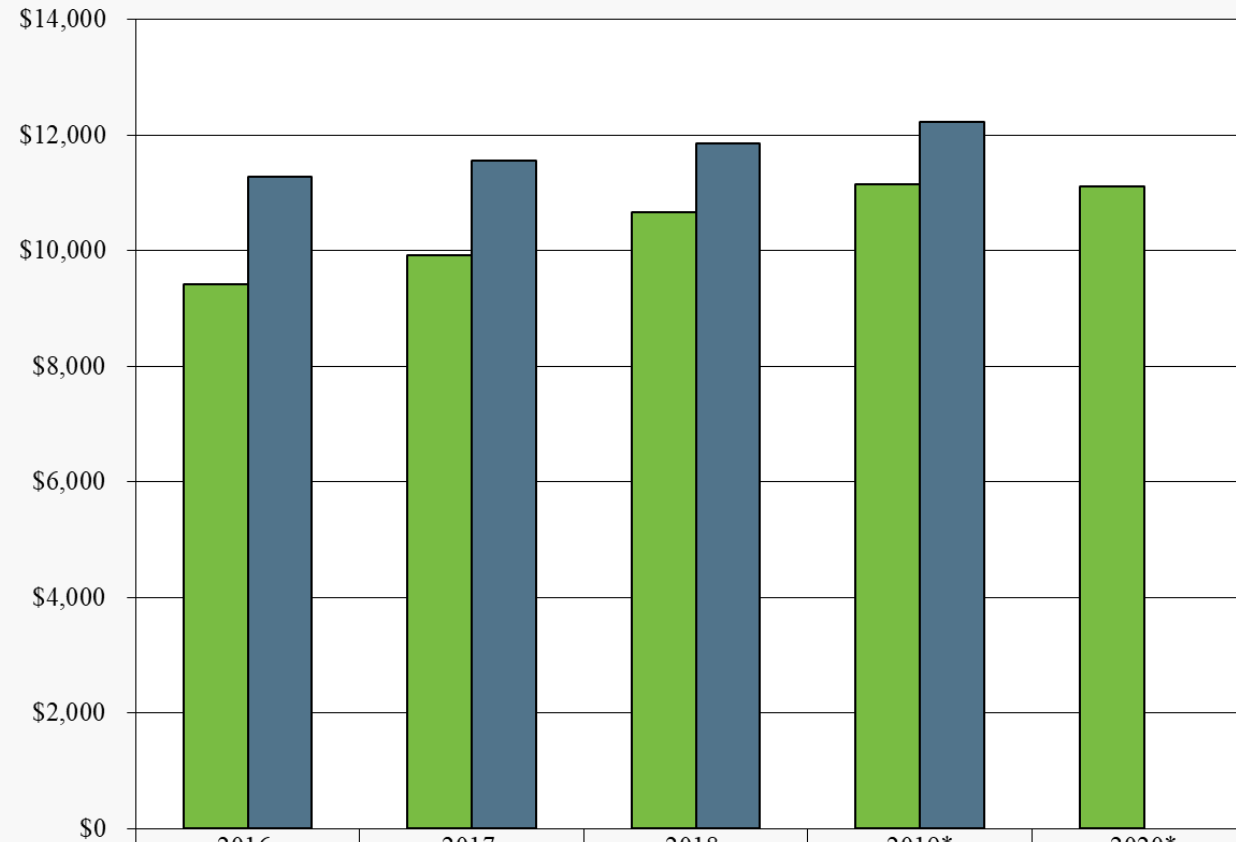


General Fund Revenues per ADM Served



General Fund

Operating Expenditures per ADM Served



■ District expenditures	\$9,425	\$9,926	\$10,670	\$11,151	\$11,114
■ State average expenditures**	11,279	11,548	11,853	12,220	-

General Fund

Expenditures by Program and General Fund Operations

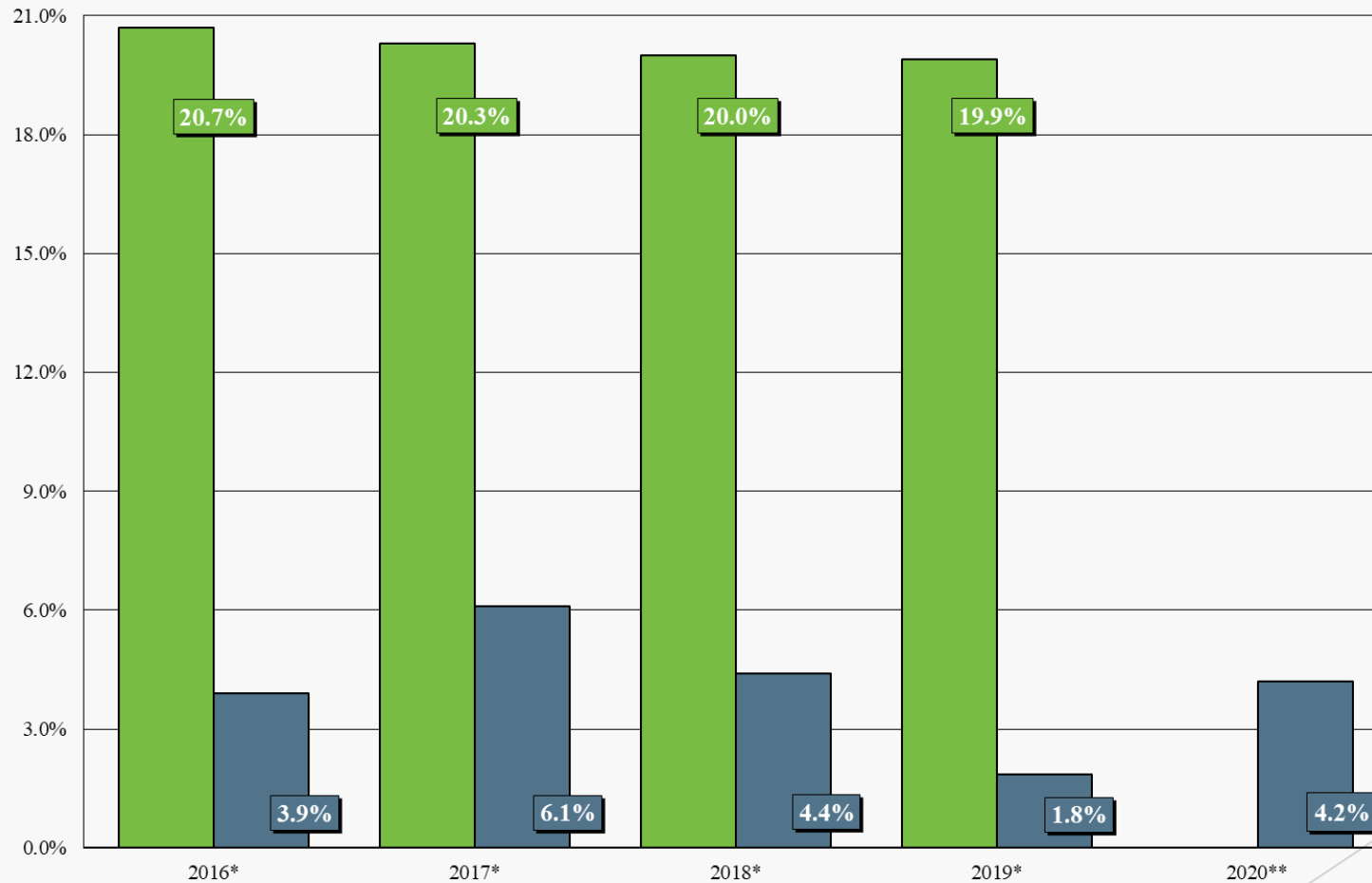
	District	State	District	State
	2019**	2019**	2020*	2020
District and school administration	7.4%	8.6%	6.5%	N/A
Regular instruction***	49.7%	44.1%	48.9%	N/A
Vocational instruction	0.3%	1.3%	0.1%	N/A
Special education instruction	17.3%	18.4%	18.3%	N/A
Instructional support services	5.0%	5.0%	6.1%	N/A
Pupil support services****	6.7%	9.1%	7.2%	N/A
Sites, buildings, and equipment	8.3%	7.3%	8.9%	N/A
Capital outlay	5.3%	6.2%	4.0%	N/A
Total	100.0%	100.0%	100.0%	

General Fund

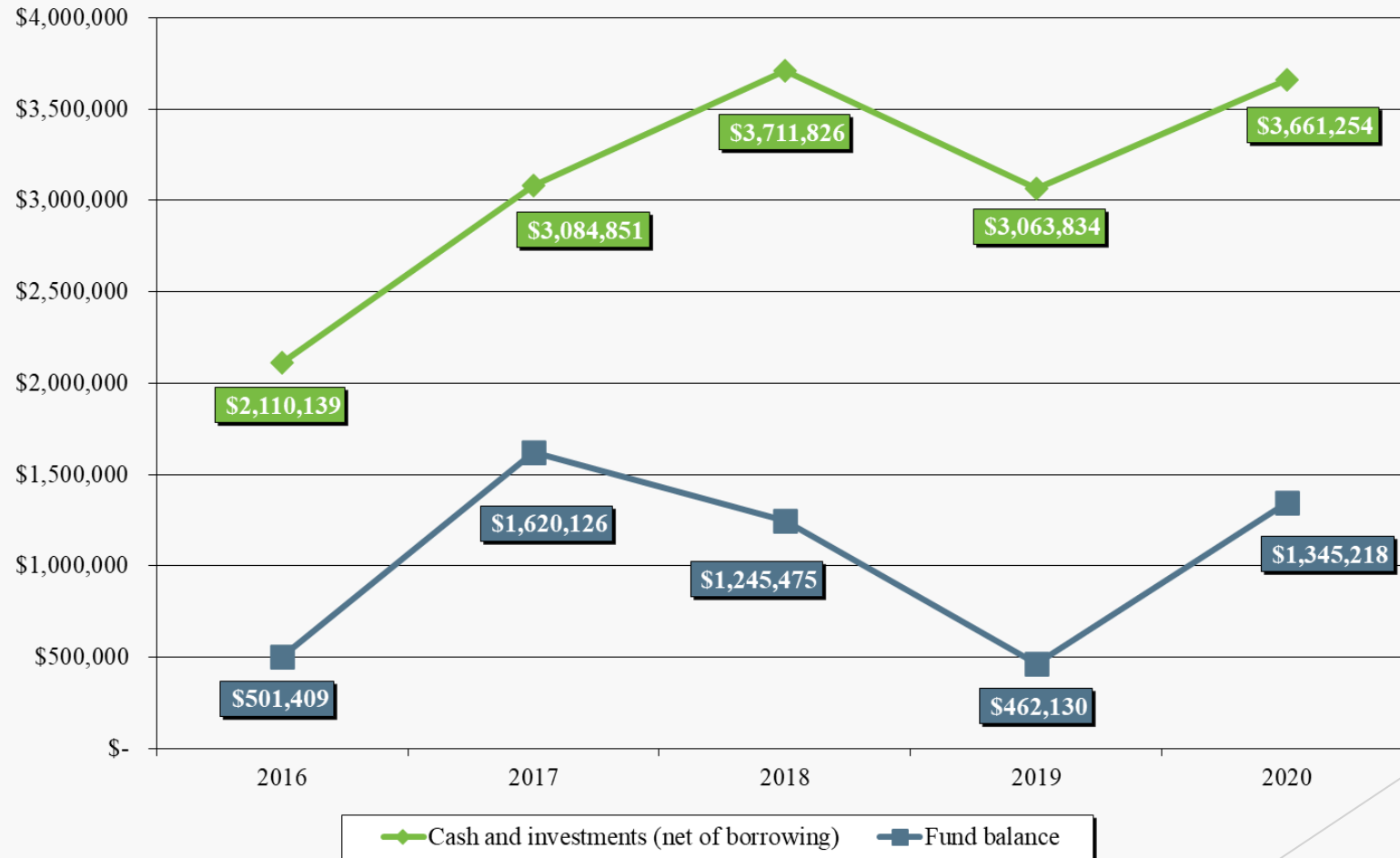
Net Revenues and Expenditures



General Fund Expenditures of Fund Balance



General Fund Financial Position



Food Service Fund Operations

For the Year Ended June 30,	2016	2017	2018	2019	2020
Revenues	\$ 1,283,327	\$ 1,408,376	\$ 1,448,016	\$ 1,517,153	\$ 1,533,416
Expenditures	1,334,686	1,391,899	1,444,000	1,476,030	1,470,741
Excess of revenues over (under) expenditures	(51,359)	16,477	4,016	41,123	62,675
Fund balance, July 1	45,480	(5,879)	10,598	14,614	55,737
Fund Balance, June 30	\$ (5,879)	\$ 10,598	\$ 14,614	\$ 55,737	\$ 118,412

Community Service Fund

Operations

For the Year Ended June 30,	2016	2017	2018	2019	2020
Revenues	\$ 1,067,440	\$ 1,183,248	\$ 1,202,977	\$ 1,325,962	\$ 1,258,603
Expenditures	998,286	1,056,185	1,249,256	1,471,172	1,311,818
Excess of revenues over (under) expenditures	69,154	127,063	(46,279)	(145,210)	(53,215)
Transfer in	-	-	-	-	100,000
Fund balance, July 1	126,573	195,727	322,790	276,511	131,301
Fund Balance, June 30	\$ 195,727	\$ 322,790	\$ 276,511	\$ 131,301	\$ 178,086

Components					
Nonspendable	\$ 210	\$ 4,400	\$ 8,227	\$ 8,781	\$ 9,840
Restricted/reserved for					
Community education*	49,173	98,800	55,374	(7,917)	8,555
Early childhood and family education	103,690	123,782	116,982	113,464	150,717
School readiness	42,654	95,808	95,425	16,540	5,833
Community service			503	433	3,141
Fund Balance, June 30	\$ 195,727	\$ 322,790	\$ 276,511	\$ 131,301	\$ 178,086

QUESTIONS?

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THANK YOU

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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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