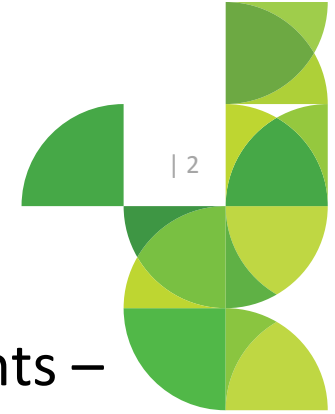




Independent School District
No. 726
Becker, Minnesota

Audited Financial Statements
June 30, 2016

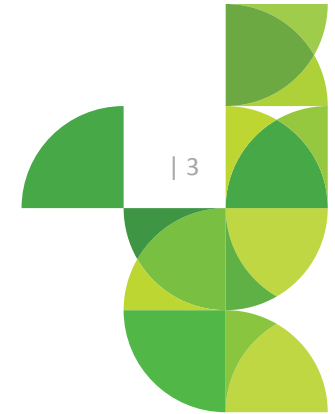




Components of the Audit

- 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



		General Education Aid Formula Allowance	
Year	Amount	Percent Increase	
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.

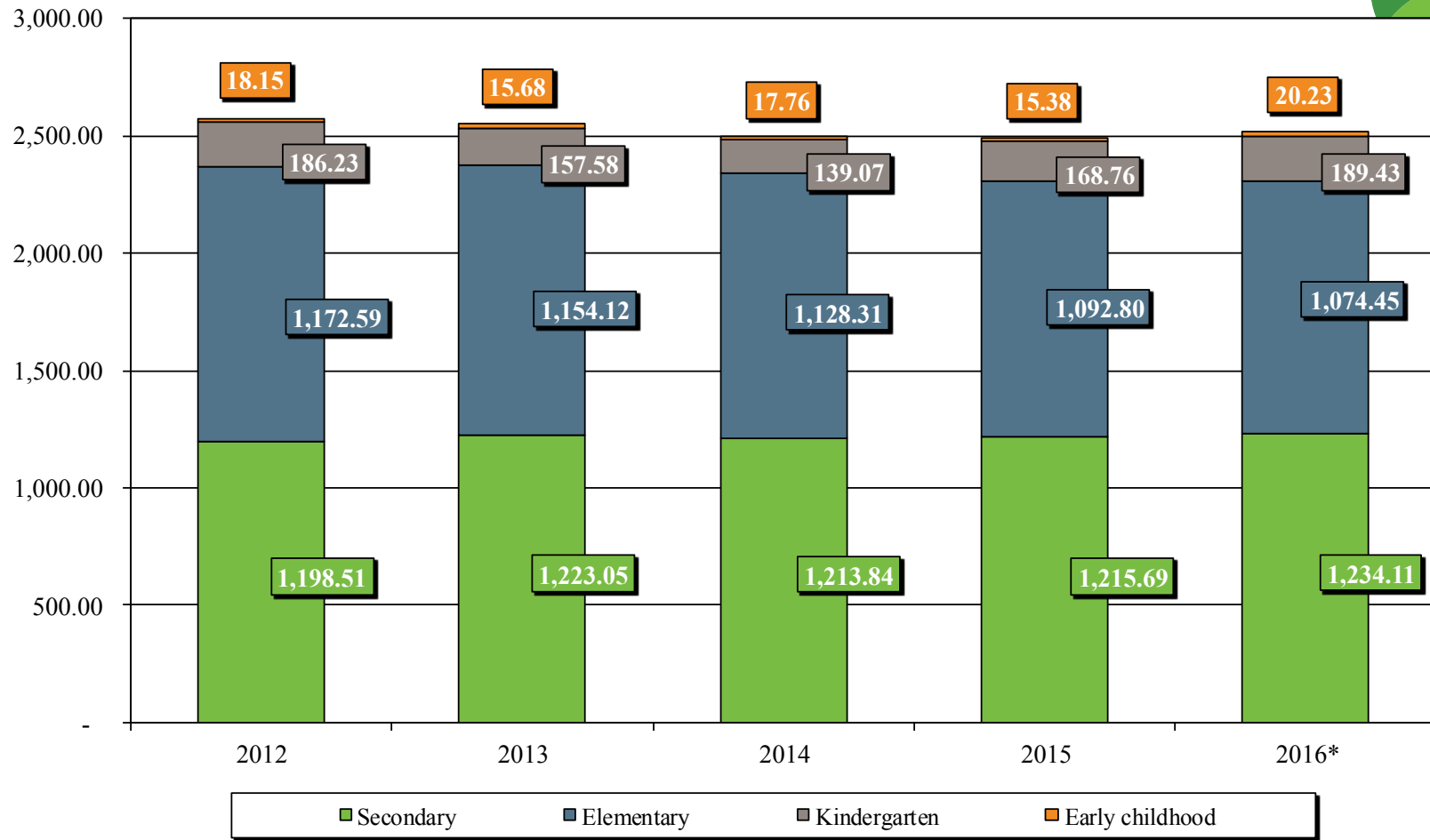
Resident Average Daily Membership and Pupil Units

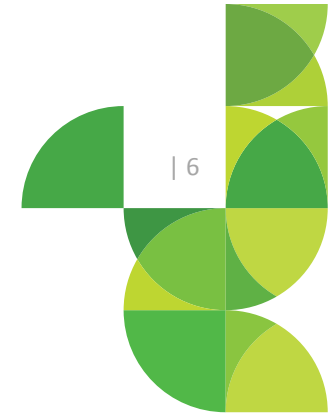


ADM	2012	2013	2014	2015	2016*
Early childhood	18.15	15.68	17.76	15.38	20.23
Kindergarten	186.23	157.58	139.07	168.76	189.43
Elementary	1,172.59	1,154.12	1,128.31	1,092.80	1,074.45
Secondary	1,198.51	1,223.05	1,213.84	1,215.69	1,234.11
Total resident ADM	2,575.48	2,550.43	2,498.98	2,492.63	2,518.22

* Estimate

Resident ADM





Weighted Pupil Units

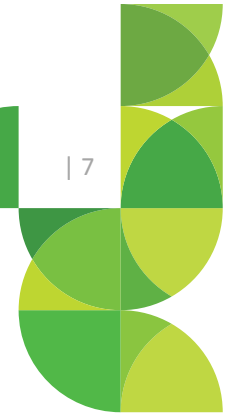
Pupil Units Weighting						
	Early Childhood	Handicapped Kindergarten	Kindergarten	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
2012 - 2014	1.250	1.000	0.612	1.115	1.060	1.300
2015 - 2016	1.000	1.000	1.000	1.000	1.000	1.200

Adjusted WADM/PUN	2012	2013	2014	2015	2016*
Residents	2,974.28	2,963.33	2,915.82	2,735.76	2,765.01
Resident loss	(121.94)	(149.13)	(139.46)	(134.88)	(132.10)
Nonresident gain	281.93	337.46	387.08	396.66	435.68
Total adjusted WADM/PUN	3,134.27	3,151.66	3,163.44	2,997.54	3,068.59

* Estimate

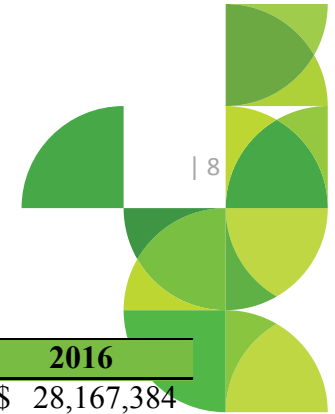
General Fund Budget and Actual

| 7



	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues				
Local property taxes	\$ 4,190,001	\$ 4,196,001	\$ 4,171,505	\$ (24,496)
State sources	21,799,470	22,272,288	22,734,963	462,675
Other	1,222,550	1,196,620	1,260,916	64,296
Total revenues	<u>27,212,021</u>	<u>27,664,909</u>	<u>28,167,384</u>	<u>502,475</u>
Expenditures				
Administration	1,314,806	1,325,271	1,330,062	4,791
District support services	554,096	550,296	534,278	(16,018)
Elementary and secondary regular instruction	13,892,104	14,076,595	14,558,035	481,440
Vocational education instruction	118,073	115,700	121,459	5,759
Special education instruction	4,212,549	4,463,959	4,373,826	(90,133)
Instructional support services	2,244,811	1,746,138	1,852,063	105,925
Pupil support services	1,955,775	1,965,372	1,832,465	(132,907)
Sites and buildings	2,800,108	3,180,792	3,428,533	247,741
Debt service, fiscal, and other fixed costs	467,922	486,956	483,300	(3,656)
Total expenditures	<u>27,560,244</u>	<u>27,911,079</u>	<u>28,514,021</u>	<u>602,942</u>
Excess of revenues under expenditures	(348,223)	(246,170)	(346,637)	(100,467)
Net Other Financing Sources	<u>614,000</u>	<u>267,400</u>	<u>286,085</u>	<u>18,685</u>
Net change in fund balances	\$ 265,777	\$ 21,230	\$ (60,552)	\$ (81,782)

General Fund Operations

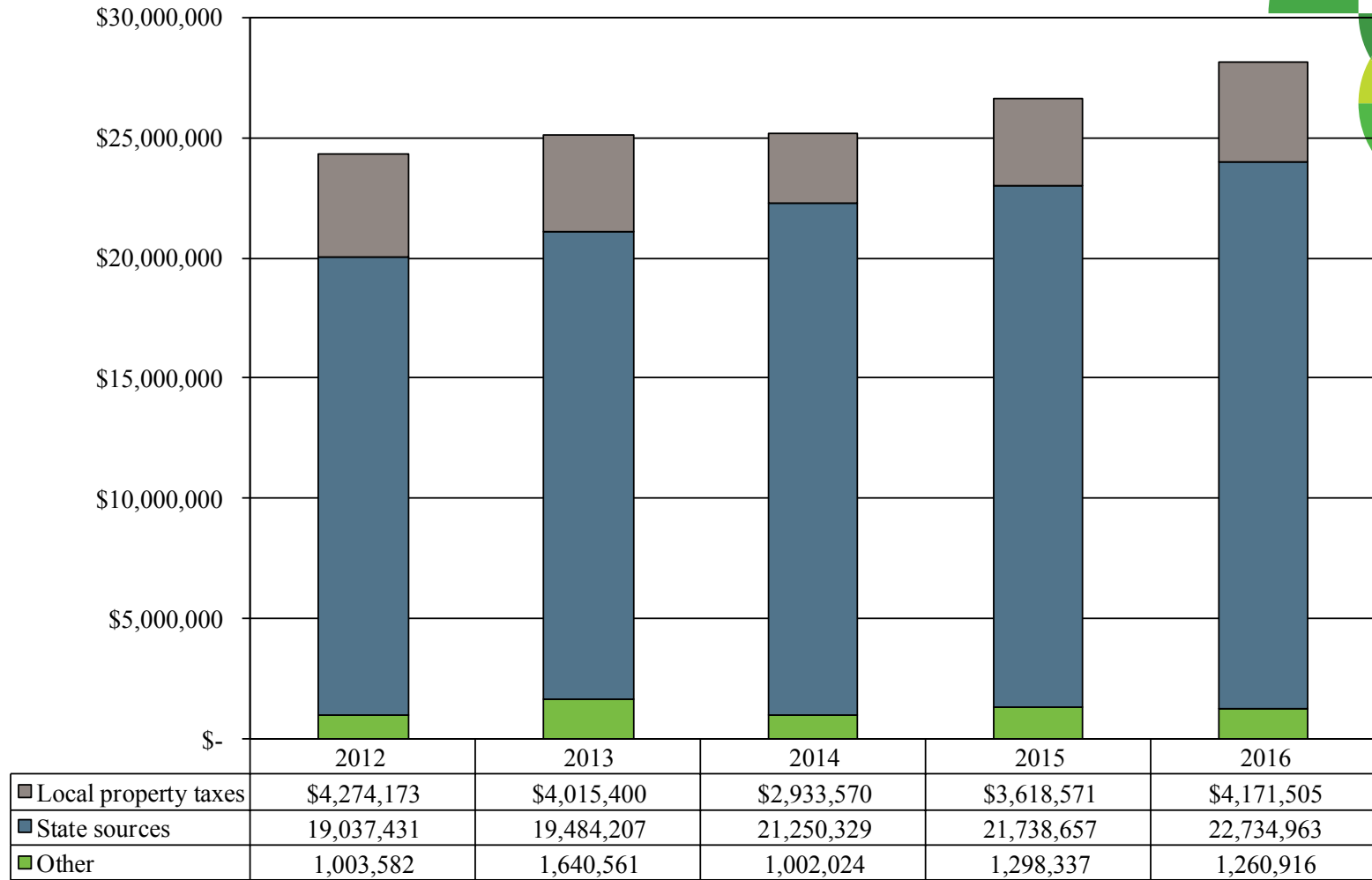


For the year ended June 30,	2012	2013	2014	2015	2016
Revenues	\$ 24,315,186	\$ 25,140,168	\$ 25,185,923	\$ 26,655,565	\$ 28,167,384
Expenditures	24,730,824	25,532,416	25,527,679	27,574,763	28,514,021
Excess of revenues under expenditures	(415,638)	(392,248)	(341,756)	(919,198)	(346,637)
Other financing sources	515,655	306,351	234,983	635,874	286,085
Fund balance, July 1	937,938	1,037,955	952,058	845,285	561,961
Fund balance, June 30	\$ 1,037,955	\$ 952,058	\$ 845,285	\$ 561,961	\$ 501,409

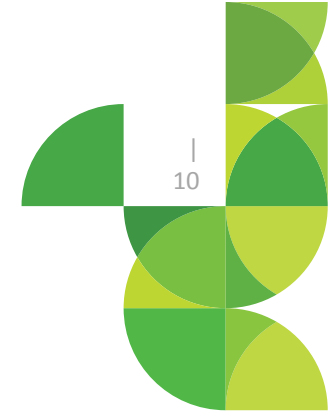
Components					
Nonspendable	\$ 151,879	\$ 173,023	\$ 221,302	\$ 240,140	\$ 153,002
Restricted/reserved for*					
Operating capital	26,608	-	-	-	4,407
Health and safety	118,140	(38,303)	(145,458)	(388,332)	(462,612)
Deferred maintenance	6,796	6,006	7,147	13,322	(13,413)
Assigned for					
Building level activity	139,616	188,814	189,990	221,486	249,334
Unassigned	594,916	622,518	572,304	475,345	570,691
Total	\$ 1,037,955	\$ 952,058	\$ 845,285	\$ 561,961	\$ 501,409

* The deficit amounts are shown in the unassigned fund balance on the Balance Sheet.

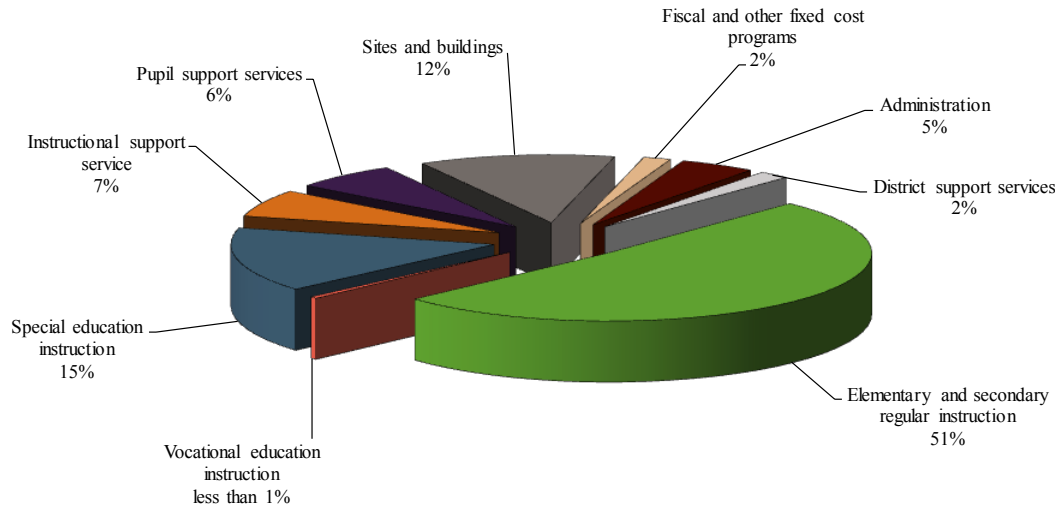
General Fund Sources of Revenue



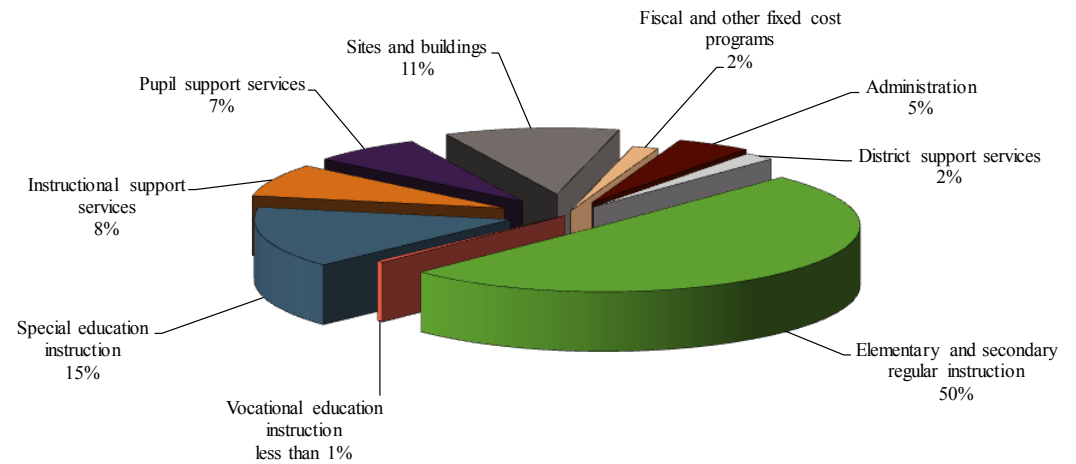
General Fund Expenditures



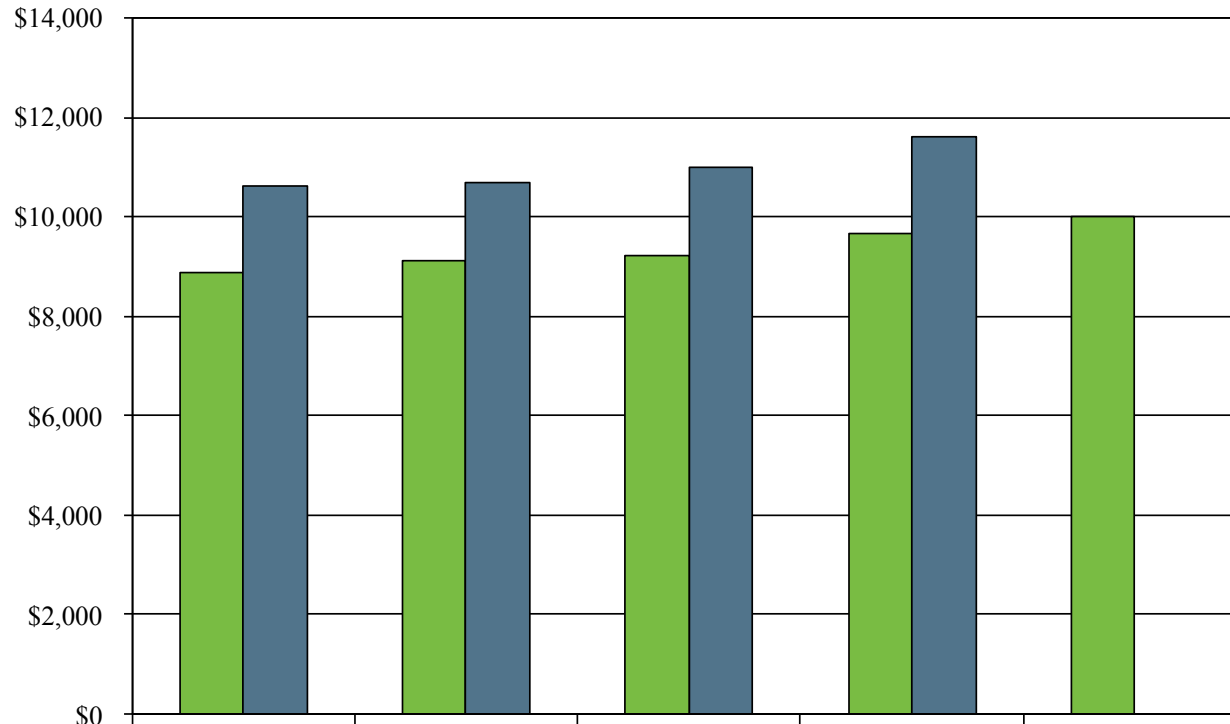
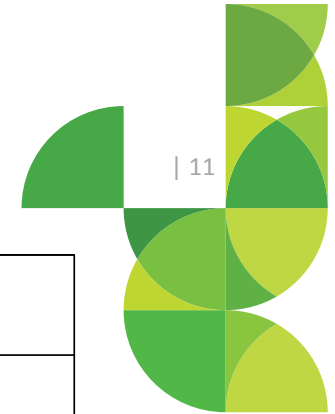
2016 General Fund Expenditures



2015 General Fund Expenditures



Revenues Per ADM Served

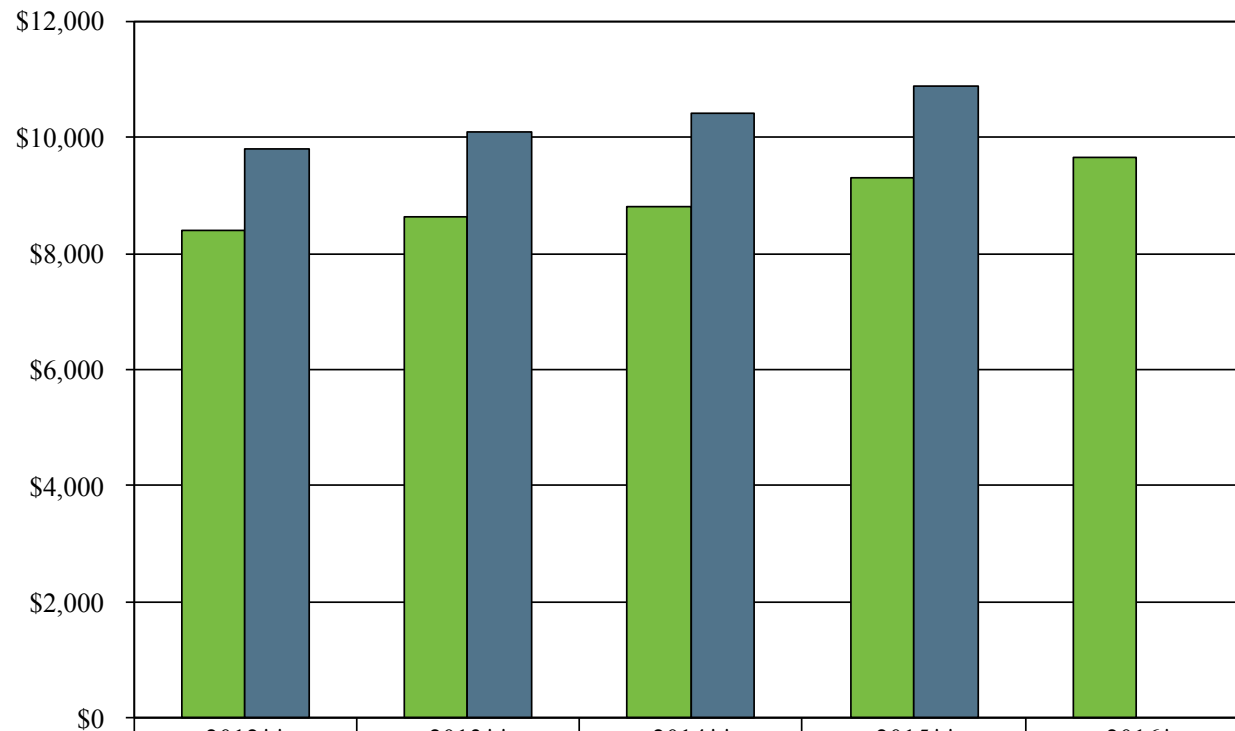


	2012**	2013**	2014**	2015**	2016*
District revenues	\$8,886	\$9,116	\$9,222	\$9,674	\$10,023
State average revenues	10,617	10,698	11,000	11,614	-

* 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



	2012**	2013**	2014**	2015**	2016*
District expenditures	\$8,404	\$8,639	\$8,826	\$9,324	\$9,673
State average expenditures	9,817	10,096	10,433	10,878	-

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

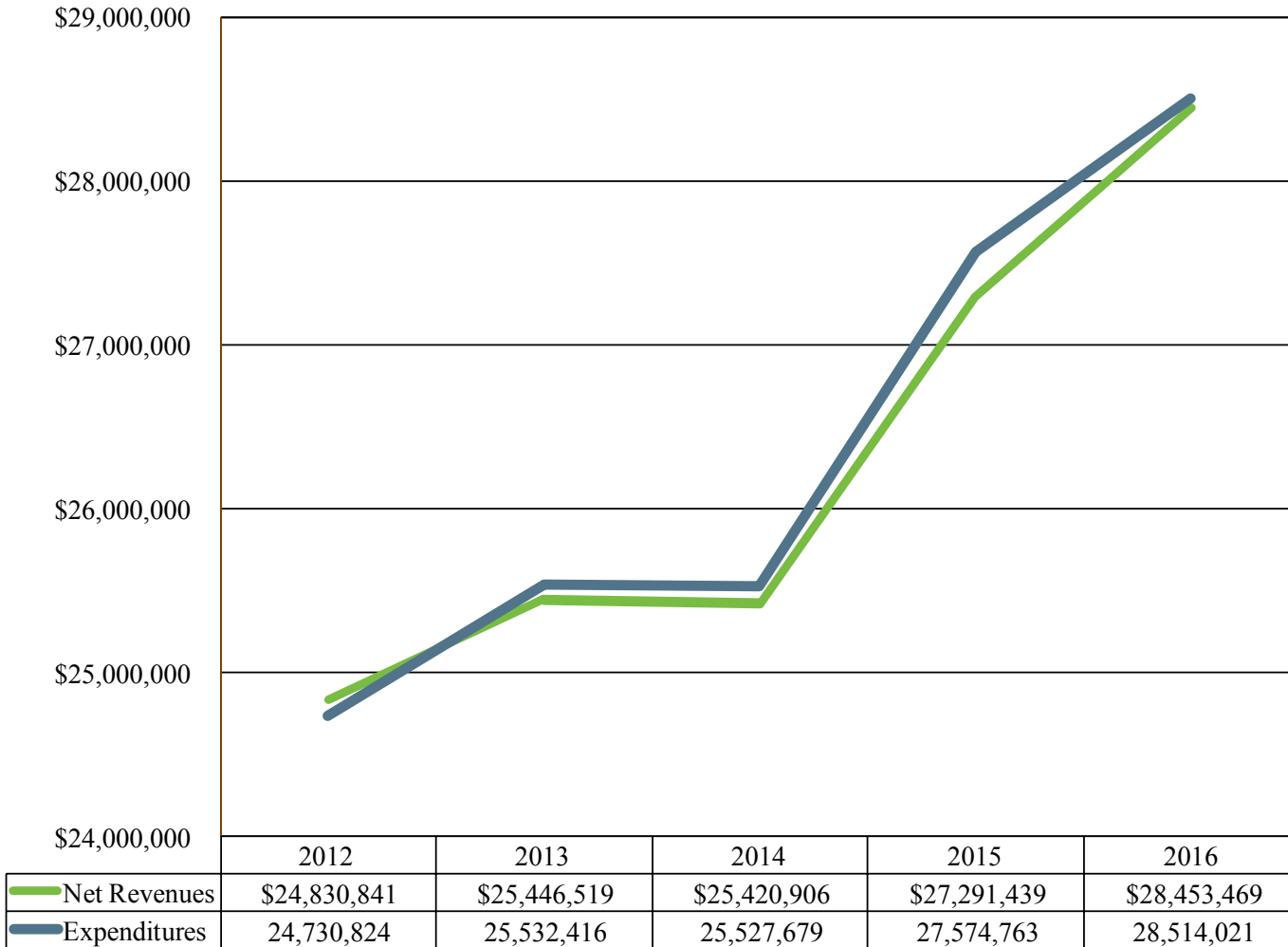
Expenditures and Revenues per ADM served

	District	State	District	State
	2015**	Average	2016*	Average
	2015**	2015**	2016*	2016
District and school administration	7.5%	8.6%	6.5%	N/A
Regular instruction***	51.2%	45.7%	50.7%	N/A
Vocational instruction	0.5%	1.2%	0.4%	N/A
Special education instruction	15.3%	17.8%	15.3%	N/A
Instructional support services	4.9%	5.0%	6.2%	N/A
Pupil support services****	6.4%	8.6%	6.0%	N/A
Sites, buildings, and equipment	9.6%	7.5%	11.1%	N/A
Capital outlay	4.6%	5.6%	3.8%	N/A
	100.0%	100.0%	100.0%	

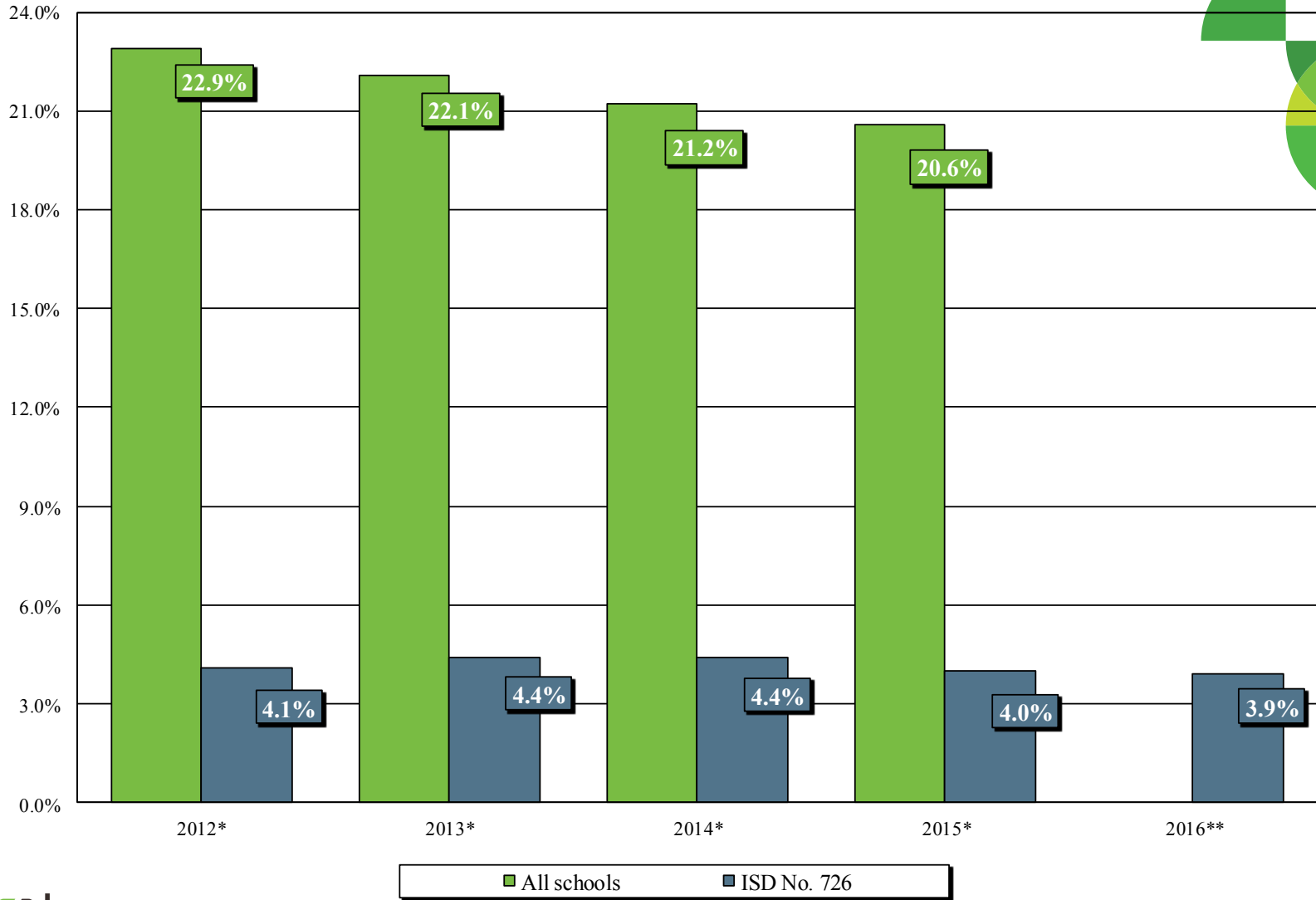
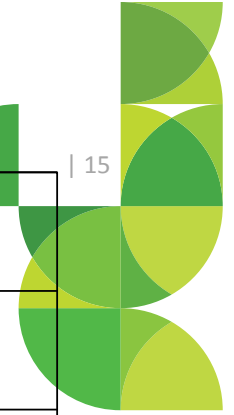
* Estimate

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

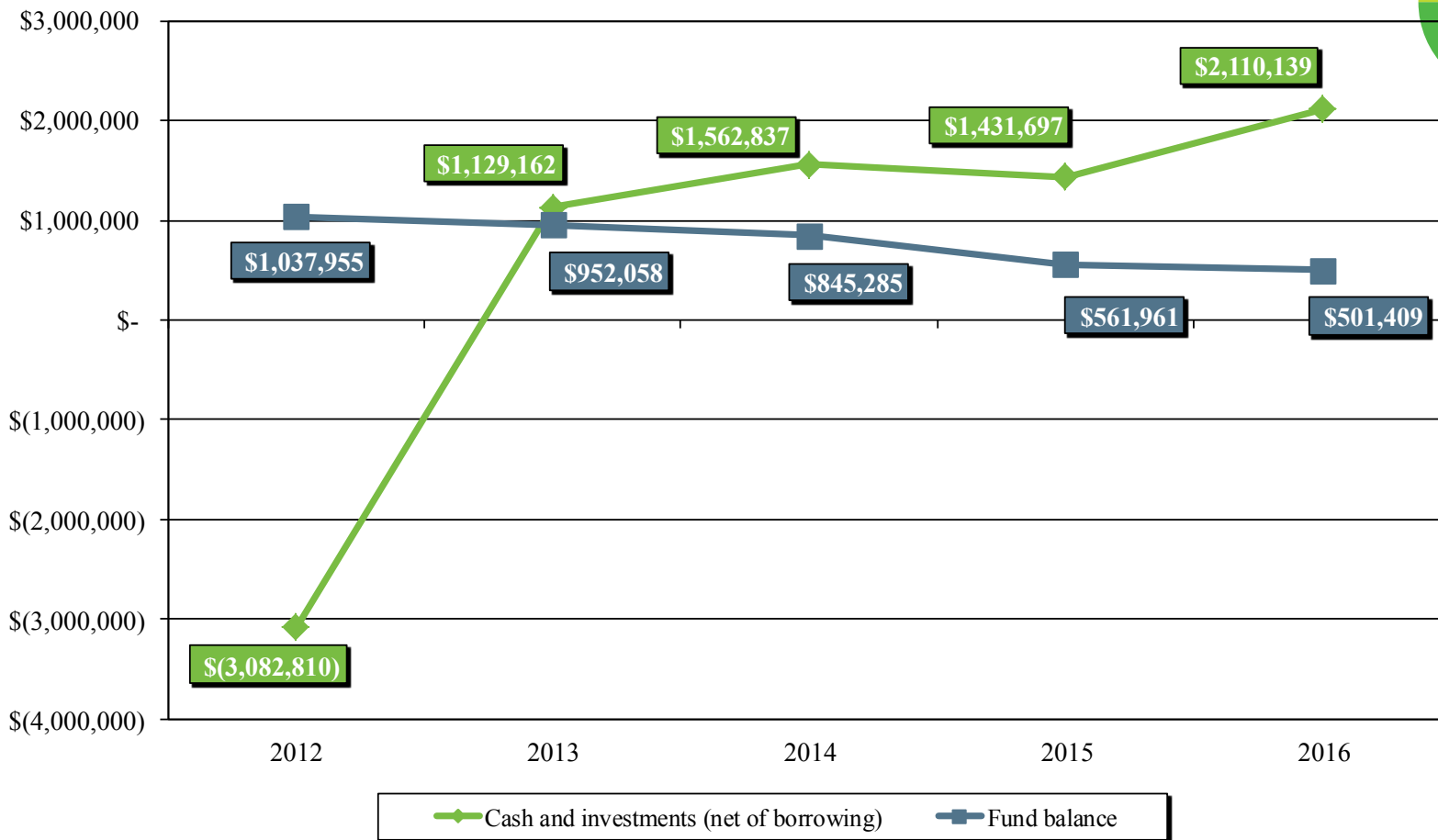
General Fund Net Revenues and Expenditures



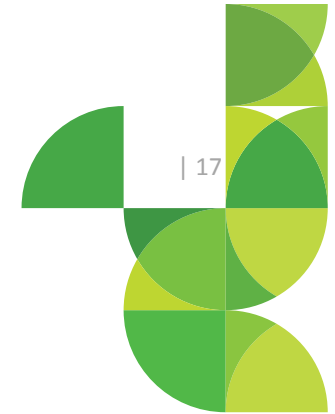
General Fund Expenditures of Fund Balance



General Fund Financial Position



Food Service Fund



For the year ended June 30,	2012	2013	2014	2015	2016
Revenues	\$ 1,146,550	\$ 1,219,513	\$ 1,142,179	\$ 1,173,868	\$ 1,283,327
Expenditures	1,161,995	1,218,295	1,257,680	1,294,792	1,334,686
Excess of revenues over (under) expenditures	(15,445)	1,218	(115,501)	(120,924)	(51,359)
Fund balance, July 1	296,132	280,687	281,905	166,404	45,480
Fund balance, June 30	\$ 280,687	\$ 281,905	\$ 166,404	\$ 45,480	\$ (5,879)

Community Service Fund

For the year ended June 30,	2012	2013	2014	2015	2016
Revenues	\$ 876,179	\$ 1,010,430	\$ 1,067,682	\$ 998,594	\$ 1,067,440
Expenditures	849,905	918,340	1,014,472	954,530	998,286
Excess of revenues over expenditures	26,274	92,090	53,210	44,064	69,154
Fund balance, July 1	(89,065)	(62,791)	29,299	82,509	126,573
Fund balance, June 30	\$ (62,791)	\$ 29,299	\$ 82,509	\$ 126,573	\$ 195,727
Components					
Nonspendable	\$ 6,236	\$ 400	\$ -	\$ -	\$ 210
Restricted/reserved for					
Community education*	(129,147)	(36,885)	3,362	29,174	49,173
Early childhood and family education	37,467	47,679	64,839	87,774	103,690
School readiness	22,653	18,105	14,520	9,625	42,654
Unassigned	-	-	(212)	-	-
Nonspendable	\$ (62,791)	\$ 29,299	\$ 82,509	\$ 126,573	\$ 195,727

* 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