



**DO
MORE.**

Independent School District No. 877
Buffalo, Minnesota

Audit Presentation

June 30, 2023

bergankov

Independent Auditor's Report

- Financial statements are management's responsibility; auditor's responsibility to express an opinion on them.
- Unmodified opinion on the basic financial statements
 - Present fairly in all material respects

Other Reports

- Report in Accordance with *Government Auditing Standards*
 - Internal control over financial reporting
 - Compliance with various laws, regulations, contracts and grants
 - No findings
- Report on Compliance in Accordance with The Uniform Guidance
 - Unmodified opinion on compliance with requirements of major federal programs
 - Child Nutrition cluster
 - MN COVID-19 Testing program
 - Education Stabilization Fund
- Report on Minnesota Legal Compliance
 - No findings on compliance with legal provisions contained in the *Minnesota Legal Compliance Audit Guide for Local Governments*

Average Daily Membership And Pupil Units – General Education Aid

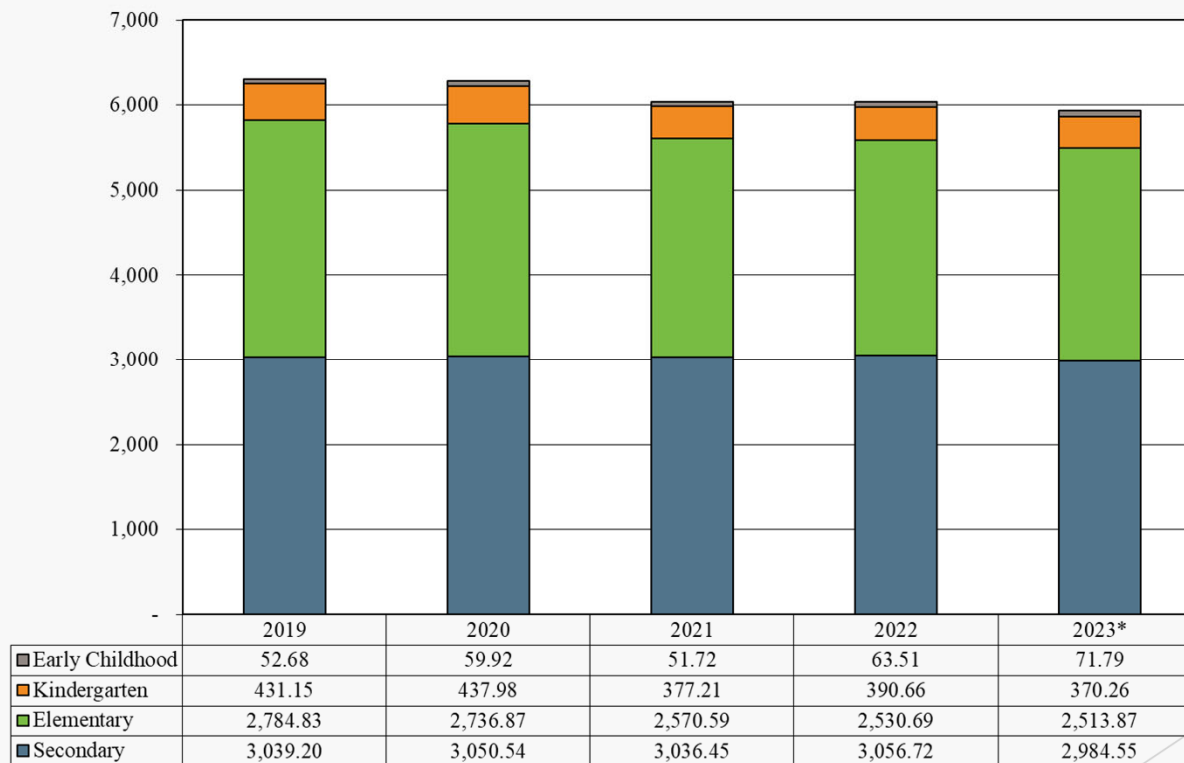
Year	General Education Aid Formula Allowance	
	Amount	Percent Increase
2014	5,302	1.5%
2015*	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%
2022	6,728	2.5%
2023	6,863	2.0%
2024	7,138	4.0%
2025	7,281	2.0%

* 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 – Total Resident ADM

ADM	2019	2020	2021	2022	2023*
Early Childhood	52.68	59.92	51.72	63.51	71.79
Kindergarten	431.15	437.98	377.21	390.66	370.26
Elementary	2,784.83	2,736.87	2,570.59	2,530.69	2,513.87
Secondary	3,039.20	3,050.54	3,036.45	3,056.72	2,984.55
Total Resident ADM	6,307.86	6,285.31	6,035.97	6,041.58	5,940.47

Resident Average Daily Membership and Pupil Units – Resident ADM

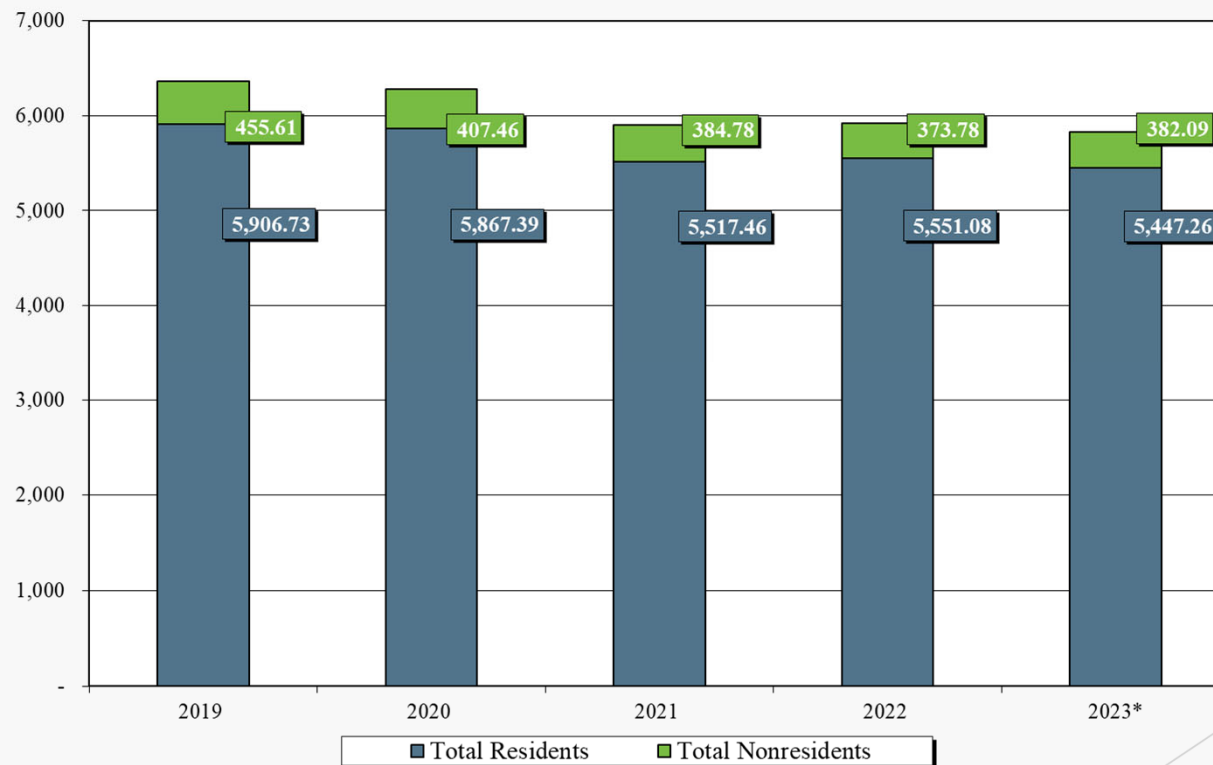


Resident Average Daily Membership and Pupil Units – Weighting and PUN Served

Pupil Units Weighting					
	Pre-Kindergarten and Handicapped Kindergarten	Part-time and All-Day Kindergarten	Elementary Grades 1-3/4-6	Secondary	
2019-2023	1.000	0.612/1.000	1.000	1.200	
PUN	2019	2020	2021	2022	2023*
Residents	6,915.71	6,895.31	6,643.07	6,652.95	6,537.36
Resident PUN loss	(1,008.98)	(1,027.69)	(1,049.26)	(1,101.87)	(1,090.10)
Nonresident PUN gain	455.61	407.46	384.78	373.78	382.09
Total PUN Served	6,362.34	6,275.08	5,978.59	5,924.86	5,829.35

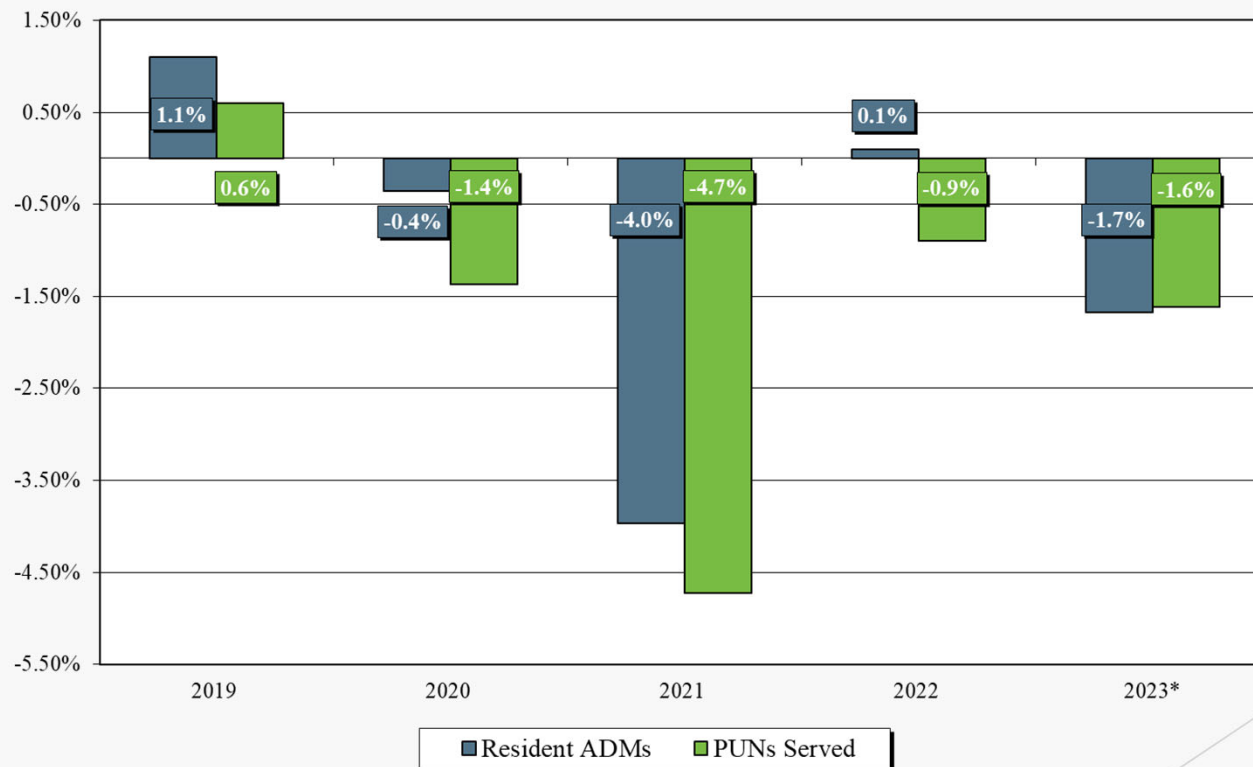
Pupil Units Weighting Served

PUN Served



Pupil Units Weighting Served

Change in Resident ADM and PUN Served



General Fund

Budget and Actual

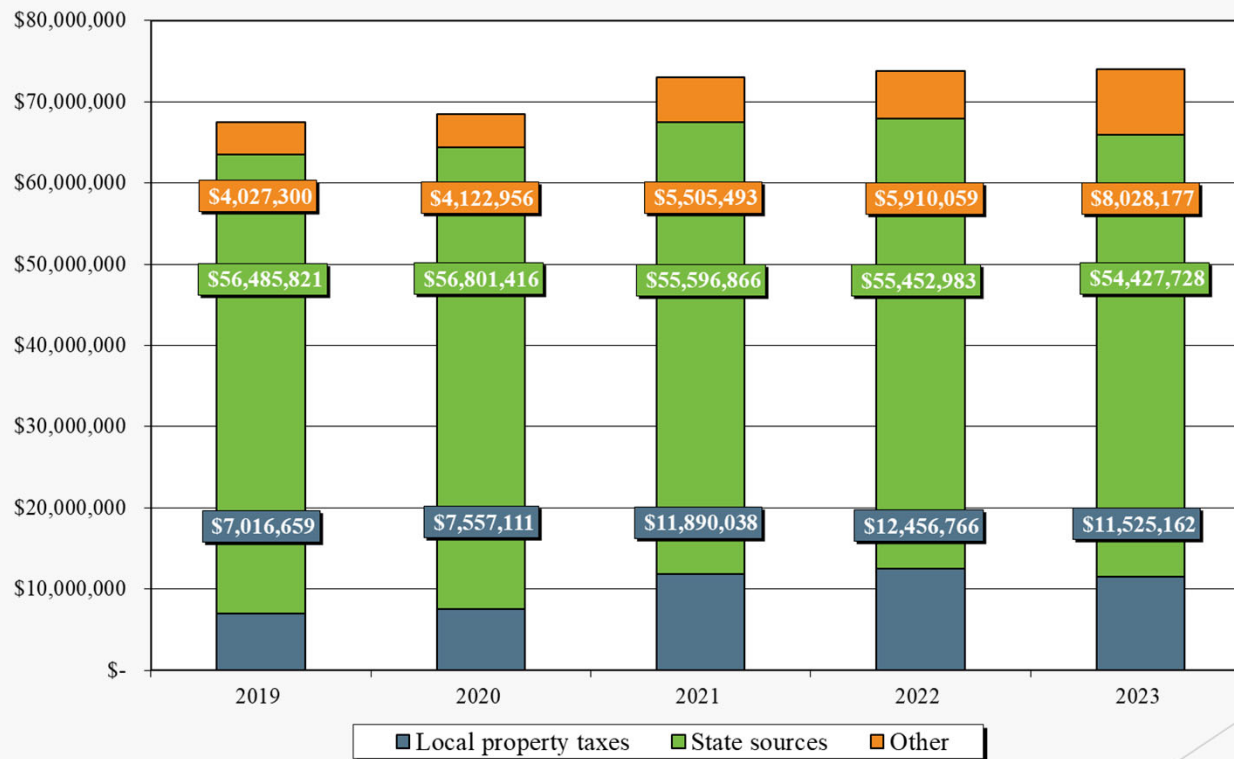
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Local property taxes	\$ 11,355,167	\$ 11,382,153	\$ 11,525,162	\$ 143,009
Other local revenues	2,594,641	3,021,691	3,116,169	94,478
Revenue from state sources	55,638,922	55,717,882	54,427,728	(1,290,154)
Revenue from federal sources	3,263,940	4,727,558	4,874,318	146,760
Sales and other conversion of assets	22,000	22,000	37,690	15,690
Total revenues	<u>72,874,670</u>	<u>74,871,284</u>	<u>73,981,067</u>	<u>(890,217)</u>
Expenditures				
Administration	1,944,608	2,008,809	2,038,815	30,006
District support services	1,854,221	1,788,236	1,707,723	(80,513)
Regular instruction	32,811,203	33,546,636	32,767,856	(778,780)
Vocational instruction	2,132,676	1,898,254	1,921,827	23,573
Special education instruction	14,203,413	15,003,758	14,786,374	(217,384)
Instructional support services	5,219,381	5,778,000	5,545,079	(232,921)
Pupil support services	7,279,238	7,131,325	7,154,843	23,518
Sites and buildings	8,273,282	8,137,622	8,935,810	798,188
Fiscal and other fixed cost programs	302,255	302,255	327,925	25,670
Debt service	131,420	235,527	255,966	20,439
Total expenditures	<u>74,151,697</u>	<u>75,830,422</u>	<u>75,442,218</u>	<u>(388,204)</u>
Excess of revenues over (under) expenditures	(1,277,027)	(959,138)	(1,461,151)	(502,013)
Net Other Financing Sources	<u>1,500</u>	<u>1,500</u>	<u>76,621</u>	<u>75,121</u>
Net Change in Fund Balance	<u>\$ (1,275,527)</u>	<u>\$ (957,638)</u>	<u>\$ (1,384,530)</u>	<u>\$ (426,892)</u>

General Fund

Sources of Revenue

	2019	2020	2021	2022	2023
Local property taxes	\$ 7,016,659	\$ 7,557,111	\$ 11,890,038	\$ 12,456,766	\$ 11,525,162
State sources	56,485,821	56,801,416	55,596,866	55,452,983	54,427,728
Other	4,027,300	4,122,956	5,505,493	5,910,059	8,028,177
Total	\$ 67,529,780	\$ 68,481,483	\$ 72,992,397	\$ 73,819,808	\$ 73,981,067

General Fund Sources of Revenue

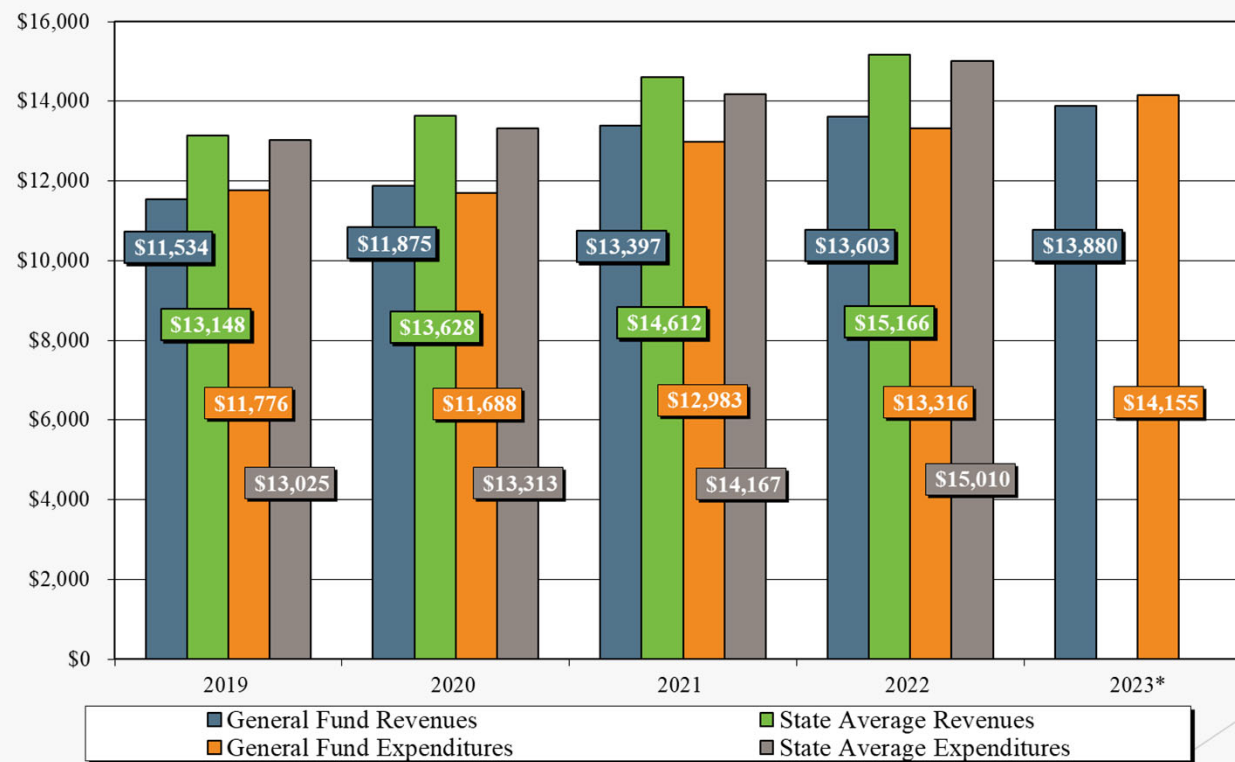


Revenues and Expenditures Per ADM Served

	2019	2020	2021	2022	2023*
General Fund	\$ 11,534	\$ 11,875	\$ 13,397	\$ 13,603	\$ 13,880
General Fund state average	13,148	13,628	14,612	15,166	N/A

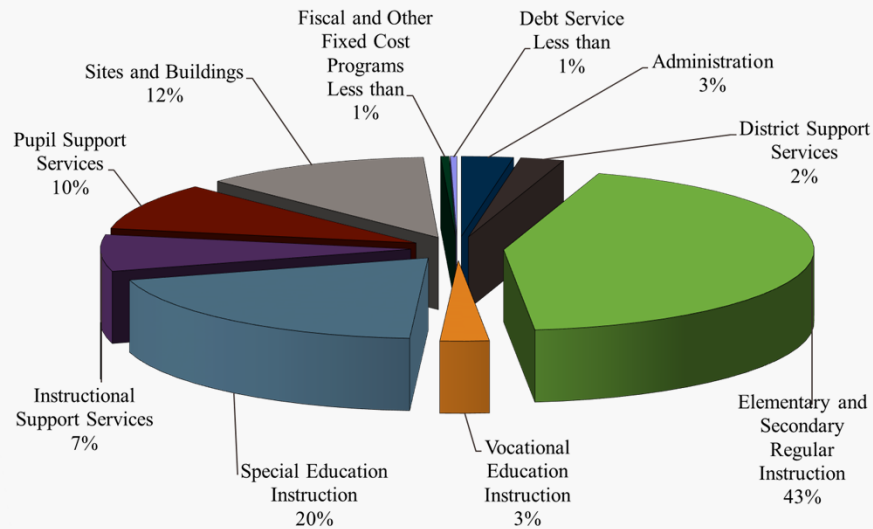
	2019	2020	2021	2022	2023*
General Fund	\$ 11,776	\$ 11,688	\$ 12,983	\$ 13,316	\$ 14,155
General Fund state average	13,025	13,313	14,167	15,010	N/A

Revenues and Expenditures Per ADM Served

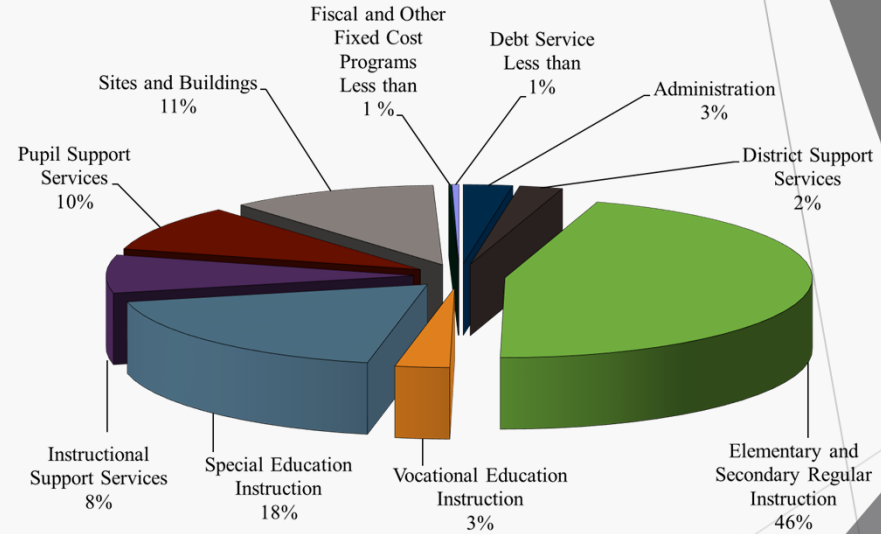


General Fund Expenditures

General Fund Expenditures 2023



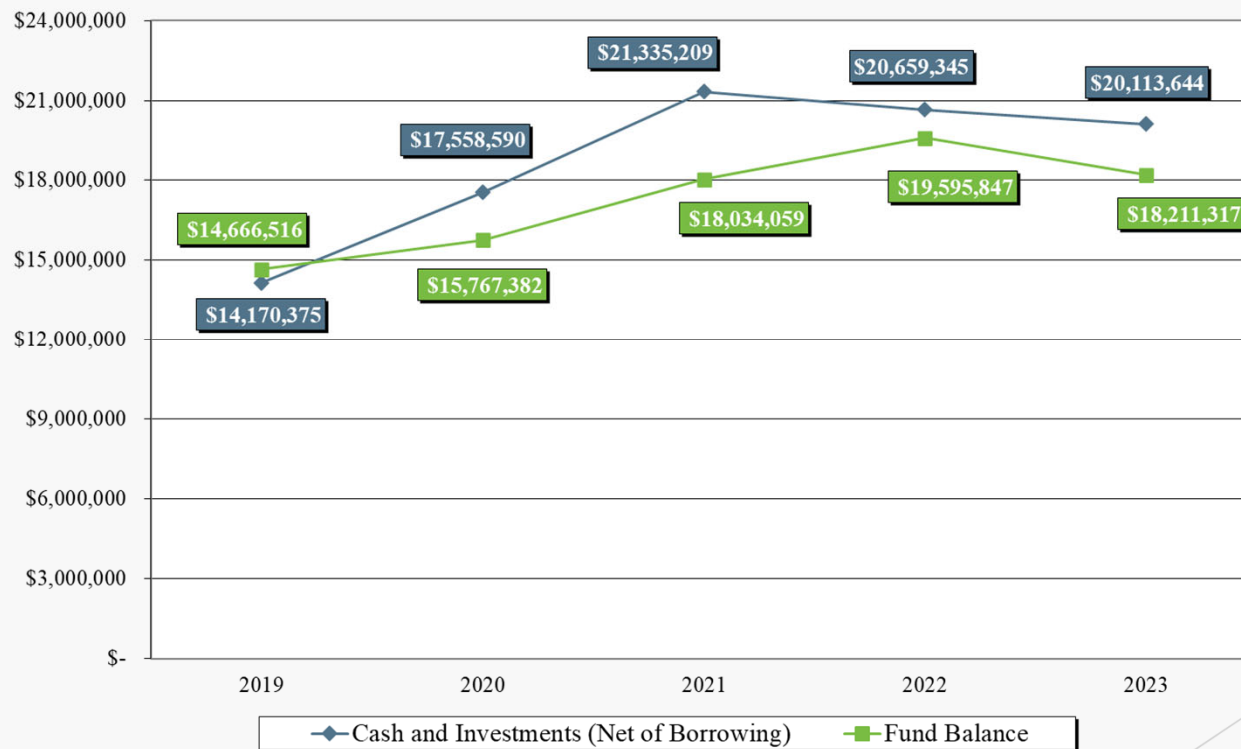
General Fund Expenditures 2022



General Fund Operations

		2019	2020	2021	2022	2023
Revenues	\$	67,529,780	\$ 68,481,483	\$ 72,992,397	\$ 73,819,808	\$ 73,981,067
Expenditures		68,940,965	67,409,717	70,812,639	72,394,748	75,442,218
Excess of revenues over (under) expenditures		(1,411,185)	1,071,766	2,179,758	1,425,060	(1,461,151)
Transfers/other financing sources and uses		7,964	616	86,919	136,728	76,621
Change in accounting principle		-	28,484	-	-	-
Fund balance, July 1		16,069,737	14,666,516	15,767,382	18,034,059	19,595,847
Fund Balance, June 30	\$	14,666,516	\$ 15,767,382	\$ 18,034,059	\$ 19,595,847	\$ 18,211,317
Components						
Unassigned	\$	6,136,605	\$ 7,850,572	\$ 10,013,894	\$ 10,750,570	\$ 10,418,889
Nonspendable		574,149	559,231	607,010	808,200	706,309
Reserved/restricted for						
Student activities		-	26,151	21,121	38,012	42,337
Teacher development and evaluations		103,096	-	-	-	-
Operating capital		733,445	1,015,094	1,182,366	1,497,207	1,749,715
Long-term facility maintenance		(71,833)	(115,278)	347,494	624,421	(198,064)
Medical assistance		217,324	308,929	482,065	488,888	326,694
Committed/assigned for						
Separation benefits		3,340,760	2,615,036	2,187,804	2,374,820	2,576,411
Student activities - fund 9		389,589	403,592	383,104	351,218	428,932
3rd party special education		560,353	-	-	-	-
Q Comp		66,719	105,022	37,353	133,344	25,072
Capital		1,833,715	1,833,715	1,385,317	1,030,697	853,208
Carryover		587,621	904,295	1,201,806	1,421,168	1,352,588
Dental insurance		194,973	261,023	184,725	77,302	(70,774)
Total	\$	14,666,516	\$ 15,767,382	\$ 18,034,059	\$ 19,595,847	\$ 18,211,317

General Fund Operations – Financial Position



Food Service Fund Operations

For the Year Ended June 30,	2019	2020	2021	2022	2023
Revenues	\$ 3,055,039	\$ 3,431,084	\$ 3,574,635	\$ 4,844,434	\$ 3,905,749
Expenditures, excluding OPEB	2,910,459	3,122,854	3,133,990	3,533,402	3,585,741
Excess of revenues over expenditures	144,580	308,230	440,645	1,311,032	320,008
Transfers/other financing sources	5,575	453	1,310	14,116	-
Fund balance, July 1	471,587	621,742	930,425	1,372,380	2,697,528
Fund Balance, June 30	\$ 621,742	\$ 930,425	\$ 1,372,380	\$ 2,697,528	\$ 3,017,536

Community Service Fund

Operations

For the Year Ended June 30,	2019	2020	2021	2022	2023
Revenues	\$ 3,687,299	\$ 3,380,387	\$ 3,014,480	\$ 3,794,664	\$ 4,160,988
Expenditures, excluding OPEB	3,444,580	3,472,360	3,098,360	3,467,083	3,752,012
Excess of revenues over (under) expenditures	242,719	(91,973)	(83,880)	327,581	408,976
Fund balance, July 1	(276,102)	(33,383)	(125,356)	(209,236)	118,345
Fund Balance, June 30	\$ (33,383)	\$ (125,356)	\$ (209,236)	\$ 118,345	\$ 527,321

Components					
Unreserved/unassigned	\$ (44,476)	\$ (50,506)	\$ (50,687)	\$ (73,462)	\$ (78,301)
Nonspendable	390	5,168	2,037	10,244	1,781
Restricted/reserved for					
ECFE	122,452	114,542	196,617	225,808	195,493
Community education	(115,528)	(226,840)	(438,776)	(122,940)	307,973
School readiness	(8,566)	19,935	44,612	78,695	100,375
Adult basic education	12,345	12,345	36,961	-	-
Total	\$ (33,383)	\$ (125,356)	\$ (209,236)	\$ 118,345	\$ 527,321

QUESTIONS?

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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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