

# ISD No. 726 Becker, MN

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Audit Presentation



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# The Audit

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# Independent Auditor's Report

## ◆ Financial Statement Opinion

- ◇ 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
- ◆ Preliminary Report on results of Single Audits performed in accordance with the Uniform Guidance
  - ◇ Unmodified opinion on compliance anticipated
  - ◇ No internal control findings preliminarily noted
- ◆ 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

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# Financial Commnunications

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# General Education Aid – Formula Allowance

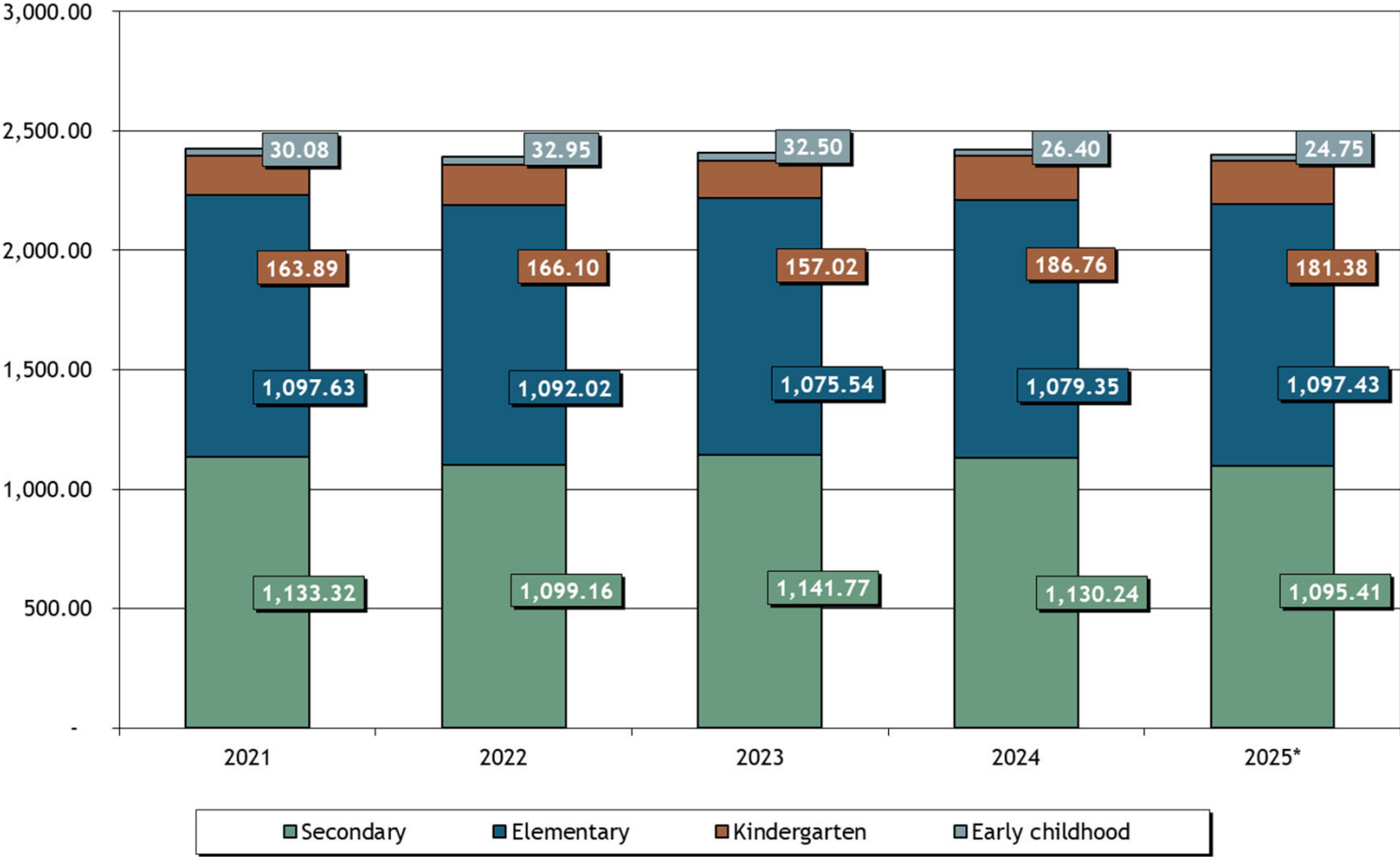
Year	General Education Aid Formula Allowance	
	Amount	Percent Increase
2016	\$ 5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%
2022	6,728	2.5%
2023	6,863	2.0%
2024	7,138	4.0%
2025	7,281	2.0%
2026	7,481	2.7%

# Average Daily Membership

## Resident ADM and Adjusted ADM

ADM	2021	2022	2023	2024	2025*
Early childhood	30.08	32.95	32.50	26.40	24.75
Kindergarten	163.89	166.10	157.02	186.76	181.38
Elementary	1,097.63	1,092.02	1,075.54	1,079.35	1,097.43
Secondary	1,133.32	1,099.16	1,141.77	1,130.24	1,095.41
<b>Total Resident ADM</b>	<b>2,424.92</b>	<b>2,390.23</b>	<b>2,406.83</b>	<b>2,422.75</b>	<b>2,398.97</b>
<b>Total Adjusted ADM</b>	<b>2,866.46</b>	<b>2,897.25</b>	<b>2,798.19</b>	<b>2,809.34</b>	<b>2,805.41</b>

# Average Daily Membership – Students ADM





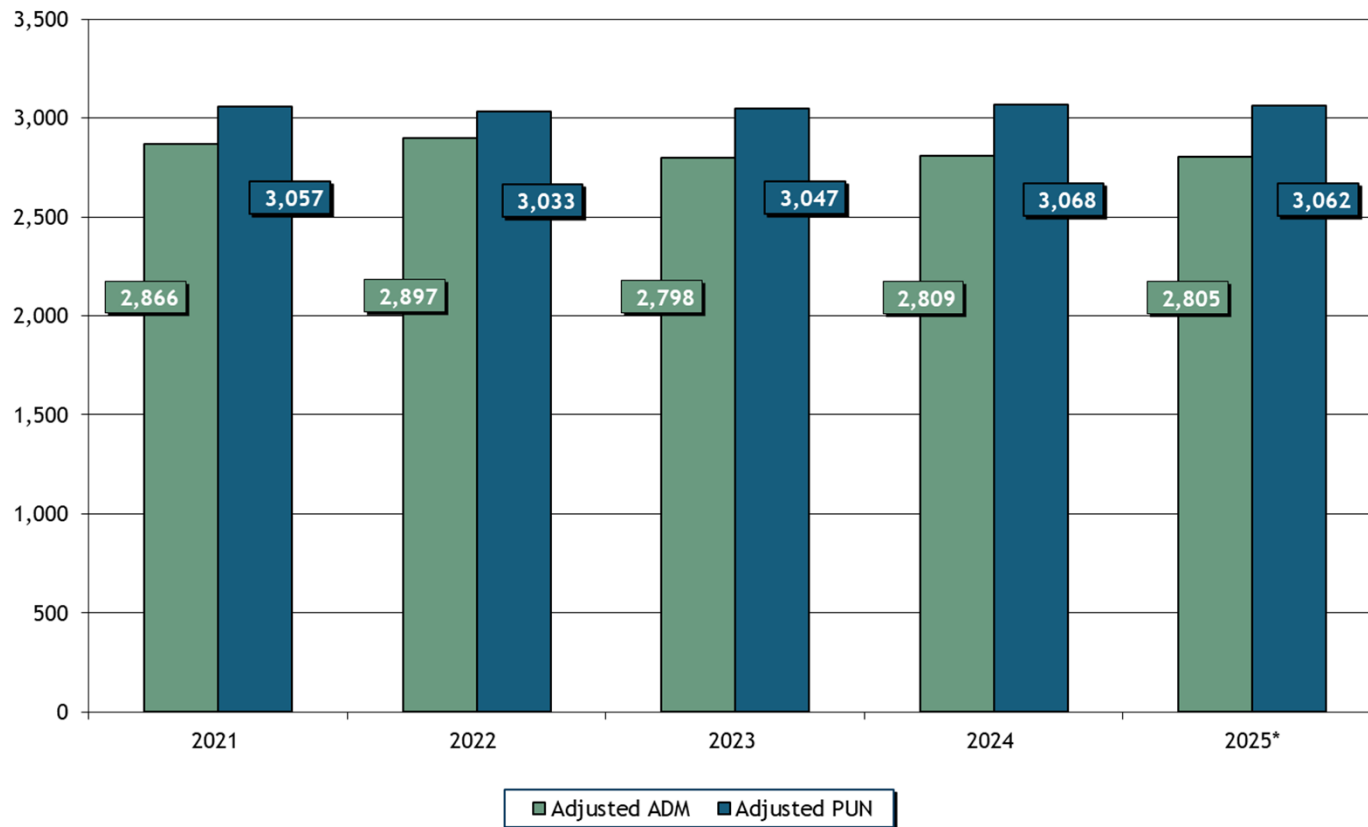
# Average Daily Membership and Pupil Units – Weighting and Adjusted PUN

Pupil Units Weighting						
	Early Childhoo	Handicapped Kindergarten	Kindergarten	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
2020-2024	1.000	1.000	1.000	1.000	1.000	1.200

Adjusted PUN	2021	2022	2023	2024	2025*
Residents	2,651.59	2,610.05	2,635.18	2,648.83	2,618.06
Resident loss	(166.11)	(164.56)	(186.62)	(196.94)	(187.22)
Nonresident gain	571.74	587.26	598.59	616.21	630.94
<b>Total Adjusted PUN</b>	<b>3,057.22</b>	<b>3,032.75</b>	<b>3,047.15</b>	<b>3,068.10</b>	<b>3,061.78</b>

# Average Daily Membership – Adjusted ADM and Adjusted PUN



# General Fund

## – Budget to Actual

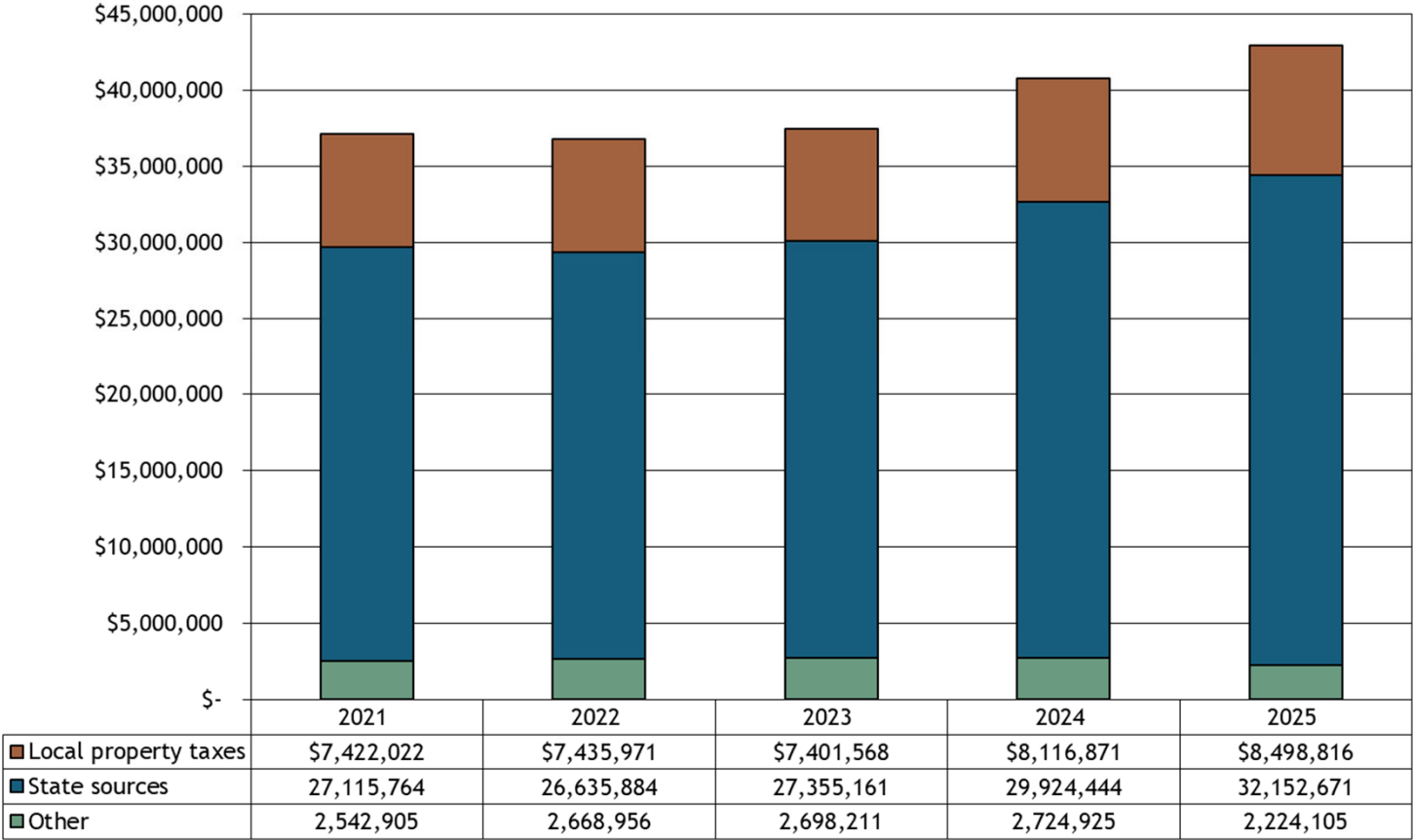
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>				
Local property taxes	\$ 8,433,662	\$ 8,433,662	\$ 8,498,816	\$ 65,154
State sources	30,758,875	31,052,566	32,152,671	1,100,105
Other	1,960,263	1,554,263	2,224,105	669,842
Total revenues	<u>41,152,800</u>	<u>41,040,491</u>	<u>42,875,592</u>	<u>1,835,101</u>
<b>Expenditures</b>				
Administration	1,803,883	1,803,883	1,841,115	37,232
District support services	1,199,387	1,199,387	1,203,410	4,023
Elementary and secondary regular instruction	20,622,780	20,829,717	20,254,559	(575,158)
Vocational education instruction	58,900	58,900	196,994	138,094
Special education instruction	7,132,770	7,132,770	7,745,841	613,071
Instructional support services	2,533,906	2,678,888	2,977,804	298,916
Pupil support services	3,434,211	3,566,622	3,873,258	306,636
Sites and buildings	4,252,619	5,429,619	5,952,985	523,366
Debt service, fiscal, and other fixed costs	623,428	634,503	672,162	37,659
Total expenditures	<u>41,661,884</u>	<u>43,334,289</u>	<u>44,718,128</u>	<u>1,383,839</u>
Excess of revenues over (under) expenditures	(509,084)	(2,293,798)	(1,842,536)	451,262
<b>Net Other Financing Sources (Uses)</b>				
Total other financing sources (uses)	<u>-</u>	<u>30,000</u>	<u>(79,305)</u>	<u>(109,305)</u>
Net change in fund balances	\$ (509,084)	\$ (2,263,798)	\$ (1,921,841)	\$ 341,957

# General Fund Operations

For the Year Ended June 30,	2021	2022	2023	2024	2025
Revenues	\$ 37,080,691	\$ 36,740,811	\$ 37,454,940	\$ 40,766,240	\$ 42,875,592
Expenditures	34,967,805	35,984,630	37,904,320	40,290,223	44,718,128
Excess of revenues over (under) expenditures	2,112,886	756,181	(449,380)	476,017	(1,842,536)
Net other financing sources	138,829	218,641	1,716,973	1,604,417	(79,305)
Fund balance, July 1	1,345,218	3,596,933	4,571,755	5,839,348	7,919,782
<b>Fund Balance, June 30</b>	<b>\$ 3,596,933</b>	<b>\$ 4,571,755</b>	<b>\$ 5,839,348</b>	<b>\$ 7,919,782</b>	<b>\$ 5,997,941</b>

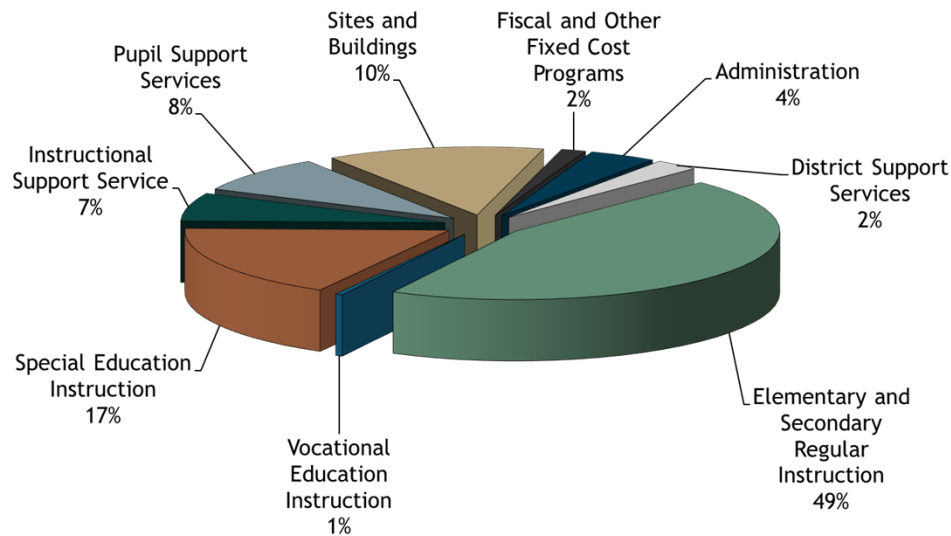
Components	2021	2022	2023	2024	2025
Nonspendable	\$ 238,988	\$ 536,706	\$ 820,266	\$ 461,251	\$ 441,008
Restricted/reserved for*					
Operating Capital	37,550	77,970	1,453,976	2,462,123	336,342
Literacy Aid	-	-	-	-	81,638
Long-Term Facilities	20,592	89,421	162,548	277,453	1,223,253
American Indian Education Aid	-	-	-	8,306	-
READ Act	-	-	-	-	36,770
Student Activities	97,733	157,481	124,362	131,412	18,031
Scholarships	3,471	6,811	5,561	7,061	7,061
Assigned for					
Building level activity	116,890	142,739	196,720	345,397	226,492
Unassigned	3,081,709	3,560,627	3,075,915	4,226,779	3,627,346
<b>Total</b>	<b>\$ 3,596,933</b>	<b>\$ 4,571,755</b>	<b>\$ 5,839,348</b>	<b>\$ 7,919,782</b>	<b>\$ 5,997,941</b>

# General Fund Sources of Revenue

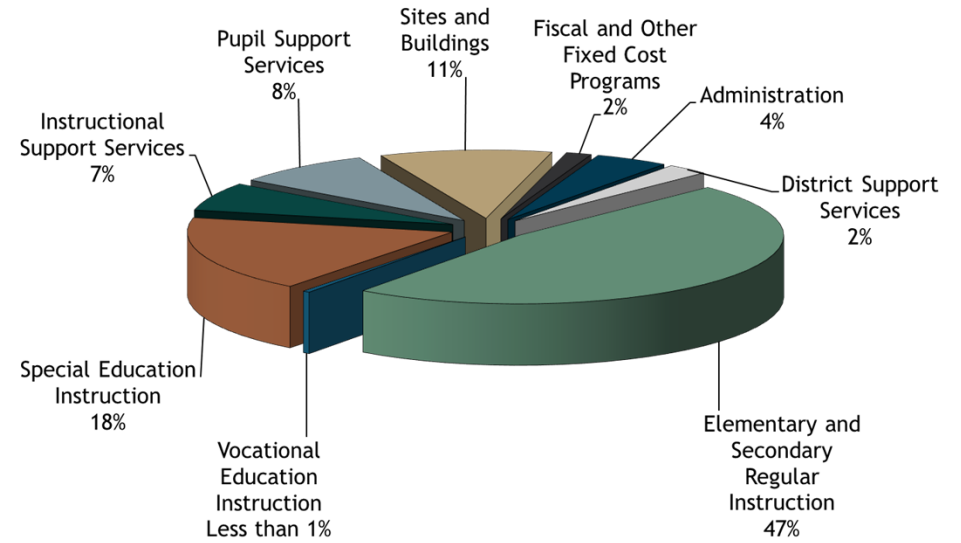


# General Fund - Expenditures

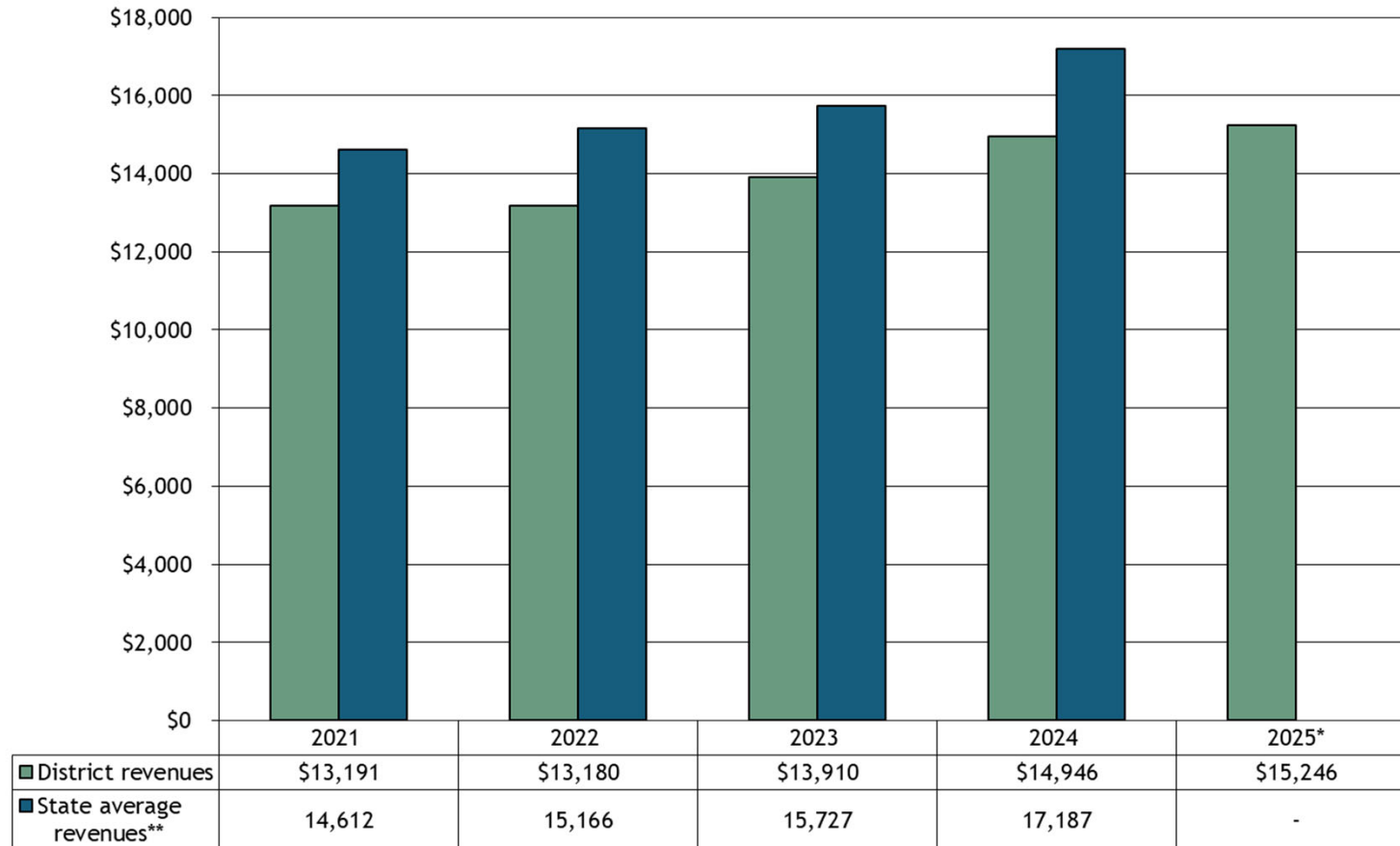
2025 General Fund Expenditures



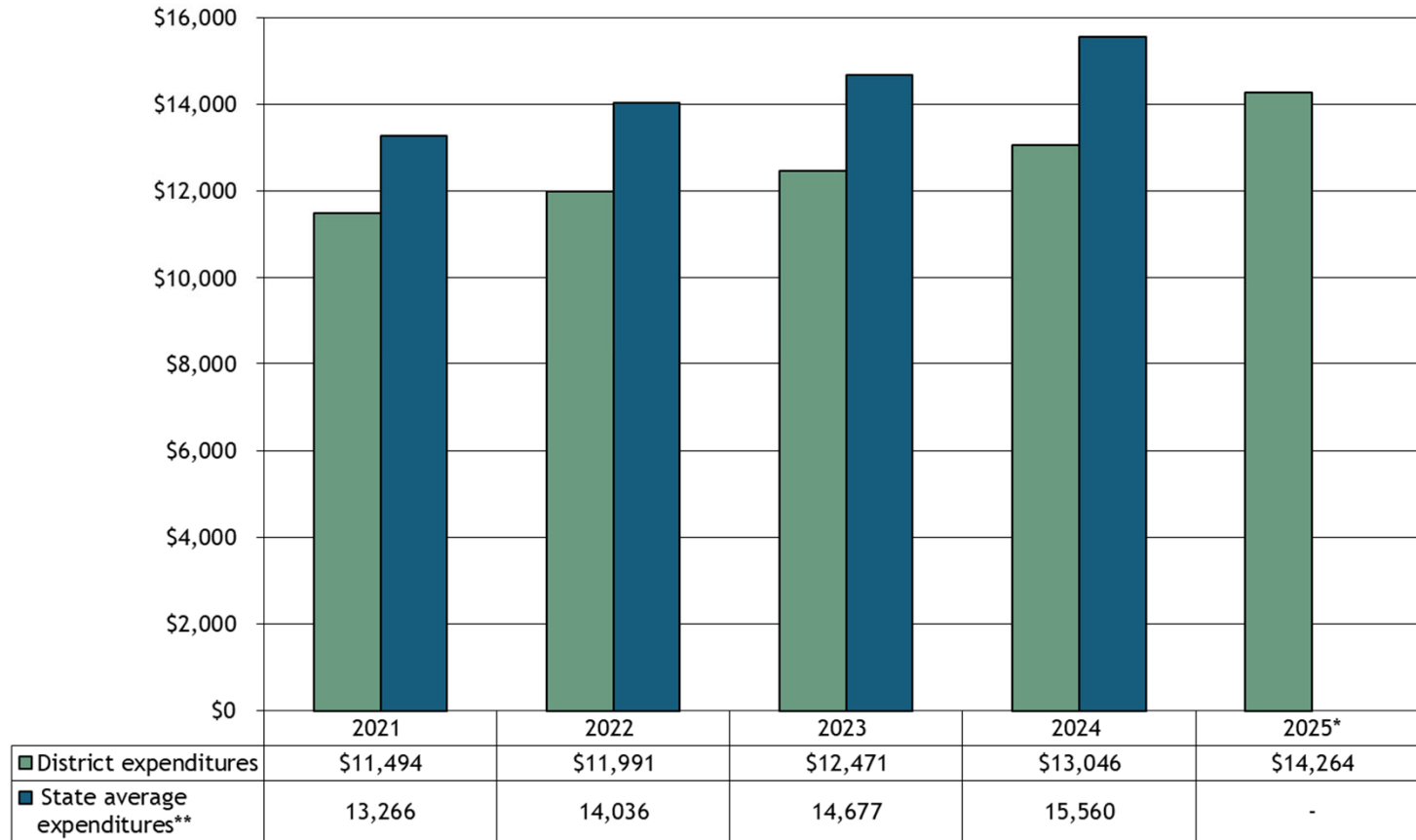
2024 General Fund Expenditures



# General Fund Revenues Per ADM Served



# General Fund Expenditures Per ADM Served

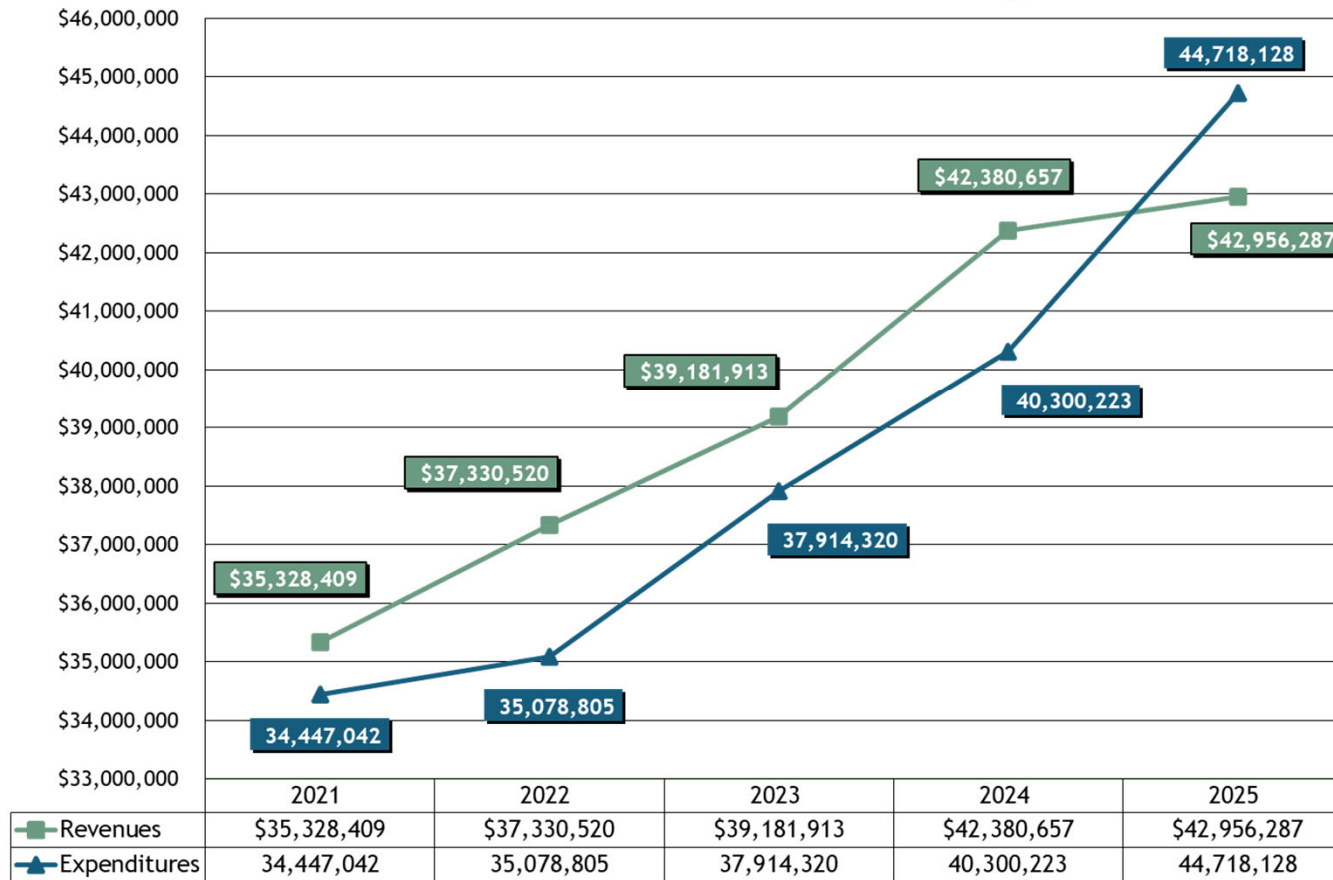




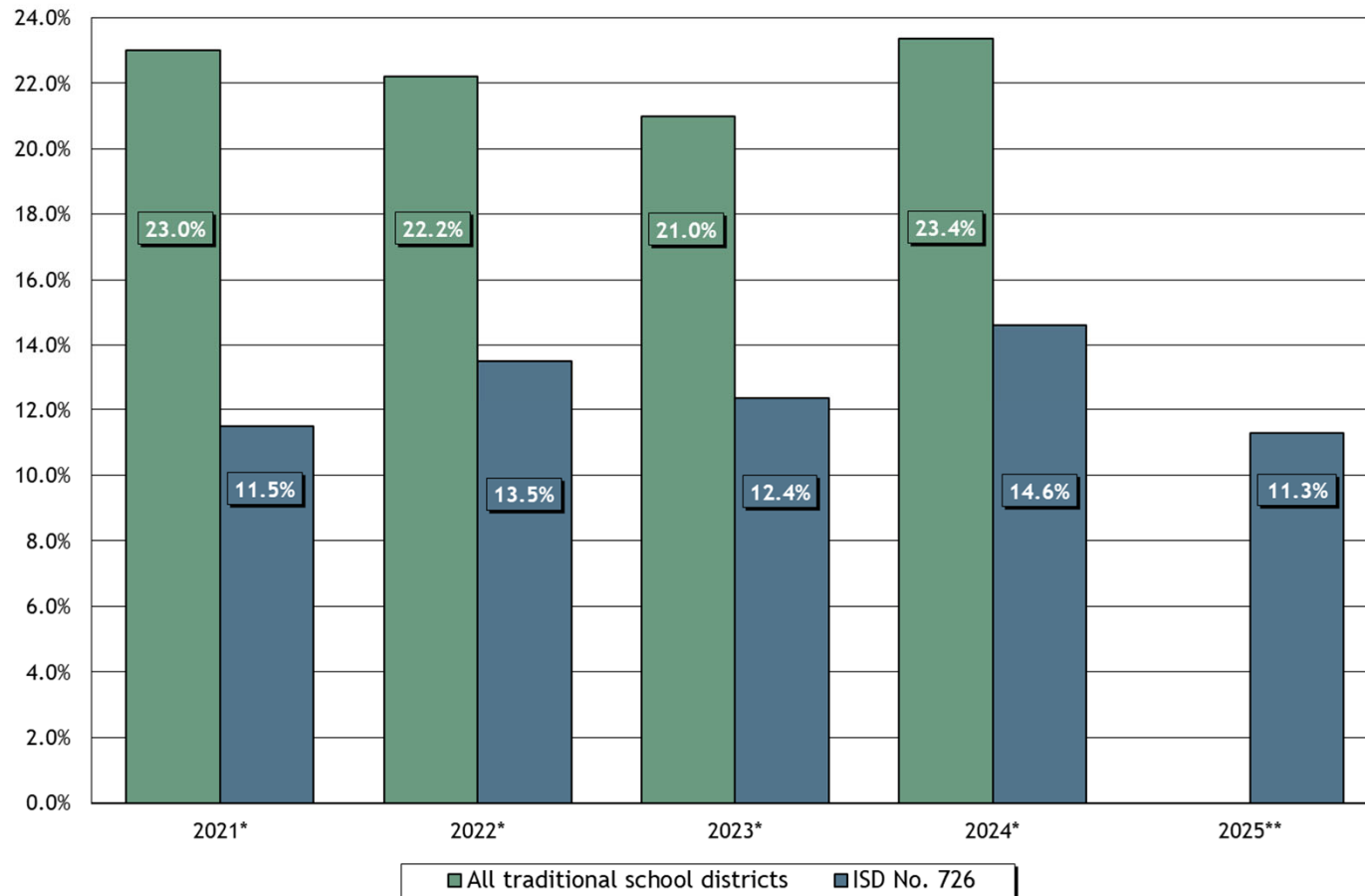
# General Fund Expenditures by Program and General Fund Operations

	District	State Average	District	State Average
	2024	2024**	2025*	2025**
District and School Administration	7.9%	8.6%	6.5%	N/A
Regular Instruction***	46.4%	41.9%	44.7%	N/A
Vocational Instruction	0.4%	1.4%	0.4%	N/A
Special Education Instruction	17.9%	19.2%	17.2%	N/A
Instructional Support Services	4.3%	5.0%	5.6%	N/A
Pupil Support Services****	8.0%	10.3%	7.6%	N/A
Sites, Buildings, and Equipment	6.8%	7.1%	9.2%	N/A
Capital Outlay	8.3%	6.5%	8.8%	N/A
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>N/A</b>

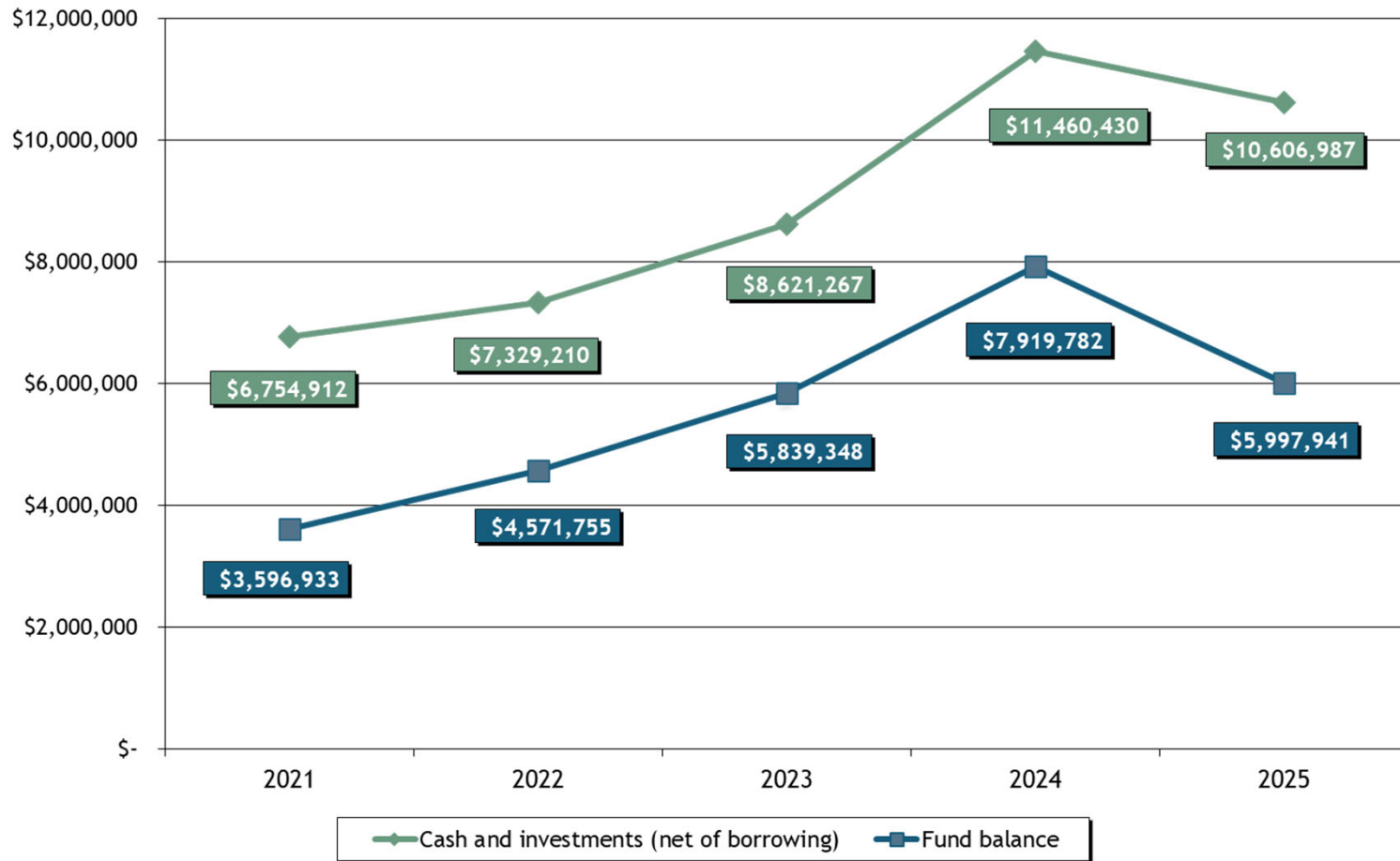
# General Fund Revenues and Expenditures



# General Fund Expenditures of Fund Balance



# General Fund Financial Position



# Food Service Fund

For the Year Ended June 30,	2021	2022	2023	2024	2025
Revenues	\$ 2,078,853	\$ 2,775,538	\$ 2,046,137	\$ 2,645,157	\$ 2,700,371
Expenditures	1,649,404	2,044,357	2,217,824	2,720,489	2,675,048
Excess of revenues over (under) expenditures	429,449	731,181	(171,687)	(75,332)	25,323
Fund balance, July 1	118,411	547,860	1,279,041	1,107,354	1,032,022
<b>Fund Balance, June 30</b>	<b>\$ 547,860</b>	<b>\$ 1,279,041</b>	<b>\$ 1,107,354</b>	<b>\$ 1,032,022</b>	<b>\$ 1,057,345</b>

# Community Service Fund

For the Year Ended June 30,	2021	2022	2023	2024	2025
Revenues	\$ 1,355,510	\$ 1,592,931	\$ 1,661,919	\$ 1,816,604	\$ 1,957,837
Expenditures	1,385,024	1,616,519	1,757,800	1,744,720	1,927,820
Excess of revenues over (under) expenditures	(29,514)	(23,588)	(95,881)	71,884	30,017
Transfer in	111,000	10,000	10,000	10,000	160,000
Fund balance, July 1	178,086	259,572	245,984	160,103	241,987
<b>Fund Balance, June 30</b>	<b>\$ 259,572</b>	<b>\$ 245,984</b>	<b>\$ 160,103</b>	<b>\$ 241,987</b>	<b>\$ 432,004</b>

Components	2021	2022	2023	2024	2025
Nonspendable	\$ 8,833	\$ 12,738	\$ 10,674	\$ 16,173	\$ 16,153
Restricted/reserved for					
Community Education*	25,549	(6,880)	(80,978)	(169,990)	(1,654)
Early Childhood and Family Education	185,376	210,906	251,988	271,615	293,293
School Readiness	35,852	20,884	(30,726)	120,441	119,126
Community Service	3,962	8,336	9,145	3,748	5,086
<b>Fund Balance, June 30</b>	<b>\$ 259,572</b>	<b>\$ 245,984</b>	<b>\$ 160,103</b>	<b>\$ 241,987</b>	<b>\$ 432,004</b>

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# Auditor

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# Thank You

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