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Independent School
District No. 726
Becker, Minnesota

Financial Statement Presentation

June 30, 2023

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

General Education Aid

Formula Allowance

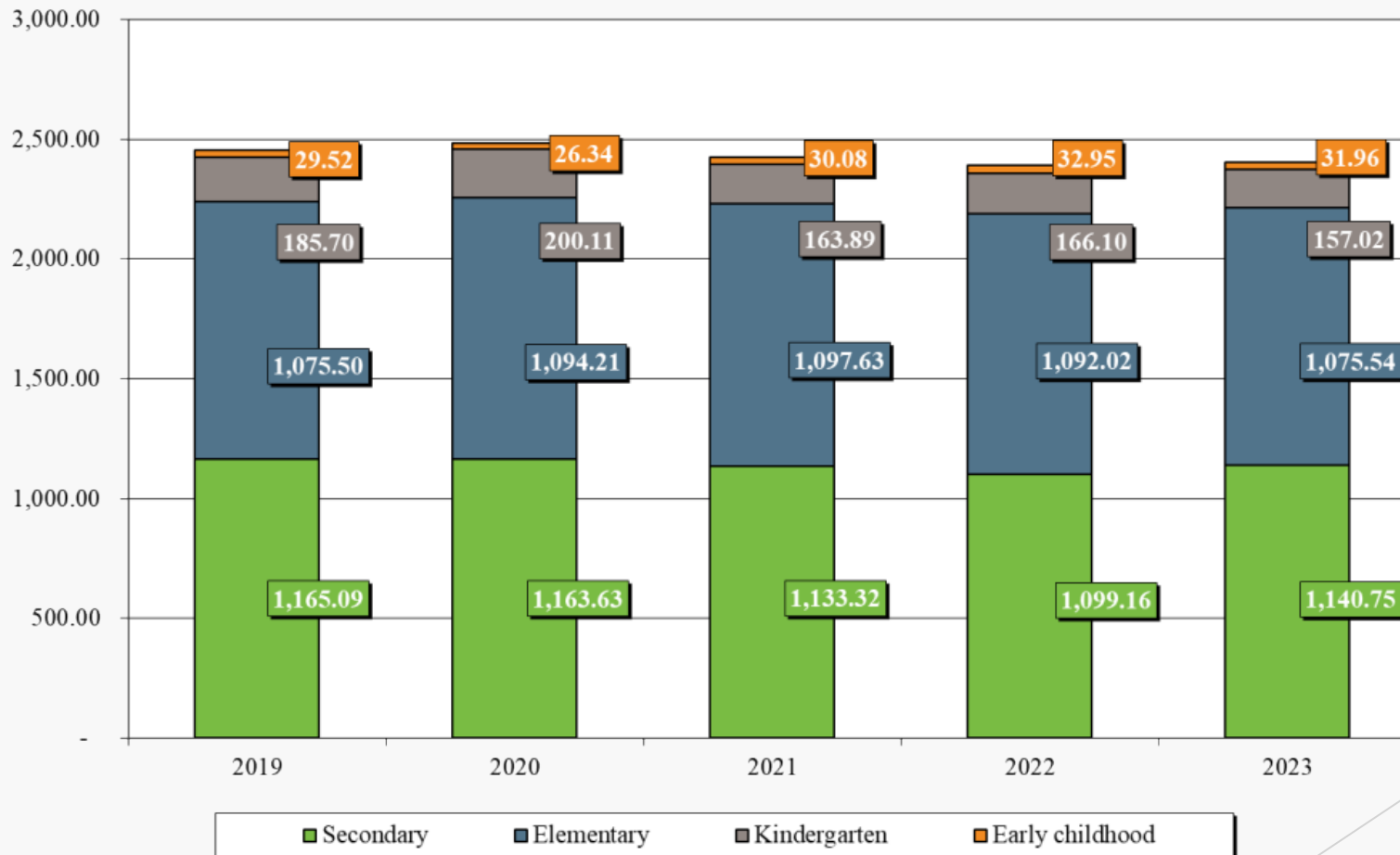
Year	General Education Aid Formula Allowance	
	Amount	Percent Increase
2014	5,302	1.5%
2015*	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%
2022	6,728	2.5%
2023	6,863	2.0%
2024	7,138	4.0%
2025	7,281	2.0%

* 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.

Average Daily Membership and Pupil Units – Adjusted ADM

ADM	2019	2020	2021	2022	2023
Early childhood	29.52	26.34	30.08	32.95	31.96
Kindergarten	185.70	200.11	163.89	166.10	157.02
Elementary	1,075.50	1,094.21	1,097.63	1,092.02	1,075.54
Secondary	1,165.09	1,163.63	1,133.32	1,099.16	1,140.75
Total resident ADM	2,455.81	2,484.29	2,424.92	2,390.23	2,405.27
Total adjusted ADM	2,866.46	2,897.25	2,798.19	2,777.34	2,784.76

Average Daily Membership and Pupil Units – Students (ADM)



Resident ADM and Pupil Units

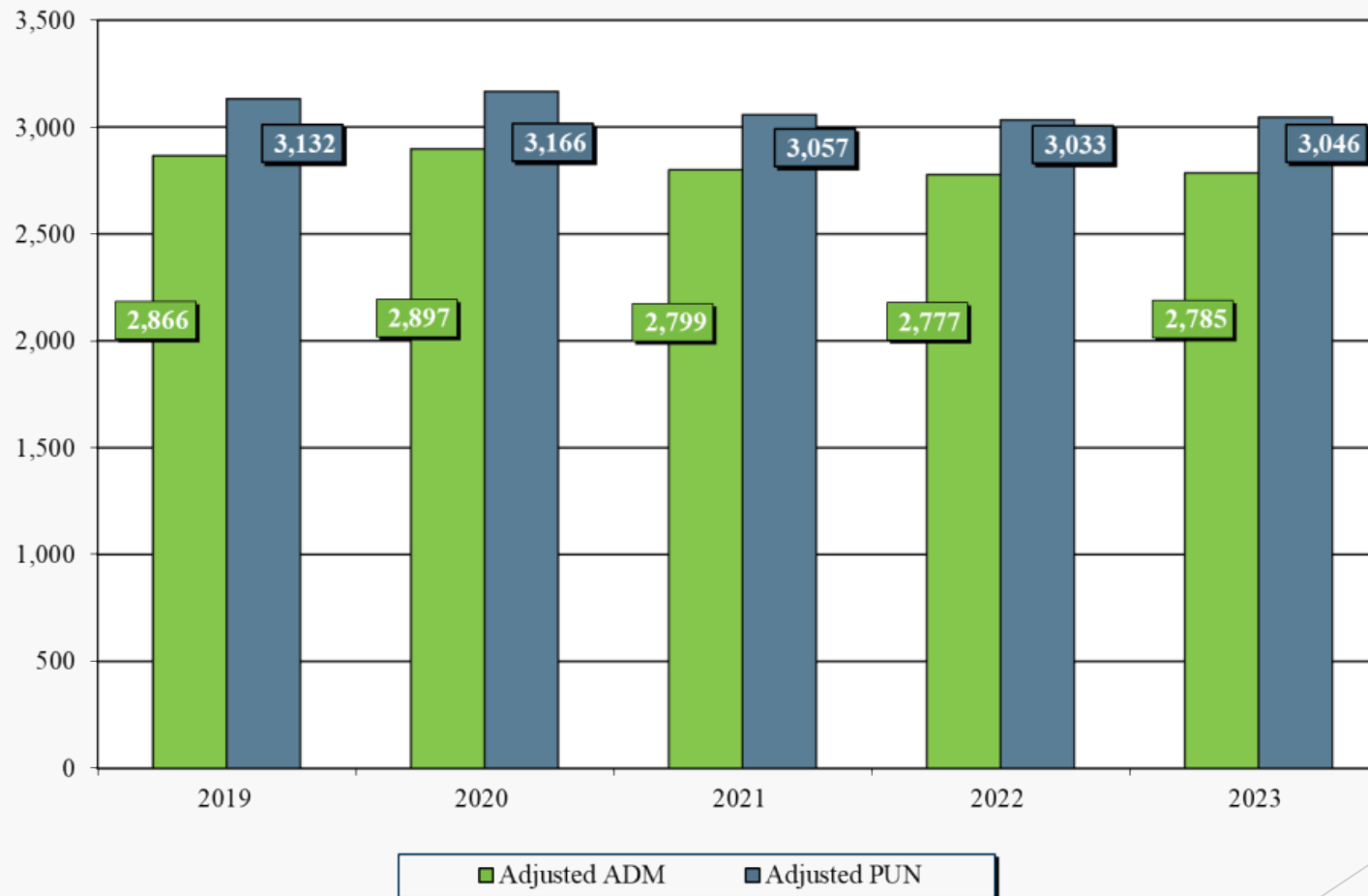
Pupil Units Weighting and Adjusted PUN

Pupil Units Weighting						
	Early Childhood	Handicapped Kindergarten	Kindergarten	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
2019-2023	1.000	1.000	1.000	1.000	1.000	1.200

Adjusted PUN	2019	2020	2021	2022	2023
Residents	2,688.84	2,717.01	2,651.59	2,610.05	2,633.41
Resident loss	(136.75)	(157.40)	(166.11)	(164.56)	(185.42)
Nonresident gain	579.94	606.48	571.74	587.26	597.57
Total adjusted PUN	3,132.03	3,166.09	3,057.22	3,032.75	3,045.56

Resident ADM and Pupil Units

Adjusted ADM and Adjusted PUN



*estimate

General Fund Budget and Actual

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues				
Local property taxes	\$ 7,467,601	\$ 7,467,601	\$ 7,401,568	\$ (66,033)
State sources	28,277,204	27,489,872	27,355,161	(134,711)
Other	1,409,491	2,211,538	2,698,211	486,673
Total revenues	37,154,296	37,169,011	37,454,940	285,929
Expenditures				
Administration	1,710,085	1,710,085	1,784,603	74,518
District support services	823,882	863,882	767,929	(95,953)
Elementary and secondary regular instruction	18,392,285	18,222,584	18,072,137	(150,447)
Vocational education instruction	46,900	46,900	153,813	106,913
Special education instruction	6,743,524	6,743,524	6,708,932	(34,592)
Instructional support services	2,317,751	2,371,379	2,430,259	58,880
Pupil support services	2,737,082	3,262,924	3,292,767	29,843
Sites and buildings	3,893,029	3,893,029	4,100,605	207,576
Debt service, fiscal, and other fixed costs	525,621	525,621	593,275	67,654
Total expenditures	37,190,159	37,639,928	37,904,320	264,392
Excess of revenues over (under) expenditures	(35,863)	(470,917)	(449,380)	21,537
Net Other Financing Sources (Uses)				
Total other financing sources (uses)	50,000	60,000	1,716,973	1,656,973
Net change in fund balances	\$ 14,137	\$ (410,917)	\$ 1,267,593	\$ 1,678,510

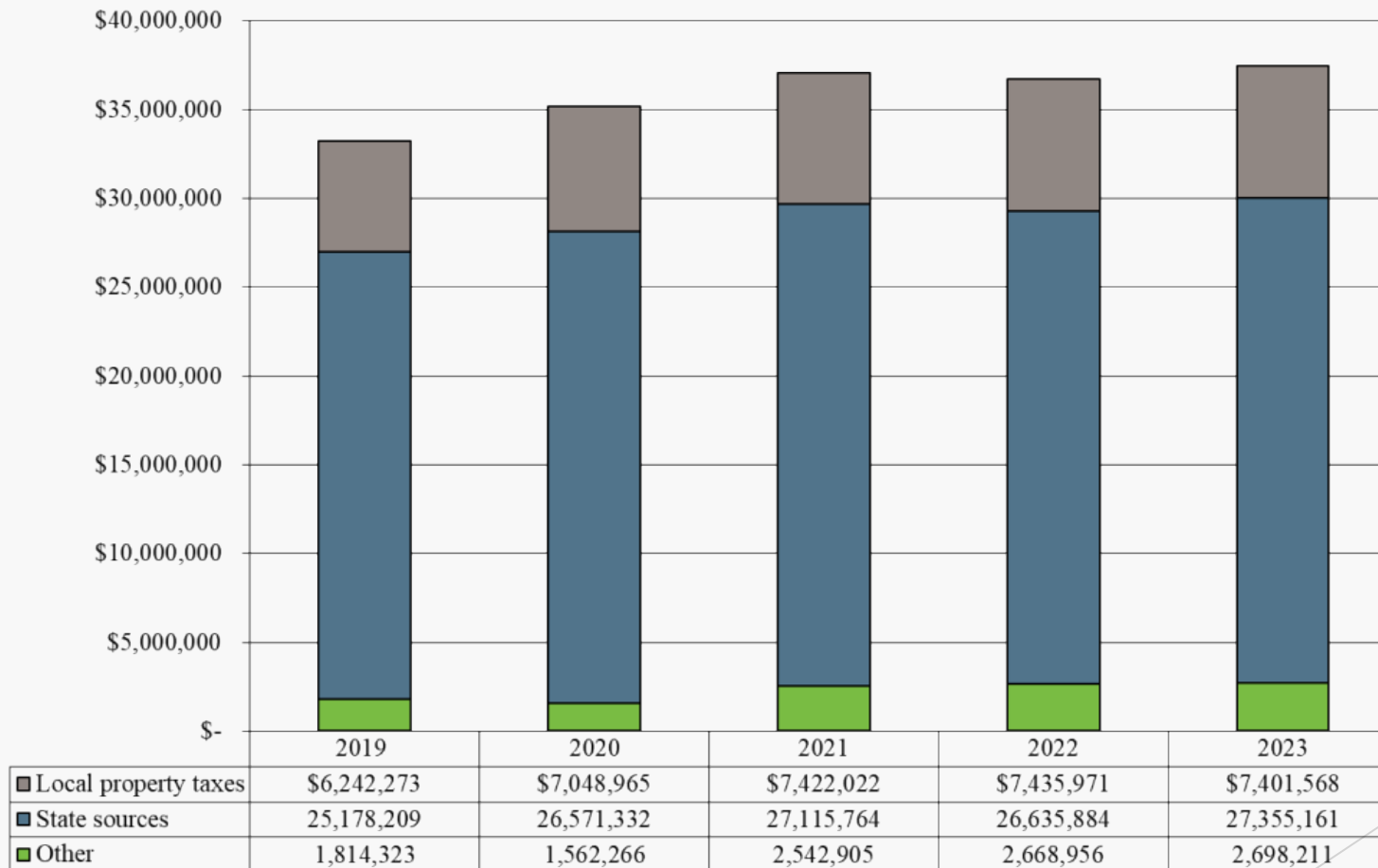
General Fund Operations

For the Year Ended June 30,	2019	2020	2021	2022	2023
Revenues	\$ 33,234,805	\$ 35,182,563	\$ 37,080,691	\$ 36,740,811	\$ 37,454,940
Expenditures	34,503,824	34,347,042	34,967,805	35,984,630	37,904,320
Excess of revenues over (under) expenditures	(1,269,019)	835,521	2,112,886	756,181	(449,380)
Net other financing sources	485,674	45,846	138,829	218,641	1,716,973
Fund balance, July 1	1,245,475	462,130	1,345,218	3,596,933	4,571,755
Change in accounting principle	-	1,721	-	-	-
Fund Balance, June 30	\$ 462,130	\$ 1,345,218	\$ 3,596,933	\$ 4,571,755	\$ 5,839,348

Components	2019	2020	2021	2022	2023
Nonspendable	\$ 194,665	\$ 447,816	\$ 238,988	\$ 536,706	\$ 820,266
Restricted/reserved for*					
Operating capital	1,648	22,530	37,550	77,970	1,453,976
Long-term facilities maintenance	(64,072)	1,250	20,592	89,421	162,548
Student Activities	-	89,608	97,733	157,481	124,362
Scholarships	-	3,721	3,471	6,811	5,561
Assigned for					
Building level activity	153,912	115,864	116,890	142,739	196,720
Unassigned	175,977	664,429	3,081,709	3,560,627	3,075,915
Total	\$ 462,130	\$ 1,345,218	\$ 3,596,933	\$ 4,571,755	\$ 5,839,348

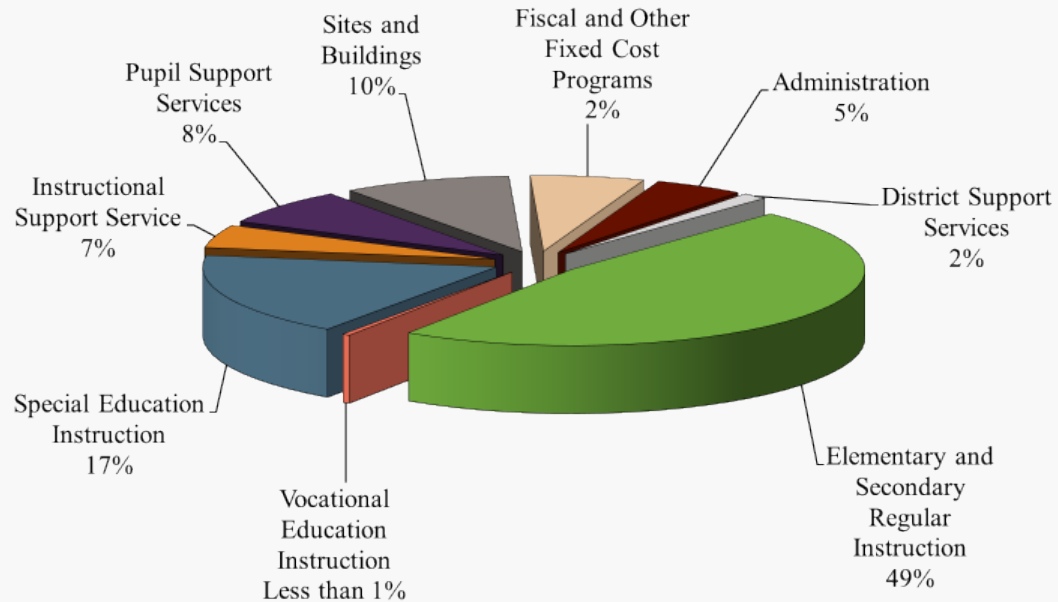
General Fund

Sources of Revenue

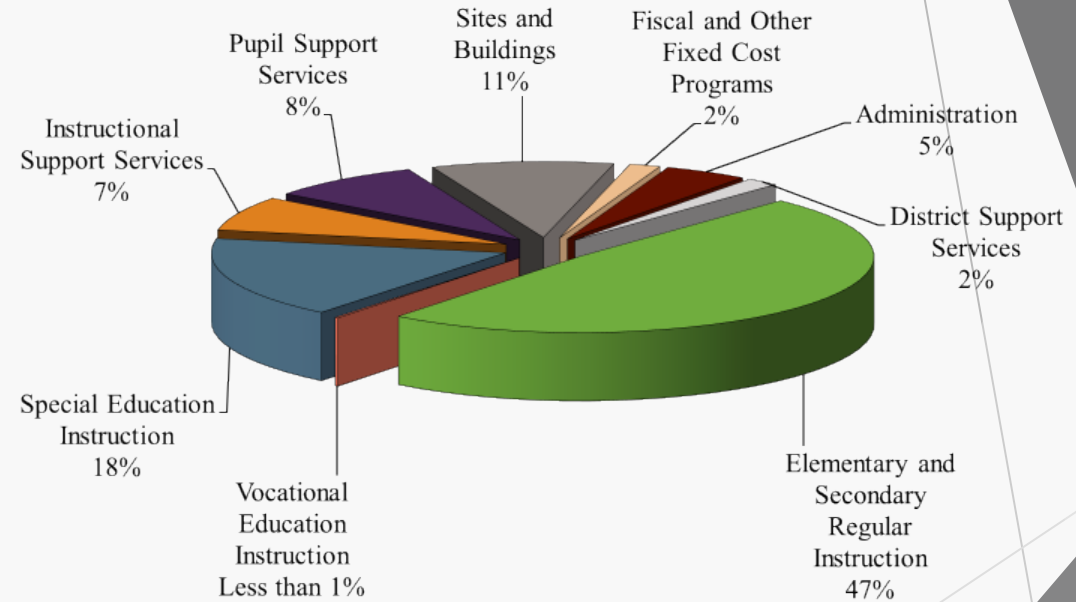


General Fund Expenditures

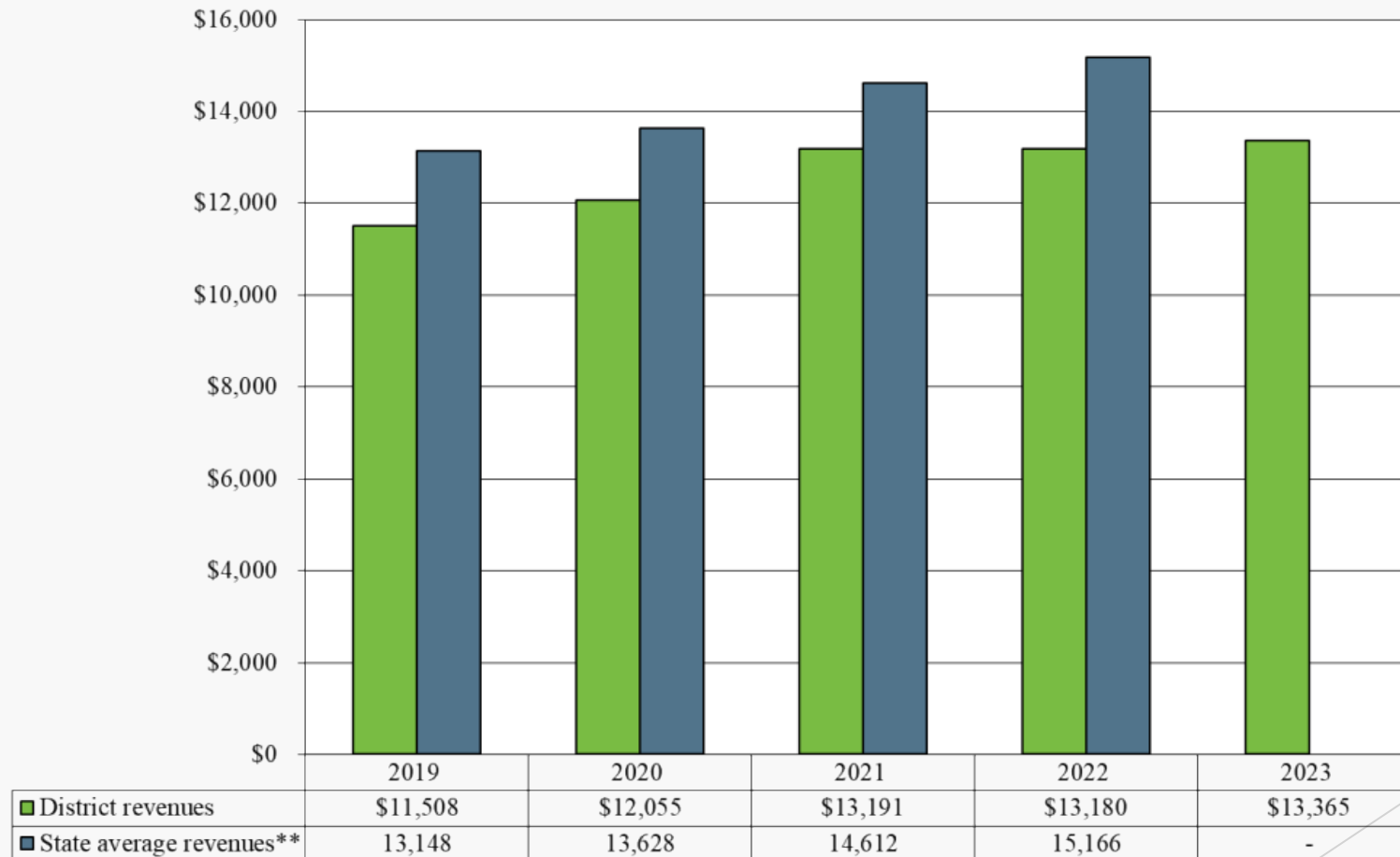
2023 General Fund Expenditures \$37,904,320



2022 General Fund Expenditures \$35,984,630

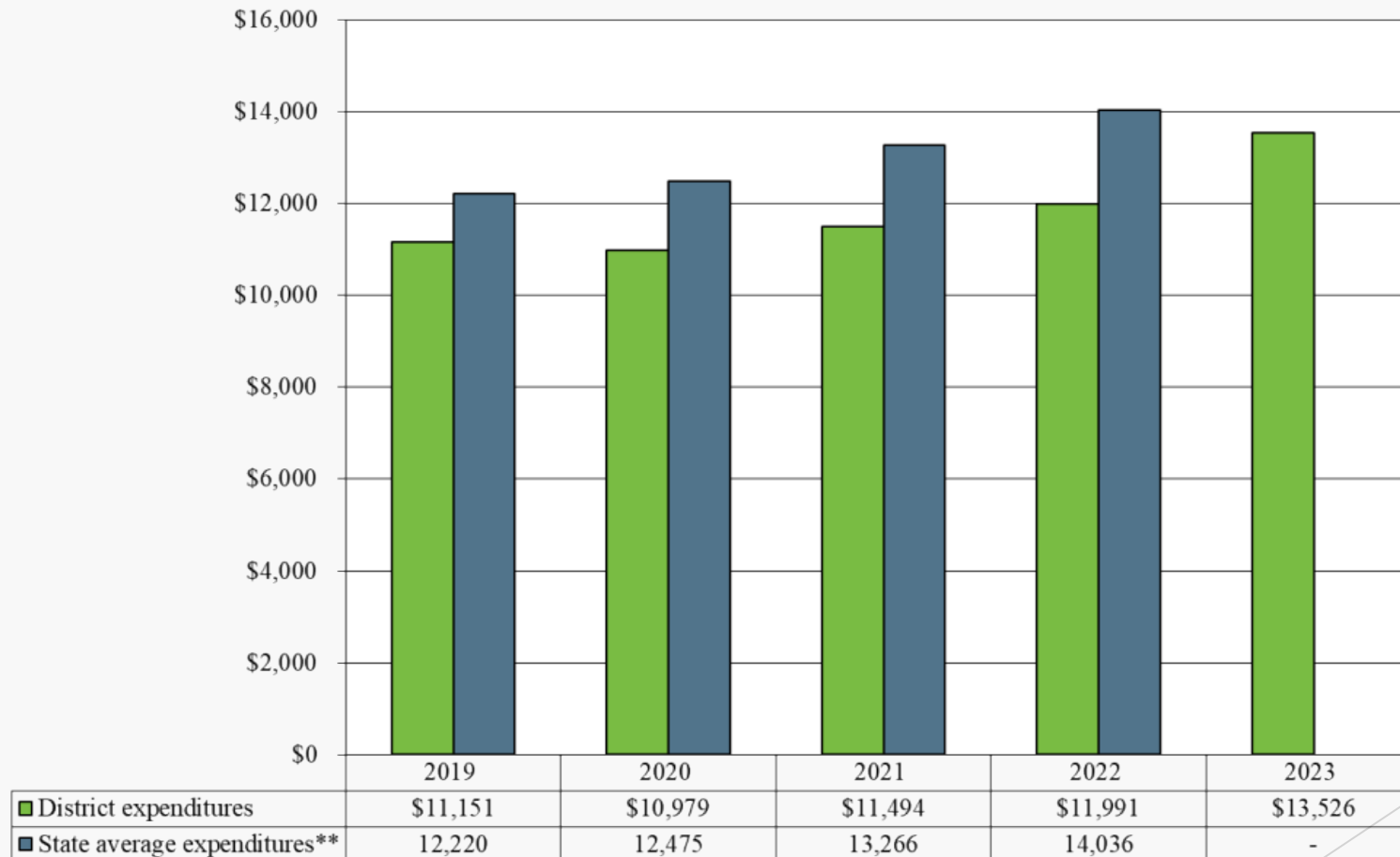


General Fund Revenues Per ADM Served



General Fund

Expenditures Per ADM Served



General Fund

Expenditures by Program and General Fund Operations

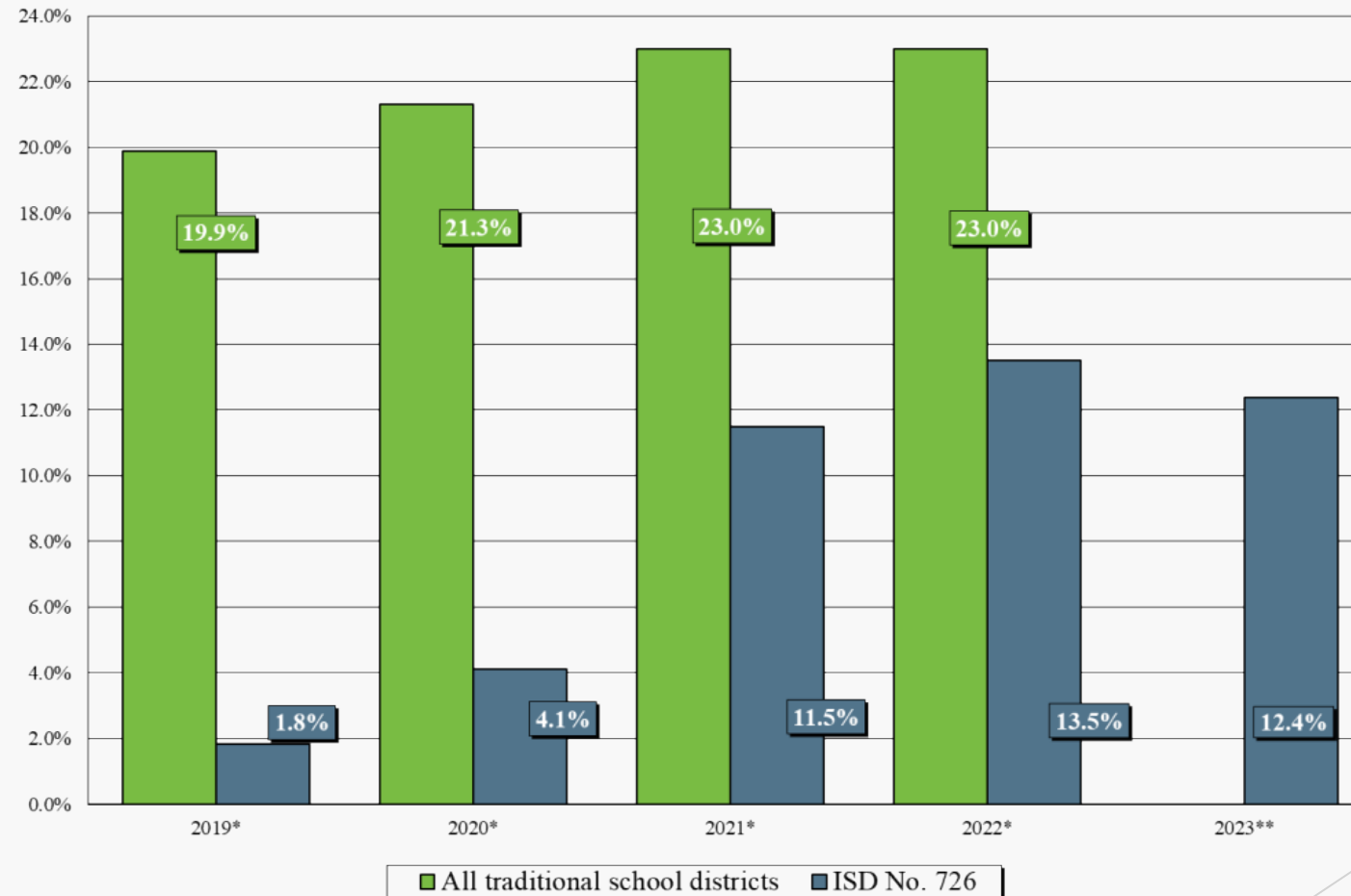
	District	State	District	State
	2022**	Average 2022**	2023*	Average 2023*
District and School Administration	7.1%	8.7%	6.3%	N/A
Regular Instruction***	48.6%	43.1%	47.4%	N/A
Vocational instruction	0.2%	1.3%	0.4%	N/A
Special education instruction	17.4%	18.3%	17.7%	N/A
Instructional support services	5.7%	5.3%	4.9%	N/A
Pupil support services****	7.3%	9.6%	8.1%	N/A
Sites, buildings, and equipment	7.4%	7.4%	9.7%	N/A
Capital outlay	6.5%	6.5%	5.5%	N/A
Total	100.0%	100.0%	100.0%	N/A

General Fund

Net Revenues and Expenditures

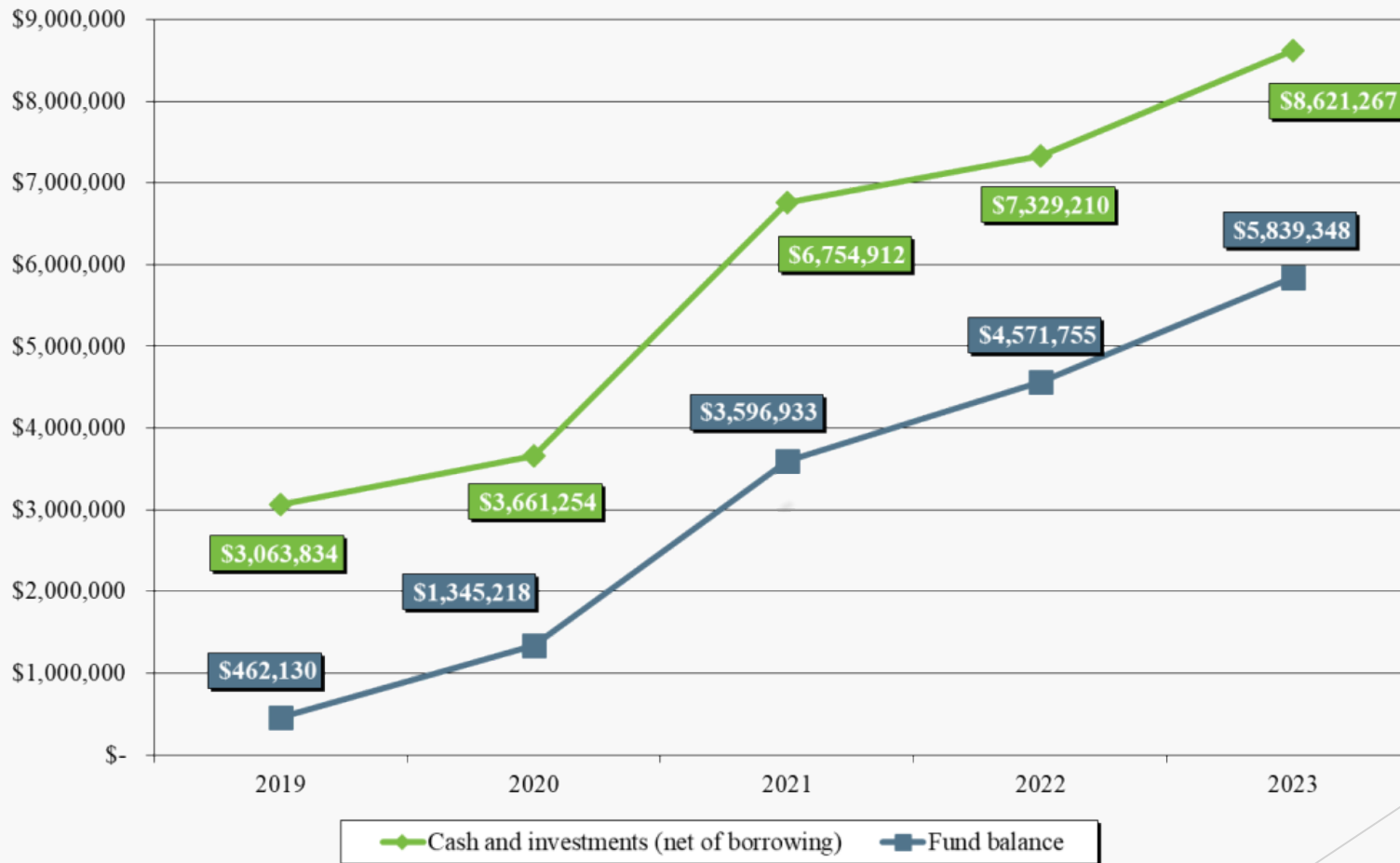


General Fund Expenditures of Fund Balance



General Fund Operations

Financial Position



Food Service Fund Operations

For the Year Ended June 30,	2019	2020	2021	2022	2023
Revenues	\$ 1,517,153	\$ 1,533,416	\$ 2,078,853	\$ 2,775,538	\$ 2,046,137
Expenditures	1,476,030	1,470,741	1,649,404	2,044,357	2,217,824
Excess of revenues over (under) expenditures	41,123	62,675	429,449	731,181	(171,687)
Fund balance, July 1	14,614	55,737	118,412	547,861	1,279,042
Fund Balance, June 30	\$ 55,737	\$ 118,412	\$ 547,861	\$ 1,279,042	\$ 1,107,355

Community Service Fund Operations

For the Year Ended June 30,	2019	2020	2021	2022	2023
Revenues	\$ 1,325,962	\$ 1,258,603	\$ 1,355,510	\$ 1,592,931	\$ 1,661,919
Expenditures	1,471,172	1,311,818	1,385,024	1,616,519	1,757,800
Excess of revenues under expenditures	(145,210)	(53,215)	(29,514)	(23,588)	(95,881)
Transfer in	-	100,000	111,000	10,000	10,000
Fund balance, July 1	276,511	131,301	178,086	259,572	245,984
Fund Balance, June 30	\$ 131,301	\$ 178,086	\$ 259,572	\$ 245,984	\$ 160,103

Components	2019	2020	2021	2022	2023
Nonspendable	\$ 8,781	\$ 9,840	\$ 8,833	\$ 12,738	\$ 10,674
Restricted/reserved for					
Community Education*	(7,917)	8,555	25,549	(6,880)	(80,978)
Early Childhood and Family Education	113,464	150,717	185,376	210,906	251,988
School Readiness	16,540	5,833	35,852	20,884	(30,726)
Community Service	433	3,141	3,962	8,336	9,145
Fund Balance, June 30	\$ 131,301	\$ 178,086	\$ 259,572	\$ 245,984	\$ 160,103

Questions?

Nancy Schulzetenberg

320-251-7010

Nancy.Schulzetenberg@berganKDV.com



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A modern office interior featuring a long hallway with glass-walled rooms on both sides. The rooms have black frames and are furnished with contemporary decor, including a sofa, a floor lamp, and a tripod stand. The hallway has a polished floor and a ceiling with exposed pipes and black pendant lights. The overall aesthetic is clean, minimalist, and professional.

THANK
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BerganKDV is a leading professional services firm with a contagious culture; where growth is fostered and making a difference means something. Our values drive our decisions, and our passion is empowering people and creating a wow experience for our clients.

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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