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Independent School District No. 877  
Buffalo, Minnesota

Financial Statement Presentation

October 28, 2019

# Independent Auditor's Report

- Unmodified opinion on financial statements
- Financial statements present fairly in all material respects the financial position and changes in financial position of the governmental activities, each major fund and the aggregate remaining fund information

# Other Reports

- Report on the results of an audit performed in accordance with *Government Auditing Standards* – no findings
- Uniform Guidance report on Internal Control and Compliance (Federal Single Audit) – no findings
- Report on the results of testing on *Minnesota Legal Compliance* - no findings
- Audit of the District's Student Activity Accounts

# Average Daily Membership and Pupil Units

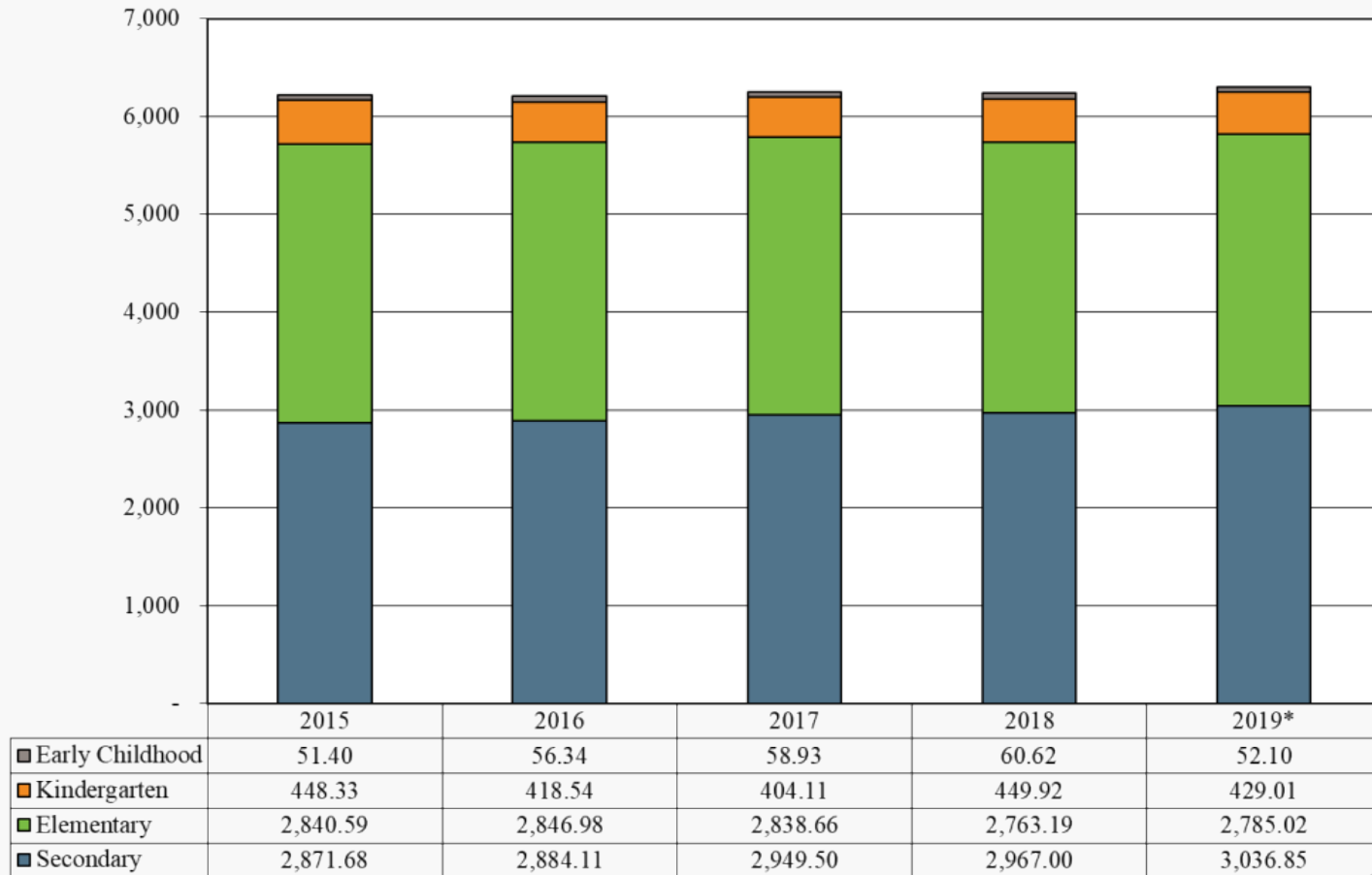
Year	General Education Aid Formula Allowance	
	Amount	Percent Increase
2011	\$ 5,124	0.0%
2012	5,174	1.0%
2013	5,224	1.0%
2014	5,302	1.5%
2015*	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%

\* 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 ADM

<b>ADM</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019*</b>
Early Childhood	51.40	56.34	58.93	60.62	52.10
Kindergarten	448.33	418.54	404.11	449.92	429.01
Elementary	2,840.59	2,846.98	2,838.66	2,763.19	2,785.02
Secondary	2,871.68	2,884.11	2,949.50	2,967.00	3,036.85
<b>Total Resident ADM</b>	<b>6,212.00</b>	<b>6,205.97</b>	<b>6,251.20</b>	<b>6,240.73</b>	<b>6,302.98</b>

# Resident ADM (Continued)



# Pupil Units Weighting

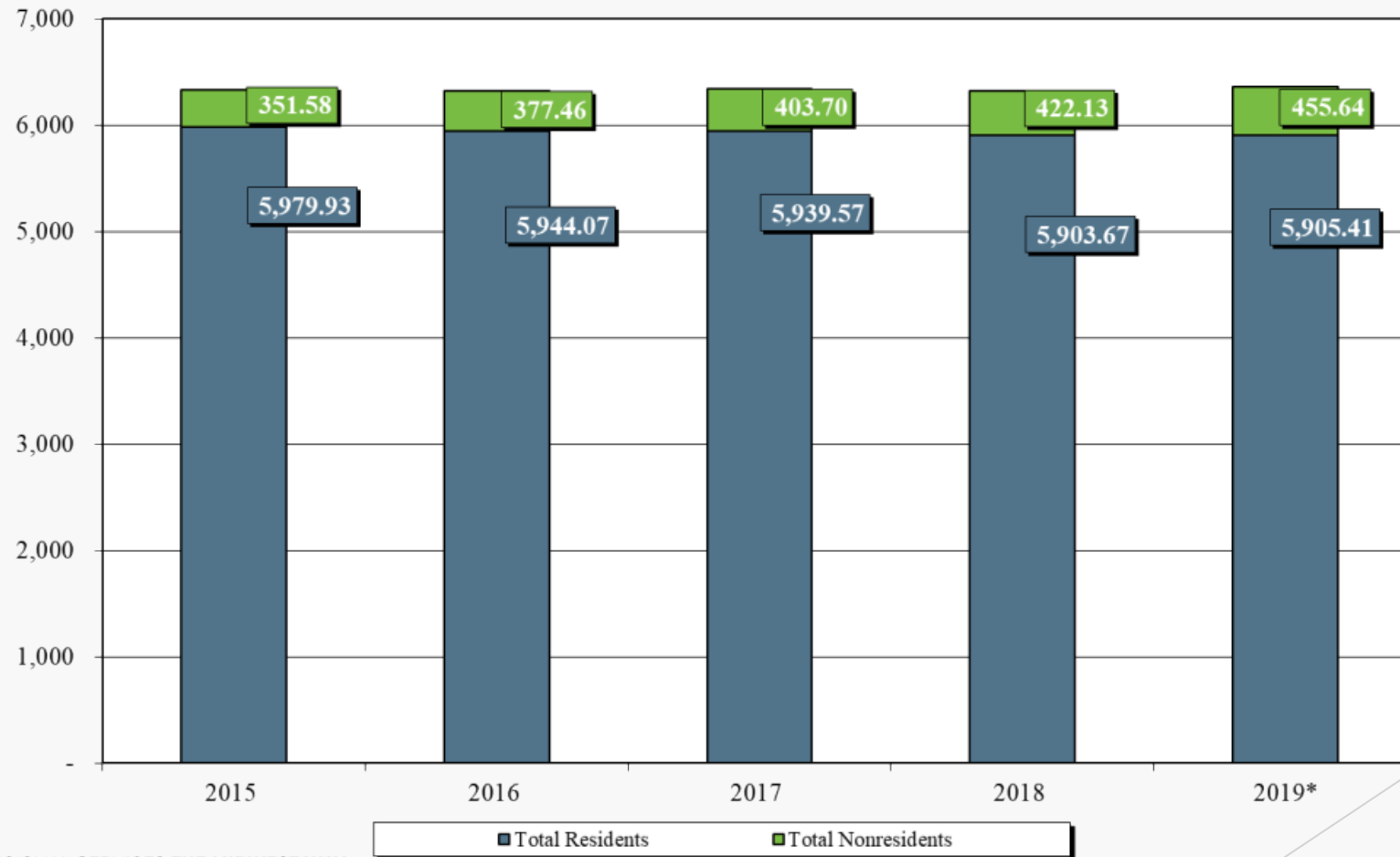
<b>Pupil Units Weighting</b>				
	<b>Pre-Kindergarten and Handicapped Kindergarten</b>	<b>Part-time and All-Day Kindergarten</b>	<b>Elementary Grades 1-3/4-6</b>	<b>Secondary</b>
2015-2019	1.000	0.612/1.000	1.000	1.200

# Pupil Units Served

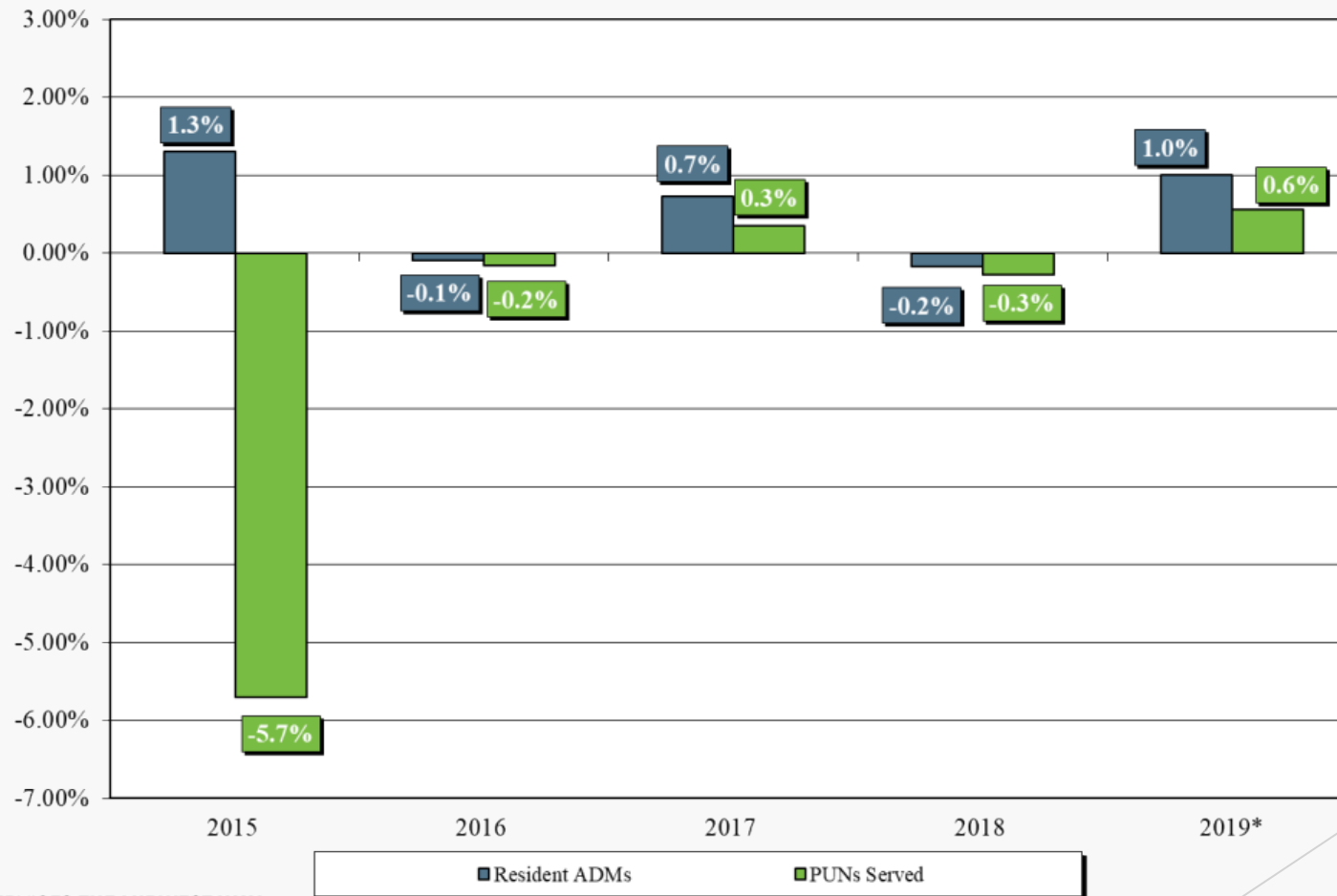
<b>PUN</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019*</b>
Residents	6,781.76	6,780.39	6,840.28	6,834.04	6,910.35
Resident PUN loss	(801.83)	(836.32)	(900.71)	(930.37)	(1,004.94)
Nonresident PUN gain	351.58	377.46	403.70	422.13	455.64
<b>Total PUN Served</b>	<b>6,331.51</b>	<b>6,321.53</b>	<b>6,343.27</b>	<b>6,325.80</b>	<b>6,361.05</b>



# Pupil Units Served (Continued)



# Change in Resident ADM and Pupil Units Served



# General Fund Revenues

## Budget Performance

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Local property taxes	\$ 7,060,240	\$ 7,068,705	\$ 7,016,659	\$ (52,046)
Other local revenues	1,930,257	1,918,536	2,197,898	279,362
Revenue from state sources	55,530,760	56,020,570	56,485,821	465,251
Revenue from federal sources	1,774,980	2,482,865	1,809,492	(673,373)
Sales and other conversion of assets	41,130	36,300	19,910	(16,390)
Total revenues	<u>66,337,367</u>	<u>67,526,976</u>	<u>67,529,780</u>	<u>2,804</u>
<b>Expenditures</b>				
Administration	1,873,544	1,812,519	1,843,135	30,616
District support services	1,695,722	1,748,643	1,692,769	(55,874)
Regular instruction	31,379,117	31,675,395	31,905,523	230,128
Vocational instruction	1,922,997	1,930,836	1,893,966	(36,870)
Special education instruction	12,053,104	12,264,532	11,848,676	(415,856)
Instructional support services	5,110,473	5,791,347	4,877,541	(913,806)
Pupil support services	7,011,785	6,959,648	6,987,422	27,774
Sites and buildings	7,813,739	7,505,769	7,393,361	(112,408)
Fiscal and other fixed cost programs	245,831	247,696	296,491	48,795
Debt service	127,833	202,080	202,081	1
Total expenditures	<u>69,234,145</u>	<u>70,138,465</u>	<u>68,940,965</u>	<u>(1,197,500)</u>
Excess of revenues under expenditures	\$ (2,896,778)	\$ (2,611,489)	\$ (1,411,185)	\$ 1,200,304

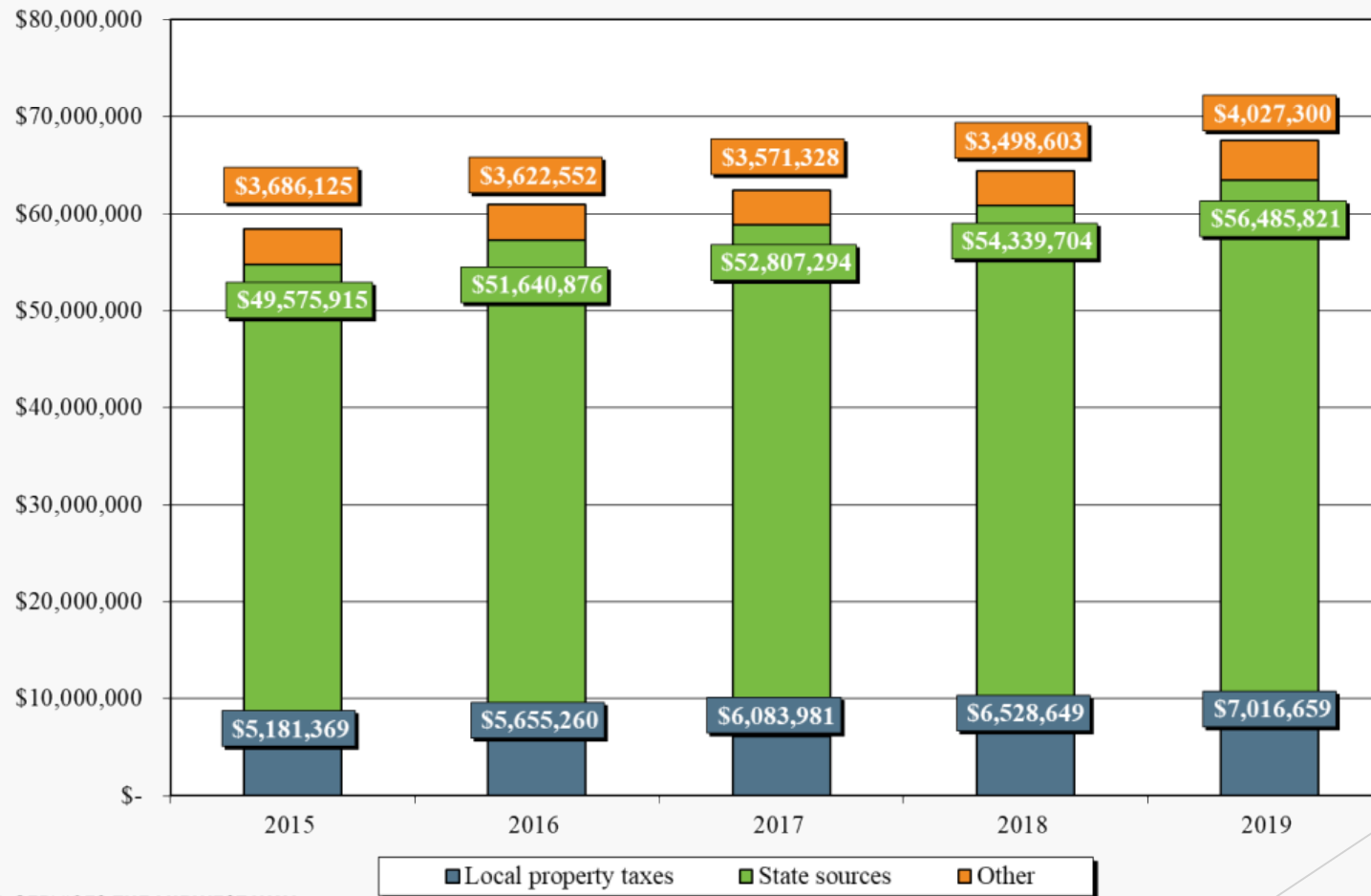
# General Fund

## Sources of Revenue

	2015	2016	2017	2018	2019
Local property taxes	\$ 5,181,369	\$ 5,655,260	\$ 6,083,981	\$ 6,528,649	\$ 7,016,659
State sources	49,575,915	51,640,876	52,807,294	54,339,704	56,485,821
Other	3,686,125	3,622,552	3,571,328	3,498,603	4,027,300
<b>Total</b>	<b>\$ 58,443,409</b>	<b>\$ 60,918,688</b>	<b>\$ 62,462,603</b>	<b>\$ 64,366,956</b>	<b>\$ 67,529,780</b>

# General Fund

## Sources of Revenue (Continued)



# Revenues and Expenditures

## Per ADM Served

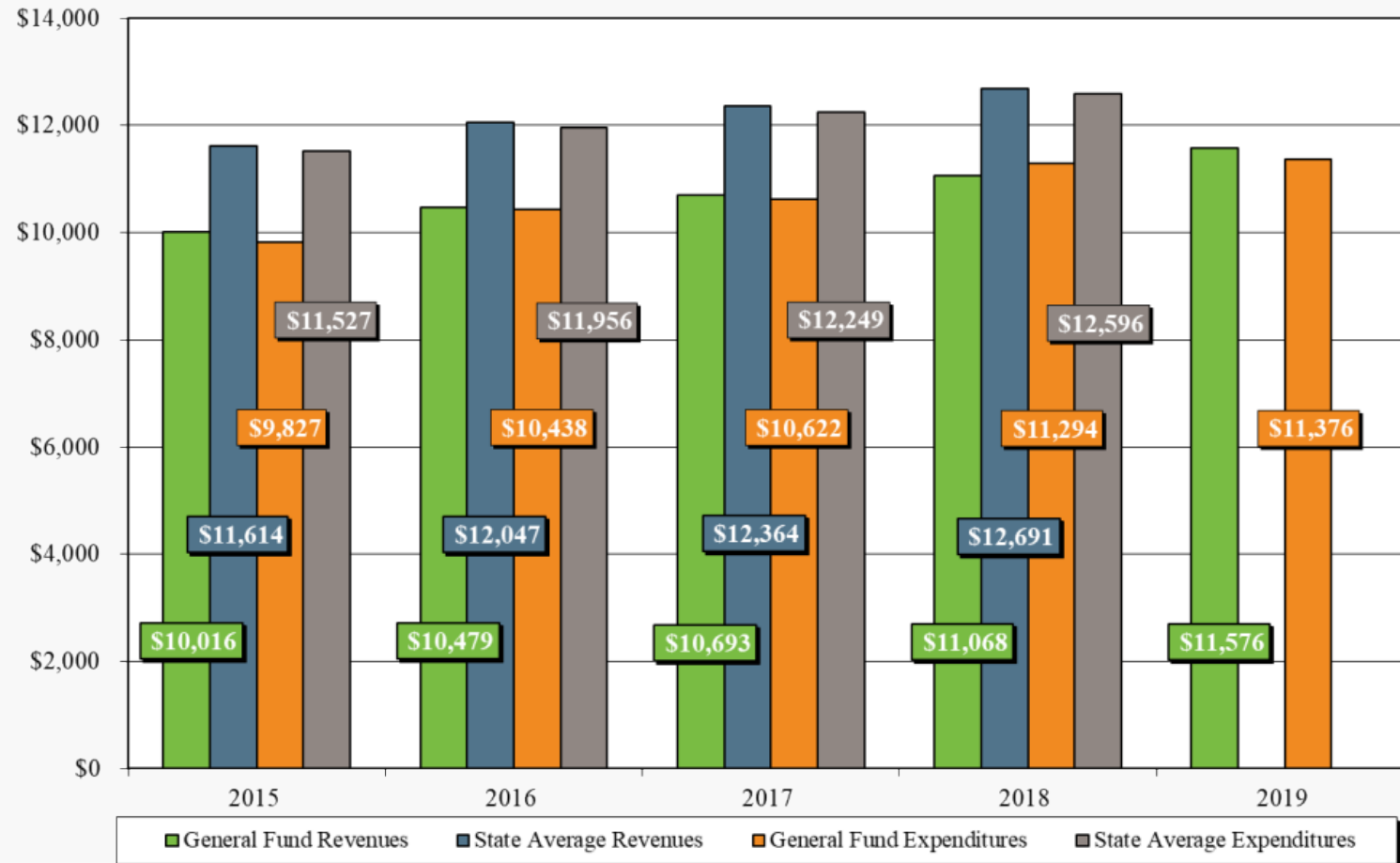
### Revenues

	2015	2016	2017	2018	2019
General Fund	\$ 10,016	\$ 10,479	\$ 10,693	\$ 11,068	\$ 11,576
General Fund state average	11,614	12,047	12,364	12,691	N/A

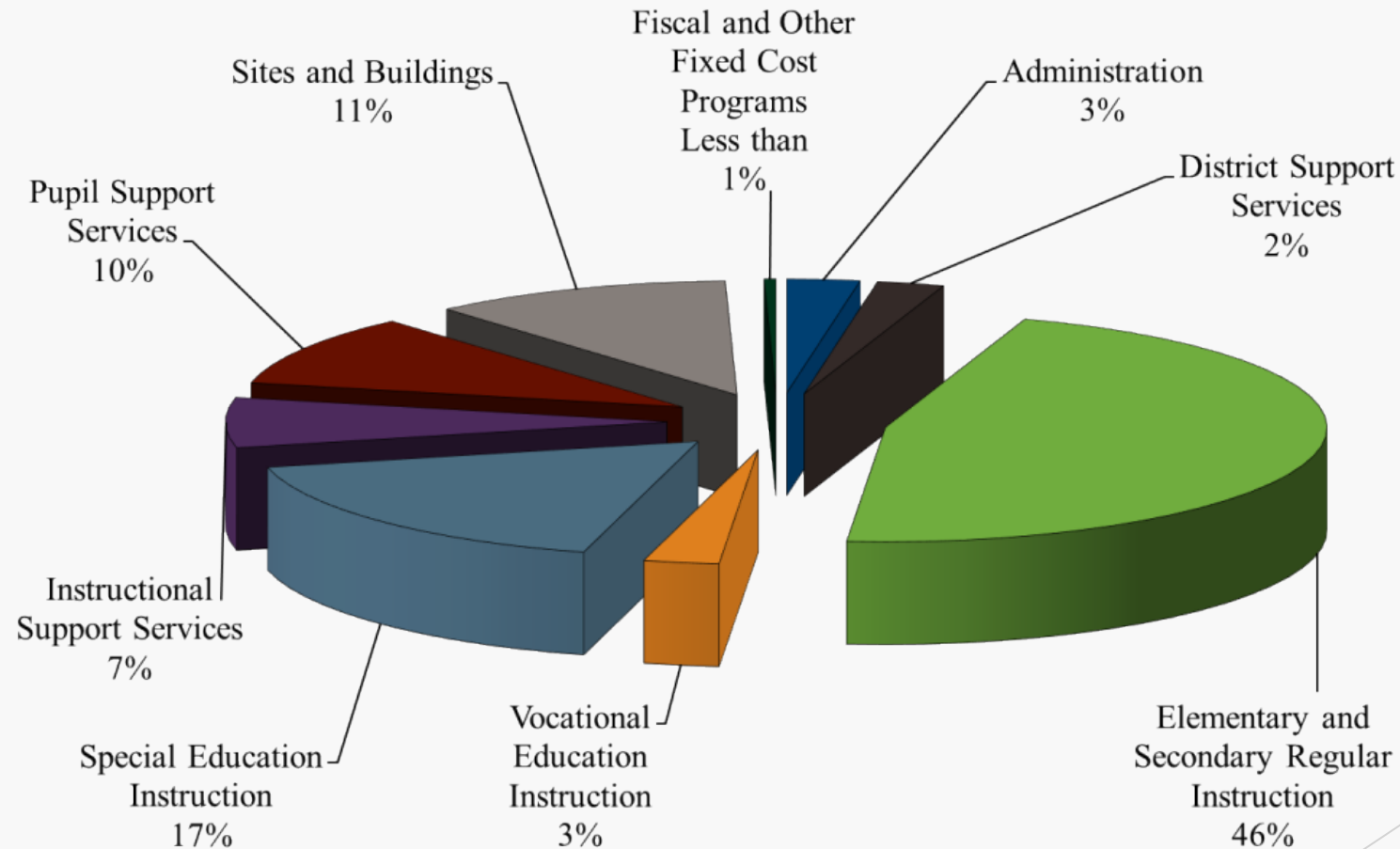
### Expenditures

	2015	2016	2017	2018	2019
General Fund	\$ 9,827	\$ 10,438	\$ 10,622	\$ 11,294	\$ 11,818
General Fund state average	11,527	11,956	12,249	12,596	N/A

# Revenues and Expenditures Per ADM Served (continued)

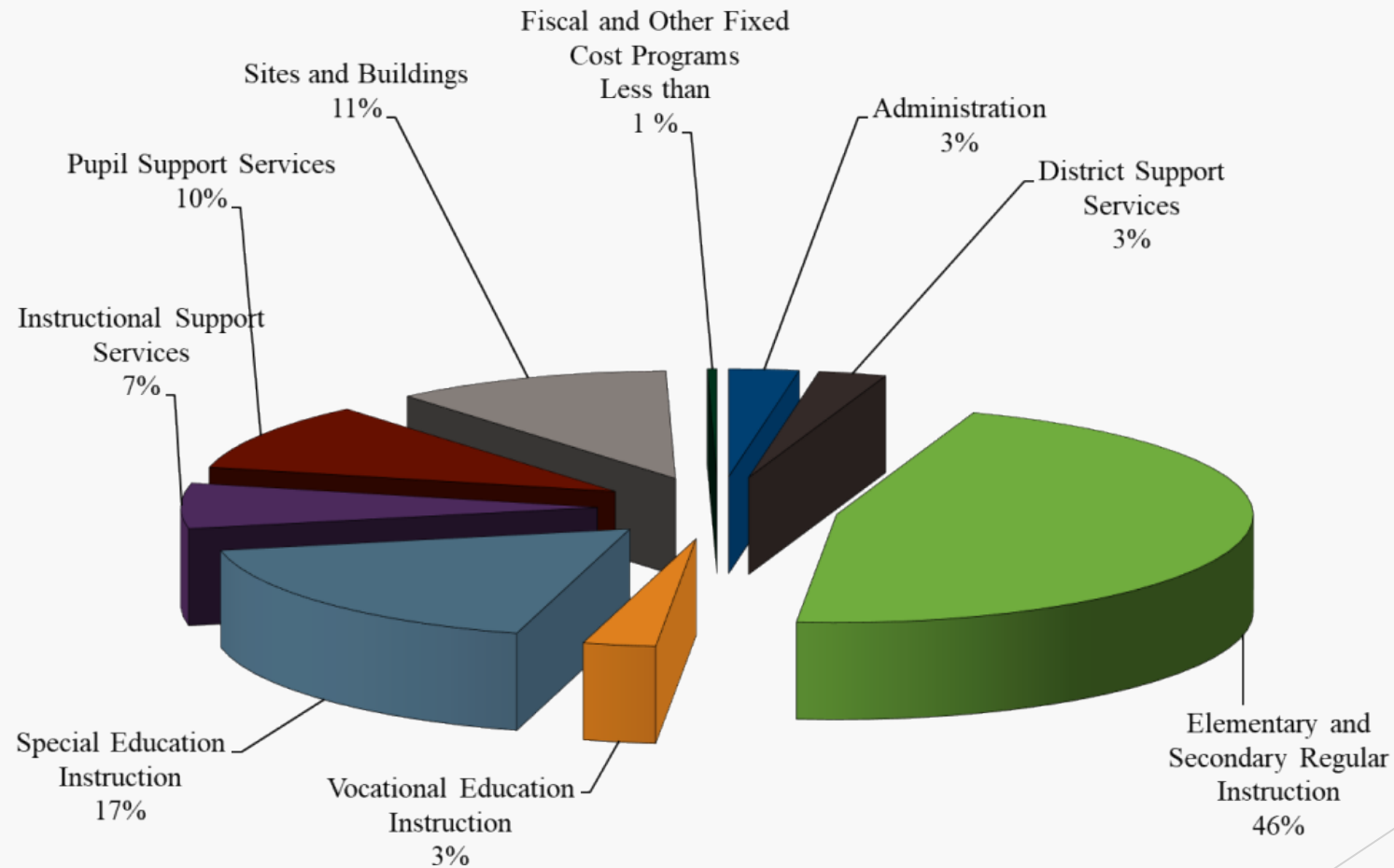


# General Fund 2019 Expenditures





# General Fund 2018 Expenditures

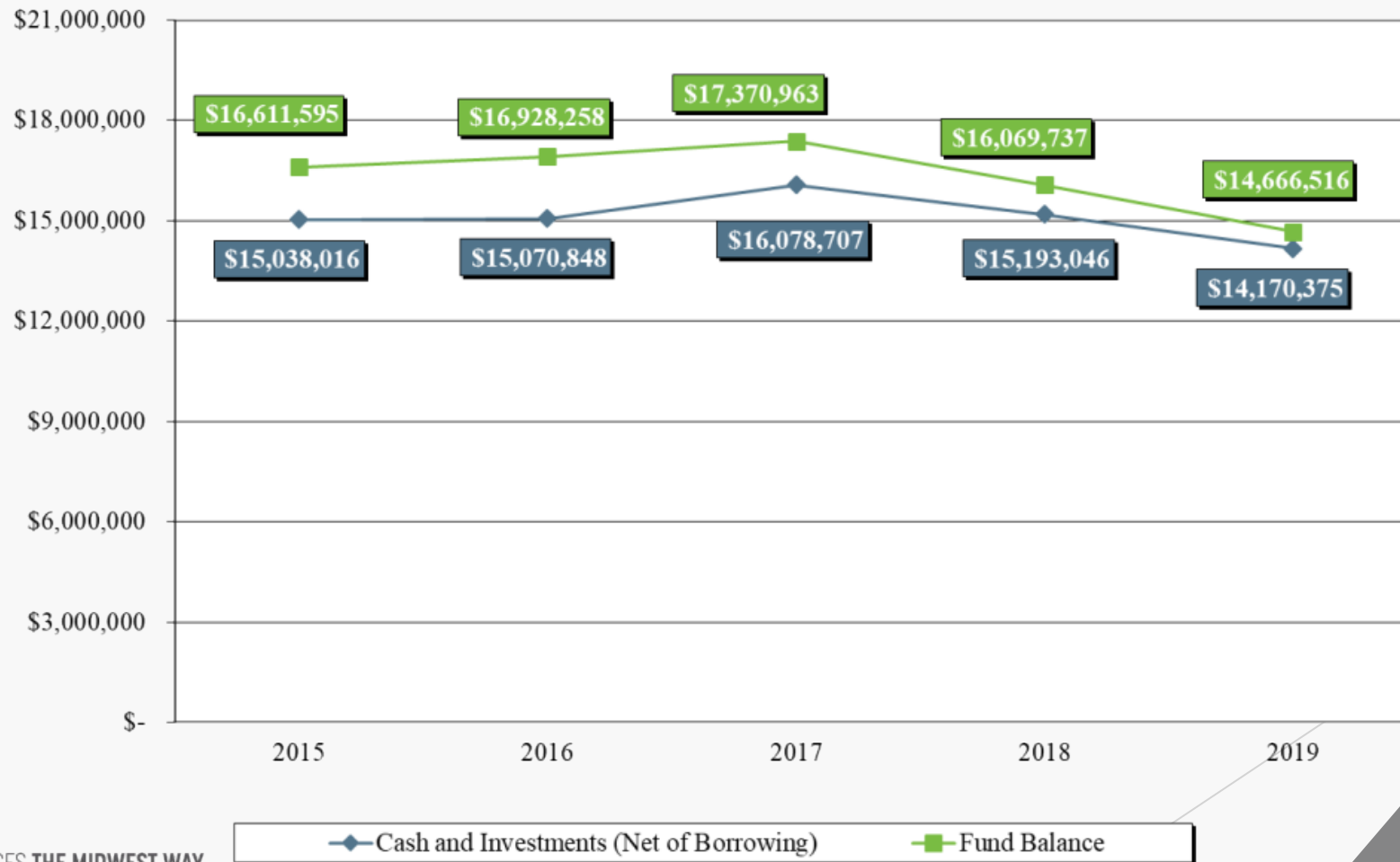


# General Fund Operations

	2015	2016	2017	2018	2019
Revenues	\$ 58,443,409	\$ 60,918,688	\$ 62,462,603	\$ 64,366,956	\$ 67,529,780
Expenditures	57,341,009	60,679,186	62,888,607	65,672,883	68,940,965
Excess of revenues over (under) expenditures	1,102,400	239,502	(426,004)	(1,305,927)	(1,411,185)
Transfers/other financing sources and uses	-	105,637	840,233	4,701	7,964
Fund balance, July 1	15,509,195	16,611,595	16,956,734	17,370,963	16,069,737
<b>Fund Balance, June 30</b>	<b>\$ 16,611,595</b>	<b>\$ 16,956,734</b>	<b>\$ 17,370,963</b>	<b>\$ 16,069,737</b>	<b>\$ 14,666,516</b>

<b>Components</b>					
Unassigned	\$ 9,943,213	\$ 9,739,003	\$ 9,973,930	\$ 8,430,222	\$ 6,136,605
Nonspendable	331,689	262,877	369,130	504,349	574,149
Reserved/restricted for					
Staff development	67,063	62,695	10,569	-	-
Teacher development and evaluations	110,131	103,247	103,247	103,247	103,096
Deferred maintenance	730	-	-	-	-
Operating capital	624,963	614,500	698,826	734,140	733,445
Health and safety	(137,329)	(64,860)	(16,495)	-	-
Long-term facility maintenance	-	-	104,729	(150,913)	(71,833)
Medical assistance	-	-	89,096	124,412	217,324
Committed/assigned for					
Separation benefits	4,062,933	4,165,436	3,495,768	3,420,225	3,340,760
Student activities	317,704	356,604	399,325	360,854	389,589
3rd party special education	493,734	560,353	560,353	560,353	560,353
Stimulus	-	-	-	-	66,719
Capital	385,973	654,758	1,058,630	1,459,667	1,833,715
Carryover	211,124	355,597	342,530	301,525	587,621
Dental insurance	199,667	146,524	181,325	221,656	194,973
<b>Total</b>	<b>\$ 16,611,595</b>	<b>\$ 16,956,734</b>	<b>\$ 17,370,963</b>	<b>\$ 16,069,737</b>	<b>\$ 14,666,516</b>

# General Fund Financial Position



# Food Service Fund

For the Year Ended June 30,	2015	2016	2017	2018	2019
Revenues	\$ 2,886,080	\$ 3,073,403	\$ 3,160,305	\$ 2,992,988	\$ 3,055,039
Expenditures, excluding OPEB	2,860,520	2,841,565	2,860,199	3,078,905	2,910,459
Excess of revenues over (under) expenditures	25,560	231,838	300,106	(85,917)	144,580
Transfers/other financing sources	-	-	-	-	5,575
Fund balance, July 1	-	25,560	257,398	557,504	471,587
<b>Fund Balance, June 30</b>	<b>\$ 25,560</b>	<b>\$ 257,398</b>	<b>\$ 557,504</b>	<b>\$ 471,587</b>	<b>\$ 621,742</b>

# Community Service Fund

For the Year Ended June 30,	2015	2016	2017	2018	2019
Revenues	\$ 3,558,973	\$ 3,700,202	\$ 3,830,996	\$ 3,719,931	\$ 3,687,299
Expenditures, excluding OPEB	3,757,423	3,836,358	3,955,606	3,679,358	3,444,580
Excess of revenues over (under) expenditures	(198,450)	(136,156)	(124,610)	40,573	242,719
Transfers/other financing sources	500	-	-	-	-
Fund balance, July 1	142,041	(55,909)	(192,065)	(316,675)	(276,102)
<b>Fund Balance, June 30</b>	<b>\$ (55,909)</b>	<b>\$ (192,065)</b>	<b>\$ (316,675)</b>	<b>\$ (276,102)</b>	<b>\$ (33,383)</b>

## Components

Unreserved/unassigned	\$ (20,203)	\$ (22,059)	\$ (38,646)	\$ (44,723)	\$ (44,476)
Nonspendable	13,252	7,572	15,623	5,969	390
Restricted/reserved for					
BCEB	(3,303)	(27,519)	28,167	86,893	122,452
Community education	(5,750)	(124,082)	(325,599)	(300,928)	(115,528)
School readiness	(47,669)	(38,190)	(8,565)	(35,658)	(8,566)
Adult basic education	7,764	12,213	12,345	12,345	12,345
<b>Total</b>	<b>\$ (55,909)</b>	<b>\$ (192,065)</b>	<b>\$ (316,675)</b>	<b>\$ (276,102)</b>	<b>\$ (33,383)</b>

# Questions?

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