



Independent School District No. 877

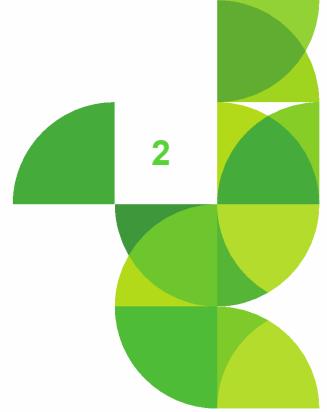
Buffalo, Minnesota

Audit Presentation
Janel Bitzan, CPA

October 24, 2016

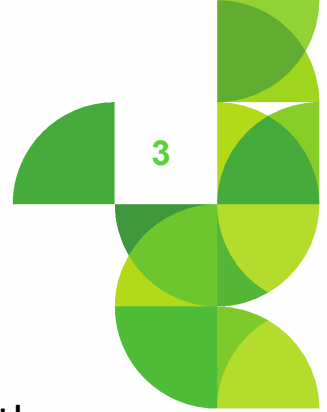


Independent Auditor's Report



- 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

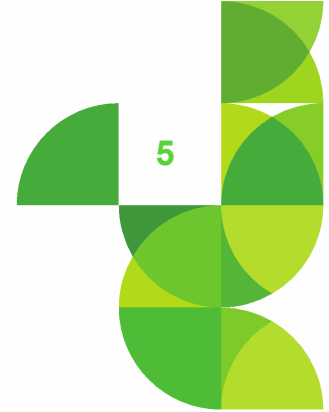
Other Components of the Audit



- Report on the results of an audit performed in accordance with *Government Auditing Standards* – no findings
- Uniform Guidance report on Internal Control and Compliance – no findings
- Report on the results of testing on *Minnesota Legal Compliance* - no findings
- Financial Analysis, and Requirement Communication as provided in the Communications Letter
- Audit of the District's Student Activity Accounts

General Fund Revenues Budget and Actual

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Over (under)
	Original	Final		
Revenues				
Local property taxes	\$ 4,692,270	\$ 5,667,463	\$5,655,260	\$ (12,203)
Other local revenues	1,857,422	1,966,914	2,027,453	60,539
Revenue from state sources	51,295,891	50,461,792	51,640,876	1,179,084
Revenue from federal sources	1,608,879	1,551,915	1,552,551	636
Sales and other conversion of assets	48,058	38,200	42,548	4,348
Total revenues	59,502,520	59,686,284	60,918,688	1,232,404
Expenditures				
Administration	1,695,633	1,690,783	1,679,268	(11,515)
District support services	1,576,776	1,558,398	1,548,590	(9,808)
Regular instruction	30,061,201	28,973,773	28,861,161	(112,612)
Vocational instruction	1,665,687	1,642,882	1,642,038	(844)
Special education instruction	10,847,536	10,521,070	10,445,405	(75,665)
Instructional support services	3,325,703	4,734,726	4,495,055	(239,671)
Pupil support services	5,652,658	5,707,858	5,902,796	194,938
Sites and buildings	5,858,931	5,910,882	5,474,334	(436,548)
Fiscal and other fixed cost programs	213,800	212,441	212,044	(397)
Debt service	334,880	418,494	418,495	1
Total expenditures	61,232,805	61,371,307	60,679,186	(692,121)
Excess of revenues over (under) expenditures	\$ (1,730,285)	\$ (1,685,023)	\$ 239,502	\$ 1,924,525



General Education Aid Formula Allowance

Year	General Education Aid Formula Allowance	
	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%

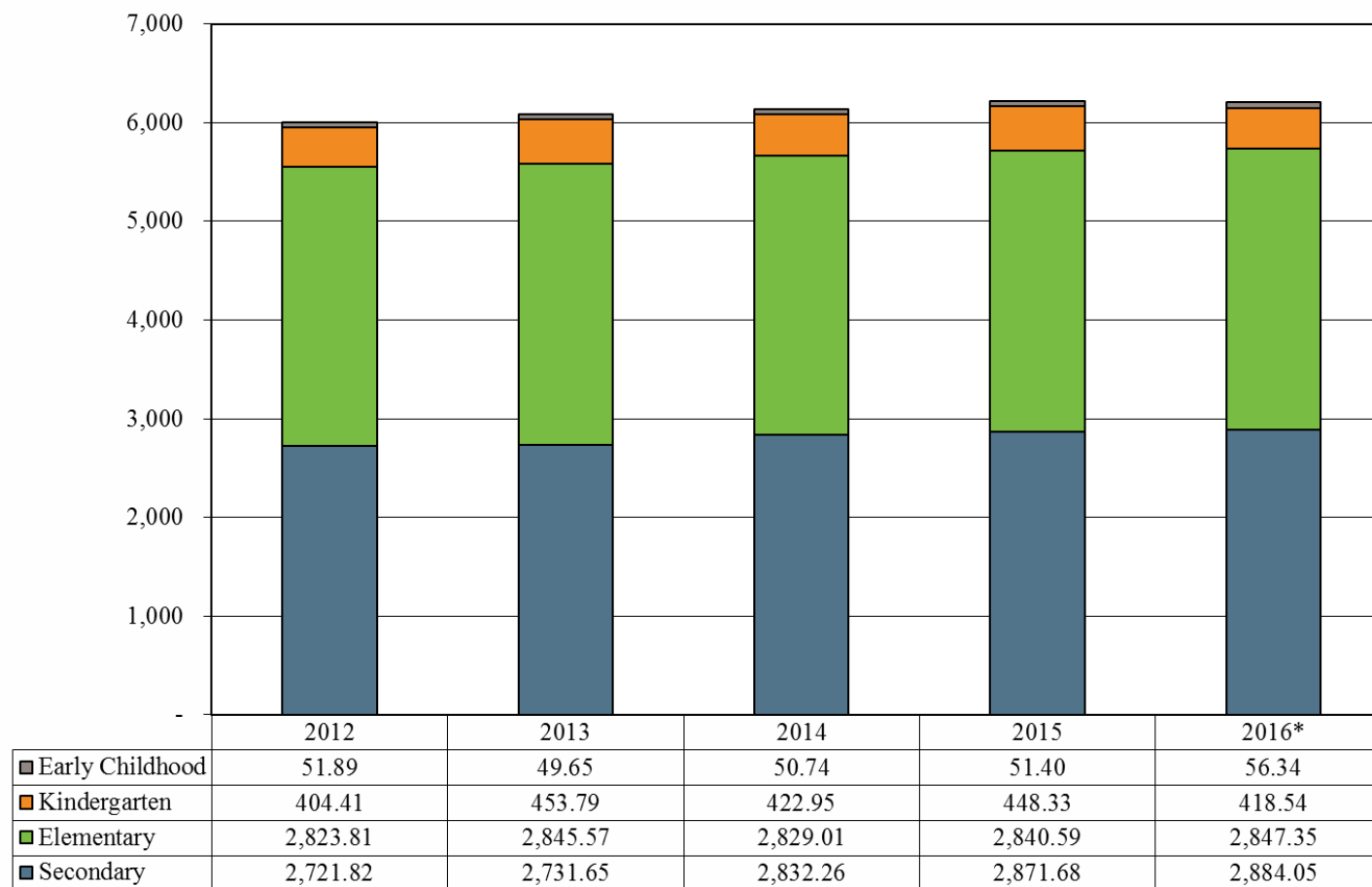
* General Education Aid - Of the \$529 increase over 2014, \$105 is for inflation at 1.9%; the remaining \$424 is a shifting of revenue to adjust for pupil weight changes, pension adjustments changes and other restructuring.



Resident Average Daily Membership and Pupil Units

ADM	2012	2013	2014	2015	2016*
Early Childhood	51.89	49.65	50.74	51.40	56.34
Kindergarten	404.41	453.79	422.95	448.33	418.54
Elementary	2,823.81	2,845.57	2,829.01	2,840.59	2,847.35
Secondary	2,721.82	2,731.65	2,832.26	2,871.68	2,884.05
Total resident ADM	6,001.93	6,080.66	6,134.96	6,212.00	6,206.28

Resident (ADM)



Pupil Units Weighting

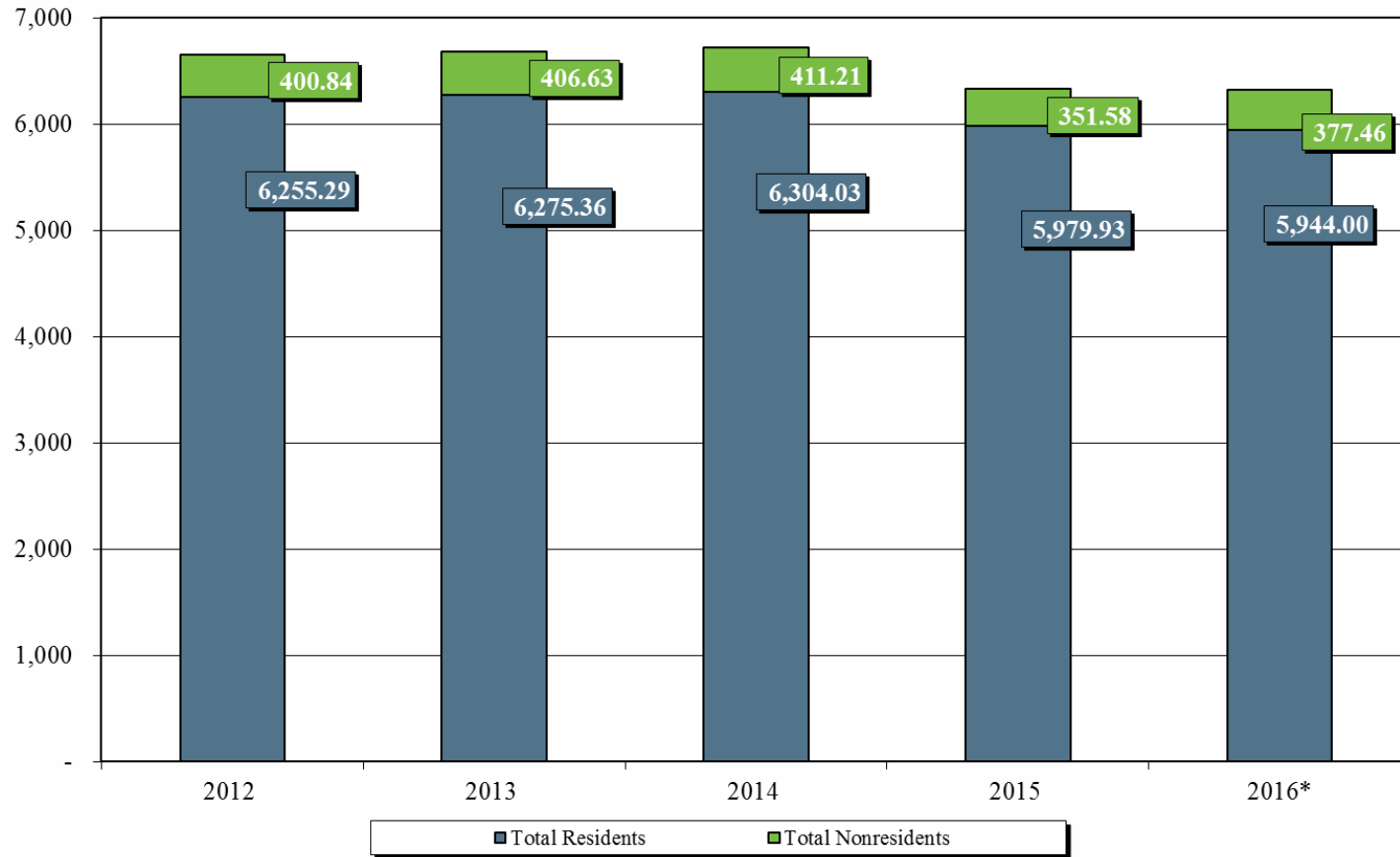
Pupil Units Weighting				
	Pre-Kindergarten and Handicapped Kindergarten	Part-time and All-Day Kindergarten	Elementary Grades 1-3/4-6	Secondary
2012-2014	1.250/1.000	0.612	1.115/1.060	1.300
2015-2016	1.000	0.612/1.000	1.000	1.200



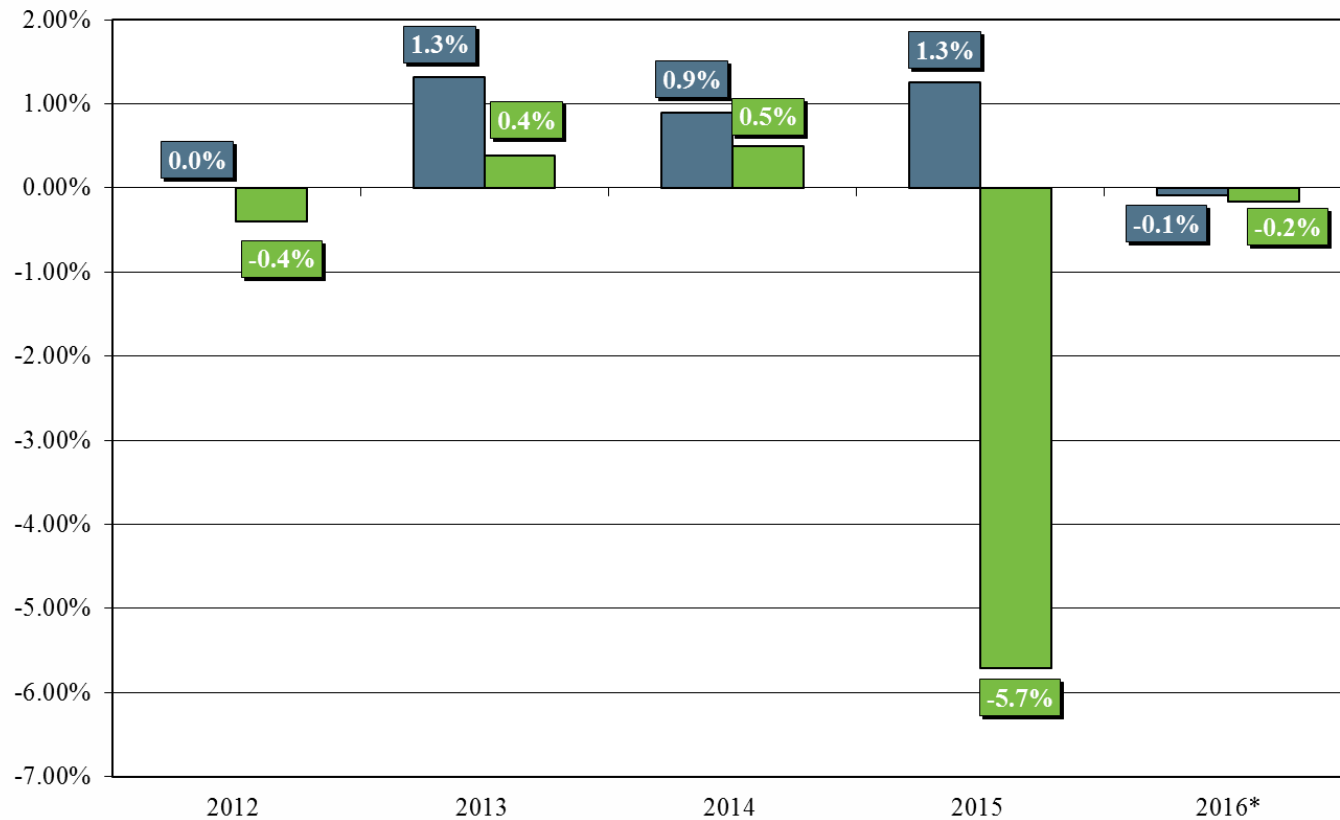
Pupil Units Weighting

PUN	2012	2013	2014	2015	2016*
Residents	6,934.05	6,991.53	7,090.53	6,781.76	6,780.69
Resident PUN loss	(678.76)	(716.17)	(786.50)	(801.83)	(836.69)
Nonresident PUN gain	400.84	406.63	411.21	351.58	377.46
Total PUN served	6,656.13	6,681.99	6,715.24	6,331.51	6,321.46

PUN Served



Change in Resident ADM and PUN Served

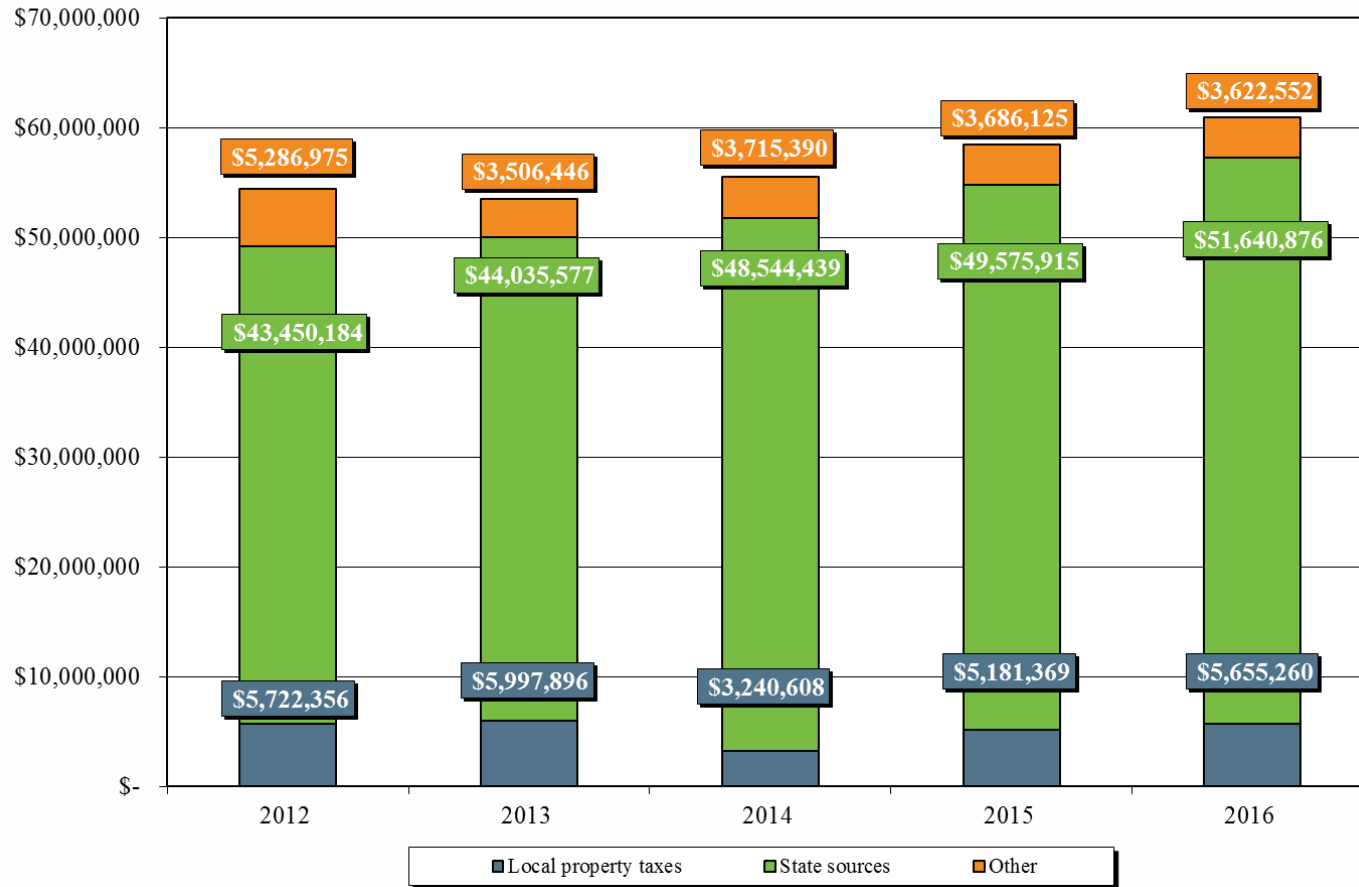


General Fund Sources of Revenue

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	2012	2013	2014	2015	2016
Local property taxes	\$ 5,722,356	\$ 5,997,896	\$ 3,240,608	\$ 5,181,369	\$ 5,655,260
State sources	43,450,184	44,035,577	48,544,439	49,575,915	51,640,876
Other	5,286,975	3,506,446	3,715,390	3,686,125	3,622,552
Total	\$ 54,459,515	\$ 53,539,919	\$ 55,500,437	\$ 58,443,409	\$ 60,918,688

General Fund Sources of Revenue



Revenue and Expenditures Per ADM Served



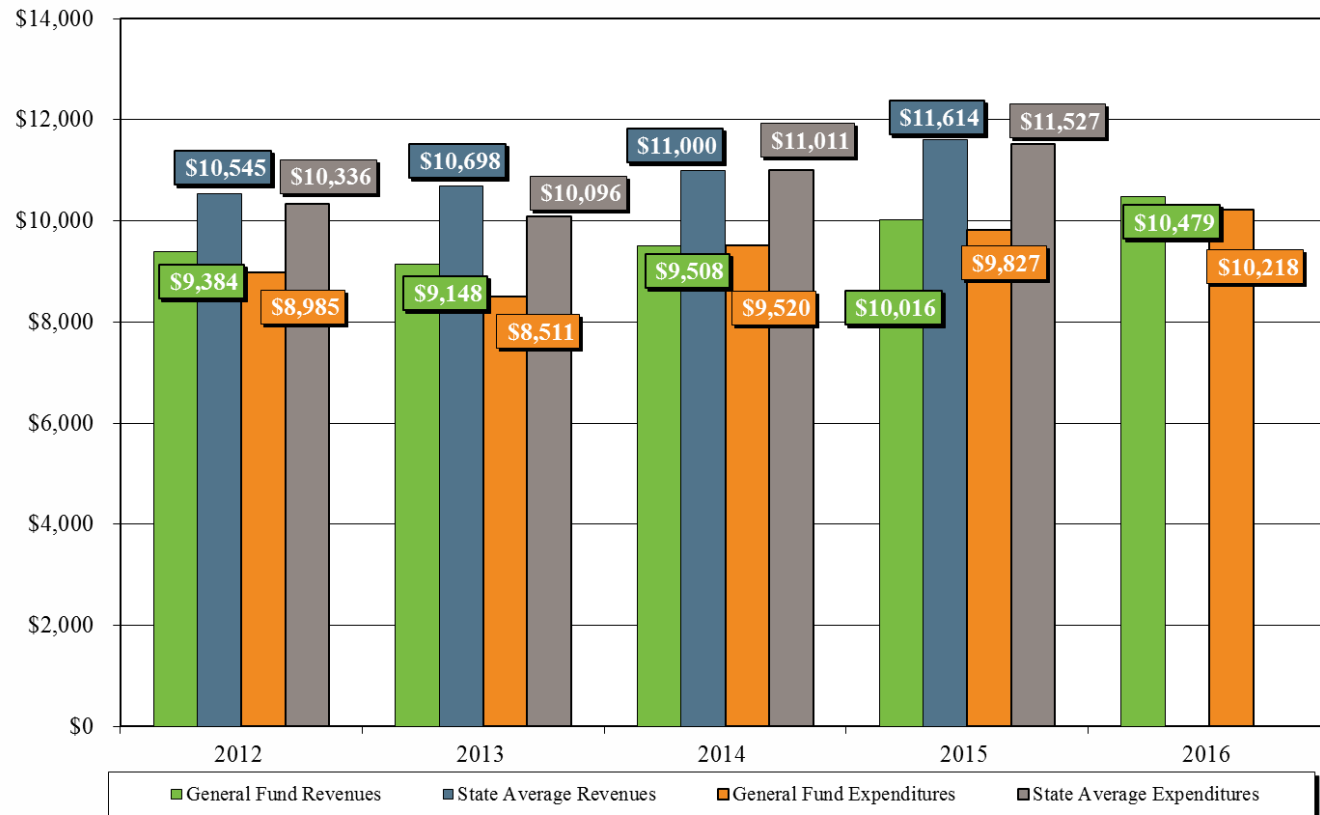
Revenue Per ADM Served

	2012	2013	2014	2015	2016
General Fund	\$ 9,384	\$ 9,148	\$ 9,508	\$ 10,016	\$ 10,479
General Fund state average	10,545	10,698	11,000	11,614	N/A

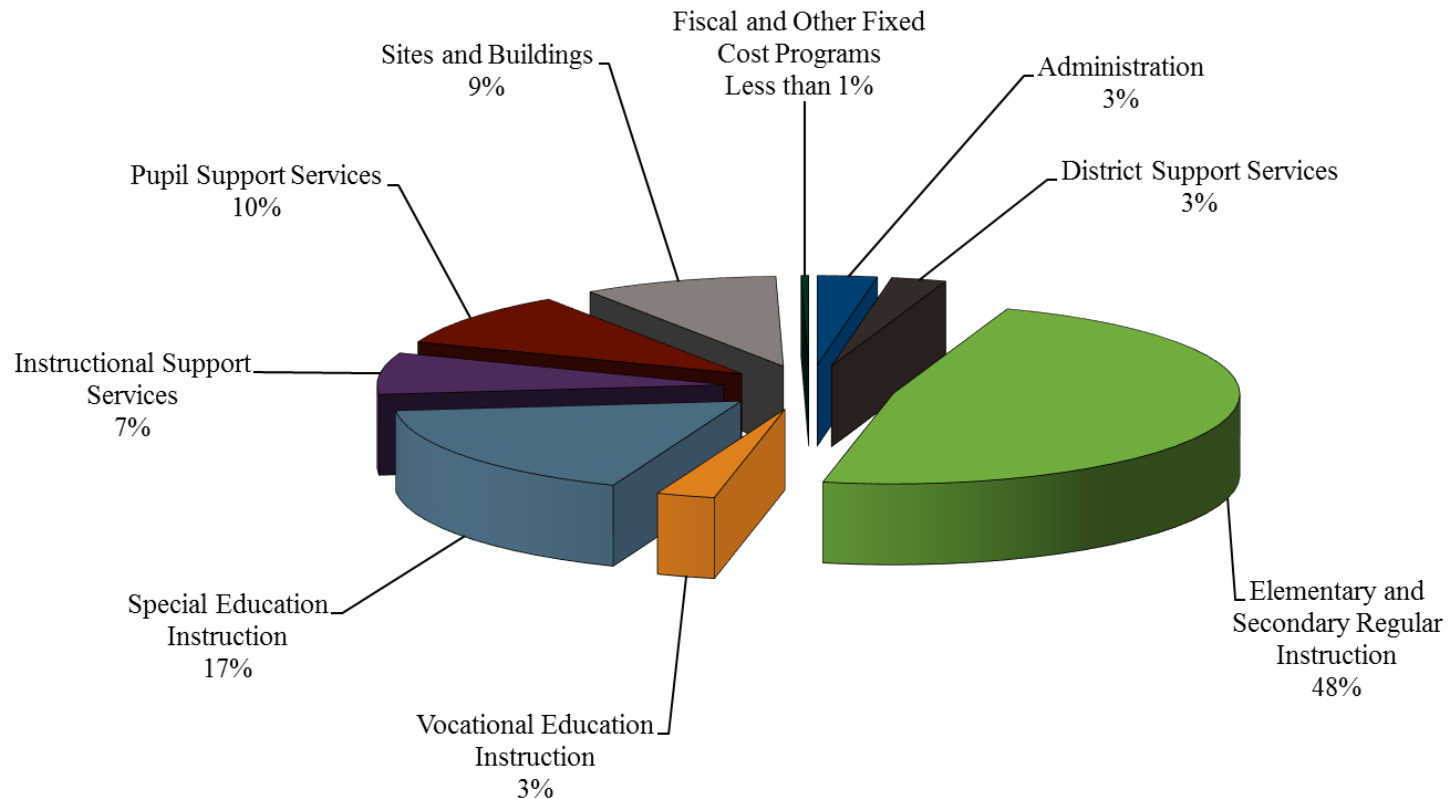
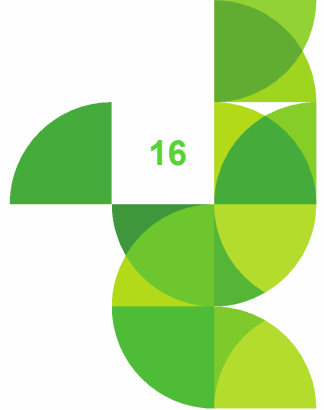
Expenditures Per ADM Served

	2012	2013	2014	2015	2016
General Fund	\$ 8,985	\$ 8,511	\$ 9,520	\$ 9,827	\$ 10,218
General Fund state average	10,336	10,096	11,011	11,527	N/A

Revenues and Expenditures Per Student ADM Served



General Fund Expenditures 2016

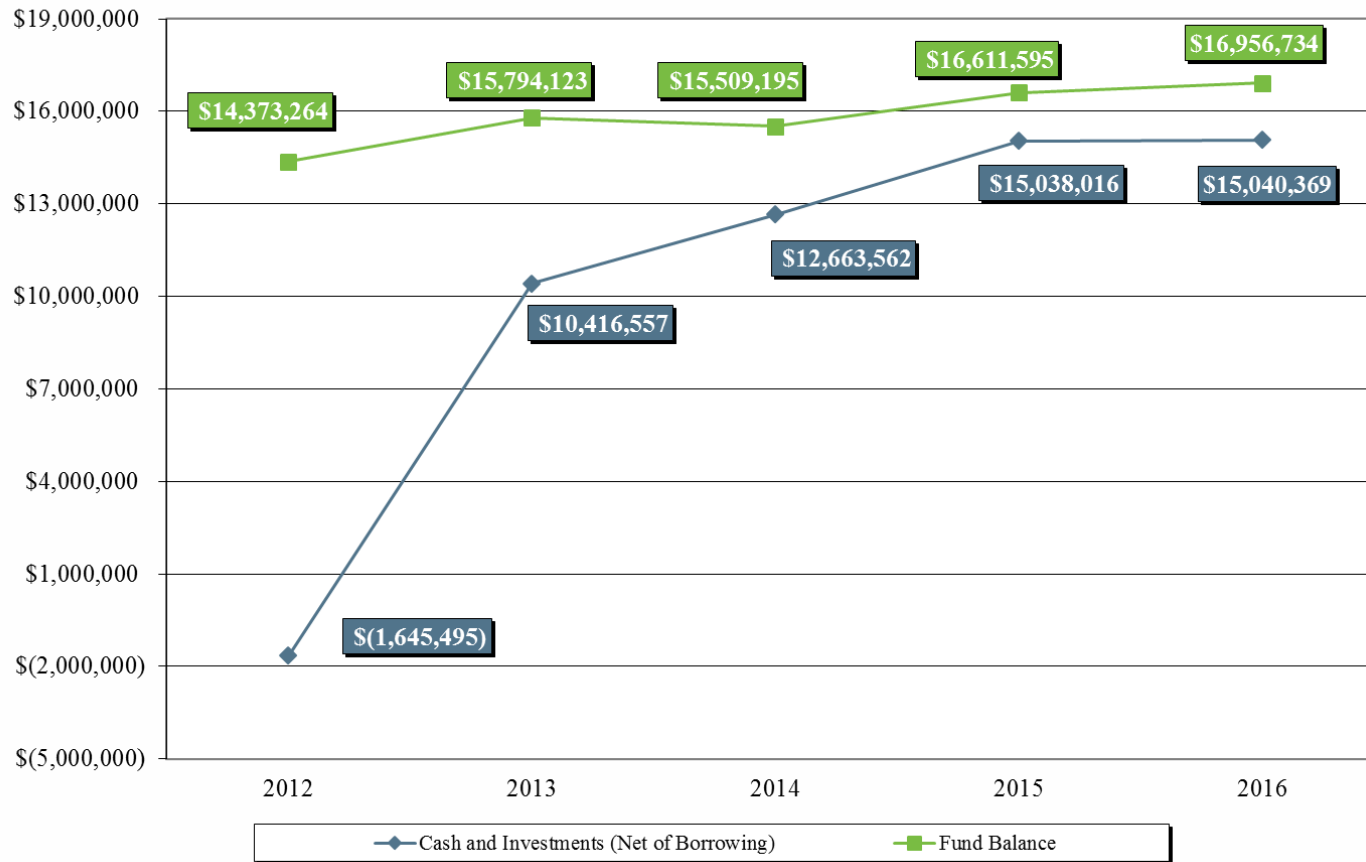


General Fund Operations

	2012	2013	2014	2015	2016
Revenues	\$ 54,459,515	\$ 53,539,919	\$ 55,500,437	\$ 58,443,409	\$ 60,918,688
Expenditures	52,254,661	52,105,504	55,968,551	57,341,009	60,679,186
Excess of revenues over (under) expenditures	2,204,854	1,434,415	(468,114)	1,102,400	239,502
Transfers/other financing sources and uses	109,046	(13,556)	183,186	-	105,637
Fund balance, July 1	12,059,364	14,373,264	15,794,124	15,509,195	16,611,595
Fund balance, June 30	\$ 14,373,264	\$ 15,794,123	\$ 15,509,196	\$ 16,611,595	\$ 16,956,734

Components					
Unassigned	\$ 7,719,781	\$ 8,361,633	\$ 9,209,451	\$ 9,943,213	\$ 9,739,003
Nondispensible	417,092	312,765	335,791	331,689	262,877
Reserved/restricted for					
Staff development	74,801	74,801	74,801	67,063	62,695
Teacher development and evaluations	-	-	-	110,131	103,247
Deferred maintenance	981	13	883	730	-
Operating capital	111,840	368,212	233,458	624,963	614,500
Health and safety	(112,811)	(65,661)	14,272	(137,329)	(64,860)
Committed/assigned for					
Separation benefits	4,118,869	4,689,661	4,075,012	4,062,933	4,165,436
Student activities	134,880	143,576	211,361	317,704	356,604
3rd party special education	422,029	501,964	522,502	493,734	560,353
Stimulus	66,543	66,543	66,543	385,973	654,758
Capital	1,000,000	775,750	405,534	-	-
Carryover	171,929	341,646	144,006	211,124	355,597
Dental insurance	247,330	223,220	215,581	199,667	146,524
Total	\$ 14,373,264	\$ 15,794,123	\$ 15,509,195	\$ 16,611,595	\$ 16,956,734

General Fund Financial Position



Food Service Fund

For the Year Ended June 30,	2012	2013	2014	2015	2016
Revenues	\$ 2,884,441	\$ 2,842,939	\$ 2,758,656	\$ 2,886,080	\$ 3,073,403
Expenditures, excluding OPEB	2,993,198	2,887,006	2,974,079	2,860,520	2,841,565
Excess of revenues over (under) expenditures	(108,757)	(44,067)	(215,423)	25,560	231,838
Transfers/other financing sources	-	16,677	215,423	-	-
Fund balance, July 1	136,147	27,390	-	-	25,560
Fund balance, June 30	\$ 27,390	\$ -	\$ -	\$ 25,560	\$ 257,398

Community Service Fund

For the Year Ended June 30,	2012	2013	2014	2015	2016
Revenues	\$ 3,280,332	\$ 3,600,629	\$ 3,722,968	\$ 3,558,973	\$ 3,700,202
Expenditures, excluding OPEB	3,222,834	3,757,184	3,772,546	3,757,423	3,836,358
Excess of revenues over (under) expenditures	57,498	(156,555)	(49,578)	(198,450)	(136,156)
Transfers/other financing sources	-	-	2,276	500	-
Fund balance, July 1	288,400	345,898	189,343	142,041	(55,909)
Fund balance, June 30	\$ 345,898	\$ 189,343	\$ 142,041	\$ (55,909)	\$ (192,065)

Components					
Unreserved/unassigned	\$ -	\$ -	\$ -	\$ (20,203)	\$ (22,059)
Nonspendable	-	-	-	13,252	7,572
Restricted/reserved for					
Community service	9,981	2	-	-	-
ECFE	78,951	28,276	34,442	(3,303)	(27,519)
Community education	212,281	138,066	103,280	(5,750)	(124,082)
School readiness	32,303	10,494	(8,186)	(47,669)	(38,190)
Adult basic education	12,382	12,505	12,505	7,764	12,213
Total	\$ 345,898	\$ 189,343	\$ 142,041	\$ (55,909)	\$ (192,065)

Questions?

Thank you!

Janel Bitzan
320-650-0225