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Independent School District No. 2687  
Howard Lake-Waverly-Winsted,  
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, and the budget to actual statement for the General Fund.
- Financial Statements present fairly, in all material respects, the financial position and changes in the financial position of the Governmental Activities, Each Major Fund and the Aggregate Remaining Funds.

# Audit Communications

- Report in Accordance with *Government Auditing Standards*
  - Internal Control Finding
    - Lack of Segregation of Accounting Duties
- Report on results of a Single Audit performed in accordance with OMB *Uniform Guidance*
  - Unmodified opinion on compliance with requirements of the Child Nutrition Cluster – No findings
- Report on Minnesota Legal Compliance
  - No findings on compliance with legal provisions contained in the *Minnesota Legal Compliance Audit Guide for Local Governments*

# General Education Aid

## Formula Allowance

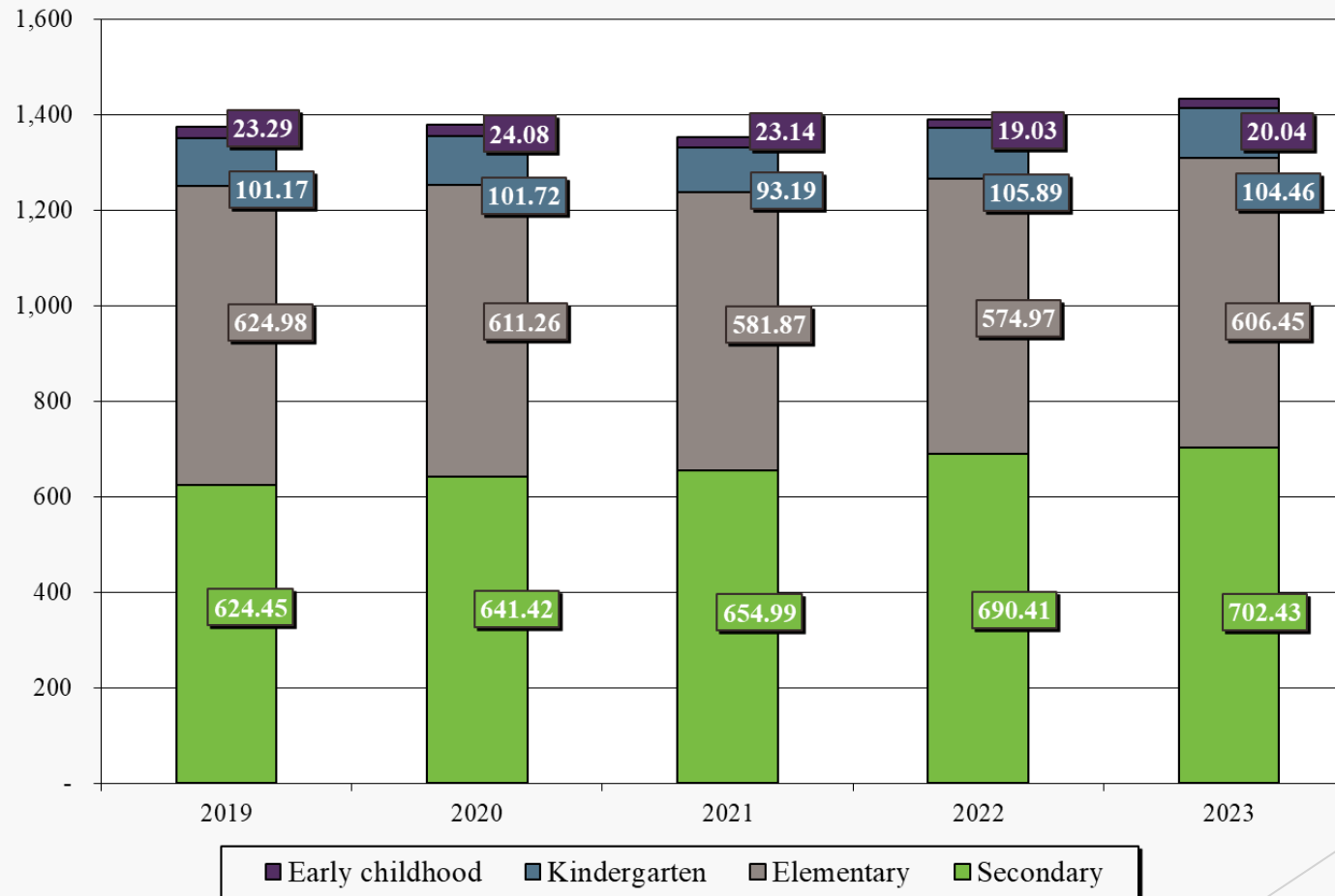
Year	General Education Aid Formula Allowance	
	Amount	Percent Increase
2014	\$ 5,302	1.5%
2015*	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%
2022	6,728	2.5%
2023	6,863	2.0%
2024	7,138	4.0%
2025	7,281	2.0%

\* 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.

# Resident Average Daily Membership And Pupil Units – Resident ADM

ADM	2019	2020	2021	2022	2023
Early childhood	23.29	24.08	23.14	19.03	20.04
Kindergarten	101.17	101.72	93.19	105.89	104.46
Elementary	624.98	611.26	581.87	574.97	606.45
Secondary	624.45	641.42	654.99	690.41	702.43
<b>Total Resident ADM</b>	<b>1,373.89</b>	<b>1,378.48</b>	<b>1,353.19</b>	<b>1,390.30</b>	<b>1,433.38</b>

# Resident Average Daily Membership Pupil Units – Resident ADM



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

Pupil Units Weighting				
	Prekindergarten and Handicapped Kindergarten	Half and Full Kindergarten	Elementary Grades 1-3/4-6	Secondary
2019-2023	1.000	1.000	1.000	1.200

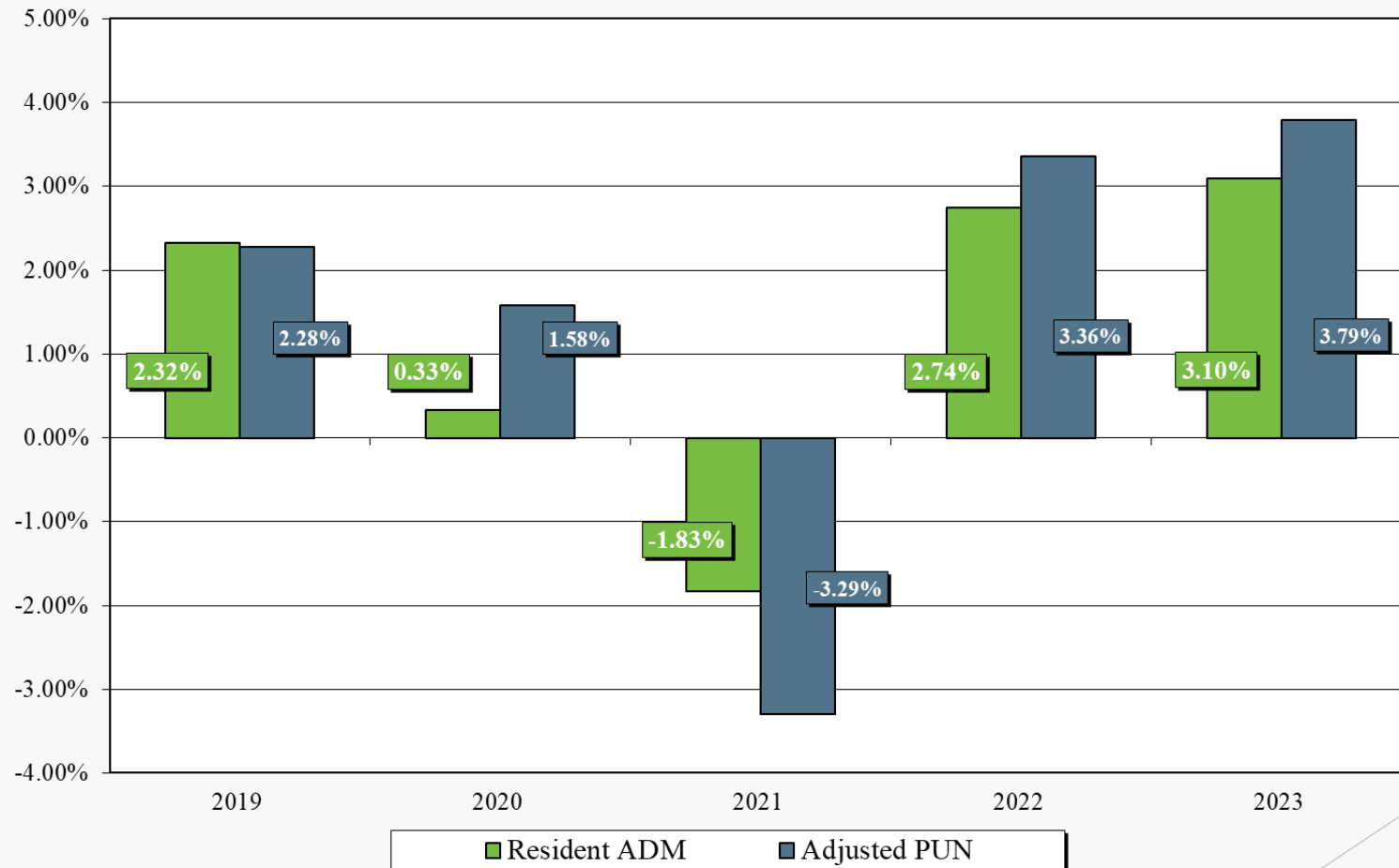
  

PUN	2019	2020	2021	2022	2023
Residents	1,498.76	1,506.20	1,484.18	1,528.39	1,573.86
Resident PUN loss	(318.44)	(308.13)	(327.19)	(325.95)	(336.87)
Nonresident PUN gain	181.63	185.34	180.86	180.33	198.21
<b>Total Adjusted PUN</b>	<b>1,361.95</b>	<b>1,383.41</b>	<b>1,337.85</b>	<b>1,382.77</b>	<b>1,435.20</b>

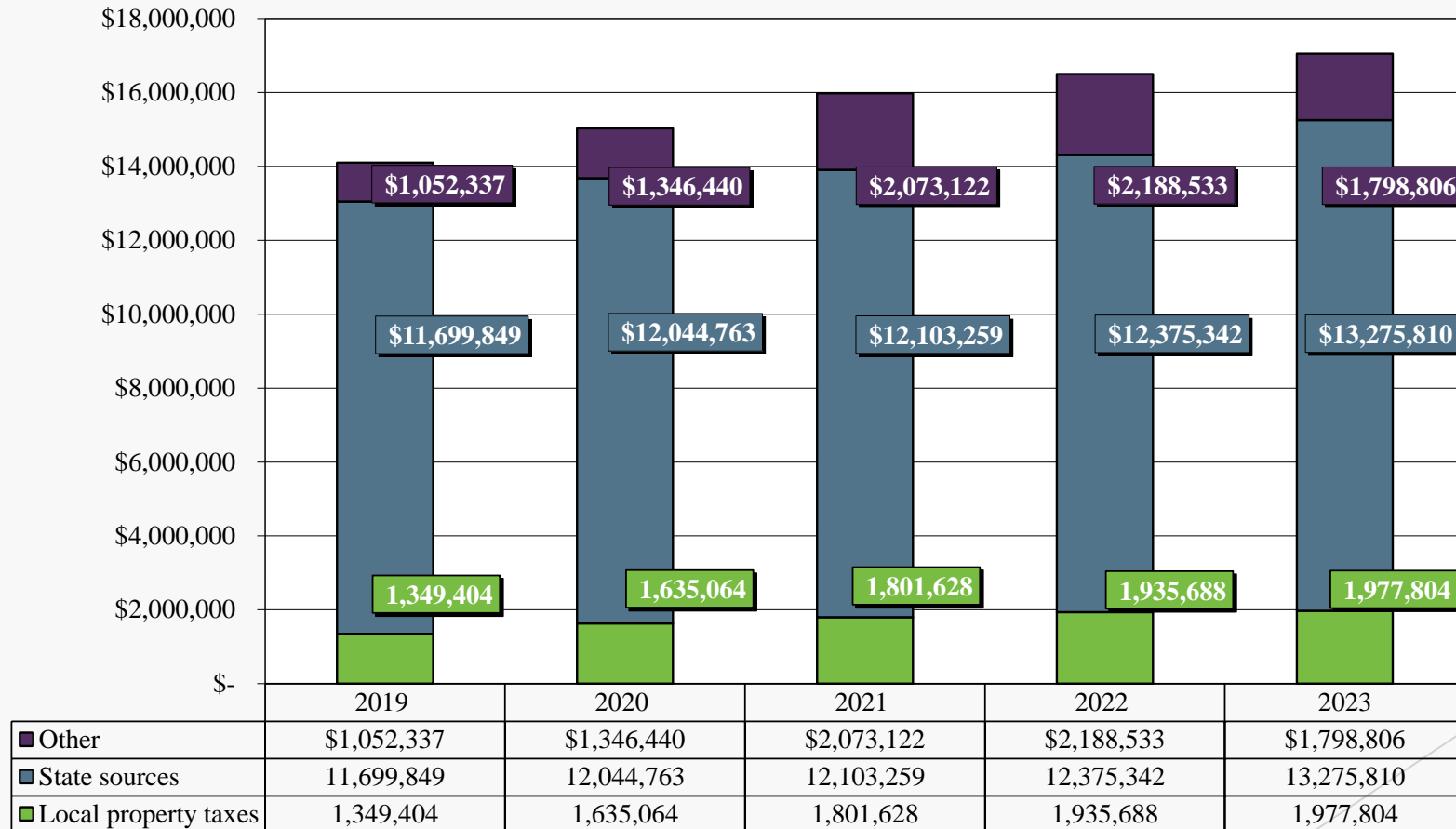
# Resident Average Daily Membership Pupil Units – Weighting and Adjusted PUN



# Resident Average Daily Membership Change in Resident ADM and Adjusted PUN

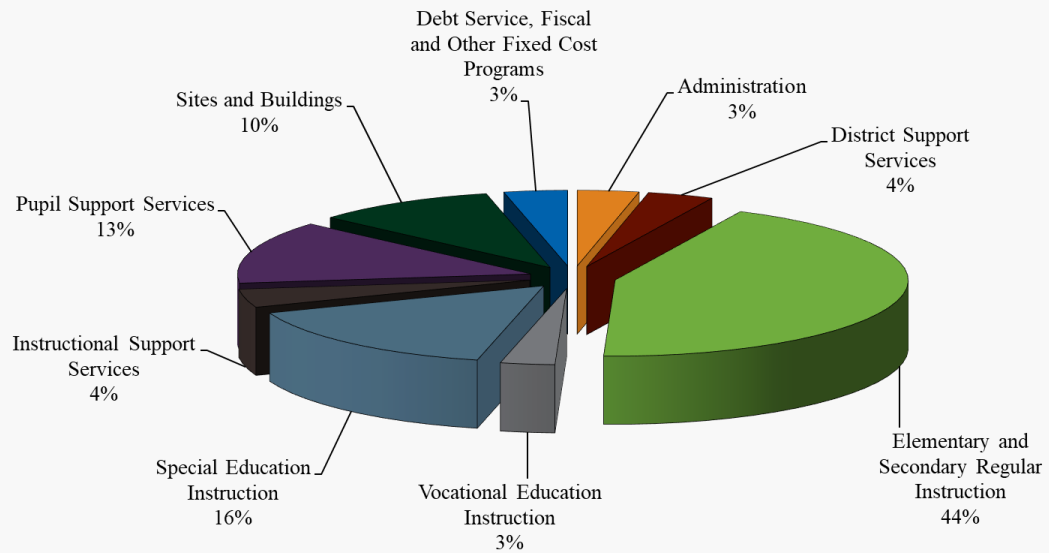


# General Fund Sources of Revenue

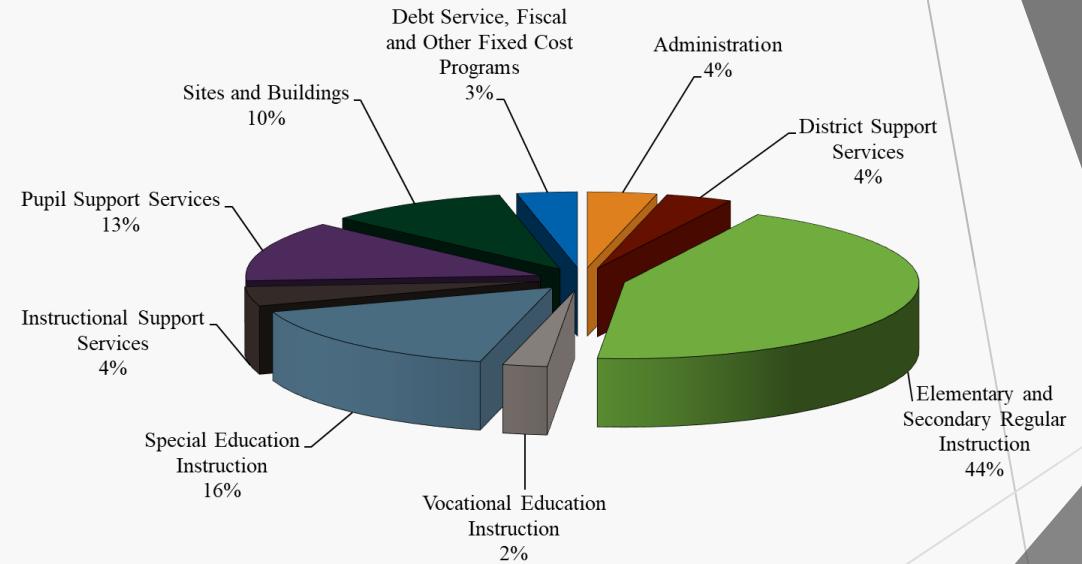


# General Fund Expenditures

**General Fund Expenditures 2023**  
**\$17,785,896**



**General Fund Expenditures 2022**  
**\$16,450,701**



# General Fund

## Budget and Actual

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Local property taxes	\$ 1,897,324	\$ 1,897,524	\$ 1,977,804	\$ 80,280
State sources	12,835,843	12,985,749	13,275,810	290,061
Other sources	1,324,844	1,647,818	1,798,806	150,988
Total revenues	<u>16,058,011</u>	<u>16,531,091</u>	<u>17,052,420</u>	<u>521,329</u>
<b>Expenditures</b>				
Administration	634,855	641,467	603,955	(37,512)
District Support Services	555,685	611,323	649,538	38,215
Elementary and Secondary Regular Instruction	7,512,232	7,650,963	7,751,973	101,010
Vocational Education Instruction	405,011	452,645	531,817	79,172
Special Education Instruction	2,805,378	2,859,554	2,766,059	(93,495)
Instructional Support Services	598,946	634,237	692,211	57,974
Pupil Support Services	1,962,236	2,013,482	2,384,637	371,155
Sites and Buildings	1,688,513	1,695,146	1,781,491	86,345
Debt Service and Fiscal	615,288	613,930	623,571	9,641
Community Service	-	-	644	644
Total expenditures	<u>16,778,144</u>	<u>17,172,747</u>	<u>17,785,896</u>	<u>613,149</u>
Net change in fund balances	<u>\$ (720,133)</u>	<u>\$ (641,656)</u>	<u>\$ (733,476)</u>	<u>\$ (91,820)</u>

# General Fund

## Revenues and Expenditures per ADM Served

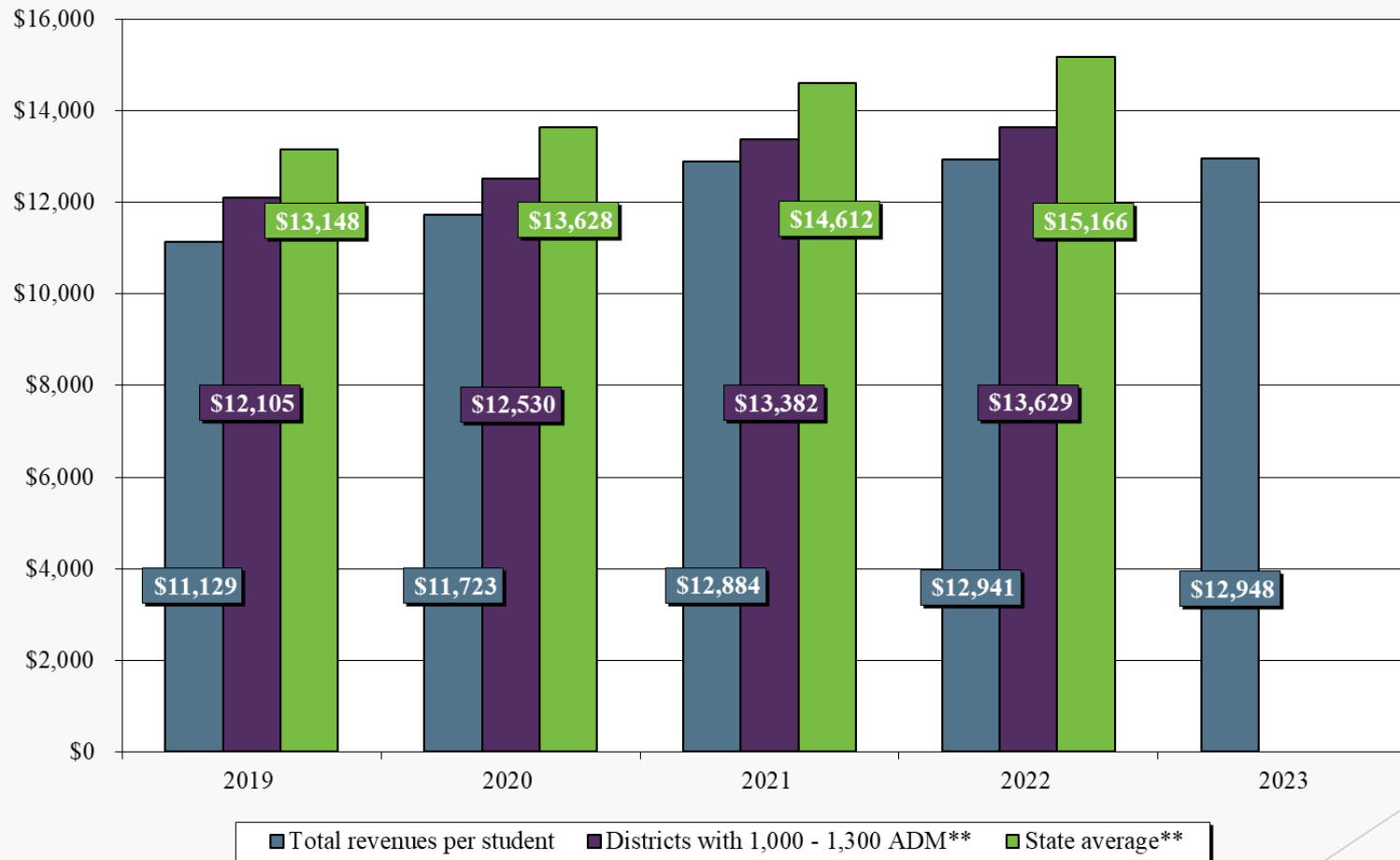
		2019	2020	2021	2022	2023
Total revenues per student	\$	11,129	\$ 11,723	\$ 12,884	\$ 12,941	\$ 12,948
Districts with 1,000 - 1,300 ADM**		12,105	12,530	13,382	13,629	N/A
State average**		13,148	13,628	14,612	15,166	N/A

		2019	2020	2021	2022	2023
Total expenditures per student	\$	11,124	\$ 11,562	\$ 12,852	\$ 12,903	\$ 13,505
Districts with 1,000-1,300 ADM**		11,968	12,111	12,838	13,610	N/A
State average**		13,025	13,313	14,167	15,010	N/A

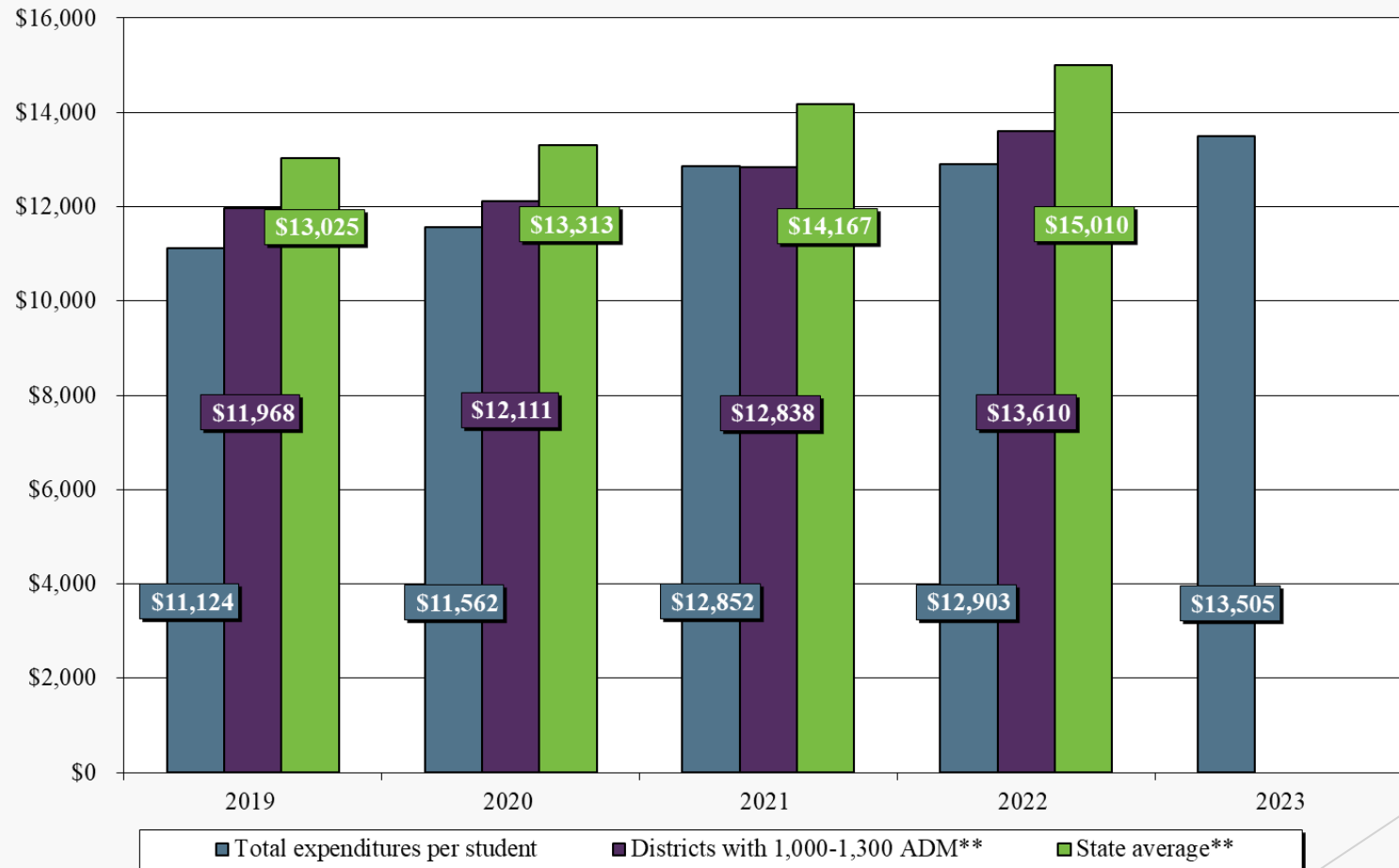
# Revenues

## Per ADM Served Plus Tuition Out



# Expenditures

## Per ADM Served Plus Tuition Out

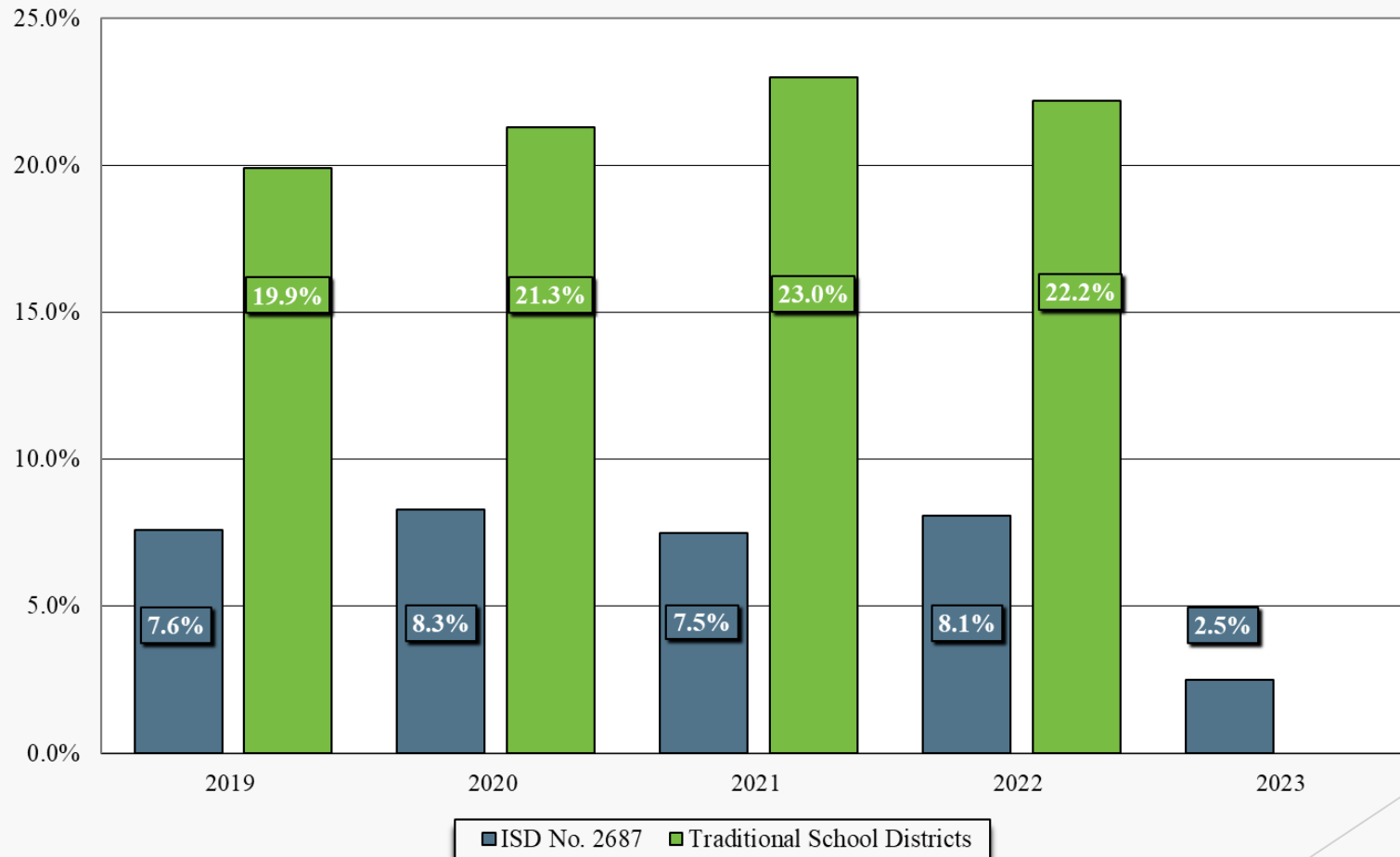


# General Fund Operations

	2019	2020	2021	2022	2023
Revenues	\$ 14,101,590	\$ 15,026,267	\$ 15,978,009	\$ 16,499,563	\$ 17,052,420
Expenditures	14,095,584	14,820,446	15,938,369	16,450,701	17,785,896
Excess of revenues over (under) expenditures	6,006	205,821	39,640	48,862	(733,476)
Other financing sources	99,088	-	-	2,500	-
Fund balance, July 1	836,806	941,900	1,203,115	1,242,755	1,294,117
Change in accounting principle	-	55,394	-	-	-
<b>Fund Balance, June 30</b>	<b>\$ 941,900</b>	<b>\$ 1,203,115</b>	<b>\$ 1,242,755</b>	<b>\$ 1,294,117</b>	<b>\$ 560,641</b>
<b>Components</b>					
Nonspendable	\$ 8,689	\$ 47,306	\$ 37,088	\$ 14,518	\$ 8,145
Restricted/Reserved for					
Student Activities	-	91,746	86,354	107,294	121,167
Operating Capital	9,801	52,710	105,850	246	-
Long-term Facilities Maintenance	(1,473)	1,393	(471)	28,685	47,631
Assigned for					
Elementary R.A.K.	-	3,426	3,271	3,271	3,271
Letter Club	-	-	-	2,479	2,479
Unassigned	924,883	1,006,534	1,010,663	1,137,624	377,948
<b>Total</b>	<b>\$ 941,900</b>	<b>\$ 1,203,115</b>	<b>\$ 1,242,755</b>	<b>\$ 1,294,117</b>	<b>\$ 560,641</b>

# General Fund

## Unrestricted Fund Balance as a Percent of Unrestricted Expenditures



# Food Service Fund Operations

<b>For the Year Ended June 30,</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Revenues	\$ 732,950	\$ 689,107	\$ 901,293	\$ 1,220,477	\$ 1,031,878
Expenditures	705,088	708,239	746,052	920,462	1,149,793
Excess of revenues over (under) expenditures	27,862	(19,132)	155,241	300,015	(117,915)
Fund balance, July 1	49,061	76,923	57,791	213,032	513,047
<b>Fund Balance, June 30</b>	<b>\$ 76,923</b>	<b>\$ 57,791</b>	<b>\$ 213,032</b>	<b>\$ 513,047</b>	<b>\$ 395,132</b>

# Community Service Fund Operations

For the Year Ended June 30,	2019	2020	2021	2022	2023
Revenues	\$ 655,220	\$ 621,943	\$ 569,547	\$ 601,943	\$ 775,793
Expenditures	655,841	638,802	593,261	686,132	823,801
Excess of revenues under expenditures	(621)	(16,859)	(23,714)	(84,189)	(48,008)
Transfers/other financing sources	-	-	-	-	-
Fund balance, July 1	93,290	92,669	75,810	52,096	(32,093)
<b>Fund Balance, June 30</b>	<b>\$ 92,669</b>	<b>\$ 75,810</b>	<b>\$ 52,096</b>	<b>\$ (32,093)</b>	<b>\$ (80,101)</b>

Components					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 1,357
Restricted for					
ECFE	40,444	30,838	32,535	59,385	28,142
Community Education	50,559	39,873	3,099	(82,230)	(98,378)
School Readiness	246	314	4,563	(19,554)	(19,062)
Community Service	1,420	4,785	11,899	10,306	7,840
<b>Total</b>	<b>\$ 92,669</b>	<b>\$ 75,810</b>	<b>\$ 52,096</b>	<b>\$ (32,093)</b>	<b>\$ (80,101)</b>

# Questions?

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