

# ISD No. 2687 Howard Lake, MN

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Aaron Dahl, CPA



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# The Audit

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# 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*

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# Financial Communications

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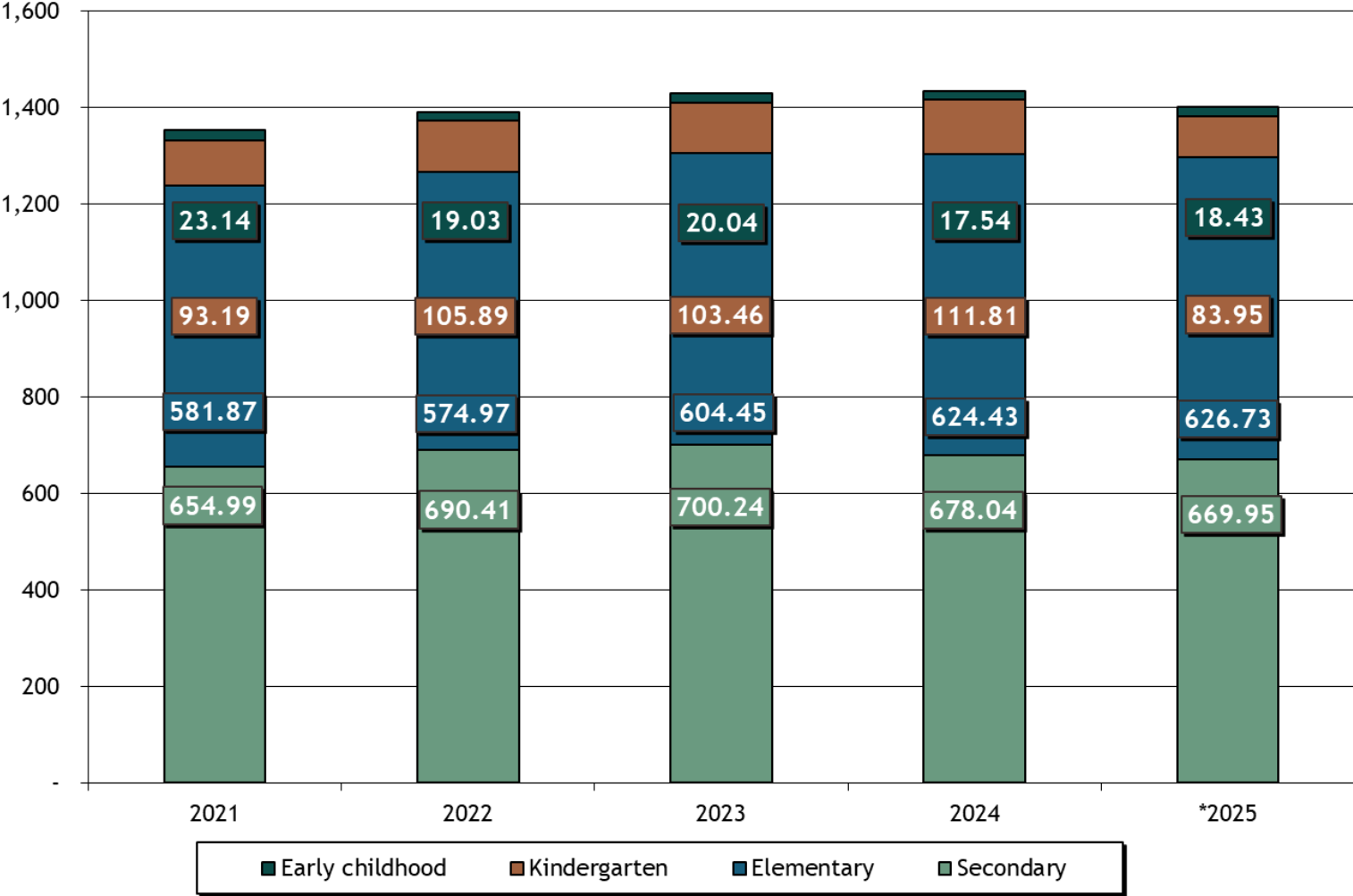
# General Education Aid – Formula Allowance

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 and Pupil Units - Resident ADM

ADM	2021	2022	2023	2024	*2025
Early childhood	23.14	19.03	20.04	17.54	18.43
Kindergarten	93.19	105.89	103.46	111.81	83.95
Elementary	581.87	574.97	604.45	624.43	626.73
Secondary	654.99	690.41	700.24	678.04	669.95
<b>Total Resident ADM</b>	<b>1,353.19</b>	<b>1,390.30</b>	<b>1,428.19</b>	<b>1,431.82</b>	<b>1,399.06</b>

# Average Daily Membership and Pupil Units - Resident ADM

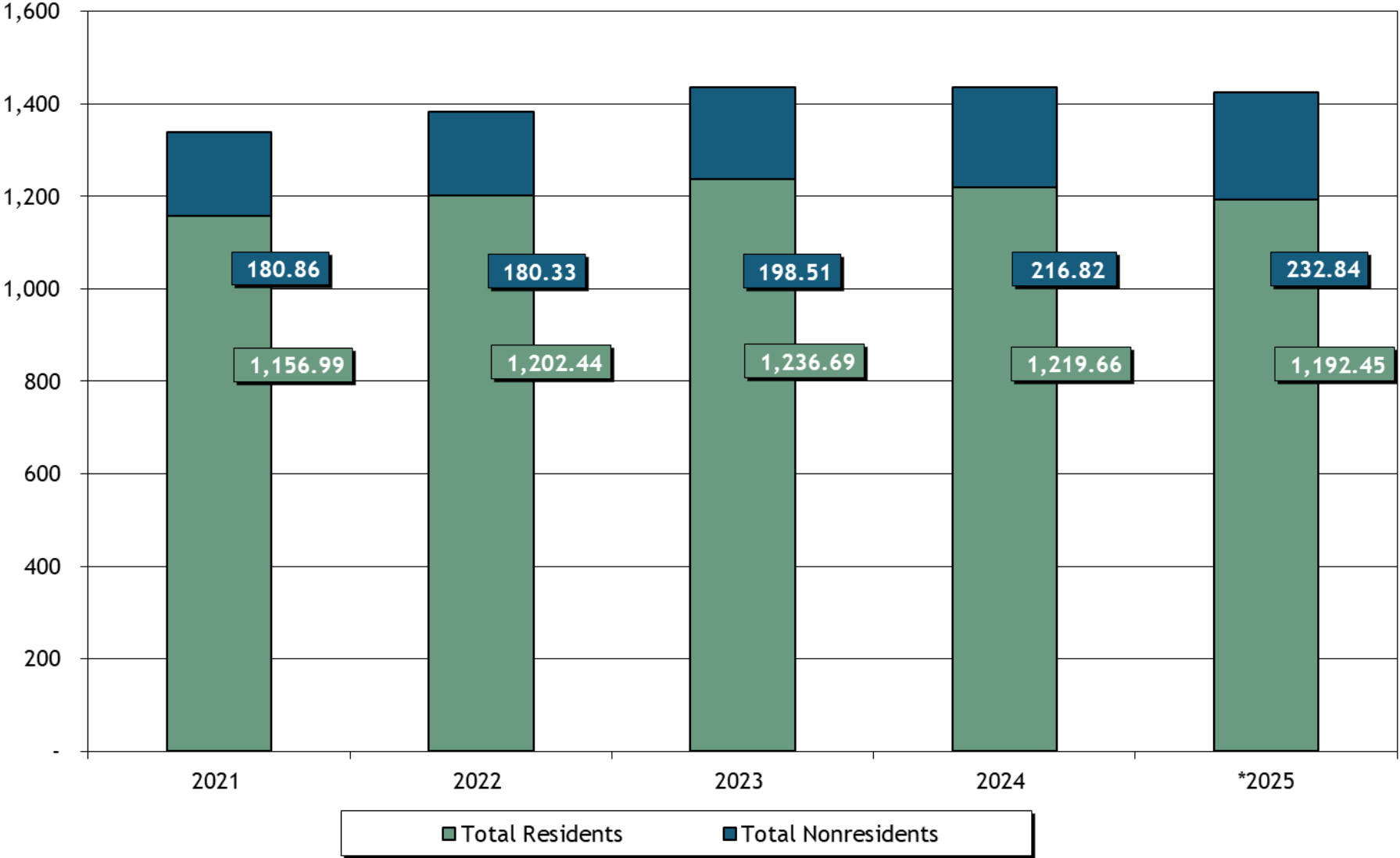


# Average Daily Membership and Pupil Units - Weighting & Adjusted PUN

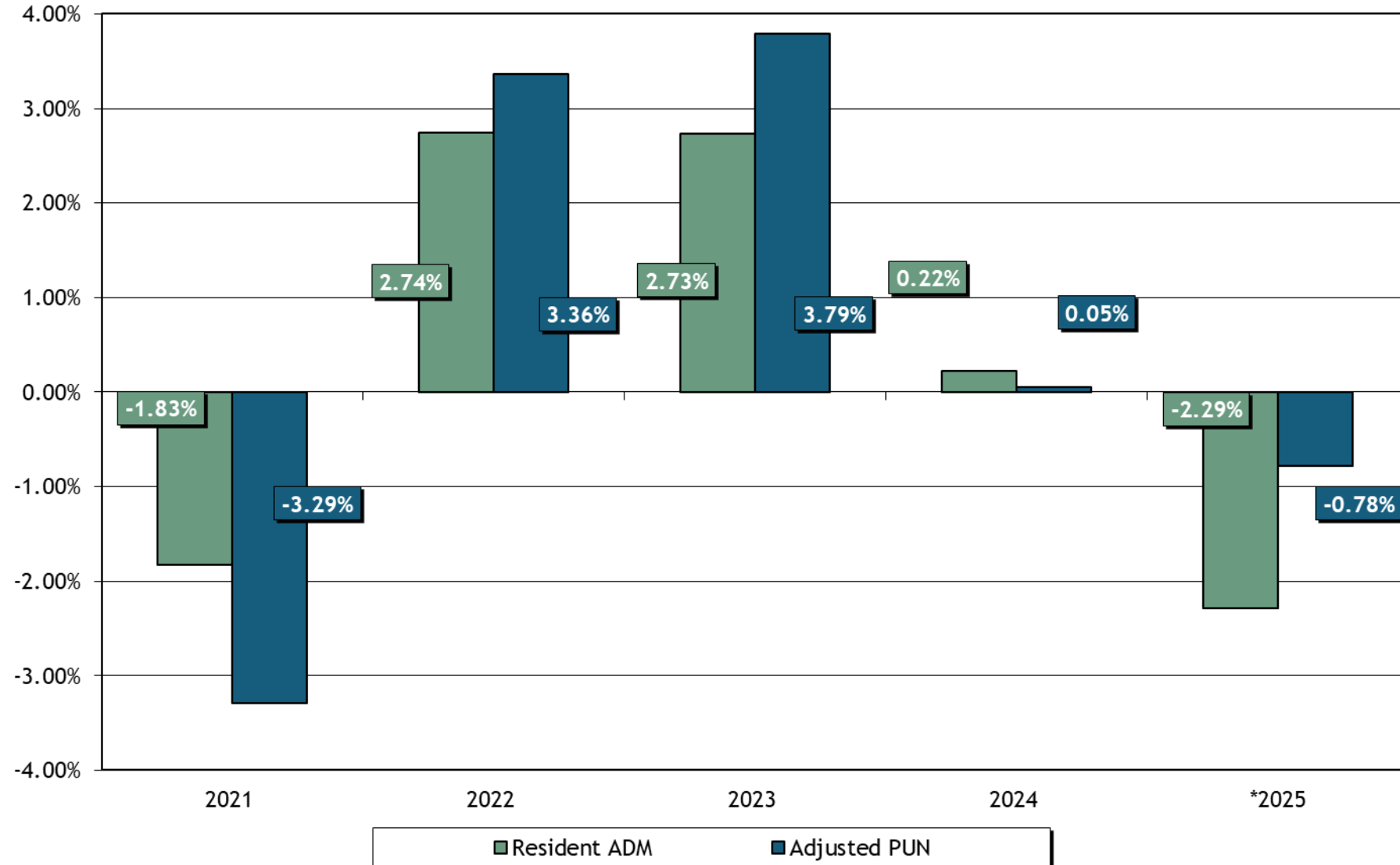
Pupil Units Weighting						
	Pre-Kindergarten	Kindergarten Disabled	Kindergarten	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
2021 through 2025	1.00	1.00	1.00	1.00	1.00	1.20

PUN	2021	2022	2023	2024	*2025
Residents	1,484.18	1,528.39	1,568.24	1,566.97	1,533.05
Resident PUN loss	(327.19)	(325.95)	(331.55)	(347.31)	(340.60)
Nonresident PUN gain	180.86	180.33	198.51	216.82	232.84
<b>Total Adjusted PUN</b>	<b>1,337.85</b>	<b>1,382.77</b>	<b>1,435.20</b>	<b>1,436.48</b>	<b>1,425.29</b>

# Adjusted Pupil Units



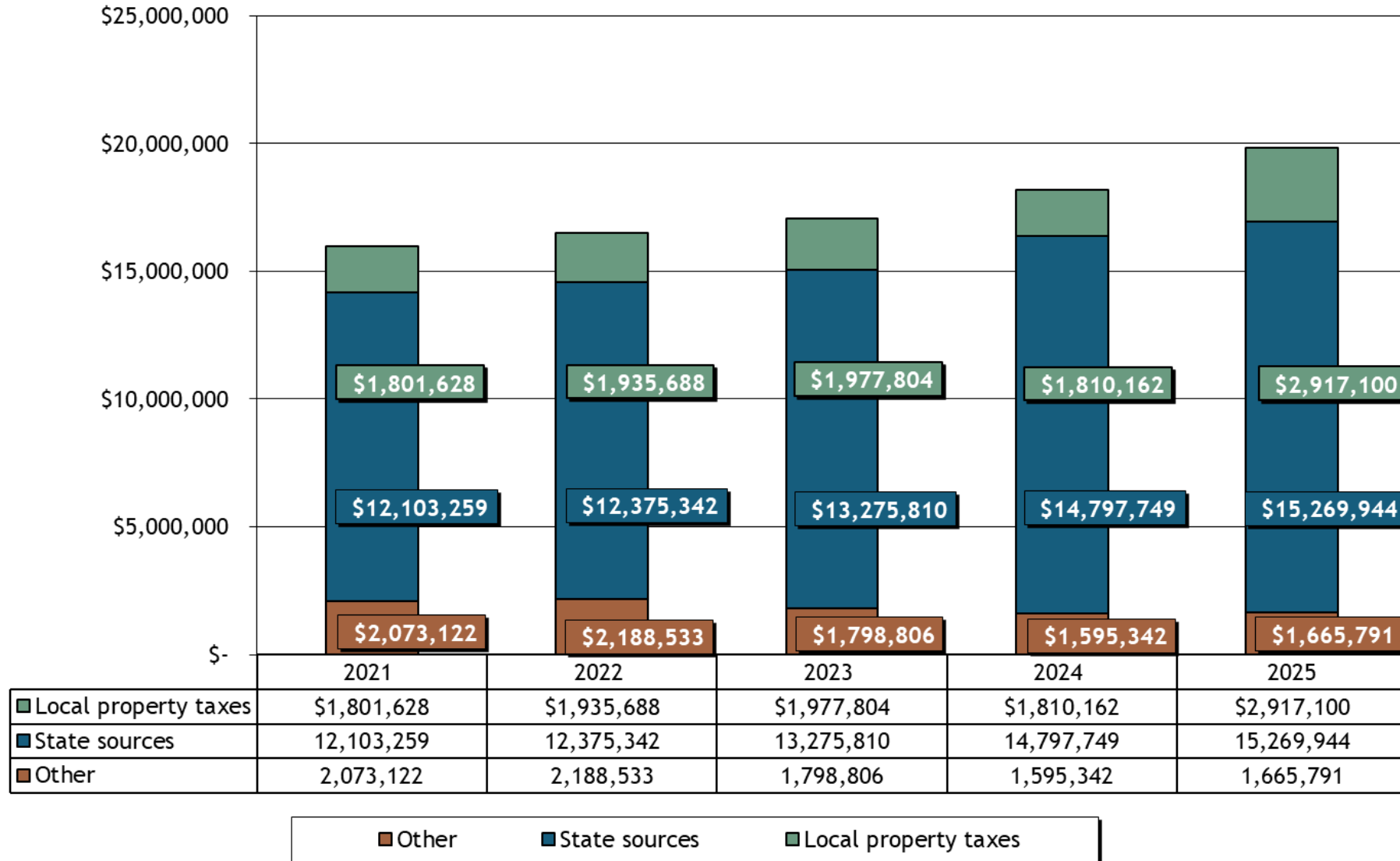
# Change in Resident ADM and Adjusted PUN



# General Fund Sources of Revenue

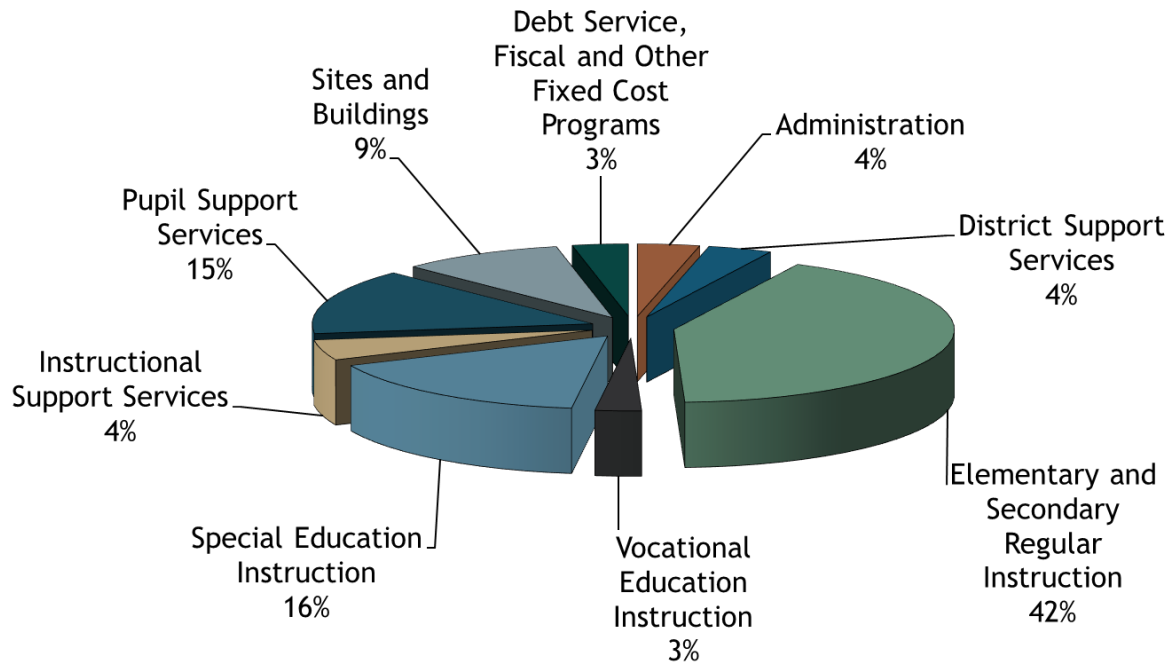
	2021	2022	2023	2024	2025
Local property taxes	\$ 1,801,628	\$ 1,935,688	\$ 1,977,804	\$ 1,810,162	\$ 2,917,100
State sources	12,103,259	12,375,342	13,275,810	14,797,749	15,269,944
Other	2,073,122	2,188,533	1,798,806	1,595,342	1,665,791
<b>Total</b>	<b>\$ 15,978,009</b>	<b>\$ 16,499,563</b>	<b>\$ 17,052,420</b>	<b>\$ 18,203,253</b>	<b>\$ 19,852,835</b>

# General Fund Sources of Revenue

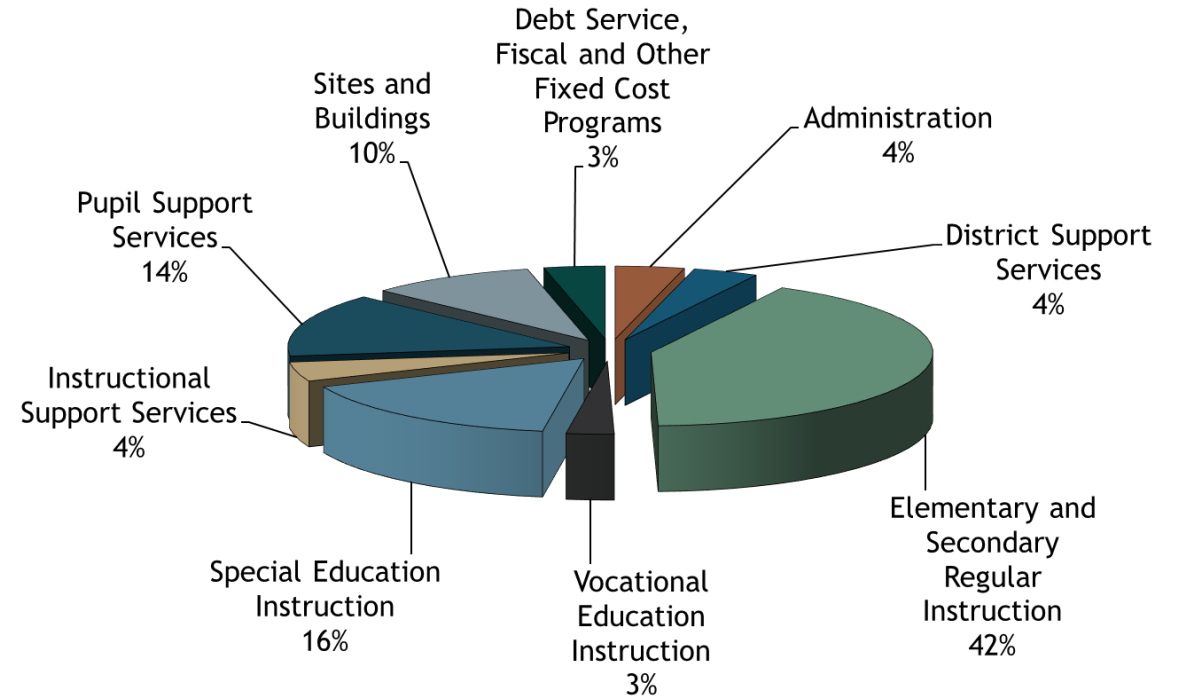


# General Fund Expenditures

**2025 General Fund Expenditures**  
**\$18,744,897**



**2024 General Fund Expenditures**  
**\$17,811,605**



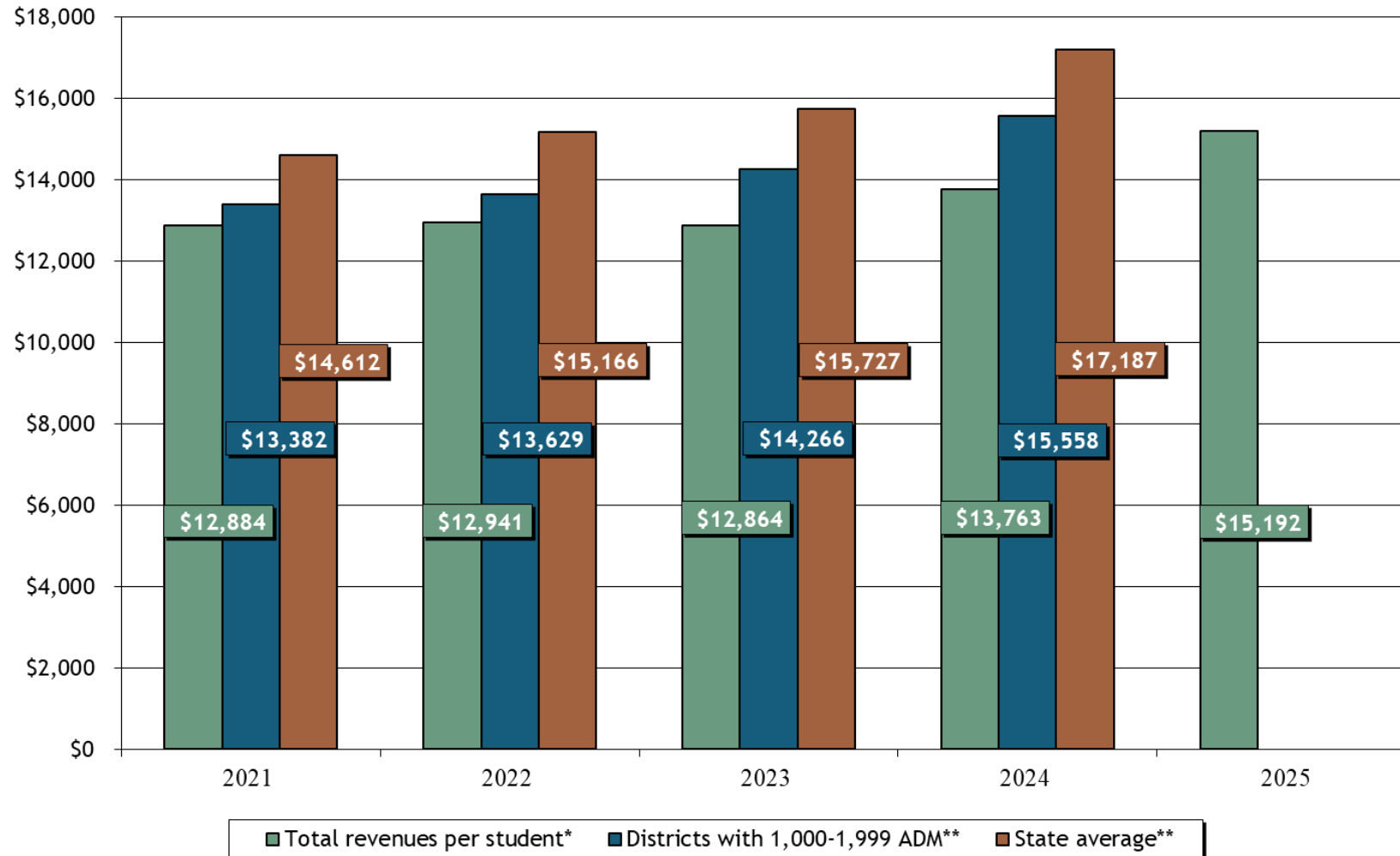
# General Fund Budget and Actual

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Local property taxes	\$ 2,848,514	\$ 2,848,514	\$ 2,917,100	\$ 68,586
State sources	14,927,767	15,292,440	15,269,944	(22,496)
Other sources	1,437,695	1,502,025	1,665,791	163,766
Total revenues	<u>19,213,976</u>	<u>19,642,979</u>	<u>19,852,835</u>	<u>209,856</u>
<b>Expenditures</b>				
Administration	698,140	686,563	670,237	(16,326)
District Support Services	650,738	681,745	695,065	13,320
Elementary and Secondary Regular Instruction	8,119,127	8,386,554	7,888,063	(498,491)
Vocational Education Instruction	523,492	512,873	498,270	(14,603)
Special Education Instruction	3,166,682	3,164,408	3,051,567	(112,841)
Instructional Support Services	669,925	710,991	846,461	135,470
Pupil Support Services	2,418,278	2,681,499	2,727,956	46,457
Sites and Buildings	1,818,177	2,008,155	1,758,896	(249,259)
Debt Service and Fiscal	614,739	610,239	603,027	(7,212)
Community Service	797	4,700	5,355	655
Total expenditures	<u>18,680,095</u>	<u>19,447,727</u>	<u>18,744,897</u>	<u>(702,830)</u>
<b>Other Financing Sources</b>	<u>-</u>	<u>550</u>	<u>570</u>	<u>20</u>
Net change in fund balances	\$ 533,881	\$ 195,802	\$ 1,108,508	\$ 912,706

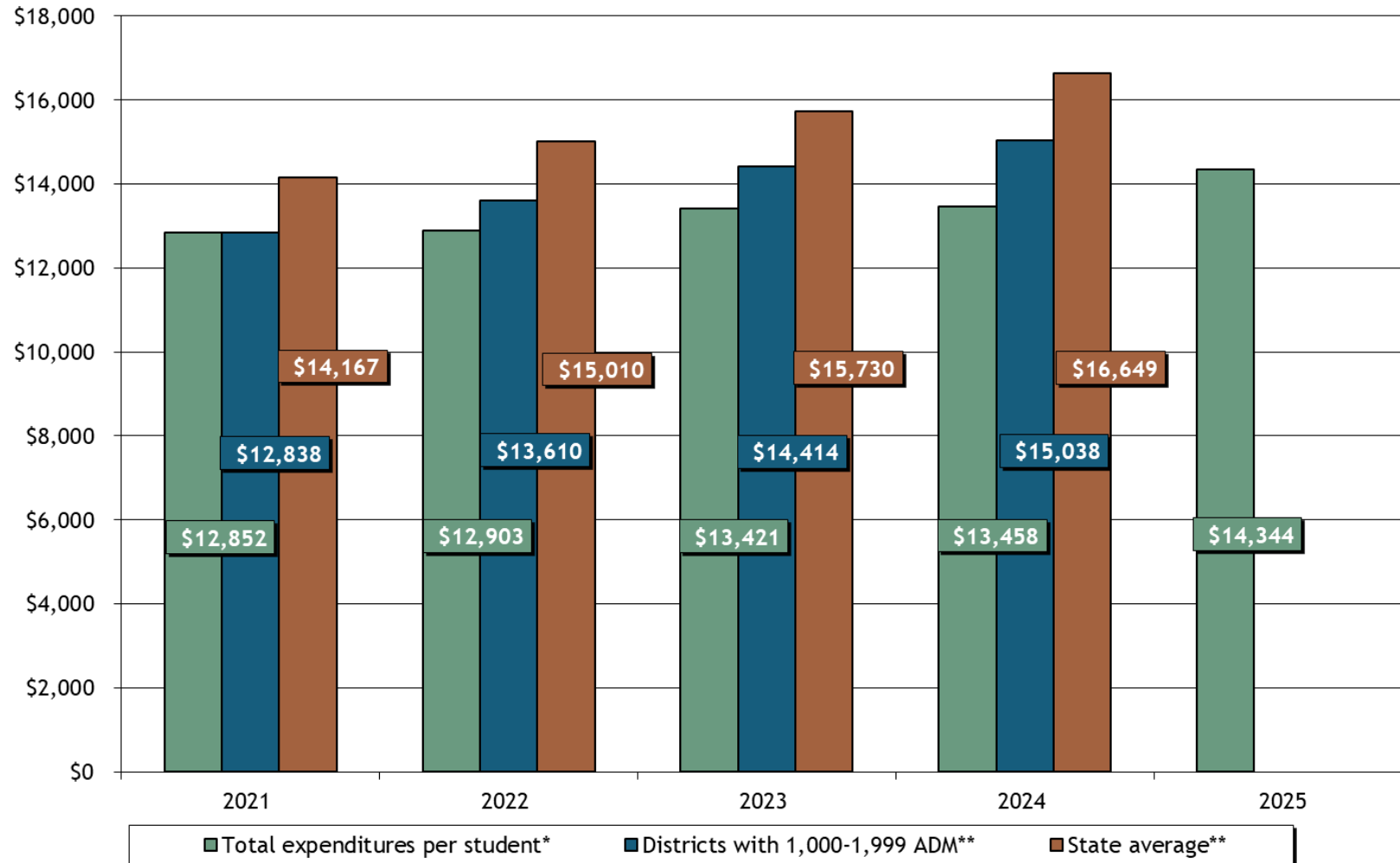
# Revenues and Expenditures Per Student ADM Served for the General Fund

		2021		2022		2023		2024		2025
Total revenues per student*	\$	12,884	\$	12,941	\$	12,864	\$	13,763	\$	15,192
Districts with 1,000-1,999 ADM**		13,382		13,629		14,266		15,558		N/A
State average**		14,612		15,166		15,727		17,187		N/A
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		2021		2022		2023		2024		2025
Total expenditures per student*	\$	12,852	\$	12,903	\$	13,421	\$	13,458	\$	14,344
Districts with 1,000-1,999 ADM**		12,838		13,610		14,414		15,038		N/A
State average**		14,167		15,010		15,730		16,649		N/A

# Revenues Per Student ADM Served Plus Tuition Out



# Expenditures Per Student ADM Served Plus Tuition Out

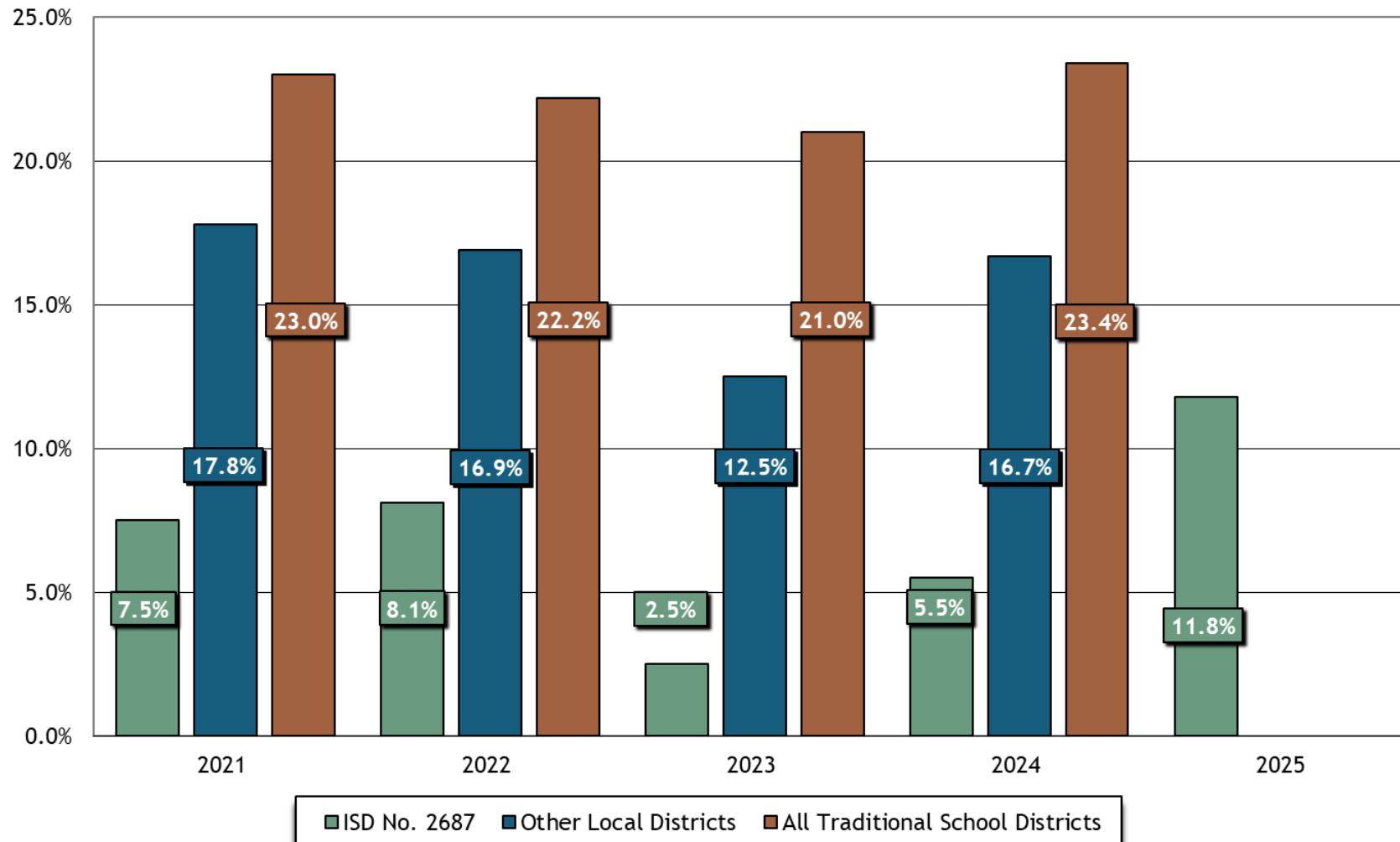


# General Fund Operations

	2021	2022	2023	2024	2025
Revenues	\$ 15,978,009	\$ 16,499,563	\$ 17,052,420	\$ 18,203,253	\$ 19,852,835
Expenditures	15,938,369	16,450,701	17,785,896	17,811,605	18,744,897
Excess of revenues over (under) expenditures	39,640	48,862	(733,476)	391,648	1,107,938
Other financing sources	-	2,500	-	38,270	570
Fund balance, July 1	1,203,115	1,242,755	1,294,117	560,641	990,559
<b>Fund Balance, June 30</b>	<b>\$ 1,242,755</b>	<b>\$ 1,294,117</b>	<b>\$ 560,641</b>	<b>\$ 990,559</b>	<b>\$ 2,099,067</b>

Components					
Nonspendable	\$ 37,088	\$ 14,518	\$ 8,145	\$ 3,725	\$ 162,123
Restricted/Reserved for					
Student Activities	86,354	107,294	121,167	118,259	115,047
Q Comp	-	-	-	-	(3,898)
Literacy Aid	-	-	-	-	50,707
Teacher Comp READ Act	-	-	-	-	16,975
Literacy Incentive Aid	-	-	-	35,103	-
Operating Capital	105,850	246	-	-	-
Student Support Personnel	-	-	-	1,695	-
Long-Term Facilities Maintenance	(471)	28,685	47,631	4,291	68,027
Assigned for					
Elementary R.A.K.	3,271	3,271	3,271	3,271	3,271
Letter Club	-	2,479	2,479	2,479	-
Unassigned	1,010,663	1,137,624	377,948	821,736	1,686,815
<b>Total</b>	<b>\$ 1,242,755</b>	<b>\$ 1,294,117</b>	<b>\$ 560,641</b>	<b>\$ 990,559</b>	<b>\$ 2,099,067</b>

# Unrestricted Fund Balance as a Percentage of Unrestricted Expenditures



# Food Service Fund

For the Year Ended June 30,	2021	2022	2023	2024	2025
Revenues	\$ 901,293	\$ 1,220,477	\$ 1,031,878	\$ 1,408,261	\$ 1,403,879
Expenditures	746,052	920,462	1,149,793	1,327,195	1,335,459
Excess of revenues over (under) expenditures	155,241	300,015	(117,915)	81,066	68,420
Fund balance, July 1	57,791	213,032	513,047	395,132	476,198
<b>Fund Balance, June 30</b>	<b>\$ 213,032</b>	<b>\$ 513,047</b>	<b>\$ 395,132</b>	<b>\$ 476,198</b>	<b>\$ 544,618</b>

# Community Service Fund

For the Year Ended June 30,	2021	2022	2023	2024	2025
Revenues	\$ 569,547	\$ 601,943	\$ 775,793	\$ 1,028,671	\$ 1,123,651
Expenditures	593,261	686,132	823,801	973,406	1,022,731
Excess of revenues over (under) expenditures	(23,714)	(84,189)	(48,008)	55,265	100,920
Fund balance, July 1	75,810	52,096	(32,093)	(80,101)	(24,836)
<b>Fund Balance, June 30</b>	<b>\$ 52,096</b>	<b>\$ (32,093)</b>	<b>\$ (80,101)</b>	<b>\$ (24,836)</b>	<b>\$ 76,084</b>

Components					
Nonspendable	\$ -	\$ -	\$ 1,357	\$ -	\$ -
Restricted for					
ECFE	32,535	59,385	28,142	10,796	-
Community Education	3,099	(82,230)	(98,378)	(24,507)	52,616
Schol. Readiness	4,563	(19,554)	(19,062)	(18,807)	-
Community Service	11,899	10,306	7,840	7,682	23,468
<b>Total</b>	<b>\$ 52,096</b>	<b>\$ (32,093)</b>	<b>\$ (80,101)</b>	<b>\$ (24,836)</b>	<b>\$ 76,084</b>

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# Auditor

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# Aaron Dahl

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**Thank You**

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