Minneota Public Schools | 2021-2022 Fiscal Year Audit Overview

Hoffman & Brobst audited our district's financial statements for the year ended June 30, 2022. Their objectives were to obtain reasonable assurance about whether the financial statements as a whole were free from material misstatements, whether due to fraud or error.

Below are some of the key financial highlights for the 2021-2022 fiscal year, taken from the audit.

- The District's General Fund expenditures exceeded revenues and other financing sources by $53,241.
- The unassigned fund balance decreased by $688,252 and the various nonspendable, restricted, and assigned fund balances increased by $635,011.
- The General Fund unassigned fund balance as of June 30, 2022 was $1,573,927.
- The District was in compliance with its fund balance policy at June 30, 2022. The District maintained 35% of the District's General Fund operating budget (excluding restricted expenditures) in the combined total of the General Fund committed, assigned, and unassigned fund balances.
- Net position in the Statement of Net Position increased $501,136 from the prior year to $1,073,795. This increase could be attributed primarily to the continued paydown of outstanding bonds and leases. The increase is also due to favorable results in actual versus expected investment earnings offset by changes in the assumptions used by both the Teacher Retirement Association and Public Employees Retirement Association relating to the calculation of the District's deferred inflows and outflows of pensions.
- A ten-year tuition agreement was previously approved with the Ivanhoe School District to educate Ivanhoe students in grades 7-12 through fiscal year 2029. Minneota enrolled 42 students through the tuition agreement, which continued to increase revenue and provide stability to our enrollment.
- The District once again received a significant amount of federal funding during the year as a result of the grants made available through COVID-19 resources. The Department of Education provided sources of revenue through the Coronavirus State and Local Fiscal Recovery Funds and Elementary and Secondary School Emergency Relief (ESSER) Fund. In addition to these sources of revenue, there was a significant amount of revenue through the federal food service program since all students remained eligible to receive free meals through the federal food service program, regardless of family income, throughout the school year.
- The cost of all governmental activities this year was $7,980,377. The users of the District's programs paid for 6.8%, or $541,270, of the costs. The federal and state governments subsidized certain programs with grants and contributions - this totaled $2,237,033, or 28.0% of the total costs. Most of the District's net costs of services ($5,202,074), however, were paid for by state taxpayers based on the statewide education aid formula and by District taxpayers.
- In the General Fund, actual revenues and other financing sources were $272,650 or 4.1 percent, more than budget, due primarily to insurance proceeds, issuance of right of use lease, and higher than expected general education aid and special education aid partially offset by less federal revenue. Actual expenditures were $326,636 or 5.0 percent, more than budget. This unfavorable variance was a combination of higher building repairs than anticipated, interdepartmental transportation expenditures and payout of the previous superintendent's severance and vacation which was not budgeted for.
- The Food Service Fund revenue totaled $460,881 and expenditures were $366,020, resulting in the fund balance increasing $94,861. This increase is due primarily to the federal food service program. The June 30, 2022 Food Service Fund fund balance was $199,550.
- The total revenues for the Community Service Fund were $144,227 and total expenditures were $149,235. Total expenditures exceeded revenues by $5,008, resulting in a decrease of the same amount in the June 30, 2022 fund balance. The Community Service Fund fund balance as of June 30, 2022 was $45,371.
- The Debt Service Fund revenues exceeded expenditures by $1,650 due to the statutory levy process and various aids exceeding debt service payments. The Debt Service Fund fund balance as of June 30, 2022 was $238,862.