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Independent School District No. 12

Audit Report for Year Ended June 30, 2026

Presented by: Aaron J. Nielsen, CPA
Principal

Auditor's Role

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Opinion on Financial Statements

- District Audit
- Schedule of Expenditures of Federal Awards

Internal Controls and Compliance

- Financial Statement Audit
- Federal Single Audit
- State Laws and Regulations

Audit Results

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District Financial Audit

- Unmodified Opinions on Basic Financial Statements

Internal Controls and Compliance – Financial Audit

- No material weaknesses or instances of noncompliance reported in the current year.

AUDIT RESULTS

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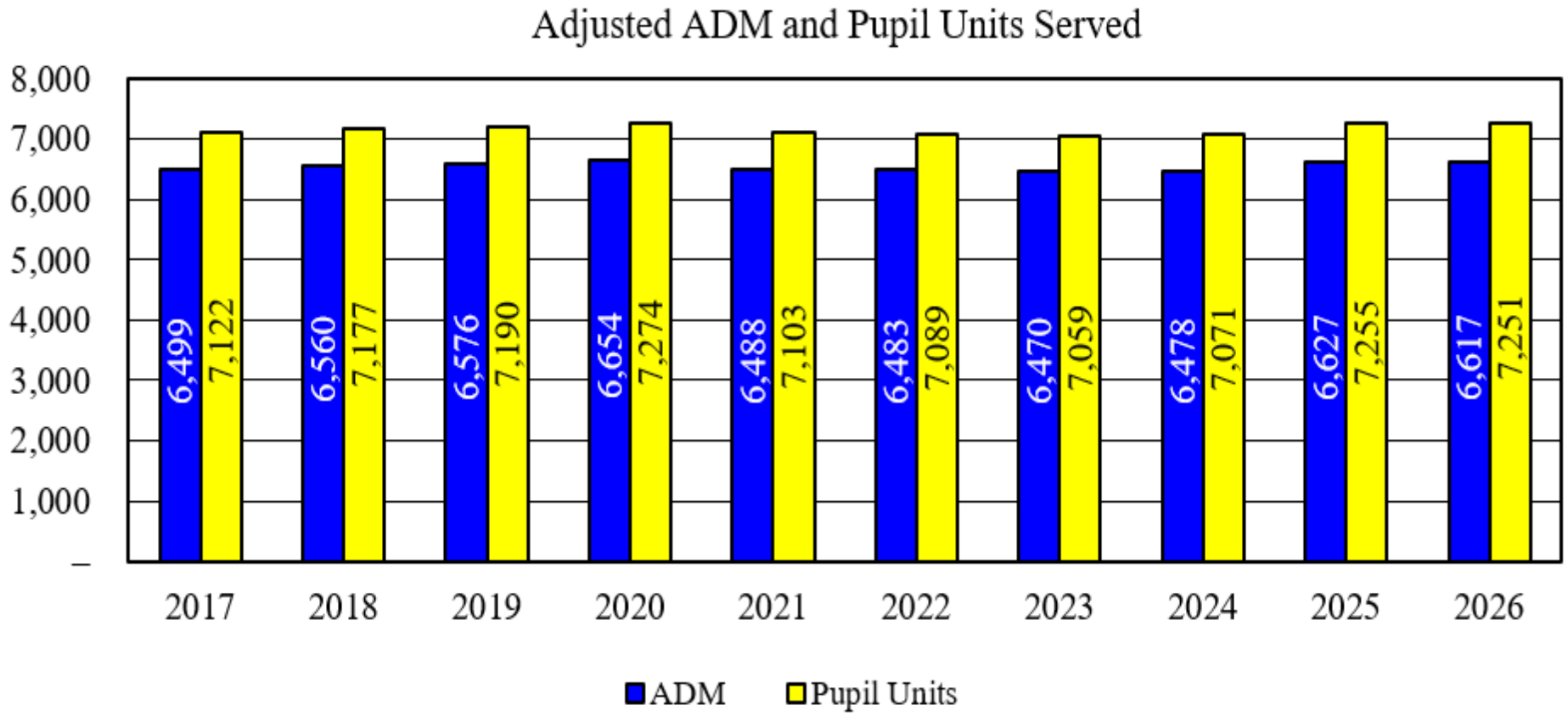
SINGLE AUDIT OF FEDERAL AWARDS

- Will issue separately upon the issuance of the 2026 compliance supplement.

Minnesota Legal Compliance

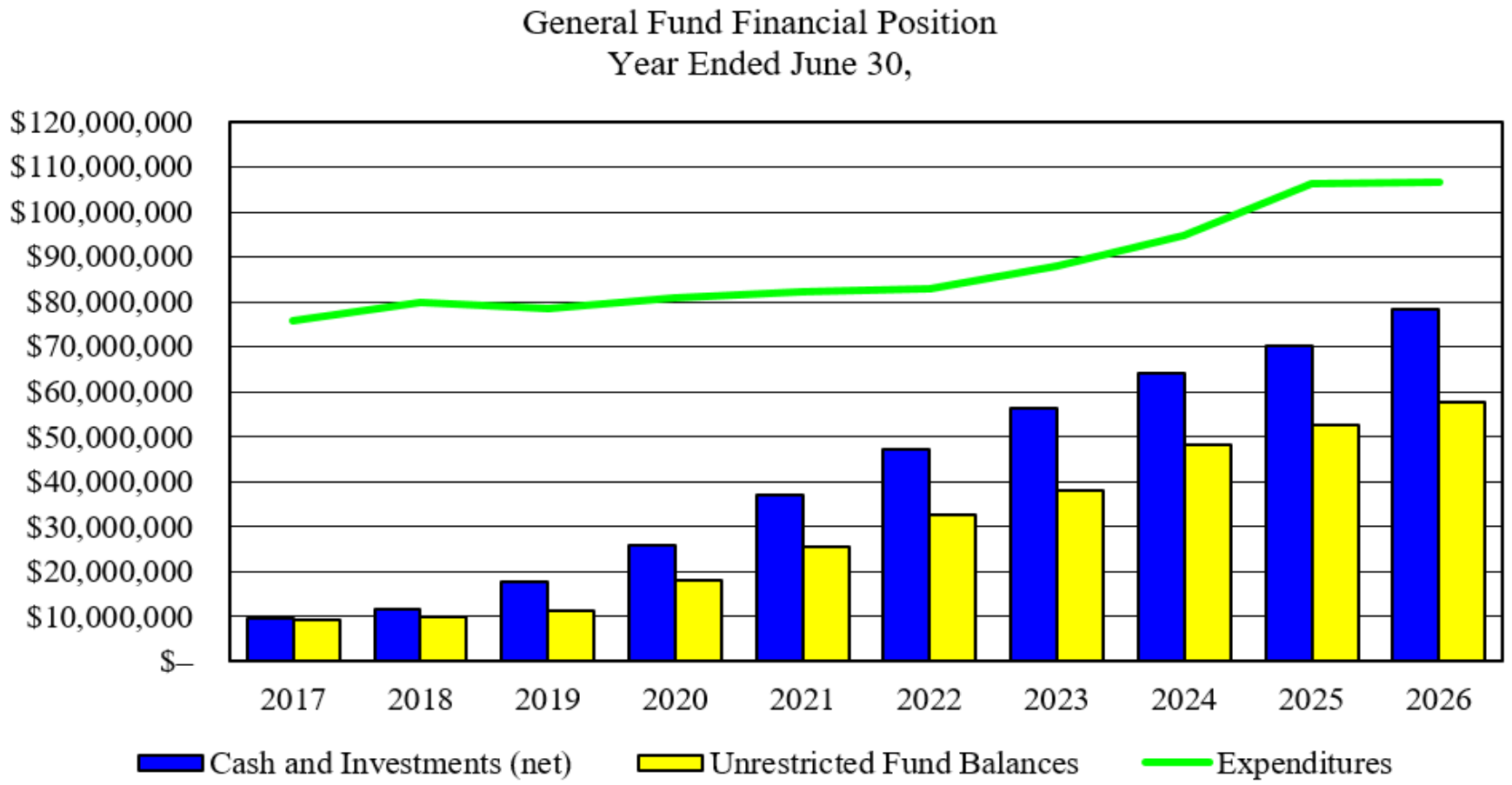
- No instances of noncompliance with Minnesota laws and regulations reported in the current year.

Adjusted ADM and Pupil Units Served



General Fund
Financial Position – Trend Analysis

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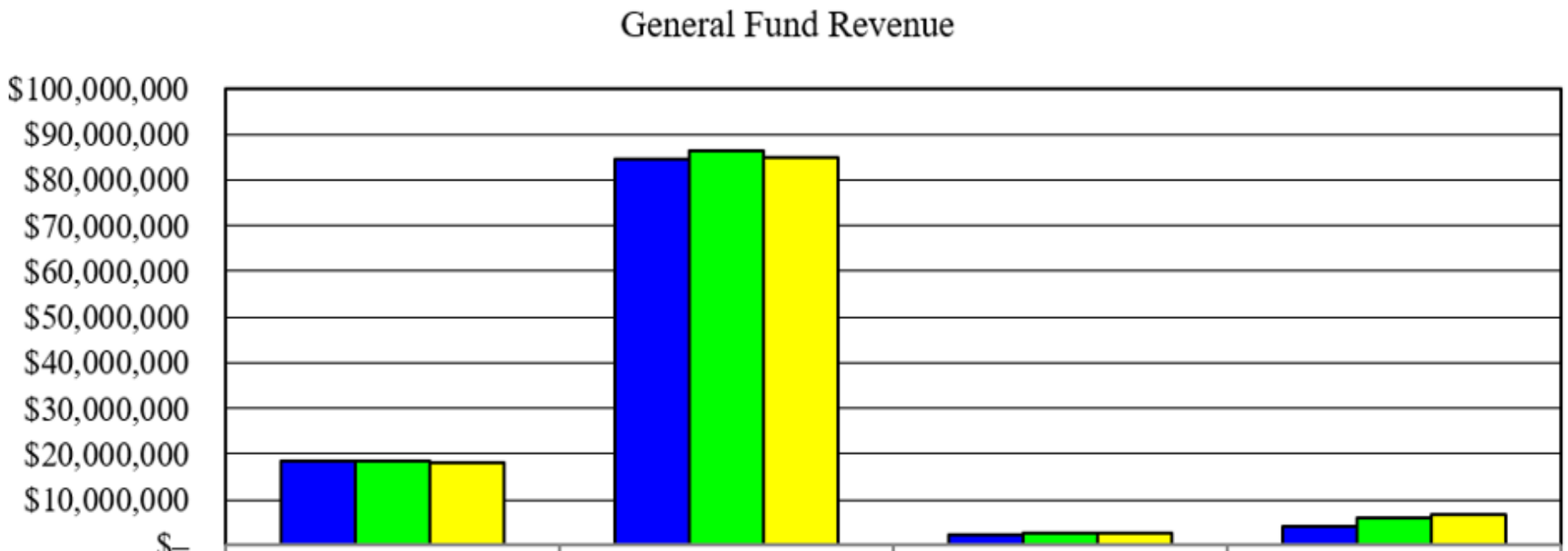
General Fund
Financial Position – Trend Analysis

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	June 30,				
	2022	2023	2024	2025	2026
Nonspendable fund balances	$ 195,045	$ 210,060	$ 237,560	$ 16,939	$ 7,843
Restricted fund balances (1)	10,401,177	12,617,454	11,361,825	13,435,079	15,926,918
Unrestricted fund balances					
Assigned	13,668,375	16,250,531	24,377,182	27,967,806	31,936,864
Unassigned	18,832,200	21,652,482	23,793,871	24,669,643	25,788,483
Total fund balance	$ 43,096,797	$ 50,730,527	$ 59,770,438	$ 66,089,467	$ 73,660,108
Unrestricted fund balances as a percentage of expenditures	39.2%	43.1%	50.9%	49.6%	54.2%
Unassigned fund balances as a percentage of expenditures	22.7%	24.6%	25.1%	23.2%	24.2%

(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.

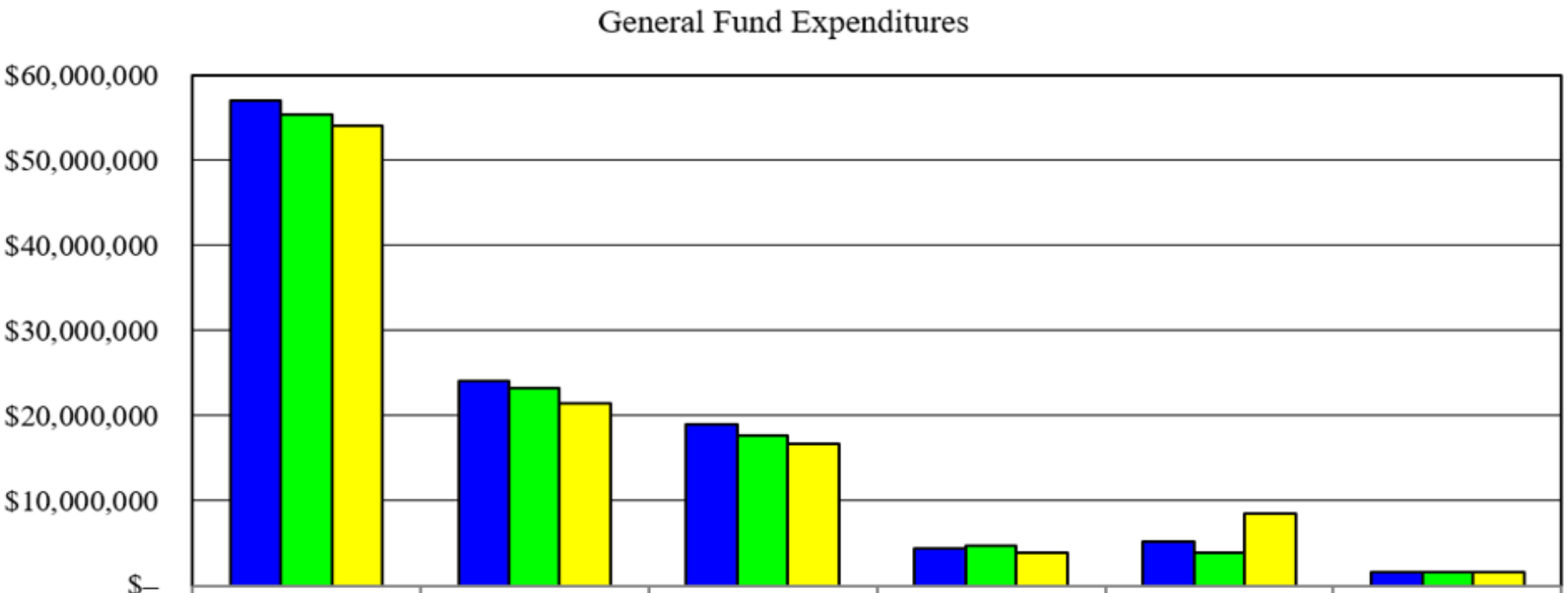
General Fund Revenue



	Property Taxes	State Sources	Federal Sources	Other
Budget	$18,647,704	$84,622,099	$2,298,358	$4,049,798
Actual	$18,568,056	$86,271,689	$2,562,070	$6,131,820
Prior Year	$18,027,003	$84,926,213	$2,706,977	$6,765,536

General Fund Expenditures

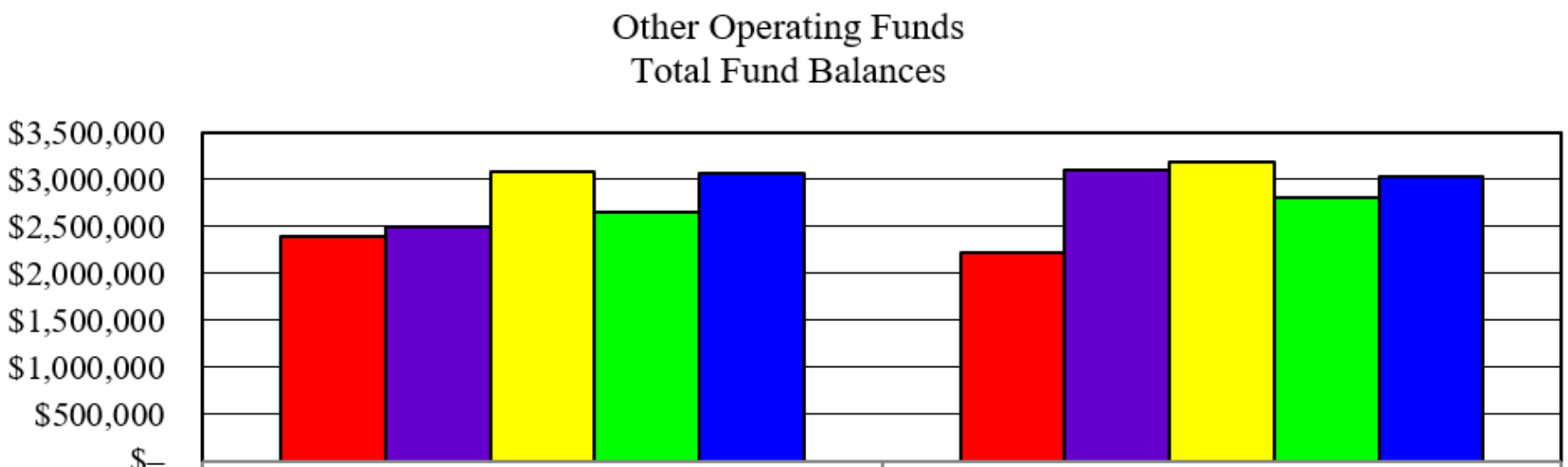
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	Salaries	Employee Benefits	Purchased Services	Supplies	Capital	Other
Budget	$57,073,265	$24,055,124	$18,970,255	$4,372,972	$5,116,010	$1,533,453
Actual	$55,409,032	$23,205,608	$17,665,685	$4,662,821	$3,899,844	$1,635,157
Prior Year	$54,131,240	$21,435,371	$16,646,924	$3,929,672	$8,437,590	$1,606,831

Other Governmental Funds

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	Food Service	Community Service
2022	$2,383,004	$2,218,988
2023	$2,501,194	$3,099,613
2024	$3,086,688	$3,177,257
2025	$2,657,552	$2,810,035
2026	$3,059,517	$3,028,834

District-Wide Statement of Net Position

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	June 30, 2026	June 30, 2025	Change
Net position – governmental activities			
Total fund balances – governmental funds	$ 83,604,937	$ 74,811,742	$ 8,793,195
Total capital assets, net of depreciation/amortization	128,079,994	130,614,415	(2,534,421)
Pension adjustments	(44,071,838)	(46,475,999)	2,404,161
OPEB adjustments	(669,919)	(1,054,818)	384,899
Other long-term liabilities/obligations	(68,880,724)	(77,079,245)	8,198,521
Other adjustments	6,520,520	5,184,888	1,335,632
Total net position – governmental activities	$ 104,582,970	$ 86,000,983	$ 18,581,987
Net position			
Net investment in capital assets	$ 66,205,460	$ 61,788,541	$ 4,416,919
Restricted	25,284,924	21,575,419	3,709,505
Unrestricted	13,092,586	2,637,023	10,455,563
Total net position	$ 104,582,970	$ 86,000,983	$ 18,581,987