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Independent School District
No. 656
Faribault, Minnesota

Audited
Financial Statements

June 30, 2021

Independent Auditor's Report

- Financial statements present fairly, in all material respects, the financial position and change in financial position of the governmental activities, each major fund and the aggregate remaining funds
- Unmodified opinion – best opinion auditor can issue

Other Communications

- Report in Accordance with *Government Auditing Standards*
 - No internal control finding
 - No instances of noncompliance
- Report in accordance with Uniform Guidance
 - Unmodified opinion
 - No internal control findings
- Report on Minnesota Legal Compliance
 - No findings
- Communications Letter –
 - Required communication, Legislative Summary, Emerging Issue and financial analysis.

General Education Formula Allowance

Year	General Education Aid Formula Allowance	
	Amount	Percent Increase
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%
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%

* 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.

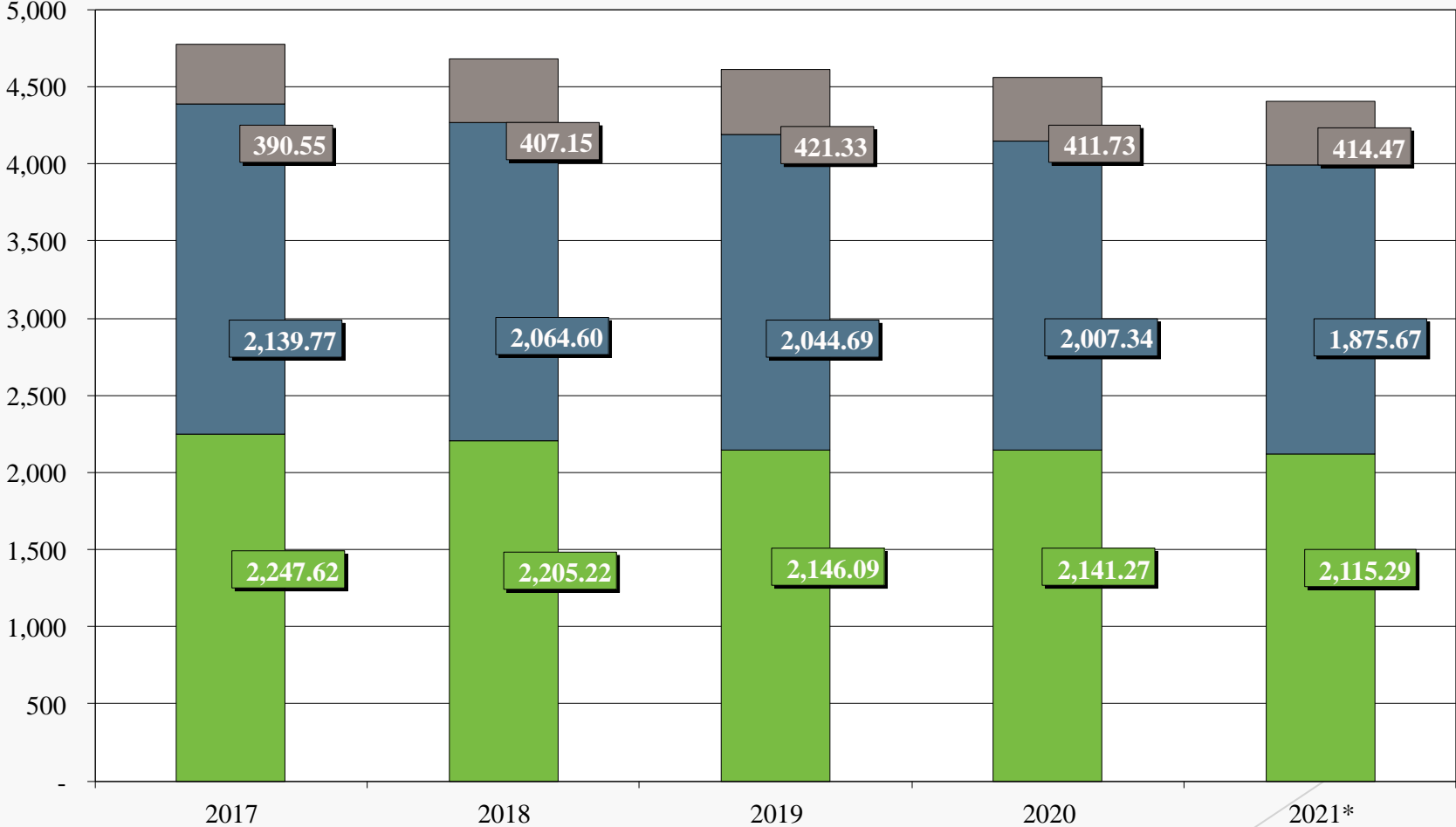
Average Daily Membership

Resident ADM and ADM Served

ADM	2017	2018	2019	2020	2021*
Other	79.79	90.51	94.59	107.50	126.80
Kindergarten	310.76	316.64	326.74	304.23	287.67
Elementary	2,139.77	2,064.60	2,044.69	2,007.34	1,875.67
Secondary	2,247.62	2,205.22	2,146.09	2,141.27	2,115.29
Total Resident ADM	4,777.94	4,676.97	4,612.11	4,560.34	4,405.43
Change from Prior Year	50.32	(100.97)	(64.86)	(51.77)	(154.91)
ADM Served	3,878.42	3,770.88	3,643.03	3,531.90	3,344.15

*estimate

Resident ADM



*estimate

Students Served

	Pre-kindergarten and Handicapped Kindergarten	Kindergarten	Elementary	Secondary
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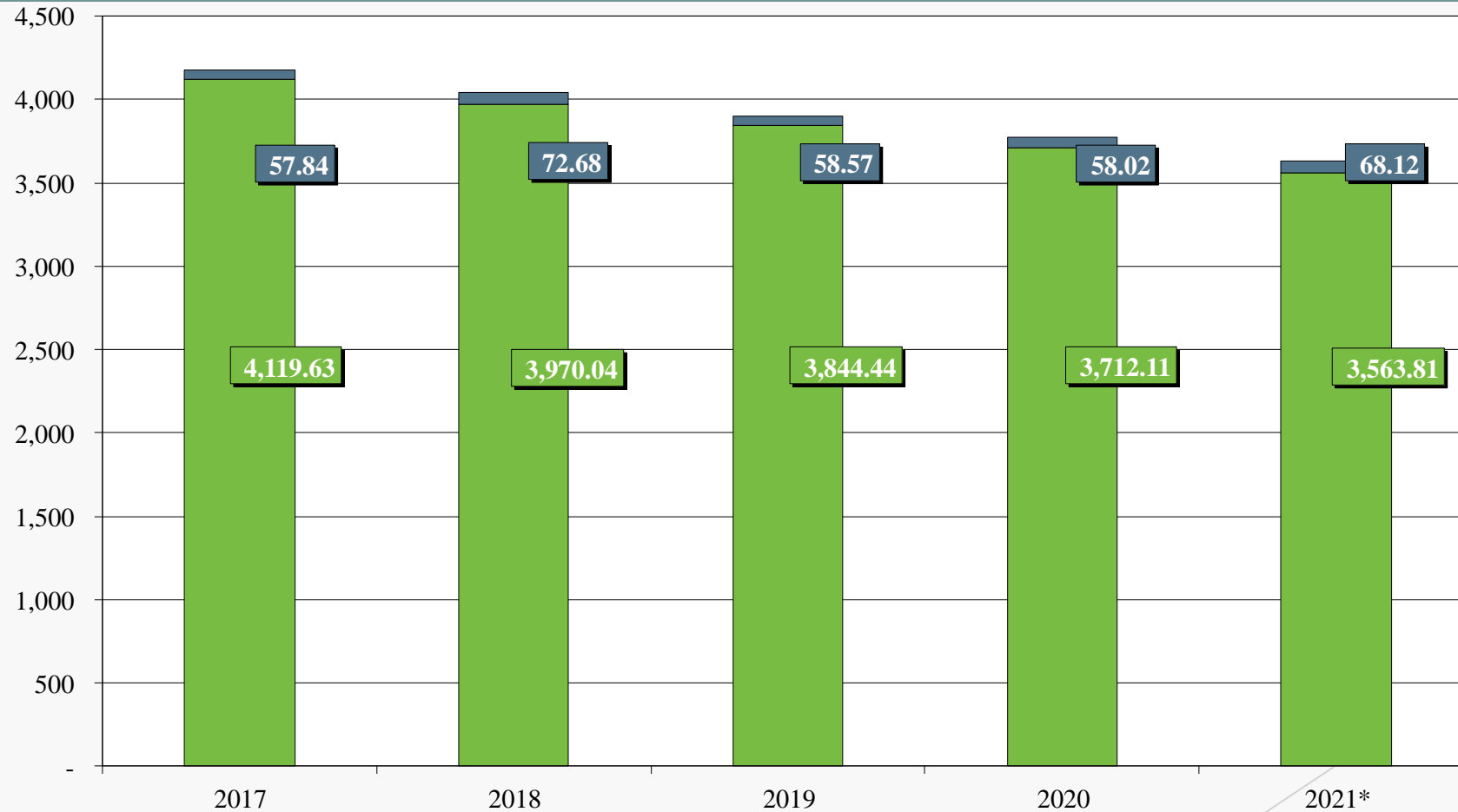
2017 through 2021	1.000	1.000	1.000	1.200
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Pupil Units	2017	2018	2019	2020	2021*
Residents	5,227.43	5,118.02	5,041.32	4,988.58	4,828.31
Resident pupil units going elsewhere	(1,107.80)	(1,147.98)	(1,196.88)	(1,276.47)	(1,264.50)
Nonresident pupil units coming in	57.84	72.68	58.57	58.02	68.12
Total Pupil Units Served	4,177.47	4,042.72	3,903.01	3,770.13	3,631.93

Change from the Prior Year	(47.14)	(134.75)	(139.71)	(132.88)	(138.20)
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*estimate

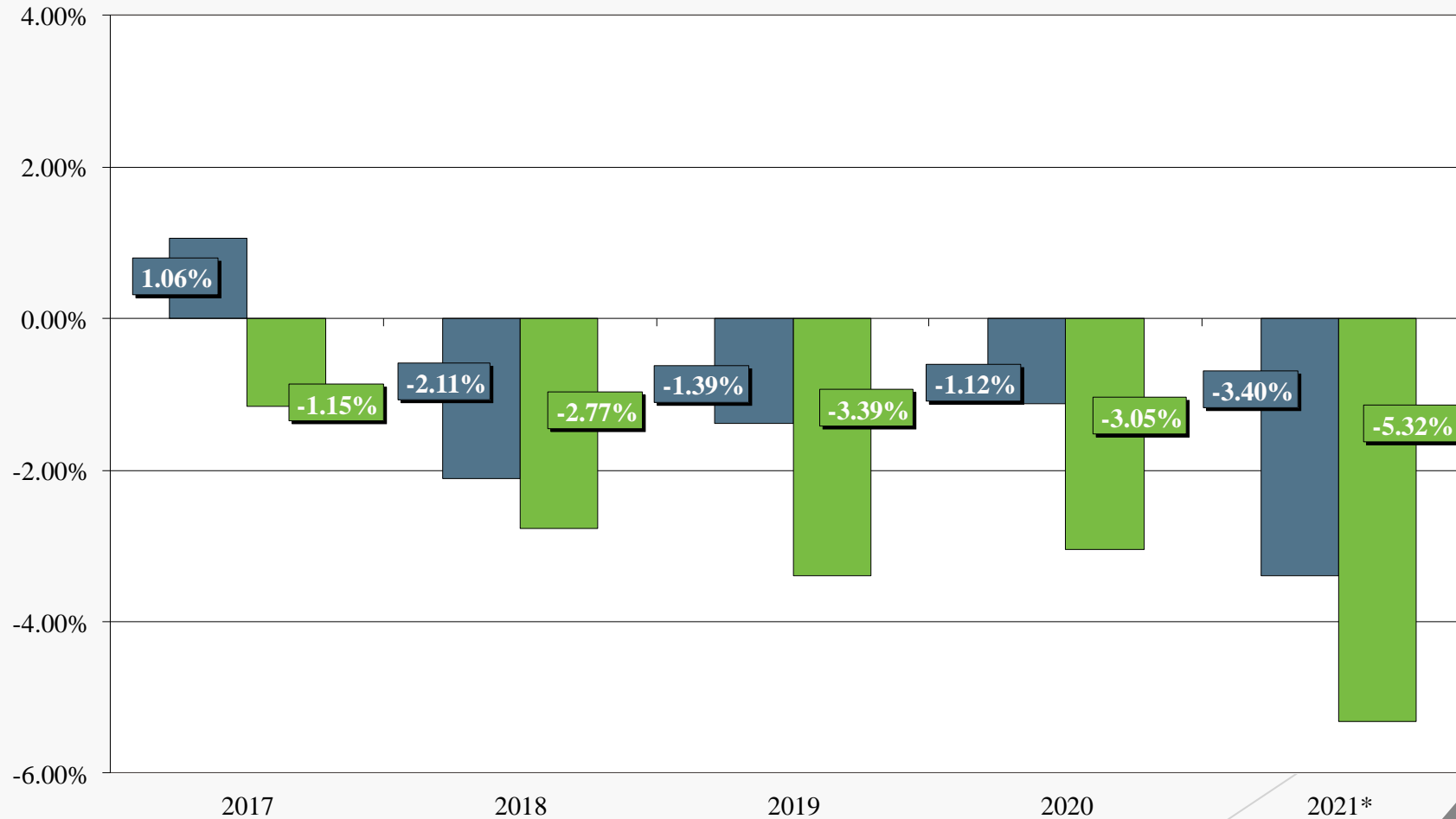
Students Served



*estimate

ADM and ADM Served

Change in Resident ADM and ADM Served



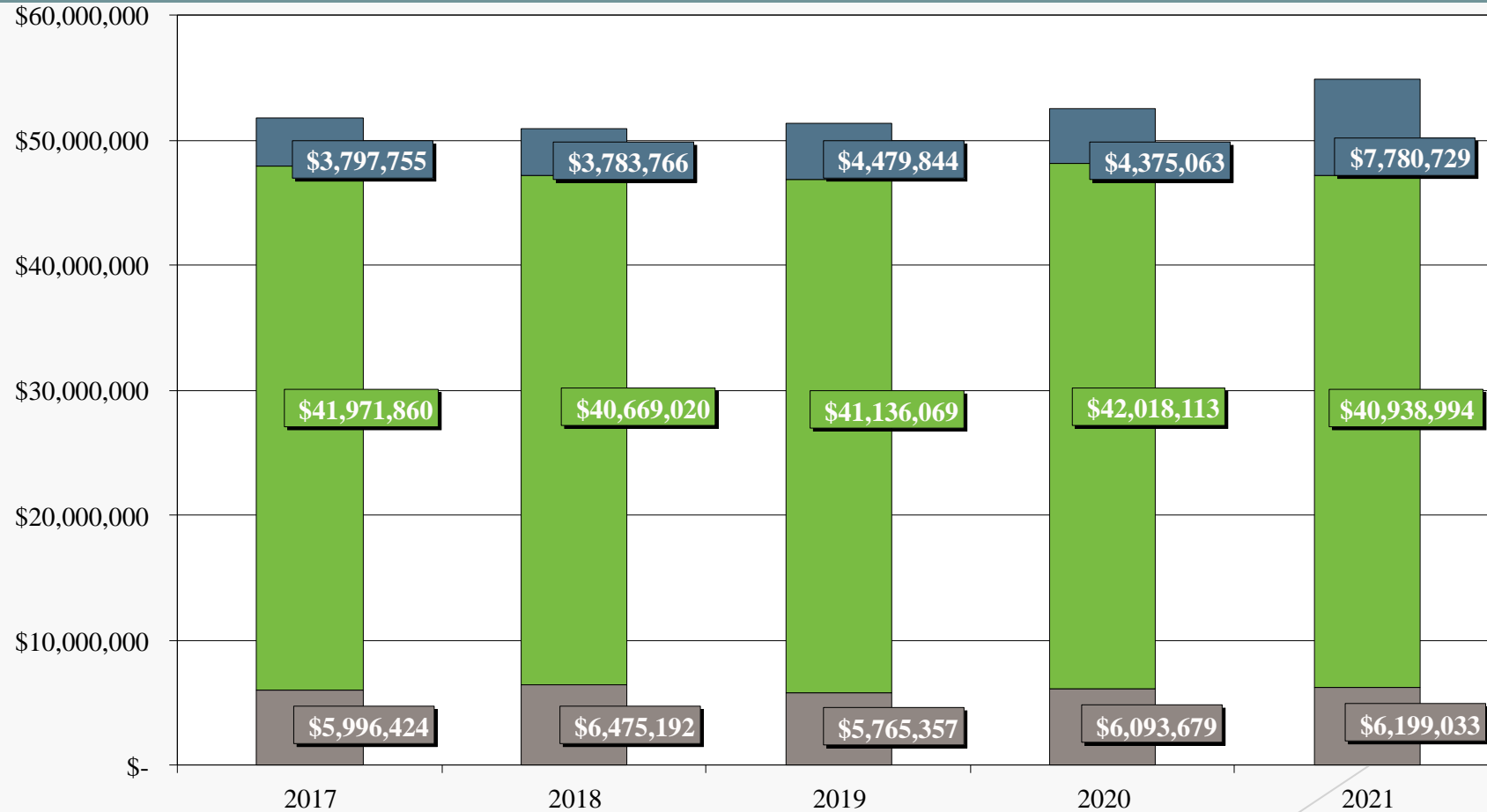
*estimate

General Fund

Sources of Revenue

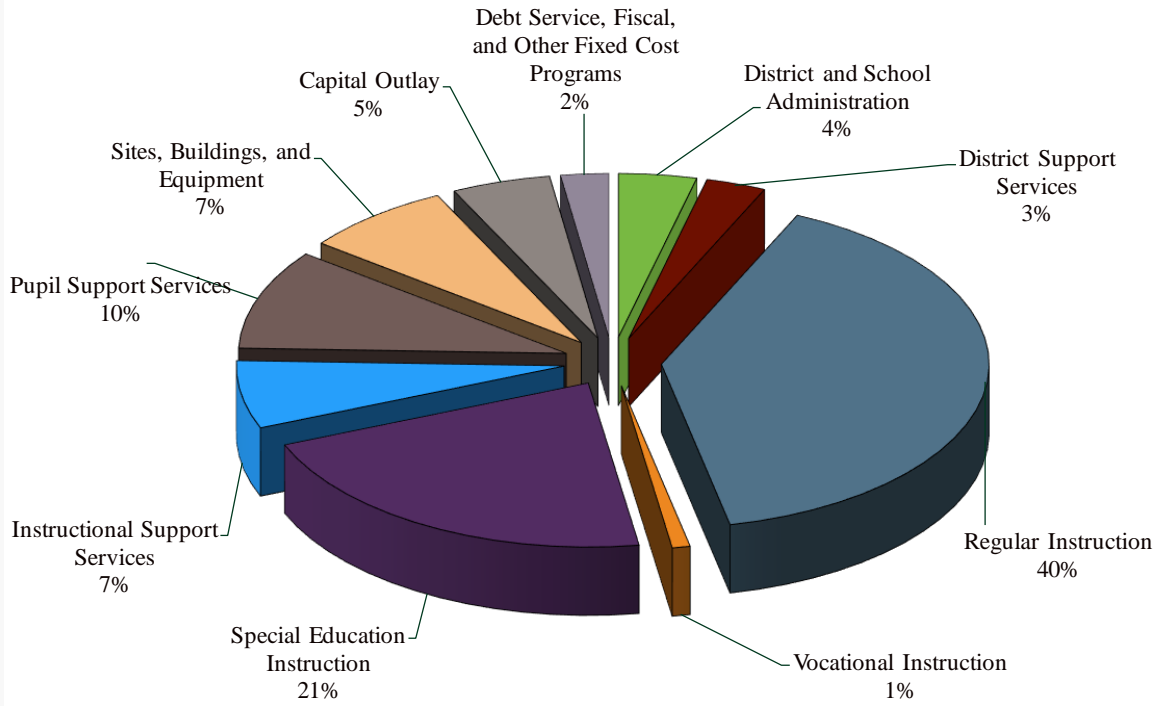
	2017	2018	2019	2020	2021
Local property taxes	\$ 5,996,424	\$ 6,475,192	\$ 5,765,357	\$ 6,093,679	\$ 6,199,033
State sources	41,971,860	40,669,020	41,136,069	42,018,113	40,938,994
Other revenues	3,797,755	3,783,766	4,479,844	4,375,063	7,780,729
Total	\$ 51,766,039	\$ 50,927,978	\$ 51,381,270	\$ 52,486,855	\$ 54,918,756

General Fund Sources of Revenue

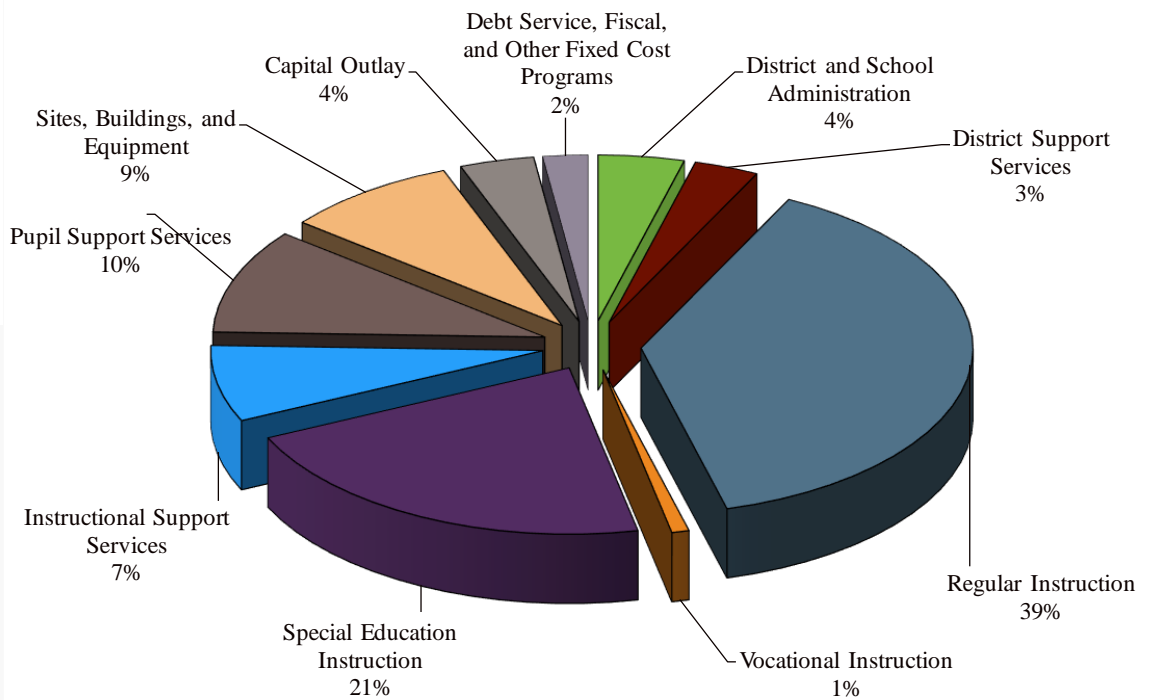


General Fund Expenditures

2021



2020



Revenue Per Student Served (ADM)

General Fund	2017*	2018*	2019*	2020*	2021**
Property taxes	\$ 1,519	\$ 1,686	\$ 1,560	\$ 1,701	\$ 1,854
Other local sources	504	461	463	472	421
State aid	10,775	10,742	11,278	11,879	12,242
Federal aid	500	574	795	796	1,906
Total General Fund Revenue	\$ 13,298	\$ 13,463	\$ 14,096	\$ 14,848	\$ 16,423
State-Wide*					
Property taxes	\$ 1,815	\$ 1,894	\$ 1,996	\$ 2,180	N/A
Other local sources	512	515	547	528	N/A
State aid	9,577	9,821	10,118	10,393	N/A
Federal aid	462	461	486	527	N/A
Total General Fund	\$ 12,366	\$ 12,691	\$ 13,147	\$ 13,628	N/A

* Source: *School District Profiles*

** Estimate

Expenditures per Student Served

(ADM)

	2017*		2018*		2019*		2020*		2021**	
General Fund	\$	12,753	\$	13,574	\$	15,237	\$	14,913	\$	16,749
Statewide Average - General Fund		12,249		12,596		13,025		13,313		N/A

General Fund Budget

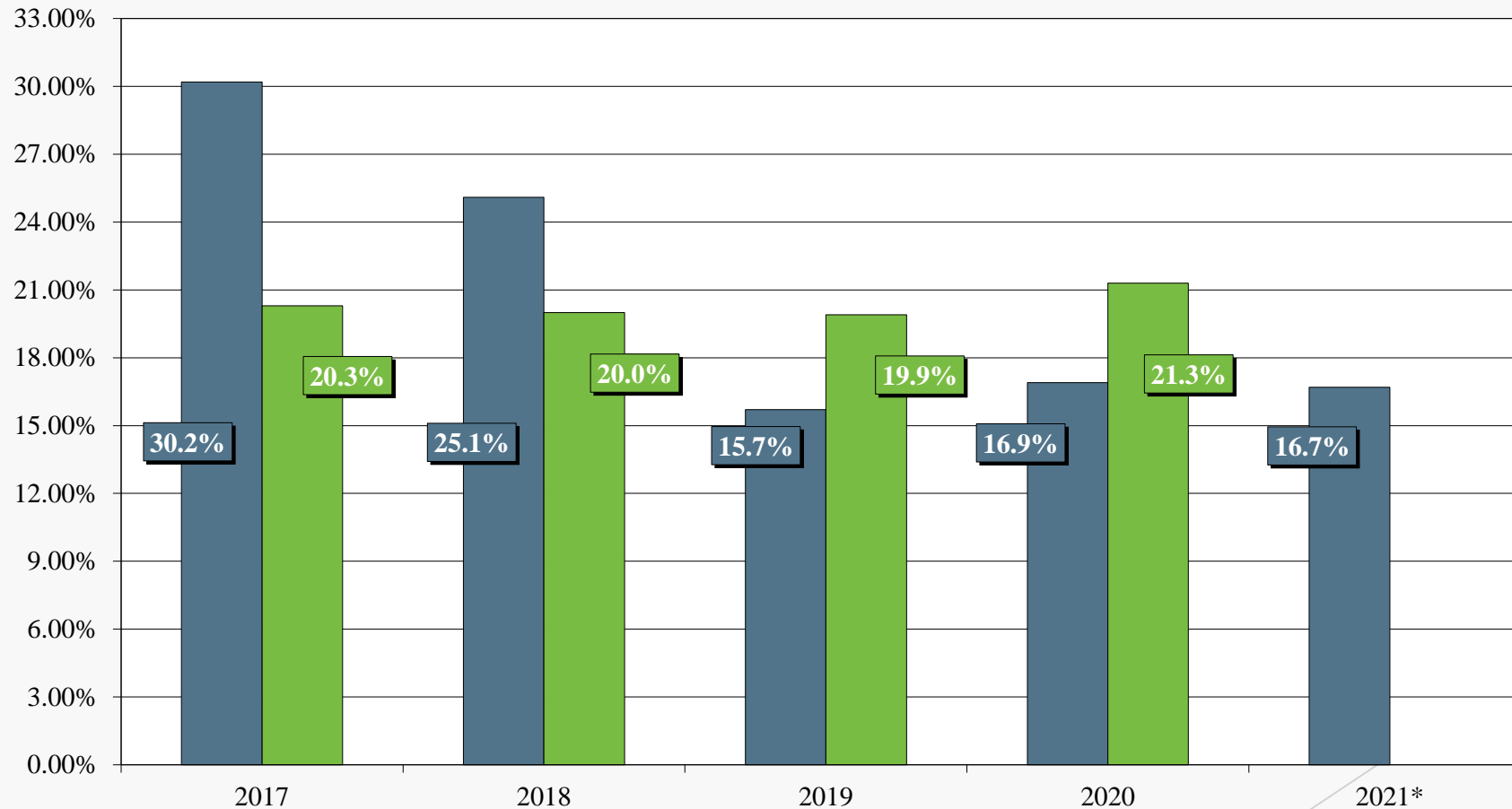
	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Over (under)
	Original	Final		
Revenues				
Local property taxes	\$ 6,086,668	\$ 6,157,614	\$ 6,199,033	\$ 41,419
Other local and county revenues	1,331,425	1,227,273	1,401,838	174,565
Revenue from state sources	41,001,633	40,957,041	40,938,994	(18,047)
Revenue from federal sources	3,247,436	6,998,482	6,374,442	(624,040)
Sales and other conversion of assets	14,900	14,900	4,449	(10,451)
Total revenues	<u>51,682,062</u>	<u>55,355,310</u>	<u>54,918,756</u>	<u>(436,554)</u>
Expenditures				
Administration	2,108,779	2,105,027	2,156,267	51,240
District support services	1,768,008	2,150,028	1,657,776	(492,252)
Regular instruction	21,340,070	23,859,293	22,311,975	(1,547,318)
Vocational instruction	511,583	537,261	493,783	(43,478)
Special education instruction	11,157,085	11,160,668	11,937,554	776,886
Instructional support services	3,864,141	4,098,209	3,737,828	(360,381)
Pupil support services	5,289,991	5,486,423	5,528,336	41,913
Sites and buildings	4,417,402	4,768,770	4,135,796	(632,974)
Fiscal and other fixed cost programs	176,220	176,220	170,909	(5,311)
Capital outlay	1,936,657	2,375,224	2,730,056	354,832
Debt service	1,003,535	1,112,164	1,152,281	40,117
Total expenditures	<u>53,573,471</u>	<u>57,829,287</u>	<u>56,012,561</u>	<u>(1,816,726)</u>
Excess of revenues over (under) over expenditures	<u>(1,891,409)</u>	<u>(2,473,977)</u>	<u>(1,093,805)</u>	<u>1,380,172</u>
Other Financing Sources				
Proceeds from capital lease	-	-	567,965	567,965
Transfers out	(60,000)	(60,000)	-	60,000
Total other financing sources	<u>(60,000)</u>	<u>(60,000)</u>	<u>567,965</u>	<u>627,965</u>
Net change in fund balance	<u>\$ (1,951,409)</u>	<u>\$ (2,533,977)</u>	<u>\$ (525,840)</u>	<u>\$ 2,008,137</u>

General Fund Operations

For the year ended June 30,	2017	2018	2019	2020	2021
Revenues	\$ 51,766,039	\$ 50,927,978	\$ 51,381,270	\$ 52,486,855	\$ 54,918,756
Expenditures	49,653,547	51,351,316	56,741,783	52,716,593	56,012,561
Excess of revenues over (under) expenditures	2,112,492	(423,338)	(5,360,513)	(229,738)	(1,093,805)
Capital Lease Proceeds	-	-	1,212,714	-	567,965
Insurance Recovery	-	9,277	-	-	-
Less transfers out	(25,529)	(18,260)	(38,663)	-	-
Sale of Equipment	-	-	229,171	36,280	-
Fund balance, July 1	10,406,910	12,493,873	12,061,552	8,104,261	7,991,557
Change in accounting principle	-	-	-	80,754	-
Fund Balance, June 30	12,493,873	12,061,552	8,104,261	7,991,557	7,465,717
Nonspendable for					
Prepaid items	788,821	150,908	25,574	641,085	55,575
Inventory	66,482	58,833	21,407	-	-
Restricted for					
Student Activities	-	-	-	84,957	92,785
Staff Development	53,208	28,545	28,767	48,919	45,387
Operating Capital	396,823	359,812	412,230	299,048	423,872
Safe Schools Levy	-	-	-	40,451	27,665
Health and Safety	47,326	-	-	-	-
LTFM	351,286	1,619,274	1,033,968	758,941	(419,131)
Basic Skills Programs	-	-	-	55,797	-
Teacher Development and Evaluation	2,628	-	-	-	-
Achievement and Integration	18,404	-	-	-	-
Committed for					
Separation/retirement benefits	2,451,000	2,451,000	-	-	-
Assigned for					
Athletic Equipment	-	112,186	8,659	112,186	112,186
Long-term receivable	-	-	-	-	318,827
Unassigned	8,317,895	7,280,994	6,573,656	5,950,173	6,808,551
Fund Balance, June 30	\$ 12,493,873	\$ 12,061,552	\$ 8,104,261	\$ 7,991,557	\$ 7,465,717

General Fund Financial Health

Unrestricted Fund Balance as a Percent of Unrestricted Expenditures



Food Service Fund

For the year ended June 30,	2017	2018	2019	2020	2021
Revenues	\$ 2,303,171	\$ 2,337,113	\$ 2,165,811	\$ 2,291,394	\$ 2,075,549
Expenditures	2,396,456	2,306,739	1,988,051	2,147,274	2,092,370
Excess of revenues over (under) expenditures	(93,285)	30,374	177,760	144,120	(16,821)
Plus transfers in	25,529	18,260	38,663	-	-
Fund balance, July 1	302,039	234,283	282,917	499,340	643,460
Fund Balance, June 30	234,283	282,917	499,340	643,460	626,639
Less nonspendable fund balance	-	(10,627)	-	-	-
Restricted Fund					
Balance, June 30	\$ 234,283	\$ 272,290	\$ 499,340	\$ 643,460	\$ 626,639

Community Service Fund

For the year ended June 30,	2017	2018	2019	2020	2021
Revenues	\$ 2,225,677	\$ 2,369,560	\$ 2,952,114	\$ 2,799,865	\$ 3,135,596
Expenditures	2,221,616	2,280,315	2,704,065	2,814,371	2,831,777
Excess of revenues over (under) expenditures	4,061	89,245	248,049	(14,506)	303,819
Plus transfers in	-	-	-	-	-
Fund balance, July 1	522,753	526,814	616,059	864,108	849,602
Fund Balance, June 30	526,814	616,059	864,108	849,602	1,153,421

QUESTIONS?

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