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INDEPENDENT SCHOOL DISTRICT NO. 192

Farmington, Minnesota

Audited Financial Statements

June 30, 2009



Independent Auditor's Reports

- Unqualified Opinion – Best Opinion Auditor can Issue
- 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
- Report Prepared under the guidelines of the ASBO Certificate of Achievement for Excellence in Financial Reporting Program
- Unqualified Opinion on Single Audit Compliance
- Minnesota Legal Compliance Report



General Fund Operations

- Original Budget
 - \$57.14 million in revenue
 - \$55.27 million in expenditures
 - \$1.87 million operating surplus
- Final Amended Budget
 - \$54.91 million in revenue
 - \$58.97 million in expenditures
 - \$4.06 million operating deficit
 - \$6.00 million bond issuance
 - \$1.94 million increase in fund balance



General Fund Operations

- Actual Results
 - \$55.10 million in revenue or \$193 thousand over budget (Federal Aids) less than ½ of 1% variance
 - \$59.39 million in expenditures or \$421 thousand over budget (Special Education Instruction) 1% variance
 - Fund Balance increased \$1.71 million to \$4.30 million, of which about 31% is reserved or earmarked



Other Major Operations

- The District expended almost \$36 million in construction costs for the new high school and other facilities
- \$25 million fund balance remains in Construction fund for future projects
- \$3.0 million dollars in bonded indebtedness retired in 2009



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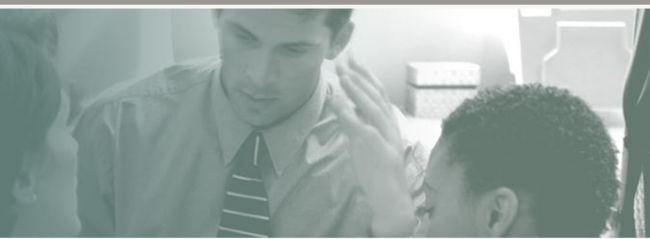
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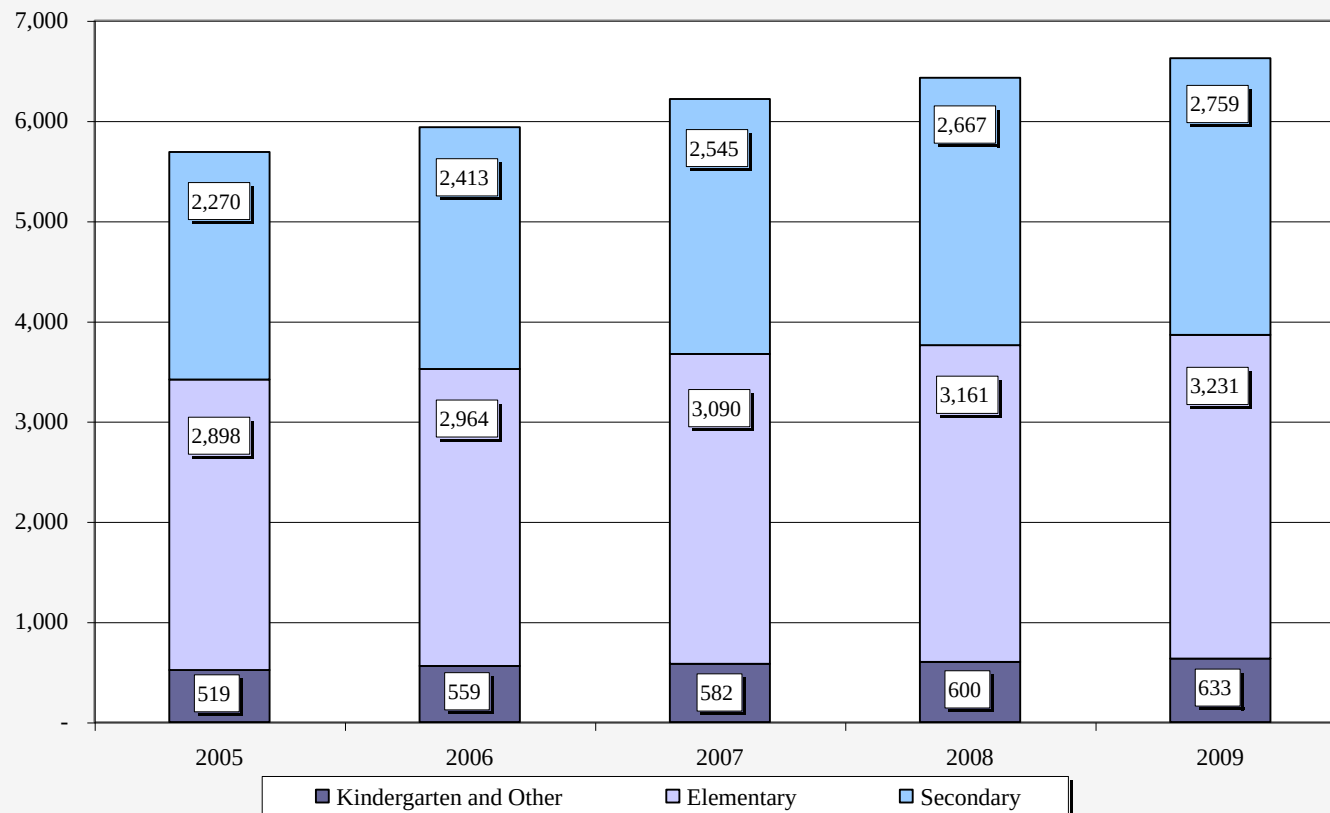
AVERAGE DAILY MEMBERSHIP AND PUPIL UNITS SERVED

Students (Resident ADM)	2005	2006	2007	2008	2009
Kindergarten and Other	519	559	582	600	633
Elementary	2,898	2,964	3,090	3,161	3,231
Secondary	2,270	2,413	2,545	2,667	2,759
Total Students (Resident ADM)	5,687	5,936	6,217	6,428	6,623



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Resident ADM





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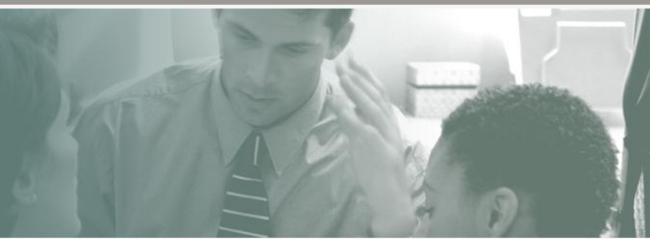
AVERAGE DAILY MEMBERSHIP AND ADJUSTED WEIGHTED AVERAGE DAILY MEMBERSHIP

Adjusted WADM	2005	2006	2007	2008	2009
Residents	6,449	6,716	7,046	7,314	7,536
Net WADM Loss	(107)	(89)	(163)	(122)	(184)
Total Adjusted WADM	6,342	6,627	6,883	7,192	7,352



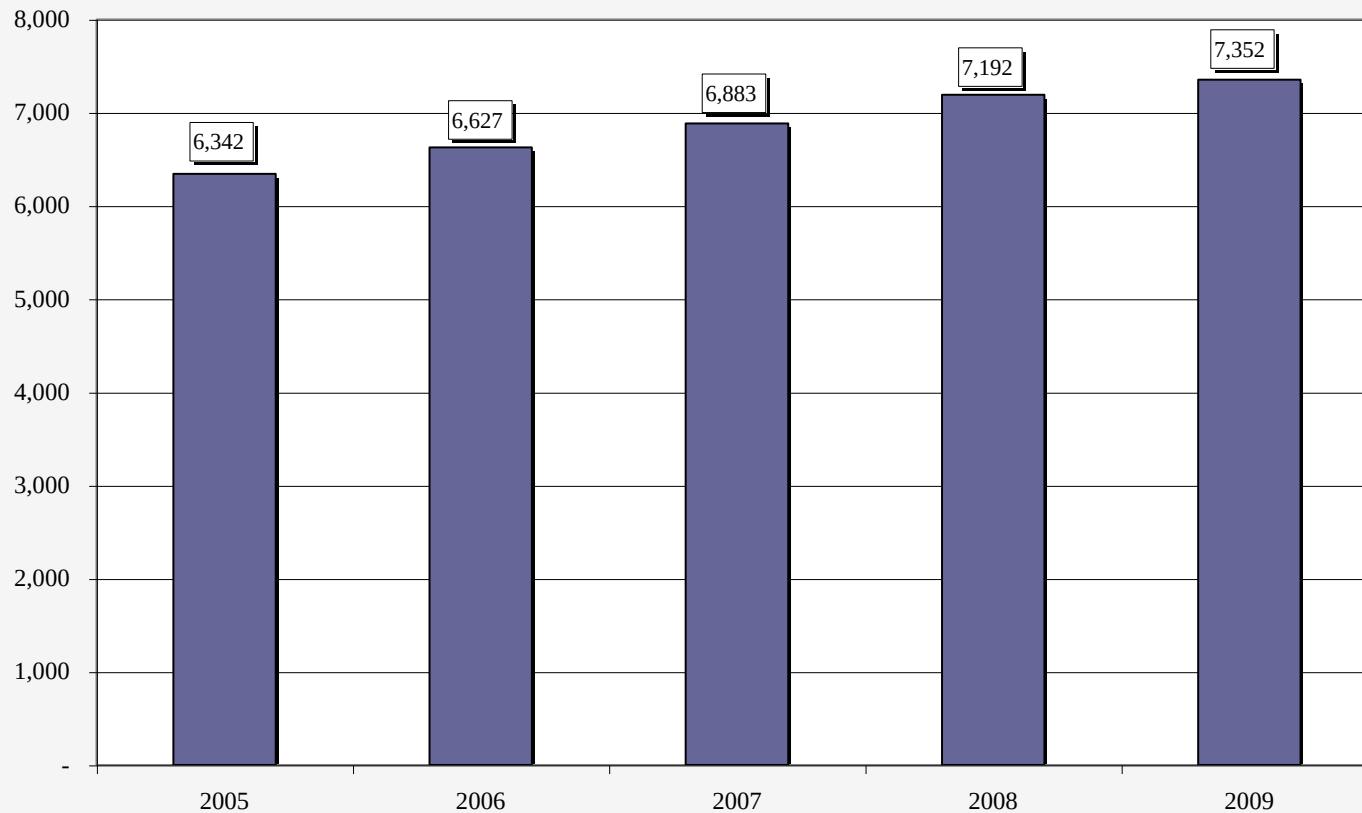
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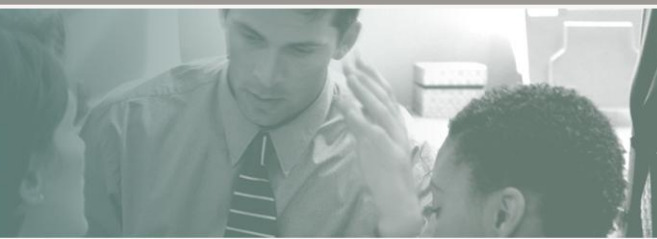
WADM Served





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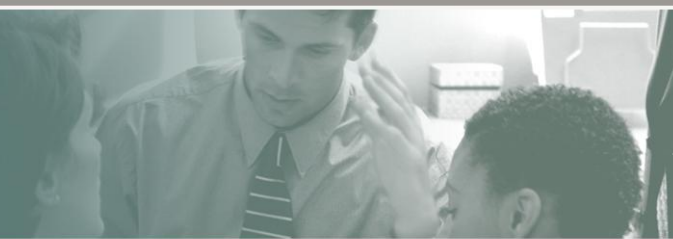
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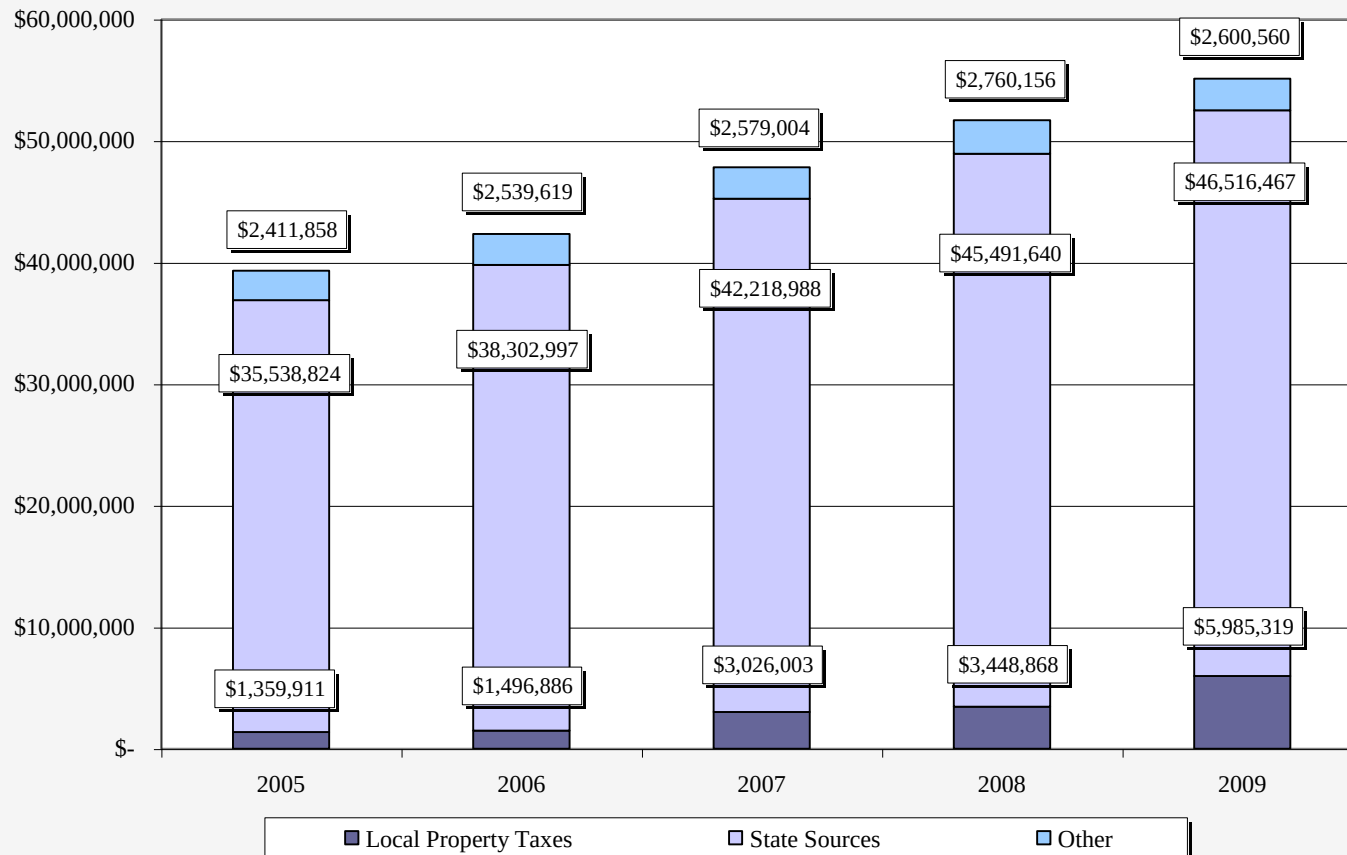
GENERAL FUND SOURCES OF REVENUE

For the Year Ended June 30,	2005	2006	2007	2008	2009
Local Property Taxes	\$ 1,359,911	\$ 1,496,886	\$ 3,026,003	\$ 3,448,868	\$ 5,985,319
State Sources	35,538,824	38,302,997	42,218,988	45,491,640	46,516,467
Other	2,411,858	2,539,619	2,579,004	2,760,156	2,600,560
Total	\$ 39,310,593	\$ 42,339,502	\$ 47,823,995	\$ 51,700,664	\$ 55,102,346



INDEPENDENT SCHOOL DISTRICT NO. 192 Farmington, Minnesota

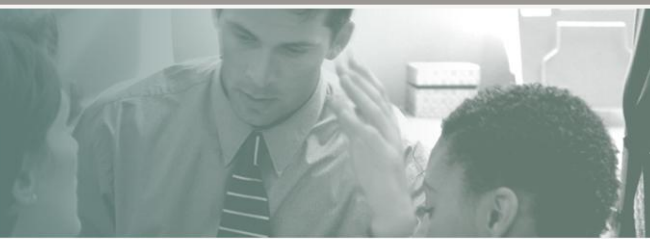
General Fund Sources of Revenue





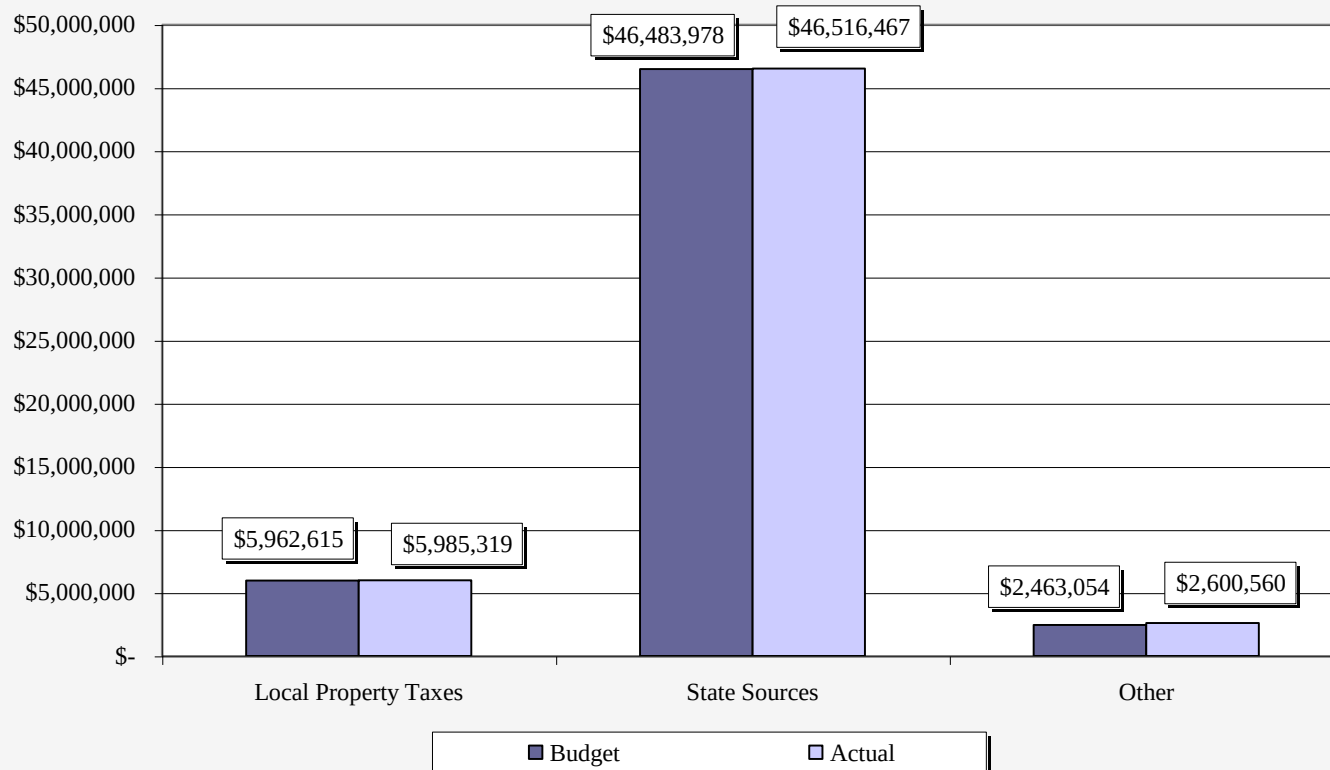
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2009 General Fund Revenues Budget and Actual





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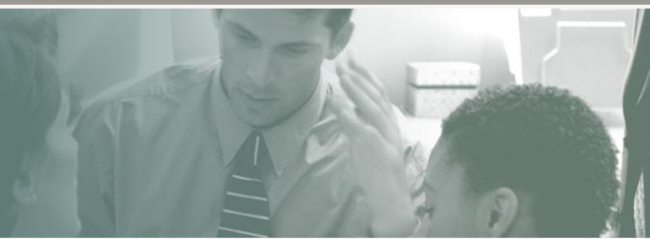
INDEPENDENT SCHOOL DISTRICT NO. 192

Farmington, Minnesota

EXPENDITURES PER STUDENT

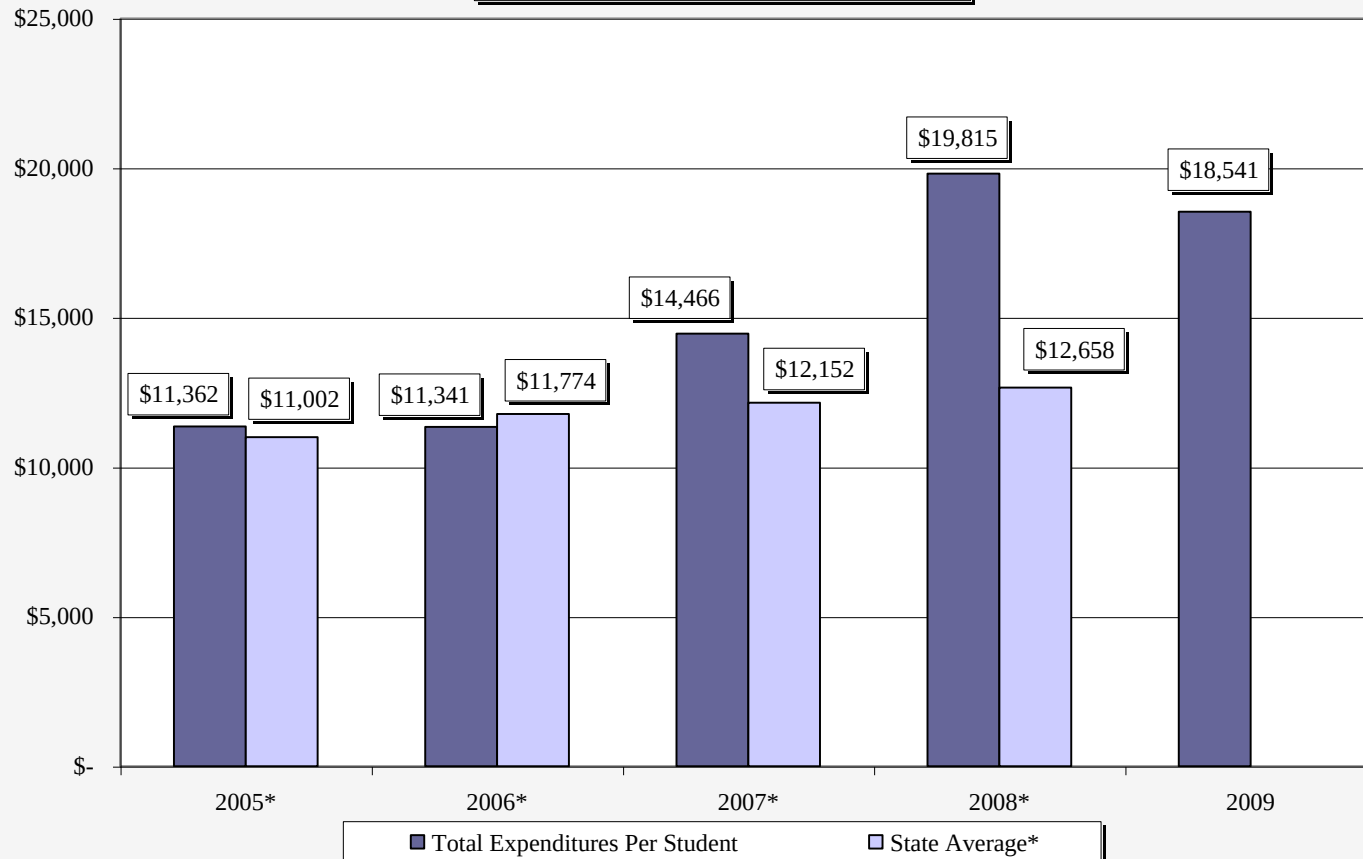
Independent School District No. 192*	2005*	2006*	2007*	2008*	2009
General Fund	\$ 7,214	\$ 7,630	\$ 7,730	\$ 8,169	\$ 9,344
Food Service Fund	359	353	360	383	401
Community Service Fund	367	403	465	504	521
Building Construction Fund	1,789	1,040	3,509	8,205	5,653
Debt Service Fund	1,633	1,915	2,402	2,554	2,622
Total Expenditures Per Student	\$ 11,362	\$ 11,341	\$ 14,466	\$ 19,815	\$ 18,541

State Average*	2005*	2006*	2007*	2008*	2009
General Fund	\$ 8,681	\$ 9,070	\$ 9,364	\$ 9,797	N/A
Food Service Fund	387	396	415	437	N/A
Community Service Fund	407	427	446	470	N/A
Building Construction Fund	694	824	850	890	N/A
Debt Service Fund	833	1,057	1,077	1,064	N/A
Total Expenditures Per Student	\$ 11,002	\$ 11,774	\$ 12,152	\$ 12,658	-



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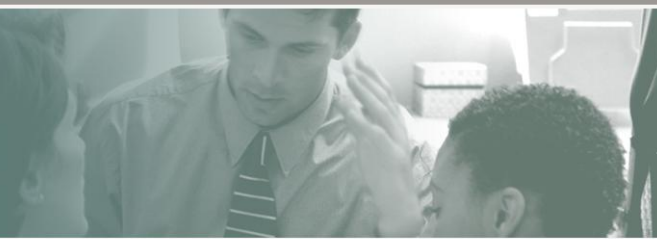
Expenditures Per ADM Served





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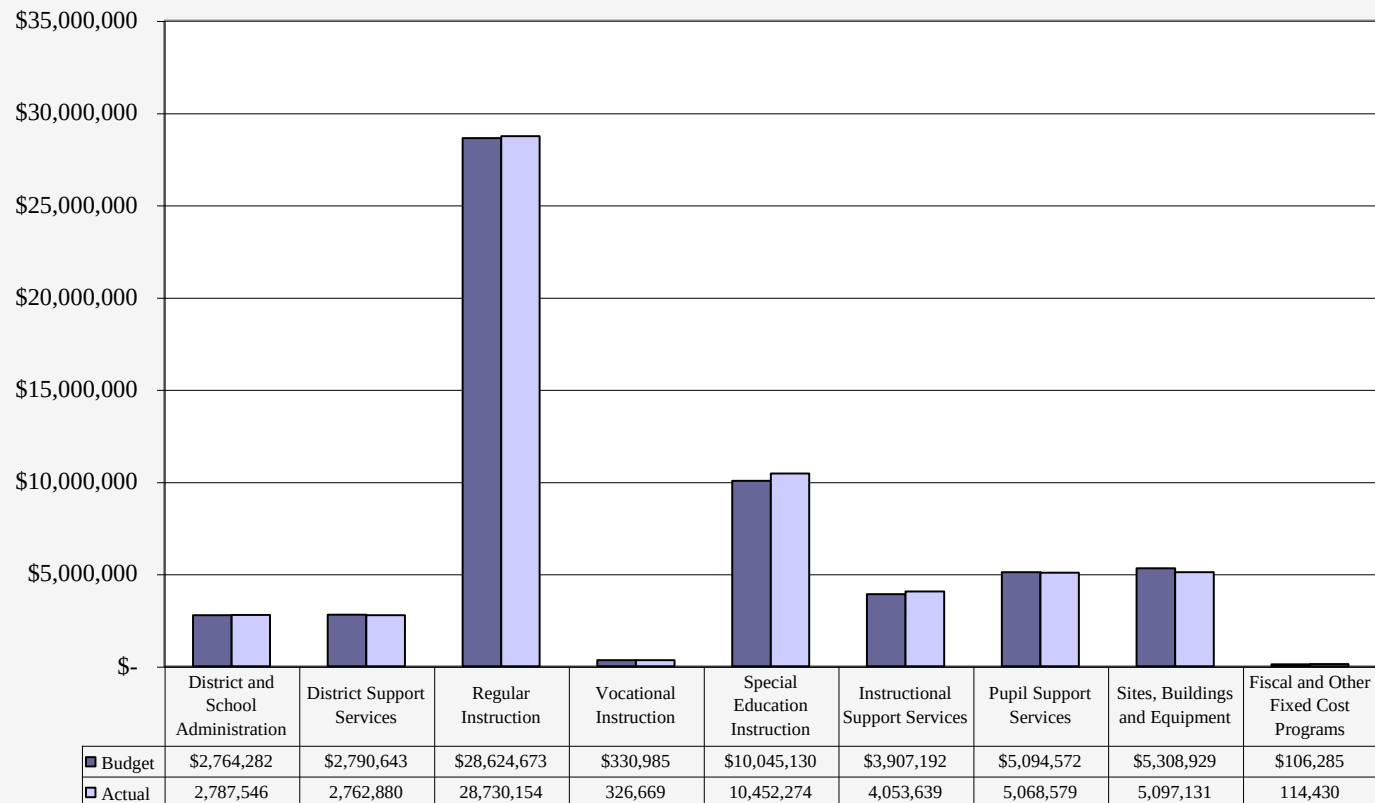
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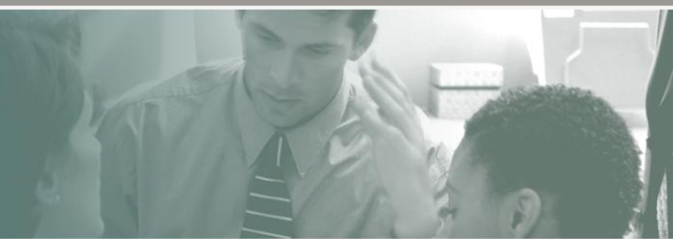


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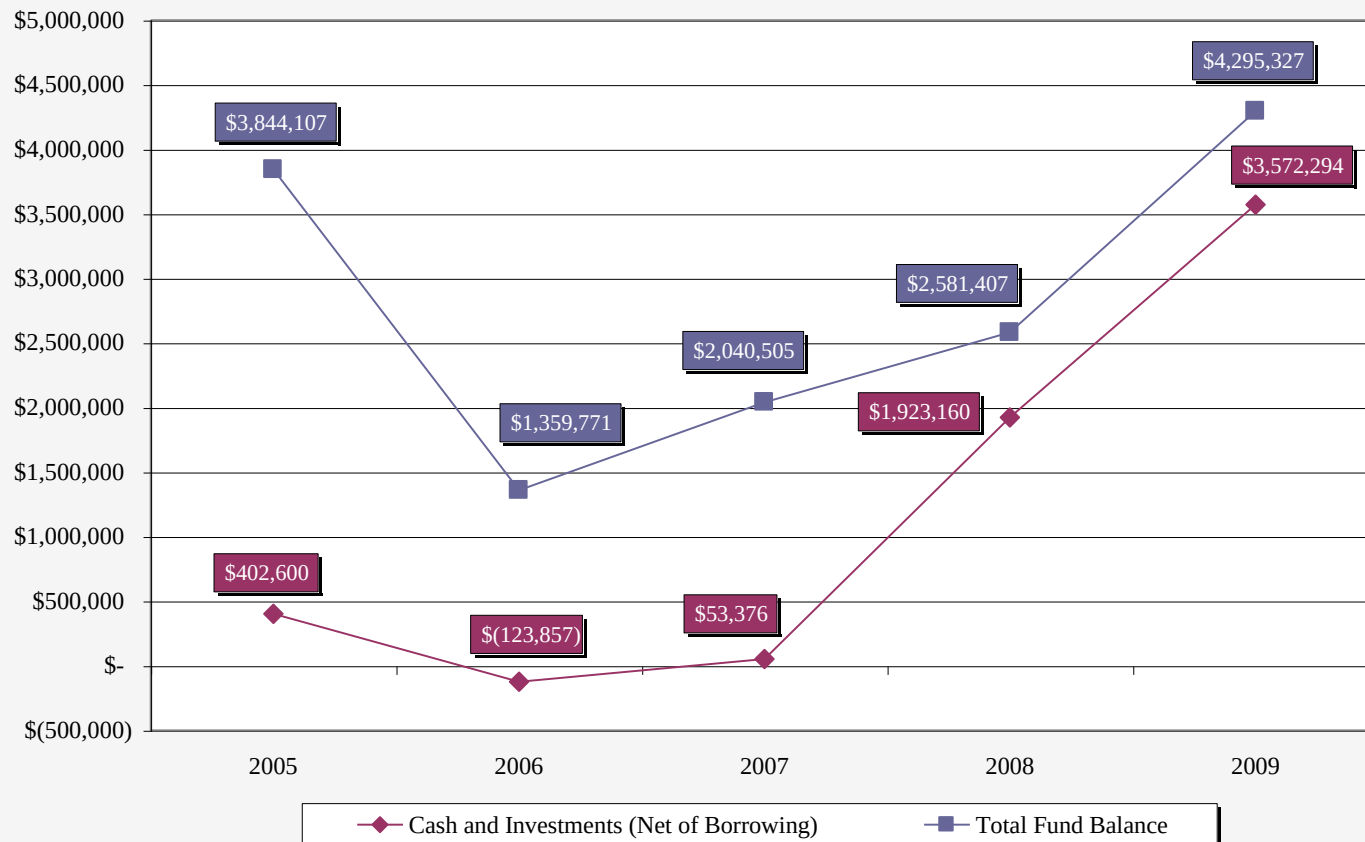
2009 General Fund Expenditures Budget and Actual





INDEPENDENT SCHOOL DISTRICT NO. 192 Farmington, Minnesota

General Fund Financial Position





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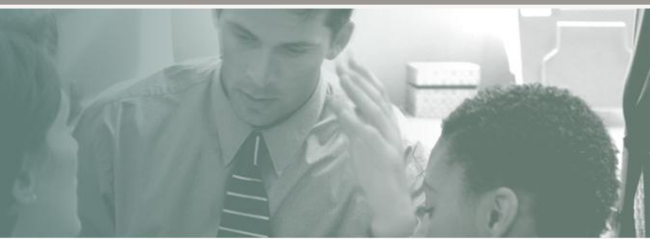
GENERAL FUND OPERATIONS

For the Year Ended June 30,	2005	2006	2007	2008	2009
Revenues	\$ 39,310,593	\$ 42,339,502	\$ 47,823,995	\$ 51,700,664	\$ 55,102,346
Expenditures	(40,427,719)	(44,824,243)	(47,143,261)	(51,163,099)	(59,393,302)
Excess of Revenues Over (Under) Expenditures	(1,117,126)	(2,484,741)	680,734	537,565	(4,290,956)
Sale of Capital Assets	-	405	-	3,337	4,876
Bond Issuance	-	-	-	-	6,000,000
Fund Balance, July 1	4,961,233	3,844,107	1,359,771	2,040,505	2,581,407
Fund Balance, June 30	\$ 3,844,107	\$ 1,359,771	\$ 2,040,505	\$ 2,581,407	\$ 4,295,327



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INDEPENDENT SCHOOL DISTRICT NO. 192 Farmington, Minnesota

COMPONENTS OF FUND BALANCE

Components of Fund Balance					
For the Year Ended June 30,	2005	2006	2007	2008	2009
Unreserved, Undesignated	\$ 2,455,747	\$ 99,976	\$ 418,894	\$ 1,265,721	\$ 2,981,933
Unreserved, Designated for Severance - Insurance Premiums	295,000	295,000	295,000	295,000	345,968
Reserved for:					
Staff Development	-	115,520	145,887	91,664	112,523
Severance Pay	178,646	197,441	258,930	308,258	-
Operating Capital	924,512	627,764	651,996	466,667	768,156
Health and Safety	(9,798)	(243,944)	12,723	(60,892)	(112,450)
Safe Schools	-	268,014	257,075	214,989	199,197
Fund Balance, June 30	\$ 3,844,107	\$ 1,359,771	\$ 2,040,505	\$ 2,581,407	\$ 4,295,327



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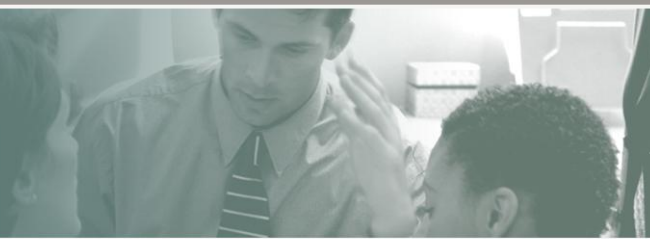
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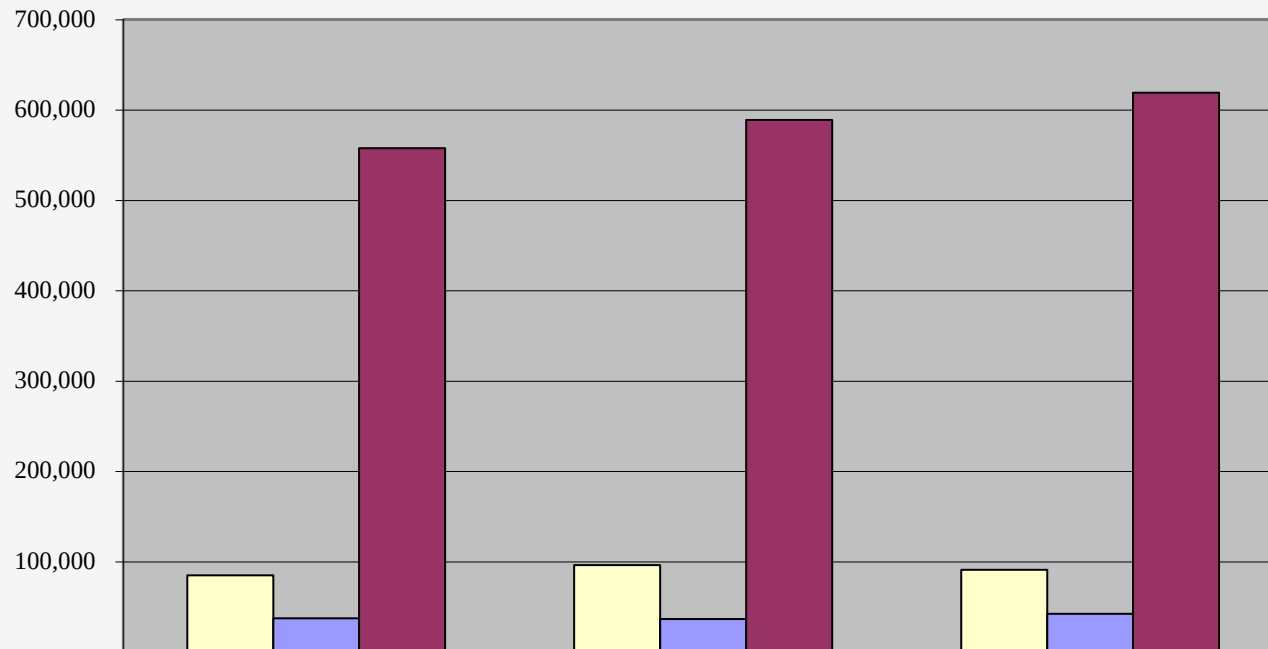
FOOD SERVICE FUND

For the Year Ended June 30,	2005	2006	2007	2008	2009
Revenues	\$ 1,938,947	\$ 2,076,572	\$ 2,259,468	\$ 2,424,772	\$ 2,535,820
Expenditures	(2,011,487)	(2,072,261)	(2,195,526)	(2,396,556)	(2,550,104)
Excess of Revenues Over (Under) Expenditures	(72,540)	4,311	63,942	28,216	(14,284)
Fund Balance, July 1	72,545	5	4,316	68,258	96,474
Fund Balance, June 30	\$ 5	\$ 4,316	\$ 68,258	\$ 96,474	\$ 82,190



INDEPENDENT SCHOOL DISTRICT NO. 192 Farmington, Minnesota

Meals Served



	2007*	2008*	2009
Free Meals	84,118	95,323	90,193
Reduced Meals	36,387	35,662	41,407
Full Priced Meals	556,823	588,118	618,365



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COMMUNITY SERVICE FUND

For the Year Ended June 30,	2005	2006	2007	2008	2009
Revenues	\$ 2,231,619	\$ 2,509,789	\$ 2,627,869	\$ 3,079,803	\$ 3,236,917
Expenditures	(2,055,892)	(2,365,876)	(2,834,191)	(3,158,056)	(3,312,708)
Excess of Revenues Over (Under) Expenditures	175,727	143,913	(206,322)	(78,253)	(75,791)
Fund Balance, July 1	505,666	681,393	825,306	618,984	540,731
Fund Balance, June 30	\$ 681,393	\$ 825,306	\$ 618,984	\$ 540,731	\$ 464,940



AUDIT FINDINGS

- Material Weaknesses
- Significant Deficiency
- Control Deficiencies
- Management Recommendation
- Required Communication