



Alexandria Public Schools
Rich tradition. Bright future.

COMMUNITY GUIDE

TO SCHOOL DISTRICT FINANCES

2021-2022 Fiscal Year

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BACKGROUND

The Community Guide to School District Finances provides a summary of Alexandria Public Schools (APS) finances for fiscal year 2021-22. Its purpose is to help members of the public understand where the district's revenues come from and how funds are used to provide education to the 4,100+ learners in our schools.

This document describes revenues and expenditures in the General Fund, which comprises 72% of all funds managed by the district. In addition to the General Fund of \$54.6 million, the district manages approximately \$21.4 million among seven other fund categories: Food Service, Community Service, Capital Projects, Debt Service, Self-Insured Dental Insurance, Student Activity Funds, and OPEB Debt Service.

The Budget/Finance Advisory Council (BFAC) provides community-based input and feedback on district financial issues, reviews district financial data, and advises the district on economic issues.

This publication is not an audited opinion of the school district's finances, rather it is a brief overview of APS' revenues, use of funds, and overall financial position. Eide Bailly LLP, a certified public accounting firm, provides an annual independent audit of APS.

Data sources for this report include the independent annual audit by Eide Bailly LLP, financial and management reports, information from the Minnesota Department of Education, and Minnesota legislative documents on education finance.

For more information, visit the district website at www.alexschools.org

Recognition for Excellence in Financial Management

- APS has received a clean, unmodified audit opinion of its finances every year. The auditors consider the district's financial records to be in excellent condition.
- Moody's Investors Service has assigned an underlying rating of A1 and enhanced rating of Aa2 to the district's general obligation bonds. The A1 underlying rating reflects the district's sizable and diverse tax base serving as a retail, commercial and tourism hub for the region, healthy fund balance and liquidity, heavy reliance on state aid, and above average debt and pension burdens. The Aa2 enhanced rating reflects the additional security provided by the Minnesota School District Enhancement (MSDE) program.

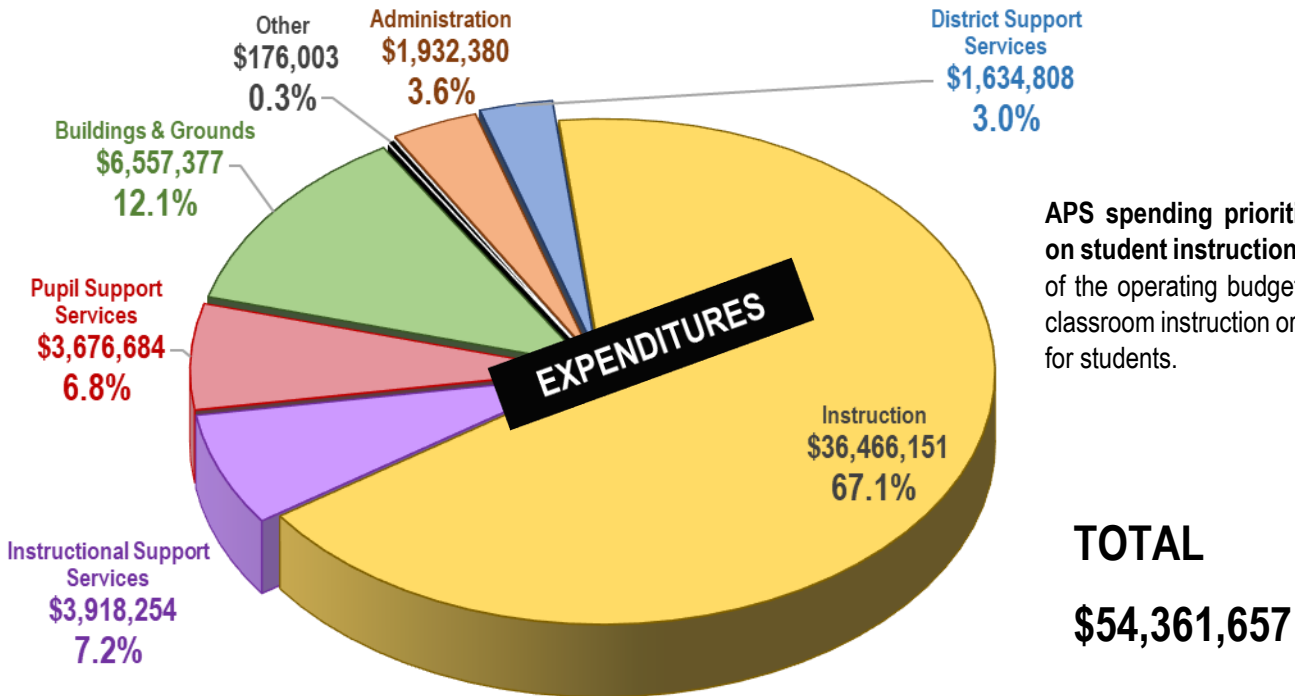
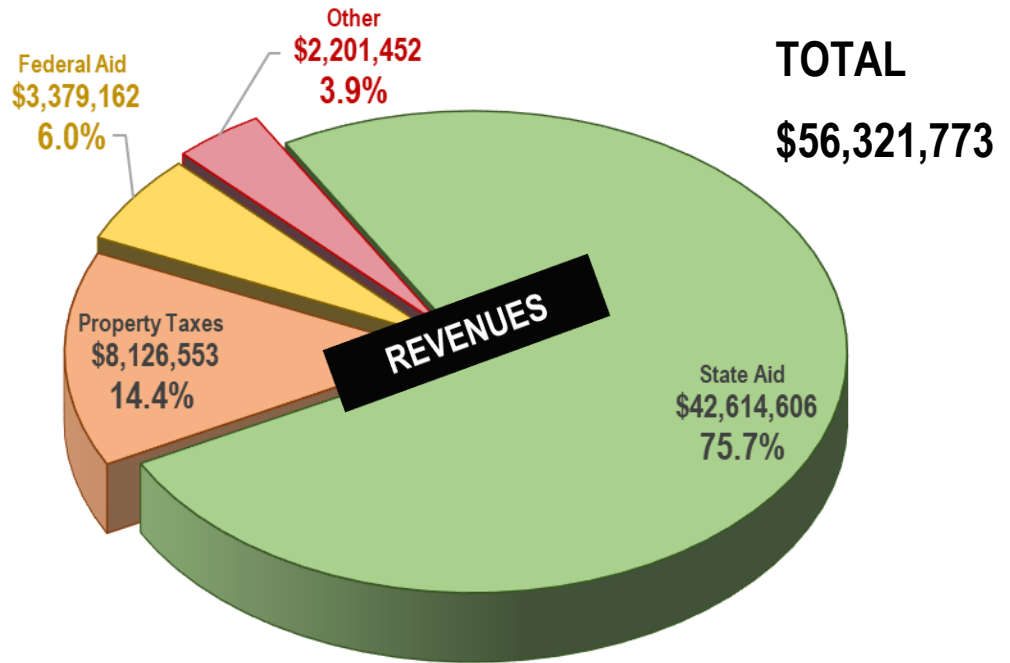
Leveraging Taxpayer Dollars Through Careful Stewardship

- APS maintains an intense focus on classroom instruction. More than 81% of the general fund operating budget goes directly to classroom instruction and support for students.
- By refinancing debt at a lower rate, the district has saved local taxpayers nearly \$9 million in interest costs since 2013.

GENERAL FUND REVENUES & EXPENDITURES

For the year ended June 30, 2021

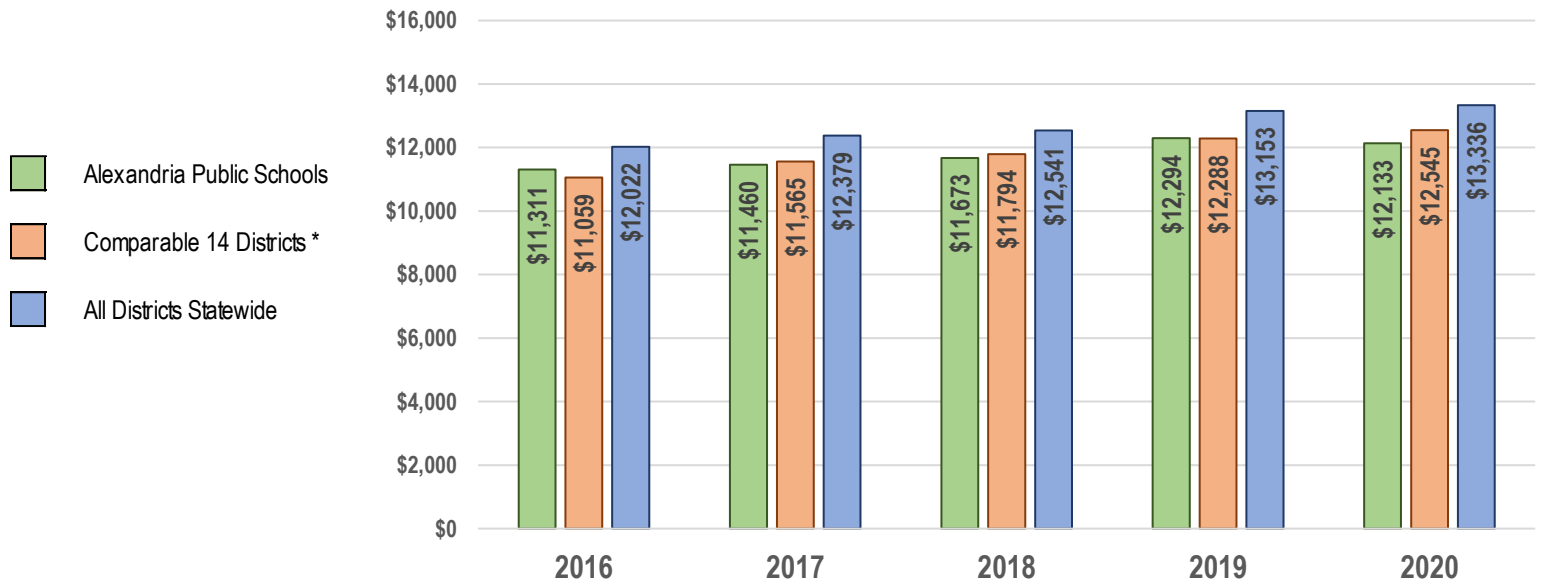
APS receives funding from several sources: State aid, property taxes, federal aid, and other local revenue. The amount from any one source may vary from year to year. The district annually estimates its revenue and then allocates funding to school sites and departments through a formal budget process.



APS spending priorities are focused on student instruction: More than 81% of the operating budget goes directly to classroom instruction or support services for students.

EXPENDITURES PER STUDENT SERVED

For the years ended June 30, 2016 through June 30, 2020



| Category | Alexandria Public Schools | | | | | Comparable 14 Districts * | | | | | All Districts Statewide | | | | |
|--------------------------|---------------------------|---------------|---------------|---------------|---------------|---------------------------|---------------|---------------|---------------|---------------|-------------------------|---------------|---------------|---------------|---------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2016 | 2017 | 2018 | 2019 | 2020 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Admin & District Support | 752 | 751 | 724 | 785 | 790 | 772 | 799 | 834 | 857 | 872 | 1,178 | 1,201 | 1,217 | 1,275 | 1,317 |
| Regular Instruction | 4,770 | 5,136 | 5,283 | 5,570 | 5,484 | 4,929 | 5,082 | 5,185 | 5,360 | 5,390 | 5,525 | 5,694 | 5,719 | 5,992 | 6,045 |
| Vocational Instruction | 162 | 190 | 202 | 193 | 215 | 154 | 150 | 164 | 182 | 187 | 203 | 209 | 215 | 228 | 237 |
| Special Ed Instruction | 2,471 | 2,568 | 2,486 | 2,641 | 2,630 | 2,329 | 2,484 | 2,515 | 2,631 | 2,694 | 1,895 | 1,948 | 2,004 | 2,075 | 2,149 |
| Instructional Support | 628 | 790 | 830 | 851 | 804 | 633 | 699 | 730 | 726 | 748 | 556 | 574 | 581 | 608 | 602 |
| Pupil Support Services | 793 | 854 | 883 | 908 | 863 | 923 | 962 | 1,012 | 1,049 | 1,063 | 1,044 | 1,096 | 1,130 | 1,194 | 1,179 |
| Buildings & Grounds | 1,368 | 1,138 | 1,231 | 1,310 | 1,310 | 1,252 | 1,340 | 1,315 | 1,445 | 1,535 | 1,484 | 1,485 | 1,555 | 1,642 | 1,667 |
| Other | 367 | 33 | 34 | 36 | 37 | 67 | 49 | 39 | 38 | 56 | 137 | 172 | 120 | 139 | 140 |
| TOTAL | 11,311 | 11,460 | 11,673 | 12,294 | 12,133 | 11,059 | 11,565 | 11,794 | 12,288 | 12,545 | 12,022 | 12,379 | 12,541 | 13,153 | 13,336 |

Administration & District Support Services expenditures per student are consistently lower than the Comparable 14 districts and statewide averages.

Regular Instruction expenditures per student are consistently higher than the Comparable 14 districts and Instructional Support Services are higher than the Comparable 14 districts and statewide averages.

**Comparable 14 Districts include Alexandria, Bemidji, Brainerd, Cambridge-Isanti, Detroit Lakes, Grand Rapids, Monticello, Moorhead, Northfield, Owatonna, Princeton, Sartell-St. Stephen, Sauk Rapids-Rice, and Willmar. (These districts compare well to Alexandria based on the size of district and other demographical benchmarks)*

GENERAL FUND OPERATIONS & FINANCIAL POSITION

Fund Balance Comparisons

The balance sheet compares revenues to expenditures and demonstrates the school district's financial position and fund balances. These are indicators of the overall financial health of district finances.

| | FY 2018-19 | | FY 2019-20 | | FY 2020-21 | | FY 2021-22 | |
|---|---------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|------------------|
| | Final Actual | % Change from PY | Final Actual | % Change from PY | Final Actual | % Change from PY | Preliminary Budget | % Change from PY |
| Beginning Fund Balance | \$ 8,871,958 | | \$ 8,140,706 | | \$ 7,650,577 | | \$ 9,611,032 | |
| Revenue | 51,253,580 | 1.8% | 51,176,941 | -0.1% | 56,781,117 | 11.0% | 54,552,502 | -3.9% |
| Expenditures | 51,984,832 | 4.4% | 51,667,070 | -0.6% | 54,820,662 | 6.1% | 54,592,509 | -0.4% |
| Change in Fund Balance | (731,252) | | (490,129) | | 1,960,455 | | (40,006) | |
| Ending Fund Balance | \$ 8,140,706 | -8.2% | \$ 7,650,577 | -6.0% | \$ 9,611,032 | 25.6% | \$ 9,571,026 | -0.4% |
| Unassigned Fund Balance | 5,189,836 | | 5,644,782 | | 6,634,382 | | 6,593,876 | |
| Nonspendable Fund Balance | 93,745 | | 45,692 | | 7,330 | | 7,330 | |
| Restricted Fund Balance | 432,125 | | 485,103 | | 494,320 | | 494,820 | |
| Assigned Fund Balance | 2,425,000 | | 1,475,000 | | 2,475,000 | | 2,475,000 | |
| # of weeks of expenditures covered by unassigned fund balance | 5.19 | | 5.68 | | 6.29 | | 6.28 | |
| Unassigned fund balance as a percentage of expenditures | 10.0% | | 10.9% | | 12.1% | | 12.1% | |

Unassigned fund balance is generally considered the amount of funds remaining after paying all operating expenses and provides cash flow for operations and keeps the district out of debt. However, due to accounting requirements, the fund balance does not reflect the amount of cash in the bank as a significant portion of state aid must be recorded in the fiscal year prior to when it is received.

In the most recent audited fiscal year of 2020-21, the district's monthly operating costs averaged just under \$4.6 million, 85% of which is to cover employee payroll and benefits. As of June 30, 2021, the unassigned fund balance would have covered 6.29 weeks of operations, or less than 2 months.

School Board policy regarding fund balance states "the school district will strive to maintain an unassigned general fund balance ranging between 11% and 16% of the annual general fund operating expenditures." As of June 30, 2021, the unassigned general fund balance fell within that range at 12.1%.

SCHOOL BOARD

Angie Krebs, Chairperson

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Dean Anderson, Clerk

Pam Carlson, Treasurer

Maureen Eigen, Director

Sandy Susag, Director

Alan Zeithamer, Director

Rick Sansted, Superintendent



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