

# **Annual Comprehensive Financial Report**

*For the Fiscal Year Ended June 30, 2022*



**Stillwater Area Public Schools**  
Independent School District No. 834

Stillwater, Minnesota

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**STILLWATER AREA PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER, MINNESOTA**

**YEAR ENDED JUNE 30, 2022**

**1875 SOUTH GREELEY STREET  
STILLWATER, MN 55082  
*WWW.STILLWATERSCHOOLS.ORG*  
651.351.8321**

**PREPARED BY FINANCE DEPARTMENT**

**JULIE CINK  
DIRECTOR OF FINANCE**

**LYNNE RITZER  
SUPERVISOR OF FINANCIAL SERVICES**

**MAKENZIE CHRISTIANSON  
DISTRICT ACCOUNTANT**

**AMANDA BRUNSVOLD  
STUDENT SUPPORT SERVICES ACCOUNTANT**

**LINDA MONCRIEF  
ADMIN ASSISTANT**

**TRACY CONSTANT  
ACCOUNTS PROCESSING TECHNICIAN  
LORNA WELLS  
ACCOUNTS PROCESSING TECHNICIAN**

**TRACY CAPLES-MCDONALD  
PAYROLL TECHNICIAN  
NANCY BRENHOLT  
PAYROLL TECHNICIAN**

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2022**

**INTRODUCTORY SECTION**

TRANSMITTAL LETTER	1
SCHOOL BOARD AND ADMINISTRATION	4
MAP OF SCHOOL DISTRICT	7

**FINANCIAL SECTION**

INDEPENDENT AUDITORS' REPORT	9
REQUIRED SUPPLEMENTARY INFORMATION	
MANAGEMENT'S DISCUSSION AND ANALYSIS	14
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	28
STATEMENT OF ACTIVITIES	29
BALANCE SHEET – GOVERNMENTAL FUNDS	30
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	31
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS	32
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES	33
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	34
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – FOOD SERVICE FUND	35
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – COMMUNITY SERVICE FUND	36
STATEMENT OF NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUND	37
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUND	38
STATEMENT OF CASH FLOWS – PROPRIETARY FUND – INTERNAL SERVICE FUND	39
STATEMENT OF FIDUCIARY NET POSITION	40
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	40
NOTES TO BASIC FINANCIAL STATEMENTS	41

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

**REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY (ASSET) AND RELATED RATIOS	83
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN ON PLAN ASSETS - OPEB	84
TRA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	85
TRA SCHEDULE OF DISTRICT CONTRIBUTIONS	86
GERF SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	87
GERF SCHEDULE OF DISTRICT CONTRIBUTIONS	88
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	89

**SUPPLEMENTARY INFORMATION**

<b>GENERAL FUND</b>	
BALANCE SHEET	97
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	98
<b>FOOD SERVICE FUND</b>	
BALANCE SHEET	101
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	102
<b>COMMUNITY SERVICE FUND</b>	
BALANCE SHEET	103
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	104
<b>CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND</b>	
BALANCE SHEET	105
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	106
<b>DEBT SERVICE FUND</b>	
BALANCE SHEET	107
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	108
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE	109

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

**STATISTICAL SECTION (UNAUDITED)**

NET POSITION BY COMPONENT	112
CHANGES IN NET POSITION	114
TAX REVENUES BY SOURCE AND LEVY TYPE	116
FUND BALANCES OF GOVERNMENTAL FUNDS	117
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS	119
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY	121
TAX CAPACITIES AND MARKET VALUE	122
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS	124
PRINCIPAL PROPERTY TAXPAYERS	126
PROPERTY TAX LEVIES AND COLLECTIONS	127
RATIOS OF OUTSTANDING DEBT BY TYPE	129
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO MARKET VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA	130
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT	131
LEGAL DEBT MARGIN INFORMATION	132
DEMOGRAPHIC AND ECONOMIC STATISTICS	134
FULL-TIME EQUIVALENT DISTRICT LICENSED EMPLOYEES BY TYPE	135
TEACHER DATA	136
STUDENT TO STAFF RATIOS	138
STANDARDIZED TESTING AND GRADUATION RATES	139
SCHOOL FACILITIES	141
FOOD SERVICE – SCHOOL LUNCH PROGRAM DATA	142
STUDENT ENROLLMENT	143
EXPENDITURES PER STUDENT	144

# Section I

## Introduction





December 13, 2022

To: School Board  
Citizens  
Employees of the School District

Minnesota State law requires that every public school district publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2022.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

CLA (Clifton Larson Allen LLP), Certified Public Accountants, have issued an unmodified (“clean”) opinion on Independent School District No. 834’s (the District) financial statements for the year ended June 30, 2022. The independent auditor’s report is located at the front of the financial section of this report.

The management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

#### **PROFILE OF THE ENTITY AND ITS SERVICES**

The District provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through Grade 12+. These include regular and enriched academic programs, special education programs, and career/vocational education. Food service and transportation are provided as supporting programs. The District’s community education program provides opportunities for early learners including childhood and family education, school readiness, and Adventure Club, a robust before and after school child care program. Community Education also provides adult basic education programs and a variety of classes for lifelong learning experiences for children and adults.

Minnesota’s first schoolhouse was built in Stillwater in 1848, a year before Minnesota became a territory. Located on Olive Street between Second and Third Streets, the schoolhouse was a one-room building with cracks in the walls. Stillwater became the state’s first school district just two years later, a full four years before the City of Stillwater was incorporated. This District, now known as Independent School District No. 834, Stillwater Area Public Schools, has a long tradition of high expectations, high standards, and outstanding achievement. It is also a system dedicated to continuous improvement.

The District served 8,102 students for the 2021-22 school year. The District is expected to add 50-75 students for the 2022-23 school year. The District has gone from a one-room schoolhouse to seven operating elementary schools (K–5), two middle schools (Grades 6–8), one high school (Grades 9–12), and an alternative learning center for secondary students. An early childhood family center (ECFC) serves families with young children, from birth to age five. The average long-term facilities maintenance age of the District's buildings is approximately 34.31 years; with the original buildings being constructed first in 1919 to the latest construction of Brookview Elementary school in 2017. An addition of eight classrooms to Brookview was completed in the summer of 2022. Building ages include 1910s (1), 1920s (1), 1950s (3), 1960s (2), 1970s (2), 1990s (2), 2000s (1) and 2010s (2).

The District stretches 30 miles along the scenic St. Croix River from Marine on St. Croix south to Afton, and covers approximately 150 square miles. The District encompasses 18 communities, including: Afton, Bayport, Baytown Township, Grant, a portion of Hugo, Lake Elmo, Lakeland, Lakeland Shores, Lake St. Croix Beach, Marine on St. Croix, May Township, Oak Park Heights, St. Mary's Point, Stillwater, Stillwater Township, West Lakeland Township, Withrow, and a portion of Woodbury. The total district population is estimated at 68,357.

The District is well known for providing a solid and rigorous curriculum that focuses on the expanded basics of reading, writing, mathematics, logic, and speaking. Student achievement on state and national tests ranks above the state average. The District strives to develop learners who are innovative, creative, and prepared for a rapidly changing world. Expectations are high and students of all abilities are challenged, supported, and motivated at every level—from early childhood through high school. Students regularly earn top awards and recognitions in academics, performing, and visual arts programs. Student athletes also consistently appear in state competitions.

#### **LOCAL ECONOMY**

According to census information from the Washington County website, the county continued to experience growth, increasing 12 percent since 2010. Washington County's estimated population in 2021 was 272,256, a 3.6% increase over 2020. Washington County is the fifth largest county in the state of Minnesota, housing approximately 4.6 percent of the state's population and approximately 7.1 percent of the Twin Cities metropolitan area's population. According to the Metropolitan Council, as reported on the county's website, Washington County's population is expected to continue to grow. By the year 2040, the county's population is projected to increase to 341,330.

The District's population has grown from 41,958 in 1996 to 68,357 in 2021. This represents a 62.9 percent increase.

Source data from the U.S. Census Bureau shows that the median household income in 2021 for Washington County was \$103,194 as compared to \$77,720 in 2021 for the state of Minnesota. Source data from the U.S. Census Bureau shows that the per capita income in 2021 for Washington County was \$51,075.

The poverty rate of Washington County continues to be low. Source data from the Census Reporter shows that 5.2 percent of Washington County's family population was below the federal poverty level. This compares to a poverty rate of 6.8 percent in the Stillwater School District.

Due to its strong and healthy local economy, the District has maintained a credit rating of Aa2 from Moody's Investor Service.



## **LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES**

With the exception of the voter-approved operating referendum, the District is dependent on the state of Minnesota for its revenue authority. Recent experience demonstrates that legislated revenue increases are unpredictable and have not been sufficient to meet instructional program needs and increased costs due to inflation. In 2021, the District's 10-year operating levy of \$1,307 per pupil was expiring. In November 2021, the Stillwater community successfully approved an operating levy of \$1,607, an additional \$390 per pupil. The operating levy would provide additional revenue to help stabilize the budget, retain teachers and support staff, maintain existing programs and services, and support academic achievement for all students. These funds will be in effect for the 2022-23 school year.

In addition, a 10-year capital project levy (technology levy) was approved by taxpayers in the amount of \$4.7M. The technology levy provides technology for kids and classrooms and ensures a dedicated funding source for ongoing technology needs, including up-to-date classroom devices, teacher and student computers, technology support and training, infrastructure, software and security needs. The District will begin receiving these funds in the 2022-23 school year.

The Covid-19 Pandemic had an impact on schools and children across the nation. The District received federal funds to help offset additional expenditures due to the pandemic and to help alleviate the learning loss students experienced due to disruptions in the school year.

## **RELEVANT FINANCIAL POLICIES**

The District is required to adopt an annual budget prior to the start of the fiscal year. Legal budgetary control is at the fund level. For the 2021-22 fiscal year, the District adopted a General Fund revised budget estimating adjusted revenues and other financing sources to be \$711,335 greater than expenditures. Actual revenues were \$2,746,998 less than budgeted, mainly due to student enrollment being less than expected and a reduction in local revenue due to the pandemic. Actual expenditures were \$85,297 less than budgeted. School Board policy states the District will maintain a minimum unassigned General Fund balance of five percent of the annual projected expenditures. The District's unassigned fund balance is approximately two percent for 2021-22.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Association of School Business Officials (ASBO) International awarded the Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021. This was the 18th consecutive year that the District has achieved this prestigious award.

A Certificate of Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current ACFR continues to meet the Certificate of Excellence in Financial Reporting program's requirements, and we are submitting it to the ASBO International to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Business and Administrative Services Division. We wish to thank all departments for their assistance in providing the data necessary to prepare this report. Credit is also due to the Superintendent and the School Board for their unfailing support in maintaining the highest standards of professionalism in the management of the District's finances.

Respectfully submitted,

Director of Finance

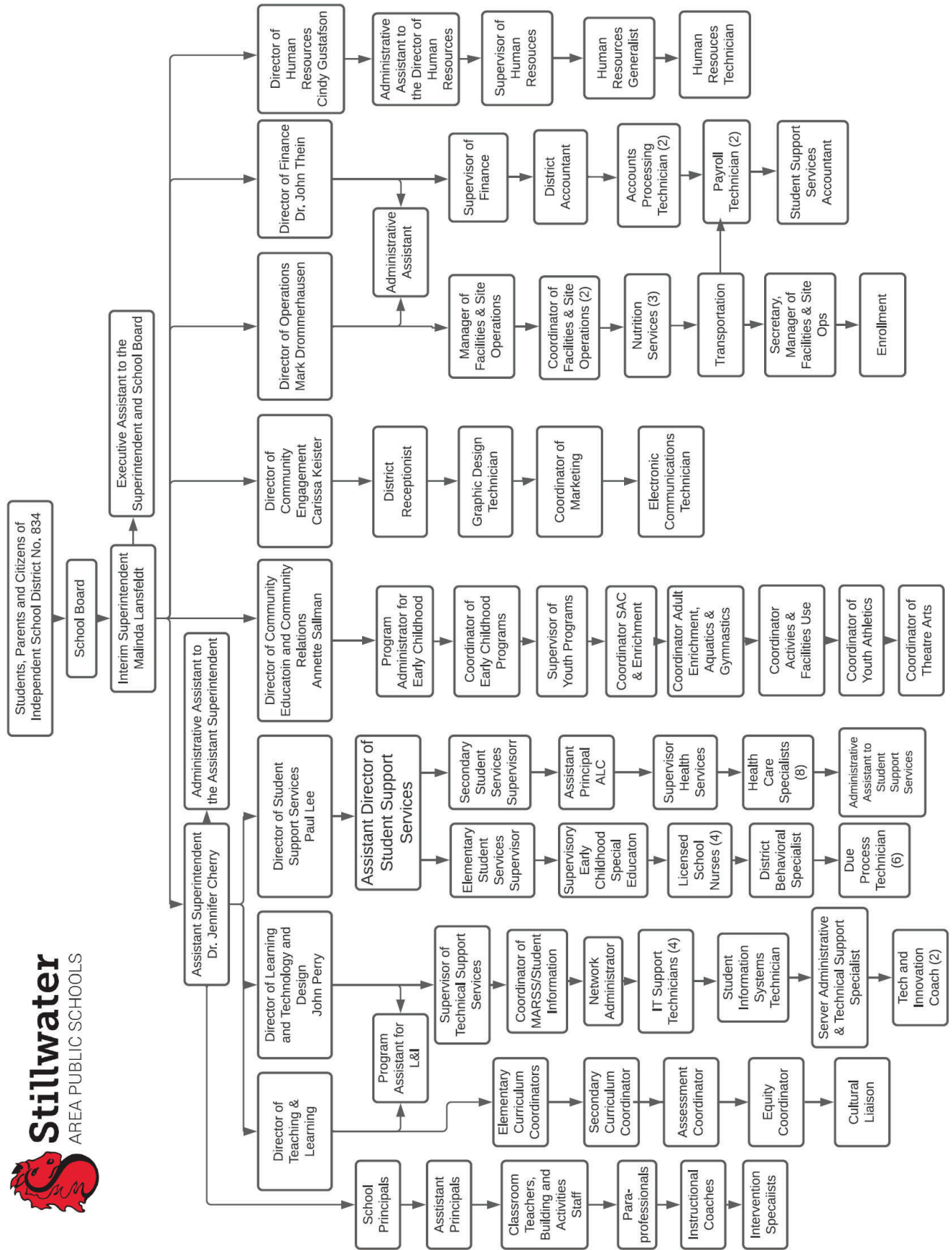
**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
SCHOOL BOARD AND ADMINISTRATION  
JUNE 30, 2022**

**SCHOOL BOARD**

<b><u>NAME</u></b>	<b><u>BOARD POSITION</u></b>
Ms. Alison Sherman	Chairperson
Ms. Katie Hockert	Vice Chairperson
Ms. Beverly Petrie	Treasurer
Dr. Annie Porbeni	Clerk
Mr. Pete Kelzenberg	Director
Ms. Tina Riehle	Director
Ms. Vivian Votava	Director

**ADMINISTRATION**

Dr. Michael Funk	Superintendent
Dr. Jennifer Cherry	Assistant Superintendent
Ms. Julie Cink	Director of Finance
Mr. Caleb Drexler Booth	Director of Learning
Mr. Paul Lee	Director of Student Support Services
Mr. John Perry	Director of Learning, Technology, and Design Systems
Ms. Annette Sallman	Director of Community Education and Community Relations
Ms. Carissa Keister	Director of Communications
Mr. Mark Drommerhausen	Director of Operations



INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING  
JUNE 30, 2022



The Certificate of Excellence in Financial Reporting  
is presented to

**Stillwater Area Public Schools ISD 834**

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2021.**

The district report meets the criteria established for  
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, appearing to read 'Will Sutter'.

William A. Sutter  
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

David J. Lewis  
Executive Director

# Stillwater Area Public Schools

Stillwater, Minnesota 55082

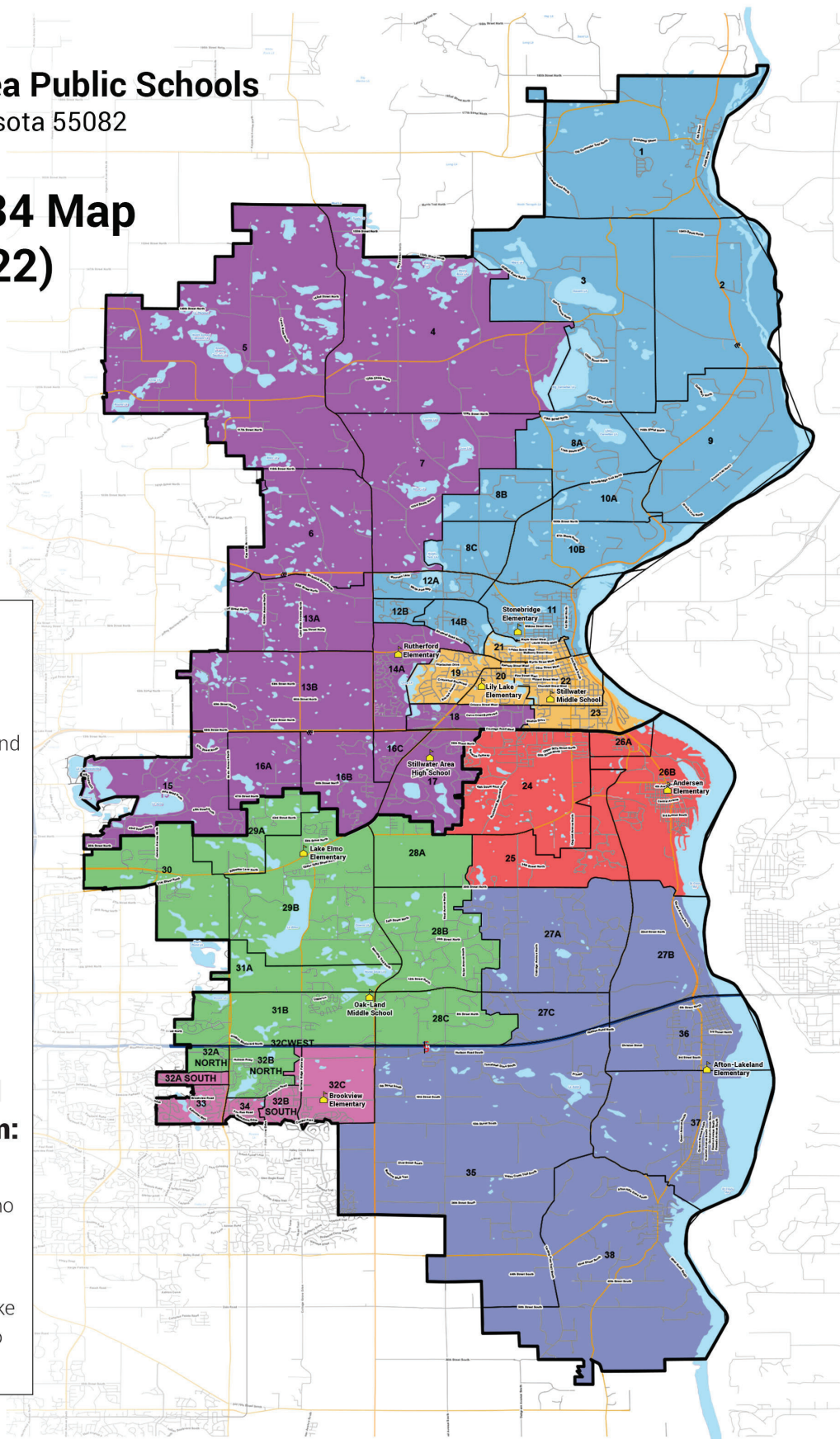
## District 834 Map (2021-2022)

### Elementary Attendance Areas

	Afton-Lakeland
	Andersen
	Brookview
	Lake Elmo
	Lily Lake
	Rutherford
	Stonebridge

### Middle School Feeder System:

- Afton-Lakeland, Andersen, Lake Elmo and Brookview to Oak-Land
- Rutherford, Lily Lake and Stonebridge to Stillwater



# Section II

## Financial







## INDEPENDENT AUDITORS' REPORT

School Board and Management  
Independent School District No. 834  
Stillwater Area Public Schools  
Stillwater, Minnesota

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 834, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Independent School District No. 834's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 834, as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended and budgetary comparison for the General Fund, Food Service Fund, and Community Service Fund for the year ended, in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Independent School District No. 834 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Change in Accounting Principal***

As discussed in Note 1 to the financial statements, effective July 1, 2021, the District adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding lease deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Independent School District No. 834's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Independent School District No. 834's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Independent School District No. 834's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the district's net OPEB liability (asset) and related ratios, schedule of money-weighted rate of return on plan assets, schedules of district's proportionate share of net pension liability and schedules of district's pension contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Independent School District No. 834's basic financial statements. The individual fund financial statements and Uniform Financial Accounting and Reporting Standards (UFARS) compliance table are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the individual fund financial statements and UFARS compliance table are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Report on Summarized Comparative Information***

We have previously audited Independent School District No. 834's 2021 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 8, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2022, on our consideration of Independent School District No. 834's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Independent School District No. 834's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
December 13, 2022

## **REQUIRED SUPPLEMENTARY INFORMATION**

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

This section of Independent School District No. 834's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2022. Please read it in conjunction with the district's financial statements, which immediately follow this letter.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Government Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

### **Financial Highlights**

Key financial highlights for the 2021-2022 fiscal years include the following:

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2022 by \$2,322,488. The District's total net position increased by \$9,762,739 during the fiscal year ended June 30, 2022.
- Government-wide revenues totaled \$140,246,571 and were \$9,762,736 greater than expenses of \$130,483,832.
- The General Fund's total fund balance decreased \$169,662 from the prior year, compared to a \$690,335 increase planned in the budget.

### **Overview of the Financial Statements**

The financial section of the annual report consists of four parts: Independent Auditors' Report, Required Supplementary Information which includes MD&A (this section), the basic financial statements, single and supplementary information. The basic financial statements include several statements that present different views of the District:

- The ***district-wide financial statements***, including the *Statement of Net Position* and the *Statement of Activities*, provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are ***fund financial statements*** that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- ***Governmental funds statements*** tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- ***Proprietary funds statements*** offer short- and long-term financial information about the activities the District operates like businesses.
- ***Fiduciary funds statements*** provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

**Government-Wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred outflows of resources and liabilities, and deferred inflows of resources – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements the District's activities are shown in one category:

- *Governmental Activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Property taxes and state aids finance most of these activities.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's *funds* – focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District may establish other funds to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

The District has three kinds of funds:

- *Governmental Funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements to explain the relationship (or differences) between them.
- *Proprietary Fund* – The District maintains one type of proprietary fund. The Internal Service Fund is used as an accounting device to accumulate and allocate costs internally among the District's various functions. The District uses its Internal Service Fund to account for its dental and health self-insurance programs. These services have been included within the governmental activities in the government-wide financial statements.
- *Fiduciary Funds* – The District is the trustee, or *fiduciary*, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the government-wide financial and governmental fund statements because the District cannot use these assets to finance its operations.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Position**

The District's *combined* net position was \$2,322,488 on June 30, 2022 (see Table A-1).

The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2022 resulting in the District's net position to be \$2,322,488. The District's total net position was significantly impacted in fiscal 2022 and 2021 by the required actuarial calculation changes included in GASB Statements related to statewide pension plans. The District had \$30,171,276 of net position that was available to meet its ongoing obligations but restricted for specific uses.

A large part of the District's net position is the investment in capital assets (land, buildings, and equipment) less depreciation and the related debt outstanding that was used to acquire the assets. The District uses the capital assets to provide educational services to students. These are not capital assets available for future spending. Even though the District's investment in capital assets is reported net of the related debt, the resources needed to repay this debt must be provided from other sources because the capital assets cannot be used to liquidate these liabilities. Another major factor in determining net position as compared to fund balances are the liabilities for long-term severance pension, and other postemployment benefits (OPEB), which impacts the unrestricted portion of net position.

**Table A-1  
The District's Net Position**

	Governmental Activities as of June 30,		Percentage Change
	2022	2021	
Assets:			
Current and Other Assets	\$ 104,928,275	\$ 93,903,633	11.74 %
Capital Assets	160,846,963	158,529,952	1.46
Total Assets	<u>265,775,238</u>	<u>252,433,585</u>	5.29
Deferred Outflows of Resources	32,919,744	31,539,099	4.38
Liabilities:			
Current Liabilities	18,728,524	16,529,461	13.30
Net Pension Liability	45,433,524	70,150,631	(35.23)
Long-Term Liabilities	109,907,013	113,625,336	(3.27)
Total Liabilities	<u>174,069,061</u>	<u>200,305,428</u>	(13.10)
Deferred Inflows of Resources	<u>122,303,433</u>	<u>91,107,507</u>	34.24
Net Position:			
Net Investment in Capital Assets	71,225,113	64,517,478	10.40
Restricted	28,849,817	18,929,197	52.41
Unrestricted	(97,752,442)	(90,886,926)	7.55
Total Net Position	<u>\$ 2,322,488</u>	<u>\$ (7,440,251)</u>	(131.22)

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

**Changes in Net Position**

In Table A-2, Change in Net Position, operations are reported on a governmental-wide basis with no reference to funds.

**Table A-2  
Change in Net Position**

	Governmental Activities for the Fiscal Year Ended June 30,		Percentage Change
	2022	2021	
<b>Revenues</b>			
<u>Program Revenues</u>			
Charges for Services	\$ 8,047,596	\$ 4,495,611	79.01 %
Operating Grants and Contributions	30,868,772	29,010,528	6.41
Capital Grants and Contributions	802,846	7,795,398	(89.70)
<u>General Revenues</u>			
Property Taxes	40,256,974	38,590,897	4.32
Unrestricted State Aid	59,154,862	52,203,763	13.32
Investment Earnings	50,428	134,502	(62.51)
Other	1,065,093	510,470	108.65
Total Revenues	<u>140,246,571</u>	<u>132,741,169</u>	5.65
<b>Expenses</b>			
Administration	3,788,855	4,678,752	(19.02)
District Support Services	4,429,348	7,124,857	(37.83)
Regular Instruction	52,311,821	56,519,646	(7.44)
Vocational Education Instruction	1,632,540	1,840,039	(11.28)
Special Education Instruction	23,240,347	23,193,864	0.20
Instructional Support Services	7,416,847	7,773,002	(4.58)
Pupil Support Services	2,346,484	10,453,525	(77.55)
Sites and Buildings	21,697,829	14,867,425	45.94
Fiscal and Other Fixed Cost Programs	484,668	497,990	(2.68)
Food Service	4,675,820	3,207,032	45.80
Community Service	7,688,390	6,263,485	22.75
Interest and Fiscal Charges on Long-Term Liabilities	<u>770,883</u>	<u>3,203,781</u>	(75.94)
Total Expenses	<u>130,483,832</u>	<u>139,623,398</u>	(6.55)
<b>Change in Net Position</b>	9,762,739	(6,882,229)	
Beginning Net Position	<u>(7,440,251)</u>	<u>(558,022)</u>	
Ending Net Position	<u>\$ 2,322,488</u>	<u>\$ (7,440,251)</u>	

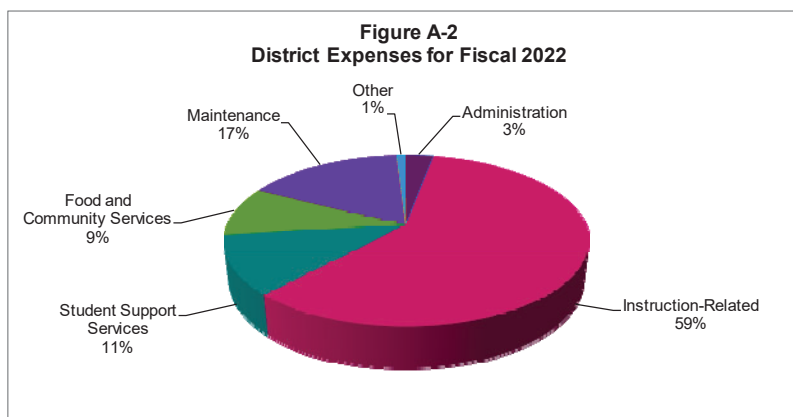
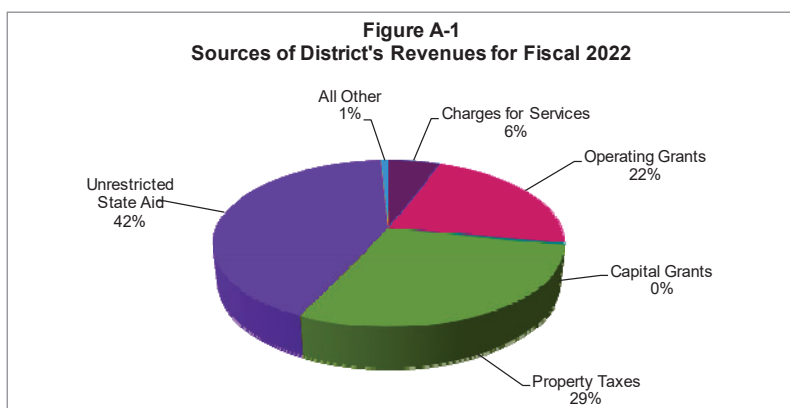
Total revenues were \$140,246,571, while total expenses were \$130,483,832, increasing net position by \$9,762,739.



**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

The cost of all *governmental* activities this year was \$130,483,832.

- A portion of the cost was paid by the users of the District's programs (Table A-2, Charges for Services, \$8,047,596). The majority of this category, \$5.93 million, comes from food service meal sales and community education class tuition.
- The federal and state governments subsidized certain programs with grants and contributions (Table A-2, Operating and Capital Grants and Contributions, \$31,671,618).
- Most of the District's costs were supported by local property taxes, unrestricted state aid, investment earnings, and other general revenues. Governmental activities were sustained by accessing \$40,256,974 in property taxes, \$59,154,862 of unrestricted state aid, and with investment earnings and other general revenues.



**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

All governmental activities include not only funds received for the general operation of the District, which are used for classroom instruction, but also include resources from Food Service and Community Education funds. Funding for the general operation of the District is controlled by the State and the District does not have the latitude to allocate money received in Food Service or Community Education or for fiscal services to enhance general operation resources.

Table A-3, seen below, presents the cost of 12 major District activities such as, instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and others. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

**Table A-3  
Program Expenses and Net Cost of Services**

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2022	2021		2022	2021	
Administration	\$ 3,788,855	\$ 4,678,752	(19.02)%	\$ 1,384,378	\$ 4,659,960	(70.29)%
District Support Services	4,429,348	7,124,857	(37.83)	4,426,966	7,120,518	(37.83)
Regular Instruction	52,311,821	56,519,646	(7.44)	47,111,618	41,820,958	12.65
Vocational Education Instruction	1,632,540	1,840,039	(11.28)	1,620,276	1,784,391	(9.20)
Special Education Instruction	23,240,347	23,193,864	0.20	9,049,564	8,533,936	6.04
Instructional Support Services	7,416,847	7,773,002	(4.58)	3,874,364	4,179,631	(7.30)
Pupil Support Services	2,346,484	10,453,525	(77.55)	1,932,756	10,380,130	(81.38)
Sites and Buildings	21,697,829	14,867,425	45.94	21,524,936	14,628,920	47.14
Fiscal and Other Fixed Cost Programs	484,668	497,990	(2.68)	484,668	497,990	(2.68)
Food Service	4,675,820	3,207,032	45.80	(1,820,874)	(205,939)	784.18
Community Service	7,688,390	6,263,485	22.75	405,083	1,737,565	(76.69)
Interest and Fiscal Charges on Long-Term Liabilities	770,883	3,203,781	(75.94)	770,883	3,203,781	(75.94)
Total	<u>\$ 130,483,832</u>	<u>\$ 139,623,398</u>	(6.55)	<u>\$ 90,764,618</u>	<u>\$ 98,341,841</u>	(7.70)

The cost of all governmental activities this year was \$130,483,832, a decrease of \$9,139,566 from the prior year. After applying program specific revenue, the net cost of all governmental activities this year was \$90,764,618 or a decrease of \$7,557,243 from the prior year.

### **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The financial performance of the District as a whole is reflected in its governmental funds. The General Fund's expenditures exceeded revenues and other financing sources by \$169,662. The Food Service Fund's revenues exceeded its expenditures by \$1,754,664. The Community Service Fund revenues exceeded expenditures by \$36,937. The Debt Service Fund's revenues and other financing sources exceeded expenditures by \$1,085,386. The Capital Projects-Building Construction Fund had planned deficit spending. At the end of the 2021-22 fiscal year, the District's governmental funds reported combined fund balances (non-spendable, restricted, committed, assigned, and unassigned) of \$36,463,763, a net increase in fund balances of \$1,774,010 from the prior year.

Revenues were \$140,302,372 plus other financing sources of \$9,170,988. Total expenditures were \$147,695,007 plus no other financing uses. As a result, the District completed the year with a net change in fund balances of \$1,778,353.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

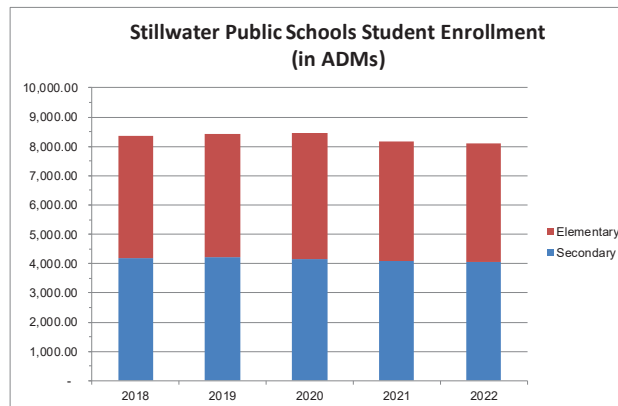
**General Fund**

The General Fund is used to account for all revenues and expenditures of the District not accounted for elsewhere. The General Fund is used to account for: K-12 educational activities; District instructional and student support programs; expenditures for the superintendent; District administration; normal operations and maintenance; pupil transportation; capital expenditures; and legal District expenditures not specifically designated to be accounted for in any other fund.

**Enrollment**

Enrollment is a critical factor in determining revenue with approximately 70% of General Fund revenue being determined by enrollment. Stillwater, like many other Minnesota school districts, are facing declining enrollment. The District has shown a decrease in students and anticipates stable enrollment or reductions in the future. The following chart shows the number of students served over the past five years.

**Table A-4  
Average Daily Membership (ADM)**



	2018	2019	2020	2021	2022
Pre-K & KH	147	178	194	172	191
Reg K, Pre-K & KH	494	507	487	451	449
Elementary	3,523	3,531	3,619	3,471	3,416
Secondary	4,179	4,218	4,150	4,087	4,045
Total Students for Aid	8,343	8,434	8,450	8,181	8,101
Percentage Change	-1.27%	1.09%	0.19%	-3.18%	-0.98%

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

The following schedule presents a summary of General Fund Revenues.

**Table A-5  
General Fund Revenues**

	Year Ended		Change	
	June 30, 2022	June 30, 2021	Increase (Decrease)	Percentage Change
Local Sources:				
Property Taxes	\$ 30,197,880	\$ 27,443,738	\$ 2,754,142	10.0 %
Earnings on Investments	37,597	101,216	(63,619)	(62.9)
Other	3,475,530	2,214,076	1,261,454	57.0
State Sources	78,699,951	78,859,924	(159,973)	(0.2)
Federal Sources	4,576,524	4,594,382	(17,858)	(0.4)
Total General Fund Revenue	<u>\$ 116,987,482</u>	<u>\$ 113,213,336</u>	<u>\$ 3,774,146</u>	3.3

General Fund revenue increased by \$3,774,146 or 3.3% from the previous year. The changes in the major sources of revenue include:

Property Taxes increased by \$2,754,142 or 10.0%.

Earnings on Investments decreased by \$63,619 or 62.9% due to lower interest rates.

Other local revenue increased by \$1,261,454 or 57.0%. This category includes such items as rental income, donations, admissions, and fees.

State Sources decreased by \$159,973 or 0.2% by a number of factors. Minnesota legislation increased the general education aid formula by 2% in the first year of the biennium.

Federal revenue is recorded in the year in which the related expenditure is made. Federal Sources decreased by \$17,858 or 0.4%.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

General Fund Revenue is received in two major categories. In summary, the two categories are:

1. State Education Finance Appropriations

- A. General Education Aid – The largest share of the education finance appropriation, general education aid, is intended to provide the basic financial support for the education program and is enrollment driven.
- B. Categorical Aids – Categorical revenue formulas are used to meet costs of that program (i.e. special education) or promote certain types of programs (i.e., career and technical aid, adult basic education aid).

2. Property Tax Levies

The largest share of the levy is from voter-approved levies which include the operating referendum, which is enrollment driven.

The following schedule presents a summary of General Fund Expenditures.

**Table A-6  
General Fund Expenditures**

	Year Ended		Change	
	June 30, 2022	June 30, 2021	Increase (Decrease)	Percentage Change
Salaries	\$ 61,964,972	\$ 61,916,225	\$ 48,747	0.1 %
Employee Benefits	27,733,856	27,990,587	(256,731)	(0.9)
Purchased Services	20,149,512	19,462,021	687,491	3.5
Supplies and Materials	3,508,235	5,669,761	(2,161,526)	(38.1)
Capital Expenditures	4,326,532	4,080,612	245,920	6.0
Debt Service	870,372	819,589	50,783	6.2
Other Expenditures	401,026	427,599	(26,573)	(6.2)
Total General Fund Expenditures	<u>\$ 118,954,505</u>	<u>\$ 120,366,394</u>	<u>\$ (1,411,889)</u>	(1.2)

Total General Fund expenditures decreased \$1,411,889 or 1.2% from the previous year. The changes in the major expenditure categories include:

Overall salaries increased by \$48,747 or 0.1%.

Employee benefits decreased \$256,731 or 0.9%.

Purchased services consist of expenditures for fees for service including transportation contracts, postage, utilities, property insurance, maintenance repairs, leases, travel, telephone, and tuition. The District's purchased services in total increased by 3.5% or \$687,491.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

The Debt Service expenditures consist of principal and interest payments on Certificates of Participation (COPs) issued in December 2019 and June 2021. The final payment on the COPs will be in fiscal year 2037. See Note 4 for more information.

Capital Expenditures increased in the General Fund by \$245,920 or 6.0% mainly due to long-term facilities maintenance.

Other expenses, which include dues and memberships, taxes, and other fees, decreased by \$26,573.

**General Fund Budgetary Highlights**

The District is required to adopt an operating budget prior to the beginning of its fiscal year (July 1) and is referred to as the original budget. Over the course of the year, the District typically revises its annual operating budget to the appropriate levels. The budget amendments fall into two categories:

- Implementing budgets for specially funded projects, which include both federal and state grants, adjusting staffing and various instructional allocations to the schools based on actual enrollment and unspent funds carried over from fiscal year 2020-21.
- Increase in appropriations for significant unbudgeted costs.

While the District anticipated that the net change in fund balance would be an increase of \$191,335, total fund balance decreased by \$169,662. Revenue was under budget by \$2,742,655 or 2.3% which was partially caused by the reduction in student enrollment and reduced local revenue due to the pandemic. The District continues to practice conservative budgeting for these types of items as they can fluctuate dramatically from year to year. Overall expenditures were on budget. The unassigned portion of the fund balance in the General Fund is 2% of expenditures.

**Food Service Fund**

The Food Service Fund revenue and other financing sources for 2021-22 totaled \$6,503,061 and expenditures were \$4,748,397. The June 30, 2022 fund balance is \$3,248,187, an increase of \$1,754,664 from fiscal year 2021. The COVID-19 pandemic had a significant impact on the Food Services Fund. The main drop in expenditures was in food supplies and materials for serving meals and staffing shortages.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

**Community Service Fund**

The Community Service Fund revenue for 2021-22 totaled \$7,554,413 and expenditures were \$7,517,476. The June 30, 2022 total fund balance increased \$36,937. Actual revenues were 6.2% or \$440,465 greater than budgeted and expenditures were 2.3% or \$167,625 greater than budgeted.

**Capital Projects - Building Construction Fund**

The Capital Projects – Building Construction Fund ended the year with revenue and other financing sources exceeding expenditures increasing equity by \$1,085,386, compared to a planned fund balance decrease of \$491,000. The overall increase in fund balance is a result of the District utilizing the proceeds from the 2022A G.O. Maintenance Facilities Bonds to finance capital spending at District facilities.

**Debt Service Fund**

The Debt Service Fund is used to record revenues and expenditures for a school district's outstanding bonded indebtedness, whether for building construction, other postemployment benefits (OPEB) or for initial or refunding bonds. The Debt Service Fund revenue and other financing sources for 2021-22 totaled \$9,466,924. Expenditures were \$10,395,896 for principal and interest payments. The total Debt Service Fund balance is \$2,311,281, a decrease of \$928,972 from fiscal year 2021. Revenue and expenditures were within 1.43% and 2.99% of budget, respectively.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

By the end of June 30, 2022, the District has invested just over \$261.9 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). (More detailed information about capital assets can be found in Note 3 to the financial statements.) Total depreciation expense for the year was slightly over \$7.0 million.

**Table A-7  
Capital Assets**

	2022	2021	Percentage Change
Land	\$ 9,542,725	\$ 9,819,937	(2.8)%
Construction in Progress	7,136,131	993,764	618.1
Land Improvements	20,728,002	20,668,548	0.3
Buildings and Improvements	214,579,255	212,413,763	1.0
Equipment	9,944,461	10,241,046	(2.9)
Less: Accumulated Depreciation	(101,083,611)	(95,607,106)	5.7
Total General Fund Expenditures	<u>\$ 160,846,963</u>	<u>\$ 158,529,952</u>	1.5

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

**Long-Term Liabilities**

At year-end, the District had \$81,265,000 in general obligation bonds outstanding as shown in Note 4 to the financial statements. The District had \$11,155,000 in certificates of participation outstanding. The District also had an estimated \$589,331 in net severance and compensated absences at June 30, 2022, a net decrease of \$8,768 from June 30, 2021, as well as a net OPEB liability of \$12,088,733. The District had an estimated \$45,433,524 in net pension liability related to the District's proportionate share of the net pension liability of the Teachers' Retirement Association (TRA) and Public Employees' Retirement Association (PERA).

**Table A-8  
The District's Long-Term Liabilities**

	2022	2021	Percentage Change
General Obligation Bonds	\$ 81,265,000	\$ 80,735,000	0.7 %
Net Bond Premium and Discount	4,808,949	7,823,860	(38.5)
Certificates of Participation Payable	11,155,000	11,705,000	(4.7)
Net Pension Liability	45,433,524	70,150,631	(35.2)
Net Other Postemployment Benefits Liability	12,088,733	12,763,377	(5.3)
Severance Benefits Payable	59,750	106,181	(43.7)
Compensated Absences Payable	529,581	491,918	7.7
Total Long-Term Liabilities	<u>\$ 155,340,537</u>	<u>\$ 183,775,967</u>	(15.5)
Long-Term Liabilities:			
Due Within One Year	\$ 8,108,304	\$ 8,145,271	
Due in More Than One Year	147,232,233	175,630,696	
Total	<u>\$ 155,340,537</u>	<u>\$ 183,775,967</u>	

**FACTORS BEARING ON THE DISTRICT'S FUTURE**

With the exception of the voter-approved excess operating referendum, the District is dependent on the state of Minnesota for its revenue authority.

The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. The Legislature approved \$6,567 per pupil for fiscal year 2021, an additional \$129, or 2% over 2020. They also approved an additional 2.45% per pupil to the formula for fiscal year 2022 for a total of \$6,728 per pupil for fiscal year 2022.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This ACFR is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Independent School District No. 834, 1875 South Greeley Street, Stillwater, Minnesota, 55082.



## **BASIC FINANCIAL STATEMENTS**

**INDEPENDENT SCHOOL DISTRICT NO. 834**  
**STILLWATER AREA PUBLIC SCHOOLS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**  
**(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2021)**

	Governmental Activities	
	2022	2021
<b>ASSETS</b>		
Cash and Investments	\$ 69,992,506	\$ 55,765,815
Cash with Fiscal Agent	3,387,758	7,051,590
Receivables:		
Property Taxes	23,092,181	21,150,141
Other Governments	6,804,384	8,956,319
Other	511,684	127,024
Prepaid Items	148,874	59,842
Inventories	95,955	42,902
Due from Irrevocable Trust Fund	750,000	750,000
Lease Receivables	144,933	-
Capital Assets:		
Capital Assets Not Being Depreciated	16,678,856	10,813,701
Other Capital Assets, Net of Depreciation	144,168,107	147,716,251
Total Assets	<u>265,775,238</u>	<u>252,433,585</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows - Pensions	32,043,604	30,777,100
Deferred Outflows - Other Postemployment Benefits	876,140	761,999
Total Deferred Outflows	<u>32,919,744</u>	<u>31,539,099</u>
<b>LIABILITIES</b>		
Salaries Payable	9,055,987	8,673,689
Accounts and Contracts Payable	5,595,225	4,072,781
Accrued Interest	1,395,908	1,480,960
Due to Other Governmental Units	522,234	231,529
Unearned Revenue	2,159,170	2,070,502
Long-Term Liabilities:		
Net Pension Liability	45,433,524	70,150,631
Net Other Postemployment Benefits Liability	12,088,733	12,763,377
Portion Due Within One Year	8,108,304	8,145,271
Portion Due in More Than One Year	89,709,976	92,716,688
Total Liabilities	<u>174,069,061</u>	<u>200,305,428</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes Levied for Subsequent Year	46,393,341	38,272,362
Gains on Debt Refunding	77,803	88,918
Deferred Inflows - Pensions	74,245,717	51,420,985
Deferred Inflows - Other Postemployment Benefits	1,445,982	1,325,242
Deferred Inflows - Lease Receivable	140,590	-
Total Deferred Inflows of Resources	<u>122,303,433</u>	<u>91,107,507</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	71,225,113	64,517,478
Restricted for:		
General Fund State-Mandated Reserves	16,310,627	14,262,268
Food Service	3,248,187	1,493,523
Community Service	43,688	6,292
Debt Service	983,205	1,677,905
Capital Projects - Building Construction	8,264,110	1,489,209
Unrestricted	(97,752,442)	(90,886,926)
Total Net Position	<u>\$ 2,322,488</u>	<u>\$ (7,440,251)</u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2021)**

Functions	2022				Net (Expense)	2021
	Expenses	Program Revenues			Revenue and	Net (Expense)
		Charges for	Operating	Capital	Change in	Revenue and
					Net Position	Change in
		Services	Grants and	Grants and	Total	Total
			Contributions	Contributions	Governmental	Governmental
					Activities	Activities
<b>GOVERNMENTAL ACTIVITIES</b>						
Administration	\$ 3,788,855	\$ -	\$ 2,404,477	\$ -	\$ (1,384,378)	\$ (4,659,960)
District Support Services	4,429,348	-	2,382	-	(4,426,966)	(7,120,518)
Regular Instruction	52,311,821	1,441,108	2,956,249	802,846	(47,111,618)	(41,820,958)
Vocational Education Instruction	1,632,540	-	12,264	-	(1,620,276)	(1,784,391)
Special Education Instruction	23,240,347	393,773	13,797,010	-	(9,049,564)	(8,533,936)
Instructional Support Services	7,416,847	229	3,542,254	-	(3,874,364)	(4,179,631)
Pupil Support Services	2,346,484	177,247	236,481	-	(1,932,756)	(10,380,130)
Sites and Buildings	21,697,829	100,467	72,426	-	(21,524,936)	(14,628,920)
Fiscal and Other Fixed Cost Programs	484,668	-	-	-	(484,668)	(497,990)
Food Service	4,675,820	1,209,895	5,286,799	-	1,820,874	205,939
Community Service	7,688,390	4,724,877	2,558,430	-	(405,083)	(1,737,565)
Interest and Fiscal Charges on						
Long-Term Liabilities	770,883	-	-	-	(770,883)	(3,203,781)
Total School District	<u>\$ 130,483,832</u>	<u>\$ 8,047,596</u>	<u>\$ 30,868,772</u>	<u>\$ 802,846</u>	(90,764,618)	(98,341,841)
<b>GENERAL REVENUES</b>						
Property Taxes Levied for:						
General Purposes					30,212,808	27,402,570
Community Service					998,815	963,441
Debt Service					9,045,351	10,224,886
State Aid Not Restricted to Specific Purposes					59,154,862	52,203,763
Earnings on Investments					50,428	134,502
Miscellaneous					546,982	530,450
Gain on Sale of Capital Assets					518,111	-
Total General Revenues					<u>100,527,357</u>	<u>91,459,612</u>
<b>CHANGE IN NET POSITION</b>					9,762,739	(6,882,229)
Net Position - Beginning of Year					<u>(7,440,251)</u>	<u>(558,022)</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 2,322,488</u>	<u>\$ (7,440,251)</u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2021)**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2022	2021
<b>ASSETS</b>							
Cash and Investments	\$ 42,661,967	\$ 3,102,514	\$ 1,257,938	\$ 7,872,232	\$ 7,273,554	\$ 62,168,205	\$ 46,847,110
Cash with Fiscal Agent	46	-	-	3,387,704	8	3,387,758	7,051,590
Receivables:							
Current Property Taxes	17,724,945	-	474,788	-	4,626,424	22,826,157	20,669,258
Delinquent Property Taxes	191,575	-	6,617	-	67,832	266,024	480,883
Due from Other Minnesota School Districts	61,091	136,144	3,382	-	-	200,617	129,988
Due from Minnesota Department of Education	4,263,612	-	91,448	-	9,923	4,364,983	7,949,388
Due from Federal through Minnesota Department of Education	2,110,327	56,094	68,945	-	-	2,235,366	721,495
Due from Other Governmental Units	2,232	1,186	-	-	-	3,418	155,448
Accounts and Interest Receivable	478,821	67	23,308	9,488	-	511,684	127,024
Due from Other Funds	750,000	-	-	-	-	750,000	750,000
Lease Receivables	144,933	-	-	-	-	144,933	-
Prepays	148,874	-	-	-	-	148,874	59,842
Inventory	-	95,955	-	-	-	95,955	42,902
<b>Total Assets</b>	<b>\$ 68,538,423</b>	<b>\$ 3,391,960</b>	<b>\$ 1,926,426</b>	<b>\$ 11,269,424</b>	<b>\$ 11,977,741</b>	<b>\$ 97,103,974</b>	<b>\$ 84,984,928</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>							
Liabilities:							
Salaries and Compensated Absences Payable	\$ 7,195,541	\$ 8,391	\$ 330,846	\$ -	\$ -	\$ 7,534,778	\$ 7,266,598
Payroll Deductions and Employer Contributions Payable	1,464,399	1,653	55,157	-	-	1,521,209	1,407,091
Accounts and Contracts Payable	1,844,608	27,560	78,946	1,792,261	-	3,743,375	2,347,955
Due to Other Governmental Units	507,789	35	7,382	-	-	515,206	231,529
Unearned Revenue	-	106,134	415,211	-	-	521,345	519,247
<b>Total Liabilities</b>	<b>11,012,337</b>	<b>143,773</b>	<b>887,542</b>	<b>1,792,261</b>	<b>-</b>	<b>13,835,913</b>	<b>11,772,420</b>
Deferred Inflows of Resources:							
Unavailable Revenue - Property Taxes Levied for Subsequent Year	35,799,517	-	995,196	-	9,598,628	46,393,341	38,272,362
Unavailable Revenue - Delinquent Property Taxes	191,575	-	6,617	-	67,832	266,024	250,393
Long-Term Lease Receivables	140,590	-	-	-	-	140,590	-
<b>Total Deferred Inflows of Resources</b>	<b>36,131,682</b>	<b>-</b>	<b>1,001,813</b>	<b>-</b>	<b>9,666,460</b>	<b>46,799,955</b>	<b>38,522,755</b>
Fund Balance:							
Nonspendable:							
Prepays	148,874	-	-	-	-	148,874	59,842
Inventory	-	95,955	-	-	-	95,955	42,902
Restricted for:							
Student Activities	76,781	-	-	-	-	76,781	54,917
Scholarships	274,053	-	-	-	-	274,053	276,949
Achievement and Integration	-	-	-	-	-	-	210,594
Community Education	-	-	727,612	-	-	727,612	454,163
Long-Term Facility Maintenance	8,261,324	-	-	-	-	8,261,324	6,703,982
Medical Assistance	308,140	-	-	-	-	308,140	248,552
Operating Capital	7,131,086	-	-	-	-	7,131,086	6,478,031
Projects Funded by Certificates of Participation	-	-	-	1,213,053	-	1,213,053	6,902,568
Safe Schools Levy	259,243	-	-	-	-	259,243	259,243
Other Purposes	-	3,152,232	-	8,264,110	2,311,281	13,727,623	6,180,083
Assigned for:							
Severance Benefits	775,000	-	-	-	-	775,000	660,000
Facility Use Improvements	555,627	-	-	-	-	555,627	476,706
Q comp	8,507	-	-	-	-	8,507	210,966
Grants	490,565	-	-	-	-	490,565	445,167
Donations	642,042	-	-	-	-	642,042	523,740
Subsequent Year Budget	-	-	-	-	-	-	528,732
Unassigned	2,463,162	-	(690,541)	-	-	1,772,621	3,972,616
<b>Total Fund Balance</b>	<b>21,394,404</b>	<b>3,248,187</b>	<b>37,071</b>	<b>9,477,163</b>	<b>2,311,281</b>	<b>36,468,106</b>	<b>34,689,753</b>
<b>Total Liabilities, Deferred Inflows of</b>							

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2021)**

	2022	2021
<b>Total Fund Balance for Governmental Funds</b>	\$ 36,468,106	\$ 34,689,753
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	9,542,725	9,819,937
Construction in Progress	7,136,131	993,764
Land Improvements, Net of Accumulated Depreciation	10,155,442	10,973,645
Buildings and Improvements, Net of Accumulated Depreciation	132,414,050	134,835,982
Equipment, Net of Accumulated Depreciation	1,598,615	1,906,624
Some of the District's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows in the funds.		
Unavailable Property Taxes	266,024	250,393
The District's other postemployment benefits liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:		
Net Other Postemployment Benefits Liability	(12,088,733)	(12,763,377)
Deferred Inflows of Resources - Other Postemployment Benefits	(1,445,982)	(1,325,242)
Deferred Outflows of Resources - Other Postemployment Benefits	876,140	761,999
When a bond defeasance occurs the difference between the amount paid to the refunded bond escrow and the principal of the defeased debt is expensed in the governmental funds. These expenditures are capitalized on the Statement of Net Position as deferred outflows and deferred inflows.		
Gains on Debt Refunding	(77,803)	(88,918)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
	(1,395,908)	(1,480,960)
The District's net pension liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:		
Net Pension Liability	(45,433,524)	(70,150,631)
Deferred Inflows of Resources - Pensions	(74,245,717)	(51,420,985)
Deferred Outflows of Resources - Pensions	32,043,604	30,777,100
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position. Balances at year-end are:		
Bonds Payable	(81,265,000)	(80,735,000)
Unamortized Premiums	(4,808,949)	(7,823,860)
Certificates of Participation Payable	(11,155,000)	(11,705,000)
Severance Benefits Payable	(59,750)	(106,181)
Compensated Absences Payable	(529,581)	(491,918)
Internal service funds are used by management to charge the costs of health and dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. Internal service fund net position at year-end is:		
	4,327,598	5,642,624
<b>Total Net Position of Governmental Activities</b>	<b>\$ 2,322,488</b>	<b>\$ (7,440,251)</b>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834**  
**STILLWATER AREA PUBLIC SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2022**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2021)**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2022	2021
<b>REVENUES</b>							
Local Sources:							
Property Taxes	\$ 30,197,880	\$ -	\$ 998,356	\$ -	\$ 9,045,107	\$ 40,241,343	\$ 38,645,741
Earnings and Investments	37,597	2,400	1,119	(7,626)	7,493	40,983	124,847
Other	3,475,530	1,221,640	5,153,590	117,188	-	9,967,948	5,884,058
State Sources	78,699,951	148,650	867,984	-	99,221	79,815,806	80,071,959
Federal Sources	4,576,524	5,126,404	533,364	-	-	10,236,292	7,933,124
Total Revenues	116,987,482	6,499,094	7,554,413	109,562	9,151,821	140,302,372	132,659,729
<b>EXPENDITURES</b>							
Current:							
Administration	3,622,133	-	-	-	-	3,622,133	4,097,721
District Support Services	4,149,920	-	-	-	-	4,149,920	6,536,079
Elementary and Secondary Regular Instruction	50,609,133	-	-	-	-	50,609,133	50,717,955
Vocational Education Instruction	1,588,110	-	-	-	-	1,588,110	1,673,918
Special Education Instruction	22,697,664	-	-	-	-	22,697,664	21,209,377
Instructional Support Services	6,947,450	-	-	-	-	6,947,450	6,881,669
Pupil Support Services	12,122,290	-	-	-	-	12,122,290	12,830,283
Sites and Buildings	11,536,233	-	-	-	-	11,536,233	10,997,252
Fiscal and Other Fixed Cost Programs	484,668	-	-	-	-	484,668	497,990
Food Service	-	4,682,019	-	-	-	4,682,019	3,250,397
Community Education Services	-	-	7,498,242	-	-	7,498,242	5,839,448
Capital Outlay	4,326,532	66,378	13,881	6,078,733	-	10,485,524	4,352,017
Debt Service:							
Principal	696,972	-	5,353	-	6,735,000	7,437,325	7,065,000
Interest and Fiscal Charges	173,400	-	-	-	3,660,896	3,834,296	3,882,187
Total Expenditures	118,954,505	4,748,397	7,517,476	6,078,733	10,395,896	147,695,007	139,831,293
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,967,023)	1,750,697	36,937	(5,969,171)	(1,244,075)	(7,392,635)	(7,171,564)
<b>OTHER FINANCING SOURCES</b>							
Sale of Real Property	1,776,250	-	-	-	-	1,776,250	-
Sale of Equipment	-	3,967	-	-	-	3,967	-
Insurance Recovery	21,111	-	-	-	-	21,111	-
Sale of Bonds	-	-	-	6,949,897	315,103	7,265,000	-
Bond Premium	-	-	-	104,660	-	104,660	-
Issuance of Certificates of Participation	-	-	-	-	-	-	6,670,000
Certificates of Participation Premium	-	-	-	-	-	-	522,665
Total Other Financing Sources	1,797,361	3,967	-	7,054,557	315,103	9,170,988	7,192,665
<b>NET CHANGE IN FUND BALANCE</b>	(169,662)	1,754,664	36,937	1,085,386	(928,972)	1,778,353	21,101
<b>FUND BALANCES</b>							
Beginning of Year	21,564,066	1,493,523	134	8,391,777	3,240,253	34,689,753	34,668,652
End of Year	\$ 21,394,404	\$ 3,248,187	\$ 37,071	\$ 9,477,163	\$ 2,311,281	\$ 36,468,106	\$ 34,689,753

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS  
TO STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2021)**

	2022	2021
<b>Net Change in Fund Balance - Total Governmental Funds</b>	<b>\$ 1,778,353</b>	<b>\$ 21,101</b>
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period is:		
Capital Outlays	10,607,156	3,652,970
Loss on Disposal of Capital Assets	518,111	(19,980)
Depreciation Expense	(7,028,039)	(6,987,399)
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds.		
	15,631	(54,844)
Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expense in the Statement of Activities is measured by the change in the net pension liability and the related deferred inflows and outflows of resources.		
	3,158,879	(4,479,790)
In the Statement of Activities, certain operating expenses - severance benefits and compensated absences - are measured by amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid).		
	8,768	189,742
Other postemployment benefit (OPEB) expenditures in the governmental funds are measured by current year employer contributions. OPEB expenses on the Statement of Activities are measured by the change in the net OPEB liability and the related deferred inflows and outflows of resources.		
	668,045	(135,110)
The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the Statement of Activities. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:		
General Obligation and Certificates of Participation	(7,265,000)	(6,670,000)
Premium or Discount	(104,660)	(522,665)
Repayment of Bond Principal	6,735,000	6,470,000
Repayment of Certificates of Participation Payable	550,000	595,000
Change in Accrued Interest	85,052	152,242
Amortization of Premium	3,119,571	515,049
Deferred Charges on Refunding Bonds	11,115	11,115
Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The net revenue of the internal service funds is reported with governmental activities.		
	(1,315,026)	380,340
Total Change in Net Position of Governmental Activities	<u>\$ 9,762,739</u>	<u>\$ (6,882,229)</u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 29,589,143	\$ 29,626,542	\$ 30,197,880	\$ 571,338
Earnings and Investments	478,000	100,000	37,597	(62,403)
Other	3,547,100	3,485,100	3,475,530	(9,570)
State Sources	76,133,550	81,771,264	78,699,951	(3,071,313)
Federal Sources	6,815,391	4,747,231	4,576,524	(170,707)
Total Revenues	<u>116,563,184</u>	<u>119,730,137</u>	<u>116,987,482</u>	<u>(2,742,655)</u>
<b>EXPENDITURES</b>				
Current:				
Administration	3,464,205	3,656,061	3,622,133	(33,928)
District Support Services	2,985,713	3,152,081	4,149,920	997,839
Elementary and Secondary Regular Instruction	48,838,479	49,357,794	50,609,133	1,251,339
Vocational Education Instruction	1,392,009	1,429,573	1,588,110	158,537
Special Education Instruction	21,835,365	21,793,443	22,697,664	904,221
Instructional Support Services	6,405,530	6,749,226	6,947,450	198,224
Pupil Support Services	13,400,845	13,958,605	12,122,290	(1,836,315)
Sites and Buildings	9,814,472	9,862,070	11,536,233	1,674,163
Fiscal and Other Fixed Cost Programs	466,000	466,000	484,668	18,668
Capital Outlay	7,719,628	7,701,900	4,326,532	(3,375,368)
Debt Service:				
Principal	1,259,649	1,259,649	696,972	(562,677)
Interest and Fiscal Charges	173,400	173,400	173,400	-
Total Expenditures	<u>117,755,295</u>	<u>119,559,802</u>	<u>118,954,505</u>	<u>(605,297)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,192,111)	170,335	(1,967,023)	(2,137,358)
<b>OTHER FINANCING SOURCES</b>				
Sale of Real Property	-	-	1,776,250	1,776,250
Sale of Equipment	1,000	1,000	-	(1,000)
Insurance Recovery	-	20,000	21,111	1,111
Total Other Financing Sources	<u>1,000</u>	<u>21,000</u>	<u>1,797,361</u>	<u>1,776,361</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,191,111)</u>	<u>\$ 191,335</u>	<u>(169,662)</u>	<u>\$ (360,997)</u>
<b>FUND BALANCE</b>				
Beginning of Year			21,564,066	
End of Year			<u>\$ 21,394,404</u>	

See accompanying Notes to Basic Financial Statements.



**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
FOOD SERVICE FUND  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
<b>REVENUES</b>				
Local Sources:				
Earnings and Investments	\$ 18,000	\$ 3,000	\$ 2,400	\$ (600)
Other - Primarily Meal Sales	3,110,934	1,316,706	1,221,640	(95,066)
State Sources	182,500	170,000	148,650	(21,350)
Federal Sources	1,242,460	3,956,676	5,126,404	1,169,728
Total Revenues	<u>4,553,894</u>	<u>5,446,382</u>	<u>6,499,094</u>	<u>1,052,712</u>
<b>EXPENDITURES</b>				
Current:				
Food Service	4,368,524	5,056,360	4,682,019	(374,341)
Capital Outlay	107,000	351,000	66,378	(284,622)
Total Expenditures	<u>4,475,524</u>	<u>5,407,360</u>	<u>4,748,397</u>	<u>(658,963)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	78,370	39,022	1,750,697	1,711,675
<b>OTHER FINANCING SOURCES</b>				
Sale of Equipment	<u>-</u>	<u>-</u>	<u>3,967</u>	<u>3,967</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 78,370</u>	<u>\$ 39,022</u>	<u>1,754,664</u>	<u>\$ 1,715,642</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>1,493,523</u>	
End of Year			<u>\$ 3,248,187</u>	

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
COMMUNITY SERVICE FUND  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 1,008,027	\$ 1,000,031	\$ 998,356	\$ (1,675)
Earnings and Investments	3,000	2,500	1,119	(1,381)
Other - Primarily Tuition and Fees	5,231,760	4,945,523	5,153,590	208,067
State Sources	868,512	1,061,641	867,984	(193,657)
Federal Sources	4,933	104,253	533,364	429,111
Total Revenues	<u>7,116,232</u>	<u>7,113,948</u>	<u>7,554,413</u>	<u>440,465</u>
<b>EXPENDITURES</b>				
Current:				
Community Service	7,018,044	7,331,472	7,498,242	166,770
Capital Outlay	27,500	15,500	13,881	(1,619)
Debt Service	8,000	2,879	5,353	2,474
Total Expenditures	<u>7,053,544</u>	<u>7,349,851</u>	<u>7,517,476</u>	<u>167,625</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 62,688</u>	<u>\$ (235,903)</u>	36,937	<u>\$ 272,840</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>134</u>	
End of Year			<u>\$ 37,071</u>	

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834**  
**STILLWATER AREA PUBLIC SCHOOLS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**INTERNAL SERVICE FUND**  
**JUNE 30, 2022**  
 (WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2021)

	Governmental Activities - Internal Service Funds	
	2022	2021
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 7,824,301	\$ 8,918,705
<b>LIABILITIES</b>		
Accounts Payable	541,878	749,326
Claims Payable - Medical	1,317,000	975,500
Unearned Revenue	1,637,825	1,551,255
Total Liabilities	<u>3,496,703</u>	<u>3,276,081</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ 4,327,598</u>	<u>\$ 5,642,624</u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2021)**

	Governmental Activities - Internal Service Funds	
	2022	2021
<b>OPERATING REVENUES</b>		
Charges for Services:		
Health Insurance Premiums	\$ 16,801,690	\$ 17,046,163
Dental Insurance Premiums	1,102,494	1,090,280
Total Operating Revenues	<u>17,904,184</u>	<u>18,136,443</u>
<b>OPERATING EXPENSES</b>		
Health Insurance Claim Payments	16,578,335	15,275,510
Dental Insurance Claim Payments	1,038,838	1,036,076
General Administration Fees	1,611,482	1,454,172
Total Operating Expenses	<u>19,228,655</u>	<u>17,765,758</u>
<b>OPERATING INCOME (LOSS)</b>	(1,324,471)	370,685
<b>NONOPERATING INCOME</b>		
Earnings on Investments	<u>9,445</u>	<u>9,655</u>
<b>CHANGE IN NET POSITION</b>	(1,315,026)	380,340
Net Position - Beginning of Year	<u>5,642,624</u>	<u>5,262,284</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 4,327,598</u></u>	<u><u>\$ 5,642,624</u></u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2021)**

	Governmental Activities - Internal Service Funds	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Interfund Services Provided	\$ 17,904,184	\$ 18,867,229
Payments for Administrative Costs	(1,611,482)	(1,454,172)
Payments for Medical Claims	(16,359,010)	(14,642,697)
Payments for Dental Claims	(1,037,541)	(1,015,950)
Net Cash Provided (Used) by Operating Activities	(1,103,849)	1,754,410
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	9,445	9,655
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,094,404)	1,764,065
Cash and Cash Equivalents - Beginning of Year	8,918,705	7,154,640
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 7,824,301</u>	<u>\$ 8,918,705</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ (1,324,471)	\$ 370,685
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Decrease in Accounts Receivable	-	730,786
Increase (Decrease) in Accounts Payable	(207,448)	319,779
Increase in Claims Payable	341,500	255,600
Decrease in Due to Governmental Units	-	(6,619)
Increase in Unearned Revenue	86,570	84,179
Total Adjustments	<u>220,622</u>	<u>1,383,725</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,103,849)</u>	<u>\$ 1,754,410</u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2022**

	Scholarship Private-Purpose Trust	OPEB Irrevocable Trust
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 64,645	\$ -
Investments	-	6,137,766
Accounts Receivable	-	16,363
Total Assets	<u>64,645</u>	<u>6,154,129</u>
<b>LIABILITIES</b>		
Due to Other Funds	<u>-</u>	<u>750,000</u>
<b>NET POSITION</b>		
Restricted for Scholarships and OPEB	<u>\$ 64,645</u>	<u>\$ 5,404,129</u>

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2022**

	Scholarship Private-Purpose Trust	OPEB Irrevocable Trust
<b>ADDITIONS</b>		
Contributions:	\$ 4,328	\$ -
Employer	-	859,052
Employee	-	170,295
Investment Income	-	(247,880)
Total Additions	<u>4,328</u>	<u>781,467</u>
<b>DEDUCTIONS</b>		
Benefits Paid to Plan Members	-	1,779,347
Scholarships Awarded	11,750	-
Total Deductions	<u>11,750</u>	<u>1,779,347</u>
<b>NET DECREASE IN NET POSITION</b>	(7,422)	(997,880)
Net Position - Beginning of Year	<u>72,067</u>	<u>6,402,009</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 64,645</u>	<u>\$ 5,404,129</u>

See accompanying Notes to Basic Financial Statements.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The financial statements of Independent School District No. 834 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**B. Financial Reporting Entity**

Independent School District No. 834 is an instrumentality of the state of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

GAAP require that the District's financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separated from the District. In addition, the District's financial statements are to include all component units – entities for which the District is financially accountable.

Financial accountability includes such aspects as appointing a voting majority of the organization's governing body, significantly influencing the programs, projects, activities, or level of services performed or provided by the organization or receiving specific financial benefits from, or imposing specific financial burden on, the organization. There are no other entities for which the District is financially accountable.

Adoption of New Accounting Standards:

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District adopted the requirements of the guidance effective July 1, 2021, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

**C. Basic Financial Statement Presentation**

The government-wide financial statements (i.e. the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The Fiduciary Funds are only reported in the statements of Fiduciary Net Position at the fund financial statement level.



**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basic Financial Statement Presentation (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The District applies restricted resources first when an expense is incurred for purpose for which both restricted and unrestricted net position are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

Separate Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary funds are presented in the fiduciary fund financial statements by type: private purpose trust and irrevocable trust. Since by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the government-wide statements.

The Internal Service Fund is presented in the proprietary fund financial statements. Because the principal users of the internal services are the District's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. Internal payments received in the internal service funds are eliminated on the government-wide statements as reductions to expenses and the net cost of these services is reported in the appropriate functional activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service fund is charges for service in the form of insurance premiums. Operating expenses for the internal service fund include the cost of services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are generally recognized as revenues in the fiscal year for which they are levied, except for amounts advance recognized in accordance with a statutory "tax shift" described later in these notes. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting transactions are recorded in the following manner:

**1. Revenue Recognition**

Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes and GAAP. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month period of availability is generally used for other fund revenue.

**2. Recording of Expenditures**

Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting (Continued)**

Description of Funds

The existence of the various District funds has been established by the state of Minnesota, Department of Education. The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. A description of the funds included in this report is as follows:

*Major Governmental Funds*

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the district, as well as the capital related activities such as maintenance of facilities equipment purchases, health and safety projects, and disabled accessibility projects.

Food Service Special Revenue Fund

The Food Service Fund is used to account for food service revenues and expenditures. Revenues recorded in this fund include meal sales to pupils along with state and federal reimbursements for meals.

Community Service Special Revenue Fund

The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs, K-6 extended day programs or other similar services. Revenues recorded in this fund include property taxes restricted for Community Service purposes and tuition and fees charged for Community Education.

Capital Projects Fund – Building Construction Fund

The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities authorized by bond issue or under the long-term facilities maintenance program.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of general obligation debt principal, interest, and related costs. The regular debt service account is used for all general obligation debt service except for the financial activities of the other postemployment benefits (OPEB) debt service account. The OPEB debt service account was used for the issuance, repayment, and refunding of taxable OPEB bond issues.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting (Continued)**

*Proprietary Fund*

Internal Service Fund

Internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District's internal service funds are used to account for dental and health insurance benefits offered by the District to its employees as a self-insured plan.

*Fiduciary Funds*

Scholarship Private-Purpose Trust Fund

The Scholarship Private-Purpose Trust Fund is used to account for resources held in trust to be used by various other third parties to award scholarships to students.

Other Postemployment Benefit Trust

The Other Postemployment Benefit Trust Fund is used to administer resources received and held by the District as the trustee for others. The Postemployment Benefits Trust Fund includes assets held in an irrevocable trust to fund postemployment insurance benefits of eligible employees.

**E. Budgeting**

The School Board adopts an annual budget for all governmental funds prepared on the same basis of accounting as the fund financial statements. Budgeted amounts include mid-year budget amendments that amended revenue and expenditure budgets as follows:

	Original Budget	Amendments	Amended Budget
<u>Revenues</u>			
General Fund	\$ 116,564,184	\$ 3,166,953	\$ 119,731,137
Special Revenue Fund:			
Food Service Fund	4,553,894	892,488	5,446,382
Community Service Fund	7,116,232	(2,284)	7,113,948
Capital Projects Fund	1,000	-	1,000
Debt Service Fund	9,284,306	-	9,284,306
<u>Expenditures</u>			
General Fund	\$ 117,755,295	\$ 1,804,507	\$ 119,559,802
Special Revenue Fund:			
Food Service Fund	4,475,524	931,836	5,407,360
Community Service Fund	7,053,544	296,307	7,349,851
Capital Projects Fund	492,000	-	492,000
Debt Service Fund	10,094,163	-	10,094,163

Budget provisions for the Debt Service Fund are set by state law governing required debt service levels.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Budgeting (Continued)**

At the end of each fiscal year, if the General Fund has a net unassigned deficit fund balance, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts which excludes certain restricted balances specified in Minnesota Statutes, exceeding 2.5% of expenditures, a condition referred to as "statutory operating debt" exists. That debt requires retirement through the accumulation of subsequent operating surpluses in accordance with a "special operating plan" approved by the Commissioner of the Department of Education.

**F. Cash and Investments**

Cash and temporary investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Bond proceeds recorded in the Capital Projects – Building Construction Fund are not pooled, and earnings on these proceeds are allocated directly to the fund.

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes. In the Postemployment Benefits Trust Fund, this represents assets contributed to an irrevocable trust established to finance the District's liability for postemployment insurance benefits. Interest earned on these investments is allocated directly to the escrow accounts.

For purposes of the Statement of Cash Flows, the District considers all highly liquid debt instruments with an original maturity from the time of purchase by the District of three months or less to be cash equivalent. The proprietary fund's equity in the government-wide cash and investment management pool is considered to be cash equivalent.

Investments are generally stated at fair value, except for investments in external investment pools, which are stated at amortized cost. Short-term, highly liquid debt instruments (including commercial paper, bankers' acceptance, and U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less may also be reported at amortized cost. Investment income is accrued at the Balance Sheet date.

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See Note 2 for the District's recurring fair value measurements as of year-end.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Accounts Receivable**

Represents amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary.

**H. Inventories**

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method, and surplus commodities are stated at standardized cost, as determined by the Department of Agriculture.

**I. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are recorded as expenditures/expenses at the time of consumption.

**J. Property Taxes**

Property tax levies are established by the School Board in December each year and are certified to the County for collection the following calendar year. In Minnesota, counties act as collection agents for all property taxes and are responsible for spreading all levies over taxable property. Such taxes become a lien on January 1. Taxes are generally due on May 15 and October 15 and counties generally remit taxes to Districts at periodic intervals as they are collected. A portion of property taxes levied is paid through state credits which are included in revenue from state sources in the financial statements.

Generally, tax revenue is recognized in the fiscal year ending June 30, following the calendar year in which the tax levy is collectible, while the current calendar year tax levy is recorded as deferred revenue (property taxes levied for subsequent year). The majority of District revenue in the General Fund (and to a lesser extent in the District's Community Service Special Revenue Fund) is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between taxes and state aids by the Legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift".

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Property Taxes (Continued)**

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is deferred because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material. Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the state which will be recognized as revenue in the next fiscal year beginning July 1, 2021, are included in Property Taxes Levied for Subsequent Year to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

**K. Capital Assets**

Capital assets that are purchased or constructed by the District are recorded at historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. The District defines capital assets as those with an initial, individual cost of \$5,000 or more, which benefit more than one fiscal year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements but are not reported in the governmental fund financial statements. Capital assets are depreciated (or amortized in the case of leased assets) using the straight-line method over their estimated useful lives. Since surplus assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes.

Useful lives vary from 20 to 50 years for land improvements and buildings and 5 to 20 years for furniture and equipment. Land and construction in progress are not depreciated.

The District does not possess material amounts of infrastructure capital assets, such as sidewalks or parking lots. Such items are considered to be part of the cost of buildings or other improvable property.



**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. If material, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums or discounts on debt issuances are reported as other financing sources or uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**M. Compensated Absences**

Under the terms of collectively bargained contracts, eligible employees accrue vacation and sick leave at varying rates, portions of which may be carried over to future years. Employees are reimbursed for unused, accrued vacation to the limit specified in their labor contract or School Board policy upon termination. Unused sick leave enters into the calculation of severance benefits for some employees upon termination. Compensated absences are accrued in the governmental fund financial statements only to the extent they have been used or otherwise matured prior to year-end. Unused vacation is accrued as it is earned in the government-wide financial statements.

**N. Severance Benefits**

The District provides lump sum severance benefits to eligible employees in accordance with provisions in certain collectively bargained contracts. Eligibility for these benefits is based on years of service and/or minimum age requirements. Severance benefits are calculated by converting a portion of an eligible employee's unused accumulated sick leave. No individual can receive severance benefits in excess of one year's salary. Members of certain employee groups may elect to receive district matching contributions paid into tax deferred matching contribution plans, which reduce future severance benefits. Retirement benefits for certain employee groups are paid into a postemployment tax sheltered annuity account.

Severance payable and the District's share of related benefits are recorded as a liability in the government-wide financial statements as it is earned, and it becomes probable that it will vest at some point in the future. Severance pay is accrued in the governmental fund financial statements when the liability matures due to employee termination.



**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Pensions**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and Teachers Retirement Association (TRA) and additions to/deductions from PERA's and TRA's fiduciary net position have been determined on the same basis as they are reported by PERA and TRA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TRA has a special funding situation created by direct aid contributions made by the state of Minnesota, City of Minneapolis, and Minneapolis School District. This direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the state of Minnesota for the merger of the Duluth Teachers Retirement Fund Association (DTRFA) in 2015. Additional information can be found in Note 6.

The PERA has a special funding situation created by a direct aid contribution made by the state of Minnesota. The direct aid is a result of the merger of the Minneapolis Employees Retirement Fund into the PERA on January 1, 2015.

**P. Other Postemployment Benefits (OPEB) Plan**

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources, and OPEB expense, information about the fiduciary net position of the District's OPEB plan and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and certain investments that have a maturity at the time of purchase of one year or less, which are reported at amortized cost.

**Q. Risk Management and Self-Insurance**

1. General Insurance – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage in the current year.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Q. Risk Management and Self-Insurance (Continued)**

2. Self-Insurance – The District has established two internal service funds to account for and finance its self-insured risk of loss for respective employee dental and health insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various dental and healthcare costs as described in the plans.

The District makes premium payments that include both employer and employee contributions to the internal service funds on behalf of program participants based on rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss health insurance premium costs and administrative service charges.

District claim liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported. Because actual claim liabilities depend on complex factors such as inflation, changes in legal doctrines, and damage awards, the process used in computing a claim liability does not necessarily result in an exact amount. Claim liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

**R. Deferred Outflows/Inflows of Resources**

In addition to assets and liabilities, statements of financial position or balance sheets will sometimes report separate sections for deferred outflows or inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) or an inflow of financial resources (revenue) until then.

The District reports deferred outflows and inflows of resources related to pensions and OPEB plans reported in the government-wide Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual economic experience, changes in actuarial assumptions, difference between projected and actual investment earnings, changes in proportion, and contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards. The District also reports deferred gains on the refunding of certain bond issuances of the District.

Property taxes levied for subsequent years, which represent property taxes received or reported as a receivable before the period for which the taxes are levied, are reported as a deferred inflow of resources in both the government-wide Statement of Net Position and the governmental funds Balance Sheet. Property taxes levied for subsequent years are deferred and recognized as an inflow of resources in the government-wide financial statements in the year for which they are levied and in the governmental fund financial statements during the year for which they are levied, if available.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**R. Deferred Outflows/Inflows of Resources (Continued)**

Unavailable revenue from property taxes arises under a modified accrual basis of accounting and is reported only in the governmental funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available.

**S. Leases**

For lease receivables, the District determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

Lease receivables represent the District's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

The District has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

For lease payables, the District determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

Lease assets represent the District's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the District will exercise that option.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**S. Leases (Continued)**

The District has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the District has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

**T. Net Position**

In the government-wide and internal service fund financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is displayed in three components:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt attributable to acquire capital assets.
- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- **Unrestricted Net Position** – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The District applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

**U. Fund Balance Classifications**

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

- **Nonspendable** – portions of fund balance related to prepaids, inventories, long-term receivables, and corpus on any permanent fund.
- **Restricted** – funds are constrained by outside parties (statute, grantors, contributors, bond agreements, etc.).
- **Committed** – funds are established and modified by a resolution approved by the Board of Education.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

U. Fund Balance Classifications (Continued)

- **Assigned** – consists of internally imposed constraints. The Board of Education passed a resolution authorizing the Superintendent and Director of Business Affairs to assign fund balances and their intended uses.
- **Unassigned** – is the residual classification for the General Fund, which also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to first use restricted resources, then use unrestricted resources as they are needed.

When committed, assigned, or unassigned resources are available for use, it is the District's policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

V. Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements during the reporting period. Actual results could differ from those estimates.

W. Comparative Data

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DEPOSITS AND INVESTMENTS**

**A. Deposits**

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and Investments." In accordance with Minnesota Statutes, the District maintains deposits at financial institutions which are authorized by the School District's Board.

**Custodial Credit Risk** – Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral includes: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository.

At June 30, 2022, the District's deposits had a bank balance of \$25,737,362 and a carrying amount of \$24,577,452.

**B. Investments**

The District may also invest idle funds as authorized by Minnesota Statutes as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less
- General obligations rated "A" or better; revenue obligations rated "AA" or better
- General obligations of the Minnesota Housing Finance Agency rate "A" or better
- Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories
- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers
- Investments related to the OPEB Revocable Trust Fund may be invested in accordance with Minnesota Statute 356A.06

At June 30, 2022, the District’s investment balances were as follows:

<u>Investments Measured at Fair Value</u>	<u>Fair Value</u>
U.S. Treasuries with Maturities at Purchase of Greater Than 1 Year	\$ 6,838,909
Municipal Bonds	4,011,964
Equities	571,185
Mutual Funds	611,156
Total Investments Measured at Fair Value	<u>\$ 12,033,214</u>
<u>Investments Measured at Amortized Cost</u>	<u>Amortized Cost</u>
MN Trust Investment Shares	\$ 5,000,000
Negotiable Certificates of Deposit	1,247,800
Money Markets	36,724,209
Total Investments Measured at Amortized Cost	<u>\$ 42,972,009</u>

**Credit Risk** – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District’s investment policies do not limit the maturities of investments; however, when purchasing investments, the District considers such things as interest rates and cash flow needs.



**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

The credit ratings and maturities of the District's investments are as follows:

Type	Total	Maturity Duration in Years			No Maturities	Rating
		Less Than 1	1 to 5	6 to 10		
Municipal Bonds	\$ 4,011,964	\$ 1,118,299	\$ 2,893,665	\$ -	\$ -	AA
Negotiable Certificates of Deposit	1,247,800	1,247,800	-	-	-	N/R
Equities	571,185	-	-	-	571,185	NR
Mutual Funds	611,156	-	-	-	611,156	NR
MN Trust Investment Shares	5,000,000	-	-	-	5,000,000	N/R
U.S. Treasuries	6,838,909	-	6,838,909	-	-	AAA
Money Market	36,724,209	-	-	-	36,724,209	AAA
Total	<u>\$ 55,005,223</u>	<u>\$ 2,366,099</u>	<u>\$ 9,732,574</u>	<u>\$ -</u>	<u>\$ 42,906,550</u>	

**Concentration of Credit Risk** – The District places no limit on the amount that the District may invest in any one issuer. The District had no investments at June 30, 2022 which individually comprised more than 5% of total investments.

The deposits and investments are presented in the financial statements as follows:

Cash and Investments - Statement of Net Position	\$ 69,992,506
Cash and Investments Held by Trustee - Statement of Net Position	3,387,758
Cash and Cash Equivalents - Statement of Fiduciary Net Position	6,202,411
Total Cash and Investments	<u>\$ 79,582,675</u>

**Cash and Investments Held by Trustee** – Cash and investments held by trustee are held by an escrow agent in accordance with escrow agreements established with the sale of various refunding bonds and capitalized interest.

**C. Fair Value Measurements**

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The District follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.



**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

C. Fair Value Measurements (Continued)

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

*Level 2* – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

*Level 3* – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

Assets of the District measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
Municipal Bonds	\$ -	\$ 4,011,964	\$ -	\$ 4,011,964
Equities	571,185	-	-	571,185
Mutual Funds	611,156	-	-	611,156
U.S. Treasuries with Maturities at				
Purchase of Greater Than 1 Year	-	6,838,909	-	6,838,909
Total	<u>\$ 571,185</u>	<u>\$ 4,011,964</u>	<u>\$ -</u>	<u>12,033,214</u>
Investments Measured at Amortized Cost				42,972,009
Total				<u>\$ 55,005,223</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 9,819,937	\$ -	\$ (277,212)	\$ -	\$ 9,542,725
Construction in Progress	993,764	9,948,362	-	(3,805,995)	7,136,131
Total Capital Assets, Not Being Depreciated	10,813,701	9,948,362	(277,212)	(3,805,995)	16,678,856
Capital Assets, Being Depreciated:					
Land Improvements	20,668,548	84,814	(199,569)	174,209	20,728,002
Buildings and Improvements	212,413,763	504,929	(1,971,223)	3,631,786	214,579,255
Equipment	10,241,046	69,051	(365,636)	-	9,944,461
Total Capital Assets, Being Depreciated	243,323,357	658,794	(2,536,428)	3,805,995	245,251,718
Accumulated Depreciation for:					
Land Improvements	(9,694,903)	(1,018,810)	134,449	6,704	(10,572,560)
Buildings and Improvements	(77,577,781)	(5,646,222)	1,065,502	(6,704)	(82,165,205)
Equipment	(8,334,422)	(363,007)	351,583	-	(8,345,846)
Total Accumulated Depreciation	(95,607,106)	(7,028,039)	1,551,534	-	(101,083,611)
Total Capital Assets, Being Depreciated, Net	147,716,251	(6,369,245)	(984,894)	3,805,995	144,168,107
Governmental Activities Capital Assets, Net	\$ 158,529,952	\$ 3,579,117	\$ (1,262,106)	\$ -	\$ 160,846,963

Depreciation expense was charged to functions of the District as follows:

<b>Governmental Activities</b>	
Administration	\$ 275,499
District Support Services	196,082
Regular Instruction	3,062,117
Vocational Education Instruction	78,011
Special Education Instruction	1,121,675
Instructional Support Services	417,466
Pupil Support Services	659,933
Sites and Buildings	649,391
Food Service	257,929
Community Service	309,936
Total Depreciation Expense, Governmental Activities	<u>\$ 7,028,039</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 4 LONG-TERM LIABILITIES**

**A. Components of General Long-Term Debt**

The District currently has the following general obligation bonds payable outstanding:

Issue	Issue Date	Net Interest Rate	Original Issue	Maturities	Principal Outstanding	
					Due Within One Year	Total
2015A GO School Building Bonds	8/19/2015	3.00%-5.00%	90,565,000	2015-2037	\$ 6,645,000	\$ 74,000,000
2022A GO Maintenance Facilities Bonds	6/2/2022	3.00%-5.00%	7,265,000	2022-2038	-	7,265,000
Total General Obligation Bonds					6,645,000	81,265,000

Issue	Issue Date	Net Interest Rate	Original Issue	Maturities	Principal Outstanding	
					Due Within One Year	Total
2019A Refunding Certificates of Participation	12/11/2019	2.00%-4.00%	5,630,000	2021-2029	570,000	4,485,000
2021A Certificates of Participation	6/10/2021	4.00%	6,670,000	2021-2037	350,000	6,670,000
Total Certificates of Participation					920,000	11,155,000
Bond Premiums					-	4,808,949
Severance Benefits Payable					13,723	59,750
Compensated Absences Payable					529,581	529,581
Total					<u>\$ 8,108,304</u>	<u>\$ 97,818,280</u>

**B. Description of Long-Term Liabilities**

The 2015A, and 2022A bonds were issued to finance the acquisition, construction, and/or improvements of capital facilities, or to finance the retirement (refunding) of prior bond issues. Assets of the Debt Service Fund, together with scheduled future ad valorem tax levies, are dedicated for the retirement of these bonds. The annual future debt service levies authorized equal 105% of the principal and interest due each year. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

In December 2019, the District sold \$5,630,000 of Refunding Certificates of Participation 2019A. The proceeds of this issue were used to refund the Certificates of Participation 2011A.

In June 2021, the District sold \$6,670,000 of Certificates of Participation, 2021A. The proceeds of this issue will be used to finance the construction of a building addition at Brookview Elementary School.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 4 LONG-TERM LIABILITIES (CONTINUED)**

**C. Minimum Debt Payments**

Minimum annual principal and interest payments to maturity for general obligation bonds and certificates of participation are as follows:

Year Ending June 30,	General Obligation Bonds Payable		Certificates of Participation Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 6,645,000	\$ 3,204,020	\$ 920,000	\$ 335,700	\$ 7,565,000	\$ 3,539,720
2024	6,975,000	2,952,696	960,000	298,900	7,935,000	3,251,596
2025	7,325,000	2,603,946	990,000	260,500	8,315,000	2,864,446
2026	7,685,000	2,237,696	1,035,000	220,900	8,720,000	2,458,596
2027	8,070,000	1,853,446	1,075,000	179,500	9,145,000	2,032,946
2028-2032	26,090,000	5,613,431	3,650,000	458,200	29,740,000	6,071,631
2033-2037	17,350,000	2,203,529	2,525,000	153,500	19,875,000	2,357,029
2038-2042	1,125,000	36,563	-	-	1,125,000	36,563
Total	<u>\$ 81,265,000</u>	<u>\$ 20,705,327</u>	<u>\$ 11,155,000</u>	<u>\$ 1,907,200</u>	<u>\$ 92,420,000</u>	<u>\$ 22,612,527</u>

**D. Changes in Long-Term Liabilities**

	June 30, 2021	Additions	Retirements	June 30, 2022
Bonds Payable	\$ 80,735,000	\$ 7,265,000	\$ 6,735,000	\$ 81,265,000
Certificates of Participations	11,705,000	-	550,000	11,155,000
Bond Premiums	7,823,860	104,660	3,119,571	4,808,949
Total Bonds and Certificates Payable	<u>100,263,860</u>	<u>7,369,660</u>	<u>10,404,571</u>	<u>97,228,949</u>
Severance Benefits Payable	106,181	19,773	66,204	59,750
Compensated Absences Payable	491,918	903,756	866,093	529,581
Total	<u>\$ 100,861,959</u>	<u>\$ 8,293,189</u>	<u>\$ 11,336,868</u>	<u>\$ 97,818,280</u>

**NOTE 5 LONG-TERM LEASE RECEIVABLE**

The District, acting as lessor, leases certain real property to several communications companies on which to install cell towers under long-term, non-cancelable lease agreements. Two leases expire in fiscal year 2024 and one lease expires in fiscal year 2025. During the year ended December 31, 2022, the District recognized \$71,023 and \$5,035 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total Future minimum lease payments to be received under lease agreements are as follows:

Year Ending June 30,	Long-Term Leases Receivable	
	Principal	Interest
2023	\$ 70,953	\$ 3,062
2024	63,820	1,015
2025	10,160	36
Total	<u>\$ 144,933</u>	<u>\$ 4,113</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 LONG-TERM LEASE RECEIVABLE (CONTINUED)**

Changes in the lease receivables for the year are as follows:

	June 30, 2021	Additions	Retirements	June 30, 2022	Principal Due Within One Year
Long-Term Lease Receivables:					
Cell Towers	\$ 211,613	\$ -	\$ 66,680	\$ 144,933	\$ 70,953

**NOTE 6 FUND BALANCES**

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties. A description of deficit balance restrictions is included herein since the District has specific statutory authority to levy taxes for such deficits.

Restricted, Committed, and Assigned fund balances at June 30, 2022 are as follows:

- A. Restricted for Student Activities  
Represents resources available for the extracurricular activity funds raised by students.
- B. Restricted for Scholarships  
Represents accumulated resources available for scholarship funds.
- C. Restricted for Community Education  
Represents accumulated resources available to provide general community education programming.
- D. Restricted for Early Childhood and Family Education  
Represents accumulated resources available to provide for services for early childhood family education programming.
- E. Restricted for Long-Term Facilities Maintenance  
Represents resources received from the capital projects levy to be used for long-term facilities maintenance.
- F. Restricted for Medical Assistance  
Represents resources available to be used for Medical Assistance expenditures
- G. Restricted for Operating Capital  
The District levies taxes and receives state aid to be used for the purchase of equipment, books, and vehicles and to purchase, rent, improve and repair school facilities as allowed by state statute. The cumulative excess of such revenues over equipment and facilities expenditures is reported as a restriction of fund balance in the General Fund.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 6 FUND BALANCES (CONTINUED)**

- H. Restricted for Projects Funded by Certificates of Participation  
Represents the unspent resources available from the 2021A Certificates of Participation
- I. Restricted for Safe Schools Levy  
Represents the unspent resources available from the safe schools levy.
- J. Restricted for School Readiness  
Represents accumulated resources available to provide school readiness programming in accordance with funding made available for that purpose.
- K. Restricted for Other Purposes  
Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- L. Assigned Fund Balance  
Represents amounts constrained by the School District's intent to be used for a specific purpose, but are not restricted or committed. Intent is expressed by the School Board itself, or a body (budget or finance committee) or an official (finance director) to which the School Board has delegated the authority to assign amounts to be used for specific purposes. The actions to remove or modify assignments are not as strict as for committed fund balances.

**NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

Substantially all employees of the District are required by state law to belong to the pension plans administered by Teachers' Retirement Association (TRA) or Public Employees' Retirement Association (PERA), all of which are administered on a statewide basis. Disclosures relating to these plans follow:

**A. Plan Descriptions**

The District participates in the following cost-sharing, multiple-employer defined benefit pension plans administered by the PERA and the TRA. The PERA's and the TRA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes. The PERA's and the TRA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code (IRC).

**1. General Employees Retirement Fund**

All full-time and certain part-time employees of the District, other than teachers, are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7    DEFINED BENEFITS PENSION PLANS – STATE-WIDE (CONTINUED)**

A. Plan Descriptions (Continued)

**2. Teachers Retirement Association (TRA)**

The Teacher's Retirement Association (TRA) is an administrator of a multiple employer, cost-sharing, defined benefit retirement fund. TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 354 and 356. TRA is a separate statutory entity and administered by a Board of Trustees. The Board consists of four active members, one retired member and three statutory officials.

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those employed by St. Paul schools or University of Minnesota System).

B. Benefits Provided

PERA and TRA provide retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

**1. General Employees Plan Benefits**

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7    DEFINED BENEFITS PENSION PLANS – STATE-WIDE (CONTINUED)**

**B. Benefits Provided (Continued)**

**1. General Employees Plan Benefits (Continued)**

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

**2. TRA Benefits**

TRA provides retirement benefits, as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by Minnesota Statutes and vest after three years of service credit. The defined retirement benefits are based on a member's highest average salary for any five consecutive years of allowable service, age, and a formula multiplier based on years of credit at termination of service.

Two methods are used to compute benefits for the TRA's Coordinated and Basic Plan members. Members first employed before July 1, 1989, receive the greater of the Tier I or Tier II benefits as described.

**Tier I Benefits**

Tier 1	Step Rate Formula	Percentage
Basic	First Ten Years of Service	2.2% per Year
	All Years After	2.7% per Year
Coordinated	First Ten Years if Service Years Are Up to July 1, 2006	1.2% per Year
	First Ten Years if Service Years Are July 1, 2006 or After	1.4% per Year
	All Other Years of Service if Service Years Are Up to July 1, 2006	1.7% per Year
	All Other Years of Service if Service Years Are July 1, 2006 or After	1.9% per Year

With these provisions:

- (a) Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- (b) 3.0% per year early retirement reduction factor for all years under normal retirement age.
- (c) Unreduced benefits for early retirement under a Rule of 90 (age plus allowable service equals 90 or more).



**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7    DEFINED BENEFITS PENSION PLANS – STATE-WIDE (CONTINUED)**

**B.    Benefits Provided (Continued)**

**2.    TRA Benefits (Continued)**

**Tier II Benefits**

For years of service prior to July 1, 2006, a level formula of 1.7% per year for Coordinated Plan members and 2.7% per year for basic members. For years of service July 1, 2006 and after, a level formula of 1.9% per year for Coordinated Plan members and 2.7% for Basic members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statute. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

Members first employed after June 30, 1989, receive only the Tier II calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 66.

Six different types of annuities are available to members upon retirement. The No Refund Life Plan is a lifetime annuity that ceases upon the death of the retiree—no survivor annuity is payable. A retiring member may also choose to provide survivor benefits to a designated beneficiary(ies) by selecting one of the five plans that have survivorship features. Vested members may also leave their contributions in the TRA Fund upon termination of service in order to qualify for a deferred annuity at retirement age. Any member terminating service is eligible for a refund of their employee contributions plus interest.

The benefit provisions stated apply to active plan participants. Vested, terminated employees who are entitled to benefits but not yet receiving them are bound by the plan provisions in effect at the time they last terminated their public service.

**C.    Contributions**

Minnesota Statutes set the rates for employer and employee contributions. Contribution rates can only be modified by the State Legislature.

**1.    General Employees Fund Contributions**

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature. Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2022 and the District was required to contribute 7.50% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2022 were \$1,223,201. The District's contributions were equal to the required contributions as set by state statute.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7    DEFINED BENEFITS PENSION PLANS – STATE-WIDE (CONTINUED)**

C. Contributions (Continued)

**2. TRA Contributions**

Minnesota Statutes, Chapter 354 sets the rates for employer and employee contributions. Rates for fiscal year 2022 were:

	2022	
	Employee	Employer
Basic	11.00%	12.34%
Coordinated	7.50%	8.34%

The District's contributions to the TRA for the plan's fiscal year ended June 30, 2022 were \$4,233,566. The District's contributions were equal to the required contributions for each year as set by state statutes.

D. Pension Costs

**1. General Employees Plan Pension Costs**

At June 30, 2022, the District reported a liability of \$9,053,350 for its proportionate share of the General Employees Plan's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million to the fund. The state of Minnesota is considered a nonemployer contributing District and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled \$276,503, for a total net pension liability of \$9,329,853 associated with the District. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers.

The District's proportionate share was 0.2120% at the end of the measurement period and 0.2143% for the beginning of the period.

For the year ended June 30, 2022, the District recognized pension expense of \$(12,640) for its proportionate share of General Employees Plan's pension expense. In addition, the District recognized an additional \$22,309 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7    DEFINED BENEFITS PENSION PLANS – STATE-WIDE (CONTINUED)**

D. Pension Costs (Continued)

**1. General Employees Plan Pension Costs (Continued)**

At June 30, 2022, the District reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$       55,621	\$     277,058
Changes in Actuarial Assumptions	5,527,788	200,266
Net Difference Between Projected and Actual		
Earnings on Plan Investments	-	7,840,583
Changes in Proportion and Differences Between		
District Contributions and Proportionate Share		
of Contributions	133,781	176,480
District Contributions Subsequent to the		
Measurement Date	1,223,201	-
Total	<u>\$   6,940,391</u>	<u>\$   8,494,387</u>

Deferred outflows of resources reported \$1,223,201 related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to the GERP pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2023	\$   (429,132)
2024	(104,035)
2025	(105,493)
2026	(2,138,537)
Thereafter	-

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7 DEFINED BENEFITS PENSION PLANS – STATE-WIDE (CONTINUED)**

**D. Pension Costs (Continued)**

**2. TRA Pension Costs**

At June 30, 2022 the District reported a liability of \$36,380,174 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Special School District No. 1, Minneapolis Public Schools. The District's proportionate share was 0.8313% at the end of the measurement period and 0.7756% for the beginning of the period.

The pension liability amount reflected a reduction due to direct aid provided to the TRA. The amount recognized by the District as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the District were as follows:

Description	Amount
District's Proportionate Share of the TRA	
Net Pension Liability	\$ 36,380,174
State's Proportionate Share of the Net Pension	
Liability Associated with the District	3,068,223
Total	<u>\$ 39,448,397</u>

For the year ended June 30, 2022, the District recognized pension expense of \$2,258,706. It also recognized \$293,927 as a decrease to pension expense for the support provided by direct aid.

At June 30, 2022, the District reported its proportionate share of the TRA's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 985,332	\$ 1,030,470
Changes in Actuarial Assumptions	13,331,964	32,822,639
Net Difference Between Projected and Actual		
Earnings on Plan Investments	-	30,504,561
Changes in Proportion and Differences Between		
District Contributions and Proportionate Share		
of Contributions	6,552,351	1,393,660
District Contributions Subsequent to the		
Measurement Date	4,233,566	-
Total	<u>\$ 25,103,213</u>	<u>\$ 65,751,330</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7    DEFINED BENEFITS PENSION PLANS – STATE-WIDE (CONTINUED)**

D. Pension Costs (Continued)

**2. TRA Pension Costs (Continued)**

A total of \$4,233,566 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to the TRA pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2023	\$ (22,786,408)
2024	(17,281,704)
2025	(3,517,615)
2026	(4,865,473)
2027	3,569,517
Thereafter	-

E. Actuarial Assumptions

The total pension liability in the June 30, 2021, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

<u>Assumptions</u>	<u>General Employees Plan</u>	<u>TRA</u>
Inflation	2.25% per Year	2.50% per Year
Salary Growth	3.25%	2.85% before July 1, 2028 and 3.25% to 9.25% thereafter
Investment Rate of Return	6.50%	7.00%

PERA salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on Pub-2010 General Employee Mortality table for the General Employees Plan, with slight adjustments to fit PERA's experience. PERA cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7    DEFINED BENEFITS PENSION PLANS – STATE-WIDE (CONTINUED)**

E. Actuarial Assumptions (Continued)

TRA pre-retirement mortality rates were based on the RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale. Postretirement mortality rates were based on the RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale. Post-disability mortality rates were based on the RP-2014 disabled retiree mortality table, without adjustment.

TRA cost of living benefit increases 1.0% for January 2020 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

Actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes for General Employees Fund occurred in 2021:

Changes in Actuarial Assumptions:

- The investment rate of return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

The following changes in actuarial assumptions for TRA occurred in 2021:

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 7.50% to 7.00%

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7    DEFINED BENEFITS PENSION PLANS – STATE-WIDE (CONTINUED)**

**E. Actuarial Assumptions (Continued)**

The state Board of Investment, which manages the investments of PERA and TRA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35.50 %	5.10 %
International Equity	17.50	5.30
Fixed Income	20.00	0.75
Private Markets	25.00	5.90
Cash	2.00	-
Totals	100.00 %	

**F. Discount Rate**

The discount rate used to measure the PERA General Employees Plan liability in 2021 was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the TRA pension liability was 7.00%. The discount rate used to measure the total pension liability at the prior measurement date was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2021 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7 DEFINED BENEFITS PENSION PLANS – STATE-WIDE (CONTINUED)**

G. Pension Liability Sensitivity

The following table presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
<u>General Employees Plan Discount Rate</u>	5.50%	6.50%	7.50%
District's Proportionate Share of the General Employees Plan Net Pension Liability	\$ 18,464,212	\$ 9,053,350	\$ 1,331,163
<u>TRA Discount Rate</u>	6.00%	7.00%	8.00%
District's Proportionate Share of the TRA Net Pension Liability	\$ 73,489,721	\$ 36,380,174	\$ 5,947,386

H. Pension Plan Fiduciary Net Position

Detailed information about the GERF's fiduciary net position is available in a separately issued PERA financial report. That report may be obtained on the PERA website at [www.mnpera.org](http://www.mnpera.org); by writing to the PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103; or by calling (651) 296-7460 or (800) 652-9026.

Detailed information about the TRA's fiduciary net position is available in a separately issued TRA financial report. That report can be obtained at the TRA website at [www.MinnesotaTRA.org](http://www.MinnesotaTRA.org); by writing to the TRA at 60 Empire Drive, Suite 400, St. Paul, Minnesota 55103; or by calling (651) 296-2409 or (800) 657-3669.

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN**

A. Plan Description

The District provides postemployment benefits to certain eligible employees through the OPEB Plan, a single-employer defined benefit plan administered by the District. Management of the plan is vested with the School Board of the District. All postemployment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements.

The District administers a defined benefit Post-Employment Benefits Trust Fund. The assets of the plan are reported in the District's financial report in the Post-Employment Benefits Trust Fund, established by the District to finance these obligations. The plan assets may be used only for the payment of benefits of the plan, in accordance with the terms of the plan. The plan does not issue a publicly available financial report.



**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

**B. Benefits Provided**

All retirees of the District upon retirement have the option under state law to continue their medical insurance coverage through the District. For members of certain employee groups, the District pays for all or part of the eligible retiree's premiums for medical and/or dental insurance from the time of retirement until the employee reaches the age of eligibility for Medicare. Benefits paid by the District differ by bargaining unit and date of hire, with some contracts specifying a certain dollar amount per month, and some covering premium costs as defined within each collective bargaining agreement. Retirees not eligible for these District-paid premium benefits must pay the full district premium rate for their coverage.

The District is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees until the retiree reaches Medicare eligibility, whether the premiums are paid by the District or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as an "implicit rate subsidy." This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the District's younger and statistically healthier active employees.

**C. Contributions**

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District.

**D. Membership**

Membership in the plan consisted of the following as of the latest actuarial valuation:

Retirees and Beneficiaries Receiving Benefits	96
Active Plan Members	<u>982</u>
Total Members	<u><u>1,078</u></u>

**E. Net OPEB Liability of the District**

The District's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020. The components of the net OPEB liability of the District at year-end were as follows:

Total OPEB Liability	\$ 17,492,862
Plan Fiduciary Net Position	<u>5,404,129</u>
District's net OPEB Liability (Asset)	<u><u>\$ 12,088,733</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	31%

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

**F. Actuarial Methods and Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, using the entry age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.80%
Expected Long-Term Investment Return	4.10% (Net of Investment Expenses)
20-Year Municipal Bond Yield	3.80%
Inflation Rate	2.50%
Healthcare Trend Rate	6.25% Grading to 5.00% Over 5 Years

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.

The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

The District's policy in regard to the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes allowable under state statute. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best-estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Domestic Equity	10.00 %	3.00 %
Fixed Income	85.00	4.00
Cash and Equivalents	5.00	1.00
Total	100.00 %	
Reduced for Assumed Investment Expense		-
Net Assumed Investment Return (Weighted Avg, Rounded to 1/4%)		4.10 %

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

G. Concentrations

At year-end, the District's OPEB plan held investments in the states of New York and US Treasuries that represented 5% or more of the OPEB plan's fiduciary net position.

H. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 4.10%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

I. Discount Rate

The discount rate used to measure the total OPEB liability was 3.80%. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy have also been taken into account. The District discount rate used in the prior measurement date was 2.10%.

J. Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Beginning Balance	\$ 19,165,386	\$ 6,402,009	\$ 12,763,377
Changes for the Year:			
Service Cost	731,253	-	731,253
Interest	399,243	-	399,243
Assumption Changes	(1,023,673)	-	(1,023,673)
Contributions - Employer	-	1,029,347	(1,029,347)
Net Investment Income	-	(247,880)	247,880
Benefit Payments - Employer Financed	(1,779,347)	(1,779,347)	-
Total Net Changes	<u>(1,672,524)</u>	<u>(997,880)</u>	<u>(674,644)</u>
Ending Balance	<u>\$ 17,492,862</u>	<u>\$ 5,404,129</u>	<u>\$ 12,088,733</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

**J. Changes in the Net OPEB Liability (Continued)**

Assumption changes since the prior measurement date include the following:

- The expected long-term investment return was changed from 2.10% to 4.10%
- The discount rate was changed from 2.10% to 3.80%.

**K. Net OPEB Liability Sensitivity to Discount and Healthcare Cost Trend Rate Changes**

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.80%)	Discount Rate (3.80%)	1% Increase (4.80%)
Net OPEB Liability (Asset)	\$ 12,821,396	\$ 12,088,733	\$ 11,352,042

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (5.00% Decreasing to 4.00% then 3.00% Years)	Healthcare Cost Current Trend Rates (6.00% Decreasing to 5.00% then 4.00% Years)	1% Increase (7.50% Decreasing to 6.00% then 5.00% Years)
Net OPEB Liability (Asset)	\$ 10,565,061	\$ 12,088,733	\$ 13,805,472

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

**L. OPEB Expense and Related Deferred Outflows of Resources and Deferred Inflows of Resources**

For the current year ended, the District recognized OPEB expense of \$361,302. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 350,207	\$ 481,640
Change of Assumptions	205,651	964,342
Net Difference Between Projected and Actual Investment Earnings	320,282	-
Total	<u>\$ 876,140</u>	<u>\$ 1,445,982</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Future Recognition
2023	\$ (408,492)
2024	49,350
2025	(31,280)
2026	(8,808)
2027	(170,612)
Total	<u>\$ (569,842)</u>

**NOTE 9 FLEXIBLE BENEFIT PLAN**

The District has a flexible benefit plan, which is classified as a cafeteria plan (the Plan) under § 125 of the IRC. All employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing pretax dollars withheld from payroll checks to the Plan for healthcare and dependent care benefits. Payments are made from the Plan to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the participant.

Before the beginning of the Plan year, which is from July 1 to June 30, each participant designates a total amount of pretax dollars to be contributed to the Plan during the year. At June 30, the District is contingently liable for total contributions to the medical reimbursement portion of the Plan, whether or not such contributions have been made.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9 FLEXIBLE BENEFIT PLAN (CONTINUED)**

All assets of the Plan are held in a separate bank account and are administered by an employee of the District. Payments of insurance premiums (health, dental, life, and disability) are made by the District directly to the designated service providers. These payments are made on a timely basis and are accounted for primarily in the District's self-insurance funds. The medical reimbursement and dependent care activity in the financial statements is accounted for in the General Fund.

All property of the Plan and income attributable to that property is solely the property of the District, subject to the claims of the District's general creditors. Participants' rights under the Plan are equal to those of general creditors of the District in an amount equal to the eligible healthcare and dependent care expenses incurred by the participants. The District believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

**NOTE 10 INTERFUND BALANCES AND TRANSACTIONS**

Interfund Receivables and Payables

The District had the following interfund receivables and payables at June 30, 2022:

	Due from Other Fund	Due to Other Fund
General Fund	\$ 750,000	\$ -
Fiduciary Funds:		
OPEB Irrevocable Trust Fund	-	750,000
Total	<u>\$ 750,000</u>	<u>\$ 750,000</u>

These balances represent interfund amounts due to the General Fund relating to postemployment benefit costs to be reimbursed as of June 30, 2022. Such interfund balances are reported in the fund financial statements but are eliminated as necessary in the government-wide financial statements.

**NOTE 11 COMMITMENTS AND CONTINGENCIES**

**A. Federal and State Revenues**

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of funds which may be disallowed by the agency cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 STEWARDSHIP AND ACCOUNTABILITY**

Excess of Expenditures Over Budget

	Budget	Expenditures	Excess
Special Revenue Funds:			
Community Service Fund	\$ 7,349,851	\$ 7,517,476	\$ 167,625
Capital Projects Fund	492,000	6,078,733	5,586,733
Debt Service Fund	10,094,163	10,395,896	301,733

## **REQUIRED SUPPLEMENTARY INFORMATION**



**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY (ASSET)  
AND RELATED RATIOS  
LAST TEN FISCAL YEARS\***

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB Liability</b>						
Service Cost	\$ 731,253	\$ 913,570	\$ 836,134	\$ 730,634	\$ 800,160	\$ 863,315
Interest	399,243	457,426	567,066	702,071	575,132	577,783
Differences Between Expected and Actual Experience	-	-	-	(2,408,201)	-	-
Changes of Assumptions	(1,023,673)	(166,922)	435,311	157,634	(528,148)	-
Net Investment Income	-	525,310	-	-	-	-
Benefit Payments	(1,779,347)	(1,411,315)	(888,229)	(1,216,843)	(1,302,349)	(1,640,555)
<b>Net Change in Total OPEB Liability</b>	<b>(1,672,524)</b>	<b>318,069</b>	<b>950,282</b>	<b>(2,034,705)</b>	<b>(455,205)</b>	<b>(199,457)</b>
Total OPEB Liability - Beginning	19,165,386	18,847,317	17,897,035	19,931,740	20,386,945	20,586,402
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 17,492,862</b>	<b>\$ 19,165,386</b>	<b>\$ 18,847,317</b>	<b>\$ 17,897,035</b>	<b>\$ 19,931,740</b>	<b>\$ 20,386,945</b>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 1,029,347	\$ 661,315	\$ 122,940	\$ 216,843	\$ 302,349	\$ 640,555
Contributions - Member	-	150,341	-	144,241	148,839	151,727
Net Investment Income	(247,880)	257,150	191,580	216,739	299,433	185,453
Differences Between Expected and Actual Experience	-	-	-	38,645	(37,045)	-
Benefit Payments - Employer Financed	(1,779,347)	(1,411,315)	(888,229)	(1,216,843)	(1,302,349)	(1,640,555)
Administrative Expense - Member Financed	-	(150,341)	(122,939)	(144,241)	(148,839)	(151,727)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(997,880)</b>	<b>(492,850)</b>	<b>(696,648)</b>	<b>(744,616)</b>	<b>(737,612)</b>	<b>(814,547)</b>
Plan Fiduciary Net Position - Beginning	6,402,009	6,894,859	7,591,507	8,336,123	9,073,735	9,888,282
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 5,404,129</b>	<b>\$ 6,402,009</b>	<b>\$ 6,894,859</b>	<b>\$ 7,591,507</b>	<b>\$ 8,336,123</b>	<b>\$ 9,073,735</b>
<b>District's Net OPEB Liability - Ending (a) - (b)</b>	<b>\$ 12,088,733</b>	<b>\$ 12,763,377</b>	<b>\$ 11,952,458</b>	<b>\$ 10,305,528</b>	<b>\$ 11,595,617</b>	<b>\$ 11,313,210</b>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.89%	33.40%	36.58%	42.42%	41.82%	44.51%
Covered-Employee Payroll	\$ 61,362,282	\$ 59,575,031	\$ 57,830,306	\$ 56,145,928	\$ 55,190,947	\$ 53,583,444
District's Net OPEB Liability as a Percentage of Covered-Employee Payroll	19.70%	21.42%	20.67%	18.35%	21.01%	21.11%

\*The District implemented GASB Statement Nos. 74 and 75 in fiscal year 2017, and the above table will be expanded to 10 years of information as the information becomes available.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN ON PLAN ASSETS - OPEB  
LAST FIVE FISCAL YEARS**

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2017	1.9%
2018	2.9%
2019	3.1%
2020	2.5%
2021	2.1%

\*The District implemented GASB Statement Nos. 74 and 75 in fiscal year 2017, and the above table will be expanded to 10 years of information as the information becomes available.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
TRA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
LAST EIGHT MEASUREMENT DATES\***

	Measurement Date June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Collective Net Pension Liability	0.8313%	0.7756%	0.7962%	0.7821%	7.6970%	0.7442%	0.7468%	0.8297%
District's Proportionate Share of the Collective Net Pension Liability	\$ 36,380,174	\$ 57,302,367	\$ 50,749,955	\$ 49,123,200	\$ 153,646,083	\$ 177,509,457	\$ 46,196,966	\$ 38,231,979
State's Proportionate Share of the Collective Net Pension Liability Associated with District Total	<u>\$ 3,068,223</u> <u>\$ 39,448,397</u>	<u>\$ 4,802,118</u> <u>\$ 62,104,485</u>	<u>\$ 4,491,418</u> <u>\$ 55,241,373</u>	<u>\$ 4,615,379</u> <u>\$ 53,738,579</u>	<u>\$ 14,852,396</u> <u>\$ 168,498,479</u>	<u>\$ 17,817,356</u> <u>\$ 195,326,813</u>	<u>\$ 5,666,484</u> <u>\$ 51,863,450</u>	<u>\$ 2,689,665</u> <u>\$ 40,921,644</u>
District's Covered Payroll	\$ 50,374,157	\$ 45,070,354	\$ 45,202,983	\$ 43,206,143	\$ 41,374,215	\$ 38,687,289	\$ 37,891,347	\$ 37,874,556
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	72.22%	127.14%	112.27%	113.69%	371.36%	458.83%	121.92%	100.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.63%	75.48%	78.21%	78.07%	51.57%	44.88%	76.80%	81.50%

\*The District implemented GASB Statement No. 68 in fiscal year 2015, and the above table will be expanded to 10 years of information as the information becomes available.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
TRA SCHEDULE OF DISTRICT CONTRIBUTIONS  
LAST EIGHT FISCAL YEARS\***

	Year Ended June 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 4,233,566	\$ 4,095,419	\$ 3,569,572	\$ 3,485,150	\$ 3,240,764	\$ 3,108,168	\$ 2,901,919	\$ 2,841,307
Contributions in Relation to the Statutorily								
Required Contribution	(4,233,566)	(4,095,419)	(3,569,572)	(3,485,150)	(3,240,764)	(3,108,168)	(2,901,919)	(2,841,307)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 50,762,182	\$ 50,374,157	\$ 45,070,354	\$ 45,202,983	\$ 43,206,143	\$ 41,374,215	\$ 38,687,289	\$ 37,891,347
Contributions as a Percentage of Covered Payroll	8.34%	8.13%	7.92%	7.71%	7.50%	7.50%	7.50%	7.50%

\*The District implemented GASB Statement No. 68 in fiscal year 2015, and the above table will be expanded to 10 years of information as the information becomes available.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
GERF SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
LAST EIGHT MEASUREMENT DATES\***

	Measurement Date June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.2120%	0.2143%	0.2101%	0.2147%	0.2155%	0.2049%	0.2182%	0.2238%
District's Proportionate Share of the Net Pension Liability	\$ 9,053,350	\$ 12,848,264	\$ 11,615,958	\$ 11,910,677	\$ 13,757,377	\$ 16,636,863	\$ 11,308,257	\$ 10,513,003
State's Proportionate Share of the Net Pension Liability								
Associated with the District	276,503	396,180	361,151	390,616	172,995	217,204	-	-
Total	\$ 9,329,853	\$ 13,244,444	\$ 11,977,109	\$ 12,301,293	\$ 13,930,372	\$ 16,854,067	\$ 11,308,257	\$ 10,513,003
District's Covered Payroll	\$ 15,311,107	\$ 15,361,827	\$ 14,741,827	\$ 14,390,960	\$ 13,873,747	\$ 12,694,533	\$ 12,829,397	\$ 11,750,557
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	59.13%	83.64%	78.80%	82.76%	99.16%	131.06%	88.14%	89.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.00%	79.06%	80.23%	79.50%	75.90%	68.90%	78.20%	78.70%

\*The District implemented GASB Statement No. 68 in fiscal year 2015, and the above table will be expanded to 10 years of information as the information becomes available.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
GERF SCHEDULE OF DISTRICT CONTRIBUTIONS  
LAST EIGHT FISCAL YEARS\***

	Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015		
Statutorily Required Contribution	\$ 1,223,201	\$ 1,148,333	\$ 1,152,137	\$ 1,105,637	\$ 1,079,322	\$ 1,040,531	\$ 952,090	\$ 946,168		
Contributions in Relation to the Statutorily Required Contribution	(1,223,201)	(1,148,333)	(1,152,137)	(1,105,637)	(1,079,322)	(1,040,531)	(952,090)	(946,168)		
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
District's Covered Payroll	\$ 16,309,347	\$ 15,311,107	\$ 15,361,827	\$ 14,741,827	\$ 14,390,960	\$ 13,873,747	\$ 12,694,533	\$ 12,829,397		
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.38%		

\*The District implemented GASB Statement No. 68 in fiscal year 2015, and the above table will be expanded to 10 years of information as the information becomes available.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS**

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the years ended June 30:

**A. General Employees Fund**

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

**2020 Changes**

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS  
(CONTINUED)**

**2019 Changes**

Changes in Actuarial Assumptions

- The morality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

**2018 Changes**

Changes in Actuarial Assumptions

- The morality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**2017 Changes**

Changes in Actuarial Assumptions

- The combined service annuity (CSA) loads were changed from 0.80% for active members and 60.00% for vested and nonvested deferred members. The revised CSA load are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for nonvested deferred member liability.



**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS  
(CONTINUED)**

**2017 Changes (Continued)**

Changes in Plan Provisions

- The assumed postretirement benefit increase rate was changed for 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.
- The state's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

**2016 Changes**

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 % to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2015 Changes**

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% per year thereafter.

Changes in Plan Provisions:

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increase the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the state's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS  
(CONTINUED)**

The following changes were reflected in the valuation performed on behalf of the Teachers Retirement Association for the years ended June 30:

**A. Coordinated Plan**

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return assumption was changed from 7.50% to 7.00%.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2019 Changes**

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2018 Changes**

Changes in Actuarial Assumptions

- The investment return assumption was changed from 8.5% to 7.5%.
- The price inflation assumption was lowered from 3.0% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The wage inflation assumption (above price inflation) was reduced from 0.75% to 0.35% for the next 10 years, and 0.75% thereafter.
- The total salary increase assumption was adjusted by the wage inflation change.
- The amortization date for the funding of the Unfunded Actuarial Accrual Liability (UAAL) was reset to June 30, 2048 (30 years).
- The mechanism in the law that provided the TRA Board with some authority is set contribution rates was eliminated.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

**TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)**

**2018 Changes (Continued)**

Changes in Plan Provisions

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to 0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next five years, (7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

**2017 Changes**

Changes in Actuarial Assumptions

- The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- Adjustment were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the nonvested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for 10 years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

**TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)**

**2016 Changes**

Changes in Actuarial Assumptions

- The cost of living adjustment was not assumed to increase (it remained at 2.0% for all future years).
- The price inflation assumption was lowered from 3.0% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes at some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back six years, and female rates set back five years. Generational projection uses the MP-2015 scale.
- The postretirement mortality assumption was changed to the RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.
- The post-disability mortality assumption was changed to the RP-2014 disabled retiree mortality table, without adjustments.
- Separate retirement assumptions for members hired before or after July 1, 1989 were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional forms of payment at retirement were made.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2015 Changes**

Changes in Actuarial Assumptions

- The cost of living adjustment was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2037.
- The investment return assumption was changed from 8.25% to 8.0%.

Changes in Plan Provisions

- The Duluth Teachers Retirement Fund Association was merged into TRA on June 30, 2015. This also resulted in a state-provided contribution stream of \$14.377 million until the System becomes fully funded.

**2014 Changes**

Changes in Actuarial Assumptions

- The cost of living adjustment was assumed to increase from 2.0% annually to 2.5% annually once the legally specified criteria was met. This was estimated to occur July 1, 2031.

Changes in Plan Provisions

- The increase in the postretirement benefit adjustment (COLA) will be made once the System is 90% funded (on a market value basis) in two consecutive years, rather than just one year.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

**OTHER POSTEMPLOYMENT BENEFITS PLAN**

**2021 CHANGES IN ACTUARIAL ASSUMPTIONS:**

- The expected long-term investment return was changed from 2.10% to 4.10%
- The discount rate was changed from 2.10% to 3.80%.

**2020 CHANGES IN ACTUARIAL ASSUMPTIONS:**

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The salary increases were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.
- The discount rate was changed from 2.40% to 2.10%.

**2019 CHANGES IN ACTUARIAL ASSUMPTIONS:**

- The expected long-term investment return was changed from 2.60% to 2.10%.
- The discount rate was changed from 3.10% to 2.40%.

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS:**

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The retiree plan participation assumption for participants not eligible for a pre-65 subsidy was changed from 50.00% to 40.00%.
- The expected long-term investment return was changes from 3.30% to 2.60%.
- The discount rate was changes from 3.50% to 3.10%.

**2017 CHANGES IN ACTUARIAL ASSUMPTIONS:**

- The expected long-term investment return was changed from 2.30% to 3.30%.
- The discount rate was changed from 2.80% to 3.50%.

**2016 CHANGES IN ACTUARIAL ASSUMPTIONS:**

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from RP-2000 projected to 2014 with Scale BB to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and retirement tables for only employees eligible to retire with Rule of 90 also were updated.
- The discount rate was changed from 4.00% to 2.80%.

## **SUPPLEMENTARY INFORMATION**

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2021)**

	2022	2021
<b>ASSETS</b>		
Cash and Investments	\$ 42,661,967	\$ 35,379,664
Cash with Fiscal Agent	46	46
Receivables:		
Current Taxes	17,724,945	15,451,883
Delinquent Taxes	191,575	339,961
Accounts and Interest Receivable	478,821	107,571
Due from Other Minnesota School Districts	61,091	45,214
Due from Minnesota Department of Education	4,263,612	7,768,328
Due from Federal Through the Minnesota Department of Education	2,110,327	619,461
Due from Other Governmental Units	2,232	153,680
Due from Other Funds	750,000	750,000
Long-Term Lease Receivables	144,933	-
Prepays	148,874	59,842
Total Assets	<u>\$ 68,538,423</u>	<u>\$ 60,675,650</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 7,195,541	\$ 6,975,996
Payroll Deductions and Employer Contributions Payable	1,464,399	1,359,306
Accounts and Contracts Payable	1,844,608	2,245,017
Due to Other Minnesota School Districts	445,502	171,439
Due to Other Governmental Units	62,287	57,154
Total Liabilities	<u>11,012,337</u>	<u>10,808,912</u>
Deferred Inflows:		
Unavailable Revenue - Property Taxes Levied for Subsequent Year	35,799,517	28,126,025
Unavailable Revenue - Delinquent Taxes	191,575	176,647
Long-Term Lease Receivables	140,590	-
Total Deferred Inflows of Resources	<u>36,131,682</u>	<u>28,302,672</u>
Fund Balance:		
Nonspendable:		
Prepays	148,874	59,842
Restricted for:		
Student Activities	76,781	54,917
Scholarships	274,053	276,949
Achievement and Integration	-	210,594
Long-Term Facility Maintenance	8,261,324	6,703,982
Medical Assistance	308,140	248,552
Operating Capital	7,131,086	6,478,031
Safe Schools Levy	259,243	259,243
Assigned for:		
Severance Benefits	775,000	660,000
Facility Use Improvements	555,627	476,706
Q comp	8,507	210,966
Grants	490,565	445,167
Donations	642,042	523,740
Subsequent Year Budget	-	528,732
Unassigned	2,463,162	4,426,645
Total Fund Balance	<u>21,394,404</u>	<u>21,564,066</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 68,538,423</u>	<u>\$ 60,675,650</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834**  
**STILLWATER AREA PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2022**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2021)**

	2022			2021
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 29,626,542	\$ 30,197,880	\$ 571,338	\$ 27,443,738
Earnings and Investments	100,000	37,597	(62,403)	101,216
Other	3,485,100	3,475,530	(9,570)	2,214,076
State Sources	81,771,264	78,699,951	(3,071,313)	78,859,924
Federal Sources	4,747,231	4,576,524	(170,707)	4,594,382
Total Revenues	119,730,137	116,987,482	(2,742,655)	113,213,336
<b>EXPENDITURES</b>				
Current:				
Administration:				
Salaries	2,423,614	2,475,729	52,115	2,644,800
Employee Benefits	986,184	944,982	(41,202)	978,399
Purchased Services	191,271	161,624	(29,647)	396,430
Supplies and Materials	10,992	11,718	726	14,066
Other Expenditures	44,000	28,080	(15,920)	64,026
Total Administration	3,656,061	3,622,133	(33,928)	4,097,721
District Support Services:				
Salaries	1,858,947	1,907,881	48,934	1,882,697
Employee Benefits	860,488	1,159,409	298,921	973,107
Purchased Services	87,476	316,782	229,306	780,187
Supplies and Materials	337,820	761,629	423,809	2,898,437
Other Expenditures	7,350	4,219	(3,131)	1,651
Total District Support Services	3,152,081	4,149,920	997,839	6,536,079
Elementary and Secondary Regular Instruction:				
Salaries	30,198,122	32,184,380	1,986,258	32,960,066
Employee Benefits	13,721,878	13,760,153	38,275	14,396,278
Purchased Services	3,448,143	2,931,826	(516,317)	1,671,657
Supplies and Materials	1,969,471	1,514,676	(454,795)	1,491,758
Other Expenditures	20,180	218,098	197,918	198,196
Total Elementary and Secondary Regular Instruction	49,357,794	50,609,133	1,251,339	50,717,955



**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2021)**

	2022		2021	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 854,981	\$ 858,176	\$ 3,195	\$ 963,301
Employee Benefits	387,272	389,547	2,275	379,255
Purchased Services	180,000	323,090	143,090	302,980
Supplies and Materials	7,320	11,949	4,629	21,255
Other Expenditures	-	5,348	5,348	7,127
Total Vocational Education Instruction	1,429,573	1,588,110	158,537	1,673,918
Special Education Instruction:				
Salaries	13,315,966	13,985,618	669,652	13,180,543
Employee Benefits	6,789,572	6,764,321	(25,251)	6,453,888
Purchased Services	1,472,220	1,769,526	297,306	1,382,455
Supplies and Materials	203,535	105,023	(98,512)	121,090
Other Expenditures	12,150	73,176	61,026	71,401
Total Special Education Instruction	21,793,443	22,697,664	904,221	21,209,377
Community Education Services:				
Salaries	-	-	-	23,949
Instructional Support Services:				
Salaries	4,245,924	4,442,649	196,725	4,433,318
Employee Benefits	1,838,237	1,762,194	(76,043)	1,833,685
Purchased Services	452,277	414,465	(37,812)	351,072
Supplies and Materials	180,588	305,608	125,020	222,160
Other Expenditures	32,200	22,534	(9,666)	41,434
Total Instructional Support Services	6,749,226	6,947,450	198,224	6,881,669
Pupil Support Services:				
Salaries	2,747,606	2,826,110	78,504	2,522,189
Employee Benefits	1,212,328	1,247,416	35,088	1,176,035
Purchased Services	9,720,418	7,921,623	(1,798,795)	9,031,955
Supplies and Materials	278,253	112,684	(165,569)	86,116
Other Expenditures	-	14,457	14,457	13,988
Total Pupil Support Services	13,958,605	12,122,290	(1,836,315)	12,830,283

**INDEPENDENT SCHOOL DISTRICT NO. 834**  
**STILLWATER AREA PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2021)**

		2022		2021
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Sites and Buildings:				
Salaries	\$ 3,114,839	\$ 3,284,429	\$ 169,590	\$ 3,305,362
Employee Benefits	1,653,730	1,705,834	52,104	1,799,940
Purchased Services	4,394,112	5,847,508	1,453,396	5,064,295
Supplies and Materials	617,789	684,948	67,159	814,879
Other Expenditures	81,600	13,514	(68,086)	12,776
Total Sites and Buildings	9,862,070	11,536,233	1,674,163	10,997,252
Fiscal and Other Fixed Costs:				
Purchased Services	450,000	463,068	13,068	480,990
Other Expenditures	16,000	21,600	5,600	17,000
Total Fiscal and Other Fixed Costs	466,000	484,668	18,668	497,990
Capital Outlay:				
District Support Services	722,600	215,323	(507,277)	485,801
Regular Instruction	80,500	70,615	(9,885)	55,371
Vocational Education Instruction	-	1,874	1,874	15,023
Special Education Instruction	20,600	35	(20,565)	54,393
Instructional Support Services	5,000	29,280	24,280	-
Pupil Support Services	-	-	-	44,957
Sites and Buildings	6,873,200	4,009,405	(2,863,795)	3,425,067
Total Capital Outlay	7,701,900	4,326,532	(3,375,368)	4,080,612
Debt Service:				
Principal	1,259,649	696,972	(562,677)	595,000
Interest and Fiscal Charges	173,400	173,400	-	224,589
Total Debt Service	1,433,049	870,372	(562,677)	819,589
Total Expenditures	119,559,802	118,954,505	(605,297)	120,366,394
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	170,335	(1,967,023)	(2,137,358)	(7,153,058)
<b>OTHER FINANCING SOURCES</b>				
Sale of Real Property	-	1,776,250	1,776,250	-
Sale of Equipment	1,000	-	(1,000)	-
Insurance Recovery	20,000	21,111	1,111	-
Total Other Financing Sources	21,000	1,797,361	1,776,361	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 191,335</u>	<u>(169,662)</u>	<u>\$ (360,997)</u>	<u>(7,153,058)</u>
<b>FUND BALANCE</b>				
Beginning of Year		21,564,066		28,717,124
End of Year		<u>\$ 21,394,404</u>		<u>\$ 21,564,066</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834**  
**STILLWATER AREA PUBLIC SCHOOLS**  
**FOOD SERVICE FUND**  
**BALANCE SHEET**  
**JUNE 30, 2022**  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Investments	\$ 3,102,514	\$ 1,478,832
Receivables:		
Accounts and Interest Receivable	67	200
Due from Other Minnesota School Districts	136,144	83,613
Due from Federal Through the Minnesota Department of Education	56,094	98,138
Due from Other Governmental Units	1,186	1,768
Inventory	<u>95,955</u>	<u>42,902</u>
Total Assets	<u><u>\$ 3,391,960</u></u>	<u><u>\$ 1,705,453</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 8,391	\$ 17,628
Payroll Deductions and Employer Contributions Payable	1,653	3,533
Accounts and Contracts Payable	27,560	25,093
Unearned Revenue	<u>106,134</u>	<u>165,676</u>
Total Liabilities	143,773	211,930
Fund Balance:		
Nonspendable:		
Inventory	95,955	42,902
Restricted for:		
Food Service	<u>3,152,232</u>	<u>1,450,621</u>
Total Fund Balance	<u><u>3,248,187</u></u>	<u><u>1,493,523</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 3,391,960</u></u>	<u><u>\$ 1,705,453</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 834**  
**STILLWATER AREA PUBLIC SCHOOLS**  
**FOOD SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2022**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2021)

	2022		2021
	Actual	Over (Under)	Actual
	Amounts	Final Budget	Amounts
<b>REVENUES</b>	<u>Final Budget</u>	<u>Final Budget</u>	<u>Final Budget</u>
Local Sources:			
Earnings and Investments	\$ 3,000	\$ 2,400	\$ (600)
Other - Primarily Meal Sales	1,316,706	1,221,640	(95,066)
State Sources	170,000	148,650	(21,350)
Federal Sources	3,956,676	5,126,404	1,169,728
Total Revenues	<u>5,446,382</u>	<u>6,499,094</u>	<u>1,052,712</u>
			3,618,152
<b>EXPENDITURES</b>			
Current:			
Salaries	1,411,700	1,541,673	129,973
Employee Benefits	739,976	698,731	(41,245)
Purchased Services	256,000	172,099	(83,901)
Supplies and Materials	2,645,109	2,267,719	(377,390)
Other Expenditures	3,575	1,797	(1,778)
Capital Outlay	351,000	66,378	(284,622)
Total Expenditures	<u>5,407,360</u>	<u>4,748,397</u>	<u>(658,963)</u>
			3,258,470
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	39,022	1,750,697	1,711,675
			359,682
<b>OTHER FINANCING SOURCES</b>			
Sale of Equipment	<u>-</u>	<u>3,967</u>	<u>3,967</u>
			-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 39,022</u>	<u>1,754,664</u>	<u>\$ 1,715,642</u>
			359,682
<b>FUND BALANCE</b>			
Beginning of Year		<u>1,493,523</u>	<u>1,133,841</u>
End of Year		<u>\$ 3,248,187</u>	<u>\$ 1,493,523</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834**  
**STILLWATER AREA PUBLIC SCHOOLS**  
**COMMUNITY SERVICE FUND**  
**BALANCE SHEET**  
**JUNE 30, 2022**  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Investments	\$ 1,257,938	\$ 1,040,680
Receivables:		
Current Taxes	474,788	509,949
Delinquent Taxes	6,617	11,946
Accounts and Interest Receivable	23,308	17,753
Due from Other Minnesota School Districts	3,382	1,161
Due from Minnesota Department of Education	91,448	170,655
Due from Federal Through the Minnesota Department of Education	68,945	3,896
	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 1,926,426</u>	<u>\$ 1,756,040</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 330,846	\$ 272,974
Payroll Deductions and Employer Contributions Payable	55,157	44,252
Accounts and Contracts Payable	78,946	75,984
Due to Other Minnesota School Districts	4,141	2,779
Due to Other Governmental Units	3,241	157
Unearned Revenue	415,211	353,571
Total Liabilities	<u>887,542</u>	<u>749,717</u>
Deferred Inflows of Resources:		
Property Taxes Levied for Subsequent Year	995,196	1,000,031
Unavailable Revenue - Delinquent Taxes	6,617	6,158
Total Deferred Inflows of Resources	<u>1,001,813</u>	<u>1,006,189</u>
Fund Balance:		
Restricted for:		
Community Education	727,612	454,163
Unassigned	(690,541)	(454,029)
Total Fund Balance	<u>37,071</u>	<u>134</u>
	<u>          </u>	<u>          </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 1,926,426</u>	<u>\$ 1,756,040</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834**  
**STILLWATER AREA PUBLIC SCHOOLS**  
**COMMUNITY SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2022**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2021)

	2022			2021
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 1,000,031	\$ 998,356	\$ (1,675)	\$ 964,739
Earnings and Investments	2,500	1,119	(1,381)	2,274
Other - Primarily Tuition and Fees	4,945,523	5,153,590	208,067	2,732,255
State Sources	1,061,641	867,984	(193,657)	1,070,384
Federal Sources	104,253	533,364	429,111	460,673
Total Revenues	<u>7,113,948</u>	<u>7,554,413</u>	<u>440,465</u>	<u>5,230,325</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	4,423,253	4,533,637	110,384	3,813,005
Employee Benefits	1,375,093	1,394,742	19,649	1,255,406
Purchased Services	1,217,812	1,253,738	35,926	562,033
Supplies and Materials	285,402	279,765	(5,637)	145,191
Other Expenditures	29,912	36,360	6,448	39,864
Capital Outlay	15,500	13,881	(1,619)	-
Debt Service	2,879	5,353	2,474	-
Total Expenditures	<u>7,349,851</u>	<u>7,517,476</u>	<u>165,151</u>	<u>5,815,499</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (235,903)</u>	36,937	<u>\$ 275,314</u>	(585,174)
<b>FUND BALANCE</b>				
Beginning of Year		134		585,308
End of Year		<u>\$ 37,071</u>		<u>\$ 134</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND  
BALANCE SHEET  
JUNE 30, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2021)**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Investments	\$ 7,872,232	\$ 1,488,070
Cash with Fiscal Agent	3,387,704	6,902,568
Receivables:		
Accounts and Interest Receivable	<u>9,488</u>	<u>1,500</u>
Total Assets	<u><u>\$ 11,269,424</u></u>	<u><u>\$ 8,392,138</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts and Contracts Payable	\$ 1,792,261	\$ 361
Fund Balance:		
Restricted for:		
Projects Funded by Certificates of Participation	1,213,053	6,902,568
Restricted for Capital Projects	<u>8,264,110</u>	<u>1,489,209</u>
Total Fund Balance	<u><u>9,477,163</u></u>	<u><u>8,391,777</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 11,269,424</u></u>	<u><u>\$ 8,392,138</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 834**  
**STILLWATER AREA PUBLIC SCHOOLS**  
**CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2022**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2021)**

		2022		2021
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Earnings and Investments	\$ 1,000	\$ (7,626)	\$ (8,626)	\$ 803
Other	-	117,188	117,188	238,417
Total Revenues	1,000	109,562	108,562	239,220
<b>EXPENDITURES</b>				
Current:				
Purchased Services	20,000	1,061,384	1,041,384	209,017
Other Expenditures	-	129,292	129,292	-
Capital Outlay	472,000	4,888,057	4,416,057	54,315
Total Expenditures	492,000	6,078,733	5,586,733	263,332
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>				
	(491,000)	(5,969,171)	(5,478,171)	(24,112)
<b>OTHER FINANCING SOURCES</b>				
Sale of Bonds	-	6,949,897	6,949,897	-
Bond Premium	-	104,660	104,660	-
Issuance of Certificates of Participation	-	-	-	6,521,024
Certificates of Participation Premium	-	-	-	522,665
Total Other Financing Sources	-	7,054,557	7,054,557	7,043,689
<b>NET CHANGE IN FUND BALANCE</b>				
	\$ (491,000)	1,085,386	\$ 1,576,386	7,019,577
<b>FUND BALANCE</b>				
Beginning of Year		8,391,777		1,372,200
End of Year		\$ 9,477,163		\$ 8,391,777



**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2021)**

	Totals	
	2022	2021
<b>ASSETS</b>		
Cash and Investments	\$ 7,273,554	\$ 7,459,864
Cash with Fiscal Agent	8	148,976
Receivables:		
Current Taxes	4,626,424	4,707,426
Delinquent Taxes	67,832	128,976
Due from Minnesota Department of Education	9,923	10,405
Total Assets	<u>\$ 11,977,741</u>	<u>\$ 12,455,647</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities:		
Accounts and Contracts Payable	\$ -	\$ 1,500
Deferred Inflows:		
Property Taxes Levied for Subsequent Year	9,598,628	9,146,306
Unavailable Revenue - Delinquent Taxes	67,832	67,588
Total Deferred Inflows of Resources	<u>9,666,460</u>	<u>9,213,894</u>
Fund Balance:		
Restricted for Debt Service	<u>2,311,281</u>	<u>3,240,253</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 11,977,741</u>	<u>\$ 12,455,647</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834**  
**STILLWATER AREA PUBLIC SCHOOLS**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2022**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2021)**

	2022			2021
	Final Budgeted Amounts	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 9,146,306	\$ 9,045,107	\$ (101,199)	\$ 10,237,264
Earnings and Investments	50,000	7,493	(42,507)	17,368
State Sources	88,000	99,221	11,221	104,064
Total Revenues	<u>9,284,306</u>	<u>9,151,821</u>	<u>(132,485)</u>	<u>10,358,696</u>
<b>EXPENDITURES</b>				
Debt Service:				
Bond Principal	6,735,000	6,735,000	-	6,470,000
Bond Interest	3,356,663	3,505,638	148,975	3,655,108
Paying Agent Fees and Other	2,500	155,258	152,758	2,490
Total Expenditures	<u>10,094,163</u>	<u>10,395,896</u>	<u>301,733</u>	<u>10,127,598</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(809,857)	(1,244,075)	(434,218)	231,098
<b>OTHER FINANCING SOURCES</b>				
Sale of Bonds	-	315,103	315,103	-
Issuance of Certificates of Participation	-	-	-	148,976
Total Other Financing Sources	<u>-</u>	<u>315,103</u>	<u>315,103</u>	<u>148,976</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (809,857)</u>	<u>(928,972)</u>	<u>\$ (119,115)</u>	<u>380,074</u>
<b>FUND BALANCE</b>				
Beginning of Year		<u>3,240,253</u>		<u>2,860,179</u>
End of Year		<u>\$ 2,311,281</u>		<u>\$ 3,240,253</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE  
YEAR ENDED JUNE 30, 2022**

	AUDIT	UFARS	DIFFERENCE
<b>01 GENERAL FUND</b>			
Total Revenue	\$ 116,987,482	\$ 116,987,479	\$ 3
Total Expenditures	118,954,505	118,954,506	(1)
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	148,874	148,874	-
<i>Restricted:</i>			
401 Student Activities	76,781	76,781	-
402 Scholarships	274,053	274,053	-
403 Staff Development	-	-	-
408 Cooperative Programs	-	-	-
413 Projects Funded by COP	-	-	-
414 Operating Debt	-	-	-
416 Levy Reduction	-	-	-
417 Taconite Building Maintenance	-	-	-
424 Operating Capital	7,131,086	7,131,086	-
426 \$25 Taconite	-	-	-
427 Disabled Accessibility	-	-	-
428 Learning and Development	-	-	-
434 Area Learning Center	-	-	-
435 Contracted Alternative Programs	-	-	-
436 State-Approved Alternative Programs	-	-	-
438 Gifted and Talented	-	-	-
440 Teacher Development and Evaluations	-	-	-
441 Basic Skills Programs	-	-	-
445 Career and Technical Programs	-	-	-
448 Achievement and Integration	-	-	-
449 Safe Schools Crime Levy	259,243	259,243	-
451 QZAB Payments	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
453 Unfunded Severance & Retirement Levy	-	-	-
467 LTFM	8,261,324	8,261,324	-
472 Medical Assistance	308,140	308,140	-
464 Restricted Fund Balance	-	-	-
<i>Committed:</i>			
418 Committed for Separation	-	-	-
461 Committed Fund Balance	-	-	-
<i>Assigned:</i>			
462 Assigned Fund Balance	2,471,741	2,471,741	-
<i>Unassigned:</i>			
422 Unassigned Fund Balance	2,463,162	2,463,160	2
<b>02 FOOD SERVICE</b>			
Total Revenue	6,499,094	6,499,094	-
Total Expenditures	4,748,397	4,748,398	(1)
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	95,955	95,955	-
<i>Restricted:</i>			
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	3,152,232	3,152,232	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
<b>04 COMMUNITY SERVICE</b>			
Total Revenue	7,554,413	7,554,411	2
Total Expenditures	7,517,476	7,517,475	1
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
426 \$25 Taconite	-	-	-
431 Community Education	727,612	727,611	1
432 E.C.F.E.	(29,342)	(29,342)	-
440 Teacher Development and Evaluations	-	-	-
444 School Readiness	(661,199)	(661,199)	-
447 Adult Basic Education	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	-	-	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

	AUDIT	UFARS	DIFFERENCE
<b>06 BUILDING CONSTRUCTION</b>			
Total Revenue	\$ 109,562	\$ 109,561	\$ 1
Total Expenditures	6,078,733	6,078,733	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
407 Capital Projects Levy	-	-	-
409 Alternative Facility Program	-	-	-
413 Projects Funded by COP	1,213,053	1,213,053	-
467 LTFM	-	-	-
464 Restricted Fund Balance	8,264,110	8,264,110	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
<b>07 DEBT SERVICE</b>			
Total Revenue	9,151,821	9,151,821	-
Total Expenditures	10,395,896	10,395,896	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
425 Bond Refunding	-	-	-
451 QZAB and QSCB Payments	-	-	-
464 Restricted Fund Balance	2,311,281	2,311,281	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
<b>08 TRUST</b>			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Net Position:</i>			
422 Net Position	-	-	-
<b>18 CUSTODIAL</b>			
Total Revenue	4,328	4,328	-
Total Expenditures	11,750	11,750	-
401 Student Activities	-	-	-
402 Scholarships	64,645	64,645	-
448 Achievement & Integration	-	-	-
464 Restricted Fund Balance	-	-	-
<b>20 INTERNAL SERVICE</b>			
Total Revenue	17,913,629	17,913,629	-
Total Expenditures	19,228,655	19,228,656	(1)
<i>Net Position:</i>			
422 Net Position	4,327,598	4,327,598	-
<b>25 OPEB REVOCABLE TRUST</b>			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Net Position:</i>			
422 Net Position	-	-	-
<b>45 OPEB IRREVOCABLE TRUST</b>			
Total Revenue	781,467	781,467	-
Total Expenditures	1,779,347	1,779,347	-
<i>Net Position:</i>			
422 Net Position	5,404,129	5,404,129	-
<b>47 OPEB DEBT SERVICE</b>			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
425 Bond Refunding	-	-	-
464 Restricted Fund Balance	-	-	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

# Section III

## Statistical



## STATISTICAL SECTION (UNAUDITED)

This part of Independent School District No. 834's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	112
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	121
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	129
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	134
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to services the District provides and the activities it performs.	136

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive financial reports for the relevant year.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year			
	2013	2014	2015	2016
Governmental Activities:				
Net Investment in Capital Assets	\$ 42,915,472	\$ 48,412,468	\$ 56,387,161	\$ 65,414,063
Restricted	6,729,217	6,604,074	5,665,080	9,743,503
Unrestricted	<u>13,185,342</u>	<u>10,995,216</u>	<u>(44,814,567)</u>	<u>(40,407,600)</u>
Total Governmental Activities Net Position	<u>\$ 62,830,031</u>	<u>\$ 66,011,758</u>	<u>\$ 17,237,674</u>	<u>\$ 34,749,966</u>

Note 1: The District implemented GASB Statement No. 45 in fiscal 2009. The District reported a change in accounting principle as a result of implementing this standard that increased unrestricted net position by approximately \$16.3 million.

Note 2: The District implemented GASB Statement No. 68 in fiscal 2015. The District reported a change in accounting principle as a result of implementing this standard that decreased unrestricted net position by approximately \$57.4 million.

Note 3: The District reported a change in accounting principle in fiscal 2016 that reduced net position by approximately \$0.4 million.

Note 4: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2017. The District reported a change in accounting principle as a result of implementing these standards that decreased net position by approximately \$24.2 million.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
NET POSITION BY COMPONENT (CONTINUED)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 66,141,043	\$ 60,554,744	\$ 58,929,681	\$ 62,505,284	\$ 64,517,478	\$ 71,225,113
9,753,511	13,123,335	16,107,066	19,894,112	18,704,343	30,171,276
<u>(84,709,936)</u>	<u>(107,596,516)</u>	<u>(81,207,029)</u>	<u>(82,957,418)</u>	<u>(90,662,072)</u>	<u>(99,073,901)</u>
<u>\$ (8,815,382)</u>	<u>\$ (33,918,437)</u>	<u>\$ (6,170,282)</u>	<u>\$ (558,022)</u>	<u>\$ (7,440,251)</u>	<u>\$ 2,322,488</u>



**INDEPENDENT SCHOOL DISTRICT NO. 834**  
**STILLWATER AREA PUBLIC SCHOOLS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Year			
	2013	2014	2015	2016
Governmental Activities:				
Expenses:				
Administration	\$ 3,445,881	\$ 3,361,947	\$ 3,469,001	\$ 3,835,257
District Support Services	2,980,841	3,298,447	2,879,688	4,930,575
Elementary and Secondary Regular Instruction	46,704,006	44,867,231	45,526,927	45,403,156
Vocational Education Instruction	762,936	948,370	1,142,699	1,293,897
Special Education Instruction	15,619,428	16,207,958	16,441,733	17,032,647
Instructional Support Services	4,820,342	5,461,838	6,112,684	5,748,010
Pupil Support Services	9,667,145	9,780,943	9,807,046	10,113,009
Sites and Buildings	9,201,362	10,583,746	11,582,408	9,363,699
Fiscal and Other Fixed Cost Programs	252,417	274,552	188,265	263,329
Food Service	4,039,562	3,952,305	3,883,245	3,983,097
Community Service	4,204,796	4,213,278	4,586,087	4,807,513
Interest and Fiscal Charges	2,164,229	1,580,073	1,362,338	4,793,187
Total Governmental Activities Expenses	103,862,945	104,530,688	106,982,121	111,567,376
Program Revenues:				
Charges for Services:				
District Support Services	15,740	8,805	1,594	635
Elementary and Secondary Regular Instruction	1,856,271	1,645,165	1,340,698	1,733,392
Vocational Education Instruction	216	-	636	428
Special Education Instruction	107,767	192,412	106,819	716,816
Instructional Support Services	110,769	196,225	55,502	3,613
Pupil Support Services	49,321	46,004	9,559	9,697
Sites and Buildings	450,136	439,878	362,283	309,365
Food Service	2,660,858	2,550,935	2,559,430	2,591,822
Community Service	2,708,941	2,767,116	3,121,607	3,340,816
Operating Grants and Contributions	12,402,761	13,766,818	13,909,704	15,073,801
Capital Grants and Contributions	260,000	-	-	-
Total Governmental Activities Program Revenues	20,622,780	21,613,358	21,467,832	23,780,385
Net Expense	(83,240,165)	(82,917,330)	(85,514,289)	(87,786,991)
General Revenues and Other Changes in Net Position:				
Taxes:				
Property Taxes, Levied for General Purposes	17,123,931	9,620,050	21,050,994	21,857,533
Property Taxes, Levied for Community Service	876,061	443,538	883,576	879,475
Property Taxes, Levied for Building Construction	2,996,024	2,214,866	3,556,087	3,504,044
Property Taxes, Levied for Debt Service	9,983,309	9,618,842	9,524,095	10,418,158
General Grants and Aids	55,057,375	62,828,789	57,947,379	58,466,733
Other General Revenues	1,607,275	1,334,369	1,100,896	1,222,650
Investment Earnings	41,080	38,603	33,423	406,428
Gain (Loss) on Sale of Capital Assets	-	-	-	-
Special Item - Joint School Proceeds	-	-	-	8,918,771
Total General Revenues and Other Changes in Net Position	87,685,055	86,099,057	94,096,450	105,673,792
Change in Net Position	\$ 4,444,890	\$ 3,181,727	\$ 8,582,161	\$ 17,886,801

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 5,045,515	\$ 4,859,694	\$ 2,761,832	\$ 4,163,190	\$ 4,678,752	\$ 3,788,855
4,428,888	4,866,422	3,848,441	4,221,324	7,124,857	4,429,348
64,048,509	63,695,632	33,389,523	51,734,965	56,621,066	52,311,821
1,589,857	1,814,893	1,061,396	1,544,708	1,738,619	1,632,540
23,701,150	24,272,246	15,645,568	22,395,970	23,193,864	23,240,347
8,648,249	9,138,084	6,355,742	7,480,689	7,773,002	7,416,847
12,473,301	13,277,132	11,597,906	13,259,915	10,453,525	2,346,484
11,735,283	14,715,947	11,508,298	14,417,912	14,867,425	21,697,829
238,724	282,149	298,619	418,172	497,990	484,668
4,095,413	4,225,459	4,178,034	3,717,123	3,207,032	4,675,820
6,181,362	7,040,015	6,563,197	3,054,540	6,263,485	7,688,390
3,932,639	3,920,205	3,808,388	3,586,985	3,203,781	770,883
146,118,890	152,107,878	101,016,944	129,995,493	139,623,398	130,483,832
390	505	991	180	15	-
2,062,685	1,841,634	1,674,506	1,161,617	709,348	1,441,108
266	-	-	-	-	-
276,329	349,799	417,106	397,576	460,907	393,773
4,706	4,707	3,155	8	(7)	229
6,833	8,620	5,225	154,240	53,014	177,247
310,726	216,217	172,648	96,424	96,424	100,467
2,647,891	2,951,523	3,044,482	2,402,682	695,540	1,209,895
3,731,436	4,708,102	5,318,825	3,968,375	2,480,370	4,724,877
16,342,406	15,985,953	17,854,618	23,892,060	29,010,528	30,868,772
-	-	-	1,071,842	7,795,398	802,846
25,383,668	26,067,060	28,491,556	33,145,004	41,301,537	39,719,214
(120,735,222)	(126,040,818)	(72,525,388)	(96,850,489)	(98,321,861)	(90,764,618)
26,077,926	26,662,509	27,029,172	29,140,145	27,402,570	30,212,808
924,206	936,351	942,286	937,773	963,441	998,815
-	-	-	-	-	-
9,853,545	9,991,344	10,243,194	9,834,780	10,224,886	9,045,351
62,239,860	61,151,385	59,591,562	60,073,369	52,203,763	59,154,862
1,409,761	1,501,148	1,543,674	704,641	530,450	546,982
505,982	695,026	923,655	838,911	134,502	50,428
349,350	-	-	-	(19,980)	518,111
-	-	-	-	-	-
101,360,630	100,937,763	100,273,543	101,529,619	91,439,632	100,527,357
\$ (19,374,592)	\$ (25,103,055)	\$ 27,748,155	\$ 4,679,130	\$ (6,882,229)	\$ 9,762,739

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
TAX REVENUES BY SOURCE AND LEVY TYPE  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year	Property Tax					Total
	General Purposes	Community Service	Capital Projects – Building Construction	Debt Service		
2013	\$ 17,123,931	\$ 876,061	\$ 2,996,024	\$ 9,983,309	\$ 30,979,325	
2014	9,620,050	443,538	2,214,866	9,618,842	21,897,296	
2015	21,050,994	883,576	3,556,087	9,524,095	35,014,752	
2016	21,857,533	879,475	3,504,044	10,418,158	36,659,210	
2017	26,077,926	924,206	-	9,853,545	36,855,677	
2018	26,662,509	936,351	-	9,991,344	37,590,204	
2019	27,029,172	942,286	-	10,243,194	38,214,652	
2020	29,140,145	937,773	-	9,834,780	39,912,698	
2021	27,402,570	963,441	-	10,224,886	38,590,897	
2022	30,212,808	998,815	-	9,045,351	40,256,974	

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year				
	2013	2014	2015	2016	2017
General Fund:					
Nonspendable	\$ 341,429	\$ 380,847	\$ 271,178	\$ 180,717	\$ 132,997
Restricted	1,696,761	1,931,056	2,467,558	2,590,464	8,070,793
Committed	-	-	-	3,783,815	1,883,815
Assigned	9,434,577	5,992,778	2,125,946	1,851,841	3,351,587
Unassigned	5,200,321	4,672,888	9,137,032	7,753,286	7,852,065
Total General Fund	<u>\$ 16,673,088</u>	<u>\$ 12,977,569</u>	<u>\$ 14,001,714</u>	<u>\$ 16,160,123</u>	<u>\$ 21,291,257</u>
All Other Governmental Funds:					
Nonspendable	\$ 94,083	\$ 84,210	\$ 70,214	\$ 69,555	\$ 43,739
Restricted	5,768,672	7,651,218	3,560,116	90,781,630	27,083,056
Unassigned	-	(22,087)	(586,713)	-	-
Total All Other Governmental Funds	<u>\$ 5,862,755</u>	<u>\$ 7,713,341</u>	<u>\$ 3,043,617</u>	<u>\$ 90,851,185</u>	<u>\$ 27,126,795</u>
Total All Governmental Funds	<u>\$ 22,535,843</u>	<u>\$ 20,690,910</u>	<u>\$ 17,045,331</u>	<u>\$ 107,011,308</u>	<u>\$ 48,418,052</u>

Note: The District implemented GASB Statement No. 54 in fiscal 2011. The new fund balance classifications under GASB Statement No. 54 are not available for previous fiscal years.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year				
2018	2019	2020	2021	2022
\$ 261,833	\$ 133,500	\$ 176,979	\$ 59,842	\$ 148,874
10,603,252	12,387,032	14,738,965	14,232,268	16,310,327
983,815	983,815	983,815	-	-
3,974,155	1,416,490	2,423,807	2,845,311	2,471,741
4,215,589	6,078,702	10,393,558	4,426,645	2,463,162
<u>\$ 20,038,644</u>	<u>\$ 20,999,539</u>	<u>\$ 28,717,124</u>	<u>\$ 21,564,066</u>	<u>\$ 21,394,104</u>
\$ 73,814	\$ 53,360	\$ 76,202	\$ 42,902	\$ 95,955
13,787,952	9,679,032	5,875,326	13,082,785	15,668,288
-	-	-	-	(690,541)
<u>\$ 13,861,766</u>	<u>\$ 9,732,392</u>	<u>\$ 5,951,528</u>	<u>\$ 13,125,687</u>	<u>\$ 15,073,702</u>
<u>\$ 33,900,410</u>	<u>\$ 30,731,931</u>	<u>\$ 34,668,652</u>	<u>\$ 34,689,753</u>	<u>\$ 36,467,806</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year			
	2013	2014	2015	2016
Revenues:				
Local Sources:				
Taxes	\$ 31,003,085	\$ 21,663,695	\$ 35,304,525	\$ 36,717,544
Investment Earnings	36,529	35,494	28,739	400,302
Other	9,567,294	9,180,909	8,659,024	9,929,234
State Sources	64,012,306	72,763,704	67,778,735	69,753,786
Federal Sources	3,447,830	3,831,903	3,961,017	3,786,748
Total Revenues	108,067,044	107,475,705	115,732,040	120,587,614
Expenditures:				
Current:				
Administration	3,265,990	3,221,578	3,315,207	3,730,271
District Support Services	2,898,262	3,276,874	2,799,843	4,988,023
Elementary and Secondary Regular Instruction	45,045,025	44,249,081	44,369,591	44,391,220
Vocational Education Instruction	714,976	897,800	1,118,757	1,269,046
Special Education Instruction	15,163,821	15,696,438	16,053,961	16,718,523
Instructional Support Services	4,760,457	5,333,225	6,006,701	5,579,197
Pupil Support Services	9,316,324	9,436,480	9,466,764	9,827,309
Sites and Buildings	7,606,240	8,386,809	8,515,322	16,709,425
Fiscal and Other Fixed Cost Programs	252,417	274,552	188,265	263,329
Food Service	3,906,007	3,824,528	3,730,236	3,728,962
Community Service	4,002,997	4,035,871	4,418,275	4,650,156
Capital Outlay	3,090,147	4,257,222	9,013,201	16,748,548
Debt Service:				
Principal	7,864,472	7,875,000	8,570,000	8,825,000
Interest and Fiscal Charges	2,808,570	2,022,272	1,818,709	2,212,828
Total Expenditures	110,695,705	112,787,730	119,384,832	139,641,837
Excess of Revenues Over (Under) Expenditures	(2,628,661)	(5,312,025)	(3,652,792)	(19,054,223)
Other Financing Sources (Uses):				
Debt Issued (Bonds, COPs, and Leases)	-	3,360,000	-	90,565,000
Refunding Debt Issued	-	-	-	14,695,000
Premium on Debt Issued	-	96,586	-	9,381,096
Payment on Refunding Bonds	(12,210,000)	-	-	(14,545,000)
Sale of Capital Assets	22,641	10,506	7,213	5,333
Insurance Recovery	-	-	-	-
Transfers In	-	-	453,548	-
Transfers Out	-	-	(453,548)	-
Total Other Financing Sources (Uses)	(12,187,359)	3,467,092	7,213	100,101,429
Net Change in Fund Balances before Special Item	(14,816,020)	(1,844,933)	(3,645,579)	81,047,206
Special Item - Joint School Proceeds	-	-	-	8,918,771
Net Change in Fund Balances	\$ (14,816,020)	\$ (1,844,933)	\$ (3,645,579)	\$ 89,965,977
Debt Service as a Percentage of Noncapital Expenditures	9.9%	9.0%	9.2%	9.6%

**INDEPENDENT SCHOOL DISTRICT NO. 834**  
**STILLWATER AREA PUBLIC SCHOOLS**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 36,882,419	\$ 37,672,798	\$ 38,196,912	\$ 39,871,369	\$ 38,645,741	\$ 40,241,343
499,727	690,063	917,736	697,984	124,847	40,983
10,451,023	11,582,255	12,180,612	10,088,143	5,884,058	9,967,948
72,643,686	74,119,502	77,697,741	80,108,815	80,072,065	79,815,806
3,689,765	3,041,466	3,218,497	3,234,460	7,933,018	10,236,292
124,166,620	127,106,084	132,211,498	134,000,771	132,659,729	140,302,372
3,687,102	3,544,839	3,628,235	3,596,442	4,097,721	3,622,133
4,273,631	4,580,746	3,774,731	3,641,489	6,536,079	4,149,920
45,818,551	46,326,515	46,434,301	45,094,688	50,819,375	50,609,133
1,178,394	1,418,503	1,370,650	1,380,782	1,572,498	1,588,110
17,660,774	18,706,782	19,527,685	20,222,013	21,209,377	22,697,664
7,055,599	7,170,917	7,248,996	6,454,349	6,881,669	6,947,450
11,098,053	11,854,935	12,112,530	12,089,424	12,830,283	12,122,290
8,813,285	12,572,733	14,766,990	9,265,654	10,911,152	11,536,233
238,724	282,149	298,619	418,172	497,990	484,668
3,851,332	3,958,441	3,931,222	3,666,975	3,250,397	4,682,019
5,313,353	6,127,808	7,021,549	6,998,035	5,839,448	7,498,242
59,322,612	14,443,268	5,495,558	7,219,599	4,438,117	10,485,524
9,595,000	6,255,000	6,325,000	6,715,000	7,065,000	7,437,325
6,391,505	4,447,910	4,344,823	4,319,771	3,882,187	3,834,296
184,297,915	141,690,546	136,280,889	131,082,393	139,831,293	147,695,007
(60,131,295)	(14,584,462)	(4,069,391)	2,918,378	(7,171,564)	(7,392,635)
-	-	-	-	-	7,265,000
-	-	-	5,630,000	6,670,000	-
-	-	-	424,079	522,665	104,660
-	-	-	(5,970,000)	-	-
1,538,039	66,820	900,912	1,134	-	1,780,217
-	-	-	-	-	21,111
-	-	-	-	-	-
-	-	-	-	-	-
1,538,039	66,820	900,912	85,213	7,192,665	9,170,988
(58,593,256)	(14,517,642)	(3,168,479)	3,003,591	21,101	1,778,353
-	-	-	-	-	-
\$ (58,593,256)	\$ (14,517,642)	\$ (3,168,479)	\$ 3,003,591	\$ 21,101	\$ 1,778,353
12.6%	8.3%	8.4%	8.8%	8.2%	8.3%

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Property Tax					Total
	General Fund	Capital Projects –	Debt	Community	Special	
		Building		Service		
		Construction	Service Fund	Fund		
		Fund				
2013	\$ 17,134,315	\$ 2,996,024	\$ 9,995,503	\$ 877,243	\$	31,003,085
2014	9,471,422	2,214,866	9,540,818	436,589		21,663,695
2015	21,228,874	3,556,087	9,626,968	892,596		35,304,525
2016	21,894,121	3,504,044	10,437,895	881,484		36,717,544
2017	26,092,174	-	9,865,167	925,078		36,882,419
2018	26,718,149	-	10,016,080	938,569		37,672,798
2019	27,016,038	-	10,239,037	941,837		38,196,912
2020	29,103,776	-	9,830,382	937,211		39,871,369
2021	27,443,738	-	10,237,264	964,739		38,645,741
2022	30,197,880	-	9,045,107	998,356		40,241,343



**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
TAX CAPACITIES AND MARKET VALUE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

For Taxes Collectible	Tax Capacity Valuation			
	Agricultural	Nonagricultural	Fiscal Disparities	
			Contribution	Distribution
2013	\$ 2,247,330	\$ 78,962,711	\$ (7,455,679)	\$ 5,635,681
2014	2,274,352	80,305,216	(7,438,018)	5,569,812
2015	2,601,918	90,112,548	(7,063,639)	5,859,176
2016	2,600,534	92,862,246	(7,156,893)	5,841,005
2017	2,593,669	95,774,839	(7,588,432)	6,408,262
2018	2,613,556	102,233,253	(7,966,063)	6,782,970
2019	2,731,036	108,532,963	(8,572,046)	7,316,060
2020	2,825,150	118,614,081	(8,853,224)	8,019,195
2021	3,096,361	123,238,863	(9,043,983)	8,119,895
2022	2,991,935	131,060,064	(9,840,554)	8,868,220

Note: The District has presented taxable market value, which is the best information available to represent estimated actual value of property.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
TAX CAPACITIES AND MARKET VALUE (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>Tax Increment</u>		<u>Total Taxable</u>	<u>Total Direct Tax Rate</u>	<u>Taxable Market Value</u>	<u>Tax Capacity as a Percentage of Market Value</u>
\$	(2,299,050)	\$ 77,090,993	22.02	\$ 6,988,425,700	1.10
	(1,515,947)	79,195,415	23.15	7,122,885,600	1.11
	(1,615,626)	89,894,377	21.12	8,025,467,500	1.12
	(1,610,290)	92,536,602	19.85	8,263,498,200	1.12
	(1,603,853)	95,584,485	20.39	8,487,566,000	1.13
	(1,750,111)	101,913,605	19.35	9,031,232,600	1.13
	(2,005,329)	108,002,684	18.44	9,583,871,800	1.13
	(2,530,386)	118,074,816	15.32	10,474,238,500	1.13
	(2,680,161)	122,730,975	17.28	10,855,805,400	1.13
	(2,852,184)	130,227,481	19.50	11,512,758,100	1.13

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
PROPERTY TAX RATES – DIRECT AND OVERLAPPING  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Rate	Tax Collection Calendar Year	ISD No. 834	Overlapping Rates				
			Municipalities (1)				
			Stillwater	Oak Park Heights	Bayport	Marine	Afton
Tax Capacity Rate	2013	22.018%	61.503%	54.898%	43.923%	53.537%	30.059%
Market Value Rate	2013	0.16569%	-	-	-	-	-
Tax Capacity Rate	2014	23.150%	58.359%	59.641%	41.699%	57.734%	30.092%
Market Value Rate	2014	0.22687%	-	-	-	-	-
Tax Capacity Rate	2015	21.124%	54.916%	56.804%	40.468%	55.427%	27.737%
Market Value Rate	2015	0.19995%	-	-	-	-	-
Tax Capacity Rate	2016	19.849%	57.016%	57.726%	37.107%	56.752%	29.373%
Market Value Rate	2016	0.20618%	-	-	-	-	-
Tax Capacity Rate	2017	20.390%	56.927%	56.143%	39.410%	60.678%	32.300%
Market Value Rate	2017	0.19504%	-	-	-	-	-
Tax Capacity Rate	2018	19.349%	53.421%	54.462%	36.017%	55.060%	32.255%
Market Value Rate	2018	0.18938%	-	-	-	-	-
Tax Capacity Rate	2019	18.442%	54.288%	50.031%	33.954%	56.705%	32.983%
Market Value Rate	2019	0.19352%	-	-	-	-	-
Tax Capacity Rate	2020	15.321%	53.474%	50.176%	31.644%	56.338%	30.795%
Market Value Rate	2020	0.17594%	-	-	-	-	-
Tax Capacity Rate	2021	17.278%	52.486%	50.838%	33.792%	56.172%	32.025%
Market Value Rate	2021	0.16640%	-	-	-	-	-
Tax Capacity Rate	2022	19.502%	52.152%	51.753%	33.463%	59.002%	32.007%
Market Value Rate	2022	0.18360%	-	-	-	-	-

(1) Municipalities listed include those with district learning sites (current and former).

(2) The miscellaneous other levy includes the Washington County HRA, Metropolitan Council, Metropolitan Mosquito, Transit District, Valley Branch Watershed, Rice Creek Watershed, Carnelian-Marine Watershed, South Washington Watershed, Browns Creek Watershed, Woodbury HRA, and Regional Rail Authority.

Source: Washington County

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
PROPERTY TAX RATES – DIRECT AND OVERLAPPING (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Lake Elmo	Lakeland	Woodbury	Washington County	Miscellaneous Other (2)	Total Stillwater Resident
27.818%	48.194%	39.440%	32.328%	18.948%	134.797%
-	-	0.02699%	-	-	0.16569%
27.761%	47.028%	38.076%	31.051%	18.145%	130.705%
-	-	0.02594%	-	-	0.22687%
23.798%	43.489%	34.657%	28.441%	16.640%	121.122%
-	-	0.01308%	-	-	0.19995%
23.121%	42.451%	35.287%	28.745%	16.586%	122.196%
-	-	0.01216%	-	-	0.20618%
20.018%	44.213%	35.122%	28.697%	15.025%	121.039%
-	-	0.01187%	-	-	0.19504%
22.442%	36.540%	33.670%	28.994%	17.723%	119.487%
-	-	0.01111%	-	-	0.18938%
22.927%	31.800%	33.177%	28.661%	19.659%	121.050%
-	-	0.00664%	-	-	0.19352%
23.477%	36.149%	32.489%	27.770%	18.916%	115.481%
-	-	0.00615%	-	-	0.17594%
23.638%	33.408%	32.298%	26.533%	19.210%	115.507%
-	-	0.00584%	-	-	0.16640%
30.546%	29.525%	32.217%	26.737%	18.518%	116.909%
-	-	0.00551%	-	-	0.18360%

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

Taxpayer	2022			2013		
	Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
Xcel Energy	\$ 7,616,576	1	5.85 %	\$ 7,680,936	1	9.96 %
City Walk TIC I, LLC et al	1,369,825	2	1.05	-	-	-
VSSA Boutwells Landing, LLC	1,223,690	3	0.94	714,229	4	0.93
Wal-Mart Real Estate Business Trust	956,262	4	0.73	966,570	2	1.25
Stillwater Health System	708,501	5	0.54	488,012	7	0.63
Stillwater MP 2021 LLC	560,861	6	0.43	-	-	-
Andersen Corporation	556,055	7	0.43	775,318	3	1.01
Oak Park Heights VAL LLC	554,614	8	0.43	478,340	9	0.62
Crossroads Commerce Center LLC	547,992	9	0.42	509,950	6	0.66
SOO Line Railroad Company	546,496	10	0.42	-	-	-
Target Corporation	-	-	-	527,791	5	0.68
Inland Woodbury Commons LLC	-	-	-	482,983	8	0.63
Rivertown Trading Company	-	-	-	467,187	10	0.61
Total	<u>\$ 14,640,872</u>		11.24	<u>\$ 13,091,316</u>		16.98

Source: Washington County

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

For Taxes Collectible	Original Levy					Collections	
	Local Spread	Fiscal Disparities	Property Tax Credits	Total Spread		First Year Levy Recognized	
						Amount	Percentage of Levy
2013	\$ 27,325,101	\$ 2,227,189	\$ -	\$ 29,552,290		\$ 29,194,108	98.8
2014	33,219,281	2,128,942	-	35,348,223		34,978,729	99.0
2015	33,800,881	2,642,422	-	36,443,303		36,086,850	99.0
2016	34,215,394	2,349,208	-	36,564,602		36,332,635	99.4
2017	34,736,744	2,531,306	-	37,268,050		37,108,753	99.6
2018	35,455,695	2,642,264	-	38,097,959		37,885,063	99.4
2019	37,019,474	2,730,961	101,861	39,852,296		39,787,011	99.8
2020	35,176,324	2,956,006	114,318	38,246,648		37,981,535	99.3
2021	37,752,403	2,603,730	113,534	40,469,667		40,319,810	99.6
2022	44,725,526	2,929,929	115,404	47,770,859		24,944,702	52.2

Note 1: A portion of the total spread levy is paid through various property tax credits, which are paid through state aids and have been included in collections. Legislative changes, beginning with taxes collectible in 2012, significantly reduced or eliminated the amount of tax credits paid through state aids.

Note 2: Delinquent taxes receivable are written off after seven years. The amount of collections has been adjusted to reflect the write-off of delinquent taxes receivable.

Source: State of Minnesota School Tax Report

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
PROPERTY TAX LEVIES AND COLLECTIONS (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Received in Subsequent Years		Total to Date		Uncollected Taxes Receivable as of June 30, 2022			
				Delinquent		Current	
		Amount	Percentage of Levy	Amount	Percent	Amount	Percent
\$	358,182	\$ 29,552,290	100.0	\$ -	-	\$ -	-
	369,494	35,348,223	100.0	-	-	-	-
	356,453	36,443,303	100.0	-	-	-	-
	164,514	36,497,149	99.8	67,453	0.2	-	-
	141,469	37,250,222	100.0	17,828	0.0	-	-
	186,736	38,071,799	99.9	26,160	0.1	-	-
	32,283	39,819,294	99.9	33,002	0.1	-	-
	210,138	38,191,673	99.9	54,975	0.1	-	-
	83,251	40,403,061	99.8	66,606	0.2	-	-
	-	24,944,702	52.2	<u>-</u>	-	<u>22,826,157</u>	47.8
				<u>\$ 266,024</u>		<u>\$ 22,826,157</u>	

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Governmental Activities					Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Premium (Discount) on Bonds	Certificates of Participation	Long-Term Leases	Total Primary Government		
2013	43,730,000	1,443,936	9,530,000	-	54,703,936	5.54	891
2014	39,690,000	1,187,586	9,055,000	-	49,932,586	4.91	810
2015	31,605,000	847,879	8,570,000	-	41,022,879	3.57	649
2016	113,990,000	9,637,255	8,075,000	-	131,702,255	12.85	2,062
2017	104,900,000	9,090,910	7,570,000	-	121,560,910	9.67	1,898
2018	99,165,000	8,598,598	7,050,000	-	114,813,598	N/A	1,793
2019	93,370,000	8,106,286	6,520,000	-	107,996,286	8.23	1,639
2020	87,205,000	7,816,244	5,630,000	-	100,651,244	8.00	1,469
2021	80,735,000	7,823,860	11,705,000	-	100,263,860	8.12	1,463
2022	81,265,000	4,808,949	11,155,000	-	97,228,949	N/A	1,422

N/A – Not Available

(1) See the Schedule of Demographic and Economic Statistics for personal income and total ISD No. 834 population data.

Note: Details regarding the District's outstanding debt can be found in the notes to basic financial statements.



**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO MARKET VALUE  
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand	Net Bonded Debt	Market Value	Percent of Net Debt to Market Value	Estimated Population	Net Bonded Debt per Capita
2013	\$ 45,173,936	\$ 1,996,200	\$ 43,177,736	\$ 6,988,425,700	0.62	61,379	703
2014	40,877,586	1,869,211	39,008,375	7,122,885,600	0.55	61,609	633
2015	32,452,879	1,772,888	30,679,991	8,025,467,500	0.38	63,225	485
2016	123,627,255	7,341,354	116,285,901	8,263,498,200	1.41	63,865	1,821
2017	113,990,910	2,151,560	111,839,350	8,487,566,000	1.32	64,046	1,746
2018	107,763,598	2,379,053	105,384,545	9,031,232,600	1.17	64,046	1,645
2019	101,476,286	2,962,013	98,514,273	9,583,871,800	1.03	65,883	1,495
2020	95,021,244	2,860,179	92,161,065	10,474,238,500	0.88	68,534	1,345
2021	88,558,860	3,240,252	85,318,608	10,855,805,400	0.79	68,534	1,245
2022	86,073,949	2,311,281	83,762,668	11,512,758,100	0.73	68,357	1,225

Source: Annual school district census and U.S. Census

**INDEPENDENT SCHOOL DISTRICT NO. 834**  
**STILLWATER AREA PUBLIC SCHOOLS**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT**  
**JUNE 30, 2022**  
**(UNAUDITED)**

Governmental Unit	2021-2022 Taxable Net Tax Capacity	Bonded Debt	Percent Allocable to ISD No. 834	Portion Allocable to ISD No. 834
Independent School District No. 834	\$ 130,227,481	\$ 86,073,949	100.00 %	\$ 86,073,949
Overlapping Debt:				
City of Afton	7,887,666	6,737,978	94.59	6,373,453
City of Bayport	4,749,177	2,360,000	100.00	2,360,000
City of Hugo	24,720,795	16,505,000	4.93	813,697
City of Lake Elmo	24,732,545	49,655,000	71.92	35,711,876
City of Lakeland	3,094,497	740,000	100.00	740,000
City of Marine	1,605,737	810,000	100.00	810,000
City of Oak Park Heights	11,670,914	4,745,000	100.00	4,745,000
City of Scandia	8,336,001	3,397,000	0.32	10,870
City of Stillwater	30,730,418	29,825,000	100.00	29,825,000
City of Woodbury	127,581,605	50,855,000	14.97	7,612,994
Northeast Metropolitan Intermediate School District No. 916	434,680,577	73,470,000	29.96	22,011,612
South Washington Watershed District	173,267,943	2,665,000	10.27	273,696
Washington County	381,159,791	113,905,000	34.17	38,921,339
Total Overlapping Debt				<u>150,209,537</u>
Total Direct and Overlapping Debt				<u><u>\$ 236,283,486</u></u>

Note 1: The percentage of overlapping debt applicable is estimated using taxable net tax capacity values. Applicable percentages were estimated by determining the portion of the overlapping entity's taxable net tax capacity value that is within the District's boundaries and dividing it by the overlapping government's total taxable net tax capacity value.

Note 2: The Washington County HRA, Metropolitan Council, and Metropolitan Airports Commission are governmental units with overlapping debt applicable to the District. Overlapping debt information for these units of government applicable to the District was not readily available.

Source: Washington County

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt Limit	\$ 1,048,263,855	\$ 1,068,432,840	\$ 1,203,820,125	\$ 1,239,524,730	\$ 1,273,134,900
Total Net Debt Applicable to Limit	<u>41,733,800</u>	<u>37,820,789</u>	<u>29,832,112</u>	<u>106,648,646</u>	<u>102,748,440</u>
Legal Debt Margin	<u>\$ 1,006,530,055</u>	<u>\$ 1,030,612,051</u>	<u>\$ 1,173,988,013</u>	<u>\$ 1,132,876,084</u>	<u>\$ 1,170,386,460</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	3.98%	3.54%	2.48%	8.60%	8.07%

Note: Under state finance law, the District's outstanding general obligation debt should not exceed 15 percent of total market property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Source: State of Minnesota School Tax Report

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
LEGAL DEBT MARGIN INFORMATION (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year				
2018	2019	2020	2021	2022
\$ 1,354,684,890	\$ 1,437,580,770	\$ 1,571,135,775	\$ 1,628,370,810	\$ 1,726,913,715
96,785,947	90,407,987	84,344,821	77,494,748	78,953,719
<u>\$ 1,257,898,943</u>	<u>\$ 1,347,172,783</u>	<u>\$ 1,486,790,954</u>	<u>\$ 1,550,876,062</u>	<u>\$ 1,647,959,996</u>
7.14%	6.29%	5.37%	4.76%	4.57%

Legal Debt Margin Calculation for Fiscal Year 2022

Market Value	\$ 11,512,758,100
Debt Limit (15% of Market Value)	1,726,913,715
Debt Applicable to Limit:	
General Obligation Bonds	81,265,000
Less Amount Set Aside for Repayment of General	
Obligation Debt	<u>(2,311,281)</u>
Total Net Debt Applicable to Limit	<u>78,953,719</u>
Legal Debt Margin	<u>\$ 1,647,959,996</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	City of Stillwater			Total ISD No. 834 Population (3)	School Enrollment (4)	Washington County Unemployment Rate (5)
	Population (1)	Personal Income (1)	Per Capita Personal Income (2)			
2013	18,970	\$ 987,578,000	\$ 52,060	61,379	8,489	4.4
2014	18,892	1,017,013,000	53,833	61,609	8,497	3.6
2015	19,754	1,148,952,000	58,163	63,225	8,439	3.2
2016	19,693	1,025,218,000	52,060	63,865	8,352	3.3
2017	19,748	1,257,572,000	63,681	64,046	8,450	3.0
2018	19,915	N/A	N/A	64,046	8,342	2.5
2019	20,600	1,311,829,000	63,681	65,883	8,433	2.9
2020	19,767	1,258,782,000	63,681	68,534	8,451	5.3
2021	19,394	1,235,029,000	63,681	68,534	8,181	3.6
2022	N/A	N/A	N/A	68,357	8,102	1.9

N/A – Not Available

Note 1: Student enrollment numbers are estimated for the most recent fiscal year.

Note 2: Unemployment rate for 2022 is an average through July 2022.

Sources:

- (1) City of Stillwater's comprehensive annual financial report for the year ended December 31, 2021
- (2) The per capita personal income used is for that of Washington County, in which the City of Stillwater resides
- (3) Annual school district census and U.S. Census
- (4) The District
- (5) Minnesota Department of Employment and Economic Development

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
FULL-TIME EQUIVALENT DISTRICT LICENSED EMPLOYEES BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Employees (1)	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
District Directors/Superintendent	10	10	11	12	12	14	14	13	14	14
Principals	17	17	17	18	19	17	17	17	17	17
Teachers	542	548	523	522	524	566	564	568	592	596
Coordinators, Supervisors, Specialists, and Technical Support	104	105	105	99	105	116	111	109	112	113
Paraprofessionals	180	197	191	205	208	177	187	196	199	190
Food Service	75	74	72	68	68	66	70	78	69	72
Custodians	52	52	52	53	52	56	56	53	56	64
Community Education Leads and Assistants	52	56	59	72	88	85	124	115	74	101
Total	<u>1,032</u>	<u>1,059</u>	<u>1,030</u>	<u>1,049</u>	<u>1,076</u>	<u>1,097</u>	<u>1,143</u>	<u>1,149</u>	<u>1,133</u>	<u>1,167</u>

(1) This schedule is a headcount based on contract group; if an employee has multiple contract groups, they are reflected multiple times. Full-time and part-time employees count the same.

Source: The District's Human Resources Department

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
TEACHER DATA  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Salary Schedule				
	BA	BA + 15	BA + 30	BA + 45	BA + 60
Low Range	\$ 46,248	\$ 47,960	\$ 49,694	\$ 51,464	\$ 53,263
High Range	\$ 69,007	\$ 71,869	\$ 77,666	\$ 80,994	\$ 88,553
Number of Teachers	42	10	11	11	36
Average Salary	\$ 86,069				
Average Education	MA + 15				
Number of Full-Time Equivalents	569				

N/A – Not Applicable

Source: The District's Human Resources Department

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
TEACHER DATA (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Salary Schedule													
MA		MA + 15		MA + 30		MA + 45		MA + 60		PHD / EdD		Total	
\$	53,263	\$	54,146	\$	55,035	\$	55,922	\$	56,821	\$	57,720		N/A
\$	88,553	\$	90,553	\$	92,153	\$	93,777	\$	95,410	\$	97,043		N/A
	100		34		65		48		209		9		575



**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
STUDENT TO STAFF RATIOS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	ISD No. 834 Student to Teacher Ratios (1)	Minnesota Department of Education Student to Staff Ratio (2)		
		ISD No. 834	Washington County Average	State Average
2013	18.16	15.32	14.17	12.93
2014	17.86	15.01	13.85	12.82
2015	18.99	15.75	14.21	12.56
2016	19.25	16.00	14.42	12.69
2017	18.53	15.37	13.66	12.49
2018	18.01	14.90	13.92	12.45
2019	18.36	15.17	14.07	12.36
2020	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A

(1) This data is computed using only full-time equivalent licensed classroom teaching staff.

(2) This data is computed by dividing total students (Minnesota Department of Education enrollment numbers pre-kindergarten through Grade 12) by total certified staff. Certified staff includes classroom teachers, administrators, special education teachers, and all other licensed professionals measured in full-time equivalents.

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
STANDARDIZED TESTING AND GRADUATION RATES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year				
	2013	2014	2015	2016	2017
Standardized Tests					
MCA Reading (1)					
Grade 3	75 %	68 %	73 %	68 %	68 %
Grade 5	76	78	76	81	75
Grade 7	67	68	70	70	68
Grade 10	74	68	72	67	71
MCA Math (1)					
Grade 3	82	81	83	83	80
Grade 5	71	67	65	68	66
Grade 7	70	67	68	68	65
Grade 11	70	65	60	52	62
ACT (2)					
Average Composite Score	24.1	24.5	24.7	22.6	22.4
Graduation Data (3)					
ISD No. 834's Graduation Rate	88	89	87	86	89
State Graduation Rate	80	81	82	83	83
Post-Graduation Student Survey					
Four-Year College/University	79	80	73	73	75
Two-Year College	11	10	16	15	16
Employment	3	3	4	5	2
Military	1	2	3	2	6
No Response/Undecided	6	5	5	5	1
Total	100 %	100 %	100 %	100 %	100 %

N/A – Not Available

N/A for 2020 no testing due to COVID, also due to distance learning there was not sufficient data for the student survey.

- (1) Percent of students scoring at or above proficiency on the Minnesota Comprehensive
- (2) For 2019 11th grade only.
- (3) Starting in 2012, Minnesota began using the federally-required adjusted cohort graduation rate model. This model follows students in a cohort throughout high school and determines if they graduate within four, five, or six years. The four-year graduation rate shows the number of students graduating from high school within four years after entering Grade 9.

Source: Minnesota Department of Education, the District's Testing Department, and the District's Registrar and ACT Corporation

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
STANDARDIZED TESTING AND GRADUATION RATES (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year				
2018	2019	2020	2021	2022
63 %	59 %	N/A %	52 %	51 %
80	77	N/A	63	58
64	70	N/A	57	57
73	73	N/A	67	59
76	73	N/A	66	68
59	57	N/A	39	46
64	68	N/A	52	54
58	51	N/A	55	42
22.3	22.5	23.1	23.9	24.1
92	95	94	91	N/A
83	84	84	83	N/A
73	70	N/A	70	69
15	17	N/A	14	14
5	4	N/A	4	4
2	3	N/A	3	2
5	6	N/A	9	11
100 %	100 %	- %	100 %	100 %

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
SCHOOL FACILITIES  
JUNE 30, 2022  
(UNAUDITED)**

Facility	Use	Constructed	Acres	Classrooms	Square Footage	Capacity	Enrollment (1)
Afton Lakeland Elementary	School	1951/1954/1965 1968/1980/2001	17.00	24	63,368	500	427
Andersen Elementary	School	1919/1937/1946 1980/1997/2014	1.13	16	49,830	375	431
Brookview Elementary	School	2017	20.00	20	74,616	450	438
Central Services	Office/ Warehouse	1975	6.50	N/A	16,139	N/A	N/A
Early Childhood Family Center	School	2012	2.00	17	45,685	255	N/A
Lake Elmo Elementary	School	1920/1952/1954 1959/1963/1969 1976/1987/1988 1996/2010	8.70	36	82,570	675	717
Lily Lake Elementary	School	1963/1966/1969 1990/1993	12.00	31	73,088	525	419
Oak Park Elementary	School	1956/1963/1975 1996/2001/2014	12.70	26	65,781	500	N/A
Oak-Land Middle	School	1967/1969/2016	40.00	45	135,238	1,095	940
Rutherford Elementary	School	1998	16.00	29	106,998	675	485
Stillwater Area High	School	1993/2001/2017	131.88	110	491,125	2,950	2,811
Stillwater Middle	School	1959/1965/1969 1979/1993/2014	40.00	51	212,924	1,244	961
Stonebridge Elementary	School	1971/1997	12.00	28	65,089	575	398
Transportation Facility	Office/ Maintenance	2001	11.00	N/A	17,100	N/A	N/A

N/A – Not Available

(1) Enrollment data from October 1, 2021

Source: The District's Operations and Maintenance Department and Enrollment Department, and MDE school ADM served report

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
FOOD SERVICE – SCHOOL LUNCH PROGRAM DATA  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Total Lunches Served	Days	Average Daily Participation	Free Lunch		Reduced Lunch	
				Number Served	Percent of Total	Number Served	Percent of Total
2013	811,103	172	4,716	131,341	16.19	43,232	5.33%
2014	769,864	167	4,610	130,637	16.97	41,084	5.34
2015	762,295	173	4,406	134,115	17.59	46,416	6.09
2016	750,615	173	4,344	131,892	17.57	40,893	5.45
2017	718,089	171	4,199	131,214	18.27	39,860	5.55
2018	685,616	171	4,009	128,479	18.74	43,997	6.42
2019	695,879	167	4,167	125,912	18.09	46,955	6.75
2020	581,250	218	2,666	174,770	30.07	38,819	6.68
2021	184,901	199	929	184,901	100.00	-	0.00
2022	819,229	172	4,763	819,229	100.00	-	0.00

Note: 2021 includes lunches served as part of the Summer Feeding Program.

Source: The District's Food Service Department

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
STUDENT ENROLLMENT  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Year Ended June 30,	Average Daily Membership (ADM) (for Students Served or Tuition Paid)					Total Pupil Units
	Pre-Kindergarten and Handicapped Kindergarten	Kindergarten	Elementary	Secondary	Total	
2013	139.37	456.27	3,801.29	4,091.82	8,488.75	9,892.79
2014	145.28	465.49	3,808.19	4,078.24	8,497.20	9,890.12
2015	139.50	546.31	3,694.85	4,058.48	8,439.14	9,250.82
2016	149.69	477.26	3,657.63	4,067.90	8,352.48	9,166.06
2017	144.04	495.45	3,648.54	4,161.82	8,449.85	9,282.13
2018	146.66	493.72	3,522.57	4,179.34	8,342.29	9,178.17
2019	178.37	506.73	3,530.51	4,217.63	8,433.24	9,276.77
2020	193.80	487.48	3,619.35	4,150.19	8,450.82	9,280.87
2021	171.98	450.98	3,470.88	4,086.94	8,180.78	8,998.17
2022	191.43	449.13	3,416.09	4,045.18	8,101.83	8,910.85

Note 1: Student enrollment numbers are estimated for the most recent fiscal year.

Note 2: ADM is weighted as follows in computing pupil units:

	Pre-Kindergarten	Handicapped Kindergarten	Half-Day Kindergarten	Full-Day Kindergarten	Elementary 1–3	Elementary 4–6	Secondary
Fiscal 2013 through 2015	1.250	1.000	0.612	0.612	1.115	1.060	1.300
Fiscal 2016 through 2022	1.000	1.000	0.550	1.000	1.000	1.000	1.200

Source: Minnesota Department of Education student reporting system

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
EXPENDITURES PER STUDENT  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year				
	2013	2014	2015	2016	2017
Expenditures Per Student (ADM) (1)					
General Fund:					
District Level Administration	\$ 408	\$ 428	\$ 424	\$ 473	\$ 599
School Level Administration	349	348	355	394	407
Regular Instruction	4,998	4,827	4,885	4,970	5,099
Career and Technical Instruction	84	104	132	151	138
Special Education	1,767	1,831	1,884	1,990	2,074
Student Activities/Athletics	218	221	225	237	237
Instructional Support Services	464	527	607	573	718
Pupil Support Services	375	385	373	389	441
Operations, Maintenance, and Other	855	802	812	804	824
Student Transportation	715	715	740	780	866
Equipment	217	329	226	1,443	166
Land and Buildings	91	202	239	224	263
Total General Fund Expenditures	<u>\$ 10,540</u>	<u>\$ 10,718</u>	<u>\$ 10,902</u>	<u>\$ 12,429</u>	<u>\$ 11,832</u>
ADM Used Per Profile Model Format	<u>8,543</u>	<u>8,546</u>	<u>8,499</u>	<u>8,392</u>	<u>8,482</u>

(1) Average daily membership (ADM) is a measure of student attendance.

Note: The increase in 2016 equipment expenditures per student was due to a one-time special item reported in that year.

Source: Minnesota Department of Education School District Profiles Report

**INDEPENDENT SCHOOL DISTRICT NO. 834  
STILLWATER AREA PUBLIC SCHOOLS  
EXPENDITURES PER STUDENT (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year				
2018	2019	2020	2021	2022
\$ 675	\$ 557	\$ 558	\$ 988	\$ 631
387	399	396	415	436
5,217	5,190	5,042	5,917	5,910
169	161	162	203	195
2,226	2,298	2,379	2,576	2,784
249	253	258	245	292
754	751	658	727	739
490	523	507	546	617
939	958	902	1,110	1,181
924	907	918	1,016	873
274	553	484	497	550
468	415	337	390	386
<u>\$ 12,772</u>	<u>\$ 12,965</u>	<u>\$ 12,600</u>	<u>\$ 14,630</u>	<u>\$ 14,594</u>
<u>8,376</u>	<u>8,463</u>	<u>8,474</u>	<u>8,206</u>	<u>8,127</u>