
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED – JUNE 30, 2021



MONTICELLO SCHOOL DISTRICT

INDEPENDENT SCHOOL DISTRICT #882
302 WASHINGTON STREET, MONTICELLO MN 55362

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2021

PREPARED BY

BUSINESS OFFICE STAFF

MONTICELLO, MINNESOTA

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021**

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL	I
FISCAL YEAR 2020 CERTIFICATE OF EXCELLENCE	VIII
ORGANIZATIONAL CHART	IX
SCHOOL BOARD AND ADMINISTRATION	X

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
REQUIRED SUPPLEMENTARY INFORMATION	
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	15
STATEMENT OF ACTIVITIES	16
GOVERNMENTAL FUNDS — BALANCE SHEET	17
RECONCILIATION OF THE BALANCE SHEET — GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION — GOVERNMENTAL ACTIVITIES	18
GOVERNMENTAL FUNDS — STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE	19
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE — GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES — GOVERNMENTAL ACTIVITIES	20
GENERAL FUND — STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE — BUDGET AND ACTUAL	21
MAJOR FOOD SERVICE FUND — STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE — BUDGET AND ACTUAL	22
MAJOR COMMUNITY SERVICE FUND — STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE — BUDGET AND ACTUAL	23
STATEMENT OF NET POSITION — PROPRIETARY FUND — INTERNAL SERVICE FUND	24
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION — PROPRIETARY FUND — INTERNAL SERVICE FUND	25

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021**

BASIC FINANCIAL STATEMENTS (CONTINUED)	
STATEMENT OF CASH FLOWS — PROPRIETARY FUND — INTERNAL SERVICE FUND	26
STATEMENT OF FIDUCIARY NET POSITION	27
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	27
NOTES TO BASIC FINANCIAL STATEMENTS	28
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF CHANGES IN THE DISTRICT'S SUPPLEMENTAL PENSION LIABILITY AND RELATED RATIOS	71
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS	72
SCHEDULE OF MONEY WEIGHTED RATE OF RETURN ON OPEB PLAN ASSETS	73
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	74
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS	76
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	78
FINANCIAL SECTION	
SUPPLEMENTARY INFORMATION	
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE	86
STATISTICAL SECTION	
NET POSITION BY COMPONENT	87
CHANGES IN NET POSITION	89
FUND BALANCES, GOVERNMENTAL FUNDS	91
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS	93
TAX CAPACITIES AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY	95
DIRECT AND OVERLAPPING PROPERTY TAX RATES	97
PRINCIPAL PROPERTY TAXPAYERS	99
PROPERTY TAX LEVIES AND COLLECTIONS	100
RATIOS OF OUTSTANDING DEBT BY TYPE	101

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021**

STATISTICAL SECTION (CONTINUED)

RATIOS OF GENERAL BONDED DEBT OUTSTANDING	103
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES	105
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT	106
LEGAL DEBT MARGIN INFORMATION	107
DEMOGRAPHIC AND ECONOMIC STATISTICS — INCOME	109
DEMOGRAPHIC AND ECONOMIC STATISTICS — EMPLOYMENT	110
PRINCIPAL EMPLOYERS	111
EMPLOYEES BY CLASSIFICATIONS	112
STUDENT ENROLLMENT	114
EXPENDITURES PER STUDENT	115
GENERAL FUND — COST PER PUPIL ON WEIGHTED AVERAGE DAILY MEMBERSHIP	116
GENERAL FUND — OPERATING ACCOUNT EXPENDITURES BY PROGRAM	118
SCHOOL BUILDING INFORMATION	120
SUMMARY OF MEALS SERVED	121

INTRODUCTORY SECTION



MONTICELLO PUBLIC SCHOOLS
Independent School District No. 882

302 Washington Street
Monticello, Minnesota 55362
www.monticello.k12.mn.us

Phone (763) 272-2000
Fax (763) 272-2009

Date: November 18, 2021

To: Citizens of the School District
Board of Education
Employees of the School District

INTRODUCTION

The Annual Comprehensive Financial Report (ACFR) of Independent School District No. 882, Monticello, Minnesota (the District) for the fiscal year ended June 30, 2021 is presented for your information and review. The ACFR is intended to fully disclose the financial position of the District and the results of operations for the fiscal year. The District administration accepts total responsibility for the accuracy, completeness, and fairness in presentation of the enclosed financial reports. Questions and comments are solicited and welcome.

REPORT FORMAT

This ACFR presented in three main sections: introductory, financial, and statistical. In addition to the information contained in this letter, the introductory section includes the District's organizational chart, and a list of the District's principal officials. The financial section includes the independent auditor's report, Management's Discussion and Analysis (MD&A), basic financial statements, notes to basic financial statements, and detailed combining and individual statements and schedules. The statistical section includes selected financial and general information presented on a multi-year comparative basis. Where possible, historical data is presented for a 10-year period.

Accounting principles generally accepted in the United States of America require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A of the District can be found immediately following the report of the independent auditors.

DISTRICT ORGANIZATION

The Monticello School District officially organized in 1861 and serves the City of Monticello, and portions of the City of Big Lake, Big Lake Township, Silver Creek Township, and Becker Township. The District is guided by its mission, vision, and goals.

Monticello School District is an equal opportunity employer.

DISTRICT ORGANIZATION (CONTINUED)

Mission

The mission of Monticello Public Schools is to provide a systemic culture of excellence and encouragement that enables students of all interests and abilities to achieve their maximum potential. Through a social emotional learning curriculum, we strive to help our students become successful in academics and future careers, as well as in relationships and their interpersonal life. By creating a supportive and secure learning environment, developing deep relationships, and instilling a sense of belief in every student, we aim to create a desire within every student to take chances, push farther, and succeed greater than otherwise thought possible.

Vision

As a world class educational institution, Monticello Public Schools will provide:

- A unique, tight-knit community that fosters a sincere desire for lifelong learning
- Wide use of technology to enhance individual learning, and help prepare students for the global world
- STEM opportunities for ALL students in the district, starting at the kindergarten level
- Unparalleled Special Education services that make success a reality for all students
- Educated, passionate staff, driven to better the lives of Monticello students
- An environment that encourages and rewards continued education and professional development
- An array of music of music, arts, and after school activities to meet the numerous needs of our student body
- An emphasis on service learning and whole child education
- A blueprint to leadership for all students and staff

The District enrolled 4,113 ADM's (Average Daily Membership) from a population of over 21,304 citizens residing in a 100 square mile area. During 2020-21 the District operated and owned 5 buildings and leased 1 building with a total square footage of 1,017,785 square feet having an average age of 31.96 years: 1 high school, 1 alternative high school, 1 middle school, 2 elementary schools, and 1 early childhood building. This does not includes the outdoor space the District leased to start a Nature Base program for Preschool through Grade 5. The District is organized by grade level with elementary schools serving students in kindergarten through Grade 5, middle school serving Grades 6- 8, and the high schools serving Grades 9-12.

REPORTING ENTITY

Independent School District No. 882, also known as Monticello Public Schools, is an instrumentality of the State of Minnesota established to function as an educational institution. The elected School Board is responsible for legislative and fiscal control of Monticello Public Schools. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

Monticello School District is an equal opportunity employer.

REPORTING ENTITY (CONTINUED)

The District's financial statements include all funds, departments, agencies, boards, commissions, and other component units for which the District is considered to be financially accountable. Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit included whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally dependent upon by the potential component unit.

Based on these criteria, there are no organizations considered to be component units of the District.

FINANCIAL STATEMENTS

The financial statements contained in this report disclose the financial position of the District as of June 30, 2021, and the financial operations for the fiscal year then ended. The District's financial records and reports are maintained and prepared on a modified or full accrual basis of accounting in accordance with the Uniform Financial Accounting and Reporting System for Minnesota School Districts as well as the standards of the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. These records are audited annually by an independent certified public accountant as required by Minnesota law. The audited financial report must be provided by the Minnesota Department of Education by December 31, subsequent to year-end on June 30. The accounting firm of CliftonLarsonAllen LLP performed the audit for the 2020-21 fiscal year. Their report is included in the financial section of this report. The auditor has given an unmodified opinion on the District's financial statements. An unmodified opinion means that, in the judgment of the auditor, the financial statements present fairly, in all material respects, the financial position of the District and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

FEDERAL SINGLE AUDIT AND STATE COMPLIANCE AUDIT

The independent audit of the financial statements of the District is part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited district's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The District is also required to undergo an annual Minnesota State Legal Compliance Audit under Minnesota Statute §6.65. These reports are available in a separate document.

Monticello School District is an equal opportunity employer.

ACCOUNTING AND BUDGETING

A major thrust of the District's accounting system is to provide adequate internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits likely to be derived, and that the evaluation of the cost and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance for proper recording of financial transactions.

Budgetary control is maintained through an annual budget adopted by the School Board for all funds as required by state statutes and School Board policy. The adopted budget serves as the authorizing document for all expenditures, although the School Board approves all checks issued on a monthly basis. The Superintendent and Director of Business Services are authorized to make financial commitments within budgetary guidelines for contracts not requiring sealed bids. Additional expenditure controls are maintained by the District Office in accordance with state statutes, i.e., the District cannot incur a negative unassigned balance in the General Fund in excess of 2.5% of the preceding year's expenditures. The budget is published annually in the District's legal newspaper to inform residents of the District's financial position and operating plan for the fiscal year.

The District has established a system of internal controls that provides reasonable assurance that assets are safeguarded from misuse or losses. Encumbrances, or open purchase orders, are used as a budgetary control tool and are charged against line item budgets when issued. The School Board receives a quarterly report showing the budget to actual balances for revenues and expenditures of the current year and prior year. Program managers receive monthly budget reports via email, which indicate the approved budget on a line item basis; the year-to-date expenditures assigned to those line items; and the percent expended to date. Monthly monitoring of revenues and expenditures by the Director of Business Services as well as ongoing monitoring by program managers helps to ensure budget integrity and provides an opportunity to detect material budget variances before the end of the fiscal year.

School Board is required to adopt the budget by June 30th of each year for the following fiscal year prior to July 1. In the winter the budget is revised based upon enrollment changes, effects of negotiated employee contracts, or other new information impacting revenues or expenditures. The revised budget is presented to the School Board for approval. To accurately track and report financial activities with a focus on site-based accounting, approximately 9,530 accounts have been defined in the District's chart of accounts. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end.

Monticello School District is an equal opportunity employer.

FINANCIAL PROSPECTS FOR FUTURE YEARS

The Monticello School Board has focused on rebuilding the unassigned fund balance of the General Fund from its FY 2006 low point of - \$426,605, or -1.44% of its General Fund expenses according to the School Board policy 714. The General Fund unassigned and nonspendable fund balance as of June 30, 2021 is \$3,577,561, or 7.20%. The Monticello School Board approved a balanced budget going into the 2020-2021 school year, but the District experienced some enrollment loss and additional expenditures due to the pandemic. Additional stimulus funds received from the State and Federal government provided the District some short-term financial stability.

Future funding from the State will become challenging with the unknown lingering effects of the coronavirus pandemic. In November 2021, the District asked the voters to approve a new operating referendum and capital technology levy to prevent future budget reductions and sustain technology needs across the District. The operating referendum and capital technology levy questions were unsuccessful, so the District will put together a plan for the next steps.

The District's finances are largely dependent on student enrollment. Monticello has been experiencing relatively flat enrollment from FY 2011 to FY 2021 with enrollment changes ranging from -2% decline to +2% growth over this 10-year period. Based on the number of Wright county births from the previous 5 years and new housing permits in the city of Monticello, this trend is expected continue for the next five years, resulting small overall changes in the revenue budget.

ECONOMIC FACTORS

The District is located in Wright County and is approximately 44 miles northwest of the Minneapolis-St. Paul metropolitan area.

The District intentionally focuses efforts of staff and other resources to identify financial resources that are available in order to maximize revenue. With the exception of the voter-approved operating referendum and bond referendum, the District is largely dependent on the state of Minnesota for its revenue authority and state aid. For the past several bienniums, the legislated revenue for education has not been sufficient to meet instructional program needs due to increased costs from inflation and required mandates.

Monticello School District is an equal opportunity employer.

ECONOMIC FACTORS (CONTINUED)

November 2020 forecast from Minnesota Management and Budget has the current year projected deficit eliminated with a \$641 million surplus now projected. The improved budget outlook continues, but the General Fund is projected to end with a deficit of \$1.273 billion for the FY2022-23 biennium. As the pandemic shows no signs of leaving anytime soon, the economic challenges continue. As an example, employment numbers have decreased due to Minnesotans are leaving the work force rather than unemployed workers finding jobs. When the February 2021 forecast was announced, the projected outlook improved to a projected surplus of \$1.571 billion for the FY2022-23 biennium. The recent forecast included the federal pandemic relief legislation, which raised the revenue forecast. At the same time, state spending estimates are lower due to continued federal support in Medical Assistance and lower estimates for E-12 education. The Legislature approved basic funding formula increases of 2 percent for both FY 2020 and FY 2021. The metered payment schedule is currently at 90% where it should be, and the District is in a very good cash flow position.

Numerous factors affect public school finance and are monitored on an on-going basis, such as:

- State aid versus local tax payer funding for programs and services
- Economic factors, such as unemployment and overall revenue collections by the state
- Mandated programs that are not fully funded, such as special education
- Compliance and implementation of governmental pronouncements
- Impact to local tax payers for operating referendum requests
- Increase competition for students from other public schools as well as charter schools
- Housing development and growth
- Enrollment trends
- Health insurance cost increases
- Pension obligations, both local and state
- Management of federal and other special funded state programs

MAJOR INITIATIVES

In 2021-21, Monticello School District launched a Nature Based Education program for students in Kindergarten through Fifth Grade. Operated in conjunction with community partners, this program offers the opportunity for students to learn in the hands-on environment of the great outdoors. Following the prior successful launch of Nature Based Preschool, this expansion opened up a full classroom at each grade level. The kindergarten, fourth and fifth grade classrooms are held at Bertram Chain of Lakes Regional Park, while our first through third grade classrooms operate together at Laestadian Lutheran Church (and the surrounding setting). This innovative program has proven extremely popular with families and offers students a chance to be successful in a non-traditional setting while still receiving standards-based education. Spending more than 70 percent of their time outdoors, students learn to use nature as an educational tool while simultaneously gaining the benefits of fresh air, healthy movement, and so much more.

Monticello School District is an equal opportunity employer.

AWARDS AND ACKNOWLEDGEMENTS

The District received its first financial reporting recognition in 2013 and has continued to be recognized for nine consecutive years from the Minnesota Department of Education through its School Finance Award program.

This report has been prepared following the guidelines provided by the Association of School Business Officials International (ASBO) for their Certificate of Excellence in Financial Reporting Program. In order to receive this award, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report (ACFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements. The District received the Certificate of Excellence in Financial Reporting from ASBO International for excellence in the preparation and issuance of the District's ACFR for the year ended June 30, 2020. It is the seventh consecutive year the District has received the award.

The time, effort, and attention that go into the timely preparation of a ACFR require the commitment and cooperation of many people. Special appreciation is hereby extended to the District Office staff for the dedication and to the School Board for their encouragement and leadership.

Sincerely,

A handwritten signature in cursive script that reads "Tina Burkholder".

Tina Burkholder,
Director of Business Services



**The Certificate of Excellence in Financial Reporting
is presented to**

**Independent School District 882 -
Monticello Public Schools**

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

The report meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'W. Edward Chabal'.

**W. Edward Chabal
President**

A handwritten signature in black ink, reading 'David J. Lewis'.

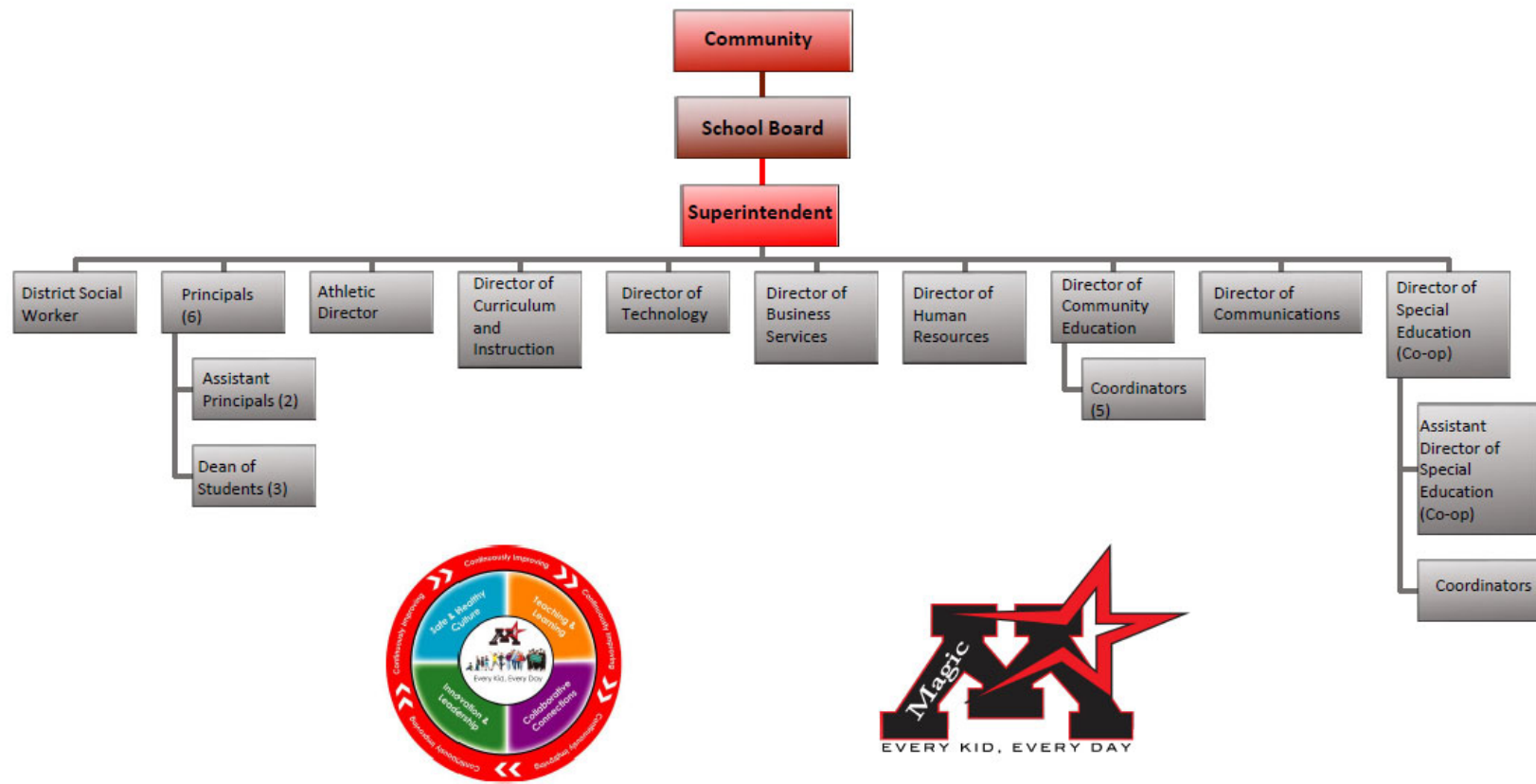
**David J. Lewis
Executive Director**

Monticello School District is an equal opportunity employer.

Monticello School District 882

Every Kid, Every Day

Organizational Chart



**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
SCHOOL BOARD AND ADMINISTRATION
JUNE 30, 2021**

SCHOOL BOARD

NAME	TERM ON BOARD EXPIRES	BOARD POSITION
Jennifer Lewis Kannegieter	12/31/2022	Chairperson
Candace Carda	12/31/2022	Vice Chairperson/Treasurer
Melissa Curtis	12/31/2022	Secretary/Clerk
Jeff Hegle	12/31/2024	Director
Jamie Sieben	12/31/2024	Director
Kathy Ziebarth	12/31/2024	Director

ADMINISTRATION

Eric Olson	Superintendent
Tina Burkholder	Director of Business Services
Barb Wilson	Director of Human Services
Matt Coalwell	Senior High School Principal
Jeff Scherber	Middle School Principal
Linda Borgerding	Elementary School Principal
Gabe Hackett	Elementary School Principal
Joe Dockendorf	Elementary School Principal
Gary Revenig	Athletic/Activities Director
Jeremiah Mack	Community Education Director
Heidi Nistler	Special Education Director
Susan Heidt-Bacon	Technology Director
District Offices:	Independent School District No. 882 Monticello Public Schools 302 Washington Street Monticello, MN 55362 (763) 272-2000

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Education
Independent School District No. 882
Monticello Public Schools
Monticello, Minnesota

Report on the Financial Statements

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. 882 (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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 the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 the District as of June 30, 2021, and the respective changes in financial position and respective budgetary comparisons for General Fund, Food Service Fund, and Community Service Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited the District's 2020 financial statements, and we expressed unmodified audit 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, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Changes in the District's Supplemental Pension Liability and Related Ratios, the Schedule of Changes in the District's Net OPEB Liability and Related Ratios, Schedule of Money Weighted Rate of Return on OPEB Plan Assets, the Schedule of District's Proportionate Share of the Net Pension Liability, and Schedule of District Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, uniform financial accounting and reporting standards, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The uniform financial accounting and reporting standards compliance table 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2021, on our consideration of the District'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 the District'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
November 18, 2021

REQUIRED SUPPLEMENTARY INFORMATION

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

This section of Monticello Schools — Independent School District No. 882's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021; it is meant to be read in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020-2021 fiscal year include the following:

- Net position decreased from (\$31,334,671) to (\$34,035,441) mainly due to a change in assumption for pension.
- The net position decreased by \$2,700,770 from June 30, 2020, with total revenues of \$71,609,480 and total expenses of \$74,310,250.
- Overall General Fund revenues and other financing sources were \$60,766,527 as compared to \$60,787,926 of expenditures and other financing uses.
- The District's governmental fund expenditures and other financing uses were more than revenues and other financing sources in the current year by \$979,292 which caused a decrease in overall fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts — Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that 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.
 - The *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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

District-Wide Statements

The District-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 district-wide statements report the District's *net position* and how it has changed. Net position — the difference between the District's assets, deferred outflows of resources, 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 is 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 District-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 establishes 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).

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 district-wide statements, we provide additional information following the governmental funds statements that explain the relationship (or differences) between them.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Fund Financial Statements (Continued)

- *Proprietary Funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements.
 - The District uses internal service funds to report activities that provide supplies and services for the District's other programs and activities. The District currently has one Internal Service Fund for self-insurance of dental benefits.
- *Fiduciary Funds* – The District is the trustee, or *fiduciary*, for assets that belong to others. The District currently has one custodial fund for scholarships and the Postemployment Benefits Irrevocable Trust Fund. 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 District-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's *combined* net position was (\$34,035,441) on June 30, 2021. This was a decrease of \$2,700,770 (see Table A-1).

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

	Governmental Activities		Percentage
	2021	2020	Change
Current and Other Assets	\$ 30,156,520	\$ 30,605,201	(1.47)%
Capital and Noncurrent Assets	71,837,105	73,802,829	(2.66)
Total Assets	101,993,625	104,408,030	(2.31)
Deferred Outflows of Resources	20,447,241	29,621,719	(30.97)
Current Liabilities	11,626,855	11,192,991	3.88
Long-Term Liabilities	102,389,870	98,200,136	4.27
Total Liabilities	114,016,725	109,393,127	4.23
Deferred Inflows of Resources	42,459,582	55,971,293	(24.14)
Net Position:			
Net Investment in Capital Assets	25,109,224	25,004,889	0.42
Restricted	4,153,779	3,863,922	7.50
Unrestricted	(63,298,444)	(60,203,482)	5.14
Total Net Position	<u>\$ (34,035,441)</u>	<u>\$ (31,334,671)</u>	

The District's change in financial position is the product of many factors. Deferred inflows of resources decreased approximately \$13.5 million, and deferred outflows of resources decreased approximately \$9.2 million.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Changes in Net Position

The District's total revenues were \$71,609,480 for the year ended June 30, 2021. Property taxes and state formula aid accounted for 60% of total revenue for the year.

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

	Governmental Activities for the		Total %
	2021	2020	Change
Revenues			
<u>Program Revenues</u>			
Charges for Services	\$ 12,590,155	\$ 12,510,129	0.64 %
Operating Grants and Contributions	14,070,478	10,575,272	33.05
Capital Grants and Contributions	631,212	649,523	(2.82)
<u>General Revenues</u>			
Property Taxes	12,391,520	12,816,820	(3.32)
Unrestricted State Aid	30,770,967	31,020,346	(0.80)
Investment Earnings	6,182	217,629	(97.16)
Other	1,148,966	1,079,499	6.44
Total Revenues	71,609,480	68,869,218	3.98
Expenses			
Administration	1,796,368	1,560,908	15.08
District Support Services	1,139,688	1,065,605	6.95
Regular Instruction	28,570,755	27,681,918	3.21
Vocational Education Instruction	1,638,491	1,483,315	10.46
Special Education Instruction	18,161,827	17,927,383	1.31
Instructional Support Services	3,264,499	3,018,474	8.15
Pupil Support Services	4,378,701	4,187,714	4.56
Sites and Buildings	5,942,591	6,371,538	(6.73)
Fiscal and Other Fixed Cost Programs	856,818	647,515	32.32
Food Service	2,095,506	1,992,929	5.15
Community Service	4,191,681	4,208,681	(0.40)
Unallocated - Depreciation	981,124	985,784	(0.47)
Interest and Fiscal Charges on Long-Term Liabilities	1,292,201	1,323,735	(2.38)
Total Expenses	74,310,250	72,455,499	2.56
Change in Net Position	(2,700,770)	(3,586,281)	
Net Position - Beginning of Year	(31,334,671)	(27,748,390)	
Net Position - End of Year	<u>\$ (34,035,441)</u>	<u>\$ (31,334,671)</u>	

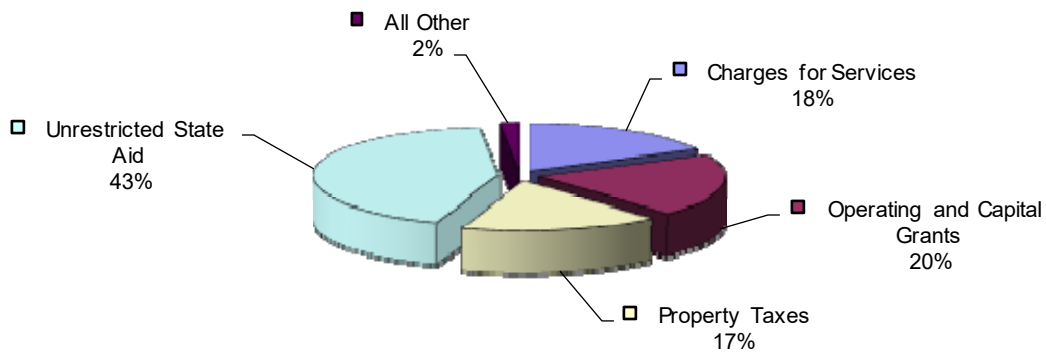
The total cost of all programs and services, including interest and fiscal charges, was approximately \$74.3 million. Total expenses exceeded revenues, decreasing net position \$2,700,770 over last year.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

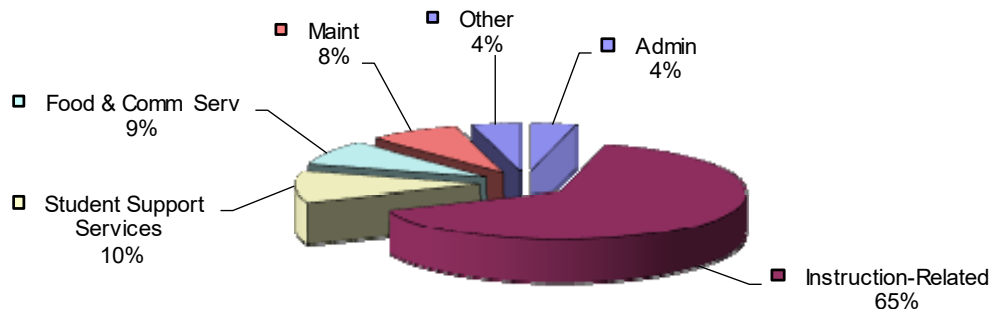
The cost of all *governmental* activities this year was \$74,310,250 as shown in Figure A-1.

- Some of the cost was paid by the users of the District's programs (\$12,590,155).
- The federal and state governments subsidized certain programs with grants and contributions (\$14,701,690).
- A significant portion of governmental activities was paid for with \$12,391,520 in property taxes, \$30,770,967 of unrestricted state aid based on the statewide education aid formula, and \$1,155,148 with investment earnings and other general revenues.

**Figure A-1
Sources of District's Revenues for Fiscal 2021**



**Figure A-2
District Expenses for Fiscal 2021**



**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Typically the District does not include in an analysis of all governmental funds a breakout of expenditures as depicted in Figure A-2. To do so, distorts the latitude available to the District to allocate resources to instruction. All governmental funds includes not only funds received for the general operation of the District, which are used for classroom instruction, but also includes resources from the entrepreneurial-type funds of Food Service and Community Education, and from resources for fiscal service transactions. 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, Community Education or for fiscal services to enhance classroom instruction resources. The District cannot take funds from these restricted areas and use the funds to hire teachers to enhance instruction. The preceding graph, by pooling all expenditures, implies that the District does have equal access to all funds to impact classroom instruction. In Minnesota, that is simply not an option. Therefore, a more accurate analysis of resources allocated to instruction should be limited to an analysis of resources received for the general operation of the District and that analysis would show that 75% of those resources are spent on instruction-related and student support services.

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

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2021	2020		2021	2020	
Administration	\$ 1,796,368	\$ 1,560,908	15.08 %	\$ 1,786,056	\$ 1,555,618	14.81 %
District Support Services	1,139,688	1,065,605	6.95	1,115,111	1,025,882	8.70
Regular Instruction	28,570,755	27,681,918	3.21	23,414,005	24,214,723	(3.31)
Vocational Education Instruction	1,638,491	1,483,315	10.46	1,631,347	1,478,229	10.36
Special Education Instruction	18,161,827	17,927,383	1.31	2,807,883	3,517,071	(20.16)
Instructional Support Services	3,264,499	3,018,474	8.15	2,991,137	2,819,025	6.11
Pupil Support Services	4,378,701	4,187,714	4.56	4,161,399	4,140,534	0.50
Sites and Buildings	5,942,591	6,371,538	(6.73)	5,769,906	6,134,910	(5.95)
Fiscal and Other Fixed						
Cost Programs	856,818	647,515	32.32	856,818	647,515	32.32
Food Service	2,095,506	1,992,929	5.15	(202,556)	17,537	(1255.02)
Community Service	4,191,681	4,208,681	(0.40)	413,974	860,012	(51.86)
Unallocated - Depreciation	981,124	985,784	(0.47)	981,124	985,784	(0.47)
Interest and Fiscal Charges						
on Long-Term Liabilities	1,292,201	1,323,735	(2.38)	1,292,201	1,323,735	(2.38)
Total	<u>\$ 74,310,250</u>	<u>\$ 72,455,499</u>	2.56	<u>\$ 47,018,405</u>	<u>\$ 48,720,575</u>	(3.49)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well and has slightly deteriorated from the previous year. As the District completed the year, its governmental funds reported a *combined* fund balance of \$10,131,965 which is \$979,292 lower than last year's ending fund balance of \$11,111,257. Revenues and other financing sources for the District's governmental funds were \$71,938,112 while total expenditures and other financing uses were \$72,917,404.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

GENERAL FUND

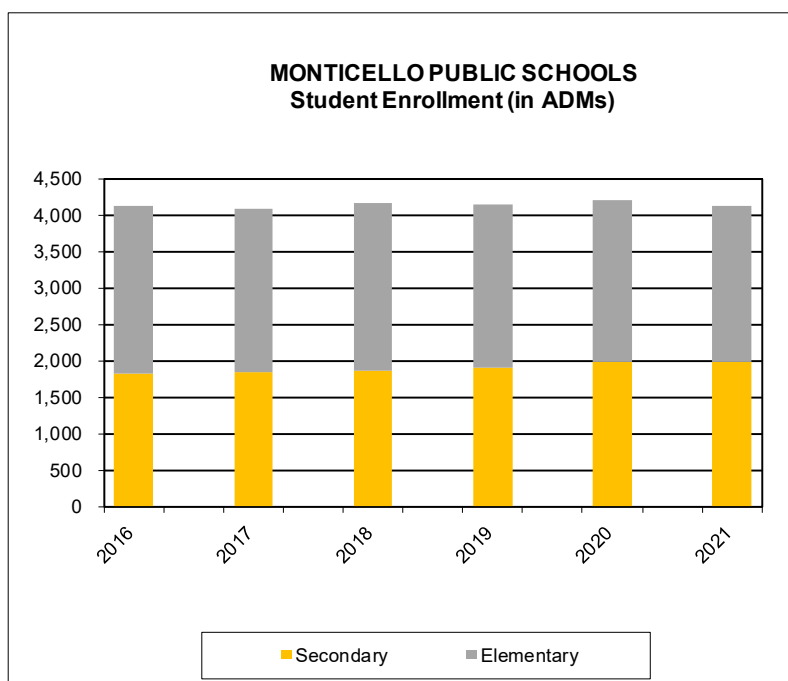
The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through grade 12 including pupil transportation activities and capital outlay projects. General Fund operational revenue is controlled by a complex set of state funding formulas resulting in the local school board having no meaningful authority to determine the level of resources. This includes special education state aid that is based upon a cost reimbursement model. Other state formulas then determine what portion of the revenue will be provided by property taxes and what portion will come from state aid.

ENROLLMENT

Enrollment is a critical factor in determining revenue. The following chart shows that the number of students served has decreased slightly over the last couple years.

**Table A-4
Six-Year Enrollment Trend
Average Daily Membership (ADM)**

	2016	2017	2018	2019	2020	2021
Elementary	2,296	2,244	2,296	2,231	2,210	2,125
Secondary	1,823	1,833	1,864	1,909	1,986	1,988
Total Students for Aid	4,119	4,077	4,160	4,140	4,196	4,113
Percent Change	2.61 %	(1.02)%	2.04 %	(0.48)%	1.35 %	(1.98)%



In 2021, the District experienced a decrease in enrollment served of 83 ADMs.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

The following schedule presents a summary of General Fund Revenues.

**Table A-5
General Fund Revenues**

Fund	Year Ended		Change	
	June 30, 2021	June 30, 2020	Increase (Decrease)	Percent
Local Sources:				
Property Taxes	\$ 8,713,835	\$ 8,929,982	\$ (216,147)	(2.4)%
Earnings on Investments	3,477	83,730	(80,253)	(95.8)
Other	10,996,031	10,737,307	258,724	2.4
State Sources	36,398,266	36,592,366	(194,100)	(0.5)
Federal Sources	4,601,387	2,320,345	2,281,042	98.3
Total General Fund Revenue	<u>\$ 60,712,996</u>	<u>\$ 58,663,730</u>	<u>\$ 2,049,266</u>	3.5

Total General Fund Revenue increased by \$2,049,266 or 3.5% from the previous year. This was mainly due to revenue from Federal Sources increasing \$2.2 million. Additional federal funds were received to help with the effects of the pandemic.

The following schedule presents a summary of General Fund Expenditures.

**Table A-6
General Fund Expenditures**

	Year Ended		Amount of Increase (Decrease)	Percent Increase (Decrease)
	June 30, 2021	June 30, 2020		
Salaries	\$ 34,799,920	\$ 33,133,279	\$ 1,666,641	5.0 %
Employee Benefits	15,345,753	14,111,555	1,234,198	8.7
Purchased Services	6,579,794	6,015,293	564,501	9.4
Supplies and Materials	2,642,794	2,022,470	620,324	30.7
Capital Expenditures	884,799	1,064,139	(179,340)	(16.9)
Other Expenditures	480,164	471,381	8,783	1.9
Total Expenditures	<u>\$ 60,733,224</u>	<u>\$ 56,818,117</u>	<u>\$ 3,915,107</u>	6.9

Total General Fund Expenditures increased \$3,915,107 from the previous year. This was mainly due to expenditures under salaries and benefits. The District hired additional teachers to help with socially distancing students in the classroom, additional substitutes, technology integrationist, nurse, two behavior specialists, intervention staff, and support for the District's Nature Base program. The District had an increase in supplies and materials due to purchasing additional cleaning supplies due to purchasing additional cleaning supplies, technology equipment for district-wide 1:1 device initiative, and instruction materials. There were HVAC improvements under purchased services.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

In 2020-2021, General Fund expenditures and other financing uses exceeded revenues and other financing sources by \$21,399. Total fund balance decreased to \$7,593,779. The District's financial position decreased with the unassigned fund balance decreasing from \$3,582,840 at June 30, 2020 to \$3,530,061 at June 30, 2021.

Unassigned fund balance is the single best measure of overall financial health. The unassigned fund balance of \$3,530,061 at June 30, 2021 represents three weeks of operations.

General Fund Budgetary Highlights

Following approval of the budget prior to the beginning of the fiscal year, the District revises the annual operating budget in mid-year. This budget amendment typically falls into two categories:

- Implementing budgets for specially funded projects, which include both federal and state grants and reinstating unexpended funds being carried over, and budgeting for clearing accounts.
- Legislation passed subsequent to budget adoption, changes necessitated by collective bargaining agreements, changes in student enrollments, staffing changes, and increases in appropriations for significant unbudgeted costs.

Actual revenues were \$237,397 more than expected from budget. The actual expenditures were \$264,899 under budget.

Revenues were over budget due to slightly higher enrollment compared to estimates. For expenditures, capital outlay was under budget as the HVAC improvements had to be re-coded to purchased services under Sites and Buildings. Instruction Support was under budget as a large Chromebook order took longer to ship and arrived in the following school year.

FOOD SERVICE FUNDS

Revenues exceeded expenditures in the Food Service Fund by \$234,112. Most of the increase is due to all meals being considered free for all students and reimbursed through federal sources.

COMMUNITY SERVICE FUNDS

Revenues and other financing sources exceeded expenditures in the Community Service Fund by \$108,759. This is mainly due to the District transferring money from General Fund for Preschool Readiness.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

CAPITAL PROJECT FUNDS

Expenditures and other financing uses exceeded revenues in the Capital Projects Fund by \$2,207,360. The District has spent down bond proceeds on the remaining projects and closed out the fund during the current fiscal year.

DEBT SERVICE FUNDS

The Debt Service Fund revenues and other financing sources exceeded expenditures by \$906,596 in 2020-2021 for the regular debt service account. School districts are required to levy 105% of their annual debt payments to cover possible delinquent property taxes. The state reduces the tax levy through Debt Excess if the fund balance gets too high. There was also a transfer from the Capital Project Fund to close it out.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2021, the District had invested about \$129,538,000 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 4 to the financial statements.) Total depreciation expense for the year was \$4,301,261.

**Table A-7
The District's Capital Assets**

	2021	2020	Percentage Change
Land	\$ 4,000	\$ 5,000	(20.0)%
Construction in Progress	782,036	4,787,313	(83.7)
Land Improvements	34,730,962	34,275,789	1.3
Buildings and Improvements	82,696,486	78,332,802	5.6
Equipment	11,324,412	10,046,490	12.7
Less: Accumulated Depreciation	(57,904,606)	(53,852,101)	7.5
Total	<u>\$ 71,633,290</u>	<u>\$ 73,595,293</u>	(2.7)

Construction – Next Five Years

The School District will have minimal construction projects over the next five years. Most of the projects will be for deferred maintenance and funded under the Long-Term Facility Maintenance program.

Long-Term Debt

At year-end, the District had \$47,465,941 in capital leases and general obligation bonds outstanding, net of bond premium and discount — a decrease of 5.1% from last year — as shown in Table A-8 and additional information is in Note 5 to the financial statements.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Debt (Continued)

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

	2021	2020	Percentage Change
General Obligation Bonds	\$ 45,475,000	\$ 47,680,000	(4.6)%
Net Bond Premium and (Discount)	1,297,731	1,415,983	(8.4)
Obligations Under Capital Leases	693,210	929,112	(25.4)
Total	<u>\$ 47,465,941</u>	<u>\$ 50,025,095</u>	(5.1)
Long-Term Debt:			
Due Within One Year	\$ 2,502,339	\$ 2,440,902	
Due in More than One Year	44,963,602	47,584,193	
Total	<u>\$ 47,465,941</u>	<u>\$ 50,025,095</u>	

FACTORS BEARING ON THE DISTRICT'S FUTURE

With the exception of the voter-approved operating referendum, the District is dependent on the State of Minnesota for its revenue authority. During the 2021 State Legislation session, the basic general education formula was increased by 2.45% and 2.00% for fiscal years 2022 and 2023, respectively. Recent experience demonstrates that legislated revenue increases have been temporarily sufficient to meet instructional program needs and increased costs due to inflation and required mandates.

The District has received additional federal funds as a result of the pandemic which has helped the District's financial position short-term.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and 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 Business Office, Independent School District No. 882, District Office, 302 Washington Street, Monticello, Minnesota 55362.

Bond Ratings

The District's bonds presently carry a Moody's "A1" rating.

Limitations on Debt

The state limits the amount of general obligation debt the District can issue to 15% of the assessed value of all taxable property within the District's corporate limits. Our outstanding debt is significantly below this limit – which is currently \$468 million.

BASIC FINANCIAL STATEMENTS

MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
STATEMENT OF NET POSITION
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)

	Governmental Activities	
	2021	2020
ASSETS		
Cash and Investments	\$ 17,233,454	\$ 16,486,885
Receivables:		
Property Taxes	5,978,961	5,977,185
Other Governments	6,676,573	7,864,074
Other	193,838	155,760
Prepaid Items	-	6,978
Inventories	73,694	114,319
Equity Interest in Joint Venture	203,815	207,536
Capital Assets:		
Land	4,000	5,000
Construction in Process	782,036	4,787,313
Other Capital Assets, Net of Depreciation	70,847,254	68,802,980
Total Assets	<u>101,993,625</u>	<u>104,408,030</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	16,879,280	28,594,261
OPEB Related	3,567,961	1,027,458
Total Deferred Outflows of Resources	<u>20,447,241</u>	<u>29,621,719</u>
LIABILITIES		
Salaries Payable	6,759,521	6,361,020
Accounts and Contracts Payable	688,863	877,068
Accrued Interest	584,459	604,819
Due to Other Governmental Units	4,768	2,735
Due to Other Minnesota School Districts	337,424	266,341
Due to Trust	21,637	-
Severance Payable	237,365	116,035
Unearned Revenue:		
Local Sources	211,547	301,027
Long-Term Liabilities:		
Net Pension Liability	40,227,369	35,594,493
Net OPEB Liability	16,612,355	14,210,222
Net Supplemental Pension Liability	506,480	735,421
Portion Due Within One Year	2,781,271	2,663,946
Portion Due in More Than One Year	45,043,666	47,660,000
Total Liabilities	<u>114,016,725</u>	<u>109,393,127</u>
DEFERRED INFLOWS OF RESOURCES		
Pension Related	30,165,270	43,940,622
OPEB Related	817,332	731,814
Property Taxes Levied for Subsequent Year	11,476,980	11,298,857
Total Deferred Inflows of Resources	<u>42,459,582</u>	<u>55,971,293</u>
NET POSITION		
Net Investment in Capital Assets	25,109,224	25,004,889
Restricted for:		
General Fund Operating Capital Purposes	174,022	479,376
General Fund State-Mandated Restrictions	2,387,998	1,907,940
Food Service	377,185	143,073
Community Service	477,810	369,062
General Fund	564,571	501,638
Debt Service	172,193	188,974
Capital Projects - Building Construction	-	273,859
Unrestricted	(63,298,444)	(60,203,482)
Total Net Position	<u>\$ (34,035,441)</u>	<u>\$ (31,334,671)</u>

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

Functions	2021					2020
	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Governmental Activities
GOVERNMENTAL ACTIVITIES						
Administration	\$ 1,796,368	\$ -	\$ -	\$ 10,312	\$ (1,786,056)	\$ (1,555,618)
District Support Services	1,139,688	-	1,720	22,857	(1,115,111)	(1,025,882)
Regular Instruction	28,570,755	474,259	4,459,833	222,658	(23,414,005)	(24,214,723)
Vocational Education Instruction	1,638,491	-	7,144	-	(1,631,347)	(1,478,229)
Special Education Instruction	18,161,827	9,736,493	5,617,451	-	(2,807,883)	(3,517,071)
Instructional Support Services	3,264,499	-	6,301	267,061	(2,991,137)	(2,819,025)
Pupil Support Services	4,378,701	-	217,302	-	(4,161,399)	(4,140,534)
Sites and Buildings	5,942,591	64,346	15	108,324	(5,769,906)	(6,134,910)
Fiscal and Other Fixed Cost Programs	856,818	-	-	-	(856,818)	(647,515)
Food Service	2,095,506	114,089	2,183,973	-	202,556	(17,537)
Community Service	4,191,681	2,200,968	1,576,739	-	(413,974)	(860,012)
Interest and Fiscal Charges on Long-Term Liabilities	1,292,201	-	-	-	(1,292,201)	(1,323,735)
Unallocated Depreciation (Excludes Direct Depreciation Allocated to the Various Programs)	981,124	-	-	-	(981,124)	(985,784)
Total School District	<u>\$ 74,310,250</u>	<u>\$ 12,590,155</u>	<u>\$ 14,070,478</u>	<u>\$ 631,212</u>	<u>(47,018,405)</u>	<u>(48,720,575)</u>
GENERAL REVENUES						
Property Taxes Levied for:						
General Purposes					8,711,012	8,932,523
Community Service					311,329	316,482
Debt Service					3,369,179	3,567,815
State Aid Not Restricted to Specific Purposes					30,770,967	31,020,346
Earnings on Investments					6,182	217,629
Gain on Sale of Capital Assets					1,686	4,298
Miscellaneous					1,147,280	1,075,201
Total General Revenues					<u>44,317,635</u>	<u>45,134,294</u>
CHANGE IN NET POSITION					<u>(2,700,770)</u>	<u>(3,586,281)</u>
Net Position - Beginning of Year					<u>(31,334,671)</u>	<u>(27,748,390)</u>
NET POSITION - END OF YEAR					<u>\$ (34,035,441)</u>	<u>\$ (31,334,671)</u>

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2021	2020
ASSETS							
Cash and Investments	\$ 11,920,067	\$ 662,720	\$ 985,351	\$ -	\$ 3,426,683	\$ 16,994,821	\$ 16,264,202
Receivables:							
Current Property Taxes	4,095,331	-	173,371	-	1,656,865	5,925,567	5,920,968
Delinquent Property Taxes	38,058	-	1,479	-	13,857	53,394	56,217
Due from Other Minnesota School Districts	3,268,017	-	-	-	-	3,268,017	4,268,482
Due from Minnesota Department of Education	2,858,129	204	136,431	-	27,518	3,022,282	3,404,144
Due from Federal through Minnesota Department of Education	260,297	64,045	61,932	-	-	386,274	166,879
Due from Other Governmental Units	-	-	-	-	-	-	24,569
Other Receivables	91,008	8,539	94,291	-	-	193,838	155,760
Prepaid Items	-	-	-	-	-	-	6,978
Inventory	30,695	42,034	965	-	-	73,694	114,319
Total Assets	<u>\$ 22,561,602</u>	<u>\$ 777,542</u>	<u>\$ 1,453,820</u>	<u>\$ -</u>	<u>\$ 5,124,923</u>	<u>\$ 29,917,887</u>	<u>\$ 30,382,518</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE							
Liabilities:							
Salaries Payable	\$ 2,990,333	\$ 58,700	\$ 95,578	\$ -	\$ -	\$ 3,144,611	\$ 3,019,915
Payroll Deductions and Employer Contributions Payable	3,460,906	70,543	83,461	-	-	3,614,910	3,341,105
Accounts and Contracts Payable	451,300	147,945	84,041	-	-	683,286	869,029
Due to Other Governmental Units	3,783	-	985	-	-	4,768	2,735
Due to Other Minnesota School Districts	29,352	-	308,072	-	-	337,424	266,341
Due to Other Funds	21,637	-	-	-	-	21,637	-
Severance Payable	235,103	2,262	-	-	-	237,365	116,035
Unearned Revenue	51,498	120,907	39,142	-	-	211,547	301,027
Total Liabilities	<u>7,243,912</u>	<u>400,357</u>	<u>611,279</u>	<u>-</u>	<u>-</u>	<u>8,255,548</u>	<u>7,916,187</u>
Deferred Inflows of Resources:							
Property Taxes Levied for Subsequent Year	7,685,853	-	364,731	-	3,426,396	11,476,980	11,298,857
Unavailable Revenue - Delinquent Property Taxes	38,058	-	1,479	-	13,857	53,394	56,217
Total Deferred Inflows of Resources	<u>7,723,911</u>	<u>-</u>	<u>366,210</u>	<u>-</u>	<u>3,440,253</u>	<u>11,530,374</u>	<u>11,355,074</u>
Fund Balance							
Nonspendable:							
Prepaid Items	-	-	-	-	-	-	6,978
Inventory	30,695	42,034	965	-	-	73,694	114,319
Restricted:							
Student Activities	16,936	-	-	-	-	16,936	18,164
Staff Development	134,485	-	-	-	-	134,485	86,986
Operating Capital	174,022	-	-	-	-	174,022	479,376
Area Learning Center	7,948	-	-	-	-	7,948	-
Safe Schools - Crime	118,861	-	-	-	-	118,861	120,036
Community Education Programs	-	-	26,400	-	-	26,400	-
Early Childhood and Family Education Programs	-	-	26,644	-	-	26,644	-
School Readiness	-	-	-	-	-	-	22,773
Adult Basic Education	-	-	293,173	-	-	293,173	212,796
Restricted for LTFM	1,810,179	-	-	-	-	1,810,179	3,394,127
Restricted for Building Construction	-	-	-	-	-	-	327,208
Medical Assistance	297,028	-	-	-	-	297,028	168,162
Achievement and Integration	2,561	-	-	-	-	2,561	617
Other Restricted	564,571	335,151	129,149	-	1,684,670	2,713,541	1,505,283
Committed:							
Severance Benefits	633,545	-	-	-	-	633,545	869,405
Assigned:							
School Building Carryover	212,407	-	-	-	-	212,407	113,733
Scoreboards	60,480	-	-	-	-	60,480	88,454
Unassigned	3,530,061	-	-	-	-	3,530,061	3,582,840
Total Fund Balance	<u>7,593,779</u>	<u>377,185</u>	<u>476,331</u>	<u>-</u>	<u>1,684,670</u>	<u>10,131,965</u>	<u>11,111,257</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 22,561,602</u>	<u>\$ 777,542</u>	<u>\$ 1,453,820</u>	<u>\$ -</u>	<u>\$ 5,124,923</u>	<u>\$ 29,917,887</u>	<u>\$ 30,382,518</u>

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	2021	2020
Total Fund Balance for Governmental Funds	\$ 10,131,965	\$ 11,111,257
Total net position reported for governmental activities in the statement of 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	4,000	5,000
Construction in Progress	782,036	4,787,313
Land Improvements, Net of Accumulated Depreciation	25,879,330	27,034,991
Buildings and Improvements, Net of Accumulated Depreciation	41,534,399	39,328,424
Equipment, Net of Accumulated Depreciation	3,433,525	2,439,565
Some of the District's property taxes 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 of resources in the funds.		
	53,394	56,217
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	(40,227,369)	(35,594,493)
Deferred Inflows of Resources - Pension Related	(30,165,270)	(43,940,622)
Deferred Outflows of Resources - Pension Related	16,879,280	28,594,261
The net supplemental pension liabilities are not current financial resources and, therefore, are not reported at fund level.		
	(506,480)	(735,421)
Internal service funds are used by management to charge the costs of 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:		
	233,056	214,644
The District's other postemployment benefit liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:		
OPEB Liability	(16,612,355)	(14,210,222)
Deferred Inflows of Resources - OPEB Related	(817,332)	(731,814)
Deferred Outflows of Resources - OPEB Related	3,567,961	1,027,458
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
	(584,459)	(604,819)
Equity interests in underlying capital assets of joint ventures are not reported in the funds because they do not represent current financial assets.		
Equity Interest in Joint Venture - Wright Technical Center	203,815	207,536
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	(45,475,000)	(47,680,000)
Unamortized Premiums	(1,297,731)	(1,415,983)
Obligations Under Capital Leases	(693,210)	(929,112)
Sick Leave	(80,064)	(75,807)
Compensated Absences Payable	(278,932)	(223,044)
Total Net Position of Governmental Activities	\$ (34,035,441)	\$ (31,334,671)

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2021	2020
REVENUES							
Local Sources:							
Property Taxes	\$ 8,713,835	\$ -	\$ 355,949	\$ -	\$ 3,324,559	\$ 12,394,343	\$ 12,814,279
Earnings on Investments	3,477	156	369	1,304	798	6,104	215,835
Other	10,996,031	114,089	2,241,630	87,900	-	13,439,650	13,517,517
State Sources	36,398,266	-	1,498,821	-	275,177	38,172,264	38,331,790
Federal Sources	4,601,387	2,183,973	90,283	-	-	6,875,643	3,403,667
Total Revenues	60,712,996	2,298,218	4,187,052	89,204	3,600,534	70,888,004	68,283,088
EXPENDITURES							
Current:							
Administration	1,678,673	-	-	-	-	1,678,673	1,490,651
District Support Services	1,129,802	-	-	-	-	1,129,802	1,016,011
Regular Instruction	24,909,038	-	-	-	-	24,909,038	23,689,667
Vocational Education Instruction	1,560,090	-	-	-	-	1,560,090	1,397,638
Special Education Instruction	17,446,087	-	-	-	-	17,446,087	16,912,027
Instructional Support Services	3,084,900	-	-	-	-	3,084,900	2,698,019
Pupil Support Services	4,857,276	-	-	-	-	4,857,276	4,062,571
Sites and Buildings	4,620,446	-	-	-	-	4,620,446	4,023,624
Fiscal and Other Fixed Cost Programs	300,036	-	-	-	-	300,036	203,035
Food Service	-	2,055,414	-	-	-	2,055,414	1,961,992
Community Service	-	-	4,094,431	-	-	4,094,431	4,054,917
Capital Outlay	884,799	8,692	38,564	1,354,689	-	2,286,744	6,502,339
Debt Service:							
Principal	235,902	-	-	-	2,205,000	2,440,902	2,455,495
Interest and Fiscal Charges	26,175	-	-	-	1,430,813	1,456,988	1,493,491
Total Expenditures	60,733,224	2,064,106	4,132,995	1,354,689	3,635,813	71,920,827	71,961,477
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(20,228)	234,112	54,057	(1,265,485)	(35,279)	(1,032,823)	(3,678,389)
OTHER FINANCING SOURCES (USES)							
Proceeds from Sale of Equipment	1,686	-	-	-	-	1,686	4,298
Insurance Recovery Proceeds	51,845	-	-	-	-	51,845	27,955
Capital Lease Issued	-	-	-	-	-	-	468,500
Transfers In	-	-	54,702	-	941,875	996,577	241,705
Transfers Out	(54,702)	-	-	(941,875)	-	(996,577)	(241,705)
Total Other Financing Sources	(1,171)	-	54,702	(941,875)	941,875	53,531	500,753
NET CHANGE IN FUND BALANCES	(21,399)	234,112	108,759	(2,207,360)	906,596	(979,292)	(3,177,636)
Fund Balances - Beginning of Year	7,615,178	143,073	367,572	2,207,360	778,074	11,111,257	14,288,893
FUND BALANCES - END OF YEAR	<u>\$ 7,593,779</u>	<u>\$ 377,185</u>	<u>\$ 476,331</u>	<u>\$ -</u>	<u>\$ 1,684,670</u>	<u>\$ 10,131,965</u>	<u>\$ 11,111,257</u>

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

	2021	2020
Net Change in Fund Balance - Total Governmental Funds	\$ (979,292)	\$ (3,177,636)
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. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital Outlays	2,556,159	4,718,244
Gain (Loss) on Disposal of Capital Assets	(216,901)	-
Depreciation Expense	(4,301,261)	(4,097,258)
Some capital asset additions are financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability. Repayment of capital lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the statement of net position.		
Other Financing Source - Capital Lease Proceeds	-	(468,500)
Change in Accrued Interest Expense - Capital Leases	(118)	413
Principal Payments - Capital Leases	235,902	240,495
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. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:		
Repayment of Bond Principal	2,205,000	2,215,000
Change in Accrued Interest Expense - General Obligation Bonds	20,478	13,081
Amortization of Bond Premium	118,252	136,022
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 unavailable in the funds.	(2,823)	2,541
Net income from the equity interest in joint venture does not provide current financial resources and is not reported as revenue in the funds.	(3,721)	8,371
Payments to the District's irrevocable OPEB trust are recognized as expenditures at the fund level while the change in the net OPEB liability is recognized in the statement of net position.	52,852	44,773
In the statement of activities, certain operating expenses - severance benefits and compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	168,796	88,074
Pension expenditures on the governmental funds are measured by current year employee contributions. Pension expenses on the statement of activities are measured by the change in net pension liability and the related deferred inflows and outflows of resources.	(2,572,505)	(3,383,379)
Internal service funds are used by the District to charge the costs of employee dental benefits to individual funds. The net revenue of the internal service fund is reported with governmental activities.	18,412	73,478
Change in Net Position of Governmental Activities	\$ (2,700,770)	\$ (3,586,281)

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	\$ 8,565,705	\$ 8,346,725	\$ 8,713,835	\$ 367,110
Earnings on Investments	50,000	50,000	3,477	(46,523)
Other	11,328,514	11,422,773	10,996,031	(426,742)
State Sources	36,823,115	35,960,449	36,398,266	437,817
Federal Sources	2,445,528	4,695,652	4,601,387	(94,265)
Total Revenues	59,212,862	60,475,599	60,712,996	237,397
EXPENDITURES				
Current:				
Administration	1,469,361	1,559,115	1,678,673	119,558
District Support Services	1,055,917	1,164,768	1,129,802	(34,966)
Elementary and Secondary				
Regular Instruction	24,695,654	24,921,980	24,909,038	(12,942)
Vocational Education Instruction	1,516,747	1,573,989	1,560,090	(13,899)
Special Education Instruction	17,737,556	17,510,092	17,446,087	(64,005)
Instructional Support Services	2,619,562	3,402,126	3,084,900	(317,226)
Pupil Support Services	4,338,271	4,695,529	4,857,276	161,747
Sites and Buildings	4,273,454	4,283,556	4,620,446	336,890
Fiscal and Other Fixed				
Cost Programs	200,000	293,388	300,036	6,648
Capital Outlay	807,590	1,374,077	884,799	(489,278)
Debt Service:				
Principal	161,618	197,863	235,902	38,039
Interest and Fiscal Charges	15,035	21,640	26,175	4,535
Total Expenditures	58,890,765	60,998,123	60,733,224	(264,899)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	322,097	(522,524)	(20,228)	502,296
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Equipment	5,000	10,000	1,686	(8,314)
Insurance Recovery Proceeds	-	52,000	51,845	(155)
Transfers Out	(3,000)	(5,000)	(54,702)	(49,702)
Total Other Financing Sources (Uses)	2,000	57,000	(1,171)	(58,171)
NET CHANGE IN FUND BALANCE	<u>\$ 324,097</u>	<u>\$ (465,524)</u>	(21,399)	<u>\$ 444,125</u>
FUND BALANCE				
Beginning of Year			7,615,178	
End of Year			<u>\$ 7,593,779</u>	

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MAJOR FOOD SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Local Sources:				
Earnings on Investments	\$ 1,000	\$ 1,000	\$ 156	\$ (844)
Other - Primarily Meal Sales	1,138,064	101,000	114,089	13,089
State Sources	132,955	-	-	-
Federal Sources	841,414	1,992,904	2,183,973	191,069
Total Revenues	<u>2,113,433</u>	<u>2,094,904</u>	<u>2,298,218</u>	<u>203,314</u>
EXPENDITURES				
Current:				
Food Service	2,112,936	2,020,961	2,055,414	34,453
Capital Outlay	45,995	44,673	8,692	(35,981)
Total Expenditures	<u>2,158,931</u>	<u>2,065,634</u>	<u>2,064,106</u>	<u>(1,528)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(45,498)	29,270	234,112	204,842
OTHER FINANCING SOURCES				
Proceeds from Sale of Inventory	1,000	1,000	-	(1,000)
Transfer In	5,000	5,000	-	(5,000)
Total Other Financing Sources	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (39,498)</u>	<u>\$ 35,270</u>	234,112	<u>\$ 198,842</u>
FUND BALANCE				
Beginning of Year			<u>143,073</u>	
End of Year			<u>\$ 377,185</u>	

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MAJOR COMMUNITY SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Local Sources:				
Property Taxes	\$ 358,221	\$ 358,221	\$ 355,949	\$ (2,272)
Earnings on Investments	3,000	3,000	369	(2,631)
Other - Primarily Tuition and Fees	2,571,241	2,248,241	2,241,630	(6,611)
State Sources	1,420,983	1,501,062	1,498,821	(2,241)
Federal Sources	68,400	70,209	90,283	20,074
Total Revenues	<u>4,421,845</u>	<u>4,180,733</u>	<u>4,187,052</u>	<u>6,319</u>
EXPENDITURES				
Current:				
Community Service	4,337,391	4,077,113	4,094,431	17,318
Capital Outlay	<u>59,600</u>	<u>57,862</u>	<u>38,564</u>	<u>(19,298)</u>
Total Expenditures	<u>4,396,991</u>	<u>4,134,975</u>	<u>4,132,995</u>	<u>(1,980)</u>
OTHER FINANCING SOURCES				
Transfer In	<u>-</u>	<u>-</u>	<u>54,702</u>	<u>54,702</u>
NET CHANGE IN FUND BALANCE	<u>\$ 24,854</u>	<u>\$ 45,758</u>	<u>108,759</u>	<u>\$ 63,001</u>
FUND BALANCE				
Beginning of Year			<u>367,572</u>	
End of Year			<u>\$ 476,331</u>	

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
STATEMENT OF NET POSITION
PROPRIETARY FUND
INTERNAL SERVICE FUND
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	Governmental Activities - Internal Service Funds	
	2021	2020
ASSETS		
Current Assets:		
Cash and Investments	\$ 238,633	\$ 222,683
LIABILITIES		
Current Liabilities:		
Claims Payable	5,577	8,039
NET POSITION		
Unrestricted	<u>\$ 233,056</u>	<u>\$ 214,644</u>

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUND
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)**

	Governmental Activities - Internal Service Funds	
	2021	2020
OPERATING REVENUES		
Contributions from District and Employees	\$ 575,116	\$ 516,164
OPERATING EXPENSES		
Dental Insurance Claim Payments	521,724	431,056
General Administration Fees	35,058	13,424
Total Operating Expenses	556,782	444,480
OPERATING INCOME	18,334	71,684
NONOPERATING INCOME		
Earnings on Investments	78	1,794
CHANGE IN NET POSITION	18,412	73,478
Net Position - Beginning	214,644	141,166
NET POSITION - ENDING	\$ 233,056	\$ 214,644

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

	Governmental Activities - Internal Service Funds	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from District and Employees	\$ 575,116	\$ 516,972
Payments for Administrative Costs	(35,058)	(13,424)
Payments for Dental Fees and Insurance Claims	(524,186)	(446,447)
Net Cash Provided by Operating Activities	15,872	57,101
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	78	1,794
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,950	58,895
Cash and Cash Equivalents - Beginning	222,683	163,788
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 238,633</u>	<u>\$ 222,683</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income	\$ 18,334	\$ 71,684
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Decrease in Accounts Receivable	-	808
Decrease in Accounts Payable	(2,462)	(15,391)
Total Adjustments	(2,462)	(14,583)
Net Cash Provided by Operating Activities	<u>\$ 15,872</u>	<u>\$ 57,101</u>

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021**

	Scholarship Custodial Fund	Postemployment Benefits Irrevocable Trust Fund
ASSETS		
Cash and Deposits	\$ 2,510,039	\$ -
Investments - Fixed Income	-	1,572,737
Due from Other Funds	-	21,637
Total Assets	<u>2,510,039</u>	<u>1,594,374</u>
LIABILITIES		
Scholarships Awarded but Not Paid	5,126	-
Accounts Payable	-	1,194
Total Liabilities	<u>5,126</u>	<u>1,194</u>
NET POSITION		
Restricted for OPEB Benefits	-	1,593,180
Restricted for Scholarships	2,504,913	-
Total Net Assets	<u><u>\$ 2,504,913</u></u>	<u><u>\$ 1,593,180</u></u>

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2021**

	Scholarship Custodial Fund	Postemployment Benefits Irrevocable Trust Fund
ADDITIONS		
Employer Contributions	\$ -	\$ 1,351,241
Investment Income	16,040	29,868
Miscellaneous	75,073	-
Total Additions	<u>91,113</u>	<u>1,381,109</u>
DEDUCTIONS		
Benefit Payments	-	1,483,613
Scholarships	177,014	-
Miscellaneous	337	-
Total Deductions	<u>177,351</u>	<u>1,483,613</u>
CHANGE IN NET POSITION	(86,238)	(102,504)
Net Position - Beginning of Year	<u>2,591,151</u>	<u>1,695,684</u>
NET POSITION - END OF YEAR	<u><u>\$ 2,504,913</u></u>	<u><u>\$ 1,593,180</u></u>

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Independent School District No. 882 have been prepared in conformity with U.S. generally accepted accounting principles (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. 882 (the District) 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.

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 and changes in fiduciary net position at the Fund Financial Statement level.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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 segments 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 is available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Depreciation expense relating to assets that serve multiple functions is presented as unallocated depreciation in the statement of activities. 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 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: custodial fund and employee benefit trust fund. 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. The costs 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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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 proprietary fund 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 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 incurred. 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 availability period is generally used for other fund revenue.

2. Recording of Expenditures

Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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 for the Food Service Fund are generated from user fees, federal reimbursements and state aids.

Community Service Special Revenue Fund

The Community Service Fund is used to account for services provided to residents in the areas of community education, school readiness, early childhood family education or other similar services. Revenues for the Community Service Fund are generated primarily from user fees, local property taxes and state aids.

Capital Projects — 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. The Fund was established for building construction activity authorized by debt issue or levy issue program.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term obligation bond principal, interest, and related costs.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Proprietary Fund

Internal Service Fund

The Internal Service Fund accounts for financing of goods and services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The District's Internal Service Fund includes its self-insured dental insurance plan for its employees.

Fiduciary Funds

Scholarship Custodial Fund

The Scholarship Custodial Fund is used to account for resources held by the District in a custodial capacity to be used for scholarships.

Postemployment Benefits Irrevocable Trust Fund

The Postemployment Benefits Irrevocable Trust Fund is used to account for resources set aside and held in an irrevocable trust agreement to be used for postemployment benefits. District contributions to this fund must be expensed to an operating fund.

E. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with GAAP. Each June, the Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, Debt Service Funds, and Building Construction. The approved budget is published in summary form in the District's legal newspaper. Reported budget amounts represent the amended budget as adopted by the Board. Legal budgetary control is at the fund level.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by Board action. Revisions to budgeted amounts must be approved by the Board.

Total fund expenditures in excess of the budget require approval of the Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels.

The Director of Business Services is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgeting (Continued)

Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds. Formal budgetary integration is not required for Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.

Encumbrances represent outstanding purchase orders and unfulfilled commitments that are issued to outside vendors and budgeted in the current year, but do not include amounts that are set up as liabilities, amounts for services to be performed by District employees and purchase orders applicable to the subsequent year's budget. As of June 30, 2021, no outstanding encumbrances existed.

Budgeted amounts include mid-year budget amendments that increased or decreased revenue and expenditure budgets as follows:

<u>Revenues</u>	Original Budget	Amendments	Amended Budget
General Fund	\$ 59,212,862	\$ 1,262,737	\$ 60,475,599
Special Revenue Funds:			
Food Service Fund	2,113,433	(18,529)	2,094,904
Community Service Fund	4,421,845	(241,112)	4,180,733
 <u>Expenditures</u>			
General Fund	\$ 58,890,765	\$ 2,107,358	\$ 60,998,123
Special Revenue Funds:			
Food Service Fund	2,158,931	(93,297)	2,065,634
Community Service Fund	4,396,991	(262,016)	4,134,975

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

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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Cash and Investments (Including Cash Equivalents)

Cash balances from all funds are combined and invested to the extent available in various securities as authorized by Minnesota Statutes. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

For the purpose of reporting cash flows, the District considers all highly liquid debt instruments with an initial maturity of less than three months to be cash equivalents. Cash and cash equivalents consist of checking accounts, savings certificate accounts, and cash on hand.

G. Accounts Receivable

Represents amounts receivable from other governmental units 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, transportation fuel and repair parts, 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 prepayments. Expense is allocated over the periods benefitted. Prepaid items are recorded using the consumption method of accounting.

J. Property Taxes

Property tax levies are established by the 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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Property Taxes (Continued)

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." In the Debt Service Fund, all property taxes collected in a calendar year are recorded as revenue in the fiscal year which begins July 1 of that calendar year.

In accordance with state law, the current tax shift consists of an amount equal to 31% of the District's 2000 Pay 2001 operating referendum levy (frozen at \$480,526) for the District. Certain other portions of the District's 2020 pay 2021 levy, normally revenue for the 2021-22 fiscal year, are also advance recognized at June 30, 2021, as required by state statute to match revenue with the same fiscal year as the related expenditures.

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 unavailable 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 are capitalized at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The District maintains a threshold level of \$2,500 or more for capitalizing capital assets. 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 statement but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer 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 15 years for equipment.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets (Continued)

Capital assets not being depreciated include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets. Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.

L. Deferred Outflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period. The District will not recognize the related outflow until a future event occurs.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are amortized over the life of the bonds using the effective interest 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 received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

N. Accrued Employee Benefits

Vacation

District employees earn vacation days based upon the number of completed years of service. The District compensates employees for unused vacation upon termination of employment. The amount of compensated absences for vacation is recorded in the statement of net position.

Sick Leave

The District maintains various sick leave plans for its employee groups. District office secretaries, paraprofessionals, custodians, secretaries and food service employees receive payment for a set number of sick days after reaching age 55 and completing 10 years of service. This is paid to employees upon retirement from the District.

Supplemental Benefit Plan/Severance

The District maintains various severance plans for its employee groups. Each employee group plan contains benefit formulas based on years of service and/or minimum age requirements. The related liability was actuarially determined, in accordance with GASB Statement No. 73.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Accrued Employee Benefits (Continued)

Postemployment Health Care Benefits

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District 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, the District recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

The General Fund typically has been used in prior years to liquidate long-term liabilities other than debt.

O. Deferred Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow or resources (revenue) until that time.

P. 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.

Q. Unearned Revenue

Unearned revenues are those in which resources are received by the District before it has a legal claim to them. The District has reported unearned revenues for the unearned grant revenue, charges for services, and school lunch deposits.

R. Fund Balance

In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned, and unassigned fund balances. Nonspendable portions of fund balance are related to prepaids, inventories, long-term receivables, and corpus on any permanent fund.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Fund Balance (Continued)

Restricted funds are constrained by outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the Board of Education. The Board of Education passed a resolution authorizing the Budget Committee to assign fund balances more than \$25,000 and their intended uses. Unassigned fund balances are considered the remaining amounts. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to use restricted first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the District's policy to use committed first, then assigned, and finally unassigned amounts.

It is also the District's policy to strive to maintain a minimum unassigned General Fund balance of 6% of the annual budget, with a target maximum of 8 – 16% of the expenditure budget in the General Fund excluding special education cooperative expenditures. The effective date shall be June 30, the last day of each fiscal year. The fund balance and fund balance guidelines will be reviewed by the School District on an ongoing basis.

S. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in the government-wide, proprietary fund – internal service fund, and Fiduciary Fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws or regulations of other governments. When an expense is incurred for purposes for which both restricted and unrestricted net position is available, it is the District's policy to use restricted first, then unrestricted net position.

T. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

U. 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 STEWARDSHIP AND ACCOUNTABILITY

A. Transfers In/Transfers Out

The District made an operating transfer from the Capital Projects Fund to the Debt Service Fund in the amount of \$941,875 during the year ended June 30, 2021. The transfer to the Debt Service Fund was to close out the Capital Projects Fund. The District made an operating transfer from the General Fund to the Community Service fund in the amount of \$54,702 during the year ended June 30, 2021. The transfer to the Community Service Fund was to transfer money for preschool readiness.

NOTE 3 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 per the deposit and investment policy.

Custodial Credit Risk — Custodial credit risk 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 has a deposit policy for custodial credit risk which 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 include: 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 departments of a commercial bank or other financial institution not owned or controlled by the depository.

The District's deposits in various banks at June 30, 2021 were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments

With the exception of Fiduciary Funds held in the District's Postemployment Benefits Irrevocable Trust Fund, the District may invest its 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, are 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
- 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

Fiduciary Funds held in the District's Postemployment Benefits Irrevocable Trust Fund may be invested as authorized by Minnesota Statutes Chapter 356A.

At June 30, 2021, the District had the following investments:

	Amount
MSDLAF+	\$ 13,048,731
MN Trust Investment Shares	5,676,134
Negotiable Certificates of Deposit	490,700
Guaranteed Investment Contract	1,614,817
Insurance Annuity	95,260
Total Investments	<u>\$ 20,925,642</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

MN Trust is an external investment pool (Pool). The Pool is regulated by Minnesota statutes and is not registered with the Securities and Exchange Commission (SEC) as an investment company. The MN Trust Investment Series and Term Series is managed to maintain a dollar-weighted average portfolio maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1.00. The Pool elects to measure its investments at amortized cost in accordance with accounting statements issued by the Governmental Accounting Standards Board. The MN Trust Term Series withdrawals requires a seven-day notice of redemption and would likely carry a penalty. The MN Trust Investment Series withdrawals may only be made on the third Wednesday of each month upon advance written notice, with no penalties assessed.

The Minnesota School District Liquid Asset Fund Plus (MSDLAF+) is an external investment pool (Pool). The Pool is regulated by Minnesota statutes and is not registered with the Securities and Exchange Commission (SEC) as an investment company. MSDLAF+ MAX Class is managed to maintain a dollar-weighted average portfolio maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1.00. The Pool elects to measure its investments at amortized cost in accordance with accounting statements issued by the Governmental Accounting Standards Board. The MAX Class may not be redeemed for at least 14 days and a 24-hour hold is place options prior to 14 days may be subject to penalty.

The Guaranteed Investment Contract is a group annuity guaranteed investment and is valued at amortized cost.

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 policy states the District shall manage investments in a manner to attain market rate of return through various economic and budgetary cycles, while preserving and protecting the capital in the investment portfolio and taking into account constraints on risk and cash flow requirements. The District's investment policy also includes structuring the investment portfolio so that funds are available to meet immediate payment requirements. Information about the sensitivity of the fair values of the District's investments to market interest rate risk fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Type	Total	12 Months or Less
Negotiable Certificates of Deposit	\$ 490,700	\$ 490,700
Guaranteed Investment Contract	1,614,817	1,614,817
Insurance Annuity	95,260	95,260
Total	<u>\$ 2,200,777</u>	<u>\$ 2,200,777</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

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. The District's investment policy states the District may invest its available funds in those instruments specified in Minnesota Statutes §§ 118A.04 and 118A.05. The following chart summarizes year-end ratings for the District's investments as rated by Moody's Investors Service:

Type	Credit Quality Rating	Amount
MSDLAF+ Liquid Class	AAAm	\$ 1,205,810
MSDLAF+ Max Class	AAAm	7,842,921
MSDLAF+ Term Series	AAAm	4,000,000
MN Trust Investment Shares	AAAm	5,676,134
Guaranteed Investment Contract	AA	1,614,817
Insurance Annuity	AA	95,260
Negotiable Certificates of Deposit	Not Rated	490,700
Total		<u>\$ 20,925,642</u>

Concentration of Credit Risk – The District's policy states the District may invest in any one issuer. The District's policy states the District shall diversify its investments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The following is a list of investments which individually comprise more that 5% of the District's total investments:

Type	Amount	Percentage
Guaranteed Investment Contract	\$ 1,614,817	7.72%

Custodial Credit Risk – Investments: For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's policy states all investment securities purchased by the District shall be held in third-party safekeeping by an institution designated as custodial agent. The custodial agent may be any Federal Reserve Bank, any bank authorized under the laws of the United States or any state to exercise corporate trust powers, a primary reporting dealer in the U.S. government securities to the Federal Reserve Bank of New York, or a securities broker-dealer defined in Minnesota Statutes §118A.06. The institution or dealer shall issue a safekeeping receipt to the District listing the specific instrument, the name of the issuer, the name in which the security is held, the rate, the maturity, serial numbers and other distinguishing marks and other pertinent information.

The deposits and investments are made up of the following:

Deposits	\$ 390,588
Negotiable Certificates of Deposits	490,700
Minnesota School District Liquid Asset Fund (MSDLAF+)	13,048,731
Investments	<u>7,386,211</u>
Total Deposits and Investments	<u>\$ 21,316,230</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

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

Cash and Investments - Statement of Net Position	\$ 17,233,454
Cash and Investments - Statement of Fiduciary Fund Net Position	4,082,776
Total Cash and Investments	<u>\$ 21,316,230</u>

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.

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.

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. 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 and recently published security specific trading levels.

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.

There were no assets measured at fair value on a recurring basis for 2021.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 5,000	\$ -	\$ (1,000)	\$ 4,000
Construction in Progress	4,787,313	1,300,561	(5,305,838)	782,036
Total Capital Assets, Not Being Depreciated	4,792,313	1,300,561	(5,306,838)	786,036
Capital Assets, Being Depreciated:				
Land Improvements	34,275,789	458,686	(3,513)	34,730,962
Buildings and Improvements	78,332,802	4,588,651	(224,967)	82,696,486
Equipment	10,046,490	1,514,099	(236,177)	11,324,412
Total Capital Assets, Being Depreciated	122,655,081	6,561,436	(464,657)	128,751,860
Accumulated Depreciation for:				
Land Improvements	(7,240,798)	(1,612,977)	2,143	(8,851,632)
Buildings and Improvements	(39,004,378)	(2,180,052)	22,343	(41,162,087)
Equipment	(7,606,925)	(508,232)	224,270	(7,890,887)
Total Accumulated Depreciation	(53,852,101)	(4,301,261)	248,756	(57,904,606)
Total Capital Assets, Being Depreciated, Net	68,802,980	2,260,175	(215,901)	70,847,254
Governmental Activities Capital Assets, Net	<u>\$ 73,595,293</u>	<u>\$ 3,560,736</u>	<u>\$ (5,522,739)</u>	<u>\$ 71,633,290</u>

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

Governmental Activities	
Administration	\$ 299
District Support Services	1,318
Regular Instruction	2,027,282
Vocational Education Instruction	659
Special Education Instruction	1,748
Instructional Support Services	149,385
Pupil Support Services	4,700
Sites and Buildings	1,087,703
Food Service	31,400
Community Service	15,643
Unallocated	981,124
Total Depreciation Expense, Governmental Activities	<u>\$ 4,301,261</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 LONG-TERM LIABILITIES

The District has issued general obligation school building bonds to finance the construction of capital facilities or to refinance previous bond issues. Assets of the Debt Service Fund, together with scheduled future tax levies are dedicated for the retirement of these bonds and loans. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

A. Components of Long-Term Debt

Issue Date	Net Interest Rate	Original Issue	Final Maturity	Principal Outstanding	
				Due Within One Year	Total
2/23/2016	2.00% - 4.00%	\$ 38,640,000	2/1/2040	\$ 1,315,000	\$ 33,330,000
2/23/2016	2.00% - 3.00%	5,700,000	2/1/2031	370,000	4,120,000
4/27/2017	2.00% - 3.00%	5,160,000	2/1/2032	330,000	4,065,000
2/28/2019	2.00% - 3.00%	4,430,000	2/1/2034	245,000	3,960,000
Total General Obligation Bonds				2,260,000	45,475,000
Bond Premium - Net				-	1,297,731
Lease Purchase Obligations:					
Cisco Server				79,913	79,913
Scoreboard				73,638	230,021
Baseball Stadium				10,855	59,633
Special Education Building				77,933	323,643
Total Leases Purchase Obligations				242,339	693,210
Sick Leave Payable				-	80,064
Compensated Absences Payable				278,932	278,932
Total				<u>\$ 2,781,271</u>	<u>\$ 47,824,937</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

B. Minimum Debt Payments

Minimum annual principal and interest payments required to retire long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds Payable</u>		<u>Capital Lease Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 2,260,000	\$ 1,372,675	\$ 242,339	\$ 19,736
2023	2,325,000	1,322,575	167,884	14,278
2024	2,375,000	1,271,075	173,537	8,625
2025	2,430,000	1,218,075	96,400	2,772
2026	2,525,000	1,124,525	13,050	614
2027 - 2031	13,795,000	4,453,313	-	-
2032 - 2036	11,030,000	2,331,775	-	-
2037 - 2041	8,735,000	704,238	-	-
Total	<u>\$ 45,475,000</u>	<u>\$ 13,798,251</u>	<u>\$ 693,210</u>	<u>\$ 46,025</u>

C. Description of Long-Term Debt

1. General Obligation School Building Bonds

These bonds were issued to finance acquisition and/or construction/improvement of capital facilities. Assets of the Debt Service Fund, together with scheduled future ad valorem tax levies are dedicated for the retirement of these bonds. Total deferred tax levies available to retire bond principal and interest payable at June 30, 2021 is \$66,048,492. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota Statutes.

2. Capital Lease

On August 15, 2017, the District entered into a lease purchase agreement for the acquisition of a Cisco Edge Networking Gear and additional servers. The capital lease obligation and corresponding equipment totaled \$399,573. The capital lease agreement includes annual principal payments of \$79,915 with no interest.

On October 1, 2017, the District entered into a lease purchase agreement for the acquisition of the Monticello Schools Scoreboard. The capital lease obligations totaled \$531,000 and corresponding equipment totaled \$595,940. The capital lease agreement includes annual principal payments of \$96,861.

On July 22, 2019, the District entered into a lease purchase agreement for the construction of the baseball stadium. The capital lease obligations totaled \$70,000 and corresponding equipment totaled \$150,935. The capital lease agreement includes annual payments of \$13,663 including interest at 4.70%.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

2. Capital Lease (Continued)

On December 18, 2019, the District entered into a lease purchase agreement for the construction of the special education building. The capital lease obligations totaled \$398,500 and corresponding equipment totaled \$702,871. The capital lease agreement includes annual payments of \$85,509 including interest at 2.49%.

Assets acquired through capital lease are summarized as follows:

Cisco Server	\$ 399,573
Scoreboard	595,940
Baseball Stadium	70,000
Special Education Building	398,500
Less: Accumulated Depreciation	<u>(522,407)</u>
Total	<u><u>\$ 941,606</u></u>

D. Changes in Long-Term Debt

	June 30, 2020	Net Additions	Retirements	June 30, 2021
Bonds Payable	\$ 47,680,000	\$ -	\$ 2,205,000	\$ 45,475,000
Bond Premium	1,415,983	-	118,252	1,297,731
Lease Purchase Obligations	929,112	-	235,902	693,210
Sick Leave Payable	75,807	281,056	276,799	80,064
Compensated Absences				
Payable - Net	223,044	477,808	421,920	278,932
Total	<u><u>\$ 50,323,946</u></u>	<u><u>\$ 758,864</u></u>	<u><u>\$ 3,257,873</u></u>	<u><u>\$ 47,824,937</u></u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 RESTRICTED, COMMITTED, AND ASSIGNED 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. In addition, certain portions of fund balance have been assigned by the District for use specific purposes. Restricted, Committed and Assigned fund balances at June 30, 2021 are as follows:

A. Restricted for Student Activity Funds

Represents available resources to be used for extracurricular activity funds raised by students.

B. Restricted for Staff Development

Represents unspent staff development revenues set aside from General Education Revenue.

C. Restricted for Safe School – Crime Levy

Represents unspent resources available from the safe school levy.

D. Restricted for Operating Capital

Restricted for equipment purchases and facilities. A deficit in this reserve is allowed up to three years with prior approval of a plan submitted to the Commissioner of Education.

E. Restricted for Area Learning Center

The fund balance restriction represents amounts restricted for students attending area learning centers.

F. Restricted for Community Education Programs

The fund balance restriction represents accumulated resources available to provide general community education programming.

G. Restricted for Early Childhood and Family Education Programs

The fund balance restriction represents accumulated resources available to provide services for early childhood and family education programming.

H. Restricted for Adult Basic Education

The fund balance restriction represents amounts available to fund adult basic education program.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 RESTRICTED, COMMITTED, AND ASSIGNED FUND BALANCES (CONTINUED)

I. Restricted for Long-Term Facilities Maintenance (LTFM)

The fund balance restriction represents amounts available to LTFM projects in accordance with the 10-year plan.

J. Restricted for Medical Assistance

Represents resources available to be used for medical assistance expenditures.

K. Restricted for Achievement and Integration

Represents resources available to be spent on the students that generated the revenue.

L. Restricted for Other Purposes

Restricted for other purposes represents amounts that can be spend only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Other Restricted:

Restricted for General Fund:

Little Mountain	\$ 21,116
Pinewood	11,315
Middle School	60,949
High School	332,371
Eastview	1,778
ALP, School Patrol, Miscellaneous	120,242
Grants	<u>16,800</u>
Total Restricted for General Fund	564,571
Restricted for Food Service	335,151
Restricted for Community Service	129,149
Restricted for Bond Payments	<u>1,684,670</u>
Total Other Restricted	<u><u>\$ 2,713,541</u></u>

M. Committed for Severance Benefits

This commitment represents resources segregated by the School Board for the payment of retirement benefits.

N. Assigned for School Building Carryover

This assignment represents unspent budget appropriations carried over for the subsequent year.

O. Assigned for Scoreboards

This assignment represents resources segregated by the School Board for the purchase of Scoreboards.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS

A. Plan Description

The District participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA) and Teachers Retirement Fund (TRA). PERA's and TRA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's and TRA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan

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.

2. Teachers Retirement Fund (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). Educators first hired by Minnesota state may elect either TRA coverage or coverage through the Defined Contribution Plan (DCR) administered by the state of Minnesota.

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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

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% of average salary for each of the first 10 years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% of average salary 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.

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 Statute 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 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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

Tier 1 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 of Service 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 Services 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).

or

Tier II Benefits

For years of service prior to July 1, 2006, a level formula of 1.7% per year for coordinated 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 members and 2.7% for Basic members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statutes. 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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

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.

C. Contributions

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 2021 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, 2021 were \$627,416. The District's contributions were equal to the required contributions as set by state statute.

2. TRA Contributions

Per Minnesota Statutes, Chapter 354 rates for the fiscal year for coordinated were 7.50% for the employee and 8.13% for the employer. Basic rates were 11.00% for the employee and 12.13% for the employer. The District's contributions to TRA for the Plan's fiscal year ended June 30, 2021 were \$2,253,994. The District's contributions were equal to the required contributions for each year as set by state statute.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (CONTINUED)

D. Pension Costs

1. General Employees Fund Pension Costs

At June 30, 2021, the District reported a liability of \$6,810,839 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. The state of Minnesota is considered a nonemployer contributing entity 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 \$210,017, for a total net pension liability of \$7,020,856 associated with the District. The net pension liability was measured as of June 30, 2020, 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 proportionate share 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, 2020, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.1136% at the end of the measurement period and 0.1159% for the beginning of the period.

For the year ended June 30, 2021, the District recognized pension expense of \$404,232 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized an additional \$18,278 as grant revenue for its proportionate share of the state of Minnesota's contribution.

At June 30, 2021, the District reported its proportionate share of the 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	\$ 62,098	\$ 25,769
Changes in Actuarial Assumptions	-	252,504
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	117,662	-
Changes in Proportion	146,563	109,892
District Contributions Subsequent to the Measurement Date	627,416	-
Total	<u>\$ 953,739</u>	<u>\$ 388,165</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

\$627,416 reported as deferred outflows of resources 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, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expenses Amount</u>
2022	\$ (344,709)
2023	25,455
2024	92,860
2025	164,552

2. TRA Pension Costs

At June 30, 2021, the District reported a liability of \$33,416,530 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2020, 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 TRA in relation to total system contributions including direct aid from the state of Minnesota, city of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.4523% at the end of the measurement period and 0.4579% at the beginning of the period.

The pension liability amount reflected a reduction due to direct aid provided to 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:

<u>Description</u>	<u>Amount</u>
District's Proportionate Share of the TRA Net Pension Liability	\$ 33,416,530
State's Proportionate Share of TRA's Net Pension Liability Associated with the District	2,800,402
Total	<u>\$ 36,216,932</u>

For the year ended June 30, 2021, the District recognized pension expense of \$4,937,960. It also recognized \$256,536 as an increase to pension expense and grant revenue for the support provided by direct aid.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

At June 30, 2021, 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	\$ 670,135	\$ 506,522
Changes in Actuarial Assumptions	11,989,878	28,052,362
Net Difference Between Projected and Actual		
Investment Earnings	517,442	-
Changes in Proportion	494,092	1,218,221
District Contributions Subsequent to the Measurement Date	2,253,994	-
Total	<u>\$ 15,925,541</u>	<u>\$ 29,777,105</u>

\$2,253,994 reported as deferred outflows of resources 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, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	Pension Expenses Amount
2022	\$ 630,851
2023	(10,228,433)
2024	(7,024,082)
2025	471,760
2026	44,346

3. Summary

The aggregate amount of net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for the District's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual activity in which the employee's costs are associated.

	General Employees Fund	Teachers Retirement Fund	Total
Net Pension Liability	\$ 6,810,839	\$ 33,416,530	\$ 40,227,369
Deferred Outflows of Resources	953,739	15,925,541	16,879,280
Deferred Inflows of Resources	388,165	29,777,105	30,165,270
Pension Expense	422,510	5,194,496	5,617,006

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (CONTINUED)

E. Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Assumptions	General Employees Plan	TRA
Inflation	2.25% per Year	2.50 %
Active Member Payroll Growth	3.00% per Year	2.85% for 10 Years and 3.25%, Thereafter
Investment Rate of Return	7.50 %	7.50 %

PERA Salary increases were based on a service-related table. PERA mortality rates for active members, retirees, survivors, and disability annuitants were based on Pub-2010 General Employee Mortality table for males or females, as appropriate, 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.

TRA pre-retirement mortality rates were based on the RP-2014 white collar employee table, male rates set back 6 years and female rates set back 5 years. Generational projection uses the MP-2015 scale. Post-retirement mortality rates were based on the RP-2014 white collar annuitant table, male rates set back 3 years and female rates set back 3 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, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation.

The following changes in actuarial assumptions for PERA occurred in 2020:

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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

Changes in Actuarial Assumptions (Continued):

- 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.

The following changes in actuarial assumptions for TRA occurred in 2020:

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back 5 years and female rates set back 7 years.
- Generational projection uses the MP-2015 scale. Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (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	35.5 %	5.10 %
International Equity	17.5	5.30
Fixed Income	20.0	0.75
Private Markets	25.0	5.90
Cash	2.0	-
Totals	<u>100.0 %</u>	

F. Discount Rate

The discount rate used to measure the PERA General Employees Plan liability in 2020 was 7.50%. 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 7.50%. There was no change since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contribution will be made at the fiscal year 2020 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).

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (CONTINUED)

G. Pension Liability Sensitivity

The following 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 one percentage point lower or one 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>	6.50 %	7.50 %	8.50 %
District's Proportionate Share of the General Employees Plan Net Pension Liability	\$ 10,915,413	\$ 6,810,839	\$ 3,424,896
 <u>TRA Discount Rate</u>	 6.50 %	 7.50 %	 8.50 %
District's Proportionate Share of the TRA Net Pension Liability	 \$ 51,160,354	 \$ 33,416,530	 \$ 18,796,516

H. Pension Plan Fiduciary Net Position

Detailed information about the General Employees Plan's fiduciary's net position is available in a separately-issued PERA financial report. That report may be obtained on the Internet at www.mnpera.org.

Detailed information about TRA's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org; by writing to TRA at 60 Empire Drive #400, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-2409 or 1-800-652-9026.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN

A. Plan Description

The District, which includes teachers assigned to the Sherburne and Northern Wright Special Education Cooperative, operates and administers a single-employer defined benefit other postemployment benefit plan (the Plan) that provides health and dental insurance to retired and active eligible employees and their spouses through the District's health insurance plan. There are 554 active participants and 68 retired participants in the Plan. Benefit and eligibility provisions are established through negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available financial report.

B. Funding Policy

The District has assets designated for OPEB. These assets are in a qualified irrevocable trust which is included as a fiduciary fund in these financial statements. The District's investment policy is to follow state statutes as listed in Note 3. Benefit payments equal to the annual direct subsidy plus implicit subsidy are assumed to be made from the trust. Contribution requirements are negotiated between the District and union representatives. For fiscal year 2021, the District made a contribution of \$1,446,751 to the Plan out of the General Fund; the remaining current year benefits were paid from the District's OPEB Trust Fund.

C. Net OPEB Liability of the District

The components of the net OPEB liability of the District at June 30, 2021 were as follows:

Total OPEB Liability	\$ 18,205,535
Plan Fiduciary Net Position	<u>1,593,180</u>
District's Net OPEB Liability	<u><u>\$ 16,612,355</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9 %

D. Actuarial Methods and Assumptions

The long-term expected rate of return on OPEB Plan investments that are expected to be used to finance the payments of benefits, to the extent that (1) the OPEB Plan's fiduciary net position is projected to be sufficient to make projected benefit payments and (2) OPEB Plan assets are expected to be invested using a strategy to achieve that return, and a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), to the extent that the conditions above are not met.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

D. Actuarial Methods and Assumptions (Continued)

The District's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020. Liabilities in this report were calculated as of the valuation date and rolled forward to the measurement date using standard actuarial roll-forward techniques.

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

Inflation	2.50 %
Salary Increases	Service Graded Table
Investment Rate of Return	2.00 %
Health Care Trend Rates	6.50% Grading to 5.00% Over 6 Years
Dental Trend Rates	4.00 %

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

Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with other economic assumptions.

For the year ended June 30, 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan expenditures, was 1.80%. The money-weighted rate of return expresses investment performance, net of investment expenditures, adjusted for the changing amounts actually invested.

The municipal bond rate assumption was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds as of the Measurement Date.

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 asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (or target allocation, if available) and by adding expected inflation (2.50%). Best estimates of geometric real and nominal rates of return for each major asset class included in the OPEB Plan's asset allocation as of the measurement date are summarized in the following table:

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

D. Actuarial Methods and Assumptions (Continued)

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Long-Term Expected Nominal Rate of Return</u>
Fixed Income	100.00 %	2.00 %
Net Assumed Investment Return (Weighted Avg, Rounded to 1/4%)		2.00 %

The discount rate used to measure the total OPEB liability was 2.10%. The projection of cash flows and OPEB trust assets used to determine the discount rate were based on recent employer contribution history and their stated funding policy. The OPEB trust's long-term assumed investment return was used to discount projected benefit payments for as long as projected trust assets are available to fund OPEB payments. Once projected trust assets are exhausted, the municipal bond index rate was applied to the remaining expected benefit payments.

The expected employer asset return is based on the long-term expected return on short-term/cash equivalent assets using our capital market assumption model.

Since the most recent valuation, the following changes have been made:

- 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 increase rates 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%.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

E. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances - June 30, 2019	\$ 15,905,906	\$ 1,695,684	\$ 14,210,222
Changes for the Year:			
Service Cost	794,178	-	794,178
Interest	401,228	-	401,228
Assumption Changes	(244,931)	-	(244,931)
Differences Between Expected and Actual Experience	2,928,278	(4,045)	2,932,323
Contributions-Employer	-	1,052,070	(1,052,070)
Net Investment income	-	33,914	(33,914)
Benefit Payments	(1,579,124)	(1,184,443)	(394,681)
Net Changes	2,299,629	(102,504)	2,402,133
Balances - June 30, 2020	<u>\$ 18,205,535</u>	<u>\$ 1,593,180</u>	<u>\$ 16,612,355</u>

The net OPEB liability for the District is \$13,158,176 and the total OPEB liability for the Sherburne and Northern Wright Special Education Cooperative is \$3,454,179.

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 one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (1.10)%	Discount Rate (2.10)%	1% Increase (3.10)%
Net OPEB Liability	\$ 17,375,630	\$ 16,612,355	\$ 15,844,566

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% point lower (5.50% decreasing to 4.00%) or 1% point higher (7.50% decreasing to 6.00%) and dental cost trend rates that are 1% point lower (3.00%) or 1% point higher (5.00%) than the current healthcare and dental cost trend rates:

	Healthcare Cost		
	1% Decrease (Medical 5.50% Decreasing to 4.00% Over 6 Years, Dental 3.00%)	Current Trend Rates (Medical 6.50% Decreasing to 5.00% Over 6 Years, Dental 4.00%)	1% Increase (Medical 7.50% Decreasing to 6.00% Over 6 Years, Dental 5.00%)
Net OPEB Liability	\$ 15,212,191	\$ 16,612,355	\$ 18,212,919

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

E. Changes in the Net OPEB Liability (Asset) (Continued)

For the year ended June 30, 2021, the District recognized OPEB expense of \$1,554,361. At June 30, 2021, 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 Liability	\$ 2,463,472	\$ 450,254
Change of Assumptions	490,121	339,787
Net Difference Between Projected and Actual Investment Earnings	10,114	-
Contributions Between Measurement Date and Reporting Date	484,893	-
Total	<u>\$ 3,448,600</u>	<u>\$ 790,041</u>

The amount of \$484,893 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30.</u>	<u>Future Recognition</u>
2022	\$ 391,681
2023	389,678
2024	388,098
2025	422,340
2025	315,248
Thereafter	266,621
Total	<u>\$ 2,173,666</u>

At June 30, 2021, there is a payable from the District to the Trust in the amount of \$21,637.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 SUPPLEMENTAL BENEFIT PLAN

A. Plan Description

The District provides a defined benefit supplemental pension benefit to certain eligible employees. All of the pension benefits are based on contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements.

Currently, there are 89 active employees and one retired employee who are eligible to receive benefits under the Plan as of July 1, 2020. The pension benefit ranges from one day per year of service times the daily rate to eight days per year of service times the daily rate. Payments are made as lump sum payments. Some contracts also reduce the pension benefits by the total matching contribution made by the District to the employee's qualified retirement account over the course of that individual's employment with the District.

B. Funding Policy

Payments under the Plan are made on a pay-as-you go basis. There are no invested Plan assets accumulated for payment of future benefits. The General Fund is used for funding of all pension/retirement benefits. The employer makes all contributions.

C. Total Pension Liability

The District recognizes its total pension liability, rather than a net pension liability. In order for the District to recognize a net pension liability, assets must be accumulated in a trust that meets the following criteria:

- Contributions from the employer and nonemployer contributing entities, and the earnings thereon, must be irrevocable.
- Pension plan assets must be dedicated to providing pensions to Plan members in accordance with benefit terms.
- Pension plan assets must be legally protected from the creditors of employer, nonemployer contributing entities, the Plan administrator, and the Plan members.

No assets are accumulated in a trust that meets all of the above criteria. Accordingly, the District's total pension liability is not reduced by any assets accumulated in a trust that meets the criteria, and the District must report its total pension liability.

Total Pension Liability - June 30, 2020	\$ 735,421
Changes for the Year:	
Service Cost	30,767
Interest	15,295
Changes in Benefit Terms	40,097
Differences between Expected and Actual Experience	(20,190)
Benefit Payments	(294,910)
Net Changes	<u>(228,941)</u>
Total Pension Liability - June 30, 2021	<u>\$ 506,480</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 SUPPLEMENTAL BENEFIT PLAN (CONTINUED)

D. Pension Costs

For the year ended June 30, 2021, the District recognized pension expense of \$70,894. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Liability	\$ 60,464	\$ 21,531
Change of Assumptions	46,988	5,760
Contributions Between Measurement Date and Reporting Date	11,909	-
Total	<u>\$ 119,361</u>	<u>\$ 27,291</u>

The amount of \$11,909 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction to the total pension liability in the year ended June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense</u>
2022	\$ 24,830
2023	24,580
2024	27,450
2025	3,301

E. Actuarial Methods and Assumptions

The actuarial total pension liability was determined as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	July 1, 2020
Measurement Date:	June 30, 2021
Actuarial Cost Method:	Entry Age, Level Percentage of Pay
Discount Rate:	2.10 %
Inflation:	2.50 %
Salary Increases:	Service Graded Table
Retirement Age:	55
Mortality:	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 SUPPLEMENTAL BENEFIT PLAN (CONTINUED)

F. Discount Rate

The discount rate used to measure the total pension liability was 2.10%. The discount rate is based on the estimated yield of 20-Year AA-rated municipal bonds.

G. Total Pension Liability Sensitivity

The following presents the District's total pension liability, calculated using the discount rate of 2.10%, as well as what the District's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.10%) or one percentage point higher (3.10%) than the current rate:

	1% Decrease (1.10)%	Current Discount Rate (2.10)%	1% Increase (3.10)%
Total Pension Liability	<u>\$ 526,116</u>	<u>\$ 506,480</u>	<u>\$ 485,904</u>

NOTE 10 JOINT VENTURE AGREEMENT

The District entered into a Joint Venture Agreement in February 1998 between and among eight other area independent school districts and Wright Technical Center No. 996 (WTC), a cooperative center for vocational education, to finance the acquisition and betterment of an addition to the existing WTC facilities.

The addition is being financed through capital lease agreements. Each participating district annually authorizes a leasing levy to cover its allocated portion of the lease payment based on the formula set out in the Joint Venture Agreement. Participating districts will also be apportioned operating costs and continuing capital costs for the addition based on the current cost allocation formula. The District levied and paid \$317,467 to Wright Technical Center for the year ended June 30, 2021. On the statement of net position, the amount of \$30,723 is recorded as equity interest in the joint venture.

Separately issued financial statements can be obtained from Wright Technical Center, 1400 Highway 25 North, Buffalo, Minnesota 55313-1936.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 OPERATING LEASE

In 2005, the District entered into a ground lease agreement with the Monticello Youth Hockey Association (MYHA) (tenant). The term of the lease commenced on October 1, 2006 and terminates on December 31, 2030, or until the bank debt for the arena that is to be constructed on such land, is paid in full. The ground lease is for a parcel of property on District grounds with an annual payment from the tenant of one dollar. As part of the lease agreement, the tenant agreed to specific construction deadlines related to the building of an arena and ice within the arena, to pay for utility charges and to keep the leased premises in good order, condition, and repair. The District agreed to pay any taxes, assessments and other government charges during the life of the lease. Other specific arrangements are defined in the ground lease agreement. Upon termination of the lease, the tenant shall surrender, and the District shall acquire, ownership of all improvements constructed on the leased premises, at no cost to the District.

In 2014, the District entered into a multi-tenant lease agreement with the Monticello Training Center. The term of the lease commenced on September 1, 2014 and terminates on August 31, 2019. Two- (2) five- (5) year renewal options at market rate rents exist. Tenant must request renewal options in writing no later than six (6) months prior to lease expiration. The District renewed this lease December 7, 2019. The renewal terminates August 31, 2024. The lease is for \$5,762 monthly rate or \$69,144 annually and for the primary use as a public school and for no other purpose unless approved in writing by the landlord. Tenant shall also pay its proportional share of real estate taxes and annual installments of special assessments due. Other specific arrangements are defined in the lease agreement.

NOTE 12 RECREATION AGREEMENT

On July 1, 2005, (with an amendment dated June 7, 2006 and January 26, 2015) the District entered into a Recreation Agreement (the Agreement) with the City of Monticello and the MYHA. The purpose of the Agreement is to provide for an agreement on the operations and maintenance of the ice arena, constructed on the leased premises, as described in Note 11 – Operating Lease. As part of the Agreement, the District agrees to manage the arena. The District and MYHA agree to share operating surpluses equally, but MYHA has to fund any operating shortfalls, after MYHA advertising revenue has been depleted, with the City and District agreeing to provide funds to MYHA for a portion of the construction costs. The District has agreed to pay, on behalf of MYHA, payments sent directly to the lender to provide for total payments of sums due under the construction loan and any successor loan as and when due. The City's obligation to fund this construction loan shall be in the maximum amount of \$100,000 annually. The District paid \$100,000 on behalf of MYHA in fiscal year 2021. There was no shortfall from operations. The District's obligation to MYHA and other specific arrangements are also defined in the Agreement. The term of the Agreement, modified with Amendment No. 1, 2, and 3, shall be from October 2006 through September 2030.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 13 COMMITMENTS AND CONTINGENCIES

Federal and State Programs

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 fund. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Outstanding Contracts

The District had construction commitments in the amount of \$572,146 as of the end of the year.

NOTE 14 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District purchases commercial insurance coverage for such risks.

There has been no significant reduction in insurance coverage from the previous year in any of the District's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
SCHEDULE OF CHANGES IN THE DISTRICT'S SUPPLEMENTAL
PENSION LIABILITY AND RELATED RATIOS
JUNE 30, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability	\$ 735,421	\$ 842,947	\$ 917,566	\$ 935,272	\$ 1,238,753
Changes for the Year:					
Service Cost	30,767	35,487	30,531	31,937	38,727
Interest	15,295	24,814	29,438	25,460	33,886
Changes in Benefit Terms	40,097	15,844	81,303	(17,280)	(156,558)
Differences between Expected and Actual Experience	(20,190)	-	-	-	-
Benefit Payments	<u>(294,910)</u>	<u>(183,671)</u>	<u>(215,891)</u>	<u>(179,867)</u>	<u>(219,536)</u>
Net Changes	<u>(228,941)</u>	<u>(107,526)</u>	<u>(74,619)</u>	<u>(139,750)</u>	<u>(303,481)</u>
Total Pension Liability	<u>\$ 506,480</u>	<u>\$ 735,421</u>	<u>\$ 842,947</u>	<u>\$ 795,522</u>	<u>\$ 935,272</u>
Covered Payroll	\$ 5,895,657	\$ 8,040,060	\$ 7,805,884	\$ 8,156,154	\$ 7,918,596
District's Net OPEB Liability (Asset) as a Percentage of Covered Payroll	9 %	9 %	11 %	10 %	12 %

The District implemented GASB Statement No. 73 in fiscal year 2017 and the above table will be expanded to 10 years of information as the information becomes available.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY
AND RELATED RATIOS
JUNE 30, 2021**

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service Cost	\$ 794,178	\$ 632,289	\$ 557,711	\$ 514,292	\$ 646,723
Interest	401,228	483,707	550,832	398,393	455,201
Plan Changes	-	377,615	388,068	(295,745)	(1,736,403)
Differences Between Expected and Actual Experience	2,928,278	-	(787,949)	-	-
Changes of Assumptions	(244,931)	-	-	-	-
Benefit Payments	(1,579,124)	(1,208,615)	(1,281,243)	(1,109,461)	(1,273,369)
Net Change in Total OPEB Liability	2,299,629	284,996	(572,581)	(492,521)	(1,907,848)
Total OPEB Liability - Beginning	15,905,906	15,620,910	16,193,491	13,774,158	15,682,006
Total OPEB Liability - Ending (a)	\$ 18,205,535	\$ 15,905,906	\$ 15,620,910	\$ 13,281,637	\$ 13,774,158
Plan Fiduciary Net Position					
Contributions - Employer	\$ 1,052,070	\$ 847,404	\$ 1,148,057	\$ 1,004,817	\$ 1,185,843
Net Investment Income	33,914	34,318	36,309	27,830	33,012
Benefit Payments	(1,184,443)	(899,060)	(1,276,033)	(1,109,462)	(1,273,368)
Differences Between Expected and Actual Experience	(4,045)	(2,853)	(7,922)	-	-
Net Change in Plan Fiduciary Net Position	(102,504)	(20,191)	(99,589)	(76,815)	(54,513)
Plan Fiduciary Net Position - Beginning	1,695,684	1,715,875	1,815,464	1,892,280	1,946,793
Plan Fiduciary Net Position - Ending (b)	\$ 1,593,180	\$ 1,695,684	\$ 1,715,875	\$ 1,815,465	\$ 1,892,280
District's Net OPEB Liability (Asset) - Ending (a) - (b)	\$ 16,612,355	\$ 14,210,222	\$ 13,905,035	\$ 11,466,172	\$ 11,881,878
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9 %	11 %	11 %	14 %	14 %
Covered Employee Payroll	\$ 33,912,950	\$ 32,492,530	\$ 31,546,146	\$ 27,052,943	\$ 26,264,993
District's Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll	49 %	44 %	44 %	42 %	45 %

The District implemented GASB Statements 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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
SCHEDULE OF MONEY WEIGHTED RATE OF RETURN ON OPEB PLAN ASSETS
JUNE 30, 2021**

Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2017	1.70 %
2018	1.50 %
2019	1.60 %
2020	1.80 %
2021	1.80 %

The District implemented GASB Statements 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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS**

	Measurement Date June 30, 2020	Measurement Date June 30, 2019	Measurement Date June 30, 2018	Measurement Date June 30, 2017
PERA				
District's Proportion of the Net Pension Liability	0.1136 %	0.1159 %	0.1115 %	0.1109 %
District's Proportionate Share of the Net Pension Liability	\$ 6,810,839	\$ 6,407,851	\$ 6,185,563	\$ 7,079,783
State's Proportionate Share of the Net Pension Liability Associated with District	210,017	199,158	202,973	89,007
Total of District's and State's Proportionate Share of the Net Pension Liability	<u>\$ 7,020,856</u>	<u>\$ 6,607,009</u>	<u>\$ 6,388,536</u>	<u>\$ 7,168,790</u>
District's Covered Payroll	\$ 8,299,080	\$ 8,037,013	\$ 7,649,187	\$ 7,171,613
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	82.07 %	79.73 %	80.87 %	98.72 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.06 %	80.20 %	79.53 %	75.90 %
TRA				
District's Proportion of the Net Pension Liability	0.4523 %	0.4579 %	0.4697 %	0.4633 %
District's Proportionate Share of the Net Pension Liability	\$ 33,416,530	\$ 29,186,642	\$ 29,499,602	\$ 92,483,084
State's Proportionate Share of the Net Pension Liability Associated with District	2,800,402	2,582,929	2,771,569	8,940,294
Total of District's and State's Proportionate Share of the Net Pension Liability	<u>\$ 36,216,932</u>	<u>\$ 31,769,571</u>	<u>\$ 32,271,171</u>	<u>\$ 101,423,378</u>
District's Covered Payroll	\$ 26,341,932	\$ 26,133,684	\$ 26,245,613	\$ 25,066,013
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	126.86 %	111.68 %	112.40 %	368.96 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.48 %	78.07 %	78.07 %	51.57 %

Note: Information is presented prospectively and an accumulation of ten fiscal years will be provided.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (CONTINUED)
LAST TEN FISCAL YEARS**

Measurement Date June 30, 2016	Measurement Date June 30, 2015	Measurement Date June 30, 2014
0.1048 %	0.1092 %	0.1104 %
\$ 8,509,240	\$ 5,659,311	\$ 5,186,039
111,062	-	-
<u>\$ 8,620,302</u>	<u>\$ 5,659,311</u>	<u>\$ 5,186,039</u>
\$ 6,523,080	\$ 6,291,980	\$ 5,986,992
130.45 %	89.94 %	86.62 %
68.91 %	78.20 %	78.75 %
0.4634 %	0.4523 %	0.4784 %
\$ 110,531,957	\$ 27,979,228	\$ 22,044,328
11,094,524	3,432,062	1,550,926
<u>\$ 121,626,481</u>	<u>\$ 31,411,290</u>	<u>\$ 23,595,254</u>
\$ 24,212,640	\$ 23,150,263	\$ 21,836,533
456.51 %	120.86 %	100.95 %
44.88 %	76.77 %	81.50 %

See accompanying Notes to Required Supplementary Information.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	2021	2020	2019	2018
PERA				
Contractually Required Contribution	\$ 627,416	\$ 622,431	\$ 602,776	\$ 573,689
Contributions in Relation to the Contractually Required Contribution	<u>(627,416)</u>	<u>(622,431)</u>	<u>(602,776)</u>	<u>(573,689)</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 District's Covered Payroll	 \$ 8,365,547	 \$ 8,299,080	 \$ 8,037,013	 \$ 7,649,187
 Contributions as a Percentage of Covered Payroll	 7.50 %	 7.50 %	 7.50 %	 7.50 %
 TRA				
Contractually Required Contribution	\$ 2,253,994	\$ 2,086,281	\$ 2,014,907	\$ 1,968,421
Contributions in Relation to the Contractually Required Contribution	<u>(2,253,994)</u>	<u>(2,086,281)</u>	<u>(2,014,907)</u>	<u>(1,968,421)</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 District's Covered Payroll	 \$ 27,724,403	 \$ 26,341,932	 \$ 26,133,684	 \$ 26,245,613
 Contributions as a Percentage of Covered Payroll	 8.13 %	 7.92 %	 7.71 %	 7.50 %

Note: Information is presented prospectively and an accumulation of ten fiscal years will be provided.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS (CONTINUED)
LAST TEN FISCAL YEARS**

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 537,871	\$ 489,231	\$ 465,243
<u>(537,871)</u>	<u>(489,231)</u>	<u>(465,243)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,171,613	\$ 6,523,080	\$ 6,291,980
7.50 %	7.50 %	7.39 %
\$ 1,879,951	\$ 1,815,948	\$ 1,736,618
<u>(1,879,951)</u>	<u>(1,815,948)</u>	<u>(1,736,618)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 25,066,013	\$ 24,212,640	\$ 23,154,907
7.50 %	7.50 %	7.50 %

See accompanying Notes to Required Supplementary Information.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1 CHANGES IN SIGNIFICANT PENSION 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 year ended June 30:

2020

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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2019

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreased 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 in Actuarial Assumption

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed postretirement benefit increase was changed from 1.0% 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 in Actuarial Assumption

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and nonvested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5 % per year thereafter.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

**NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS,
AND ASSUMPTIONS (CONTINUED)**

2017 (Continued)

Changes in Plan Provisions

- 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 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 future years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate was changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study dated 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 Actuarial Plan Provisions

- There have been no changes since the prior valuation.

2015

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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1 CHANGES IN SIGNIFICANT PENSION 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 year ended June 30:

2020

Changes in Actuarial Assumptions

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back 5 years and female rates set back 7 years.
- Generational projection uses the MP-2015 scale. Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019

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 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.

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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2018 (Continued)

Changes in Plan Provisions (Continued)

- 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 four years, (7.92% in 2019, 8.13% 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 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.

2016

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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2016 (Continued)

Changes in Actuarial Assumptions (Continued)

- 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 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 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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 2 OTHER POSTEMPLOYMENT BENEFIT PLAN

The following assumption changes have been made for the measurement date June 30, 2021:

- 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 increase rates 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%.

The following assumption changes have been made for the measurement date June 30, 2020:

- The discount rate was changed from 3.00% to 2.40%.

The following assumption changes have been made for the measurement date June 30, 2019:

- 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-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The discount rate was changed from 3.40% to 3.00%.

The following assumption changes have been made for the measurement date June 30, 2018:

- The discount rate was changed from 2.90% to 3.40%.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 3 SUPPLEMENTAL BENEFIT PLAN

The following assumption changes have been made for the measurement date June 30, 2021:

- 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 increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.
- The method used to offset the district contributions to the Deferred Mating Compensation Plans for Custodians, District Office Personnel, Food Service Employees, Paraprofessionals, and Secretaries was changed from assuming the match amounts would offset GASB 73 severance benefits first (before offsetting severance amounts based on unused sick leave) to prorating the match amounts between GASB 73 and unused sick leave benefits.
- The discount rate was changed from 2.40% to 2.10%.

The following assumption changes have been made for the measurement date June 30, 2020:

- The discount rate was changed from 3.10% to 2.40%.

The following assumption changes have been made for the measurement date June 30, 2019:

- The district matching contribution was increased from \$2,000 per year to \$2,500 per year for Directors. The district matching contribution is not included in the liability but is an offset to the GASB 73 severance benefit.
- 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 discount rate was changed from 3.50% to 3.10%.

The following assumption changes have been made for the measurement date June 30, 2018:

- The discount rate was changed from 2.90% to 3.50%.

SUPPLEMENTARY INFORMATION

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
COMPLIANCE TABLE
YEAR ENDED JUNE 30, 2021**

	Audit	UFARS	Audit-UFARS		Audit	UFARS	Audit-UFARS
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenues	\$ 60,764,841	\$ 60,764,842	\$ (1)	Total Revenues	\$ 89,204	\$ 89,203	\$ 1
Total Expenditures	60,733,224	60,733,222	2	Total Expenditures	1,354,689	1,354,687	2
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	30,695	30,695	-	460 Nonspendable Fund Balance	-	-	-
<i>Restricted/Reserve:</i>				<i>Restricted/Reserve:</i>			
401 Student Activities	16,936	16,936	-	407 Capital Projects Levy	-	-	-
403 Staff Development	134,485	134,485	-	409 Alternative Fac. Program	-	-	-
406 Health & Safety	-	-	-	413 Project Funded by COP	-	-	-
407 Capital Project Levy	-	-	-	467 LTFM	-	-	-
408 Cooperative Rev.	-	-	-	<i>Restricted:</i>			
409 Deferred Maintenance	-	-	-	464 Restricted Fund Balance	-	-	-
414 Operating Debt	-	-	-	<i>Unassigned:</i>			
416 Levy Reduction	-	-	-	463 Unassigned Fund Balance	-	-	-
419 Encumbrances	-	-	-				
423 Certain Teacher Programs	-	-	-	07 DEBT SERVICE			
424 Operating Capital	174,022	174,022	-	Total Revenues	3,600,534	3,600,534	-
426 \$25 Taconite	-	-	-	Total Expenditures	3,635,813	3,635,813	-
427 Disabled Accessibility	-	-	-	<i>Nonspendable:</i>			
428 Learning & Development	-	-	-	460 Nonspendable Fund Balance	-	-	-
434 Area Learning Center	7,948	7,948	-	<i>Restricted/Reserve:</i>			
435 Contracted Alt. Programs	-	-	-	425 Bond Refundings	-	-	-
436 St. Approved Alt. Prog.	-	-	-	451 QZAB Payments	-	-	-
438 Gifted & Talented	-	-	-	<i>Restricted:</i>			
440 Teacher Development & Eval	-	-	-	464 Restricted Fund Balance	1,684,670	1,684,670	-
441 Basic Skills	-	-	-	<i>Unassigned:</i>			
443 Telecomm. Access Cost	-	-	-	463 Unassigned Fund Balance	-	-	-
446 First Grade Preparedness	-	-	-				
448 Achievement and Integration	2,561	2,561	-	18 CUSTODIAL FUND			
449 Safe Schools Levy	118,861	118,861	-	Total Revenues	91,113	91,113	-
450 Pre-Kindergarten	-	-	-	Total Expenditures	177,351	177,350	1
451 QZAB Payments	-	-	-	401 Student Activities	-	-	-
452 OPEB Liab. Not in Trust	-	-	-	402 Scholarships	2,504,913	2,504,913	-
453 Unfunded Sev & Retirement Levy	-	-	-				
467 LTFM	1,810,179	1,810,179	-	20 INTERNAL SERVICE			
472 Medical Assistance	297,028	297,028	-	Total Revenues	575,194	575,194	-
<i>Restricted:</i>				Total Expenditures	556,782	556,781	1
464 Restricted Fund Balance	564,571	564,571	-	422 Net Position	233,056	233,056	-
<i>Committed:</i>				25 OPEB REVOCABLE TRUST			
418 Committed For Separation	633,545	633,545	-	Total Revenues	-	-	-
461 Committed Fund Balance	-	-	-	Total Expenditures	-	-	-
<i>Assigned:</i>				422 Net Position	-	-	-
462 Assigned Fund Balance	272,887	272,887	-	45 OPEB IRREVOCABLE TRUST			
<i>Unassigned:</i>				Total Revenues	1,381,109	1,381,110	(1)
422 Unassigned Fund Balance	3,530,061	3,530,066	(5)	Total Expenditures	1,483,613	1,483,614	(1)
				422 Net Position	1,593,180	1,593,180	-
02 FOOD SERVICE				47 OPEB DEBT SERVICE			
Total Revenues	2,298,218	2,298,218	-	Total Revenues	-	-	-
Total Expenditures	2,064,106	2,064,104	2	Total Expenditures	-	-	-
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	42,034	42,034	-	460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>				<i>Restricted:</i>			
452 OPEB Liab. Not in Trust	-	-	-	425 Bond Refundings	-	-	-
464 Restricted Fund Balance	335,151	335,152	(1)	464 Restricted Fund Balance	-	-	-
<i>Unassigned:</i>				<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-	463 Unassigned Fund Balance	-	-	-
04 COMMUNITY SERVICE							
Total Revenues	4,187,052	4,187,053	(1)				
Total Expenditures	4,132,995	4,132,995	-				
<i>Nonspendable:</i>							
460 Nonspendable Fund Balance	965	965	-				
<i>Restricted/Reserve:</i>							
426 \$25 Taconite	-	-	-				
431 Community Education	26,400	26,400	-				
432 E.C.F.E.	26,644	26,644	-				
444 School Readiness	-	-	-				
447 Adult Basic Education	293,173	293,173	-				
452 OPEB Liab. Not in Trust	-	-	-				
<i>Restricted:</i>							
464 Restricted Fund Balance	129,149	129,149	-				
<i>Unassigned:</i>							
463 Unassigned Fund Balance	-	-	-				

* Amounts differ from those reported on the fund-level balance sheet due to the need to reclassify negative restricted fund balance to unassigned fund balance for the CAFR.

STATISTICAL SECTION (UNAUDITED)

The statistical section of the Independent School District No. 882's (the District) annual comprehensive 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.

Financial Trends

The financial trends schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

The revenue capacity schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity

The debt capacity 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.

Demographic and Economic Information

The demographic and economic information schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place.

Operating Information

The operating information schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2012	2013	2014	2015
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 21,653,918	\$ 25,135,009	\$ 28,367,492	\$ 32,717,052
Restricted	2,562,247	2,055,494	2,023,358	2,441,680
Unrestricted	5,003,147	5,498,909	6,250,771	(25,712,413)
Total Governmental Activities				
Net Position	<u>\$ 29,219,312</u>	<u>\$ 32,689,412</u>	<u>\$ 36,641,621</u>	<u>\$ 9,446,319</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NET POSITION BY COMPONENT (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 34,364,408	\$ 25,258,704	\$ 28,999,924	\$ 25,778,548	\$ 25,004,889	\$ 25,109,224
2,267,619	4,630,541	2,711,875	3,322,852	3,863,922	4,153,779
(26,879,967)	(50,340,036)	(68,665,748)	(57,326,258)	(60,203,482)	(63,298,444)
<u>\$ 9,752,060</u>	<u>\$ (20,450,791)</u>	<u>\$ (36,953,949)</u>	<u>\$ (28,224,858)</u>	<u>\$ (31,334,671)</u>	<u>\$ (34,035,441)</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2012	2013	2014	2015
EXPENSES				
Governmental Activities				
Administration	\$ 1,216,697	\$ 1,238,134	\$ 1,283,586	\$ 1,337,795
District Support Services	603,853	674,478	1,018,438	1,032,096
Elementary and Secondary Regular Instruction	19,396,341	19,757,587	19,835,124	21,790,879
Vocational Education Instruction	569,583	824,747	694,045	773,340
Special Education Instruction	12,637,148	13,076,583	13,944,470	14,949,615
Instructional Support Services	2,248,005	2,804,514	2,625,955	2,807,152
Pupil Support Services	3,196,743	3,408,107	3,640,273	3,734,385
Sites and Buildings	3,563,962	3,684,303	4,129,356	4,571,273
Fiscal and Other Fixed Cost Programs	161,381	171,889	172,537	176,392
Food Service	1,742,052	1,733,824	1,780,814	1,903,682
Community Education and Services	2,514,577	2,527,475	2,745,243	2,380,265
Interest and Fiscal Charges on Long-Term Debt	694,614	477,787	250,817	128,293
Depreciation not Included in Other Functions	1,111,084	1,102,166	1,102,165	1,102,166
Total Governmental Activities Expenses	49,656,040	51,481,594	53,222,823	56,687,333
PROGRAM REVENUES				
Governmental Activities				
Charges for Services:				
Administration	-	-	-	-
District Support Services	-	-	-	-
Elementary and Secondary Regular Instruction	655,047	675,556	601,835	428,959
Vocational Education Instruction	-	-	-	-
Special Education Instruction	2,236,953	1,533,286	2,104,156	2,409,961
Instructional Support Services	-	-	-	-
Pupil Support Services	-	4,925	-	-
Sites and Buildings	16,027	-	300	222,464
Fiscal and Other Fixed Cost Programs	-	-	-	-
Food Service	969,110	992,863	1,024,734	1,040,232
Community Education and Services	1,065,495	1,152,504	1,223,615	976,923
Interest and Fiscal Charges on Long-Term Debt	-	-	-	-
Depreciation not Included in Other Functions	-	-	-	-
Operating Grants and Contributions	12,945,144	14,309,359	15,133,838	16,109,098
Capital Grants and Contributions	480,477	446,483	476,050	584,023
Total Governmental Activities Program Revenues	18,368,253	19,114,976	20,564,528	21,771,660
Net Expense	(31,287,787)	(32,366,618)	(32,658,295)	(34,915,673)
GENERAL REVENUES				
Governmental Activities				
Taxes:				
Property Taxes, Levied for General Purposes	5,874,159	6,022,840	4,238,226	5,611,498
Property Taxes, Levied for Community Service	238,143	257,587	214,829	273,445
Property Taxes, Levied for Building Construction	-	-	-	-
Property Taxes, Levied for Debt Service	4,561,832	4,415,071	4,004,789	5,098,466
General Grants and Aids	24,018,379	24,200,096	27,564,512	27,341,397
Earnings on Investments	95,297	42,885	27,634	28,125
Gain on Sale of Capital Assets	-	-	7,845	25,878
Other General Revenues	947,078	898,239	552,669	342,146
Total Governmental Activities	35,734,888	35,836,718	36,610,504	38,720,955
Change in Net Position	\$ 4,447,101	\$ 3,470,100	\$ 3,952,209	\$ 3,805,282

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 1,440,429	\$ 2,267,484	\$ 2,254,899	\$ 1,058,283	\$ 1,560,908	\$ 1,796,368
1,135,630	1,181,088	1,227,978	820,276	1,065,605	1,139,688
23,705,406	32,103,609	33,518,386	15,059,682	27,681,918	28,570,755
773,236	715,728	785,932	1,219,386	1,483,315	1,638,491
14,494,246	19,153,411	20,151,673	12,219,100	17,927,383	18,161,827
2,941,917	3,330,953	3,496,922	2,333,594	3,018,474	3,264,499
3,883,955	4,090,046	4,032,437	3,668,797	4,187,714	4,378,701
6,206,082	9,219,213	8,123,738	7,982,706	6,371,538	5,942,591
183,311	162,414	528,373	682,729	647,515	856,818
2,025,562	1,914,262	2,046,853	2,131,022	1,992,929	2,095,506
2,557,334	2,880,271	3,601,031	3,711,934	4,208,681	4,191,681
448,369	1,223,104	1,280,104	1,282,547	1,323,735	1,292,201
1,102,166	1,566,641	1,052,234	1,006,894	985,784	981,124
60,897,643	79,808,224	82,100,560	53,176,950	72,455,499	74,310,250
-	1,058,283	-	-	-	-
-	820,276	-	-	-	-
398,912	792,260	690,907	578,861	456,699	474,259
-	1,219,386	-	-	-	-
6,509,474	7,459,860	7,947,140	8,780,973	9,273,444	9,736,493
-	2,333,594	-	-	-	-
-	-	-	-	-	-
227,780	197,736	118,726	92,841	55,581	64,346
-	682,729	-	-	-	-
1,059,552	1,002,757	1,086,595	1,114,428	828,435	114,089
1,020,892	1,125,544	1,409,854	2,069,515	1,895,970	2,200,968
-	1,282,547	-	-	-	-
-	1,006,894	-	-	-	-
11,499,346	9,306,320	11,096,242	7,910,617	10,575,272	14,070,478
595,653	550,184	618,329	663,179	649,523	631,212
21,311,609	28,838,370	22,967,793	21,210,414	23,734,924	27,291,845
(39,586,034)	(50,969,854)	(59,132,767)	(31,966,536)	(48,720,575)	(47,018,405)
6,183,526	6,292,567	6,831,338	8,332,518	8,932,523	8,711,012
223,361	228,915	242,189	230,807	316,482	311,329
3,500,000	2,833,250	1,077,000	439,534	-	-
1,134,134	2,170,832	3,239,890	3,136,033	3,567,815	3,369,179
28,354,194	29,339,675	28,857,831	29,424,009	31,020,346	30,770,967
151,399	323,478	260,725	285,149	217,629	6,182
5,800	470	-	5,303	4,298	1,686
339,361	564,082	2,120,636	1,647,435	1,075,201	1,147,280
39,891,775	41,753,269	42,629,609	43,500,788	45,134,294	44,317,635
\$ 305,741	\$ (9,216,585)	\$ (16,503,158)	\$ 11,534,252	\$ (3,586,281)	\$ (2,700,770)

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2012	2013	2014	2015
GENERAL FUND				
Nonspendable	\$ 95,469	\$ 642,926	\$ 687,121	\$ 707,359
Restricted	119,800	119,920	175,271	409,724
Assigned	2,763,239	2,695,080	717,468	678,992
Committed	-	-	1,816,655	1,689,771
Unassigned	2,928,881	3,239,568	3,814,657	3,814,320
Total General Fund	<u>\$ 5,907,389</u>	<u>\$ 6,697,494</u>	<u>\$ 7,211,172</u>	<u>\$ 7,300,166</u>
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ 20,989	\$ 23,081	\$ 26,059	\$ 19,954
Restricted	2,238,291	1,793,181	1,750,381	1,951,768
Unassigned, Reported in:				
Special Revenue Funds	(10,427)	-	-	-
Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>(761,552)</u>
Total All Other Governmental Funds	<u>\$ 2,248,853</u>	<u>\$ 1,816,262</u>	<u>\$ 1,776,440</u>	<u>\$ 1,210,170</u>
Unassigned - Operating				
Account as a Percent of Total Expenditures *	<u>10.32 %</u>	<u>5.81 %</u>	<u>9.91 %</u>	<u>7.49 %</u>

* Percentage includes expenditures associated with the Sherburne and Northern Wright Special Education Cooperative

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 726,713	\$ 707,781	\$ 824,508	\$ 62,385	\$ 71,792	\$ 30,695
523,780	935,714	855,677	1,320,325	2,888,954	3,126,591
723,642	224,282	190,620	248,890	202,187	272,887
1,570,581	1,417,837	1,222,367	990,152	869,405	633,545
3,484,243	2,079,142	1,333,876	2,412,297	3,582,840	3,530,061
<u>\$ 7,028,959</u>	<u>\$ 5,364,756</u>	<u>\$ 4,427,048</u>	<u>\$ 5,034,049</u>	<u>\$ 7,615,178</u>	<u>\$ 7,593,779</u>
\$ 27,632	\$ 94,258	\$ 53,751	\$ 47,342	\$ 49,505	\$ 42,999
44,497,887	22,653,380	7,482,679	8,755,996	3,446,574	2,495,187
-	-	-	-	-	-
(837,219)	(24,962)	-	-	-	-
<u>\$ 43,688,300</u>	<u>\$ 22,722,676</u>	<u>\$ 7,536,430</u>	<u>\$ 8,803,338</u>	<u>\$ 3,496,079</u>	<u>\$ 2,538,186</u>
<u>6.63 %</u>	<u>3.92 %</u>	<u>3.63 %</u>	<u>2.39 %</u>	<u>0.04 %</u>	<u>0.06 %</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2012	2013	2014	2015
REVENUES				
Local Sources				
Taxes	\$ 10,678,274	\$ 10,822,864	\$ 8,559,270	\$ 11,011,402
Investment Earnings	95,297	42,885	27,634	28,125
Other	5,853,183	5,257,291	5,507,309	5,902,663
State Sources	33,088,756	35,156,182	39,273,363	39,190,816
Federal Sources	4,355,244	3,799,756	3,901,037	4,361,724
Total Revenues	54,070,754	55,078,978	57,268,613	60,494,730
EXPENDITURES				
Current				
Administration	1,199,827	1,238,962	1,288,619	1,343,272
District Support Services	591,325	663,804	981,089	1,017,776
Elementary and Secondary Regular Instruction	19,214,406	19,463,733	19,848,466	21,840,424
Vocational Education Instruction	567,069	820,505	697,512	783,246
Special Education Instruction	12,502,655	12,971,354	13,988,966	14,948,635
Instructional Support Services	1,458,355	1,868,483	1,756,208	1,976,662
Pupil Support Services	3,164,655	3,406,058	3,585,601	3,708,963
Sites and Buildings	3,260,709	3,332,848	3,527,631	3,674,596
Fiscal and Other Fixed Cost Programs	161,381	171,889	172,537	176,392
Food Service	1,742,052	1,723,438	1,780,814	1,892,382
Community Service	2,497,267	2,575,700	2,679,285	2,357,812
Capital Outlay	1,019,954	1,688,298	1,462,339	2,120,051
Debt Service				
Principal	4,226,150	4,548,262	4,606,385	4,847,978
Interest and Fiscal Charges	877,517	705,644	427,150	310,087
Total Expenditures	52,483,322	55,178,978	56,802,602	60,998,276
EXCESS OF REVENUES UNDER EXPENDITURES	1,587,432	(100,000)	466,011	(503,546)
OTHER FINANCING SOURCES (USES)				
Bonds Issued	-	5,970,000	-	-
Premium on Bonds Issued	-	73,276	-	-
Insurance Recovery	24,589	-	-	-
Capital Lease/Certificates of Participation	-	384,313	-	-
Proceeds from Sale of Assets	-	4,925	7,845	26,086
Proceeds from Sale of Inventory	-	-	-	-
Debt Retirement from Escrow Account	-	(5,975,000)	-	-
Total Other Financing Sources (Uses)	24,589	457,514	7,845	26,086
Net Change in Fund Balances	\$ 1,612,021	\$ 357,514	\$ 473,856	\$ (477,460)
Debt Services as a Percentage of Noncapital Expenditures	9.87 %	9.73 %	8.94 %	8.65 %

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 11,068,163	\$ 11,547,946	\$ 11,418,139	\$ 12,136,162	\$ 12,814,279	\$ 12,394,343
151,399	323,478	260,234	283,532	215,835	6,104
10,035,274	11,594,919	12,263,089	13,758,222	13,517,517	13,439,650
36,113,494	34,068,736	36,393,849	36,150,163	38,331,790	38,172,264
3,850,596	3,124,534	3,635,513	3,435,577	3,403,667	6,875,643
61,218,926	60,659,613	63,970,824	65,763,656	68,283,088	70,888,004
1,433,362	1,733,162	1,743,600	1,500,426	1,490,651	1,678,673
1,094,300	1,025,933	1,059,397	963,981	1,016,011	1,129,802
23,167,361	23,570,548	24,170,283	23,313,489	23,689,667	24,909,038
770,423	686,731	668,092	1,331,983	1,397,638	1,560,090
14,332,384	14,971,050	16,012,491	16,787,182	16,912,027	17,446,087
1,939,646	2,629,279	2,847,399	2,513,754	2,698,019	3,084,900
3,865,216	3,751,172	3,689,028	3,940,134	4,062,571	4,857,276
3,978,858	3,910,662	5,166,328	4,408,790	4,023,624	4,620,446
183,311	162,414	147,339	167,003	203,035	300,036
1,993,950	1,841,499	2,053,482	2,099,404	1,961,992	2,055,414
2,459,126	2,597,306	3,189,608	4,055,079	4,054,917	4,094,431
8,186,238	30,011,547	17,826,315	4,365,805	6,502,339	2,286,744
1,637,808	1,203,041	2,244,706	2,112,872	2,455,495	2,440,902
110,474	1,240,752	1,413,271	1,396,623	1,493,491	1,456,988
65,152,457	89,335,096	82,231,339	68,956,525	71,961,477	71,920,827
(3,933,531)	(28,675,483)	(18,260,515)	(3,192,869)	(3,678,389)	(1,032,823)
44,340,000	5,160,000	-	4,430,000	-	-
1,349,631	168,148	-	170,745	-	-
-	126,706	1,116,828	435,768	27,955	51,845
439,407	-	930,573	-	468,500	-
11,600	5,303	4,537	5,303	4,298	1,686
-	6,620	59,661	-	-	-
-	-	-	-	-	-
46,140,638	5,466,777	2,111,599	5,041,816	500,753	53,531
<u>\$ 42,207,107</u>	<u>\$ (23,208,706)</u>	<u>\$ (16,148,916)</u>	<u>\$ 1,848,947</u>	<u>\$ (3,177,636)</u>	<u>\$ (979,292)</u>
<u>2.93 %</u>	<u>3.77 %</u>	<u>4.45 %</u>	<u>5.32 %</u>	<u>0.06 %</u>	<u>0.06 %</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
TAX CAPACITIES AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>For Taxes Collectible</u>	<u>Residential Property</u>	<u>Commercial Industrial Property</u>	<u>Other Property</u>	<u>Less: Tax Increment Property</u>
2012	\$ 8,896,466	\$ 6,325,188	\$ 8,505,401	\$ 857,311
2013	7,961,021	9,970,792	8,325,133	885,070
2014	8,142,220	9,343,177	8,162,264	790,345
2015	9,060,661	14,504,143	8,257,031	762,309
2016	9,819,356	15,954,750	9,093,640	687,603
2017	10,709,438	17,020,985	8,529,943	722,414
2018	11,960,706	17,955,102	8,974,684	719,806
2019	13,160,682	16,340,826	8,563,005	706,029
2020	14,466,205	16,129,970	9,969,813	738,209
2021	15,159,639	16,651,094	8,645,051	767,380

Source: Wright and Sherburne County

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
TAX CAPACITIES AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

Net Taxable Tax Capacity		Total Direct Tax Rate	Estimated Taxable Market Value	Taxable Tax Capacity as a Percentage of Estimated Market Value
\$	22,869,744	28.262	\$ 1,852,291,700	1.23 %
	25,371,876	26.229	1,938,427,700	1.31
	24,857,316	28.269	1,920,071,100	1.29
	31,059,526	22.882	2,292,783,500	1.35
	34,180,143	20.857	2,609,175,300	1.31
	35,537,952	16.242	2,461,256,683	1.44
	38,170,686	15.621	2,962,731,200	1.29
	37,358,484	16.972	3,043,626,600	1.23
	39,827,779	15.865	3,039,589,729	1.31
	39,688,404	15.390	3,107,579,700	1.28

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)**

	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>
GOVERNMENTAL UNIT				
ISD No. 882 (Monticello)	28.262 %	26.229 %	28.269 %	22.882 %
Overlapping Governments:				
Wright County	43.452 %	44.288 %	43.450 %	40.593 %
Sherburne County	52.014 %	54.420 %	54.861 %	51.979 %
City of Monticello	49.773 %	42.262 %	44.709 %	35.737 %
City of Otsego	41.454 %	46.229 %	44.575 %	41.202 %
City of Big Lake	50.404 %	55.198 %	60.048 %	57.518 %
Big Lake Twp	15.784 %	15.306 %	15.591 %	16.058 %
Buffalo Twp	24.675 %	25.514 %	25.310 %	24.432 %
Clearwater Twp	28.507 %	28.574 %	27.905 %	27.826 %
Maple Lake Twp	21.013 %	22.328 %	22.073 %	20.372 %
Monticello Twp	18.357 %	24.483 %	24.879 %	24.952 %
Silver Creek Twp	27.726 %	28.286 %	32.261 %	28.716 %
Hospital District	1.240 %	0.608 %	- %	- %
State	N/A	N/A	N/A	N/A

The state information for 2011-2020 is unavailable.

Source: Wright & Sherburne Counties

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
DIRECT AND OVERLAPPING PROPERTY TAX RATES (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>
20.857 %	16.242 %	15.621 %	16.972 %	15.865%	15.390%
39.970 %	39.599 %	39.946 %	44.273 %	44.421%	43.719%
50.478 %	50.460 %	49.356 %	47.928 %	47.426%	45.835%
34.471 %	33.172 %	32.333 %	34.262 %	34.967%	35.659%
37.921 %	37.852 %	36.556 %	36.060 %	35.099%	34.653%
57.112 %	57.936 %	55.643 %	50.898 %	49.223%	48.471%
19.004 %	17.972 %	19.797 %	20.720 %	22.801%	23.550%
23.379 %	22.520 %	21.442 %	20.026 %	19.029%	17.692%
24.135 %	24.490 %	22.482 %	21.472 %	20.946%	21.021%
18.678 %	17.618 %	16.508 %	15.537 %	16.145%	18.948%
23.386 %	24.253 %	21.732 %	20.496 %	19.450%	18.948%
27.412 %	26.181 %	24.914 %	23.517 %	22.309%	26.640%
- %	- %	- %	- %	- %	- %
N/A	N/A	N/A	N/A	N/A	N/A

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Taxpayer	2021			2012		
	Net Tax Capacity	Rank	Percentage Total District Tax Valuation	Net Tax Capacity	Rank	Percentage Total District Tax Valuation
Northern States Power Co.	\$ 13,839,901	1	34.75 %	\$ 6,377,457	1	26.38 %
Iret Properties	327,920	2	0.82			
Venturian Holdings LLC Etal	255,220	3	0.64			
Centerpoint Energy	221,916	4	0.56			
Target Corporation	199,250	5	0.50	235,628	3	0.97
Wal-Mart Real Est. Business Tr.	192,994	6	0.48	255,338	2	1.06
RCG-Monticello MN LLC	182,126	7	0.46			
Monti-Big Lake Comm Hospital	145,440	8	0.37	152,346	4	0.63
Home Depot USA Inc.	129,280	9	0.32	143,730	6	0.59
Clear Creek Land Company LLC	122,770	10	0.31			
MLBL, LLC				148,630	5	0.61
Minnegasco, Inc				129,718	7	0.54
L & P Ventures LLC				109,832	8	0.45
Muller Fam Theatres of Monti				109,597	9	0.45
Ax TC Retail LP				101,638	10	0.42
Total for Ten Largest Principal Taxpayers	<u>\$ 15,616,817</u>			<u>\$ 7,763,914</u>		

Source: Current property valuations and net tax capacity values have been furnished by Wright County.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

For Taxes Collectible	Total Tax Levy for Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 10,574,134	\$ 10,424,507	98.58 %	\$ 70,001	\$ 10,494,508	99.25 %
2013	10,778,235	10,648,661	98.80	120,563	10,769,224	99.92
2014	10,780,124	10,676,682	99.04	92,953	10,769,635	99.90
2015	10,938,113	10,846,305	99.16	87,912	10,934,217	99.96
2016	11,304,610	11,249,353	99.51	55,581	11,304,934	100.00
2017	11,252,912	11,195,237	99.49	55,392	11,250,629	99.98
2018	11,713,247	11,618,442	99.19	86,054	11,704,496	99.93
2019	12,776,448	12,669,104	99.16	86,871	12,755,975	99.84
2020	12,141,929	12,094,921	99.61	32,129	12,127,050	99.88
2021	12,355,839	6,113,209	49.48	-	6,113,209	49.48

Note 1: 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.

Note 2: A portion of the total tax levy is paid through various property tax credits which are paid through state aids.

Note 3: Property taxes are remitted to the District based on a calendar year, the amount stated represents collections through the District's year end of June 30.

Source: State of Minnesota School Tax Report and Wright & Sherburne County Certification report.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Year	G.O. Bonds	Aid and Tax Anticipation Certificates	Capital Leases	Total Primary Government
2012	\$ 15,875,000	\$ 5,000,000	\$ 242,866	\$ 21,117,866
2013	11,455,000	4,200,000	493,917	16,148,917
2014	6,980,000	-	362,532	7,342,532
2015	2,270,000	-	224,554	2,494,554
2016	45,215,000	-	421,153	45,636,153
2017	49,330,000	-	263,112	49,593,112
2018	47,345,000	-	933,979	48,278,979
2019	49,895,000	-	701,122	50,596,122
2020	47,690,000	-	929,112	48,619,112
2021	45,475,000	-	693,210	46,168,210

* Updated information was not available for these years.

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

Source: District Records

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
RATIOS OF OUTSTANDING DEBT BY TYPE (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

Estimated Population		Net Bonded Debt per Capita	Percentage of Outstanding Debt to Personal Income
20,533	* \$	1,028	6.24 %
20,533	*	786	4.46
20,533	*	358	2.04
20,533	*	121	0.67
20,533	*	2,223	N/A
21,721		2,283	N/A
21,721	*	2,223	N/A
21,304		2,375	N/A
21,304		2,282	N/A
21,304		2,167	N/A

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)**

Year	G.O. Bonds	Less Amounts Available in Debt Service Fund	Net Bonded Debt	Tax Capacity
2012	\$ 15,875,000	\$ 1,694,791	\$ 14,180,209	\$ 22,868,144
2013	11,455,000	1,205,976	10,249,024	25,371,876
2014	6,980,000	1,084,990	5,895,010	24,791,806
2015	2,270,000	1,201,810	1,068,190	31,636,594
2016	45,215,000	807,090	44,407,910	34,867,746
2017	49,330,000	720,215	48,609,785	36,914,524
2018	47,345,000	675,509	46,669,491	38,170,686
2019	49,895,000	721,154	49,173,846	38,358,484
2020	47,690,000	778,074	46,911,926	39,827,779
2021	45,475,000	1,684,670	43,790,330	39,688,404

* Updated information was not available for these years.

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

Source: District records, Wright and Sherburne Counties.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
RATIOS OF GENERAL BONDED DEBT OUTSTANDING (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

Percentage of Estimated Actual Taxable Value of Property	Estimated Population		Net Bonded Debt per Capita
62.01 %	20,533	* \$	691
40.40	20,533	*	499
23.78	20,533	*	287
3.38	20,533	*	52
127.36	20,533	*	2,163
131.68	21,721		2,238
122.27	21,721	*	2,149
128.20	21,304	*	2,308
117.79	21,304	*	2,202
110.34	21,304		2,055

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Year</u>	<u>Total Principal</u>	<u>Interest and Other Charges</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
2012	\$ 4,052,825	\$ 773,350	\$ 4,826,175	\$ 43,407,365	11.12
2013	4,415,000	624,644	5,039,644	45,775,045	11.01
2014	4,475,000	414,025	4,889,025	47,397,543	10.31
2015	4,710,000	292,175	5,002,175	50,267,671	9.95
2016	1,395,000	100,750	1,495,750	52,546,813	2.85
2017	1,045,000	1,238,465	2,283,465	53,073,203	4.30
2018	1,985,000	1,391,178	3,376,178	55,751,701	6.06
2019	1,880,000	1,373,775	3,253,775	55,755,393	5.84
2020	2,215,000	1,473,253	3,688,253	56,818,117	6.49
2021	2,205,000	1,430,813	3,635,813	60,733,224	5.99

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2021
(UNAUDITED)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Wright County	\$ 146,970,000	23.66 %	\$ 34,773,102
Sherburne County	41,505	1.68	697
City of Big Lake	14,120	0.13	18
City of Monticello	31,321	100.00	31,321
City of Otsego	27,571,595	8.36	2,304,985
Becker Township	-	11.83	-
Big Lake Township	<u>340,000</u>	0.20	<u>680</u>
Subtotal, Overlapping Debt	174,968,541		37,110,803
Independent School District No. 882 - Direct Debt	45,475,000	100.00	<u>45,475,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 82,585,803</u></u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the government's ability of issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt, of each overlapping government.

Source: Wright and Sherburne Counties.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year			
	2012	2013	2014	2015
Debt Limit	\$ 285,943,755	\$ 290,764,155	\$ 288,010,665	\$ 343,917,525
Total Net Debt Applicable to Limit	<u>15,875,000</u>	<u>11,455,000</u>	<u>6,980,000</u>	<u>2,270,000</u>
Legal Debt Margin	<u>\$ 270,068,755</u>	<u>\$ 279,309,155</u>	<u>\$ 281,030,665</u>	<u>\$ 341,647,525</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.55 %	3.94 %	2.42 %	0.66 %

Note: Under state finance law, the District's outstanding G.O. debt should not exceed 15% of total market property value.

By law, the G.O. debt subject to the limitation may be offset by amounts set aside for repaying G.O. bonds.

Source: District records.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
LEGAL DEBT MARGIN INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 391,376,295	\$ 413,736,855	\$ 444,409,680	\$ 456,543,990	\$ 455,938,459	\$ 466,136,955
45,215,000	49,330,000	47,345,000	49,895,000	47,690,000	45,475,000
<u>\$ 346,161,295</u>	<u>\$ 364,406,855</u>	<u>\$ 397,064,680</u>	<u>\$ 406,648,990</u>	<u>\$ 408,248,459</u>	<u>\$ 420,661,955</u>
11.55 %	11.92 %	10.65 %	10.93 %	10.46 %	9.76 %

Legal Debt Margin Calculation for Year 2021:

Market Value	\$ 3,107,579,700
Debt Limit (15% of Market Value)	466,136,955
Debt Applicable to Limit:	
G.O. Bonds	<u>45,475,000</u>
Total Net Debt Applicable to Limit	<u>45,475,000</u>
Legal Debt Margin	<u>\$ 420,661,955</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
DEMOGRAPHIC AND ECONOMIC STATISTICS — INCOME
LAST TEN FISCAL YEARS
(UNAUDITED)**

Year	Estimated Population		Personal Income	Per Capita Personal Income
2012 Est	20,533	*	\$ 338,246,480	\$ 16,473
2013 Est	20,533	*	362,440,710	17,652
2014 Est	20,533	*	360,076,360	17,536
2015 Est	20,533	*	371,796,933	18,107
2016 Est	20,533	*	658,971,698	30,338
2017	21,721		1,180,731,839	54,359 +
2018 Est	21,721	*	N/A	N/A
2019	21,304		N/A	N/A
2020 Est	21,304		N/A	N/A
2021 Est	21,304		N/A	N/A

* Updated information was not available for these years.

N/A : Data not available.

Data Sources: Minnesota Department of Employment and Economic Development
Minnesota Department of Education

+ U.S. Bureau of Economic Analysis, Per Capita Personal Income in Minnesota [MNPCP],
retrieved from FRED

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
DEMOGRAPHIC AND ECONOMIC STATISTICS — EMPLOYMENT
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Year</u>	<u>Average Employment Wright County</u>	<u>Average Unemployment Wright County</u>	<u>Average Unemployment State of Minnesota</u>
2012	69,717	6.08	5.20
2013	66,565	5.36	4.80
2014	68,190	4.13	4.09
2015	69,061	3.00	3.00
2016	69,349	3.20	3.40
2017	72,075	2.80	2.90
2018	72,969	2.20	2.20
2019	73,772	2.30	2.50
2020	73,472	4.40	5.40
2021	74,174	2.40	2.80

Sources: U.S. Census and Minnesota Department of Employment and Economic Development.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Employer	2019*			2012*		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wright County	722	1	18.69 %	722	1	20.74 %
Xcel Energy	700	2	18.12	516	3	14.82
ISD No. 882	583	3	15.09	528	2	15.17
CentraCare Health Monticello	550	4	14.24			
Cargil Kitchen Solutions	433	5	11.21	250	6	7.18
Wal-Mart	325	6	8.41	325	5	9.34
City of Monticello	150	7	3.88	150	9	4.31
Target	150	8	3.88			
Home Depot	150	9	3.88	160	8	4.60
Cub Foods	100	10	2.59	180	7	5.17
New River Medical Center				500	4	14.36
Monticello Big Lake Nursing Home				150	10	4.31
Total	<u>3,863</u>			<u>3,481</u>		

* Most current information available.

Source: 2019 and 2012 Bond Documents

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
EMPLOYEES BY CLASSIFICATIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Employees	Employees for Fiscal Year Ended			
	2012	2013	2014	2015
Teachers	307	319	317	326
Principals and District Administration	14	16	15	16
Admin Support, Confidential and Individual	15	17	20	20
Clerical	12	11	12	12
Community Service	5	6	7	7
Custodial	28	29	29	29
Cafeteria	31	32	32	31
Paraprofessionals	110	110	106	105
Total	522	540	538	546

Note 1: This schedule is a headcount based on payroll and seniority schedules. If an employee has more than one contract group its possible they are reflected multiple times.
Full and part-time employees count the same.

Source: District Records

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
EMPLOYEES BY CLASSIFICATIONS (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

Employees for Fiscal Year Ended					
2016	2017	2018	2019	2020	2021
330	329	340	331	327	337
16	17	17	17	17	17
20	20	20	20	20	21
12	29	29	29	29	29
7	7	7	7	7	6
29	29	31	29	31	31
31	35	35	36	36	31
115	121	125	138	127	103
560	587	604	607	594	575

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
STUDENT ENROLLMENT
LAST TEN FISCAL YEARS
(UNAUDITED)**

Average Daily Membership (ADM) (Including Enrollment Option)

<u>Year Ended June 30,</u>	<u>Handicapped and Prekindergarten</u>	<u>Kindergarten</u>	<u>Elementary</u>	<u>Secondary</u>	<u>Total</u>	<u>Total Pupil Units</u>
2012	61.38	313.34	1,767.39	1,846.54	3,988.65	4,587.68
2013	62.67	305.79	1,831.19	1,831.36	4,031.01	4,635.19
2014	68.74	253.17	1,879.73	1,808.09	4,009.73	4,631.91
2015	74.13	287.90	1,903.95	1,848.68	4,114.66	4,741.41
2016	71.54	274.63	1,919.23	1,761.99	4,027.39	4,379.77
2017	85.76	231.91	1,924.33	1,832.54	4,074.54	4,440.47
2018	81.44	250.22	1,962.96	1,863.73	4,158.35	4,531.08
2019	73.23	235.22	1,884.19	1,860.25	4,052.89	4,424.94
2020	86.77	250.02	1,833.00	1,929.30	4,099.09	4,497.15
2021	120.97	232.50	1,771.88	1,987.98	4,113.33	4,408.15

Source: Minnesota Department of Education

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
EXPENDITURES PER STUDENT
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)
(UNAUDITED)**

	<u>State Average</u>	<u>ISD No. 882</u>	
	<u>2020</u>	<u>2020</u>	<u>2021</u>
EXPENDITURES PER STUDENT (ADM) (1)			
General Fund - Operating Account			
District and School Administration	\$ 513	\$ 325	\$ 408
District Support Services	580	343	275
Elementary and Secondary Regular Instruction	5,530	5,214	6,056
Vocational Education Instruction	538	703	379
Special Education Instruction	2,480	3,991	4,241
Instructional Support Services	683	584	750
Pupil Support Services	1,203	963	1,181
Sites and Buildings, Fiscal, and Other Fixed Cost Programs	<u>1,700</u>	<u>1,179</u>	<u>1,260</u>
Total General Fund - Operating Account	13,227	13,302	14,550
Food Service Special Revenue Fund	<u>556</u>	<u>468</u>	<u>502</u>
Total PK - 12 Operating Expenditures	13,783	13,770	15,052
General Fund - Capital Expenditure Account	748	205	215
Community Service Special Revenue Fund	661	963	1,005
Capital Projects Fund	2,242	1,279	329
Debt Service Fund	<u>1,446</u>	<u>873</u>	<u>884</u>
Total Expenditures Per Student	<u>\$ 18,880</u>	<u>\$ 17,090</u>	<u>\$ 17,485</u>
ADM Served	<u>882,198</u>	<u>4,108</u>	<u>4,113</u>

Source: Minnesota Department of Education School District Profiles.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
GENERAL FUND — COST PER PUPIL ON WEIGHTED AVERAGE DAILY MEMBERSHIP
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2012	2013	2014	2015
District and School Administration	\$ 1,199,831	\$ 1,238,964	\$ 1,288,895	\$ 1,343,272
District Support Services	596,071	666,738	996,061	1,020,440
Elementary and Secondary Regular Instruction	19,287,538	19,731,629	20,035,453	22,068,662
Vocational Education Instruction	567,070	820,507	697,512	783,246
Special Education Instruction	12,522,266	13,006,471	14,160,588	15,038,457
Instructional Support Services	2,322,271	2,731,848	2,474,474	2,672,818
Pupil Support Services	3,164,653	3,426,332	3,596,695	3,710,506
Sites, Buildings, and Equipment	3,482,119	3,535,937	3,975,334	4,091,565
Fiscal and Other Fixed Cost Programs	265,548	232,306	172,537	176,392
Total	<u>\$ 43,407,367</u>	<u>\$ 45,390,732</u>	<u>\$ 47,397,549</u>	<u>\$ 50,905,358</u>
Weighted ADM	4,587.68	4,635.19	4,631.91	4,741.41
District and School Administration	\$ 262	\$ 267	\$ 278	\$ 283
District Support Services	130	144	215	215
Elementary and Secondary Regular Instruction	4,204	4,257	4,326	4,654
Vocational Education Instruction	124	177	151	165
Special Education Instruction	2,730	2,806	3,057	3,172
Instructional Support Services	506	589	534	564
Pupil Support Services	690	739	777	783
Sites, Buildings, and Equipment	759	763	858	863
Fiscal and Other Fixed Cost Programs	58	50	37	37
Total	<u>\$ 9,463</u>	<u>\$ 9,791</u>	<u>\$ 10,234</u>	<u>\$ 10,736</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
GENERAL FUND — COST PER PUPIL ON WEIGHTED AVERAGE DAILY MEMBERSHIP
(CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 1,434,362	\$ 1,733,506	\$ 1,744,444	\$ 1,501,632	\$ 1,498,737	\$ 1,703,530
1,111,558	1,026,839	1,059,397	964,484	1,019,032	1,131,623
23,383,945	23,826,601	25,002,501	23,617,094	24,006,100	25,216,720
770,423	686,731	668,092	1,335,791	1,399,215	1,560,783
14,333,587	14,974,745	16,019,033	16,789,016	16,914,788	17,446,087
2,699,263	2,751,833	3,356,412	2,583,393	2,798,537	3,367,368
3,869,327	3,800,356	3,697,113	3,946,524	4,116,947	4,865,429
4,761,037	4,110,178	5,523,954	4,792,544	4,861,726	5,141,648
183,311	162,414	147,339	167,003	203,035	300,036
<u>\$ 52,546,813</u>	<u>\$ 53,073,203</u>	<u>\$ 57,218,285</u>	<u>\$ 55,697,481</u>	<u>\$ 56,818,117</u>	<u>\$ 60,733,224</u>
4,379.77	4,440.47	4,529.82	4,517.91	4,194.61	4,113.33
\$ 327	\$ 390	\$ 385	\$ 332	\$ 357	\$ 414
254	231	234	213	243	275
5,339	5,366	5,520	5,227	5,723	6,130
176	155	147	296	334	379
3,273	3,372	3,536	3,716	4,033	4,241
616	620	741	572	667	819
883	856	816	874	981	1,183
1,087	926	1,219	1,061	1,159	1,250
42	37	33	37	48	73
<u>\$ 11,997</u>	<u>\$ 11,953</u>	<u>\$ 12,632</u>	<u>\$ 12,328</u>	<u>\$ 13,545</u>	<u>\$ 14,764</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
GENERAL FUND — OPERATING ACCOUNT EXPENDITURES BY PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

Year Ended June 30,	Administration	District Support Services	Elementary and Secondary Regular Instruction	Vocational Education Instruction	Special Education Instruction	Instructional Support Services
2012	\$ 1,199,827 2.8 %	\$ 591,325 1.4 %	\$ 19,214,406 44.3 %	\$ 567,069 1.3 %	\$ 12,502,655 28.8 %	\$ 1,458,355 3.4 %
2013	\$ 1,238,962 2.7 %	\$ 663,804 1.5 %	\$ 19,463,733 42.5 %	\$ 820,505 1.8 %	\$ 12,971,354 28.3 %	\$ 1,868,483 4.1 %
2014	\$ 1,288,637 2.7 %	\$ 981,089 2.1 %	\$ 19,848,466 41.9 %	\$ 697,512 1.5 %	\$ 13,988,966 29.5 %	\$ 1,756,208 3.7 %
2015	\$ 1,343,272 2.6 %	\$ 1,017,776 2.0 %	\$ 21,840,424 42.9 %	\$ 783,246 1.5 %	\$ 14,948,635 29.4 %	\$ 1,976,662 3.9 %
2016	\$ 1,433,362 2.7 %	\$ 1,094,300 2.1 %	\$ 23,167,361 44.1 %	\$ 770,423 1.5 %	\$ 14,332,384 27.3 %	\$ 1,939,646 3.7 %
2017	\$ 1,733,162 3.3 %	\$ 1,025,933 1.9 %	\$ 23,570,548 44.4 %	\$ 686,731 1.3 %	\$ 14,971,050 28.2 %	\$ 2,629,279 5.0 %
2018	\$ 1,743,600 3.0 %	\$ 1,059,397 1.9 %	\$ 24,170,283 42.2 %	\$ 668,092 1.2 %	\$ 16,012,491 28.0 %	\$ 2,847,399 5.0 %
2019	\$ 1,500,426 2.7 %	\$ 963,981 1.7 %	\$ 23,313,489 41.9 %	\$ 1,331,983 2.4 %	\$ 16,787,182 30.1 %	\$ 2,513,754 4.5 %
2020	\$ 1,490,651 2.6 %	\$ 1,016,011 1.8 %	\$ 23,689,667 41.7 %	\$ 1,397,638 2.5 %	\$ 16,912,027 29.8 %	\$ 2,698,019 4.7 %
2021	\$ 1,678,673 2.8 %	\$ 1,129,802 1.9 %	\$ 24,909,038 41.0 %	\$ 1,560,090 2.6 %	\$ 17,446,087 28.7 %	\$ 3,084,900 5.1 %

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
GENERAL FUND — OPERATING ACCOUNT EXPENDITURES BY PROGRAM (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Pupil Support Services</u>	<u>Sites and Buildings</u>	<u>Fiscal and Other Fixed Cost Programs</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Percent Increase (Decrease) from Prior Year</u>
\$ 3,164,655 7.3 %	\$ 3,260,709 7.5 %	\$ 438,873 1.0 %	\$ 1,009,491 2.3 %	\$ 43,407,365 100.0 %	0.00 %
\$ 3,406,058 7.4 %	\$ 3,332,848 7.3 %	\$ 386,151 0.8 %	\$ 1,623,147 3.5 %	\$ 45,775,045 100.0 %	5.45 %
\$ 3,585,601 7.6 %	\$ 3,672,141 7.7 %	\$ 172,537 0.4 %	\$ 1,406,410 3.0 %	\$ 47,397,567 100.0 %	3.54 %
\$ 3,708,963 7.3 %	\$ 3,830,486 7.5 %	\$ 176,392 0.3 %	\$ 1,279,502 2.5 %	\$ 50,905,358 100.0 %	7.40 %
\$ 3,865,216 7.4 %	\$ 4,231,390 8.1 %	\$ 183,311 0.3 %	\$ 1,529,420 2.9 %	\$ 52,546,813 100.0 %	3.22 %
\$ 3,751,172 7.1 %	\$ 4,070,990 7.7 %	\$ 162,414 0.3 %	\$ 471,924 0.9 %	\$ 53,073,203 100.0 %	1.00 %
\$ 3,689,028 6.4 %	\$ 5,448,127 9.5 %	\$ 147,339 0.3 %	\$ 1,432,529 2.5 %	\$ 57,218,285 100.0 %	7.81 %
\$ 3,940,134 7.1 %	\$ 4,659,310 8.4 %	\$ 167,003 0.3 %	\$ 520,219 0.9 %	\$ 55,697,481 100.0 %	(2.66)%
\$ 4,062,571 7.2 %	\$ 4,284,359 7.5 %	\$ 203,035 0.4 %	\$ 1,064,139 1.9 %	\$ 56,818,117 100.0 %	2.01 %
\$ 4,857,276 8.0 %	\$ 4,882,523 8.0 %	\$ 300,036 0.5 %	\$ 884,799 1.5 %	\$ 60,733,224 100.0 %	9.04 %

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
SCHOOL BUILDING INFORMATION
JUNE 30, 2021
(UNAUDITED)**

<u>Facility</u>	<u>Year Constructed</u>	<u>Years of Addition</u>	<u>Grades Housed</u>	<u>Square Footage</u>
Eastview Elementary	1987	-	PK	111,400
Addition #1		2017		20,000
Pinewood Elementary	1968		K-5	58,900
Addition #1		1970		20,000
Addition #2		1977		58,900
Addition #3		1986		7,200
Addition #4		2004		3,085
Little Mountain Elementary	1992		K-5	104,450
Monticello Middle School	1954		G6-8	47,000
Addition #1		1957		30,000
Addition #2		1967		45,000
Addition #3		1972		42,000
Addition #4		1975		920
Addition #5		1976		55,000
Addition #6		1980		25,000
Addition #7		1982		1,620
Addition #8		1985		600
Addition #9		1986		11,000
Addition #10		2004		5,960
Addition #11		2005		35,880
Addition #12		2016		4,800
Monticello High School	1999		G-9-12	276,000
Addition #1		2004		600
Addition #2		2017		13,990
Moose Sherritt Ice Arena	2005			35,880
ALP	2004			2,600

Source: District records

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
SUMMARY OF MEALS SERVED
YEAR ENDED JUNE 30, 2021
(UNAUDITED)**

Meals	Number of Meals Served
Eastview Education Center	41,220
Little Mountain Elementary	51,138
Pinewood Elementary	75,469
Middle School	99,886
High School	<u>82,030</u>
Total Lunches Served	<u><u>349,743</u></u>
Eastview Education Center	55,654
Little Mountain Elementary	32,692
Pinewood Elementary	56,007
Middle School	62,299
High School	<u>39,331</u>
Total Breakfasts Served	<u><u>245,983</u></u>

Source: District records

** FY21 the District Operated under the Summer Food Service Program where meals for students were all at no cost