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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR  
ENDED - JUNE 30, 2020



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## MONTICELLO SCHOOL DISTRICT

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2020**

**PREPARED BY**

**BUSINESS OFFICE STAFF**

**MONTICELLO, MINNESOTA**

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INDEPENDENT SCHOOL DISTRICT NO. 882  
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## **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: December 8, 2020

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

## **INTRODUCTION**

The Comprehensive Annual Financial Report (CAFR) of Independent School District No. 882, Monticello, Minnesota (the District) for the fiscal year ended June 30, 2020 is presented for your information and review. The CAFR 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 CAFR is 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 4,108 ADM's (Average Daily Membership) from a population of over 21,304 citizens residing in a 100 square mile area. During 2019-20 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. 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.

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## **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 depended 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, 2020, 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 accounting firm of CliftonLarsonAllen LLP performed the audit for the 2019-20 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.

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## **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 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 in the spring 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 8,974 accounts have been defined in the District's chart of accounts.

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## **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, 2020 is \$3,654,632, or 7.97%. The Monticello School Board approved a budget target alignment plan of \$250,000 to balance the 2019-2020 budget. With the school buildings closing the spring due to the coronavirus pandemic, the District was also able to see some one-time savings through utilities and non-certified positions remaining vacant to the end of the school year.

Future funding from the State will become challenging with the unknown lingering effects of the coronavirus pandemic. In November 2020, the District asked the voters to approve a new operating referendum to prevent future budget reductions and restore some of the staffing levels that were lost in the last three years. The operating referendum question was 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 2010 to FY 2020 with enrollment changes ranging from -1% 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.

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## **ECONOMIC FACTORS (CONTINUED)**

Minnesota's economic and budget outlook started and ended the year quite differently. The November 2019 forecast from Minnesota Management and Budget had a General Fund surplus for the coming biennium of \$1.332 billion. The stable budget outlook allowed for an automatic allocation to the budget reserve account, bringing the reserve balance to its statutory target level of \$2.359 billion. When the February 2020 forecast was announced, the projected outlook slightly strengthen, and the surplus was increased to \$1.513 billion. In May 2020, the State gave an interim budget projection due to the effects of the coronavirus pandemic. A deficit of \$2.426 billion was projected for the current biennium, which is almost a \$4 billion change from the February forecast. Revenues are expected to be \$3.611 billion lower and spending, including appropriations enacted since February, is expected to be \$391 million higher. The \$2.359 billion budget reserve remains available to mitigate the budgetary impact of the crisis. Despite the economic and budget outlook, some positive funding factors are currently in place. 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 wells 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 2013-2014, the District partnered with the Monticello Food Shelf and Monticello Rotary Club to launch the Weekend Backpack program for elementary students who qualify for free and reduced meals. Starting in the 2019-2020 school year, the District sent home backpacks to any student enrolled at Monticello regardless of the meal benefit status. The Backpack program extends to the summer months through another partnership with the Monticello Food Shelf called Kids Kitchen. The District also started a Magic Closet at the High School to provide personal hygiene products or clothing to students in need.

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## **AWARDS AND ACKNOWLEDGEMENTS**

The District received its first financial reporting recognition in 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2020 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 Comprehensive Annual Financial Report (CAFR). 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 CAFR for the year ended June 30, 2019. It is the sixth consecutive year the District has received the award.

The time, effort, and attention that go into the timely preparation of a CAFR 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,



Tina Burkholder,  
Director of Business Services



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

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

for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2019.

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



A handwritten signature in black ink, reading 'Claire Hertz'. The signature is written in a cursive style.

Claire Hertz, SFO  
President

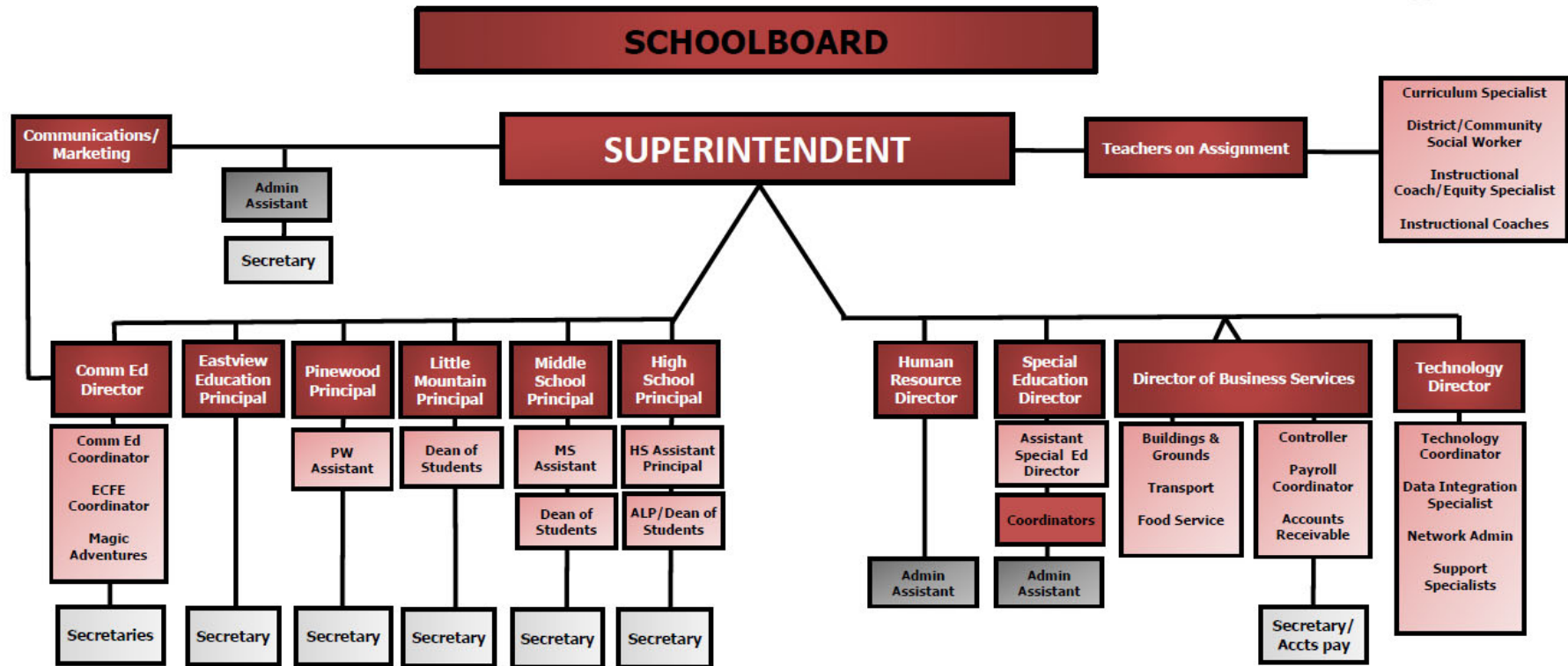
A handwritten signature in black ink, reading 'David J. Lewis'. The signature is written in a cursive style.

David J. Lewis  
Executive Director

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# 2019-20 Monticello School District - Organization Chart



11/13/2019

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
SCHOOL BOARD AND ADMINISTRATION  
JUNE 30, 2020**

**SCHOOL BOARD**

<b>NAME</b>	<b>TERM ON BOARD EXPIRES</b>	<b>BOARD POSITION</b>
Jill Hoffman	12/31/2020	Chairperson
Jennifer Lewis Kannegieter	12/31/2022	Vice Chairperson/Treasurer
Melissa Curtis	12/31/2022	Secretary/Clerk
Candace Carda	12/31/2022	Director
Missy Hanson	12/31/2020	Director
Jeff Hegle	12/31/2020	Director

**ADMINISTRATION**

Eric Olson	Superintendent
Tina Burkholder	Director of Business Services
Barb Wilson	Director of Human Services
Mike Carr	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, 2020, 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, 2020, 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.

***Emphasis of Matter***

During fiscal year ended June 30, 2020, the District had a prior period adjustment related to unearned revenues (See Note 15). Our auditors' opinion was not modified in respect to the restatement.

***Other Matters***

***Report on Summarized Comparative Information***

We have previously audited the District's 2019 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and we expressed unmodified audit opinions on those audited financial statements in our report dated December 17, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 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 relate 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 December 8, 2020, 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  
December 8, 2020

## **REQUIRED SUPPLEMENTARY INFORMATION**

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

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, 2020; 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 2019-2020 fiscal year include the following:

- Net position decreased from (\$27,748,390) to (\$31,334,671) mainly due to a change in assumption for pension.
- The net position decreased by \$3,586,281 from June 30, 2019, with total revenues of \$68,869,218 and total expenses of \$72,455,499.
- Overall General Fund revenues and other financing sources were \$59,164,483 as compared to \$57,059,822 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 \$3,177,636 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, 2020**

**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, 2020**

**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 (\$31,334,671) on June 30, 2020. This was a decrease of \$3,586,281, not including the \$476,468 from the restatement from the prior year (see Table A-1).

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

	Governmental Activities		Percentage Change
	2020	2019	
Current and Other Assets	\$ 30,605,201	\$ 35,239,107	(13.15)%
Capital and Noncurrent Assets	73,802,829	73,173,472	0.86
<b>Total Assets</b>	<b>104,408,030</b>	<b>108,412,579</b>	<b>(3.69)</b>
Deferred Outflows of Resources	29,621,719	43,869,108	(32.48)
Current Liabilities	11,192,991	12,573,809	(10.98)
Long-Term Liabilities	98,200,136	100,232,600	(2.03)
<b>Total Liabilities</b>	<b>109,393,127</b>	<b>112,806,409</b>	<b>(3.03)</b>
Deferred Inflows of Resources	55,971,293	67,700,136	(17.32)
Net Position:			
Net Investment in Capital Assets	25,004,889	25,778,548	(3.00)
Restricted	3,863,922	3,322,852	16.28
Unrestricted	(60,203,482)	(57,326,258)	5.02
<b>Total Net Position</b>	<b>\$ (31,334,671)</b>	<b>\$ (28,224,858)</b>	

The District's change in financial position is the product of many factors. Deferred inflows of resources decreased approximately \$11.7 million, and deferred outflows of resources decreased approximately \$14.2 million.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

**Changes in Net Position**

The District's total revenues were \$68,869,218 for the year ended June 30, 2020. Property taxes and state formula aid accounted for 64% of total revenue for the year.

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

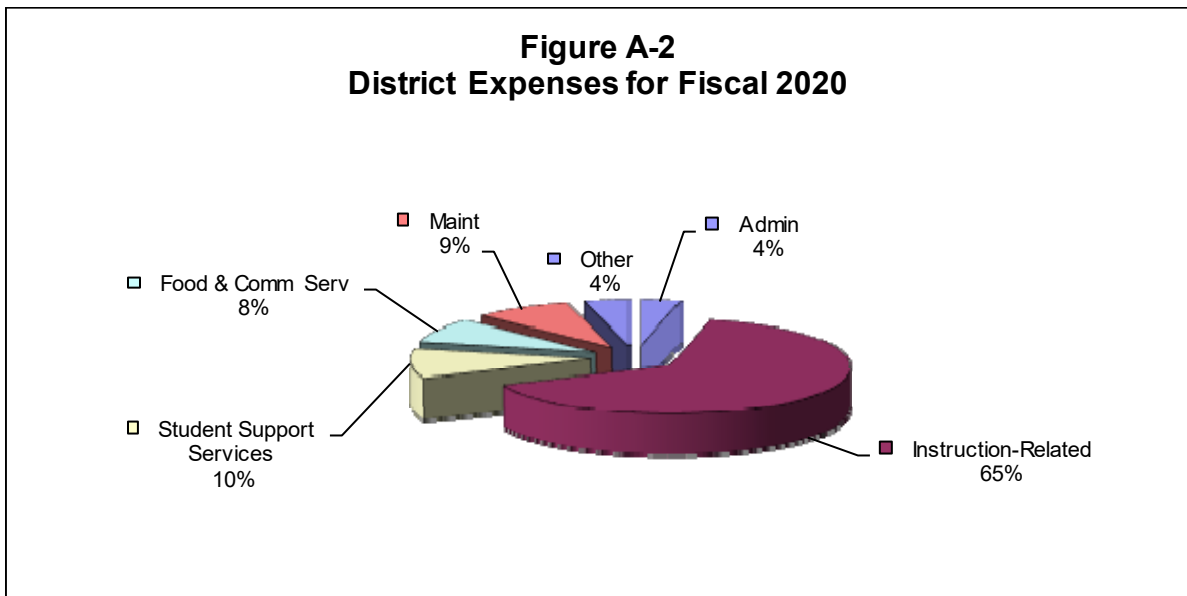
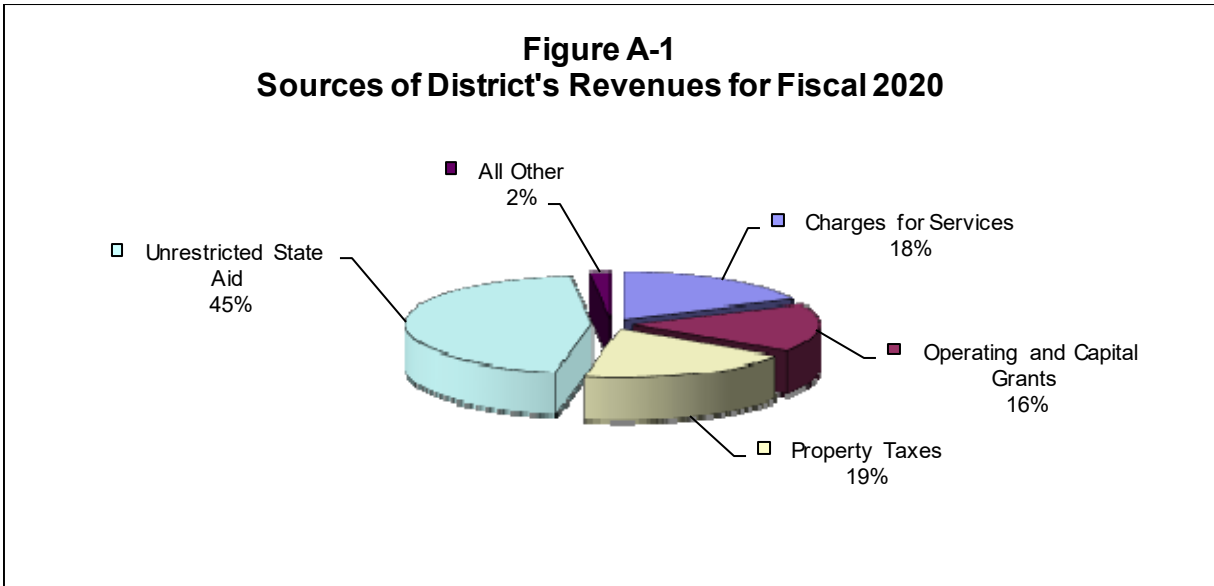
	Governmental Activities for the		Total % Change
	2020	2019	
<b>Revenues</b>			
<u>Program Revenues</u>			
Charges for Services	\$ 12,510,129	\$ 12,636,618	(1.00)%
Operating Grants and Contributions	10,575,272	7,910,617	33.68
Capital Grants and Contributions	649,523	663,179	(2.06)
<u>General Revenues</u>			
Property Taxes	12,816,820	12,138,892	5.58
Unrestricted State Aid	31,020,346	29,424,009	5.43
Investment Earnings	217,629	285,149	(23.68)
Other	1,079,499	1,652,738	(34.68)
Total Revenues	<u>68,869,218</u>	<u>64,711,202</u>	6.43
<b>Expenses</b>			
Administration	1,560,908	1,058,283	47.49
District Support Services	1,065,605	820,276	29.91
Regular Instruction	27,681,918	15,059,682	83.81
Vocational Education Instruction	1,483,315	1,219,386	21.64
Special Education Instruction	17,927,383	12,219,100	46.72
Instructional Support Services	3,018,474	2,333,594	29.35
Pupil Support Services	4,187,714	3,668,797	14.14
Sites and Buildings	6,371,538	7,982,706	(20.18)
Fiscal and Other Fixed Cost Programs	647,515	682,729	(5.16)
Food Service	1,992,929	2,131,022	(6.48)
Community Service	4,208,681	3,711,934	13.38
Unallocated - Depreciation	985,784	1,006,894	(2.10)
Interest and Fiscal Charges on Long-Term Liabilities	1,323,735	1,282,547	3.21
Total Expenses	<u>72,455,499</u>	<u>53,176,950</u>	36.25
<b>Change in Net Position</b>	(3,586,281)	11,534,252	
Net Position - Beginning of Year	(28,224,858)	(39,759,110)	
Prior Period Restatement (See Note 15)	476,468	-	
Net Position - Beginning of Year, as Restated	<u>(27,748,390)</u>	<u>(39,759,110)</u>	
Net Position - End of Year	<u>\$ (31,334,671)</u>	<u>\$ (28,224,858)</u>	

The total cost of all programs and services, including interest and fiscal charges, was approximately \$72.5 million. Total expenses exceeded revenues, decreasing net position \$3,586,281 over last year.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

The cost of all *governmental* activities this year was \$72,455,499 as shown in Figure A-1.

- Some of the cost was paid by the users of the District's programs (\$12,510,129).
- The federal and state governments subsidized certain programs with grants and contributions (\$11,224,795).
- A significant portion of governmental activities was paid for with \$12,816,820 in property taxes, \$31,020,346 of unrestricted state aid based on the statewide education aid formula, and \$1,297,128 with investment earnings and other general revenues.



**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

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			Net Cost of Services		
	2020	2019	Percentage Change	2020	2019	Percentage Change
Administration	\$ 1,560,908	\$ 1,058,283	47.49 %	\$ 1,555,618	\$ 1,058,283	46.99 %
District Support Services	1,065,605	820,276	29.91	1,025,882	792,542	29.44
Regular Instruction	27,681,918	15,059,682	83.81	24,214,723	12,614,813	91.95
Vocational Education Instruction	1,483,315	1,219,386	21.64	1,478,229	1,219,386	21.23
Special Education Instruction	17,927,383	12,219,100	46.72	3,517,071	(580,882)	(705.47)
Instructional Support Services	3,018,474	2,333,594	29.35	2,819,025	2,167,313	30.07
Pupil Support Services	4,187,714	3,668,797	14.14	4,140,534	3,658,904	13.16
Sites and Buildings	6,371,538	7,982,706	(20.18)	6,134,910	7,734,094	(20.68)
Fiscal and Other Fixed						
Cost Programs	647,515	682,729	(5.16)	647,515	682,729	(5.16)
Food Service	1,992,929	2,131,022	(6.48)	17,537	82,225	(78.67)
Community Service	4,208,681	3,711,934	13.38	860,012	247,688	247.22
Unallocated - Depreciation	985,784	1,006,894	(2.10)	985,784	1,006,894	(2.10)
Interest and Fiscal Charges						
on Long-Term Liabilities	1,323,735	1,282,547	3.21	1,323,735	1,282,547	3.21
<b>Total</b>	<b>\$ 72,455,499</b>	<b>\$ 53,176,950</b>	<b>36.25</b>	<b>\$ 48,720,575</b>	<b>\$ 31,966,536</b>	<b>52.41</b>

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$11,111,257 which is \$2,701,168 lower than last year's ending fund balance of \$13,812,425. Revenues and other financing sources for the District's governmental funds were \$69,025,546 while total expenditures and other financing uses were \$72,203,182. Other financing sources included capital lease proceeds.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

**GENERAL FUND**

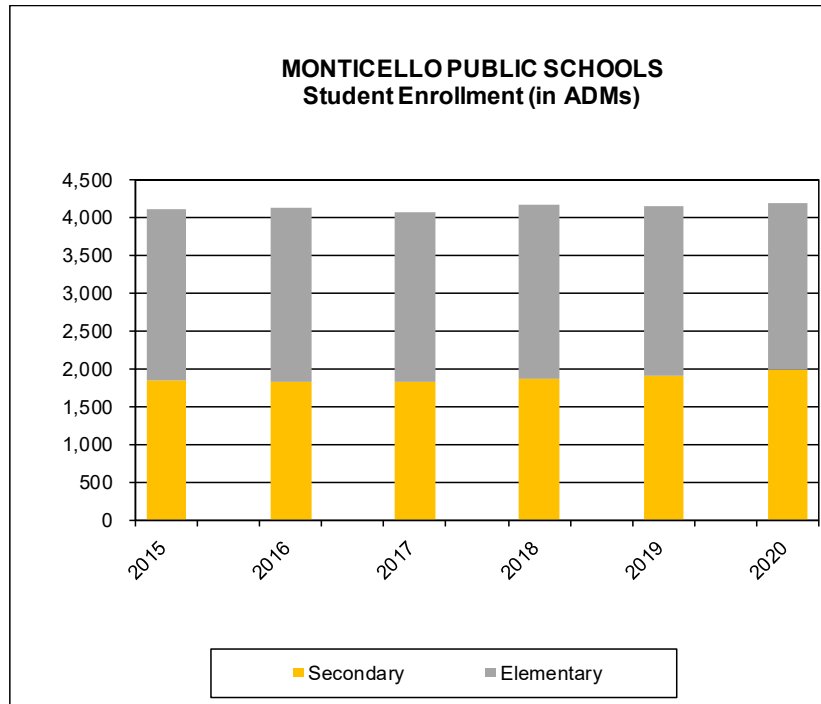
The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through grade 12 including pupil transportation activities and capital outlay projects. General Fund operational revenue is controlled by a complex set of state funding formulas 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 increased slightly over the last couple years.

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

	2015	2016	2017	2018	2019	2020
Elementary	2,266	2,296	2,244	2,296	2,231	2,210
Secondary	1,849	1,823	1,833	1,864	1,909	1,986
Total Students for Aid	<u>4,115</u>	<u>4,119</u>	<u>4,077</u>	<u>4,160</u>	<u>4,140</u>	<u>4,196</u>
Percent Change	2.61 %	0.11 %	(1.03)%	2.05 %	(0.48)%	1.35 %



In 2020, the District experienced an increase in enrollment served of 56 ADMs.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

The following schedule presents a summary of General Fund Revenues.

**Table A-5  
General Fund Revenues**

Fund	Year Ended		Change	
	June 30, 2020	June 30, 2019	Increase (Decrease)	Percent
Local Sources:				
Property Taxes	\$ 8,929,982	\$ 8,329,788	\$ 600,194	7.2 %
Earnings on Investments	83,730	97,261	(13,531)	(13.9)
Other	10,737,307	10,419,082	318,225	3.1
State Sources	36,592,366	34,498,229	2,094,137	6.1
Federal Sources	2,320,345	2,576,958	(256,613)	(10.0)
Total General Fund Revenue	<u>\$ 58,663,730</u>	<u>\$ 55,921,318</u>	<u>\$ 2,742,412</u>	4.9

Total General Fund Revenue increased by \$2,742,412 or 4.9% from the previous year. This was mainly due to revenue from State Sources increasing \$2 million. Additional enrollment and the increase in General Education aid was \$1 million of the increase. The remaining came from \$215,000 security grant for Pinewood Elementary, one-time security aid from the State, and an additional \$100,000 from State Special Education aid. The operating levy increased with a higher estimated enrollment and the inflation rate.

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, 2020	June 30, 2019		
Salaries	\$ 33,133,279	\$ 32,728,505	\$ 404,774	1.2 %
Employee Benefits	14,111,555	13,996,199	115,356	0.8
Purchased Services	6,015,293	6,159,459	(144,166)	(2.3)
Supplies and Materials	2,022,470	1,867,973	154,497	8.3
Capital Expenditures	1,064,139	510,004	554,135	108.7
Other Expenditures	471,381	489,561	(18,180)	(3.7)
Total Expenditures	<u>\$ 56,818,117</u>	<u>\$ 55,751,701</u>	<u>\$ 1,066,416</u>	1.9

Total General Fund Expenditures increased \$1,066,416 from the previous year. This was mainly due to expenditures under salaries and benefits. The School District hired an additional 2 teachers for elementary instruction and 1 district-wide social worker. The Special Education Cooperative hired and purchased through the School District 4 additional full-time equivalent positions for birth-3, speech, level III program, level IV program, and psych intern. The School District had a \$468,500 improvement to the Baseball stadium to account for the increase in the Capital Expenditures.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

In 2019-2020, General Fund revenues and other financing uses exceeded expenditures and other financing uses by \$2,104,661. Total fund balance increased to \$7,615,178. The District's financial position improved with the unassigned fund balance increasing from \$2,412,297 at June 30, 2019 to \$3,582,840 at June 30, 2020.

Unassigned fund balance is the single best measure of overall financial health. The unassigned fund balance of \$3,582,840 at June 30, 2020 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 \$180,250 more than expected from budget. The actual expenditures were \$1,556,586 under budget.

Revenues were over budget due to receiving more in state aid and property tax levy with higher enrollment than expected. For expenditures, salaries and related benefits were under budget as the School District had multiple paraprofessional positions that were not filled during the spring and had less paraprofessional substitutes. At the High School, one custodian position was not filled during the spring. Less custodial overtime was needed when the buildings were not in use during the spring. The School District also didn't have the normal Targeted Services program at the end of the year. Purchased services were under budget due to lower utility costs (ie: electricity, phone, garbage and water & sewer) and building repairs with the buildings not being used as much from March to June. Supplies and materials were under budget with lower heating bills, less fundraising activity in the student activity accounts, and curriculum capital purchases being delayed into the next school year. Capital outlay was under budget due to the one-time security grant project being delayed into the next school year as well.

**FOOD SERVICE FUNDS**

Revenues and other financing sources exceeded expenditures in the Food Service Fund by \$7,524. Most of the increase is a result of the one-time payment to schools based on the number of Summer Food Service Program meals served from March 16, 2020 to June 30, 2020. The Governor ordered unused state funds from the National School Lunch Program and the School Breakfast Program be divided equally to all school districts which equated to over \$32,000 for the School District.

**COMMUNITY SERVICE FUNDS**

Expenditures exceeded revenues and other financing sources in the Community Service Fund by \$54,767. This is mainly due to the District closing programs and classes near year-end due to Covid-19, including the Ice Arena.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

**CAPITAL PROJECT FUNDS**

Expenditures exceeded revenues in the Capital Projects Fund by \$5,291,974. The District is spending down bond proceeds on the remaining projects.

**DEBT SERVICE FUNDS**

The Debt Service Fund revenues exceeded expenditures by \$56,920 in 2019-2020 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.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

By the end of 2020, the District had invested about \$127,447,000 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 \$4,097,258.

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

	2020	2019	Percentage Change
Land	\$ 5,000	\$ 5,000	-
Construction in Progress	4,787,313	2,081,263	130.0
Land Improvements	34,275,789	34,008,843	0.8
Buildings and Improvements	78,332,802	76,718,473	2.1
Equipment	10,046,490	9,915,571	1.3
Less: Accumulated Depreciation	(53,852,101)	(49,754,843)	8.2
Total	<u>\$ 73,595,293</u>	<u>\$ 72,974,307</u>	0.9

**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 \$50,025,095 in capital leases and general obligation bonds outstanding, net of bond premium and discount — a decrease of 4.1% 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, 2020**

**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

**Long-Term Debt (Continued)**

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

	2020	2019	Percentage Change
General Obligation Bonds	\$ 47,680,000	\$ 49,895,000	(4.4)%
Net Bond Premium and (Discount)	1,415,983	1,552,005	(8.8)
Obligations Under Capital Leases	929,112	701,107	32.5
Total	<u>\$ 50,025,095</u>	<u>\$ 52,148,112</u>	(4.1)
Long-Term Debt:			
Due Within One Year	\$ 2,440,902	\$ 2,455,495	
Due in More than One Year	47,584,193	49,692,617	
Total	<u>\$ 50,025,095</u>	<u>\$ 52,148,112</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 2019 State Legislation session, the basic general education formula was increased by two percent and two percent for fiscal years 2020 and 2021, 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 will strive to maintain its long-standing commitment to academic excellence and educational opportunity for students within a framework of financial fiduciary responsibility. The District will continue to use its long-range financial forecast model and annual budget to ensure that expenditures are aligned with revenue as well as the Board fund balance policy.

**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, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	Governmental Activities	
	2020	2019
<b>ASSETS</b>		
Cash and Investments	\$ 16,486,885	\$ 21,423,158
Receivables:		
Property Taxes	5,977,185	6,172,824
Other Governments	7,864,074	7,288,792
Other	155,760	244,606
Prepaid Items	6,978	32,350
Inventories	114,319	77,377
Equity Interest in Joint Venture	207,536	199,165
Capital Assets:		
Land	5,000	5,000
Construction in Process	4,787,313	2,081,263
Other Capital Assets, Net of Depreciation	68,802,980	70,888,044
Total Assets	104,408,030	108,412,579
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Related	28,594,261	43,025,275
OPEB Related	1,027,458	843,833
Total Deferred Outflows of Resources	29,621,719	43,869,108
<b>LIABILITIES</b>		
Salaries Payable	6,361,020	6,001,570
Accounts and Contracts Payable	877,068	1,768,032
Accrued Interest	604,819	618,313
Due to Other Governmental Units	2,735	82,480
Due to Other Minnesota School Districts	266,341	446,124
Severance Payable	116,035	271,183
Unearned Revenue:		
Local Sources	301,027	758,049
Long-Term Liabilities:		
Net Pension Liability	35,594,493	35,685,165
Net OPEB Liability	14,210,222	13,905,035
Net Supplemental Pension Liability	735,421	842,947
Portion Due Within One Year	2,663,946	2,628,058
Portion Due in More Than One Year	47,660,000	49,799,453
Total Liabilities	109,393,127	112,806,409
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension Related	43,940,622	54,897,585
OPEB Related	731,814	898,149
Property Taxes Levied for Subsequent Year	11,298,857	11,904,402
Total Deferred Inflows of Resources	55,971,293	67,700,136
<b>NET POSITION</b>		
Net Investment in Capital Assets	25,004,889	25,778,548
Restricted for:		
General Fund Operating Capital Purposes	479,376	402,483
General Fund State-Mandated Restrictions	1,907,940	917,842
Food Service	143,073	135,549
Community Service	369,062	423,653
General Fund	501,638	-
Debt Service	188,974	736,322
Capital Projects - Building Construction	273,859	707,003
Unrestricted	(60,203,482)	(57,326,258)
Total Net Position	\$ (31,334,671)	\$ (28,224,858)

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

Functions	2020				2019	
	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
<b>Governmental Activities</b>						
Administration	\$ 1,560,908	\$ -	\$ -	\$ 5,290	\$ (1,555,618)	\$ (1,058,283)
District Support Services	1,065,605	-	1,317	38,406	(1,025,882)	(792,542)
Regular Instruction	27,681,918	456,699	2,780,410	230,086	(24,214,723)	(12,614,813)
Vocational Education Instruction	1,483,315	-	5,086	-	(1,478,229)	(1,219,386)
Special Education Instruction	17,927,383	9,273,444	5,136,868	-	(3,517,071)	580,882
Instructional Support Services	3,018,474	-	4,744	194,705	(2,819,025)	(2,167,313)
Pupil Support Services	4,187,714	-	47,180	-	(4,140,534)	(3,658,904)
Sites and Buildings	6,371,538	55,581	11	181,036	(6,134,910)	(7,734,094)
Fiscal and Other Fixed Cost Programs	647,515	-	-	-	(647,515)	(682,729)
Food Service	1,992,929	828,435	1,146,957	-	(17,537)	(82,225)
Community Service	4,208,681	1,895,970	1,452,699	-	(860,012)	(247,688)
Interest and Fiscal Charges on Long-Term Liabilities	1,323,735	-	-	-	(1,323,735)	(1,282,547)
Unallocated Depreciation (Excludes Direct Depreciation Allocated to the Various Programs)	985,784	-	-	-	(985,784)	(1,006,894)
Total School District	<u>\$ 72,455,499</u>	<u>\$ 12,510,129</u>	<u>\$ 10,575,272</u>	<u>\$ 649,523</u>	<u>(48,720,575)</u>	<u>(31,966,536)</u>
<b>General Revenues</b>						
Property Taxes Levied for:						
General Purposes					8,932,523	8,332,518
Community Service					316,482	230,807
Building Construction					-	439,534
Debt Service					3,567,815	3,136,033
State Aid Not Restricted to Specific Purposes					31,020,346	29,424,009
Earnings on Investments					217,629	285,149
Gain on Sale of Capital Assets					4,298	5,303
Miscellaneous					1,075,201	1,647,435
Total General Revenues					<u>45,134,294</u>	<u>43,500,788</u>
Change in Net Position					(3,586,281)	11,534,252
Net Position - Beginning of Year					(28,224,858)	(39,759,110)
Prior Period Restatement (See Note 15)					476,468	-
Net Position - Beginning of Year, as Restated					<u>(27,748,390)</u>	<u>(39,759,110)</u>
Net Position - End of Year					<u>\$ (31,334,671)</u>	<u>\$ (28,224,858)</u>

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2020	2019
<b>ASSETS</b>							
Cash and Investments	\$ 10,022,743	\$ 293,297	\$ 762,157	\$ 2,706,350	\$ 2,479,655	\$ 16,264,202	\$ 21,259,370
Receivables:							
Current Property Taxes	4,086,688	-	172,819	-	1,661,461	5,920,968	6,119,148
Delinquent Property Taxes	39,008	-	1,490	-	15,719	56,217	53,676
Due from Other Minnesota School Districts	4,268,482	-	-	-	-	4,268,482	4,399,790
Due from Minnesota Department of Education	3,215,380	32,729	136,296	-	19,739	3,404,144	2,531,021
Due from Federal through Minnesota							
Department of Education	129,863	314	36,702	-	-	166,879	144,175
Due from Other Governmental Units	7,307	-	17,262	-	-	24,569	213,806
Other Receivables	45,475	41,087	69,198	-	-	155,760	243,798
Prepaid Items	6,978	-	-	-	-	6,978	32,350
Inventory	64,814	48,600	905	-	-	114,319	77,377
Total Assets	<u>\$ 21,886,738</u>	<u>\$ 416,027</u>	<u>\$ 1,196,829</u>	<u>\$ 2,706,350</u>	<u>\$ 4,176,574</u>	<u>\$ 30,382,518</u>	<u>\$ 35,074,511</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>							
Liabilities:							
Salaries Payable	\$ 2,880,737	\$ 70,211	\$ 68,842	\$ 125	\$ -	\$ 3,019,915	\$ 2,786,248
Payroll Deductions and Employer Contributions Payable	3,225,844	58,564	56,642	55	-	3,341,105	3,215,322
Accounts and Contracts Payable	276,385	13,329	80,505	498,810	-	869,029	1,744,602
Due to Other Governmental Units	1,797	-	938	-	-	2,735	82,480
Due to Other Minnesota School Districts	49,501	-	216,840	-	-	266,341	446,124
Severance Payable	116,035	-	-	-	-	116,035	271,183
Unearned Revenue	123,368	130,850	46,809	-	-	301,027	758,049
Total Liabilities	<u>6,673,667</u>	<u>272,954</u>	<u>470,576</u>	<u>498,990</u>	<u>-</u>	<u>7,916,187</u>	<u>9,304,008</u>
Deferred Inflows of Resources:							
Property Taxes Levied for Subsequent Year	7,558,885	-	357,191	-	3,382,781	11,298,857	11,904,402
Unavailable Revenue - Delinquent Property Taxes	39,008	-	1,490	-	15,719	56,217	53,676
Total Deferred Inflows of Resources	<u>7,597,893</u>	<u>-</u>	<u>358,681</u>	<u>-</u>	<u>3,398,500</u>	<u>11,355,074</u>	<u>11,958,078</u>
Fund Balance							
Nonspendable:							
Prepaid Items	6,978	-	-	-	-	6,978	32,350
Inventory	64,814	48,600	905	-	-	114,319	77,377
Restricted:							
Student Activities	18,164	-	-	-	-	18,164	-
Staff Development	86,986	-	-	-	-	86,986	20,000
Operating Capital	479,376	-	-	-	-	479,376	402,483
Safe Schools - Crime	120,036	-	-	-	-	120,036	-
Community Education Programs	-	-	-	-	-	-	37,669
School Readiness	-	-	22,773	-	-	22,773	99,183
Adult Basic Education	-	-	212,796	-	-	212,796	201,037
Restricted for LTFM	1,513,975	-	-	1,880,152	-	3,394,127	7,258,560
Restricted for Building Construction	-	-	-	327,208	-	327,208	1,093,631
Medical Assistance	168,162	-	-	-	-	168,162	44,985
Achievement and Integration	617	-	-	-	-	617	-
Other Restricted	501,638	94,473	131,098	-	778,074	1,505,283	918,773
Committed:							
Severance Benefits	869,405	-	-	-	-	869,405	990,152
Assigned:							
School Building Carryover	113,733	-	-	-	-	113,733	158,924
Scoreboards	88,454	-	-	-	-	88,454	89,966
Unassigned	3,582,840	-	-	-	-	3,582,840	2,387,335
Total Fund Balance	<u>7,615,178</u>	<u>143,073</u>	<u>367,572</u>	<u>2,207,360</u>	<u>778,074</u>	<u>11,111,257</u>	<u>13,812,425</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 21,886,738</u>	<u>\$ 416,027</u>	<u>\$ 1,196,829</u>	<u>\$ 2,706,350</u>	<u>\$ 4,176,574</u>	<u>\$ 30,382,518</u>	<u>\$ 35,074,511</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, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	<u>2020</u>	<u>2019</u>
<b>Total Fund Balance for Governmental Funds</b>	<b>\$ 11,111,257</b>	<b>\$ 13,812,425</b>
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	5,000	5,000
Construction in Progress	4,787,313	2,081,263
Land Improvements, Net of Accumulated Depreciation	27,034,991	28,362,944
Buildings and Improvements, Net of Accumulated Depreciation	39,328,424	39,756,783
Equipment, Net of Accumulated Depreciation	2,439,565	2,768,317
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.	56,217	53,676
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	(35,594,493)	(35,685,165)
Deferred Inflows of Resources - Pension Related	(43,940,622)	(54,897,585)
Deferred Outflows of Resources - Pension Related	28,594,261	43,025,275
The net supplemental pension liabilities are not current financial resources and, therefore, are not reported at fund level.	(735,421)	(842,947)
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:	214,644	141,166
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	(14,210,222)	(13,905,035)
Deferred Inflows of Resources - OPEB Related	(731,814)	(898,149)
Deferred Outflows of Resources - OPEB Related	1,027,458	843,833
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(604,819)	(618,313)
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	207,536	199,165
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	(47,680,000)	(49,895,000)
Unamortized Premiums	(1,415,983)	(1,552,005)
Obligations Under Capital Leases	(929,112)	(701,107)
Sick Leave	(75,807)	(106,836)
Compensated Absences Payable	(223,044)	(172,563)
<b>Total Net Position of Governmental Activities</b>	<b><u>\$ (31,334,671)</u></b>	<b><u>\$ (28,224,858)</u></b>

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, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2020	2019
	<b>REVENUES</b>						
Local Sources:							
Property Taxes	\$ 8,929,982	\$ -	\$ 361,102	\$ -	\$ 3,523,195	\$ 12,814,279	\$ 12,136,162
Earnings on Investments	83,730	4,231	9,930	93,354	24,590	215,835	283,532
Other	10,737,307	828,435	1,934,496	17,279	-	13,517,517	13,758,222
State Sources	36,592,366	132,005	1,410,033	-	197,386	38,331,790	36,150,163
Federal Sources	2,320,345	1,014,952	68,370	-	-	3,403,667	3,435,577
Total Revenues	<u>58,663,730</u>	<u>1,979,623</u>	<u>3,783,931</u>	<u>110,633</u>	<u>3,745,171</u>	<u>68,283,088</u>	<u>65,763,656</u>
<b>EXPENDITURES</b>							
Current:							
Administration	1,490,651	-	-	-	-	1,490,651	1,500,426
District Support Services	1,016,011	-	-	-	-	1,016,011	963,981
Regular Instruction	23,689,667	-	-	-	-	23,689,667	23,313,489
Vocational Education Instruction	1,397,638	-	-	-	-	1,397,638	1,331,983
Special Education Instruction	16,912,027	-	-	-	-	16,912,027	16,787,182
Instructional Support Services	2,698,019	-	-	-	-	2,698,019	2,513,754
Pupil Support Services	4,062,571	-	-	-	-	4,062,571	3,940,134
Sites and Buildings	4,023,624	-	-	-	-	4,023,624	4,408,790
Fiscal and Other Fixed Cost Programs	203,035	-	-	-	-	203,035	167,003
Food Service	-	1,961,992	-	-	-	1,961,992	2,099,404
Community Service	-	-	4,054,917	-	-	4,054,917	4,055,079
Capital Outlay	1,064,139	16,235	19,358	5,402,607	-	6,502,339	4,365,805
Debt Service:							
Principal	240,495	-	-	-	2,215,000	2,455,495	2,112,872
Interest and Fiscal Charges	20,240	-	-	-	1,473,251	1,493,491	1,396,623
Total Expenditures	<u>56,818,117</u>	<u>1,978,227</u>	<u>4,074,275</u>	<u>5,402,607</u>	<u>3,688,251</u>	<u>71,961,477</u>	<u>68,956,525</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,845,613	1,396	(290,344)	(5,291,974)	56,920	(3,678,389)	(3,192,869)
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from Sale of Equipment	4,298	-	-	-	-	4,298	5,303
Insurance Recovery Proceeds	27,955	-	-	-	-	27,955	435,768
Sale of Bond Proceeds	-	-	-	-	-	-	4,430,000
Capital Lease Proceeds	468,500	-	-	-	-	468,500	-
Bond Premium (Discount)	-	-	-	-	-	-	170,745
Transfers In	-	6,128	235,577	-	-	241,705	4,626
Transfers Out	(241,705)	-	-	-	-	(241,705)	(4,626)
Total Other Financing Sources	<u>259,048</u>	<u>6,128</u>	<u>235,577</u>	<u>-</u>	<u>-</u>	<u>500,753</u>	<u>5,041,816</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,104,661	7,524	(54,767)	(5,291,974)	56,920	(3,177,636)	1,848,947
Fund Balances - Beginning of Year	5,034,049	135,549	422,339	7,499,334	721,154	13,812,425	11,963,478
Prior Period Restatement (See Note 15)	476,468	-	-	-	-	476,468	-
Fund Balances - Beginning of Year, as Restated	<u>5,510,517</u>	<u>135,549</u>	<u>422,339</u>	<u>7,499,334</u>	<u>721,154</u>	<u>14,288,893</u>	<u>11,963,478</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 7,615,178</u>	<u>\$ 143,073</u>	<u>\$ 367,572</u>	<u>\$ 2,207,360</u>	<u>\$ 778,074</u>	<u>\$ 11,111,257</u>	<u>\$ 13,812,425</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, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

	2020	2019
<b>Net Change in Fund Balance - Total Governmental Funds</b>	<b>\$ (3,177,636)</b>	<b>\$ 1,848,947</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital Outlays	4,718,244	3,007,505
Gain (Loss) on Disposal of Capital Assets	-	(38,474)
Depreciation Expense	(4,097,258)	(3,969,093)
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	413	3,951
Principal Payments - Capital Leases	240,495	232,872
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:		
General Obligation Bond Proceeds	-	(4,430,000)
Bond Discount (Premium)	-	(170,745)
Repayment of Bond Principal	2,215,000	1,880,000
Change in Accrued Interest Expense - General Obligation Bonds	13,081	(33,101)
Amortization of Bond Premium	136,022	124,639
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.	2,541	2,730
Net income from the equity interest in joint venture does not provide current financial resources and is not reported as revenue in the funds.	8,371	107,120
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.	44,773	568,311
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).	88,074	(66,415)
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.	(3,383,379)	12,423,800
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.	73,478	42,205
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ (3,586,281)</u></b>	<b><u>\$ 11,534,252</u></b>

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, 2020**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 8,558,130	\$ 8,729,827	\$ 8,929,982	\$ 200,155
Earnings on Investments	40,000	75,000	83,730	8,730
Other	11,024,110	10,506,423	10,737,307	230,884
State Sources	35,565,506	36,438,597	36,592,366	153,769
Federal Sources	2,776,599	2,733,633	2,320,345	(413,288)
Total Revenues	<u>57,964,345</u>	<u>58,483,480</u>	<u>58,663,730</u>	<u>180,250</u>
<b>EXPENDITURES</b>				
Current:				
Administration	1,521,094	1,555,859	1,490,651	(65,208)
District Support Services	1,002,175	1,026,921	1,016,011	(10,910)
Elementary and Secondary				
Regular Instruction	23,662,637	24,672,823	23,689,667	(983,156)
Vocational Education Instruction	1,358,799	1,363,327	1,397,638	34,311
Special Education Instruction	17,771,747	16,882,060	16,912,027	29,967
Instructional Support Services	2,714,708	2,767,123	2,698,019	(69,104)
Pupil Support Services	4,020,547	4,027,519	4,062,571	35,052
Sites and Buildings	4,108,419	4,472,266	4,023,624	(448,642)
Fiscal and Other Fixed				
Cost Programs	170,340	200,000	203,035	3,035
Capital Outlay	628,482	1,132,285	1,064,139	(68,146)
Debt Service:				
Principal	262,998	247,398	240,495	(6,903)
Interest and Fiscal Charges	23,822	27,122	20,240	(6,882)
Total Expenditures	<u>57,245,768</u>	<u>58,374,703</u>	<u>56,818,117</u>	<u>(1,556,586)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	718,577	108,777	1,845,613	1,736,836
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Equipment	5,000	5,000	4,298	(702)
Insurance Recovery Proceeds	150,000	27,955	27,955	-
Capital Lease Proceeds	-	398,500	468,500	70,000
Transfers Out	-	-	(241,705)	(241,705)
Total Other Financing Sources	<u>155,000</u>	<u>431,455</u>	<u>259,048</u>	<u>(172,407)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 873,577</u>	<u>\$ 540,232</u>	2,104,661	<u>\$ 1,564,429</u>
<b>FUND BALANCE</b>				
Beginning of Year			5,034,049	
Prior Period Restatement (See Note 15)			476,468	
Beginning of Year, as Restated			<u>5,510,517</u>	
End of Year			<u>\$ 7,615,178</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, 2020**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Earnings on Investments	\$ 2,000	\$ 2,000	\$ 4,231	\$ 2,231
Other - Primarily Meal Sales	1,109,245	825,500	828,435	2,935
State Sources	149,523	96,475	132,005	35,530
Federal Sources	779,911	869,030	1,014,952	145,922
Total Revenues	<u>2,040,679</u>	<u>1,793,005</u>	<u>1,979,623</u>	<u>186,618</u>
<b>EXPENDITURES</b>				
Current:				
Food Service	2,054,614	1,899,555	1,961,992	62,437
Capital Outlay	<u>25,586</u>	<u>28,105</u>	<u>16,235</u>	<u>(11,870)</u>
Total Expenditures	<u>2,080,200</u>	<u>1,927,660</u>	<u>1,978,227</u>	<u>50,567</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(39,521)	(134,655)	1,396	136,051
<b>OTHER FINANCING SOURCES</b>				
Proceeds from Sale of Inventory	500	500	-	(500)
Transfer In	<u>1,000</u>	<u>7,500</u>	<u>6,128</u>	<u>(1,372)</u>
Total Other Financing Sources (Uses)	<u>1,500</u>	<u>8,000</u>	<u>6,128</u>	<u>(1,872)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (38,021)</u>	<u>\$ (126,655)</u>	7,524	<u>\$ 134,179</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>135,549</u>	
End of Year			<u>\$ 143,073</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, 2020**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 289,520	\$ 364,520	\$ 361,102	\$ (3,418)
Earnings on Investments	3,000	3,000	9,930	6,930
Other - Primarily Tuition and Fees	2,602,653	2,058,303	1,934,496	(123,807)
State Sources	1,371,789	1,404,885	1,410,033	5,148
Federal Sources	56,000	68,370	68,370	-
Total Revenues	<u>4,322,962</u>	<u>3,899,078</u>	<u>3,783,931</u>	<u>(115,147)</u>
<b>EXPENDITURES</b>				
Current:				
Community Service	4,258,154	4,217,839	4,054,917	(162,922)
Capital Outlay	<u>60,250</u>	<u>54,120</u>	<u>19,358</u>	<u>(34,762)</u>
Total Expenditures	<u>4,318,404</u>	<u>4,271,959</u>	<u>4,074,275</u>	<u>(197,684)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer In	<u>-</u>	<u>-</u>	<u>235,577</u>	<u>235,577</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 4,558</u>	<u>\$ (372,881)</u>	<u>(54,767)</u>	<u>\$ 318,114</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>422,339</u>	
End of Year			<u>\$ 367,572</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, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	Governmental Activities - Internal Service Funds	
	2020	2019
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 222,683	\$ 163,788
Accounts Receivable	-	808
Total Assets	222,683	164,596
 <b>LIABILITIES</b>		
Current Liabilities:		
Claims Payable	8,039	23,430
 <b>NET POSITION</b>		
Unrestricted	\$ 214,644	\$ 141,166

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, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

	Governmental Activities - Internal Service Funds	
	2020	2019
<b>OPERATING REVENUES</b>		
Contributions from District and Employees	\$ 516,164	\$ 556,314
<b>OPERATING EXPENSES</b>		
Dental Insurance Claim Payments	431,056	482,394
General Administration Fees	13,424	33,332
Total Operating Expenses	444,480	515,726
<b>OPERATING INCOME</b>	71,684	40,588
<b>NONOPERATING INCOME</b>		
Earnings on Investments	1,794	1,617
<b>CHANGE IN NET POSITION</b>	73,478	42,205
Net Position - Beginning	141,166	98,961
<b>NET POSITION - ENDING</b>	\$ 214,644	\$ 141,166

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, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

	Governmental Activities - Internal Service Funds	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from District and Employees	\$ 516,972	\$ 555,548
Payments for Administrative Costs	(13,424)	(33,332)
Payments for Dental Fees and Insurance Claims	(446,447)	(484,699)
Net Cash Provided by Operating Activities	57,101	37,517
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	1,794	1,617
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	58,895	39,134
Cash and Cash Equivalents - Beginning	163,788	124,654
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	\$ 222,683	\$ 163,788
Displayed on Statements of Fund Net Assets as:		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 71,684	\$ 40,588
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
(Increase) Decrease in Accounts Receivable	808	(766)
Increase (Decrease) in Accounts Payable	(15,391)	(2,305)
Total Adjustments	(14,583)	(3,071)
Net Cash Provided by Operating Activities	\$ 57,101	\$ 37,517

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2020**

	Scholarship Custodial Fund	Postemployment Benefits Irrevocable Trust Fund
<b>ASSETS</b>		
Cash and Deposits	\$ 2,591,151	\$ -
Investments - Fixed Income	-	1,696,174
Total Assets	\$ 2,591,151	\$ 1,696,174
<b>LIABILITIES</b>		
Accounts Payable	\$ -	\$ 490
<b>NET POSITION</b>		
Assets Held in Trust for OPEB Benefits	-	1,695,684
Reserved for Scholarships	2,591,151	-
Total Net Assets	\$ 2,591,151	\$ 1,695,684

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2020**

	Scholarship Custodial Fund	Postemployment Benefits Irrevocable Trust Fund
<b>ADDITIONS</b>		
Employer Contributions	\$ -	\$ 1,243,810
Investment Income	29,858	31,466
Miscellaneous	37,812	-
Total Additions	67,670	1,275,276
<b>DEDUCTIONS</b>		
Benefit Payments	-	1,295,467
Scholarships	313,450	-
Miscellaneous	103	-
Total Deductions	313,553	1,295,467
<b>CHANGE IN NET POSITION</b>	(245,883)	(20,191)
Net Position - Beginning of Year	2,837,034	1,715,875
<b>NET POSITION - END OF YEAR</b>	\$ 2,591,151	\$ 1,695,684

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, 2020**

**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. This financial report has been prepared in conformity with GASB Statement No. 34.

**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 at the Fund Financial Statement level.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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.

The Trust and Custodial Funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third-party and cannot be used to address activities or obligations of the District, these Funds are not incorporated into the government-wide statements.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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 as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes and GAAP. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month 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, 2020**

**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, 2020**

**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, 2020**

**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, 2020, 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	\$ 57,964,345	\$ 519,135	\$ 58,483,480
Special Revenue Funds:			
Food Service Fund	2,040,679	(247,674)	1,793,005
Community Service Fund	4,322,962	(423,884)	3,899,078
 <u>Expenditures</u>			
General Fund	\$ 57,245,768	\$ 1,128,935	\$ 58,374,703
Special Revenue Funds:			
Food Service Fund	2,080,200	(152,540)	1,927,660
Community Service Fund	4,318,404	(46,445)	4,271,959

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, 2020**

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

**H. Inventories**

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies, 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, 2020**

**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 2019 pay 2020 levy, normally revenue for the 2020-21 fiscal year, are also advance recognized at June 30, 2020, 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, 2020, 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, 2020**

**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, 2020**

**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.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**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. 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 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.

**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, 2019, from which the summarized information was derived.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 2 STEWARDSHIP AND ACCOUNTABILITY**

**A. Excess of Expenditures Over Budget**

	Budget	Expenditures	Excess
Special Revenue Funds:			
Food Service Fund	\$ 1,927,660	\$ 1,978,227	\$ 50,567

These overages were considered by District management to be the result of necessary expenditures critical to operations.

**B. Transfers In/Transfers Out**

The District made an operating transfer from the General Fund to the Food Service Fund in the amount of \$6,128 and to the Community Service Fund in the amount of \$235,577 during the year ended June 30, 2020. The transfer to the Food Service Fund was money donated for negative meal balances. The transfer to the Community Service Fund was to eliminate the deficit fund balance that occurred during the year.

**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.

**MONTICELLO PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**A. Deposits (Continued)**

The District's deposits in various banks at June 30, 2020 were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

**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.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

At June 30, 2020, the District had the following investments:

	Amount
MSDLAF+	\$ 12,500,002
MN Trust Investment Shares	3,232,886
Negotiable Certificates of Deposit	1,964,200
Guaranteed Investment Contract	1,797,341
Insurance Annuity	105,844
Total Investments	\$ 19,600,273

The MN Trust Shares is a money market account that is valued at amortized cost with maturities of investments of one year or less.

The MSDLAF+ is an external investment pool (Pool) that 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 per share of \$1.00. The Pool elects to measure its investments at amortized cost in accordance with accounting statements issued by the Government Accounting Standards Board. The Pool has no restrictions on cash withdrawals or deposits.

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
MSDLAF+	\$ 12,500,002	\$ 12,500,002
MN Trust Investment Shares	3,232,886	3,232,886
Negotiable Certificates of Deposit	1,964,200	1,964,200
Guaranteed Investment Contract	1,797,341	1,797,341
Insurance Annuity	105,844	105,844
Total	\$ 19,600,273	\$ 19,600,273

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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	A-1+, A-1	\$ 386,919
MSDLAF+ Max Class	A-1+, A-1	12,113,083
MN Trust Investment Shares	Not Rated	3,232,886
Guaranteed Investment Contract	AA	1,797,341
Insurance Annuity	AA	105,844
Negotiable Certificates of Deposit	Not Rated	1,964,200
Total		<u>\$ 19,600,273</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
MSDLAF+	\$ 12,500,002	63.77%
MN Trust Investment Shares	3,232,886	16.49%
Guaranteed Investment Contract	1,797,341	9.17%

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

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	\$ 1,173,937
Negotiable Certificates of Deposits	1,964,200
Minnesota School District Liquid Asset Fund (MSDLAF+)	12,500,002
Investments	<u>5,136,071</u>
Total Deposits and Investments	<u><u>\$ 20,774,210</u></u>

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

Cash and Investments - Statement of Net Position	\$ 16,486,885
Cash and Investments - Statement of Fiduciary Fund Net Position	<u>4,287,325</u>
Total Cash and Investments	<u><u>\$ 20,774,210</u></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.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**C. Fair Value Measurements (Continued)**

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

- Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.
- 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 2020.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Construction in Progress	2,081,263	4,491,806	(1,785,756)	4,787,313
Total Capital Assets, Not Being Depreciated	2,086,263	4,491,806	(1,785,756)	4,792,313
Capital Assets, Being Depreciated:				
Land Improvements	34,008,843	266,946	-	34,275,789
Buildings and Improvements	76,718,473	1,614,329	-	78,332,802
Equipment	9,915,571	130,919	-	10,046,490
Total Capital Assets, Being Depreciated	120,642,887	2,012,194	-	122,655,081
Accumulated Depreciation for:				
Land Improvements	(5,645,899)	(1,594,899)	-	(7,240,798)
Buildings and Improvements	(36,961,690)	(2,042,688)	-	(39,004,378)
Equipment	(7,147,254)	(459,671)	-	(7,606,925)
Total Accumulated Depreciation	(49,754,843)	(4,097,258)	-	(53,852,101)
Total Capital Assets, Being Depreciated, Net	70,888,044	(2,085,064)	-	68,802,980
Governmental Activities Capital Assets, Net	<u>\$ 72,974,307</u>	<u>\$ 2,406,742</u>	<u>\$ (1,785,756)</u>	<u>\$ 73,595,293</u>

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

<b>Governmental Activities</b>	
Administration	\$ 149
District Support Services	2,635
Regular Instruction	2,022,110
Vocational Education Instruction	659
Special Education Instruction	2,130
Instructional Support Services	127,454
Pupil Support Services	4,479
Sites and Buildings	920,910
Food Service	14,702
Community Service	16,246
Unallocated	985,784
Total Depreciation Expense, Governmental Activities	<u>\$ 4,097,258</u>

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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
2/24/2010	2.00% - 4.00%	\$ 6,960,000	2/1/2021	\$ 190,000	\$ 190,000
2/23/2016	2.00% - 4.00%	38,640,000	2/1/2040	1,105,000	34,435,000
2/23/2016	2.00% - 3.00%	5,700,000	2/1/2031	365,000	4,485,000
4/27/2017	2.00% - 3.00%	5,160,000	2/1/2032	320,000	4,385,000
2/28/2019	2.00% - 3.00%	4,430,000	2/1/2034	225,000	4,185,000
Total General Obligation Bonds				2,205,000	47,680,000
Bond Premium - Net				-	1,415,983
Lease Purchase Obligations:					
Cisco Server				79,915	159,828
Scoreboard				70,763	300,784
Baseball Stadium				10,367	70,000
Special Education Building				74,857	398,500
Total Leases Purchase Obligations				235,902	929,112
Sick Leave Payable				-	75,807
Compensated Absences Payable				223,044	223,044
Total				\$ 2,663,946	\$ 50,323,946

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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>
2021	\$ 2,205,000	\$ 1,425,075	\$ 235,902	\$ 26,175
2022	2,260,000	1,372,675	242,340	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 - 2030	13,380,000	4,865,563	13,049	614
2031 - 2035	11,950,000	2,707,625	-	-
2036 - 2040	10,755,000	1,040,663	-	-
Total	<u>\$ 47,680,000</u>	<u>\$ 15,223,326</u>	<u>\$ 929,112</u>	<u>\$ 72,200</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, 2020 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, 2020**

**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>(363,458)</u>
Total	<u><u>\$ 1,100,555</u></u>

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

	June 30, 2019	Net Additions	Retirements	June 30, 2020
Bonds Payable	\$ 49,895,000	\$ -	\$ 2,215,000	\$ 47,680,000
Bond Premium	1,552,005	-	136,022	1,415,983
Lease Purchase Obligations	701,107	468,500	240,495	929,112
Sick Leave Payable	106,836	262,725	293,754	75,807
Compensated Absences Payable - Net	172,563	424,889	374,408	223,044
Total	<u><u>\$ 52,427,511</u></u>	<u><u>\$ 1,156,114</u></u>	<u><u>\$ 3,259,679</u></u>	<u><u>\$ 50,323,946</u></u>

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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, 2020 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 School Readiness**

The fund balance restriction represents accumulated resources available to provide school readiness programming in accordance with funding made available for that purpose.

**F. Restricted for Adult Basic Education**

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

**G. Restricted for Long-Term Facilities Maintenance (LTFM)**

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

**H. Restricted for Building Construction**

The fund balance restriction represents amounts available to be used for construction of school facilities.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**I. Restricted for Medical Assistance**

Represents resources available to be used for medical assistance expenditures.

**J. Restricted for Achievement and Integration**

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

**K. 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	\$ 30,070
Pinewood	14,405
Middle School	81,943
High School	293,770
Eastview	1,771
ALP, School Patrol, Miscellaneous	<u>79,679</u>
Total Restricted for General Fund	501,638
Restricted for Food Service	94,473
Restricted for Community Service	131,098
Restricted for Bond Payments	<u>778,074</u>
Total Other Restricted	<u><u>\$ 1,505,283</u></u>

**L. Committed for Severance Benefits**

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

**M. Assigned for School Building Carryover**

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

**N. Assigned for Scoreboards**

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

**MONTICELLO PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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).

**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  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.0% 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. For 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.

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**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.

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**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 2020 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, 2020, were \$622,431. 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 7.5% for the employee and 7.92% for the employer. Basic rates were 11.00% for the employee and 11.92% for the employer. The District's contributions to TRA for the Plan's fiscal year ended June 30, 2020 were \$2,086,281. The District's contributions were equal to the required contributions for each year as set by state statute.

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**NOTE 7 PENSION PLANS (CONTINUED)**

**D. Pension Costs**

**1. General Employees Fund Pension Costs**

At June 30, 2020, the District reported a liability of \$6,407,851 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 to the fund in 2019. 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 \$199,158, for a total net pension liability of \$6,607,009 associated with the District. The net pension liability was measured as of June 30, 2019, 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, 2018 through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2019, the District's proportionate share was 0.1159% which was an increase of 0.0044% from its proportionate share measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$897,346 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized an additional \$14,915 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the General Employees Fund.

At June 30, 2020, 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	\$ 177,585	\$ -
Changes in Actuarial Assumptions	-	503,660
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	649,512
Changes in Proportion	317,660	-
District Contributions Subsequent to the Measurement Date	622,431	-
Total	<u>\$ 1,117,676</u>	<u>\$ 1,153,172</u>

**MONTICELLO PUBLIC SCHOOLS  
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**NOTE 7 PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

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

The amount of \$622,431 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 ended June 30, 2021. 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>
2021	\$ (170,741)
2022	(437,683)
2023	(59,830)
2024	10,327

**2. TRA Pension Costs**

At June 30, 2020 the District reported a liability of \$29,186,642 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2019, 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 0.4579% at the end of the measurement period and 0.4697% 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	\$ 29,186,642
State's Proportionate Share of TRA's Net Pension Liability Associated with the District	2,582,929
Total	\$ 31,769,571

For the year ended June 30, 2020, the District recognized pension expense of \$5,287,456. It also recognized \$196,333 as an increase to pension expense and grant revenue for the support provided by direct aid.

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**NOTE 7 PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

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

At June 30, 2020, 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	\$ 4,149	\$ 708,691
Changes in Actuarial Assumptions	24,561,787	38,719,879
Net Difference Between Projected and Actual		
Investment Earnings	-	2,418,689
Changes in Proportion	731,144	931,551
District Contributions Subsequent to the Measurement Date	2,086,281	-
Total	<u>\$ 27,383,361</u>	<u>\$ 42,778,810</u>

The amount of \$2,086,281 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 ended June 30, 2021. 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>
2021	\$ 1,742,632
2022	(81,365)
2023	(11,073,729)
2024	(7,829,734)
2025	(239,534)

The District's total pension expense for all plans for the year ended June 30, 2020 was \$6,396,050.

**MONTICELLO PUBLIC SCHOOLS  
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**NOTE 7 PENSION PLANS (CONTINUED)**

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2019, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Assumptions	General Employees Plan	TRA
Inflation	2.50% per Year	2.50 %
Active Member Payroll Growth	11.25% After 1 Year of Service Decreasing to 3.25% per Year After 26 Years	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 disabilitants for all plans were based on RP 2014 tables 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 six years and female rates set back five years. Generational projection uses the MP-2015 scale. Postretirement mortality rates were based on the RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale. Post-disability mortality rates were based on the RP-2014 disabled retiree mortality table, without adjustment. TRA cost of living benefit increases 1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

Actuarial assumptions used in the June 30, 2019 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. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions for PERA occurred in 2019:

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

**MONTICELLO PUBLIC SCHOOLS  
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**NOTE 7 PENSION PLANS (CONTINUED)**

**E. Actuarial Assumptions (Continued)**

The following changes in actuarial assumptions for TRA occurred in 2019:

- There were no changes since the previous valuation.

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	5.90
Fixed Income	20.0	0.75
Private Markets	25.0	5.90
Cash	2.0	-
Totals	100 %	

**F. Discount Rate**

The discount rate used to measure the PERA General Employees Plan liability in 2019 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%. The projection of cash flows used to determine the discount rate assumed that employee contribution will be made at the fiscal year 2019 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).

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**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	\$ 10,534,163	\$ 6,407,851	\$ 3,000,761
<u>TRA Discount Rate</u>	6.50 %	7.50 %	8.50 %
District's Proportionate Share of the TRA Net Pension Liability	\$ 46,530,644	\$ 29,186,642	\$ 14,886,769

**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](http://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](http://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  
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**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 522 active participants and 63 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 2020, the District made a contribution of \$847,404 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, 2020, were as follows:

Total OPEB Liability	\$ 15,905,906
Plan Fiduciary Net Position	1,695,684
District's Net OPEB Liability	<u>\$ 14,210,222</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11 %

**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.

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**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, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018. 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, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 %
Salary Increases	3.00 %
Investment Rate of Return	2.00 %
Health Care Trend Rates	6.25% Grading to 5.00% Over 5 Years
Dental Trend Rates	4.00 %

Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2017, and other adjustments.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2014.

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:

<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 %

**MONTICELLO PUBLIC SCHOOLS  
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**NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

**D. Actuarial Methods and Assumptions (Continued)**

The discount rate used to measure the total OPEB liability was 2.40%. 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 discount rate was changed from 3.00% to 2.40%.

**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	\$ 15,620,910	\$ 1,715,875	\$ 13,905,035
Changes for the Year:			
Service Cost	632,289	-	632,289
Interest	483,707	-	483,707
Assumption Changes	377,615	-	377,615
Differences Between Expected and Actual Experience	-	(2,853)	2,853
Contributions-Employer	-	1,243,810	(1,243,810)
Net Investment income	-	34,319	(34,319)
Benefit Payments	(1,208,615)	(1,295,467)	86,852
Net Changes	284,996	(20,191)	305,187
Balances - June 30, 2020	<u>\$ 15,905,906</u>	<u>\$ 1,695,684</u>	<u>\$ 14,210,222</u>

The net OPEB liability for the District is \$11,410,216 and the total OPEB liability for the Sherburne and Northern Wright Special Education Cooperative is \$2,800,006.

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**NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

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

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 (1.40)%	Discount Rate (2.40)%	1% Increase (3.40)%
Net OPEB Liability	\$ 14,974,331	\$ 14,210,222	\$ 13,447,347

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 (5.25% decreasing to 4.00%) or 1% point higher (7.25% 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		
	Current Trend		
	1% Decrease (Medical 5.25% Decreasing to 4.00% Over 5 Years, Dental 3.00%)	Rates (Medical 6.25% Decreasing to 5.00% Over 5 Years, Dental 4.00%)	1% Increase (Medical 7.25% Decreasing to 6.00% Over 5 Years, Dental 5.00%)
Net OPEB Liability	\$ 12,725,348	\$ 14,210,222	\$ 15,919,325

For the year ended June 30, 2020, the District recognized OPEB expense of \$1,043,717. At June 30, 2020, 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	\$ -	\$ 562,819
Change of Assumptions	598,735	168,995
Net Difference Between Projected and Actual Investment Earnings	12,222	-
Contributions Between Measurement Date and Reporting Date	394,681	-
Total	\$ 1,005,638	\$ 731,814

**MONTICELLO PUBLIC SCHOOLS  
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**NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

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

The amount of \$394,681 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 ended June 30, 2021. 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>
2021	\$ (37,962)
2022	(39,150)
2023	(41,153)
2024	(42,733)
2025	(8,489)
Thereafter	48,630
Total	<u>\$ (120,857)</u>

At June 30, 2020, there are not payables or receivables between the District and the Trust.

**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 121 active employees who are eligible to receive benefits under the Plan as of July 1, 2018. 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.

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

**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, 2019	\$ 842,947
Changes for the Year:	
Service Cost	35,487
Interest	24,814
Changes in Benefit Terms	15,844
Benefit Payments	<u>(183,671)</u>
Net Changes	<u>(107,526)</u>
Total Pension Liability - June 30, 2020	<u><u>\$ 735,421</u></u>

**D. Pension Costs**

For the year ended June 30, 2020, the District recognized pension expense of \$80,352. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Liability	\$ 73,896	\$ -
Change of Assumptions	19,830	8,640
Contributions Between Measurement Date and Reporting Date	<u>21,318</u>	<u>-</u>
Total	<u><u>\$ 115,044</u></u>	<u><u>\$ 8,640</u></u>

**MONTICELLO PUBLIC SCHOOLS  
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**NOTE 9 SUPPLEMENTAL BENEFIT PLAN (CONTINUED)**

**D. Pension Costs (Continued)**

The amount of \$21,318 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, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Pension Expense
2021	\$ 20,051
2022	20,049
2023	19,799
2024	22,672
2025	2,515

**E. Actuarial Methods and Assumptions**

The actuarial total pension liability was determined as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	July 1, 2018
Measurement Date:	June 30, 2019
Actuarial Cost Method:	Entry Age, Level Percentage of Pay
Discount Rate:	2.40 %
Inflation:	2.50 %
Salary Increases:	3.00 %
Retirement Age:	55
Mortality:	RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale

**F. Discount Rate**

The discount rate used to measure the total pension liability was 2.40%. 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 2.40%, 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 (1.40%) or one percentage point higher (3.40%) than the current rate:

	1% Decrease (1.40)%	Current Discount Rate (2.40)%	1% Increase (3.40)%
Total Pension Liability	\$ 764,011	\$ 735,421	\$ 705,589

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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.

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

**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 lease is for \$5,097.50 monthly rate or \$61,170.00 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.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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 2020. 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.

**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 \$453,697 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.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 15 PRIOR PERIOD RESTATEMENT**

There is a prior period restatement of net position in the Governmental Activities and fund balance in the General Fund in the amount of \$476,468 for the year ended June 30, 2019. This restatement is the result of revenue that was recorded as unearned revenue in the prior year instead of being recognized as revenue in the year it was earned.

	Governmental Activities	General Fund
Net Position/ Fund Balance, June 30, 2019, as Previously Stated	\$ (28,224,858)	\$ 5,034,049
Prior Period Restatement	476,468	476,468
Net Position/ Fund Balance, June 30, 2019, as Restated	<u>\$ (27,748,390)</u>	<u>\$ 5,510,517</u>

## **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, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability	\$ 842,947	\$ 917,566	\$ 935,272	\$ 1,238,753
Changes for the Year:				
Service Cost	35,487	30,531	31,937	38,727
Interest	24,814	29,438	25,460	33,886
Changes in Benefit Terms	15,844	81,303	(17,280)	(156,558)
Benefit Payments	<u>(183,671)</u>	<u>(215,891)</u>	<u>(179,867)</u>	<u>(219,536)</u>
Net Changes	<u>(107,526)</u>	<u>(74,619)</u>	<u>(139,750)</u>	<u>(303,481)</u>
Total Pension Liability	<u>\$ 735,421</u>	<u>\$ 842,947</u>	<u>\$ 795,522</u>	<u>\$ 935,272</u>
Covered Payroll	\$ 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 %	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, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>				
Service Cost	\$ 632,289	\$ 557,711	\$ 514,292	\$ 646,723
Interest	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	-	(787,949)	-	-
Benefit Payments	(1,208,615)	(1,281,243)	(1,109,461)	(1,273,369)
<b>Net Change in Total OPEB Liability</b>	<u>284,996</u>	<u>(572,581)</u>	<u>(492,521)</u>	<u>(1,907,848)</u>
<b>Total OPEB Liability - Beginning</b>	<u>15,620,910</u>	<u>16,193,491</u>	<u>13,774,158</u>	<u>15,682,006</u>
<b>Total OPEB Liability - Ending (a)</b>	<u><u>\$ 15,905,906</u></u>	<u><u>\$ 15,620,910</u></u>	<u><u>\$ 13,281,637</u></u>	<u><u>\$ 13,774,158</u></u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 847,404	\$ 1,148,057	\$ 1,004,817	\$ 1,185,843
Net Investment Income	34,318	36,309	27,830	33,012
Benefit Payments	(899,060)	(1,276,033)	(1,109,462)	(1,273,368)
Differences Between Expected and Actual Experience	(2,853)	(7,922)	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<u>(20,191)</u>	<u>(99,589)</u>	<u>(76,815)</u>	<u>(54,513)</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>1,715,875</u>	<u>1,815,464</u>	<u>1,892,280</u>	<u>1,946,793</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u><u>\$ 1,695,684</u></u>	<u><u>\$ 1,715,875</u></u>	<u><u>\$ 1,815,465</u></u>	<u><u>\$ 1,892,280</u></u>
<b>District's Net OPEB Liability (Asset) - Ending (a) - (b)</b>	<u>\$ 14,210,222</u>	<u>\$ 13,905,035</u>	<u>\$ 11,466,172</u>	<u>\$ 11,881,878</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11 %	11 %	14 %	14 %
Covered Employee Payroll	\$ 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	44 %	44 %	42 %	45 %

The District implemented GASB Statements No. 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  
LAST TEN YEARS**

Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2017	2.00 %
2018	2.00 %
2019	2.00 %
2020	2.00 %

The District implemented GASB Statements No. 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 YEARS**

	Measurement Date <u>June 30, 2019</u>	Measurement Date <u>June 30, 2018</u>	Measurement Date <u>June 30, 2017</u>
<b>PERA</b>			
District's Proportion of the Net Pension Liability	0.1159 %	0.1115 %	0.1109 %
District's Proportionate Share of the Net Pension Liability	\$ 6,407,851	\$ 6,185,563	\$ 7,079,783
State's Proportionate Share of the Net Pension Liability Associated with District	<u>\$ 199,158</u>	<u>\$ 202,973</u>	<u>\$ 89,007</u>
Total of District's and State's Proportionate Share of the Net Pension Liability	\$ 6,607,009	\$ 6,388,536	\$ 7,168,790
District's Covered Payroll	\$ 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	79.73 %	80.87 %	98.72 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.20 %	79.53 %	75.90 %
<b>TRA</b>			
District's Proportion of the Net Pension Liability	0.4579 %	0.4697 %	0.4633 %
District's Proportionate Share of the Net Pension Liability	\$ 29,186,642	\$ 29,499,602	\$ 92,483,084
State's Proportionate Share of the Net Pension Liability Associated with District	<u>\$ 2,582,929</u>	<u>\$ 2,771,569</u>	<u>\$ 8,940,294</u>
Total of District's and State's Proportionate Share of the Net Pension Liability	\$ 31,769,571	\$ 32,271,171	\$ 101,423,378
District's Covered Payroll	\$ 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	111.68 %	112.40 %	368.96 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.07 %	78.07 %	51.57 %

Note: Information is presented prospectively and an accumulation of ten 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 YEARS**

Measurement Date <u>June 30, 2016</u>	Measurement Date <u>June 30, 2015</u>	Measurement Date <u>June 30, 2014</u>
0.1048 %	0.1092 %	0.1104 %
\$ 8,509,240	\$ 5,659,311	\$ 5,186,039
<u>\$ 111,062</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,620,302	\$ 5,659,311	\$ 5,186,039
\$ 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
<u>\$ 11,094,524</u>	<u>\$ 3,432,062</u>	<u>\$ 1,550,926</u>
\$ 121,626,481	\$ 31,411,290	\$ 23,595,254
\$ 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**

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

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

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

2017	2016	2015
\$ 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  
LAST TEN FISCAL YEARS**

**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:

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  
LAST TEN FISCAL YEARS**

**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.

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

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.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN FISCAL YEARS**

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

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.
- 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%.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN FISCAL YEARS**

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

2017 (Continued)

Changes in Actuarial Assumptions (Continued)

- 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.
- 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.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2020**

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

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.

**NOTE 2 OTHER POSTEMPLOYMENT BENEFIT PLAN**

2020

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

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%.

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, 2020**

**NOTE 3 SUPPLEMENTAL BENEFIT PLAN**

2020

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

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%.

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  
JUNE 30, 2020**

	Audit	UFARS	Audit-UFARS		Audit	UFARS	Audit-UFARS
<b>01 GENERAL FUND</b>				<b>06 BUILDING CONSTRUCTION</b>			
Total Revenues	\$ 58,691,685	\$ 58,691,685	\$ -	Total Revenues	\$ 110,633	\$ 110,632	\$ 1
Total Expenditures	56,818,117	56,818,115	2	Total Expenditures	5,402,607	5,402,607	-
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	71,792	71,792	-	460 Nonspendable Fund Balance	-	-	-
<i>Restricted/Reserve:</i>				<i>Restricted/Reserve:</i>			
401 Student Activities	18,164	18,164	-	407 Capital Projects Levy	-	-	-
403 Staff Development	86,986	86,986	-	409 Alternative Fac. Program	-	-	-
406 Health & Safety	-	-	-	413 Project Funded by COP	-	-	-
407 Capital Project Levy	-	-	-	467 LTFM	1,880,152	1,880,152	-
408 Cooperative Rev.	-	-	-	<i>Restricted:</i>			
409 Deferred Maintenance	-	-	-	464 Restricted Fund Balance	327,208	327,207	1
414 Operating Debt	-	-	-	<i>Unassigned:</i>			
416 Levy Reduction	-	-	-	463 Unassigned Fund Balance	-	-	-
419 Encumbrances	-	-	-				
423 Certain Teacher Programs	-	-	-	<b>07 DEBT SERVICE</b>			
424 Operating Capital	479,376	479,376	-	Total Revenues	3,745,171	3,745,172	(1)
426 \$25 Taconite	-	-	-	Total Expenditures	3,688,251	3,688,253	(2)
427 Disabled Accessibility	-	-	-	<i>Nonspendable:</i>			
428 Learning & Development	-	-	-	460 Nonspendable Fund Balance	-	-	-
434 Area Learning Center	-	-	-	<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	778,074	778,073	1
441 Basic Skills	-	-	-	<i>Unassigned:</i>			
443 Telecomm. Access Cost	-	-	-	463 Unassigned Fund Balance	-	-	-
446 First Grade Preparedness	-	-	-				
448 Achievement and Integration	617	617	-	<b>18 CUSTODIAL FUND</b>			
449 Safe Schools Levy	120,036	120,036	-	Total Revenues	67,670	67,670	-
450 Pre-Kindergarten	-	-	-	Total Expenditures	313,553	313,553	-
451 QZAB Payments	-	-	-	401 Student Activities	-	-	-
452 OPEB Liab. Not in Trust	-	-	-	402 Scholarships	2,591,151	2,591,150	1
453 Unfunded Sev & Retirement Levy	-	-	-				
467 LTFM	1,513,975	1,513,975	-	<b>20 INTERNAL SERVICE</b>			
472 Medical Assistance	168,162	168,162	-	Total Revenues	517,958	517,960	(2)
<i>Restricted:</i>				Total Expenditures	444,480	444,482	(2)
464 Restricted Fund Balance	501,638	501,638	-	422 Net Position	214,644	214,644	-
<i>Committed:</i>				<b>25 OPEB REVOCABLE TRUST</b>			
418 Committed For Separation	869,405	869,405	-	Total Revenues	-	-	-
461 Committed Fund Balance	-	-	-	Total Expenditures	-	-	-
<i>Assigned:</i>				422 Net Position	-	-	-
462 Assigned Fund Balance	202,187	202,187	-	<b>45 OPEB IRREVOCABLE TRUST</b>			
<i>Unassigned:</i>				Total Revenues	1,275,276	1,275,276	-
422 Unassigned Fund Balance	3,582,840	3,582,840	-	Total Expenditures	1,295,467	1,295,467	-
				422 Net Position	1,695,684	1,695,684	-
<b>02 FOOD SERVICE</b>				<b>47 OPEB DEBT SERVICE</b>			
Total Revenues	1,979,623	1,979,622	1	Total Revenues	-	-	-
Total Expenditures	1,978,227	1,978,229	(2)	Total Expenditures	-	-	-
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	48,600	48,600	-	460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>				<i>Restricted:</i>			
452 OPEB Liab. Not in Trust	-	-	-	425 Bond Refundings	-	-	-
464 Restricted Fund Balance	94,473	94,472	1	464 Restricted Fund Balance	-	-	-
<i>Unassigned:</i>				<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-	463 Unassigned Fund Balance	-	-	-
<b>04 COMMUNITY SERVICE</b>							
Total Revenues	3,783,931	3,783,934	(3)				
Total Expenditures	4,074,275	4,074,278	(3)				
<i>Nonspendable:</i>							
460 Nonspendable Fund Balance	905	905	-				
<i>Restricted/Reserve:</i>							
426 \$25 Taconite	-	-	-				
431 Community Education	-	-	-				
432 E. C. F. E.	-	-	-				
444 School Readiness	22,773	22,773	-				
447 Adult Basic Education	212,796	212,796	-				
452 OPEB Liab. Not in Trust	-	-	-				
<i>Restricted:</i>							
464 Restricted Fund Balance	131,098	131,098	-				
<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) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, not 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			
	2011	2012	2013	2014
<b>GOVERNMENTAL ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 18,464,430	\$ 21,653,918	\$ 25,135,009	\$ 28,367,492
Restricted	2,663,080	2,562,247	2,055,494	2,023,358
Unrestricted	3,073,882	5,003,147	5,498,909	6,250,771
Total Governmental Activities				
Net Position	<u>\$ 24,201,392</u>	<u>\$ 29,219,312</u>	<u>\$ 32,689,412</u>	<u>\$ 36,641,621</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					
2015	2016	2017	2018	2019	2020
\$ 32,717,052	\$ 34,364,408	\$ 25,258,704	\$ 28,999,924	\$ 25,778,548	\$ 25,004,889
2,441,680	2,267,619	4,630,541	2,711,875	3,322,852	3,863,922
<u>(25,712,413)</u>	<u>(26,879,967)</u>	<u>(50,340,036)</u>	<u>(68,665,748)</u>	<u>(57,326,258)</u>	<u>(60,203,482)</u>
<u>\$ 9,446,319</u>	<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>

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

	Fiscal Year			
	2011	2012	2013	2014
<b>EXPENSES</b>				
<b>Governmental Activities</b>				
Administration	\$ 1,184,185	\$ 1,216,697	\$ 1,238,134	\$ 1,283,586
District Support Services	833,676	603,853	674,478	1,018,438
Elementary and Secondary Regular Instruction	18,695,900	19,396,341	19,757,587	19,835,124
Vocational Education Instruction	549,592	569,583	824,747	694,045
Special Education Instruction	13,642,379	12,637,148	13,076,583	13,944,470
Instructional Support Services	2,167,791	2,248,005	2,804,514	2,625,955
Pupil Support Services	2,811,034	3,196,743	3,408,107	3,640,273
Sites and Buildings	3,474,577	3,563,962	3,684,303	4,129,356
Fiscal and Other Fixed Cost Programs	146,367	161,381	171,889	172,537
Food Service	1,666,320	1,742,052	1,733,824	1,780,814
Community Education and Services	2,381,439	2,514,577	2,527,475	2,745,243
Interest and Fiscal Charges on Long-Term Debt	822,153	694,614	477,787	250,817
Depreciation not Included in Other Functions	1,120,003	1,111,084	1,102,166	1,102,165
Total Governmental Activities Expenses	<u>49,495,416</u>	<u>49,656,040</u>	<u>51,481,594</u>	<u>53,222,823</u>
<b>PROGRAM REVENUES</b>				
<b>Governmental Activities</b>				
Charges for Services:				
Administration	-	-	-	-
District Support Services	-	-	-	-
Elementary and Secondary Regular Instruction	684,738	655,047	675,556	601,835
Vocational Education Instruction	-	-	-	-
Special Education Instruction	1,839,961	2,236,953	1,533,286	2,104,156
Instructional Support Services	-	-	-	-
Pupil Support Services	-	-	4,925	-
Sites and Buildings	27,612	16,027	-	300
Fiscal and Other Fixed Cost Programs	-	-	-	-
Food Service	977,436	969,110	992,863	1,024,734
Community Education and Services	977,332	1,065,495	1,152,504	1,223,615
Interest and Fiscal Charges on Long-Term Debt	-	-	-	-
Depreciation not Included in Other Functions	-	-	-	-
Operating Grants and Contributions	12,671,828	12,945,144	14,309,359	15,133,838
Capital Grants and Contributions	389,154	480,477	446,483	476,050
Total Governmental Activities Program Revenues	<u>17,568,061</u>	<u>18,368,253</u>	<u>19,114,976</u>	<u>20,564,528</u>
Net Expense	(31,927,355)	(31,287,787)	(32,366,618)	(32,658,295)
<b>GENERAL REVENUES</b>				
<b>Governmental Activities</b>				
Taxes:				
Property Taxes, Levied for General Purposes	7,561,018	5,874,159	6,022,840	4,238,226
Property Taxes, Levied for Community Service	359,136	238,143	257,587	214,829
Property Taxes, Levied for Building Construction	-	-	-	-
Property Taxes, Levied for Debt Service	4,568,134	4,561,832	4,415,071	4,004,789
General Grants and Aids	22,462,895	24,018,379	24,200,096	27,564,512
Earnings on Investments	58,189	95,297	42,885	27,634
Gain on Sale of Capital Assets	-	-	-	7,845
Other General Revenues	635,796	947,078	898,239	552,669
Total Governmental Activities	<u>35,645,168</u>	<u>35,734,888</u>	<u>35,836,718</u>	<u>36,610,504</u>
Change in Net Position	<u>\$ 3,717,813</u>	<u>\$ 4,447,101</u>	<u>\$ 3,470,100</u>	<u>\$ 3,952,209</u>

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

		Fiscal Year									
		2015	2016	2017	2018	2019	2020				
\$	1,337,795	\$	1,440,429	\$	2,267,484	\$	2,254,899	\$	1,058,283	\$	1,560,908
	1,032,096		1,135,630		1,181,088		1,227,978		820,276		1,065,605
	21,790,879		23,705,406		32,103,609		33,518,386		15,059,682		27,681,918
	773,340		773,236		715,728		785,932		1,219,386		1,483,315
	14,949,615		14,494,246		19,153,411		20,151,673		12,219,100		17,927,383
	2,807,152		2,941,917		3,330,953		3,496,922		2,333,594		3,018,474
	3,734,385		3,883,955		4,090,046		4,032,437		3,668,797		4,187,714
	4,571,273		6,206,082		9,219,213		8,123,738		7,982,706		6,371,538
	176,392		183,311		162,414		528,373		682,729		647,515
	1,903,682		2,025,562		1,914,262		2,046,853		2,131,022		1,992,929
	2,380,265		2,557,334		2,880,271		3,601,031		3,711,934		4,208,681
	128,293		448,369		1,223,104		1,280,104		1,282,547		1,323,735
	1,102,166		1,102,166		1,566,641		1,052,234		1,006,894		985,784
	<u>56,687,333</u>		<u>60,897,643</u>		<u>79,808,224</u>		<u>82,100,560</u>		<u>53,176,950</u>		<u>72,455,499</u>
	-		-		1,058,283		-		-		-
	-		-		820,276		-		-		-
	428,959		398,912		792,260		690,907		578,861		456,699
					1,219,386		-		-		-
	2,409,961		6,509,474		7,459,860		7,947,140		8,780,973		9,273,444
					2,333,594		-		-		-
	-		-		-		-		-		-
	222,464		227,780		197,736		118,726		92,841		55,581
					682,729		-		-		-
	1,040,232		1,059,552		1,002,757		1,086,595		1,114,428		828,435
	976,923		1,020,892		1,125,544		1,409,854		2,069,515		1,895,970
					1,282,547		-		-		-
					1,006,894		-		-		-
	16,109,098		11,499,346		9,306,320		11,096,242		7,910,617		10,575,272
	<u>584,023</u>		<u>595,653</u>		<u>550,184</u>		<u>618,329</u>		<u>663,179</u>		<u>649,523</u>
	<u>21,771,660</u>		<u>21,311,609</u>		<u>28,838,370</u>		<u>22,967,793</u>		<u>21,210,414</u>		<u>23,734,924</u>
	(34,915,673)		(39,586,034)		(50,969,854)		(59,132,767)		(31,966,536)		(48,720,575)
	5,611,498		6,183,526		6,292,567		6,831,338		8,332,518		8,932,523
	273,445		223,361		228,915		242,189		230,807		316,482
	-		3,500,000		2,833,250		1,077,000		439,534		-
	5,098,466		1,134,134		2,170,832		3,239,890		3,136,033		3,567,815
	27,341,397		28,354,194		29,339,675		28,857,831		29,424,009		31,020,346
	28,125		151,399		323,478		260,725		285,149		217,629
	25,878		5,800		470		-		5,303		4,298
	342,146		339,361		564,082		2,120,636		1,647,435		1,075,201
	<u>38,720,955</u>		<u>39,891,775</u>		<u>41,753,269</u>		<u>42,629,609</u>		<u>43,500,788</u>		<u>45,134,294</u>
\$	<u>3,805,282</u>	\$	<u>305,741</u>	\$	<u>(9,216,585)</u>	\$	<u>(16,503,158)</u>	\$	<u>11,534,252</u>	\$	<u>(3,586,281)</u>

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

	Fiscal Year			
	2011	2012	2013	2014
<b>GENERAL FUND</b>				
Nonspendable	\$ 250,536	\$ 95,469	\$ 642,926	\$ 687,121
Restricted	170,396	119,800	119,920	175,271
Assigned	1,199,356	2,763,239	2,695,080	717,468
Committed	-	-	-	1,816,655
Unassigned	2,617,289	2,928,881	3,239,568	3,814,657
Total General Fund	<u>\$ 4,237,577</u>	<u>\$ 5,907,389</u>	<u>\$ 6,697,494</u>	<u>\$ 7,211,172</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Nonspendable	\$ 25,472	\$ 20,989	\$ 23,081	\$ 26,059
Restricted	2,281,172	2,238,291	1,793,181	1,750,381
Unassigned, Reported in:				
Special Revenue Funds	-	(10,427)	-	-
Capital Projects Fund	-	-	-	-
Total All Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Governmental Funds	<u>\$ 2,306,644</u>	<u>\$ 2,248,853</u>	<u>\$ 1,816,262</u>	<u>\$ 1,776,440</u>
Unassigned - Operating				
Account as a Percent of Total Expenditures *	<u>7.27 %</u>	<u>10.32 %</u>	<u>5.81</u>	<u>9.91 %</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					
2015	2016	2017	2018	2019	2020
\$ 707,359	\$ 726,713	\$ 707,781	\$ 824,508	\$ 62,385	\$ 71,792
409,724	523,780	935,714	855,677	1,320,325	2,888,954
678,992	723,642	224,282	190,620	248,890	202,187
1,689,771	1,570,581	1,417,837	1,222,367	990,152	869,405
<u>3,814,320</u>	<u>3,484,243</u>	<u>2,079,142</u>	<u>1,333,876</u>	<u>2,412,297</u>	<u>3,582,840</u>
<u>\$ 7,300,166</u>	<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>
\$ 19,954	\$ 27,632	\$ 94,258	\$ 53,751	\$ 47,342	\$ 49,505
1,951,768	44,497,887	22,653,380	7,482,679	8,755,996	3,446,574
-	-	-	-	-	-
<u>(761,552)</u>	<u>(837,219)</u>	<u>(24,962)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,210,170</u>	<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>7.49 %</u>	<u>6.63 %</u>	<u>3.92 %</u>	<u>3.63 %</u>	<u>2.39 %</u>	<u>0.04 %</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			
	2011	2012	2013	2014
<b>REVENUES</b>				
<b>Local Sources</b>				
Taxes	\$ 12,449,939	\$ 10,678,274	\$ 10,822,864	\$ 8,559,270
Investment Earnings	58,189	95,297	42,885	27,634
Other	5,115,263	5,853,183	5,257,291	5,507,309
<b>State Sources</b>	30,385,637	33,088,756	35,156,182	39,273,363
<b>Federal Sources</b>	5,138,240	4,355,244	3,799,756	3,901,037
Total Revenues	<u>53,147,268</u>	<u>54,070,754</u>	<u>55,078,978</u>	<u>57,268,613</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Administration	1,168,957	1,199,827	1,238,962	1,288,619
District Support Services	792,226	591,325	663,804	981,089
Elementary and Secondary Regular Instruction	18,505,788	19,214,406	19,463,733	19,848,466
Vocational Education Instruction	547,729	567,069	820,505	697,512
Special Education Instruction	13,528,893	12,502,655	12,971,354	13,988,966
Instructional Support Services	1,625,140	1,458,355	1,868,483	1,756,208
Pupil Support Services	2,768,738	3,164,655	3,406,058	3,585,601
Sites and Buildings	2,992,588	3,260,709	3,332,848	3,527,631
Fiscal and Other Fixed Cost Programs	146,367	161,381	171,889	172,537
Food Service	1,666,320	1,742,052	1,723,438	1,780,814
Community Service	2,315,766	2,497,267	2,575,700	2,679,285
<b>Capital Outlay</b>	1,115,665	1,019,954	1,688,298	1,462,339
<b>Debt Service</b>				
Principal	3,972,712	4,226,150	4,548,262	4,606,385
Interest and Fiscal Charges	978,713	877,517	705,644	427,150
Total Expenditures	<u>52,125,602</u>	<u>52,483,322</u>	<u>55,178,978</u>	<u>56,802,602</u>
<b>EXCESS OF REVENUES UNDER EXPENDITURE:</b>	1,021,666	1,587,432	(100,000)	466,011
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds Issued	-	-	5,970,000	-
Premium on Bonds Issued	-	-	73,276	-
Insurance Recovery	27,612	24,589	-	-
Capital Lease/Certificates of Participation	120,883	-	384,313	-
Proceeds from Sale of Assets	-	-	4,925	7,845
Proceeds from Sale of Inventory	-	-	-	-
Debt Retirement from Escrow Account	-	-	(5,975,000)	-
Total Other Financing Sources (Uses)	<u>148,495</u>	<u>24,589</u>	<u>457,514</u>	<u>7,845</u>
Net Change in Fund Balances	<u>\$ 1,170,161</u>	<u>\$ 1,612,021</u>	<u>\$ 357,514</u>	<u>\$ 473,856</u>
Debt Services as a Percentage of Noncapital Expenditures	<u>9.63 %</u>	<u>9.87 %</u>	<u>9.73 %</u>	<u>8.94 %</u>

**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					
2015	2016	2017	2018	2019	2020
\$ 11,011,402	\$ 11,068,163	\$ 11,547,946	\$ 11,418,139	\$ 12,136,162	\$ 12,814,279
28,125	151,399	323,478	260,234	283,532	215,835
5,902,663	10,035,274	11,594,919	12,263,089	13,758,222	13,517,517
39,190,816	36,113,494	34,068,736	36,393,849	36,150,163	38,331,790
4,361,724	3,850,596	3,124,534	3,635,513	3,435,577	3,403,667
<u>60,494,730</u>	<u>61,218,926</u>	<u>60,659,613</u>	<u>63,970,824</u>	<u>65,763,656</u>	<u>68,283,088</u>
1,343,272	1,433,362	1,733,162	1,743,600	1,500,426	1,490,651
1,017,776	1,094,300	1,025,933	1,059,397	963,981	1,016,011
21,840,424	23,167,361	23,570,548	24,170,283	23,313,489	23,689,667
783,246	770,423	686,731	668,092	1,331,983	1,397,638
14,948,635	14,332,384	14,971,050	16,012,491	16,787,182	16,912,027
1,976,662	1,939,646	2,629,279	2,847,399	2,513,754	2,698,019
3,708,963	3,865,216	3,751,172	3,689,028	3,940,134	4,062,571
3,674,596	3,978,858	3,910,662	5,166,328	4,408,790	4,023,624
176,392	183,311	162,414	147,339	167,003	203,035
1,892,382	1,993,950	1,841,499	2,053,482	2,099,404	1,961,992
2,357,812	2,459,126	2,597,306	3,189,608	4,055,079	4,054,917
2,120,051	8,186,238	30,011,547	17,826,315	4,365,805	6,502,339
4,847,978	1,637,808	1,203,041	2,244,706	2,112,872	2,455,495
310,087	110,474	1,240,752	1,413,271	1,396,623	1,493,491
<u>60,998,276</u>	<u>65,152,457</u>	<u>89,335,096</u>	<u>82,231,339</u>	<u>68,956,525</u>	<u>71,961,477</u>
(503,546)	(3,933,531)	(28,675,483)	(18,260,515)	(3,192,869)	(3,678,389)
-	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
-	439,407	-	930,573	-	468,500
26,086	11,600	5,303	4,537	5,303	4,298
-	-	6,620	59,661	-	-
-	-	-	-	-	-
<u>26,086</u>	<u>46,140,638</u>	<u>5,466,777</u>	<u>2,111,599</u>	<u>5,041,816</u>	<u>500,753</u>
<u>\$ (477,460)</u>	<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>8.65 %</u>	<u>2.93 %</u>	<u>3.77 %</u>	<u>4.45 %</u>	<u>5.32 %</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>
2011	\$ 10,217,091	\$ 6,164,274	\$ 8,761,724	\$ 970,759
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

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
\$ 24,172,330	27.029	\$ 1,994,425,000	1.21 %
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

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

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
<b>GOVERNMENTAL UNIT</b>				
<b>ISD No. 882 (Monticello)</b>	27.029 %	28.262 %	26.229 %	28.269 %
<b>Overlapping Governments:</b>				
Wright County	39.306 %	43.452 %	44.288 %	43.450 %
Sherburne County	46.342 %	52.014 %	54.420 %	54.861 %
City of Monticello	46.729 %	49.773 %	42.262 %	44.709 %
City of Otsego	34.014 %	41.454 %	46.229 %	44.575 %
City of Big Lake	43.652 %	50.404 %	55.198 %	60.048 %
Big Lake Twp	14.628 %	15.784 %	15.306 %	15.591 %
Buffalo Twp	23.128 %	24.675 %	25.514 %	25.310 %
Clearwater Twp	25.815 %	28.507 %	28.574 %	27.905 %
Maple Lake Twp	19.310 %	21.013 %	22.328 %	22.073 %
Monticello Twp	16.883 %	18.357 %	24.483 %	24.879 %
Silver Creek Twp	25.923 %	27.726 %	28.286 %	32.261 %
Hospital District	1.501 %	1.240 %	0.608 %	- %
State	68.188 %	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>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
22.882 %	20.857 %	16.242 %	15.621 %	16.972 %	15.865%
40.593 %	39.970 %	39.599 %	39.946 %	44.273 %	44.421%
51.979 %	50.478 %	50.460 %	49.356 %	47.928 %	47.426%
35.737 %	34.471 %	33.172 %	32.333 %	34.262 %	34.967%
41.202 %	37.921 %	37.852 %	36.556 %	36.060 %	35.099%
57.518 %	57.112 %	57.936 %	55.643 %	50.898 %	49.223%
16.058 %	19.004 %	17.972 %	19.797 %	20.720 %	22.801%
24.432 %	23.379 %	22.520 %	21.442 %	20.026 %	19.029%
27.826 %	24.135 %	24.490 %	22.482 %	21.472 %	20.946%
20.372 %	18.678 %	17.618 %	16.508 %	15.537 %	16.145%
24.952 %	23.386 %	24.253 %	21.732 %	20.496 %	19.450%
28.716 %	27.412 %	26.181 %	24.914 %	23.517 %	22.309%
- %	- %	- %	- %	- %	- %
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 TEN YEARS AGO  
(UNAUDITED)**

Taxpayer	2020			2011		
	Net Tax Capacity	Rank	Percentage Total District Tax Valuation	Net Tax Capacity	Rank	Percentage Total District Tax Valuation
Northern States Power Co.	\$ 16,300,853	1	40.93 %	\$ 6,203,402	1	25.66 %
Iret Properties	310,160	2	0.78			
Store SPE Mills Fleet II 2017	254,360	3	0.64			
Centerpoint Energy	207,784	4	0.52			
Target Corporation	199,250	5	0.50	235,606	3	0.97
Wal-Mart Real Est. Business Tr.	192,210	6	0.48	256,464	2	1.06
Monti-Big Lake Comm Hospital	145,440	7	0.37	193,010	4	0.80
Home Depot USA Inc.	129,280	8	0.32	146,756	7	0.61
Clear Creek Land Company LLC	124,138	9	0.31			
Monti-Big Lake Comm Hospital	109,980	10	0.28			
MLBL, LLC				153,558	5	0.64
Ryan Companies US Inc				149,822	6	0.62
Minnegasco, Inc				127,614	8	0.53
L & P Ventures LLC				109,740	9	0.45
Muller Fam Theatres of Monti				109,597	10	0.45
Total for Ten Largest Principal Taxpayers	<u>\$ 17,973,455</u>			<u>\$ 7,685,569</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
2011	\$ 10,603,449	\$ 10,039,680	94.68 %	\$ 217,138	\$ 10,256,818	96.73 %
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	77,581	11,326,934	100.20
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	12,208,819	5,953,449	48.76	-	5,953,449	48.76

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
2011	\$ 19,925,000	\$ 5,000,000	\$ 416,191	\$ 25,341,191
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	-	929,128	48,619,128

\* 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	\$	1,234	7.16 %
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

**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
2011	\$ 19,925,000	\$ 1,721,015	\$ 18,203,985	\$ 24,172,330
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	778,073	46,911,927	39,827,779

\* 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
75.31 %	20,533	\$	887
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

**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)**

Year	Total Principal	Interest and Other Charges	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
2011	\$ 3,810,000	\$ 893,513	\$ 4,703,513	\$ 43,406,653	10.84
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	56,601,520	6.52

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, 2020  
(UNAUDITED)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Debt Repaid with Property Taxes</b>			
Wright County	\$ 153,290,000	23.66 %	\$ 36,268,414
Sherburne County	42,855	1.68	720
City of Big Lake	16,925,001	0.13	22,003
City of Monticello	32,970,000	100.00	32,970,000
City of Otsego	23,750,000	8.36	1,985,000
Becker Township	-	11.83	-
Big Lake Township	<u>375,000</u>	0.20	<u>750</u>
Subtotal, Overlapping Debt	227,352,856		71,246,887
Independent School District No. 882 - Direct Debt	47,690,000	100.00	<u>47,690,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 118,936,887</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			
	2011	2012	2013	2014
Debt Limit	\$ 299,163,750	\$ 285,943,755	\$ 290,764,155	\$ 288,010,665
Total Net Debt Applicable to Limit	<u>19,925,000</u>	<u>15,875,000</u>	<u>11,455,000</u>	<u>6,980,000</u>
Legal Debt Margin	<u>\$ 279,238,750</u>	<u>\$ 270,068,755</u>	<u>\$ 279,309,155</u>	<u>\$ 281,030,665</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.66 %	5.55 %	3.94 %	2.42 %

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					
2015	2016	2017	2018	2019	2020
\$ 343,917,525	\$ 391,376,295	\$ 413,736,855	\$ 444,409,680	\$ 456,543,990	\$ 455,938,459
<u>2,270,000</u>	<u>45,215,000</u>	<u>49,330,000</u>	<u>47,345,000</u>	<u>49,895,000</u>	<u>47,690,000</u>
<u>\$ 341,647,525</u>	<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>
0.66 %	11.55 %	11.92 %	10.65 %	10.93 %	10.46 %

Legal Debt Margin Calculation for Year 2020:

Market Value	\$ 3,039,589,729
Debt Limit (15% of Market Value)	455,938,459
Debt Applicable to Limit:	
G.O. Bonds	<u>47,690,000</u>
Total Net Debt Applicable to Limit	<u>47,690,000</u>
Legal Debt Margin	<u>\$ 408,248,459</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
2011	20,533		\$ 354,109,378	\$ 17,246
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

\* 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)**

Year	Average Employment Wright County	Average Unemployment Wright County	Average Unemployment State of Minnesota
2011	69,526	7.11	6.90
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

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
<b>Total</b>	<b>3,863</b>			<b>3,481</b>		

\* 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			
	2011	2012	2013	2014
Teachers	308	307	319	317
Principals and District Administration	15	14	16	15
Admin Support, Confidential and Individual	15	15	17	20
Clerical	11	12	11	12
Community Service	5	5	6	7
Custodial	28	28	29	29
Cafeteria	32	31	32	32
Paraprofessionals	108	110	110	106
Total	522	522	540	538

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					
2015	2016	2017	2018	2019	2020
326	330	329	340	331	327
16	16	17	17	17	17
20	20	20	20	20	20
12	12	29	29	29	29
7	7	7	7	7	7
29	29	29	31	29	31
31	31	35	35	36	36
105	115	121	125	138	127
546	560	587	604	607	594

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

Average Daily Membership (ADM) (Including Enrollment Option)

Year Ended June 30,	Handicapped and Prekindergarten	Kindergarten	Elementary	Secondary	Total	Total Pupil Units
2011	61.41	261.78	1,754.83	1,843.24	3,921.26	4,537.99
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

Source: Minnesota Department of Education

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
EXPENDITURES PER STUDENT  
YEAR ENDED JUNE 30, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)  
(UNAUDITED)**

	<u>State Average</u>	<u>ISD No. 882</u>	
	<u>2019</u>	<u>2019</u>	<u>2020</u>
<b>EXPENDITURES PER STUDENT (ADM) (1)</b>			
<b>General Fund - Operating Account</b>			
District and School Administration	\$ 563	\$ 370	\$ 363
District Support Services	502	238	247
Elementary and Secondary Regular Instruction	5,443	5,752	5,767
Vocational Education Instruction	524	329	340
Special Education Instruction	2,380	4,142	4,117
Instructional Support Services	669	620	657
Pupil Support Services	750	972	989
Sites and Buildings, Fiscal, and Other Fixed Cost Programs	<u>1,732</u>	<u>1,191</u>	<u>1,092</u>
Total General Fund - Operating Account	12,563	13,614	13,572
Food Service Special Revenue Fund	<u>561</u>	<u>538</u>	<u>482</u>
Total PK - 12 Operating Expenditures	13,124	14,152	14,054
General Fund - Capital Expenditure Account	721	128	259
Community Service Special Revenue Fund	675	993	992
Capital Projects Fund	1,760	923	1,315
Debt Service Fund	<u>1,451</u>	<u>804</u>	<u>898</u>
Total Expenditures Per Student	<u>\$ 17,731</u>	<u>\$ 17,000</u>	<u>\$ 17,518</u>
ADM Served	<u>878,607</u>	<u>4,053</u>	<u>4,108</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			
	2011	2012	2013	2014
District and School Administration	\$ 1,168,954	\$ 1,199,831	\$ 1,238,964	\$ 1,288,895
District Support Services	821,096	596,071	666,738	996,061
Elementary and Secondary Regular Instruction	18,562,587	19,287,538	19,731,629	20,035,453
Vocational Education Instruction	547,727	567,070	820,507	697,512
Special Education Instruction	13,574,249	12,522,266	13,006,471	14,160,588
Instructional Support Services	2,312,497	2,322,271	2,731,848	2,474,474
Pupil Support Services	2,768,736	3,164,653	3,426,332	3,596,695
Sites, Buildings, and Equipment	3,419,240	3,482,119	3,535,937	3,975,334
Fiscal and Other Fixed Cost Programs	231,567	265,548	232,306	172,537
<b>Total</b>	<b><u>\$ 43,406,653</u></b>	<b><u>\$ 43,407,367</u></b>	<b><u>\$ 45,390,732</u></b>	<b><u>\$ 47,397,549</u></b>
 Weighted ADM	 4,537.99	 4,587.68	 4,635.19	 4,631.91
District and School Administration	\$ 258	\$ 264	\$ 273	\$ 284
District Support Services	181	131	147	219
Elementary and Secondary Regular Instruction	4,090	4,250	4,348	4,415
Vocational Education Instruction	121	125	181	154
Special Education Instruction	2,991	2,759	2,866	3,120
Instructional Support Services	510	512	602	545
Pupil Support Services	610	697	755	793
Sites, Buildings, and Equipment	753	767	779	876
Fiscal and Other Fixed Cost Programs	51	59	51	38
<b>Total</b>	<b><u>\$ 9,563</u></b>	<b><u>\$ 9,565</u></b>	<b><u>\$ 10,001</u></b>	<b><u>\$ 10,446</u></b>

**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					
2015	2016	2017	2018	2019	2020
\$ 1,343,272	\$ 1,434,362	\$ 1,733,506	\$ 1,744,444	\$ 1,501,632	\$ 1,498,737
1,020,440	1,111,558	1,026,839	1,059,397	964,484	1,019,032
22,068,662	23,383,945	23,826,601	25,002,501	23,617,094	24,006,100
783,246	770,423	686,731	668,092	1,335,791	1,399,215
15,038,457	14,333,587	14,974,745	16,019,033	16,789,016	16,914,788
2,672,818	2,699,263	2,751,833	3,356,412	2,583,393	2,798,537
3,710,506	3,869,327	3,800,356	3,697,113	3,946,524	4,116,947
4,091,565	4,761,037	4,110,178	5,523,954	4,792,544	4,861,726
176,392	183,311	162,414	147,339	167,003	203,035
<u>\$ 50,905,358</u>	<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>
4,741.41	4,379.77	4,440.47	4,529.82	4,517.91	4,194.61
\$ 296	\$ 316	\$ 382	\$ 384	\$ 331	\$ 330
225	245	226	233	213	225
4,863	5,153	5,250	5,510	5,204	5,290
173	170	151	147	294	308
3,314	3,159	3,300	3,530	3,700	3,727
589	595	606	740	569	617
818	853	837	815	870	907
902	1,049	906	1,217	1,056	1,071
39	40	36	32	37	45
<u>\$ 11,218</u>	<u>\$ 11,579</u>	<u>\$ 11,695</u>	<u>\$ 12,610</u>	<u>\$ 12,274</u>	<u>\$ 12,521</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
2011	\$ 1,168,957 2.7 %	\$ 792,226 1.8 %	\$ 18,505,788 42.6 %	\$ 547,729 1.3 %	\$ 13,528,893 31.2 %	\$ 1,625,140 3.7 %
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 2.5 %	\$ 981,089 1.9 %	\$ 19,848,466 39.0 %	\$ 697,512 1.4 %	\$ 13,988,966 27.5 %	\$ 1,756,208 3.4 %
2015	\$ 1,343,272 2.6 %	\$ 1,017,776 1.9 %	\$ 21,840,424 41.6 %	\$ 783,246 1.5 %	\$ 14,948,635 28.4 %	\$ 1,976,662 3.8 %
2016	\$ 1,433,362 2.7 %	\$ 1,094,300 2.1 %	\$ 23,167,361 43.7 %	\$ 770,423 1.5 %	\$ 14,332,384 27.0 %	\$ 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 %

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

Pupil Support Services	Sites and Buildings	Fiscal and Other Fixed Cost Programs	Capital Outlay	Total	Percent Increase (Decrease) from Prior Year
\$ 2,768,738 6.4 %	\$ 2,992,588 6.9 %	\$ 394,279 0.9 %	\$ 1,082,315 2.5 %	\$ 43,406,653 100.0 %	(0.96)%
\$ 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 3.6 %	\$ 45,775,045 100.0 %	5.45 %
\$ 3,585,601 7.0 %	\$ 3,672,141 7.2 %	\$ 172,537 0.3 %	\$ 1,406,410 2.8 %	\$ 47,397,567 93.0 %	3.54 %
\$ 3,708,963 7.1 %	\$ 3,830,486 7.3 %	\$ 176,392 0.3 %	\$ 1,279,502 2.4 %	\$ 50,905,358 96.9 %	7.40 %
\$ 3,865,216 7.3 %	\$ 4,231,390 8.0 %	\$ 183,311 0.3 %	\$ 1,529,420 2.9 %	\$ 52,546,813 99.2 %	3.22 %
\$ 3,751,172 7.1 %	\$ 4,070,990 7.7 %	\$ 162,414 0.3 %	\$ 471,924 0.8 %	\$ 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 %

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
SCHOOL BUILDING INFORMATION  
JUNE 30, 2020  
(UNAUDITED)**

<u>Facility</u>	<u>Year Constructed</u>	<u>Years of Addition</u>	<u>Grades Housed</u>	<u>Square Footage</u>
Eastview Elementary Addition #1	1987	- 2017	PK	111,400 20,000
Pinewood Elementary Addition #1	1968	1970	K-5	58,900 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 Addition #1	1954	1957	G6-8	47,000 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 Addition #1	1999	2004	G-9-12	276,000 600
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  
JUNE 30, 2020  
(UNAUDITED)**

Meals	Number of Meals Served
Elementary Full Paid Lunch	92,231
Secondary Full Paid Lunch	114,250
Reduced Price Lunch	31,409
Free Lunch	61,979
Adult Lunch	1,017
	<u>300,886</u>
Total Lunches Served	<u>300,886</u>
Elementary Full Paid Breakfast	11,705
Secondary Full Paid Breakfast	7,836
Kindergarten Breakfast	26,116
Reduced Price Breakfast	6,356
Free Breakfast	18,624
Adult Breakfast	6
	<u>70,643</u>
Total Breakfasts Served	<u>70,643</u>

Source: District records