

Annual
Comprehensive
Financial Report

For the Fiscal Year Ended June 30, 2023



Stillwater Area Public Schools

Independent School District No. 834

Stillwater, Minnesota

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

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

YEAR ENDED JUNE 30, 2023

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ACCOUNTS PROCESSING TECHNICIAN
LORNA WELLS
ACCOUNTS PROCESSING TECHNICIAN**

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PAYROLL TECHNICIAN
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STILLWATER AREA PUBLIC SCHOOLS
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INTRODUCTORY SECTION



November 20, 2023

To: School Board
Citizens
Employees of the School District

Minnesota State law requires that every public school district publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2023.

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

CLA (Clifton Larson Allen LLP), Certified Public Accountants, have issued an unmodified (“clean”) opinion on Independent School District No. 834’s (the District) financial statements for the year ended June 30, 2023. The independent auditor’s report is located at the front of the financial section of this report.

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

PROFILE OF THE ENTITY AND ITS SERVICES

The District provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through Grade 12+. These include regular and enriched academic programs, special education programs, and career/vocational education. Food service and transportation are provided as supporting programs. The District’s community education program provides programs and services for all ages and stages of life. Programs such as early childhood and family education, school readiness, and Adventure Club, support families and enhance academic, social, and emotional development. Adult education programs provide opportunities to acquire and improve literacy skills necessary to become self-sufficient, productive workers and citizens. Enrichment and athletics programs for all ages reduce isolation and increase community engagement in lifelong learning.

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

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

The District served 8,152 students for the 2022-23 school year. The District is expected to add 50-75 students for the 2023-24 school year. The District has gone from a one-room schoolhouse to seven operating elementary schools (K–5), two middle schools (Grades 6–8), one high school (Grades 9–12), and an alternative learning center for secondary students. An early childhood family center (ECFC) serves families with young children, from birth to age five. The average long-term facilities maintenance age of the District's buildings is approximately 40.31 years; with the original buildings being constructed first in 1919 to the latest construction of Brookview Elementary school in 2017. An addition of eight classrooms to Brookview was completed in the summer of 2022. Building ages include 1910s (1), 1920s (1), 1950s (3), 1960s (2), 1970s (2), 1990s (2), 2000s (1) and 2010s (2).

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

LOCAL ECONOMY

According to census information from the Washington County website, the county continues to experience growth, increasing 12.4 percent since 2010. Washington County's estimated population in 2022 was 274,589, a 2.6% increase over 2020. Washington County is the fifth largest county in the state of Minnesota, housing approximately 4.7 percent of the state's population and approximately 7.2 percent of the Twin Cities metropolitan area's population. According to the Metropolitan Council, as reported on the county's website, Washington County's population is expected to continue to grow. By the year 2040, the county's population is projected to increase to 341,330. The District's population has grown from 41,958 in 1996 to 68,357 in 2021. This represents a 62.9 percent increase.

Source data from the U.S. Census Bureau shows that the median household income in 2022 for Washington County was \$106,509 as compared to \$82,338 in 2022 for the state of Minnesota. Source data from the U.S. Census Bureau shows that the per capita income in 2022 for Washington County was \$53,412. The poverty rate of Washington County continues to be low. Source data from the Census Reporter shows that 5.5 percent of Washington County's family population was below the federal poverty level.

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

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

With the exception of the voter-approved operating referendum, the District is dependent on the state of Minnesota for its revenue authority. Recent experience demonstrates that legislated revenue increases are unpredictable, and many times have restrictions or mandates that are tied to using or receiving the funds. In 2021, the District's 10-year operating levy of \$1,307 per pupil was expiring. In November 2021, the Stillwater community successfully approved an operating levy of \$1,607, an additional \$390 per pupil. Beginning in the 2022-23 school year, the operating levy provided additional revenue to help stabilize the budget, retain teachers, and support staff, maintain existing programs and services, and support academic achievement for all students.

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

The COVID-19 Pandemic had an impact on schools and children across the nation. The District received federal funds to help offset additional expenditures due to the pandemic and to help alleviate the learning loss students experienced due to disruptions in the school year. Remaining resources have been allocated for the 2022-23 and 2023-24 school years.

RELEVANT FINANCIAL POLICIES

The District is required to adopt an annual budget prior to the start of the fiscal year. Legal budgetary control is at the fund level. For the 2022-23 fiscal year, the District adopted a General Fund revised budget estimating expenditures to be \$5,766,009 greater than adjusted revenues and other financing sources. This is due to planned use of restricted fund balance for capital projects and school safety equipment and supplies. Actual revenues were \$2,814,261 more than budgeted, due to conservative budgeting for special education and general education state aid, and investment earnings. These revenue sources can fluctuate significantly from year to year and require ongoing analysis and monitoring. Actual expenditures were \$10,898,087 more than budgeted, due to increased transportation costs and additional expenditures related to the use of restricted fund balance for capital projects and school safety equipment and supplies. Also contributing to the variance was a previous administrative adjustment that was planned in the 2022-23 preliminary budget for retiree savings & unidentified staffing changes that did not surface. School Board policy states the District will strive to maintain a minimum unassigned general fund balance of five percent of the annual budget. The District's unassigned fund balance is approximately one percent for 2022-23.

AWARDS AND ACKNOWLEDGEMENTS

The Association of School Business Officials (ASBO) International awarded the Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2022. This was the 19th consecutive year that the District has achieved this prestigious award.

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

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

Respectfully submitted,

Executive Director of Finance

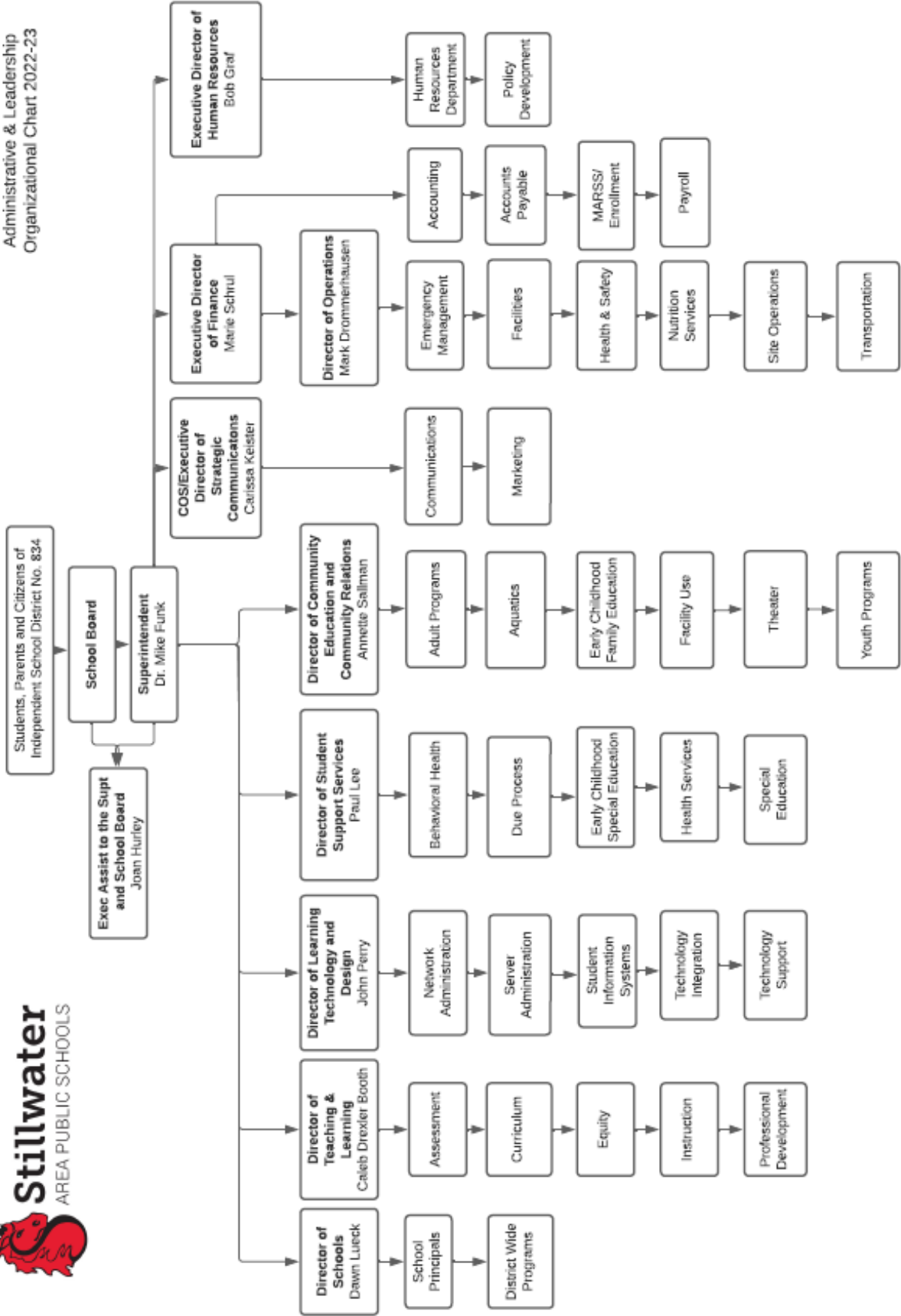
**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
SCHOOL BOARD AND ADMINISTRATION
JUNE 30, 2023**

SCHOOL BOARD

<u>NAME</u>	<u>BOARD POSITION</u>
Ms. Alison Sherman	Chairperson
Ms. Beverly Petrie	Vice Chairperson
Mr. Pete Kelzenberg	Treasurer
Ms. Katie Hockert	Clerk
Mr. Chris Lauer	Director
Dr. Annie Porbeni	Director
Mr. Andrew Thelander	Director

ADMINISTRATION

Dr. Michael Funk	Superintendent
Ms. Carissa Keister	Chief of Staff, Executive Director of Strategic Communications
Ms. Marie Schrul	Executive Director of Finance
Mr. Robert Graf	Executive Director of Human Resources
Ms. Dawn Lueck	Director of Schools
Mr. Caleb Drexler Booth	Director of Teaching and Learning
Mr. John Perry	Director of Learning Technology and Design
Mr. Paul Lee	Director of Student Support Services
Ms. Annette Sallman	Director of Community Education and Community Relations
Mr. Mark Drommerhausen	Director of Operations



INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING
JUNE 30, 2023



The Certificate of Excellence in Financial Reporting
is presented to

Stillwater Area Public Schools ISD 834

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.

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



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style and is positioned above a horizontal line.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style and is positioned above a horizontal line.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

Stillwater Area Public Schools

Stillwater, Minnesota 55082

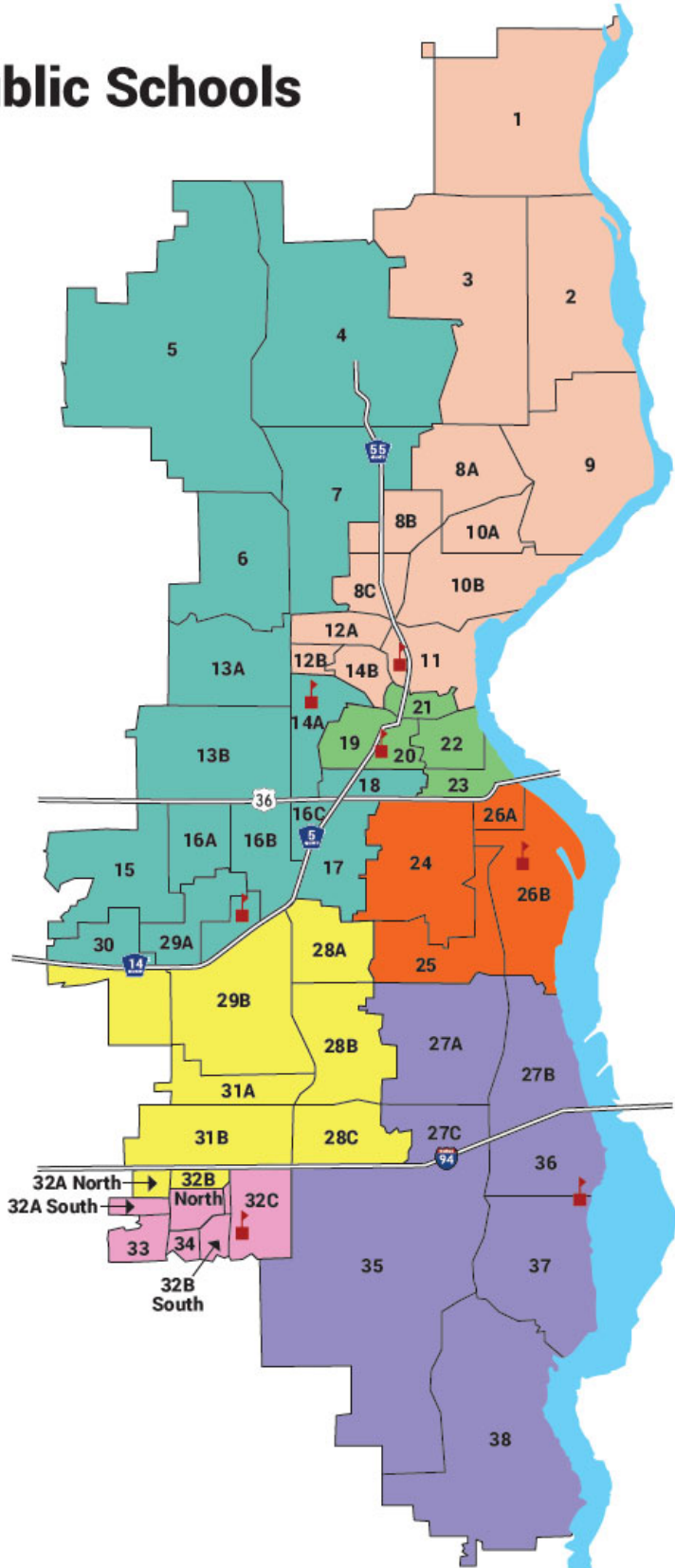
District 834 Map (2022-2023)

Elementary Attendance Areas

- Afton-Lakeland
- Andersen
- Brookview
- Lake Elmo
- Lily Lake
- Rutherford
- Stonebridge

Middle School Feeder System:

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



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 834, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Independent School District No. 834's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 834, as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principal

As discussed in Note 1 to the financial statements, effective July 1, 2022, the District adopted new accounting guidance for subscription-based information technology arrangements (SBITAs). Under this statement, the District should recognize a right-to-use subscription asset and a corresponding subscription liability for all SBITAs with subscription terms greater than twelve months. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information


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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2023, on our consideration of Independent School District No. 834's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Independent School District No. 834's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
November 20, 2023

REQUIRED SUPPLEMENTARY INFORMATION

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

This section of Independent School District No. 834's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2023. Please read it in conjunction with the district's financial statements, which immediately follow this letter.

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

Financial Highlights

Key financial highlights for the 2022-2023 fiscal years include the following:

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2023 by \$21,085,769. The District's total net position increased by \$18,763,281 during the fiscal year ended June 30, 2023.
- Government-wide revenues totaled \$154,564,265 and were \$18,763,281 greater than expenses of \$135,800,984.
- The General Fund's total fund balance decreased \$10,268,212 from the prior year, compared to a \$5,766,009 decrease planned in the budget.

Overview of the Financial Statements

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

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Government-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

The District has three kinds of funds:

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's *total* net position was \$21,085,769 on June 30, 2023 (see Table A-1).

The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2023 resulting in the District's net position to be \$21,085,769. The District's total net position was significantly impacted in fiscal 2023 and 2022 by the required actuarial calculation changes included in GASB Statements related to statewide pension plans. The District had \$19,288,873 of net position that was available to meet its ongoing obligations but restricted for specific uses.

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

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

	Governmental Activities as of June 30,		Percentage Change
	2023	2022	
Assets:			
Current and Other Assets	\$ 96,697,749	\$ 104,928,275	(7.84)%
Capital Assets	168,828,070	160,846,963	4.96
Total Assets	<u>265,525,819</u>	<u>265,775,238</u>	(0.09)
Deferred Outflows of Resources	29,975,781	32,919,744	(8.94)
Liabilities:			
Current Liabilities	19,905,394	18,728,524	6.28
Net Pension Liability	82,294,869	45,433,524	81.13
Long-Term Liabilities	104,330,989	109,907,013	(5.07)
Total Liabilities	<u>206,531,252</u>	<u>174,069,061</u>	18.65
Deferred Inflows of Resources	<u>67,884,579</u>	<u>122,303,433</u>	(44.49)
Net Position:			
Net Investment in Capital Assets	75,764,865	71,225,113	6.37
Restricted	19,288,873	28,849,817	(33.14)
Unrestricted	(73,967,969)	(97,752,442)	(24.33)
Total Net Position	<u>\$ 21,085,769</u>	<u>\$ 2,322,488</u>	807.90

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Changes in Net Position

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

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

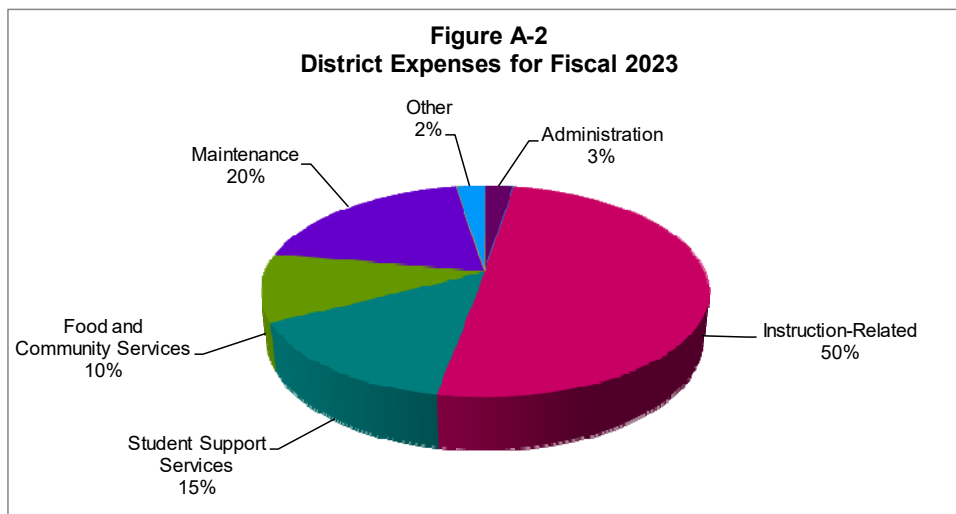
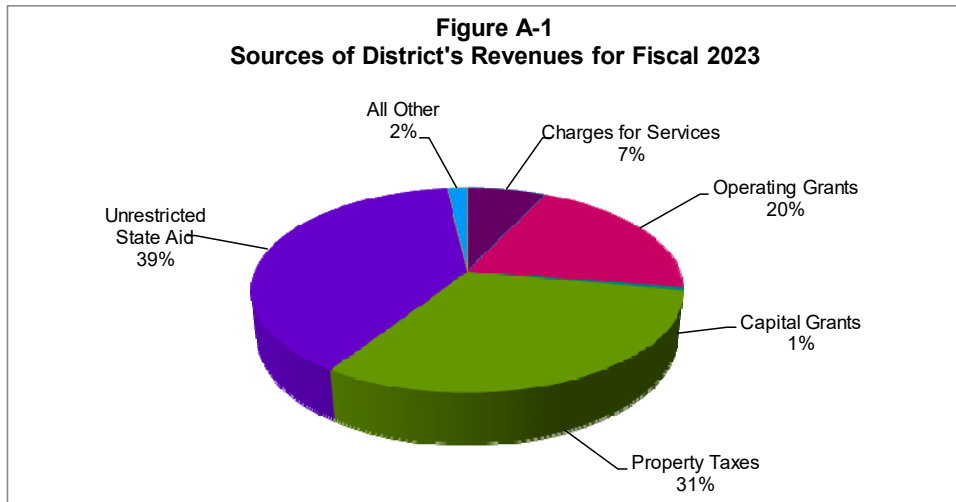
	Governmental Activities for the Fiscal Year Ended June 30,		Percentage Change
	2023	2022	
Revenues			
<u>Program Revenues</u>			
Charges for Services	\$ 10,955,154	\$ 8,047,596	36.13 %
Operating Grants and Contributions	31,487,802	30,868,772	2.01
Capital Grants and Contributions	775,101	802,846	(3.46)
<u>General Revenues</u>			
Property Taxes	48,181,571	40,256,974	19.69
Unrestricted State Aid	60,365,234	59,154,862	2.05
Investment Earnings	1,396,409	50,428	2669.11
Other	1,402,994	1,065,093	31.73
Total Revenues	<u>154,564,265</u>	<u>140,246,571</u>	10.21
Expenses			
Administration	3,423,828	3,788,855	(9.63)
District Support Services	7,076,391	4,429,348	59.76
Regular Instruction	44,700,955	52,311,821	(14.55)
Vocational Education Instruction	1,451,541	1,632,540	(11.09)
Special Education Instruction	22,182,831	23,240,347	(4.55)
Instructional Support Services	8,330,698	7,416,847	12.32
Pupil Support Services	4,430,425	2,346,484	88.81
Sites and Buildings	26,720,775	21,697,829	23.15
Fiscal and Other Fixed Cost Programs	610,378	484,668	25.94
Food Service	6,209,091	4,675,820	32.79
Community Service	7,953,183	7,688,390	3.44
Interest and Fiscal Charges on Long-Term Liabilities	2,710,888	770,883	251.66
Total Expenses	<u>135,800,984</u>	<u>130,483,832</u>	4.07
Change in Net Position	18,763,281	9,762,739	
Beginning Net Position	2,322,488	(7,440,251)	
Ending Net Position	<u>\$ 21,085,769</u>	<u>\$ 2,322,488</u>	

Total revenues were \$154,564,265, while total expenses were \$135,800,984, increasing net position by \$18,763,281.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

The cost of all *governmental* activities this year was \$135,800,984.

- A portion of the cost was paid by the users of the District's programs (Table A-2, Charges for Services, \$10,955,154). The majority of this category, \$8.8 million, comes from food service meal sales and community education class tuition.
- The federal and state governments subsidized certain programs with grants and contributions (Table A-2, Operating and Capital Grants and Contributions, \$32,262,093).
- Most of the District's costs were supported by local property taxes, unrestricted state aid, investment earnings, and other general revenues. Governmental activities were sustained by accessing \$48,181,571 in property taxes, \$60,365,234 of unrestricted state aid, and with investment earnings and other general revenues.



**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

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

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

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

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2023	2022		2023	2022	
Administration	\$ 3,423,828	\$ 3,788,855	(9.63)%	\$ 934,286	\$ 1,384,378	(32.51)%
District Support Services	7,076,391	4,429,348	59.76	7,072,992	4,426,966	59.77
Regular Instruction	44,700,955	52,311,821	(14.55)	39,895,007	47,111,618	(15.32)
Vocational Education Instruction	1,451,541	1,632,540	(11.09)	1,441,372	1,620,276	(11.04)
Special Education Instruction	22,182,831	23,240,347	(4.55)	4,657,166	9,049,564	(48.54)
Instructional Support Services	8,330,698	7,416,847	12.32	4,218,324	3,874,364	8.88
Pupil Support Services	4,430,425	2,346,484	88.81	4,209,909	1,932,756	117.82
Sites and Buildings	26,720,775	21,697,829	23.15	26,500,738	21,524,936	23.12
Fiscal and Other Fixed Cost Programs	610,378	484,668	25.94	610,378	484,668	25.94
Food Service	6,209,091	4,675,820	32.79	335,617	(1,820,874)	(118.43)
Community Service	7,953,183	7,688,390	3.44	(3,750)	405,083	(100.93)
Interest and Fiscal Charges on Long-Term Liabilities	2,710,888	770,883	251.66	2,710,888	770,883	251.66
Total	<u>\$ 135,800,984</u>	<u>\$ 130,483,832</u>	4.07	<u>\$ 92,582,927</u>	<u>\$ 90,764,618</u>	2.00

The cost of all governmental activities this year was \$135,800,984, an increase of \$5,317,152 from the prior year. After applying program specific revenue, the net cost of all governmental activities this year was \$92,582,927 or an increase of \$1,818,309 from the prior year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds. The General Fund's expenditures exceeded revenues and other financing sources by \$10,268,212. The Food Service Fund's expenditures exceeded its revenues and other financing sources by \$145,235. The Community Service Fund revenues exceeded expenditures by \$429,709. The Debt Service Fund's expenditures exceeded revenues by \$1,671,618. The Capital Projects-Building Construction Fund had planned deficit spending. At the end of the 2022-23 fiscal year, the District's governmental funds reported combined fund balances (non-spendable, restricted, committed, assigned, and unassigned) of \$24,727,548, a net decrease in fund balances of \$11,740,558 from the prior year.

Revenues were \$155,043,065 plus other financing sources of \$3,581,646. Total expenditures were \$170,365,269. As a result, the District completed the year with a net change in fund balances of \$11,740,558.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

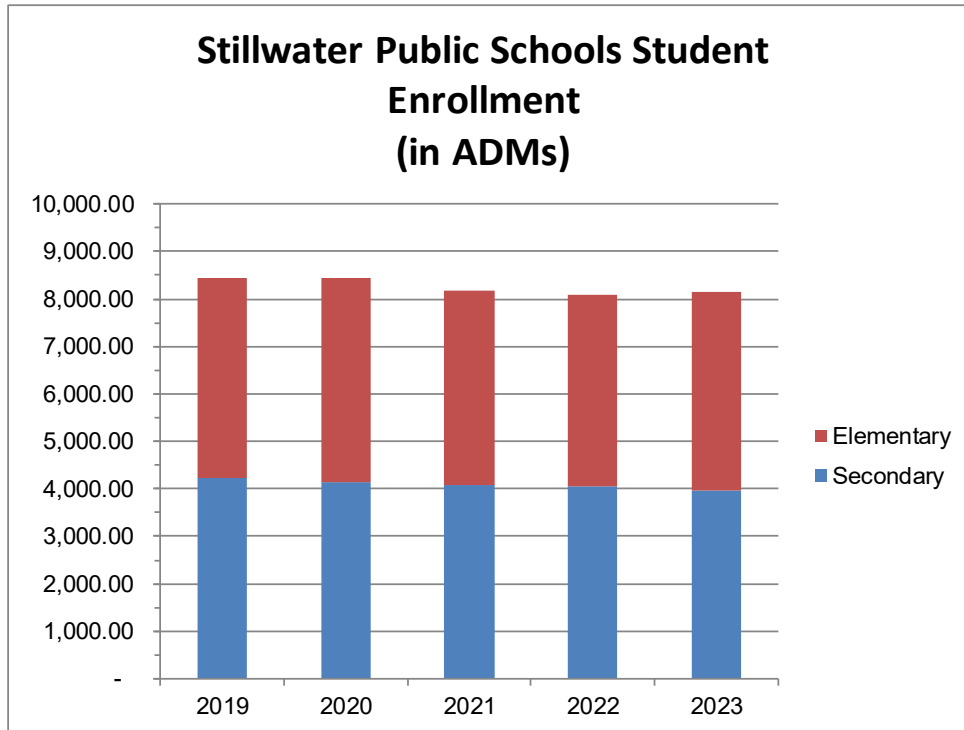
General Fund

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

Enrollment

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

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



	2019	2020	2021	2022	2023
Pre-K & KH	178	194	172	191	204
Reg K, Pre-K & KH	507	487	451	449	479
Elementary	3,531	3,619	3,471	3,416	3,502
Secondary	4,218	4,150	4,087	4,045	3,967
Total Students for Aid	8,434	8,450	8,181	8,101	8,152
Percentage Change	1.09%	0.19%	-3.18%	-0.98%	0.63%

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

The following schedule presents a summary of General Fund Revenues.

**Table A-5
General Fund Revenues**

	Year Ended		Change	
	June 30, 2023	June 30, 2022	Increase (Decrease)	Percentage Change
Local Sources:				
Property Taxes	\$ 37,746,806	\$ 30,197,880	\$ 7,548,926	25.0 %
Earnings on Investments	903,576	37,597	865,979	2303.3
Other	3,639,066	3,475,530	163,536	4.7
State Sources	83,027,972	78,699,951	4,328,021	5.5
Federal Sources	5,567,637	4,576,524	991,113	21.7
Total General Fund Revenue	<u>\$ 130,885,057</u>	<u>\$ 116,987,482</u>	<u>\$ 13,897,575</u>	11.9

General Fund revenue increased by \$13,897,575 or 11.9% from the previous year. The changes in the major sources of revenue include:

- Property Taxes increased by \$7,548,926 or 25.0%.
- Earnings on Investments increased by \$865,979 or 2,303.3% due to lower interest rates.
- Other local revenue increased by \$163,536 or 4.7%. This category includes such items as rental income, donations, admissions, and fees.
- State Sources increased by \$4,328,021 or 5.5% due to a number of factors. Minnesota legislation increased the general education aid formula by 2% in the first year of the biennium.
- Federal revenue is recorded in the year in which the related expenditure is made. Federal Sources increased by \$991,113 or 21.7%.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

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

1. State Education Finance Appropriations

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

2. Property Tax Levies

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

The following schedule presents a summary of General Fund Expenditures.

**Table A-6
General Fund Expenditures**

	Year Ended		Change	
	June 30, 2023	June 30, 2022	Increase (Decrease)	Percentage Change
Salaries	\$ 65,779,008	\$ 61,964,972	\$ 3,814,036	6.2 %
Employee Benefits	30,001,217	27,733,856	2,267,361	8.2
Purchased Services	28,274,384	20,149,512	8,124,872	40.3
Supplies and Materials	4,792,321	3,508,235	1,284,086	36.6
Capital Expenditures	13,364,065	4,326,532	9,037,533	208.9
Debt Service	2,092,079	870,372	1,221,707	140.4
Other Expenditures	431,818	401,026	30,792	7.7
Total General Fund Expenditures	<u>\$ 144,734,892</u>	<u>\$ 118,954,505</u>	<u>\$ 25,780,387</u>	21.7

Total General Fund expenditures increased \$25,780,387 or 21.7% from the previous year. The changes in the major expenditure categories include:

Overall salaries increased by \$3,503,090 or 5.7%.

Employee benefits increased \$2,578,307 or 9.3%.

Purchased services consist of expenditures for fees for service including transportation contracts, postage, utilities, property insurance, maintenance repairs, short-term leases, travel, telephone, and tuition. The District's purchased services in total increased by 40.3% or \$8,124,872.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

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

Capital Expenditures increased in the General Fund by \$9,037,533 or 208.9% mainly due to long-term facilities maintenance.

Other expenses, which include dues and memberships, taxes, and other fees, increased by \$30,792.

General Fund Budgetary Highlights

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

- Implementing budgets for specially funded projects, which include both federal and state grants, adjusting staffing and various instructional allocations to the schools based on actual enrollment and unspent funds carried over from fiscal year 2021-22.
- Increase in appropriations for significant unbudgeted costs.

While the District anticipated that the net change in fund balance would be a decrease of \$5,766,009, total fund balance decreased by \$10,268,212. Revenue was over budget by \$2,814,261 or 2.2% mainly due to conservative budgeting for special education and general education state aid, and investment earnings. These revenue sources can fluctuate significantly from year to year and require ongoing analysis and monitoring. Overall expenditures were over budget \$10,898,087 or 8.1%. This was due to increased transportation costs and additional expenditures related to the use of restricted fund balance for capital projects and school safety equipment and supplies. Also contributing to the variance was a previous administrative adjustment that was planned in the 2022-23 preliminary budget for retiree savings and unidentified staffing changes that did not surface. The unassigned portion of the fund balance in the General Fund is 1% of expenditures.

Food Service Fund

The Food Service Fund revenue and other financing sources for 2022-23 totaled \$5,946,275 and expenditures were \$6,091,510. The June 30, 2023 fund balance is \$3,102,952, a decrease of \$145,235 from fiscal year 2022. The COVID-19 pandemic had a significant impact on the Food Services Fund in prior years. The increase in expenditures was in food supplies and materials and capital expenditures for serving meals. Expenditures ended the year \$126,592 or 2.1% over budget.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Community Service Fund

The Community Service Fund revenue for 2022-23 totaled \$8,306,944 and expenditures were \$7,877,235. The June 30, 2023 total fund balance increased \$429,709. Actual revenues were 1.0% or \$86,547 lower than budgeted and expenditures were 3.9% or \$315,586 lower than budgeted.

Capital Projects - Building Construction Fund

The Capital Projects – Building Construction Fund ended the year with revenue and other financing sources exceeding expenditures decreasing equity by \$1,671,618, compared to a planned fund balance decrease of \$1,720,449. The overall decrease in fund balance is a result of the District utilizing the proceeds from the 2022A G.O. Maintenance Facilities Bonds to finance capital spending at District facilities.

Debt Service Fund

The Debt Service Fund is used to record revenues and expenditures for a school district's outstanding bonded indebtedness, whether for building construction, other postemployment benefits (OPEB) or for initial or refunding bonds. The Debt Service Fund revenue for 2022-23 totaled \$9,774,543. Expenditures were \$9,859,745 for principal and interest payments. The total Debt Service Fund balance is \$2,226,079, a decrease of \$85,202 from fiscal year 2022.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of June 30, 2023, the District has invested just over \$278.1 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). (More detailed information about capital assets can be found in Note 3 to the financial statements.) Total depreciation and amortization expense for the year was slightly over \$8.3 million.

**Table A-7
Capital Assets**

	2023	2022	Percentage Change
Land	\$ 9,542,725	\$ 9,542,725	-
Construction in Progress	3,769,556	7,136,131	(47.2)
Right-to-Use Lease and SBITA Assets	2,516,046	-	N/A
Land Improvements	21,762,675	20,728,002	5.0
Buildings and Improvements	230,082,231	214,579,255	7.2
Equipment	10,381,834	9,944,461	4.4
Less: Accumulated Depreciation / Amortization	(109,226,997)	(101,083,611)	8.1
Total General Fund Expenditures	<u>\$ 168,828,070</u>	<u>\$ 160,846,963</u>	5.0

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Long-Term Liabilities

At year-end, the District had \$74,620,000 in general obligation bonds outstanding as shown in Note 4 to the financial statements. The District had \$10,235,000 in certificates of participation outstanding as well as \$1,489,025 in leases payable and \$245,577 in subscription payables. The District also had an estimated \$448,011 in net severance and compensated absences at June 30, 2023, a net decrease of \$141,320 from June 30, 2022, as well as a net OPEB liability of \$13,300,495. The District had an estimated \$82,294,869 in net pension liability related to the District's proportionate share of the net pension liability of the Teachers' Retirement Association (TRA) and Public Employees' Retirement Association (PERA).

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

	2023	2022	Percentage Change
General Obligation Bonds	\$ 74,620,000	\$ 81,265,000	(8.2)%
Net Bond Premium and Discount	3,992,881	4,808,949	(17.0)
Certificates of Participation Payable	10,235,000	11,155,000	(8.2)
Leases Payable	1,489,025	-	N/A
Subscriptions Payable	245,577	-	N/A
Net Pension Liability	82,294,869	45,433,524	81.1
Net Other Postemployment Benefits Liability	13,300,495	12,088,733	10.0
Severance Benefits Payable	50,400	59,750	(15.6)
Compensated Absences Payable	397,611	529,581	(24.9)
Total Long-Term Liabilities	<u>\$ 186,625,858</u>	<u>\$ 155,340,537</u>	20.1
Long-Term Liabilities:			
Due Within One Year	\$ 9,235,898	\$ 8,108,304	
Due in More Than One Year	177,389,960	147,232,233	
Total	<u>\$ 186,625,858</u>	<u>\$ 155,340,537</u>	

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. The Legislature approved \$6,863 per pupil for fiscal year 2023, an additional \$135, or 2% over 2022. For fiscal years 2024 and 2025, the Legislature approved increases to the funding formula to \$7,138 per pupil, or 4%, and \$7,281, or 2%, respectively.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 58,200,282
Cash with Fiscal Agent	1,337
Receivables:	
Property Taxes	25,911,581
Other Governments	10,154,331
Other	368,208
Prepaid Items	129,895
Inventories	71,091
Due from Irrevocable Trust Fund	750,000
Lease Receivables	1,111,024
Capital Assets:	
Capital Assets Not Being Depreciated or Amortized	13,312,281
Other Capital Assets, Net of Depreciation and Amortization	155,515,789
Total Assets	265,525,819
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows - Pensions	28,406,817
Deferred Outflows - Other Postemployment Benefits	1,568,964
Total Deferred Outflows	29,975,781
LIABILITIES	
Salaries Payable	9,719,971
Accounts and Contracts Payable	5,823,163
Accrued Interest	1,328,599
Due to Other Governmental Units	368,435
Unearned Revenue	2,665,226
Long-Term Liabilities:	
Net Pension Liability	82,294,869
Net Other Postemployment Benefits Liability	13,300,495
Portion Due Within One Year	9,235,898
Portion Due in More Than One Year	81,794,596
Total Liabilities	206,531,252
DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied for Subsequent Year	48,637,774
Gains on Debt Refunding	66,688
Deferred Inflows - Pensions	17,323,798
Deferred Inflows - Other Postemployment Benefits	765,910
Deferred Inflows - Lease Receivable	1,090,409
Total Deferred Inflows of Resources	67,884,579
NET POSITION	
Net Investment in Capital Assets	75,764,865
Restricted for:	
General Fund State-Mandated Reserves	6,954,021
Food Service	3,102,952
Community Service	472,415
Debt Service	953,952
Capital Projects - Building Construction	7,805,533
Unrestricted	(73,967,969)
Total Net Position	\$ 21,085,769

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
					Total Governmental Activities
GOVERNMENTAL ACTIVITIES					
Administration	\$ 3,423,828	\$ -	\$ 2,489,542	\$ -	\$ (934,286)
District Support Services	7,076,391	-	3,399	-	(7,072,992)
Regular Instruction	44,700,955	1,403,534	2,627,313	775,101	(39,895,007)
Vocational Education Instruction	1,451,541	-	10,169	-	(1,441,372)
Special Education Instruction	22,182,831	384,720	17,140,945	-	(4,657,166)
Instructional Support Services	8,330,698	-	4,112,374	-	(4,218,324)
Pupil Support Services	4,430,425	220,516	-	-	(4,209,909)
Sites and Buildings	26,720,775	119,622	100,415	-	(26,500,738)
Fiscal and Other Fixed Cost Programs	610,378	-	-	-	(610,378)
Food Service	6,209,091	3,432,806	2,440,668	-	(335,617)
Community Service	7,953,183	5,393,956	2,562,977	-	3,750
Interest and Fiscal Charges on Long-Term Liabilities	2,710,888	-	-	-	(2,710,888)
Total School District	<u>\$ 135,800,984</u>	<u>\$ 10,955,154</u>	<u>\$ 31,487,802</u>	<u>\$ 775,101</u>	<u>(92,582,927)</u>
GENERAL REVENUES					
Property Taxes Levied for:					
General Purposes					37,735,955
Community Service					989,984
Debt Service					9,455,632
State Aid Not Restricted to Specific Purposes					60,365,234
Earnings on Investments					1,396,409
Miscellaneous					1,402,994
Total General Revenues					<u>111,346,208</u>
CHANGE IN NET POSITION					
Net Position - Beginning of Year					<u>2,322,488</u>
NET POSITION - END OF YEAR					<u>\$ 21,085,769</u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

	Major Funds				Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects		Debt Service
ASSETS						
Cash and Investments	\$ 31,101,950	\$ 2,916,796	\$ 1,774,922	\$ 7,770,436	\$ 6,918,889	\$ 50,482,993
Cash with Fiscal Agent	377	-	-	12	948	1,337
Receivables:						
Current Property Taxes	19,890,257	-	538,372	-	5,019,028	25,447,657
Delinquent Property Taxes	352,042	-	10,338	-	101,544	463,924
Due from Other Minnesota School Districts	58,523	174,486	3,038	-	-	236,047
Due from Minnesota Department of Education	6,555,129	5,623	83,063	-	10,014	6,653,829
Due from Federal through Minnesota Department of Education	2,134,352	76,699	4,673	-	-	2,215,724
Due from Federal Government Received Directly	477,581	-	-	-	-	477,581
Due from Other Governmental Units	570,491	-	659	-	-	571,150
Accounts and Interest Receivable	246,736	509	41,043	48,166	-	336,454
Due from Other Funds	750,000	-	-	-	-	750,000
Lease Receivables	1,111,024	-	-	-	-	1,111,024
Prepays	127,118	-	2,777	-	-	129,895
Inventory	-	71,091	-	-	-	71,091
Total Assets	\$ 63,375,580	\$ 3,245,204	\$ 2,458,885	\$ 7,818,614	\$ 12,050,423	\$ 88,948,706
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE						
Liabilities:						
Salaries and Compensated Absences Payable	\$ 7,737,884	\$ 10,365	\$ 358,871	\$ -	\$ -	\$ 8,107,120
Payroll Deductions and Employer Contributions Payable	1,552,102	2,072	58,677	-	-	1,612,851
Accounts and Contracts Payable	3,517,634	41,523	66,786	13,069	-	3,639,012
Due to Other Governmental Units	356,002	-	5,093	-	-	361,095
Unearned Revenue	2,594	88,292	439,180	-	-	530,066
Total Liabilities	13,166,216	142,252	928,607	13,069	-	14,250,144
Deferred Inflows of Resources:						
Unavailable Revenue - Property Taxes Levied for Subsequent Year	37,812,039	-	1,057,863	-	9,767,872	48,637,774
Unavailable Revenue - Delinquent Property Taxes	180,724	-	5,635	-	56,472	242,831
Lease Receivables	1,090,409	-	-	-	-	1,090,409
Total Deferred Inflows of Resources	39,083,172	-	1,063,498	-	9,824,344	49,971,014
Fund Balance:						
Nonspendable:						
Prepays	127,118	-	2,777	-	-	129,895
Inventory	-	71,091	-	-	-	71,091
Restricted for:						
Student Activities	72,545	-	-	-	-	72,545
Scholarships	280,783	-	-	-	-	280,783
Community Education	-	-	464,003	-	-	464,003
Long-Term Facility Maintenance	205,709	-	-	-	-	205,709
Medical Assistance	50,738	-	-	-	-	50,738
Operating Capital	6,344,246	-	-	-	-	6,344,246
Projects Funded by Certificates of Participation	-	-	-	12	-	12
Other Purposes	-	3,031,861	-	7,805,533	2,226,079	13,063,473
Assigned for:						
Severance Benefits	790,000	-	-	-	-	790,000
Facility Use Improvements	567,333	-	-	-	-	567,333
Q comp	35,386	-	-	-	-	35,386
Grants	536,810	-	-	-	-	536,810
Donations	542,680	-	-	-	-	542,680
Unassigned	1,572,844	-	-	-	-	1,572,844
Total Fund Balance	11,126,192	3,102,952	466,780	7,805,545	2,226,079	24,727,548
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 63,375,580	\$ 3,245,204	\$ 2,458,885	\$ 7,818,614	\$ 12,050,423	\$ 88,948,706

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Total Fund Balance for Governmental Funds \$ 24,727,548

Total net position reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	9,542,725
Construction in Progress	3,769,556
Right-to-Use Lease Assets, Net of Accumulated Amortization	1,492,240
Subscription Based Information Technology Arrangement Assets, Net of Accumulated Amortization	238,126
Land Improvements, Net of Accumulated Depreciation	10,112,611
Buildings and Improvements, Net of Accumulated Depreciation	141,777,334
Equipment, Net of Accumulated Depreciation	1,895,478

Some of the District's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows in the funds.

Unavailable Property Taxes	242,831
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The District's other postemployment benefits liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:

Net Other Postemployment Benefits Liability	(13,300,495)
Deferred Inflows of Resources - Other Postemployment Benefits	(765,910)
Deferred Outflows of Resources - Other Postemployment Benefits	1,568,964

When a bond defeasance occurs the difference between the amount paid to the refunded bond escrow and the principal of the defeased debt is expensed in the governmental funds. These expenditures are capitalized on the Statement of Net Position as deferred outflows and deferred inflows.

Gains on Debt Refunding	(66,688)
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Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

(1,328,599)

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	(82,294,869)
Deferred Inflows of Resources - Pensions	(17,323,798)
Deferred Outflows of Resources - Pensions	28,406,817

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	(74,620,000)
Unamortized Premiums	(3,992,881)
Certificates of Participation Payable	(10,235,000)
Lease Liability	(1,489,025)
Subscriptions Payable	(245,577)
Severance Benefits Payable	(50,400)
Compensated Absences Payable	(397,611)

Internal service funds are used by management to charge the costs of health and dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

Internal service fund net position at year-end is:

3,422,392

Total Net Position of Governmental Activities

\$ 21,085,769

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	Major Funds					Total Governmental Funds
	General	Food Service	Community Service	Capital Projects	Debt Service	
REVENUES						
Local Sources:						
Property Taxes	\$ 37,746,806	\$ -	\$ 990,966	\$ -	\$ 9,466,992	\$ 48,204,764
Earnings and Investments	903,576	102,878	43,040	130,269	207,411	1,387,174
Other	3,639,066	3,428,120	5,844,522	-	-	12,911,708
State Sources	83,027,972	193,095	864,629	-	100,140	84,185,836
Federal Sources	5,567,637	2,222,159	563,787	-	-	8,353,583
Total Revenues	<u>130,885,057</u>	<u>5,946,252</u>	<u>8,306,944</u>	<u>130,269</u>	<u>9,774,543</u>	<u>155,043,065</u>
EXPENDITURES						
Current:						
Administration	3,775,598	-	-	-	-	3,775,598
District Support Services	6,104,637	-	-	-	-	6,104,637
Elementary and Secondary Regular Instruction	52,405,506	-	-	-	-	52,405,506
Vocational Education Instruction	1,645,397	-	-	-	-	1,645,397
Special Education Instruction	24,402,349	-	-	-	-	24,402,349
Instructional Support Services	8,656,749	-	-	-	-	8,656,749
Pupil Support Services	17,987,073	-	-	-	-	17,987,073
Sites and Buildings	13,691,061	-	-	-	-	13,691,061
Fiscal and Other Fixed Cost Programs	610,378	-	-	-	-	610,378
Food Service	-	5,638,611	-	-	-	5,638,611
Community Education Services	-	-	7,875,149	-	-	7,875,149
Capital Outlay	13,364,065	452,899	2,086	1,801,887	-	15,620,937
Debt Service:						
Principal	1,701,444	-	-	-	6,645,000	8,346,444
Interest and Fiscal Charges	390,635	-	-	-	3,214,745	3,605,380
Total Expenditures	<u>144,734,892</u>	<u>6,091,510</u>	<u>7,877,235</u>	<u>1,801,887</u>	<u>9,859,745</u>	<u>170,365,269</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(13,849,835)	(145,258)	429,709	(1,671,618)	(85,202)	(15,322,204)
OTHER FINANCING SOURCES						
Sale of Equipment	92	23	-	-	-	115
Insurance Recovery	1,152,102	-	-	-	-	1,152,102
Issuance of Subscription and Lease Liabilities	2,429,429	-	-	-	-	2,429,429
Total Other Financing Sources	<u>3,581,623</u>	<u>23</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,581,646</u>
NET CHANGE IN FUND BALANCE	(10,268,212)	(145,235)	429,709	(1,671,618)	(85,202)	(11,740,558)
FUND BALANCES						
Beginning of Year	<u>21,394,404</u>	<u>3,248,187</u>	<u>37,071</u>	<u>9,477,163</u>	<u>2,311,281</u>	<u>36,468,106</u>
End of Year	<u>\$ 11,126,192</u>	<u>\$ 3,102,952</u>	<u>\$ 466,780</u>	<u>\$ 7,805,545</u>	<u>\$ 2,226,079</u>	<u>\$ 24,727,548</u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS
TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Net Change in Fund Balance - Total Governmental Funds \$ (11,740,558)

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/amortization expense. The amount by which capital outlays exceeded depreciation/amortization in the current period is:

Capital Outlays	16,283,929
Loss on Disposal of Capital Assets	(20,893)
Proceeds from the Sales of Capital Assets	(115)
Depreciation/Amortization Expense	(8,368,431)

Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds. (23,193)

Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expense in the Statement of Activities is measured by the change in the net pension liability and the related deferred inflows and outflows of resources. 16,423,787

In the Statement of Activities, certain operating expenses - severance benefits and compensated absences - are measured by amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid). 141,320

Other postemployment benefit (OPEB) expenditures in the governmental funds are measured by current year employer contributions. OPEB expenses on the Statement of Activities are measured by the change in the net OPEB liability and the related deferred inflows and outflows of resources. 161,134

Debt proceeds provide current financial resources for governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued. These amounts are deferred and amortized in the statement of activities.

Repayment of Bond Principal	6,645,000
Repayment of Certificates of Participation Payable	920,000
Change in Accrued Interest	67,309
Issuance of Leases	(2,191,521)
Principal Payments on Leases	702,496
Issuance of Subscriptions	(237,908)
Principal Payments on Subscriptions Payable	78,948
Amortization of Premium	816,068
Deferred Charges on Refunding Bonds	11,115

Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The net revenue of the internal service funds is reported with governmental activities. (905,206)

Total Change in Net Position of Governmental Activities \$ 18,763,281

INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
STATEMENT OF NET POSITION
PROPRIETARY FUND
INTERNAL SERVICE FUND
JUNE 30, 2023

	<u>Governmental Activities-Internal Service Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 7,717,289
Accounts Receivable	31,754
Total Assets	7,749,043
LIABILITIES	
Accounts Payable	663,491
Claims Payable - Medical	1,528,000
Unearned Revenue	2,135,160
Total Liabilities	4,326,651
NET POSITION	
Unrestricted	\$ 3,422,392

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
 PROPRIETARY FUND
 INTERNAL SERVICE FUND
 YEAR ENDED JUNE 30, 2023**

	<u>Governmental Activities-Internal Service Funds</u>
OPERATING REVENUES	
Charges for Services:	
Health Insurance Premiums	\$ 18,145,519
Dental Insurance Premiums	1,162,666
Total Operating Revenues	<u>19,308,185</u>
OPERATING EXPENSES	
Health Insurance Claim Payments	17,517,420
Dental Insurance Claim Payments	1,040,286
General Administration Fees	1,664,920
Total Operating Expenses	<u>20,222,626</u>
OPERATING LOSS	(914,441)
NONOPERATING INCOME	
Earnings on Investments	<u>9,235</u>
CHANGE IN NET POSITION	(905,206)
Net Position - Beginning of Year	<u>4,327,598</u>
NET POSITION - END OF YEAR	<u><u>\$ 3,422,392</u></u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 INTERNAL SERVICE FUND
 YEAR ENDED JUNE 30, 2023**

	<u>Governmental Activities-Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Interfund Services Provided	\$ 19,276,431
Payments for Administrative Costs	(1,664,920)
Payments for Medical Claims	(16,693,450)
Payments for Dental Claims	(1,034,308)
Net Cash Used by Operating Activities	<u>(116,247)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>9,235</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(107,012)
Cash and Cash Equivalents - Beginning of Year	<u>7,824,301</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 7,717,289</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (914,441)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Increase in Accounts Receivable	(31,754)
Increase (Decrease) in Accounts Payable	121,613
Increase in Claims Payable	211,000
Increase in Unearned Revenue	497,335
Total Adjustments	<u>798,194</u>
Net Cash Used by Operating Activities	<u><u>\$ (116,247)</u></u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023**

	Scholarship Private-Purpose Trust	OPEB Irrevocable Trust
ASSETS		
Cash and Cash Equivalents	\$ 59,174	\$ -
Investments	-	5,584,695
Accounts Receivable	-	6,311
Total Assets	59,174	5,591,006
LIABILITIES		
Due to Other Funds	-	750,000
NET POSITION		
Restricted for Scholarships and OPEB	\$ 59,174	\$ 4,841,006

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2023**

	Scholarship Private-Purpose Trust	OPEB Irrevocable Trust
ADDITIONS		
Contributions:	\$ 6,529	\$ -
Employer	-	649,638
Employee	-	202,696
Investment Income	-	186,877
Total Additions	6,529	1,039,211
DEDUCTIONS		
Benefits Paid to Plan Members	-	1,602,334
Scholarships Awarded	12,000	-
Total Deductions	12,000	1,602,334
NET DECREASE IN NET POSITION	(5,471)	(563,123)
Net Position - Beginning of Year	64,645	5,404,129
NET POSITION - END OF YEAR	\$ 59,174	\$ 4,841,006

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Financial Reporting Entity

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

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

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

C. Basic Financial Statement Presentation

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statement Presentation (Continued)

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

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

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

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

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

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

1. Revenue Recognition

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

2. Recording of Expenditures

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Description of Funds

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

Major Governmental Funds

General Fund

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

Food Service Special Revenue Fund

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

Community Service Special Revenue Fund

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

Capital Projects Fund – Building Construction Fund

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

Debt Service Fund

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Proprietary Fund

Internal Service Fund

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

Fiduciary Funds

Scholarship Private-Purpose Trust Fund

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

Other Postemployment Benefit Trust

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

E. Budgeting

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

	Original Budget	Amendments	Amended Budget
<u>Revenues</u>			
General Fund	\$ 125,950,000	\$ 2,120,796	\$ 128,070,796
Special Revenue Fund:			
Food Service Fund	4,803,585	664,796	5,468,381
Community Service Fund	7,231,778	1,161,713	8,393,491
Capital Projects Fund	2,000	48,000	50,000
Debt Service Fund	9,704,495	(7,000)	9,697,495
<u>Expenditures</u>			
General Fund	\$ 123,528,417	\$ 10,308,388	\$ 133,836,805
Special Revenue Fund:			
Food Service Fund	4,864,842	1,100,076	5,964,918
Community Service Fund	7,372,606	820,215	8,192,821
Capital Projects Fund	1,800,000	(29,551)	1,770,449
Debt Service Fund	9,691,675	164,395	9,856,070

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgeting (Continued)

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

F. Cash and Investments

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

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

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

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

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

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Accounts Receivable

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

H. Inventories

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

I. Prepaid Items

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

J. Property Taxes

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Property Taxes (Continued)

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

K. Capital Assets

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

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

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

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

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets (Continued)

Subscription-based information technology arrangement (SBITA) assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. Useful lives vary from 3 to 5 years for SBITA assets.

L. Long-Term Obligations

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

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

M. Compensated Absences

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

N. Severance Benefits

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Severance Benefits (Continued)

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

O. Pensions

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

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

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

P. Other Postemployment Benefits (OPEB) Plan

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

Q. Risk Management and Self-Insurance

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Risk Management and Self-Insurance (Continued)

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

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

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

R. Deferred Outflows/Inflows of Resources

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

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Deferred Outflows/Inflows of Resources (Continued)

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

S. Leases

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

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

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

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

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

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Leases (Continued)

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

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

T. Subscription-Based Information Technology Arrangements (SBITAs)

The District determines if an arrangement is a SBITA at inception. SBITAs are included in Right-to-Use assets and subscription payable in the statements of net position.

SBITA subscriptions payable represent the District's obligation to make SBITA payments arising from the arrangement. SBITA subscriptions payable are recognized at the commencement date based on the present value of expected SBITA payments over the SBITA term, less any SBITA vendor incentives. Interest expense is recognized ratably over the contract term.

U. Net Position

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

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Fund Balance Classifications

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

- **Nonspendable** – portions of fund balance related to prepaids, inventories, long-term receivables, and corpus on any permanent fund.
- **Restricted** – funds are constrained by outside parties (statute, grantors, contributors, bond agreements, etc.).
- **Committed** – funds are established and modified by a resolution approved by the Board of Education.
- **Assigned** – consists of internally imposed constraints. The Board of Education passed a resolution authorizing the Superintendent and Executive Director of Finance to assign fund balances and their intended uses.
- **Unassigned** – is the residual classification for the General Fund, which also reflects negative residual amounts in other funds.

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

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

W. Use of Estimates

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

X. Adoption of New Accounting Standards

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

X. Adoption of New Accounting Standards (Continued)

The District adopted the requirements of the guidance effective July 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption. Beginning fund balance/net position was not restated due to the implementation of GASB 96. The implementation of this standard resulted in the District reporting a SBITA asset and a subscription payable as disclosed in Note 3 and Note 4.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements

In March 2020, the GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This standard provides accounting and financial reporting requirements for public-private and public-public partnership arrangements (PPPs) that either meet the definition of an SCA or are not within the scope of Statement 87, as amended. This standard also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which are arrangements in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The District adopted the requirements of the guidance effective July 1, 2022, and did not have any applicable PPPs or APAs.

NOTE 2 DEPOSITS AND INVESTMENTS

A. Deposits

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

At June 30, 2023, the District's deposits had a bank balance of \$23,838,061 and a carrying amount of \$20,649,060.

B. Investments

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

- Direct obligations or obligations guaranteed by the United States or its agencies
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less

General obligations rated "A" or better; revenue obligations rated "AA" or better

- General obligations of the Minnesota Housing Finance Agency rate "A" or better
- Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories
- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers
- Investments related to the OPEB Revocable Trust Fund may be invested in accordance with Minnesota Statute 356A.06

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

At June 30, 2023, the District's investment balances were as follows:

Investments Measured at Fair Value	Fair Value
U.S. Treasuries with Maturities at Purchase of Greater Than 1 Year	\$ 6,796,640
Negotiable Certificates of Deposit with Maturities at Purchase of Greater Than 1 Year	232,958
Municipal Bonds	8,092,097
Exchange- Traded Funds (ETF)	580,438
Mutual Funds	694,262
Total Investments Measured at Fair Value	\$ 16,396,395
Investments Measured at Amortized Cost	Amortized Cost
MN Trust Investment Shares	\$ 1,519,233
Money Markets	25,279,400
Total Investments Measured at Amortized Cost	\$ 26,798,633
Total Investments Held with Broker	\$ 43,195,028

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

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

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

Type	Total	Maturity Duration in Years			No Maturities	Rating
		Less Than 1	1 to 5	6 to 10		
Municipal Bonds	\$ 2,951,299	\$ 2,684,599	\$ 266,700	\$ -	-	AA
Municipal Bonds	5,140,798	5,140,798	-	-	-	N/R
Negotiable Certificates of Deposit	232,958	-	232,958	-	-	N/R
Exchange- Traded Funds (ETF)	580,438	-	-	-	580,438	NR
Investment Pools / Mutual Funds	2,213,495	-	-	-	2,213,495	NR
Money Market	25,279,400	-	-	-	25,279,400	Aaa
U.S. Treasuries	6,796,640	528,061	6,268,579	-	-	AAA
Total	\$ 43,195,028	\$ 8,353,458	\$ 6,768,237	\$ -	\$ 28,073,333	

Concentration of Credit Risk – The District places no limit on the amount that the District may invest in any one issuer. The District had one investments at June 30, 2023 which individually comprised more than 5% of total investment.

Concentration of Credit Risk	Amount	Percentage
Wisconsin Treasury Security	\$ 5,140,798	11.90%

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

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

Cash and Investments - Statement of Net Position	\$ 58,200,282
Cash and Investments Held by Trustee - Statement of Net Position	1,337
Cash and Cash Equivalents - Statement of Fiduciary Net Position	5,643,869
Total Cash and Investments	\$ 63,845,488

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

C. Fair Value Measurements

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

The District follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

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

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

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Fair Value Measurements (Continued)

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Municipal Bonds	\$ -	\$ 8,092,097	\$ -	\$ 8,092,097
Exchange-Traded Funds (ETF)	580,438	-	-	580,438
Mutual Funds	-	694,262	-	694,262
U.S. Treasuries with Maturities at				
Purchase of Greater Than 1 Year	6,796,640	-	-	6,796,640
Negotiable Certificates of Deposit with Maturities at				
Purchase of Greater Than 1 Year		232,958		232,958
Total	<u>\$ 7,377,078</u>	<u>\$ 9,019,317</u>	<u>\$ -</u>	<u>16,396,395</u>
Investments Measured at Amortized Cost				26,798,633
Total				<u>\$ 43,195,028</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance (1)	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 9,542,725	\$ -	\$ -	\$ 9,542,725
Construction in Progress	7,136,131	11,946,785	(15,313,360)	3,769,556
Total Capital Assets, Not Being Depreciated	<u>16,678,856</u>	<u>11,946,785</u>	<u>(15,313,360)</u>	<u>13,312,281</u>
Capital Assets, Being Depreciated:				
Land Improvements	20,728,002	1,034,673	-	21,762,675
Buildings and Improvements	214,579,255	15,502,976	-	230,082,231
Equipment	9,944,461	683,426	(246,053)	10,381,834
Total Capital Assets, Being Depreciated	<u>245,251,718</u>	<u>17,221,075</u>	<u>(246,053)</u>	<u>262,226,740</u>
Less: Accumulated Depreciation for:				
Land Improvements	(10,572,560)	(1,077,504)	-	(11,650,064)
Buildings and Improvements	(82,165,205)	(6,139,692)	-	(88,304,897)
Equipment	(8,345,846)	(365,555)	225,045	(8,486,356)
Total Accumulated Depreciation	<u>(101,083,611)</u>	<u>(7,582,751)</u>	<u>225,045</u>	<u>(108,441,317)</u>
Total Capital Assets, Being Depreciated, Net	144,168,107	9,638,324	(21,008)	153,785,423
Right-to-Use Lease Assets:				
Equipment	-	2,191,521	-	2,191,521
Less Accumulated Amortization:				
Equipment	-	(699,281)	-	(699,281)
Total Right-to-Use Lease Assets, Net	<u>-</u>	<u>1,492,240</u>	<u>-</u>	<u>1,492,240</u>
Subscription Based Information Technology Arrangement Assets				
Subscription Based Information Technology Arrangements	86,617	237,908	-	324,525
Less Accumulated Amortization:				
Subscription Based Information Technology Arrangements	-	(86,399)	-	(86,399)
Total Subscription Based Information Technology Arrangement Assets, Net	86,617	151,509	-	238,126
Governmental Activities Capital Assets, Net	<u>\$ 160,933,580</u>	<u>\$ 23,228,858</u>	<u>\$ (15,334,368)</u>	<u>\$ 168,828,070</u>

(1) The beginning balance was restated due to the implementation of GASB Statement No. 96.

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

Governmental Activities	
Administration	\$ 297,244
District Support Services	979,399
Regular Instruction	3,321,645
Vocational Education Instruction	84,169
Special Education Instruction	1,210,207
Instructional Support Services	450,415
Pupil Support Services	712,020
Sites and Buildings	278,287
Food Service	700,646
Community Service	334,399
Total Depreciation / Amortization Expense	<u>\$ 8,368,431</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 LONG-TERM LIABILITIES

A. Components of Long-Term Debt

Long-term liabilities consisted of the following at June 30, 2023:

Issue	Issue Date	Net Interest Rate	Original Issue	Maturities	Principal Outstanding	
					Due Within One Year	Total
2015A GO School Building Bonds	8/19/2015	3.00%-5.00%	90,565,000	2015-2037	\$ 6,975,000	\$ 67,355,000
2022A GO Maintenance Facilities Bonds	6/2/2022	3.00%-5.00%	7,265,000	2022-2038	-	7,265,000
Total General Obligation Bonds					6,975,000	74,620,000
Issue	Issue Date	Net Interest Rate	Original Issue	Maturities	Principal Outstanding	
					Due Within One Year	Total
2019A Refunding Certificates of Participation	12/11/2019	2.00%-4.00%	5,630,000	2021-2029	595,000	3,915,000
2021A Certificates of Participation	6/10/2021	4.00%	6,670,000	2021-2037	365,000	6,320,000
Total Certificates of Participation					960,000	10,235,000
Bond Premiums					-	3,992,881
Leases Payable					727,709	1,489,025
Subscriptions Payable					125,178	245,577
Severance Benefits Payable					50,400	50,400
Compensated Absences Payable					397,611	397,611
Total					\$ 9,235,898	\$ 91,030,494

B. Description of Long-Term Liabilities

General Obligation School Building Bonds

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

Certifications of Participation

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

B. Description of Long-Term Liabilities (Continued)

Lease Payable

The District leases postage machine and computer equipment under long-term, noncancelable lease agreements. The leases expire at various dates through 2028 and contain discount rates ranging from 3.25% to 3.56%.

The right-to-use lease assets and the related accumulated amortization are detailed in Note 3.

Subscriptions Payable

The District has entered into subscription based-information technology arrangements (SBITAs) for curriculum software. The SBITA expire at various dates through 2026 and contain discount rates of 3.80%.

The SBITA assets and the related accumulated amortization are detailed in Note 3.

Compensated Absences Payable

Compensated absences payable consists of unused vacation as of June 30, 2023. In the past, vacation expense has been paid by the General Fund, the Food Service Fund, and the Community Service Fund.

Severance Benefits Payable

Severance benefits payable consists of severance payments and accumulated sick leave. In the past, severance benefits have been liquidated by the General Fund, the Food Service Fund, and the Community Service Fund.

C. Minimum Debt Payments

Minimum annual principal and interest payments to maturity for general obligation bonds, certificates of participation, lease liability and subscriptions payable are as follows:

Year Ending June 30	General Obligation Bonds Payable		Year Ending June 30	Certificates of Participation Payable	
	Principal	Interest		Principal	Interest
2024	\$ 6,975,000	\$ 2,952,696	2024	\$ 960,000	\$ 298,900
2025	7,325,000	2,603,946	2025	990,000	260,500
2026	7,685,000	2,237,696	2026	1,035,000	220,900
2027	8,070,000	1,853,446	2027	1,075,000	179,500
2028	8,320,000	1,611,346	2028	1,115,000	140,600
2029-2033	20,995,000	4,691,844	2029-2033	3,020,000	368,100
2034-2038	15,250,000	1,550,333	2034-2037	2,040,000	103,000
Total	<u>\$ 74,620,000</u>	<u>\$ 17,501,307</u>	Total	<u>\$ 10,235,000</u>	<u>\$ 1,571,500</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

C. Minimum Debt Payments (Continued)

Year Ending June 30.	Lease Liability		Subscriptions Payable	
	Principal	Interest	Principal	Interest
2024	\$ 727,709	\$ 26,620	\$ 125,178	\$ 7,609
2025	754,057	272	84,139	1,978
2026	2,566	189	36,260	229
2027	2,649	106	-	-
2028	2,044	22	-	-
Total	<u>\$ 1,489,025</u>	<u>\$ 27,209</u>	<u>\$ 245,577</u>	<u>\$ 9,816</u>

D. Changes in Long-Term Liabilities

	June 30, 2022 (1)	Additions	Retirements	June 30, 2023
Bonds Payable	\$ 81,265,000	\$ -	\$ 6,645,000	\$ 74,620,000
Certificates of Participations	11,155,000	-	920,000	10,235,000
Bond Premiums	4,808,949	-	816,068	3,992,881
Total Bonds and Certificates Payable	97,228,949	-	8,381,068	88,847,881
Leases Liability	-	2,191,521	702,496	1,489,025
Subscriptions Payable	86,617	237,908	78,948	245,577
Severance Benefits Payable	59,750	113,884	123,234	50,400
Compensated Absences Payable	529,581	884,610	1,016,580	397,611
Total	<u>\$ 97,904,897</u>	<u>\$ 3,427,923</u>	<u>\$ 10,302,326</u>	<u>\$ 91,030,494</u>

(1) The beginning balance was restated due to the implementation of GASB Statement No. 96.

NOTE 5 LONG-TERM LEASE RECEIVABLE

The District, acting as lessor, leases certain office, garage and parking space and certain real property to several communications companies on which to install cell towers as well as for garage purposes under long-term, non-cancelable lease agreements. The leases expire at various dates through 2028. During the year ended June 30, 2023, the District recognized \$275,192 and \$16,272 in lease revenue and interest revenue, respectively, pursuant to these contracts.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6 FUND BALANCES

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

Restricted, Committed, and Assigned fund balances at June 30, 2023 are as follows:

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6 FUND BALANCES (CONTINUED)

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

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

1. General Employees Retirement Fund

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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

A. Plan Descriptions (Continued)

2. Teachers Retirement Association (TRA)

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

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those employed by St. Paul schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect either TRA coverage or coverage through the Defined Contribution Plan (DCR) administered by Minnesota State.

B. Benefits Provided

1. General Employees Plan Benefits

PERA provides 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.

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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

B. Benefits Provided (Continued)

1. General Employees Plan Benefits (Continued)

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

2. TRA Benefits

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

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

Tier I Benefits

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

With these provisions:

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

Tier II Benefits

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

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

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

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

C. Contributions

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 2023 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, 2023 were \$1,302,021. The District's contributions were equal to the required contributions as set by state statute.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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

C. Contributions (Continued)

2. TRA Contributions

Per Minnesota statutes, Chapter 354 rates for the fiscal year 2023 for coordinated were 7.50% for the employee and 8.55% for the employer. Basic rates were 11.00% for the employee and 12.55% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2023 were \$4,580,254. The District's contributions were equal to the required contributions for each year as set by state statute.

D. Pension Costs

1. General Employees Plan Pension Costs

At June 30, 2023, the District reported a liability of \$17,218,152 for its proportionate share of the General Employees Plan's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million to the fund. The state of Minnesota is considered a nonemployer contributing District and the state's contribution meets the definition of a special funding situation.

The state of Minnesota's proportionate share of the net pension liability associated with the District totaled \$504,844. The net pension liability was measured as of June 30, 2022, 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, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.2174% at the end of the measurement period and 0.2120% for the beginning of the period.

District's Proportionate Share of the PERA	
Net Pension Liability	\$ 17,218,152
State's Proportionate Share of the Net Pension	
Liability Associated with the District	504,844
Total	<u>\$ 17,722,996</u>

For the year ended June 30, 2023, the District recognized pension expense of \$2,302,592 for its proportionate share of General Employees Plan's pension expense. In addition, the District recognized an additional \$75,435 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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

D. Pension Costs (Continued)

1. General Employees Plan Pension Costs (Continued)

At June 30, 2023, the District reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 143,820	\$ 183,931
Changes in Actuarial Assumptions	3,896,780	70,029
Net Difference Between Projected and Actual		
Earnings on Plan Investments	298,658	-
Changes in Proportion and Differences Between		
District Contributions and Proportionate Share		
of Contributions	292,081	69,945
District Contributions Subsequent to the		
Measurement Date	1,302,041	-
Total	<u>\$ 5,933,380</u>	<u>\$ 323,905</u>

Deferred outflows of resources reported \$1,302,041 related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to the General Employees Plan pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2024	\$ 1,611,871
2025	1,612,079
2026	(473,640)
2027	1,557,124
Thereafter	-

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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

D. Pension Costs (Continued)

2. TRA Pension Costs

At June 30, 2023 the District reported a liability of \$65,076,717 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Special School District No. 1, Minneapolis Public Schools. The District's proportionate share was 0.8127% at the end of the measurement period and 0.8313% for the beginning of the period.

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

Description	Amount
District's Proportionate Share of the TRA Net Pension Liability	\$ 65,076,717
State's Proportionate Share of the Net Pension Liability Associated with the District	4,826,015
Total	<u>\$ 69,902,732</u>

For the year ended June 30, 2023, the District recognized a decrease in pension expense of \$12,866,456. It also recognized \$1,368,374 as a decrease to pension expense and grant revenue for the support provided by direct aid.

At June 30, 2023, the District deferred resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 951,884	\$ 571,749
Changes in Actuarial Assumptions	10,425,124	13,771,525
Net Difference Between Projected and Actual Earnings on Plan Investments	1,817,850	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	4,698,325	2,656,619
District Contributions Subsequent to the Measurement Date	4,580,254	-
Total	<u>\$ 22,473,437</u>	<u>\$ 16,999,893</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

\$4,580,254 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, 2024. 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 Expense Amount</u>
2024	\$ (11,197,679)
2024	2,252,866
2025	930,217
2026	9,184,276
2027	(276,390)
Thereafter	-

3. Total Pension Expense

The District's total pension expense for all the plans for the year ended June 30, 2023, including the related special fundings, was \$(11,856,803).

E. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	33.50 %	5.10 %
International Equity	16.50	5.30
Private Markets	25.00	5.90
Fixed Income	25.00	0.75
Totals	<u>100.00 %</u>	

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2023**

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

E. Long-Term Expected Return on Investment (Continued)

The long-term expected rate of return on TRA pension 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 pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of 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	33.50 %	5.10 %
International Equity	16.50	5.30
Private Markets	25.00	5.90
Fixed Income	25.00	0.75
Totals	100.00 %	

F. Actuarial Assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5% for PERA and 7% for TRA. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5% for PERA and 7% for TRA was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0 percent after 27 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. The tables are adjusted slightly to fit PERA's experience.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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

F. Actuarial Assumptions (Continued)

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation.

TRA pre-retirement mortality rates were based on the RP-2014 white collar employee table, male rates set back 5 years and female rates set back 7 years. Generational projection uses the MP-2015 scale. Post-retirement mortality rates were based on the RP-2014 white collar annuitant table, male rates set back 3 years and female rates set back 3 years, with further adjustments of the rates. Generational projection uses the MP-2015 scale. Post-disability mortality rates were based on the RP-2014 disabled retiree mortality table, without adjustment.

Inflation is assumed to be 2.5% for TRA. Benefit increases after retirement are assumed to be 1.0% for January 2020 through January 2023 then increasing by 0.10% each year up to 1.5% annually.

Salary growth assumptions for TRA range in annual increments from 2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028.

The following changes for General Employees Fund occurred in 2022:

- Changes in Actuarial Assumptions:

The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

- Changes in Plan Provisions:

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

The following changes in actuarial assumptions for TRA occurred in 2022:

- Changes in Actuarial Assumptions:

None

- Changes in Plan Provisions:

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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

G. Discount Rate

The discount rate used to measure the PERA General Employees Plan liability in 2022 was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability was 7%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2022 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).

H. Pension Liability Sensitivity

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

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
<u>General Employees Plan Discount Rate</u>	5.50%	6.50%	7.50%
District's Proportionate Share of the General Employees Plan Net Pension Liability	\$ 27,196,973	\$ 17,218,152	\$ 9,033,979
<u>TRA Discount Rate</u>	6.00%	7.00%	8.00%
District's Proportionate Share of the TRA Net Pension Liability	\$ 102,589,900	\$ 65,076,717	\$ 34,327,603

I. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

Detailed information about TRA's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org; by writing to TRA at 60 Empire Drive #400, St. Paul, Minnesota, 55103-2088; or by calling 651-296-2409 or 1-800-657-3669.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

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

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

B. Benefits Provided

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

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

C. Contributions

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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

D. Membership

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

Retirees and Beneficiaries Receiving Benefits	144
Active Plan Members	1,001
Total Members	1,145

E. Net OPEB Liability of the District

The District's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022. The components of the net OPEB liability of the District at year-end were as follows:

Total OPEB Liability	\$ 18,141,501
Plan Fiduciary Net Position	4,841,006
District's net OPEB Liability (Asset)	\$ 13,300,495
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	27%

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the entry age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.00%
Expected Long-Term Investment Return	5.00% (Net of Investment Expenses)
20-Year Municipal Bond Yield	3.90%
Inflation Rate	2.50%
Healthcare Trend Rate	6.25% in 2023 grading to 5.00% Over 5 years and then to 4.00% thereafter

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.

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

The District's policy in regard to the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes allowable under state statute.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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

F. Actuarial Methods and Assumptions (Continued)

The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic Equity	10.00 %	5.00 %
Fixed Income	85.00	5.00
Cash and Equivalents	5.00	4.00
Total	<u>100.00 %</u>	<u>5.00 %</u>

G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 5.00%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

H. Discount Rate

The discount rate used to measure the total OPEB liability was 4.00%. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy have also been taken into account. The District discount rate used in the prior measurement date was 3.80%.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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

I. Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Beginning Balance	\$ 17,492,862	\$ 5,404,129	\$ 12,088,733
Changes for the Year:			
Service Cost	681,448	-	681,448
Interest	657,355	-	657,355
Assumption Changes	249,015	-	249,015
Contributions - Employer	-	1,017,454	(1,017,454)
Net Investment Income	-	270,206	(270,206)
Differences Between Expected and Actual Experience	828,275	(83,329)	911,604
Benefit Payments - Employer Financed	(1,767,454)	(1,767,454)	-
Total Net Changes	<u>648,639</u>	<u>(563,123)</u>	<u>1,211,762</u>
Ending Balance	<u>\$ 18,141,501</u>	<u>\$ 4,841,006</u>	<u>\$ 13,300,495</u>

Assumption changes since the prior measurement date include the following:

- The expected long-term investment return was changed from 4.10% to 5.00%
- The discount rate was changed from 3.80% to 4.00%.

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

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

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Net OPEB Liability (Asset)	\$ 14,053,096	\$ 13,300,495	\$ 12,547,181

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

	Healthcare Cost		
	1% Decrease (5.25%) Decreasing to 4.00% then 3.00%	Current Trend Rates (6.25%) Decreasing to 5.00% then 4.00%	1% Increase (7.25%) Decreasing to 6.00% then 5.00%
Net OPEB Liability (Asset)	<u>\$ 11,958,472</u>	<u>\$ 13,300,495</u>	<u>\$ 14,802,019</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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

K. OPEB Expense and Related Deferred Outflows of Resources and Deferred Inflows of Resources

For the current year ended, the District recognized OPEB expense of \$856,322. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 952,884	\$ -
Change of Assumptions	294,575	765,910
Net Difference Between Projected and Actual Investment Earnings	321,505	-
Total	\$ 1,568,964	\$ 765,910

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

Year Ending June 30,	Future Recognition
2024	\$ 245,562
2025	164,936
2026	187,405
2027	25,606
2028	179,545

NOTE 9 FLEXIBLE BENEFIT PLAN

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2023**

NOTE 9 FLEXIBLE BENEFIT PLAN (CONTINUED)

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

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

NOTE 10 INTERFUND BALANCES AND TRANSACTIONS

Interfund Receivables and Payables

The District had the following interfund receivables and payables at June 30, 2023:

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

These balances represent interfund amounts due to the General Fund relating to postemployment benefit costs to be reimbursed as of June 30, 2023. Such interfund balances are reported in the fund financial statements but are eliminated as necessary in the government-wide financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 COMMITMENTS AND CONTINGENCIES

A. Federal and State Revenues

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

B. Construction Commitments

The District has active construction projects as of June 30, 2023. At year-end, the District's commitments with contractors are as follows:

Total Construction Contracts Amount	Total Completed to Date	Amount Remaining as of June 30, 2023
\$ 13,037,976	\$ 3,262,532	\$ 9,775,444

NOTE 12 STEWARDSHIP

The budget and actual amounts are both prepared on the modified accrual basis of accounting in accordance with GAAP.

In the following fund, expenditures exceeded the appropriations during the year ended June 30, 2023:

	Budget	Expenditures	Excess
General Fund	\$ 133,836,805	\$ 144,734,892	\$ 10,898,087
Special Revenue Funds:			
Food Service Fund	5,964,918	6,091,510	126,592

These overages were considered by District management to be the result of necessary expenditures critical to operations. Overages are funded by revenues in excess of budget or fund balance.

REQUIRED SUPPLEMENTARY INFORMATION

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 37,272,131	\$ 36,887,422	\$ 37,746,806	\$ 859,384
Earnings and Investments	125,000	325,000	903,576	578,576
Other	3,405,000	3,775,363	3,639,066	(136,297)
State Sources	81,698,572	81,559,140	83,027,972	1,468,832
Federal Sources	3,449,297	5,523,871	5,567,637	43,766
Total Revenues	<u>125,950,000</u>	<u>128,070,796</u>	<u>130,885,057</u>	<u>2,814,261</u>
EXPENDITURES				
Current:				
Administration	3,652,383	3,763,650	3,775,598	11,948
District Support Services	5,685,074	6,812,354	6,104,637	(707,717)
Elementary and Secondary Regular Instruction	47,234,237	50,868,585	52,405,506	1,536,921
Vocational Education Instruction	1,632,179	1,740,204	1,645,397	(94,807)
Special Education Instruction	23,342,870	24,218,331	24,402,349	184,018
Instructional Support Services	8,179,911	8,726,555	8,656,749	(69,806)
Pupil Support Services	14,798,654	15,280,516	17,987,073	2,706,557
Sites and Buildings	10,995,363	11,559,982	13,691,061	2,131,079
Fiscal and Other Fixed Cost Programs	481,000	579,000	610,378	31,378
Capital Outlay	5,897,737	8,275,473	13,364,065	5,088,592
Debt Service:				
Principal	1,477,609	1,676,455	1,701,444	24,989
Interest and Fiscal Charges	151,400	335,700	390,635	54,935
Total Expenditures	<u>123,528,417</u>	<u>133,836,805</u>	<u>144,734,892</u>	<u>10,898,087</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,421,583	(5,766,009)	(13,849,835)	(8,083,826)
OTHER FINANCING SOURCES				
Sale of Equipment	-	-	92	92
Insurance Recovery	-	-	1,152,102	1,152,102
Issuance of Subscription and Lease Liabilities	-	-	2,429,429	2,429,429
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>3,581,623</u>	<u>3,581,623</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,421,583</u>	<u>\$ (5,766,009)</u>	<u>(10,268,212)</u>	<u>\$ (4,502,203)</u>
FUND BALANCE				
Beginning of Year			<u>21,394,404</u>	
End of Year			<u>\$ 11,126,192</u>	

See accompanying Notes to Required Supplementary Information.

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 BUDGETARY COMPARISON SCHEDULE
 FOOD SERVICE FUND
 YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Earnings and Investments	\$ 10,000	\$ 2,500	\$ 102,878	\$ 100,378
Other - Primarily Meal Sales	3,344,650	3,489,346	3,428,120	(61,226)
State Sources	195,000	186,500	193,095	6,595
Federal Sources	1,253,935	1,790,035	2,222,159	432,124
Total Revenues	<u>4,803,585</u>	<u>5,468,381</u>	<u>5,946,252</u>	<u>477,871</u>
EXPENDITURES				
Current:				
Food Service	4,789,842	5,364,918	5,638,611	273,693
Capital Outlay	75,000	600,000	452,899	(147,101)
Total Expenditures	<u>4,864,842</u>	<u>5,964,918</u>	<u>6,091,510</u>	<u>126,592</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(61,257)	(496,537)	(145,258)	351,279
OTHER FINANCING SOURCES				
Sale of Equipment	<u>2,500</u>	<u>2,000</u>	<u>23</u>	<u>(1,977)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (58,757)</u>	<u>\$ (494,537)</u>	(145,235)	<u>\$ 349,302</u>
FUND BALANCE				
Beginning of Year			<u>3,248,187</u>	
End of Year			<u>\$ 3,102,952</u>	

See accompanying Notes to Required Supplementary Information.

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 BUDGETARY COMPARISON SCHEDULE
 COMMUNITY SERVICE FUND
 YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 989,513	\$ 990,204	\$ 990,966	\$ 762
Earnings and Investments	1,500	-	43,040	43,040
Other - Primarily Tuition and Fees	5,275,848	5,837,992	5,844,522	6,530
State Sources	961,004	931,455	864,629	(66,826)
Federal Sources	3,913	633,840	563,787	(70,053)
Total Revenues	<u>7,231,778</u>	<u>8,393,491</u>	<u>8,306,944</u>	<u>(86,547)</u>
EXPENDITURES				
Current:				
Community Service	7,358,727	8,183,442	7,875,149	(308,293)
Capital Outlay	11,500	4,000	2,086	(1,914)
Debt Service	2,379	5,379	-	(5,379)
Total Expenditures	<u>7,372,606</u>	<u>8,192,821</u>	<u>7,877,235</u>	<u>(315,586)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (140,828)</u>	<u>\$ 200,670</u>	429,709	<u>\$ 229,039</u>
FUND BALANCE				
Beginning of Year			<u>37,071</u>	
End of Year			<u>\$ 466,780</u>	

See accompanying Notes to Required Supplementary Information.

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

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability							
Service Cost	\$ 681,448	\$ 731,253	\$ 913,570	\$ 836,134	\$ 730,634	\$ 800,160	\$ 863,315
Interest	657,355	399,243	457,426	567,066	702,071	575,132	577,783
Differences Between Expected and Actual Experience	828,275	-	-	-	(2,408,201)	-	-
Changes of Assumptions	249,015	(1,023,673)	(166,922)	435,311	157,634	(528,148)	-
Net Investment Income	-	-	525,310	-	-	-	-
Benefit Payments	(1,767,454)	(1,779,347)	(1,411,315)	(888,229)	(1,216,843)	(1,302,349)	(1,640,555)
Net Change in Total OPEB Liability	648,639	(1,672,524)	318,069	950,282	(2,034,705)	(455,205)	(199,457)
Total OPEB Liability - Beginning	17,492,862	19,165,386	18,847,317	17,897,035	19,931,740	20,386,945	20,586,402
Total OPEB Liability - Ending (a)	\$ 18,141,501	\$ 17,492,862	\$ 19,165,386	\$ 18,847,317	\$ 17,897,035	\$ 19,931,740	\$ 20,386,945
Plan Fiduciary Net Position							
Contributions - Employer	\$ 1,017,454	\$ 1,029,347	\$ 661,315	\$ 122,940	\$ 216,843	\$ 302,349	\$ 640,555
Contributions - Member	-	-	150,341	-	144,241	148,839	151,727
Net Investment Income	270,206	(247,880)	257,150	191,580	216,739	299,433	185,453
Differences Between Expected and Actual Experience	(83,329)	-	-	-	38,645	(37,045)	-
Benefit Payments - Employer Financed	(1,767,454)	(1,779,347)	(1,411,315)	(888,229)	(1,216,843)	(1,302,349)	(1,640,555)
Administrative Expense - Member Financed	-	-	(150,341)	(122,939)	(144,241)	(148,839)	(151,727)
Net Change in Plan Fiduciary Net Position	(563,123)	(997,880)	(492,850)	(696,648)	(744,616)	(737,612)	(814,547)
Plan Fiduciary Net Position - Beginning	5,404,129	6,402,009	6,894,859	7,591,507	8,336,123	9,073,735	9,888,282
Plan Fiduciary Net Position - Ending (b)	\$ 4,841,006	\$ 5,404,129	\$ 6,402,009	\$ 6,894,859	\$ 7,591,507	\$ 8,336,123	\$ 9,073,735
District's Net OPEB Liability - Ending (a) - (b)	\$ 13,300,495	\$ 12,088,733	\$ 12,763,377	\$ 11,952,458	\$ 10,305,528	\$ 11,595,617	\$ 11,313,210
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	26.68%	30.89%	33.40%	36.58%	42.42%	41.82%	44.51%
Covered-Employee Payroll	\$ 67,947,323	\$ 61,362,282	\$ 59,575,031	\$ 57,830,306	\$ 56,145,928	\$ 55,190,947	\$ 53,583,444
District's Net OPEB Liability as a Percentage of Covered-Employee Payroll	19.57%	19.70%	21.42%	20.67%	18.35%	21.01%	21.11%

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

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

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2017	1.9%
2018	2.9%
2019	3.1%
2020	2.5%
2021	2.1%
2022	4.1%
2023	5.0%

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

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

	Measurement Date June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Collective Net Pension Liability	0.8127%	0.8313%	0.7756%	0.7962%	0.7821%	0.7697%	0.7442%	0.7468%	0.8297%
District's Proportionate Share of the Collective Net Pension Liability	\$ 65,076,717	\$ 36,380,174	\$ 57,302,367	\$ 50,749,955	\$ 49,123,200	\$ 153,646,083	\$ 177,509,457	\$ 46,196,966	\$ 38,231,979
State's Proportionate Share of the Collective Net Pension Liability Associated with District	4,826,015	3,068,223	4,802,118	4,491,418	4,615,379	14,852,396	17,817,356	5,666,484	2,689,665
Total	<u>\$ 69,902,732</u>	<u>\$ 39,448,397</u>	<u>\$ 62,104,485</u>	<u>\$ 55,241,373</u>	<u>\$ 53,738,579</u>	<u>\$ 168,498,479</u>	<u>\$ 195,326,813</u>	<u>\$ 51,863,450</u>	<u>\$ 40,921,644</u>
District's Covered Payroll	\$ 50,762,182	\$ 50,374,157	\$ 45,070,354	\$ 45,202,983	\$ 43,206,143	\$ 41,374,215	\$ 38,687,289	\$ 37,891,347	\$ 37,874,556
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	128.20%	72.22%	127.14%	112.27%	113.69%	371.36%	458.83%	121.92%	100.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.17%	86.63%	75.48%	78.21%	78.07%	51.57%	44.88%	76.80%	81.50%

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

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

	Year Ended June 30,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 4,580,254	\$ 4,233,566	\$ 4,095,419	\$ 3,569,572	\$ 3,485,150	\$ 3,240,764	\$ 3,108,168	\$ 2,901,919	\$ 2,841,307
Contributions in Relation to the Statutorily Required Contribution	<u>(4,580,254)</u>	<u>(4,233,566)</u>	<u>(4,095,419)</u>	<u>(3,569,572)</u>	<u>(3,485,150)</u>	<u>(3,240,764)</u>	<u>(3,108,168)</u>	<u>(2,901,919)</u>	<u>(2,841,307)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 53,570,222	\$ 50,762,182	\$ 50,374,157	\$ 45,070,354	\$ 45,202,983	\$ 43,206,143	\$ 41,374,215	\$ 38,687,289	\$ 37,891,347
Contributions as a Percentage of Covered Payroll	8.55%	8.34%	8.13%	7.92%	7.71%	7.50%	7.50%	7.50%	7.50%

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

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

	Measurement Date June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.2174%	0.2120%	0.2143%	0.2101%	0.2147%	0.2155%	0.2049%	0.2182%	0.2238%
District's Proportionate Share of the Net Pension Liability	\$ 17,218,152	\$ 9,053,350	\$ 12,848,264	\$ 11,615,958	\$ 11,910,677	\$ 13,757,377	\$ 16,636,863	\$ 11,308,257	\$ 10,513,003
State's Proportionate Share of the Net Pension Liability Associated with the District	504,844	276,503	396,180	361,151	390,616	172,995	217,204	-	-
Total	<u>\$ 17,722,996</u>	<u>\$ 9,329,853</u>	<u>\$ 13,244,444</u>	<u>\$ 11,977,109</u>	<u>\$ 12,301,293</u>	<u>\$ 13,930,372</u>	<u>\$ 16,854,067</u>	<u>\$ 11,308,257</u>	<u>\$ 10,513,003</u>
District's Covered Payroll	\$ 16,309,347	\$ 15,311,107	\$ 15,361,827	\$ 14,741,827	\$ 14,390,960	\$ 13,873,747	\$ 12,694,533	\$ 12,829,397	11,750,557
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	105.57%	59.13%	83.64%	78.80%	82.76%	99.16%	131.06%	88.14%	89.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.67%	87.00%	79.06%	80.23%	79.50%	75.90%	68.90%	78.20%	78.70%

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

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

	Year Ended June 30,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 1,302,041	\$ 1,223,201	\$ 1,148,333	\$ 1,152,137	\$ 1,105,637	\$ 1,079,322	\$ 1,040,531	\$ 952,090	\$ 946,168
Contributions in Relation to the Statutorily Required Contribution	(1,302,041)	(1,223,201)	(1,148,333)	(1,152,137)	(1,105,637)	(1,079,322)	(1,040,531)	(952,090)	(946,168)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 17,360,547	\$ 16,309,347	\$ 15,311,107	\$ 15,361,827	\$ 14,741,827	\$ 14,390,960	\$ 13,873,747	\$ 12,694,533	\$ 12,829,397
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.38%

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 COMPLIANCE – BUDGETS

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

	Original Budget	Amendments	Amended Budget
<u>Revenues</u>			
General Fund	\$ 125,950,000	\$ 2,120,796	\$ 128,070,796
Special Revenue Fund:			
Food Service Fund	4,803,585	664,796	5,468,381
Community Service Fund	7,231,778	1,161,713	8,393,491
Capital Projects Fund	2,000	48,000	50,000
Debt Service Fund	9,704,495	(7,000)	9,697,495
<u>Expenditures</u>			
General Fund	\$ 123,528,417	\$ 10,308,388	\$ 133,836,805
Special Revenue Fund:			
Food Service Fund	4,864,842	1,100,076	5,964,918
Community Service Fund	7,372,606	820,215	8,192,821
Capital Projects Fund	1,800,000	(29,551)	1,770,449
Debt Service Fund	9,691,675	164,395	9,856,070

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.

The budget and actual amounts are both prepared on the modified accrual basis of accounting in accordance with GAAP.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 COMPLIANCE – BUDGETS (CONTINUED)

In the following fund, expenditures exceeded the appropriations during the year ended June 30, 2023:

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund	\$ 133,836,805	\$ 144,734,892	\$ 10,898,087
Special Revenue Funds:			
Food Service Fund	5,964,918	6,091,510	126,592

These overages were considered by District management to be the result of necessary expenditures critical to operations. Overages are funded by revenues in excess of budget or fund balance.

NOTE 2 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

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

A. General Employees Fund

2022 Changes

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021

Changes in Plan Provisions

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

2021 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 2 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2020 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.

Changes in Plan Provisions

- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.
- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

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, 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.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 2 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2018 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2017 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 2 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2016 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions:

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

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

A. Coordinated Plan

2022 Changes

Changes in Actuarial Assumptions

- None

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 2 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2021 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

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

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.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 2 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2018 Changes (Continued)

Changes in Plan Provisions (Continued)

- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to 0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next five years, (7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

2017 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 2 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2016 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 CHANGES

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 2 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2014 CHANGES

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

NOTE 3 OTHER POSTEMPLOYMENT BENEFITS PLAN

2022 CHANGES

Changes in Actuarial Assumptions

- The expected long-term investment return was changed from 4.10% to 5.00%
- The discount rate was changed from 3.80% to 4.00%.

2021 CHANGES

Changes in Actuarial Assumptions

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

2020 CHANGES

Changes in Actuarial Assumptions

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

2019 CHANGES

Changes in Actuarial Assumptions

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 3 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

2018 CHANGES

Changes in Actuarial Assumptions

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

2017 CHANGES

Changes in Actuarial Assumptions

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

2016 CHANGES

Changes in Actuarial Assumptions

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

SUPPLEMENTARY INFORMATION

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 GENERAL FUND
 BALANCE SHEET
 JUNE 30, 2023**

ASSETS

Cash and Investments	\$ 31,101,950
Cash with Fiscal Agent	377
Receivables:	
Current Taxes	19,890,257
Delinquent Taxes	352,042
Accounts and Interest Receivable	246,736
Due from Other Minnesota School Districts	58,523
Due from Minnesota Department of Education	6,555,129
Due from Federal Through the Minnesota Department of Education	2,134,352
Due from Federal Government Received Directly	477,581
Due from Other Governmental Units	570,491
Due from Other Funds	750,000
Lease Receivables	1,111,024
Prepays	127,118
	<u>13,166,216</u>
Total Assets	<u><u>\$ 63,375,580</u></u>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES,
 AND FUND BALANCE**

Liabilities:	
Salaries and Compensated Absences Payable	\$ 7,737,884
Payroll Deductions and Employer Contributions Payable	1,552,102
Accounts and Contracts Payable	3,517,634
Due to Other Minnesota School Districts	151,453
Due to Other Governmental Units	204,549
Unearned Revenue	2,594
Total Liabilities	<u>13,166,216</u>

Deferred Inflows:

Unavailable Revenue - Property Taxes Levied for Subsequent Year	37,812,039
Unavailable Revenue - Delinquent Taxes	180,724
Lease Receivables	1,090,409
Total Deferred Inflows of Resources	<u>39,083,172</u>

Fund Balance:

Nonspendable:	
Prepays	127,118
Restricted for:	
Student Activities	72,545
Scholarships	280,783
Long-Term Facility Maintenance	205,709
Medical Assistance	50,738
Operating Capital	6,344,246
Assigned for:	
Severance Benefits	790,000
Facility Use Improvements	567,333
Q comp	35,386
Grants	536,810
Donations	542,680
Unassigned	1,572,844
Total Fund Balance	<u>11,126,192</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 63,375,580</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
 BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2023**

	2023		
	Final Budget	Actual Amounts	Over (Under) Final Budget
REVENUES			
Local Sources:			
Property Taxes	\$ 36,887,422	\$ 37,746,806	\$ 859,384
Earnings and Investments	325,000	903,576	578,576
Other	3,775,363	3,639,066	(136,297)
State Sources	81,559,140	83,027,972	1,468,832
Federal Sources	5,523,871	5,567,637	43,766
Total Revenues	<u>128,070,796</u>	<u>130,885,057</u>	<u>2,814,261</u>
EXPENDITURES			
Current:			
Administration:			
Salaries	2,519,942	2,563,553	43,611
Employee Benefits	1,055,328	1,022,713	(32,615)
Purchased Services	147,500	130,828	(16,672)
Supplies and Materials	6,680	15,599	8,919
Other Expenditures	34,200	42,905	8,705
Total Administration	<u>3,763,650</u>	<u>3,775,598</u>	<u>11,948</u>
District Support Services:			
Salaries	2,205,190	2,343,414	138,224
Employee Benefits	1,313,411	1,332,586	19,175
Purchased Services	420,553	671,825	251,272
Supplies and Materials	2,872,600	1,754,319	(1,118,281)
Other Expenditures	600	2,493	1,893
Total District Support Services	<u>6,812,354</u>	<u>6,104,637</u>	<u>(707,717)</u>
Elementary and Secondary Regular Instruction:			
Salaries	30,029,594	32,683,246	2,653,652
Employee Benefits	15,652,498	14,325,174	(1,327,324)
Purchased Services	3,468,517	3,636,290	167,773
Supplies and Materials	1,696,796	1,555,969	(140,827)
Other Expenditures	21,180	204,827	183,647
Total Elementary and Secondary Regular Instruction	<u>50,868,585</u>	<u>52,405,506</u>	<u>1,536,921</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 BUDGET AND ACTUAL (CONTINUED)
 YEAR ENDED JUNE 30, 2023**

	2023		
	Final Budget	Actual Amounts	Over (Under) Final Budget
EXPENDITURES (Continued)			
Current (Continued):			
Vocational Education Instruction:			
Salaries	\$ 897,189	\$ 941,939	\$ 44,750
Employee Benefits	486,893	425,720	(61,173)
Purchased Services	325,500	248,916	(76,584)
Supplies and Materials	29,122	23,190	(5,932)
Other Expenditures	1,500	5,632	4,132
Total Vocational Education Instruction	<u>1,740,204</u>	<u>1,645,397</u>	<u>(94,807)</u>
Special Education Instruction:			
Salaries	14,495,378	14,800,055	304,677
Employee Benefits	7,954,681	7,362,595	(592,086)
Purchased Services	1,503,344	2,007,947	504,603
Supplies and Materials	259,278	160,846	(98,432)
Other Expenditures	5,650	70,906	65,256
Total Special Education Instruction	<u>24,218,331</u>	<u>24,402,349</u>	<u>184,018</u>
Instructional Support Services:			
Salaries	5,756,139	5,667,132	(89,007)
Employee Benefits	1,957,419	2,271,838	314,419
Purchased Services	528,638	404,276	(124,362)
Supplies and Materials	480,159	278,470	(201,689)
Other Expenditures	4,200	35,033	30,833
Total Instructional Support Services	<u>8,726,555</u>	<u>8,656,749</u>	<u>(69,806)</u>
Pupil Support Services:			
Salaries	2,826,018	3,365,382	539,364
Employee Benefits	1,425,269	1,510,255	84,986
Purchased Services	10,980,479	12,843,957	1,863,478
Supplies and Materials	48,450	252,341	203,891
Other Expenditures	300	15,138	14,838
Total Pupil Support Services	<u>15,280,516</u>	<u>17,987,073</u>	<u>2,706,557</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 BUDGET AND ACTUAL (CONTINUED)
 YEAR ENDED JUNE 30, 2023**

	2023		
	Final Budget	Actual Amounts	Over (Under) Final Budget
EXPENDITURES (Continued)			
Current (Continued):			
Sites and Buildings:			
Salaries	\$ 3,313,196	\$ 3,414,287	\$ 101,091
Employee Benefits	1,696,342	1,750,336	53,994
Purchased Services	5,769,987	7,745,967	1,975,980
Supplies and Materials	699,657	751,587	51,930
Other Expenditures	80,800	28,884	(51,916)
Total Sites and Buildings	<u>11,559,982</u>	<u>13,691,061</u>	<u>2,131,079</u>
Fiscal and Other Fixed Costs:			
Purchased Services	562,000	584,378	22,378
Other Expenditures	17,000	26,000	9,000
Total Fiscal and Other Fixed Costs	<u>579,000</u>	<u>610,378</u>	<u>31,378</u>
Capital Outlay:			
District Support Services	34,700	2,404,136	2,369,436
Regular Instruction	79,800	177,712	97,912
Special Education Instruction	11,500	104,512	93,012
Instructional Support Services	2,241	9,302	7,061
Sites and Buildings	8,147,232	10,668,403	2,521,171
Total Capital Outlay	<u>8,275,473</u>	<u>13,364,065</u>	<u>5,088,592</u>
Debt Service:			
Principal	1,676,455	1,701,444	24,989
Interest and Fiscal Charges	335,700	390,635	54,935
Total Debt Service	<u>2,012,155</u>	<u>2,092,079</u>	<u>79,924</u>
Total Expenditures	<u>133,836,805</u>	<u>144,734,892</u>	<u>10,898,087</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(5,766,009)	(13,849,835)	(8,083,826)
OTHER FINANCING SOURCES			
Sale of Equipment	-	92	92
Insurance Recovery	-	1,152,102	1,152,102
Issuance of Subscription and Lease Liabilities	-	2,429,429	2,429,429
Total Other Financing Sources	<u>-</u>	<u>3,581,623</u>	<u>3,581,623</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,766,009)</u>	<u>(10,268,212)</u>	<u>\$ (4,502,203)</u>
FUND BALANCE			
Beginning of Year		<u>21,394,404</u>	
End of Year		<u>\$ 11,126,192</u>	

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 FOOD SERVICE FUND
 BALANCE SHEET
 JUNE 30, 2023**

ASSETS

Cash and Investments	\$ 2,916,796
Receivables:	
Accounts and Interest Receivable	509
Due from Other Minnesota School Districts	174,486
Due from Minnesota Department of Education	5,623
Due from Federal Through the Minnesota Department of Education	76,699
Inventory	71,091
	<u>71,091</u>
Total Assets	<u>\$ 3,245,204</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Salaries and Compensated Absences Payable	\$ 10,365
Payroll Deductions and Employer Contributions Payable	2,072
Accounts and Contracts Payable	41,523
Unearned Revenue	88,292
Total Liabilities	<u>142,252</u>
Fund Balance:	
Nonspendable:	
Inventory	71,091
Restricted for:	
Food Service	3,031,861
Total Fund Balance	<u>3,102,952</u>
Total Liabilities and Fund Balance	<u>\$ 3,245,204</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 FOOD SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
 BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2023**

	2023		
	Final Budget	Actual Amounts	Over (Under) Final Budget
REVENUES			
Local Sources:			
Earnings and Investments	\$ 2,500	\$ 102,878	\$ 100,378
Other - Primarily Meal Sales	3,489,346	3,428,120	(61,226)
State Sources	186,500	193,095	6,595
Federal Sources	1,790,035	2,222,159	432,124
Total Revenues	<u>5,468,381</u>	<u>5,946,252</u>	<u>477,871</u>
EXPENDITURES			
Current:			
Salaries	1,671,103	1,773,077	101,974
Employee Benefits	729,607	785,046	55,439
Purchased Services	385,043	447,010	61,967
Supplies and Materials	2,577,015	2,631,838	54,823
Other Expenditures	2,150	1,640	(510)
Capital Outlay	600,000	452,899	(147,101)
Total Expenditures	<u>5,964,918</u>	<u>6,091,510</u>	<u>126,592</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(496,537)	(145,258)	351,279
OTHER FINANCING SOURCES			
Sale of Equipment	<u>2,000</u>	<u>23</u>	<u>(1,977)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (494,537)</u>	<u>(145,235)</u>	<u>\$ 349,302</u>
FUND BALANCE			
Beginning of Year		<u>3,248,187</u>	
End of Year		<u>\$ 3,102,952</u>	

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 COMMUNITY SERVICE FUND
 BALANCE SHEET
 JUNE 30, 2023**

ASSETS

Cash and Investments	\$ 1,774,922
Receivables:	
Current Taxes	538,372
Delinquent Taxes	10,338
Accounts and Interest Receivable	41,043
Due from Other Minnesota School Districts	3,038
Due from Minnesota Department of Education	83,063
Due from Federal Through the Minnesota Department of Education	4,673
Due from Other Governmental Units	659
Prepays	<u>2,777</u>
Total Assets	<u><u>\$ 2,458,885</u></u>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES,
 AND FUND BALANCE**

Liabilities:	
Salaries and Compensated Absences Payable	\$ 358,871
Payroll Deductions and Employer Contributions Payable	58,677
Accounts and Contracts Payable	66,786
Due to Other Governmental Units	5,093
Unearned Revenue	<u>439,180</u>
Total Liabilities	928,607
Deferred Inflows of Resources:	
Property Taxes Levied for Subsequent Year	1,057,863
Unavailable Revenue - Delinquent Taxes	<u>5,635</u>
Total Deferred Inflows of Resources	1,063,498
Fund Balance:	
Nonspendable:	
Prepays	2,777
Restricted for:	
Community Education	<u>464,003</u>
Total Fund Balance	<u><u>466,780</u></u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 2,458,885</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 COMMUNITY SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
 BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2023**

	2023		
	Final Budget	Actual Amounts	Over (Under) Final Budget
REVENUES			
Local Sources:			
Property Taxes	\$ 990,204	\$ 990,966	\$ 762
Earnings and Investments	-	43,040	43,040
Other - Primarily Tuition and Fees	5,837,992	5,844,522	6,530
State Sources	931,455	864,629	(66,826)
Federal Sources	633,840	563,787	(70,053)
Total Revenues	8,393,491	8,306,944	(86,547)
EXPENDITURES			
Current:			
Salaries	4,894,254	4,745,118	(149,136)
Employee Benefits	1,579,959	1,439,161	(140,798)
Purchased Services	1,374,166	1,385,933	11,767
Supplies and Materials	295,138	261,441	(33,697)
Other Expenditures	39,925	43,496	3,571
Capital Outlay	4,000	2,086	(1,914)
Debt Service	5,379	-	(5,379)
Total Expenditures	8,192,821	7,877,235	(315,586)
NET CHANGE IN FUND BALANCE	\$ 200,670	429,709	\$ 229,039
FUND BALANCE			
Beginning of Year		37,071	
End of Year		\$ 466,780	

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND
 BALANCE SHEET
 JUNE 30, 2023**

ASSETS

Cash and Investments	\$ 7,770,436
Cash with Fiscal Agent	12
Receivables:	
Accounts and Interest Receivable	48,166
Total Assets	\$ 7,818,614

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts and Contracts Payable	\$ 13,069
Fund Balance:	
Restricted for:	
Projects Funded by Certificates of Participation	12
Restricted for Capital Projects	7,805,533
Total Fund Balance	7,805,545
Total Liabilities and Fund Balance	\$ 7,818,614

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
 BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2023**

	2023		
	Final Budget	Actual Amounts	Over (Under) Final Budget
REVENUES			
Local Sources:			
Earnings and Investments	\$ 50,000	\$ 130,269	\$ 80,269
EXPENDITURES			
Current:			
Purchased Services	322,525	352,360	29,835
Other Expenditures	3,000	4,603	1,603
Capital Outlay	1,444,924	1,444,924	-
Total Expenditures	1,770,449	1,801,887	31,438
NET CHANGE IN FUND BALANCE	\$ (1,720,449)	(1,671,618)	\$ 48,831
FUND BALANCE			
Beginning of Year		9,477,163	
End of Year		\$ 7,805,545	

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 DEBT SERVICE FUND
 BALANCE SHEET
 JUNE 30, 2023**

	Totals
ASSETS	
Cash and Investments	\$ 6,918,889
Cash with Fiscal Agent	948
Receivables:	
Current Taxes	5,019,028
Delinquent Taxes	101,544
Due from Minnesota Department of Education	10,014
Total Assets	\$ 12,050,423
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities:	
Accounts and Contracts Payable	\$ -
Deferred Inflows:	
Property Taxes Levied for Subsequent Year	9,767,872
Unavailable Revenue - Delinquent Taxes	56,472
Total Deferred Inflows of Resources	9,824,344
Fund Balance:	
Restricted for Debt Service	2,226,079
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 12,050,423

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
 BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2023**

	2023		
	Final Budgeted Amounts	Actual Amounts	Over (Under) Final Budget
REVENUES			
Local Sources:			
Property Taxes	\$ 9,591,495	\$ 9,466,992	\$ (124,503)
Earnings and Investments	10,000	207,411	197,411
State Sources	96,000	100,140	4,140
Total Revenues	<u>9,697,495</u>	<u>9,774,543</u>	<u>77,048</u>
EXPENDITURES			
Debt Service:			
Bond Principal	6,645,000	6,645,000	-
Bond Interest	3,204,020	3,204,020	-
Paying Agent Fees and Other	7,050	10,725	3,675
Total Expenditures	<u>9,856,070</u>	<u>9,859,745</u>	<u>3,675</u>
NET CHANGE IN FUND BALANCE	<u>\$ (158,575)</u>	(85,202)	<u>\$ 73,373</u>
FUND BALANCE			
Beginning of Year		<u>2,311,281</u>	
End of Year		<u>\$ 2,226,079</u>	

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
 COMPLIANCE TABLE
 YEAR ENDED JUNE 30, 2023**

	AUDIT	UFARS	DIFFERENCE
01 GENERAL FUND			
Total Revenue	\$ 130,885,057	\$ 130,885,055	\$ 2
Total Expenditures	144,734,892	144,734,889	3
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	127,118	127,118	-
<i>Restricted:</i>			
401 Student Activities	72,545	72,545	-
402 Scholarships	280,783	280,783	-
403 Staff Development	-	-	-
408 Cooperative Programs	-	-	-
413 Projects Funded by COP	-	-	-
414 Operating Debt	-	-	-
416 Levy Reduction	-	-	-
417 Taconite Building Maintenance	-	-	-
424 Operating Capital	6,344,246	6,344,246	-
426 \$25 Taconite	-	-	-
427 Disabled Accessibility	-	-	-
428 Learning and Development	-	-	-
434 Area Learning Center	-	-	-
435 Contracted Alternative Programs	-	-	-
436 State-Approved Alternative Programs	-	-	-
438 Gifted and Talented	-	-	-
440 Teacher Development and Evaluations	-	-	-
441 Basic Skills Programs	-	-	-
445 Career and Technical Programs	-	-	-
448 Achievement and Integration	-	-	-
449 Safe Schools Crime Levy	-	-	-
451 QZAB Payments	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
453 Unfunded Severance & Retirement Levy	-	-	-
467 LTFM	205,709	205,709	-
472 Medical Assistance	50,738	50,738	-
464 Restricted Fund Balance	-	-	-
<i>Committed:</i>			
418 Committed for Separation	-	-	-
461 Committed Fund Balance	-	-	-
<i>Assigned:</i>			
462 Assigned Fund Balance	2,472,209	2,472,209	-
<i>Unassigned:</i>			
422 Unassigned Fund Balance	1,572,844	1,572,844	-
02 FOOD SERVICE			
Total Revenue	5,946,252	5,946,252	-
Total Expenditures	6,091,510	6,091,510	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	71,091	71,091	-
<i>Restricted:</i>			
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	3,031,861	3,031,861	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
04 COMMUNITY SERVICE			
Total Revenue	8,306,944	8,306,944	-
Total Expenditures	7,877,235	7,877,235	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	2,777	2,777	-
<i>Restricted:</i>			
426 \$25 Taconite	-	-	-
431 Community Education	1,190,364	1,190,364	-
432 E.C.F.E.	(72,710)	(72,710)	-
440 Teacher Development and Evaluations	-	-	-
444 School Readiness	(653,651)	(653,651)	-
447 Adult Basic Education	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	-	-	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
 COMPLIANCE TABLE (CONTINUED)
 YEAR ENDED JUNE 30, 2023**

	AUDIT	UFARS	DIFFERENCE
06 BUILDING CONSTRUCTION			
Total Revenue	\$ 130,269	\$ 130,270	\$ (1)
Total Expenditures	1,801,887	1,801,890	(3)
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
407 Capital Projects Levy	-	-	-
409 Alternative Facility Program	-	-	-
413 Projects Funded by COP	12	12	-
467 LTFM	-	-	-
464 Restricted Fund Balance	7,805,533	7,805,532	1
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
07 DEBT SERVICE			
Total Revenue	9,774,543	9,774,544	(1)
Total Expenditures	9,859,745	9,859,745	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
425 Bond Refunding	-	-	-
451 QZAB and QSCB Payments	-	-	-
464 Restricted Fund Balance	2,226,079	2,226,079	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
08 TRUST			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Net Position:</i>			
422 Net Position	-	-	-
18 CUSTODIAL			
Total Revenue	6,529	6,529	-
Total Expenditures	12,000	12,000	-
401 Student Activities	-	-	-
402 Scholarships	59,174	59,174	-
448 Achievement & Integration	-	-	-
464 Restricted Fund Balance	-	-	-
20 INTERNAL SERVICE			
Total Revenue	19,317,420	19,317,420	-
Total Expenditures	20,222,626	20,222,626	-
<i>Net Position:</i>			
422 Net Position	3,422,392	3,422,392	-
25 OPEB REVOCABLE TRUST			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Net Position:</i>			
422 Net Position	-	-	-
45 OPEB IRREVOCABLE TRUST			
Total Revenue	1,039,211	1,039,211	-
Total Expenditures	1,602,334	1,602,334	-
<i>Net Position:</i>			
422 Net Position	4,841,006	4,841,006	-
47 OPEB DEBT SERVICE			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
425 Bond Refunding	-	-	-
464 Restricted Fund Balance	-	-	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

STATISTICAL SECTION (UNAUDITED)

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

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	117
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	126
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	134
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	139
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to services the District provides and the activities it performs.	140

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

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

	Fiscal Year			
	2014	2015	2016	2017
Governmental Activities:				
Net Investment in Capital Assets	\$ 48,412,468	\$ 56,387,161	\$ 65,414,063	\$ 66,141,043
Restricted	6,604,074	5,665,080	9,743,503	9,753,511
Unrestricted	<u>10,995,216</u>	<u>(44,814,567)</u>	<u>(40,407,600)</u>	<u>(84,709,936)</u>
Total Governmental Activities Net Position	<u>\$ 66,011,758</u>	<u>\$ 17,237,674</u>	<u>\$ 34,749,966</u>	<u>\$ (8,815,382)</u>

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

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

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

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

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

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 60,554,744	\$ 58,929,681	\$ 62,505,284	\$ 64,517,478	\$ 71,225,113	\$ 75,764,865
13,123,335	16,107,066	19,894,112	18,704,343	30,171,276	19,288,873
<u>(107,596,516)</u>	<u>(81,207,029)</u>	<u>(82,957,418)</u>	<u>(90,662,072)</u>	<u>(99,073,901)</u>	<u>(73,967,969)</u>
<u>\$ (33,918,437)</u>	<u>\$ (6,170,282)</u>	<u>\$ (558,022)</u>	<u>\$ (7,440,251)</u>	<u>\$ 2,322,488</u>	<u>\$ 21,085,769</u>

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

	Fiscal Year			
	2014	2015	2016	2017
Governmental Activities:				
Expenses:				
Administration	\$ 3,361,947	\$ 3,469,001	\$ 3,835,257	\$ 5,045,515
District Support Services	3,298,447	2,879,688	4,930,575	4,428,888
Elementary and Secondary Regular Instruction	44,867,231	45,526,927	45,403,156	64,048,509
Vocational Education Instruction	948,370	1,142,699	1,293,897	1,589,857
Special Education Instruction	16,207,958	16,441,733	17,032,647	23,701,150
Instructional Support Services	5,461,838	6,112,684	5,748,010	8,648,249
Pupil Support Services	9,780,943	9,807,046	10,113,009	12,473,301
Sites and Buildings	10,583,746	11,582,408	9,363,699	11,735,283
Fiscal and Other Fixed Cost Programs	274,552	188,265	263,329	238,724
Food Service	3,952,305	3,883,245	3,983,097	4,095,413
Community Service	4,213,278	4,586,087	4,807,513	6,181,362
Interest and Fiscal Charges	1,580,073	1,362,338	4,793,187	3,932,639
Total Governmental Activities Expenses	104,530,688	106,982,121	111,567,376	146,118,890
Program Revenues:				
Charges for Services:				
District Support Services	8,805	1,594	635	390
Elementary and Secondary Regular Instruction	1,645,165	1,340,698	1,733,392	2,062,685
Vocational Education Instruction	-	636	428	266
Special Education Instruction	192,412	106,819	716,816	276,329
Instructional Support Services	196,225	55,502	3,613	4,706
Pupil Support Services	46,004	9,559	9,697	6,833
Sites and Buildings	439,878	362,283	309,365	310,726
Food Service	2,550,935	2,559,430	2,591,822	2,647,891
Community Service	2,767,116	3,121,607	3,340,816	3,731,436
Operating Grants and Contributions	13,766,818	13,909,704	15,073,801	16,342,406
Capital Grants and Contributions	-	-	-	-
Total Governmental Activities Program Revenues	21,613,358	21,467,832	23,780,385	25,383,668
Net Expense	(82,917,330)	(85,514,289)	(87,786,991)	(120,735,222)
General Revenues and Other Changes in Net Position:				
Taxes:				
Property Taxes, Levied for General Purposes	9,620,050	21,050,994	21,857,533	26,077,926
Property Taxes, Levied for Community Service	443,538	883,576	879,475	924,206
Property Taxes, Levied for Building Construction	2,214,866	3,556,087	3,504,044	-
Property Taxes, Levied for Debt Service	9,618,842	9,524,095	10,418,158	9,853,545
General Grants and Aids	62,828,789	57,947,379	58,466,733	62,239,860
Other General Revenues	1,334,369	1,100,896	1,222,650	1,409,761
Investment Earnings	38,603	33,423	406,428	505,982
Gain (Loss) on Sale of Capital Assets	-	-	-	349,350
Special Item - Joint School Proceeds	-	-	8,918,771	-
Total General Revenues and Other Changes in Net Position	86,099,057	94,096,450	105,673,792	101,360,630
Change in Net Position	\$ 3,181,727	\$ 8,582,161	\$ 17,886,801	\$ (19,374,592)

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

		Fiscal Year									
		2018	2019	2020	2021	2022	2023				
\$	4,859,694	\$	2,761,832	\$	4,163,190	\$	4,678,752	\$	3,788,855	\$	3,423,828
	4,866,422		3,848,441		4,221,324		7,124,857		4,429,348		7,076,391
	63,695,632		33,389,523		51,734,965		56,621,066		52,311,821		44,700,955
	1,814,893		1,061,396		1,544,708		1,738,619		1,632,540		1,451,541
	24,272,246		15,645,568		22,395,970		23,193,864		23,240,347		22,182,831
	9,138,084		6,355,742		7,480,689		7,773,002		7,416,847		8,330,698
	13,277,132		11,597,906		13,259,915		10,453,525		2,346,484		4,430,425
	14,715,947		11,508,298		14,417,912		14,867,425		21,697,829		26,720,775
	282,149		298,619		418,172		497,990		484,668		610,378
	4,225,459		4,178,034		3,717,123		3,207,032		4,675,820		6,209,091
	7,040,015		6,563,197		3,054,540		6,263,485		7,688,390		7,953,183
	3,920,205		3,808,388		3,586,985		3,203,781		770,883		2,710,888
	<u>152,107,878</u>		<u>101,016,944</u>		<u>129,995,493</u>		<u>139,623,398</u>		<u>130,483,832</u>		<u>135,800,984</u>
	505		991		180		15		-		-
	1,841,634		1,674,506		1,161,617		709,348		1,441,108		1,403,534
	-		-		-		-		-		-
	349,799		417,106		397,576		460,907		393,773		384,720
	4,707		3,155		8		(7)		229		-
	8,620		5,225		154,240		53,014		177,247		220,516
	216,217		172,648		96,424		96,424		100,467		119,622
	2,951,523		3,044,482		2,402,682		695,540		1,209,895		3,432,806
	4,708,102		5,318,825		3,968,375		2,480,370		4,724,877		5,393,956
	15,985,953		17,854,618		23,892,060		29,010,528		30,868,772		31,487,802
	-		-		1,071,842		7,795,398		802,846		775,101
	<u>26,067,060</u>		<u>28,491,556</u>		<u>33,145,004</u>		<u>41,301,537</u>		<u>39,719,214</u>		<u>43,218,057</u>
	(126,040,818)		(72,525,388)		(96,850,489)		(98,321,861)		(90,764,618)		(92,582,927)
	26,662,509		27,029,172		29,140,145		27,402,570		30,212,808		37,735,955
	936,351		942,286		937,773		963,441		998,815		989,984
	-		-		-		-		-		-
	9,991,344		10,243,194		9,834,780		10,224,886		9,045,351		9,455,632
	61,151,385		59,591,562		60,073,369		52,203,763		59,154,862		60,365,234
	1,501,148		1,543,674		704,641		530,450		546,982		1,402,994
	695,026		923,655		838,911		134,502		50,428		1,396,409
	-		-		-		(19,980)		518,111		-
	-		-		-		-		-		-
	<u>100,937,763</u>		<u>100,273,543</u>		<u>101,529,619</u>		<u>91,439,632</u>		<u>100,527,357</u>		<u>111,346,208</u>
\$	<u>(25,103,055)</u>	\$	<u>27,748,155</u>	\$	<u>4,679,130</u>	\$	<u>(6,882,229)</u>	\$	<u>9,762,739</u>	\$	<u>18,763,281</u>

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

Fiscal Year	Property Tax				Total
	General Purposes	Community Service	Capital Projects – Building Construction	Debt Service	
2014	\$ 9,620,050	\$ 443,538	\$ 2,214,866	\$ 9,618,842	\$ 21,897,296
2015	21,050,994	883,576	3,556,087	9,524,095	35,014,752
2016	21,857,533	879,475	3,504,044	10,418,158	36,659,210
2017	26,077,926	924,206	-	9,853,545	36,855,677
2018	26,662,509	936,351	-	9,991,344	37,590,204
2019	27,029,172	942,286	-	10,243,194	38,214,652
2020	29,140,145	937,773	-	9,834,780	39,912,698
2021	27,402,570	963,441	-	10,224,886	38,590,897
2022	30,212,808	998,815	-	9,045,351	40,256,974
2023	37,735,955	989,984	-	9,455,632	48,181,571

Note: The change in “tax shift” as approved in legislation impacted the amount of tax revenue recognized in fiscal year 2014. Changes in the amount of revenue recognized due to the tax shift are offset by an adjustment to state aid payments by an equal amount.

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

	Fiscal Year				
	2014	2015	2016	2017	2018
General Fund:					
Nonspendable	\$ 380,847	\$ 271,178	\$ 180,717	\$ 132,997	\$ 261,833
Restricted	1,931,056	2,467,558	2,590,464	8,070,793	10,603,252
Committed	-	-	3,783,815	1,883,815	983,815
Assigned	5,992,778	2,125,946	1,851,841	3,351,587	3,974,155
Unassigned	4,672,888	9,137,032	7,753,286	7,852,065	4,215,589
Total General Fund	<u>\$ 12,977,569</u>	<u>\$ 14,001,714</u>	<u>\$ 16,160,123</u>	<u>\$ 21,291,257</u>	<u>\$ 20,038,644</u>
All Other Governmental Funds:					
Nonspendable	\$ 84,210	\$ 70,214	\$ 69,555	\$ 43,739	\$ 73,814
Restricted	7,651,218	3,560,116	90,781,630	27,083,056	13,787,952
Unassigned	<u>(22,087)</u>	<u>(586,713)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 7,713,341</u>	<u>\$ 3,043,617</u>	<u>\$ 90,851,185</u>	<u>\$ 27,126,795</u>	<u>\$ 13,861,766</u>
Total All Governmental Funds	<u>\$ 20,690,910</u>	<u>\$ 17,045,331</u>	<u>\$ 107,011,308</u>	<u>\$ 48,418,052</u>	<u>\$ 33,900,410</u>

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

Fiscal Year				
2019	2020	2021	2022	2023
\$ 133,500	\$ 176,979	\$ 59,842	\$ 148,874	\$ 127,118
12,387,032	14,738,965	14,232,268	16,310,327	6,954,021
983,815	983,815	-	-	-
1,416,490	2,423,807	2,845,311	2,471,741	2,472,209
6,078,702	10,393,558	4,426,645	2,463,162	1,572,844
<u>\$ 20,999,539</u>	<u>\$ 28,717,124</u>	<u>\$ 21,564,066</u>	<u>\$ 21,394,104</u>	<u>\$ 11,126,192</u>
\$ 53,360	\$ 76,202	\$ 42,902	\$ 95,955	\$ 73,868
9,679,032	5,875,326	13,082,785	15,668,288	13,527,488
-	-	-	(690,541)	-
<u>\$ 9,732,392</u>	<u>\$ 5,951,528</u>	<u>\$ 13,125,687</u>	<u>\$ 15,073,702</u>	<u>\$ 13,601,356</u>
<u>\$ 30,731,931</u>	<u>\$ 34,668,652</u>	<u>\$ 34,689,753</u>	<u>\$ 36,467,806</u>	<u>\$ 24,727,548</u>

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

	Fiscal Year			
	2014	2015	2016	2017
Revenues:				
Local Sources:				
Taxes	\$ 21,663,695	\$ 35,304,525	\$ 36,717,544	\$ 36,882,419
Investment Earnings	35,494	28,739	400,302	499,727
Other	9,180,909	8,659,024	9,929,234	10,451,023
State Sources	72,763,704	67,778,735	69,753,786	72,643,686
Federal Sources	3,831,903	3,961,017	3,786,748	3,689,765
Total Revenues	<u>107,475,705</u>	<u>115,732,040</u>	<u>120,587,614</u>	<u>124,166,620</u>
Expenditures:				
Current:				
Administration	3,221,578	3,315,207	3,730,271	3,687,102
District Support Services	3,276,874	2,799,843	4,988,023	4,273,631
Elementary and Secondary Regular Instruction	44,249,081	44,369,591	44,391,220	45,818,551
Vocational Education Instruction	897,800	1,118,757	1,269,046	1,178,394
Special Education Instruction	15,696,438	16,053,961	16,718,523	17,660,774
Instructional Support Services	5,333,225	6,006,701	5,579,197	7,055,599
Pupil Support Services	9,436,480	9,466,764	9,827,309	11,098,053
Sites and Buildings	8,386,809	8,515,322	16,709,425	8,813,285
Fiscal and Other Fixed Cost Programs	274,552	188,265	263,329	238,724
Food Service	3,824,528	3,730,236	3,728,962	3,851,332
Community Service	4,035,871	4,418,275	4,650,156	5,313,353
Capital Outlay	4,257,222	9,013,201	16,748,548	59,322,612
Debt Service:				
Principal	7,875,000	8,570,000	8,825,000	9,595,000
Interest and Fiscal Charges	2,022,272	1,818,709	2,212,828	6,391,505
Total Expenditures	<u>112,787,730</u>	<u>119,384,832</u>	<u>139,641,837</u>	<u>184,297,915</u>
Excess of Revenues Over (Under) Expenditures	(5,312,025)	(3,652,792)	(19,054,223)	(60,131,295)
Other Financing Sources (Uses):				
Debt Issued (Bonds, COPs, and Leases)	3,360,000	-	90,565,000	-
Refunding Debt Issued	-	-	14,695,000	-
Premium on Debt Issued	96,586	-	9,381,096	-
Payment on Refunding Bonds	-	-	(14,545,000)	-
Sale of Capital Assets	10,506	7,213	5,333	1,538,039
Insurance Recovery	-	-	-	-
Issuance of Subscription and Lease Liabilities	-	-	-	-
Transfers In	-	453,548	-	-
Transfers Out	-	(453,548)	-	-
Total Other Financing Sources (Uses)	<u>3,467,092</u>	<u>7,213</u>	<u>100,101,429</u>	<u>1,538,039</u>
Net Change in Fund Balances before Special Item	(1,844,933)	(3,645,579)	81,047,206	(58,593,256)
Special Item - Joint School Proceeds	-	-	8,918,771	-
Net Change in Fund Balances	<u>\$ (1,844,933)</u>	<u>\$ (3,645,579)</u>	<u>\$ 89,965,977</u>	<u>\$ (58,593,256)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>9.0%</u>	<u>9.2%</u>	<u>9.6%</u>	<u>12.6%</u>

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

		Fiscal Year									
		2018	2019	2020	2021	2022	2023				
\$	37,672,798	\$	38,196,912	\$	39,871,369	\$	38,645,741	\$	40,241,343	\$	48,204,764
	690,063		917,736		697,984		124,847		40,983		1,387,174
	11,582,255		12,180,612		10,088,143		5,884,058		9,967,948		12,911,708
	74,119,502		77,697,741		80,108,815		80,072,065		79,815,806		84,185,836
	<u>3,041,466</u>		<u>3,218,497</u>		<u>3,234,460</u>		<u>7,933,018</u>		<u>10,236,292</u>		<u>8,353,583</u>
	127,106,084		132,211,498		134,000,771		132,659,729		140,302,372		155,043,065
	3,544,839		3,628,235		3,596,442		4,097,721		3,622,133		3,775,598
	4,580,746		3,774,731		3,641,489		6,536,079		4,149,920		6,104,637
	46,326,515		46,434,301		45,094,688		50,819,375		50,609,133		52,405,506
	1,418,503		1,370,650		1,380,782		1,572,498		1,588,110		1,645,397
	18,706,782		19,527,685		20,222,013		21,209,377		22,697,664		24,402,349
	7,170,917		7,248,996		6,454,349		6,881,669		6,947,450		8,656,749
	11,854,935		12,112,530		12,089,424		12,830,283		12,122,290		17,987,073
	12,572,733		14,766,990		9,265,654		10,911,152		11,536,233		13,691,061
	282,149		298,619		418,172		497,990		484,668		610,378
	3,958,441		3,931,222		3,666,975		3,250,397		4,682,019		5,638,611
	6,127,808		7,021,549		6,998,035		5,839,448		7,498,242		7,875,149
	14,443,268		5,495,558		7,219,599		4,438,117		10,485,524		15,620,937
	6,255,000		6,325,000		6,715,000		7,065,000		7,437,325		8,346,444
	<u>4,447,910</u>		<u>4,344,823</u>		<u>4,319,771</u>		<u>3,882,187</u>		<u>3,834,296</u>		<u>3,605,380</u>
	<u>141,690,546</u>		<u>136,280,889</u>		<u>131,082,393</u>		<u>139,831,293</u>		<u>147,695,007</u>		<u>170,365,269</u>
	(14,584,462)		(4,069,391)		2,918,378		(7,171,564)		(7,392,635)		(15,322,204)
	-		-		-		-		7,265,000		-
	-		-		5,630,000		6,670,000		-		-
	-		-		424,079		522,665		104,660		-
	-		-		(5,970,000)		-		-		-
	66,820		900,912		1,134		-		1,780,217		115
	-		-		-		-		21,111		1,152,102
	-		-		-		-		-		2,429,429
	-		-		-		-		-		-
	-		-		-		-		-		-
	<u>66,820</u>		<u>900,912</u>		<u>85,213</u>		<u>7,192,665</u>		<u>9,170,988</u>		<u>3,581,646</u>
	(14,517,642)		(3,168,479)		3,003,591		21,101		1,778,353		(11,740,558)
	-		-		-		-		-		-
\$	<u>(14,517,642)</u>	\$	<u>(3,168,479)</u>	\$	<u>3,003,591</u>	\$	<u>21,101</u>	\$	<u>1,778,353</u>	\$	<u>(11,740,558)</u>
	<u>8.3%</u>		<u>8.4%</u>		<u>8.8%</u>		<u>8.2%</u>		<u>8.3%</u>		<u>7.8%</u>

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

Fiscal Year	Property Tax				Total
	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Community Service Special Revenue Fund	
2014	\$ 9,471,422	\$ 2,214,866	\$ 9,540,818	\$ 436,589	\$ 21,663,695
2015	21,228,874	3,556,087	9,626,968	892,596	35,304,525
2016	21,894,121	3,504,044	10,437,895	881,484	36,717,544
2017	26,092,174	-	9,865,167	925,078	36,882,419
2018	26,718,149	-	10,016,080	938,569	37,672,798
2019	27,016,038	-	10,239,037	941,837	38,196,912
2020	29,103,776	-	9,830,382	937,211	39,871,369
2021	27,443,738	-	10,237,264	964,739	38,645,741
2022	30,197,880	-	9,045,107	998,356	40,241,343
2023	37,746,806	-	9,466,992	990,966	48,204,764

Note: The change in “tax shift” as approved in legislation impacted the amount of tax revenue recognized in fiscal year 2014. Changes in the amount of revenue recognized due to the tax shift are offset by an adjustment to state aid payments by an equal amount.

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

For Taxes Collectible	Tax Capacity Valuation			
	Agricultural	Nonagricultural	Fiscal Disparities	
			Contribution	Distribution
2014	\$ 2,274,352	\$ 80,305,216	\$ (7,438,018)	\$ 5,569,812
2015	2,601,918	90,112,548	(7,063,639)	5,859,176
2016	2,600,534	92,862,246	(7,156,893)	5,841,005
2017	2,593,669	95,774,839	(7,588,432)	6,408,262
2018	2,613,556	102,233,253	(7,966,063)	6,782,970
2019	2,731,036	108,532,963	(8,572,046)	7,316,060
2020	2,825,150	118,614,081	(8,853,224)	8,019,195
2021	3,096,361	123,238,863	(9,043,983)	8,119,895
2022	2,991,935	131,060,064	(9,840,554)	8,868,220
2023	3,472,835	159,185,573	(10,504,452)	8,635,209

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

Source: State of Minnesota School Tax Report

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

<u>Tax Increment</u>	<u>Total Taxable</u>	<u>Total Direct Tax Rate</u>	<u>Taxable Market Value</u>	<u>Tax Capacity as a Percentage of Market Value</u>
\$ (1,515,947)	\$ 79,195,415	23.15	\$ 7,122,885,600	1.11
(1,615,626)	89,894,377	21.12	8,025,467,500	1.12
(1,610,290)	92,536,602	19.85	8,263,498,200	1.12
(1,603,853)	95,584,485	20.39	8,487,566,000	1.13
(1,750,111)	101,913,605	19.35	9,031,232,600	1.13
(2,005,329)	108,002,684	18.44	9,583,871,800	1.13
(2,530,386)	118,074,816	15.32	10,474,238,500	1.13
(2,680,161)	122,730,975	17.28	10,855,805,400	1.13
(2,852,184)	130,227,481	19.50	11,512,758,100	1.13
(2,843,948)	157,945,217	17.14	13,921,994,800	1.13

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

Rate	Tax Collection Calendar Year	ISD No. 834	Overlapping Rates				
			Municipalities (1)				
			Stillwater	Oak Park Heights	Bayport	Marine	Afton
Tax Capacity Rate	2014	23.150%	58.359%	59.641%	41.699%	57.734%	30.092%
Market Value Rate	2014	0.22687%	-	-	-	-	-
Tax Capacity Rate	2015	21.124%	54.916%	56.804%	40.468%	55.427%	27.737%
Market Value Rate	2015	0.19995%	-	-	-	-	-
Tax Capacity Rate	2016	19.849%	57.016%	57.726%	37.107%	56.752%	29.373%
Market Value Rate	2016	0.20618%	-	-	-	-	-
Tax Capacity Rate	2017	20.390%	56.927%	56.143%	39.410%	60.678%	32.300%
Market Value Rate	2017	0.19504%	-	-	-	-	-
Tax Capacity Rate	2018	19.349%	53.421%	54.462%	36.017%	55.060%	32.255%
Market Value Rate	2018	0.18938%	-	-	-	-	-
Tax Capacity Rate	2019	18.442%	54.288%	50.031%	33.954%	56.705%	32.983%
Market Value Rate	2019	0.19352%	-	-	-	-	-
Tax Capacity Rate	2020	15.321%	53.474%	50.176%	31.644%	56.338%	30.795%
Market Value Rate	2020	0.17594%	-	-	-	-	-
Tax Capacity Rate	2021	17.278%	52.486%	50.838%	33.792%	56.172%	32.025%
Market Value Rate	2021	0.16640%	-	-	-	-	-
Tax Capacity Rate	2022	19.502%	52.152%	51.753%	33.463%	59.002%	32.007%
Market Value Rate	2022	0.18360%	-	-	-	-	-
Tax Capacity Rate	2023	17.143%	49.146%	48.985%	28.965%	42.747%	27.111%
Market Value Rate	2023	0.15164%	-	-	-	-	-

- (1) Municipalities listed include those with district learning sites (current and former).
- (2) The miscellaneous other levy includes the Washington County HRA, Metropolitan Council, Metropolitan Mosquito, Transit District, Valley Branch Watershed, Rice Creek Watershed, Carnelian-Marine Watershed, South Washington Watershed, Browns Creek Watershed, Woodbury HRA, and Regional Rail Authority.

Source: Washington County

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

Lake Elmo	Lakeland	Woodbury	Washington County	Miscellaneous Other (2)	Total Stillwater Resident
27.761%	47.028%	38.076%	31.051%	18.145%	130.705%
-	-	0.02594%	-	-	0.22687%
23.798%	43.489%	34.657%	28.441%	16.640%	121.122%
-	-	0.01308%	-	-	0.19995%
23.121%	42.451%	35.287%	28.745%	16.586%	122.196%
-	-	0.01216%	-	-	0.20618%
20.018%	44.213%	35.122%	28.697%	15.025%	121.039%
-	-	0.01187%	-	-	0.19504%
22.442%	36.540%	33.670%	28.994%	17.723%	119.487%
-	-	0.01111%	-	-	0.18938%
22.927%	31.800%	33.177%	28.661%	19.659%	121.050%
-	-	0.00664%	-	-	0.19352%
23.477%	36.149%	32.489%	27.770%	18.916%	115.481%
-	-	0.00615%	-	-	0.17594%
23.638%	33.408%	32.298%	26.533%	19.210%	115.507%
-	-	0.00584%	-	-	0.16640%
30.546%	29.525%	32.217%	26.737%	18.518%	116.909%
-	-	0.00551%	-	-	0.18360%
24.064%	26.189%	28.599%	22.955%	15.696%	104.940%
-	-	0.00466%	-	-	0.15164%

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

Taxpayer	2023			2014		
	Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
Xcel Energy	\$ 7,213,867	1	4.57 %	\$ 8,044,002	1	10.16 %
City Walk TIC I, LLC et al	1,299,815	2	0.82	-	-	-
VSSA Boutwells Landing, LLC	1,246,154	3	0.79	765,570	4	0.97
Wal-Mart Real Estate Business Trust	885,806	4	0.56	1,001,733	2	1.26
Stillwater Health System	722,406	5	0.46	552,380	5	0.70
11200 Hudson, LLC	562,504	6	0.36	-	-	-
SOO Line Railroad Company	559,990	7	0.35	-	-	-
Crossroads Commerce Center, LLC	557,378	8	0.35	519,438	7	0.66
Andersen Corporation	552,586	9	0.35	793,702	3	1.00
SD Woodbury Property, LLC	550,110	10	0.35	-	-	-
Target Corporation	-	-	-	537,608	6	0.68
OPH PAT, LLC & OPH VAL, LLC	-	-	-	501,944	8	0.63
Rivertown Trading Company	-	-	-	475,879	9	0.60
Inland Woodbury Commons, LLC	-	-	-	457,511	10	0.58
Total	\$ 14,150,616		8.96	\$ 13,649,767		17.24

Source: Washington County

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

For Taxes Collectible	Original Levy				Collections	
	Local Spread	Fiscal Disparities	Property Tax Credits	Total Spread	First Year Levy Recognized	
					Amount	Percentage of Levy
2014	\$ 33,219,281	\$ 2,128,942	\$ -	\$ 35,348,223	\$ 34,978,729	99.0
2015	33,800,881	2,642,422	-	36,443,303	36,086,850	99.0
2016	34,215,394	2,349,208	-	36,564,602	36,332,635	99.4
2017	34,736,744	2,531,306	-	37,268,050	37,108,753	99.6
2018	35,455,695	2,642,264	-	38,097,959	37,885,063	99.4
2019	37,019,474	2,730,961	101,861	39,852,296	39,787,011	99.8
2020	35,176,324	2,956,006	114,318	38,246,648	37,981,535	99.3
2021	37,752,403	2,603,730	113,534	40,469,667	40,319,810	99.6
2022	44,725,526	2,929,929	115,404	47,770,859	47,464,320	99.4
2023	46,618,505	3,188,041	120,605	49,927,151	24,479,494	49.0

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

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

Source: State of Minnesota School Tax Report

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

Received in Subsequent Years	Total to Date		Uncollected Taxes Receivable as of June 30, 2023			
	Amount	Percentage of Levy	Delinquent		Current	
			Amount	Percent	Amount	Percent
\$ 369,494	\$ 35,348,223	100.0	\$ -	-	\$ -	-
356,453	36,443,303	100.0	-	-	-	-
231,967	36,564,602	100.0	-	-	-	-
87,899	37,196,652	99.8	71,398	0.2	-	-
203,554	38,088,617	100.0	9,342	0.0	-	-
53,789	39,840,800	100.0	11,496	0.0	-	-
235,934	38,217,469	99.9	29,179	0.1	-	-
113,887	40,433,697	99.9	35,970	0.1	-	-
-	47,464,320	99.4	306,539	0.6	-	-
-	24,479,494	49.0	-	-	25,447,657	51.0
			<u>\$ 463,924</u>		<u>\$ 25,447,657</u>	

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

Fiscal Year	Governmental Activities					Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Premium (Discount) on Bonds	Certificates of Participation	Leases and Subscriptions Payable	Total Primary Government		
2014	\$ 39,690,000	\$ 1,187,586	\$ 9,055,000	\$ -	\$ 49,932,586	4.91	\$ 810
2015	31,605,000	847,879	8,570,000	-	41,022,879	3.57	649
2016	113,990,000	9,637,255	8,075,000	-	131,702,255	12.85	2,062
2017	104,900,000	9,090,910	7,570,000	-	121,560,910	9.67	1,898
2018	99,165,000	8,598,598	7,050,000	-	114,813,598	N/A	1,793
2019	93,370,000	8,106,286	6,520,000	-	107,996,286	8.23	1,639
2020	87,205,000	7,816,244	5,630,000	-	100,651,244	8.00	1,469
2021	80,735,000	7,823,860	11,705,000	-	100,263,860	8.12	1,463
2022	81,265,000	4,808,949	11,155,000	-	97,228,949	N/A	1,422
2023	74,620,000	3,992,881	10,235,000	1,734,602	90,582,483	N/A	1,325

N/A – Not Available

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

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

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

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand	Net Bonded Debt	Market Value	Percent of Net Debt to Market Value	Estimated Population	Net Bonded Debt per Capita
2014	\$ 40,877,586	\$ 1,869,211	\$ 39,008,375	\$ 7,122,885,600	0.55	61,609	633
2015	32,452,879	1,772,888	30,679,991	8,025,467,500	0.38	63,225	485
2016	123,627,255	7,341,354	116,285,901	8,263,498,200	1.41	63,865	1,821
2017	113,990,910	2,151,560	111,839,350	8,487,566,000	1.32	64,046	1,746
2018	107,763,598	2,379,053	105,384,545	9,031,232,600	1.17	64,046	1,645
2019	101,476,286	2,962,013	98,514,273	9,583,871,800	1.03	65,883	1,495
2020	95,021,244	2,860,179	92,161,065	10,474,238,500	0.88	68,534	1,345
2021	88,558,860	3,240,252	85,318,608	10,855,805,400	0.79	68,534	1,245
2022	86,073,949	2,311,281	83,762,668	11,512,758,100	0.73	68,357	1,225
2023	78,612,881	2,226,079	76,386,802	13,921,994,800	0.55	68,357	1,117

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

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER AREA PUBLIC SCHOOLS
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2023
(UNAUDITED)**

Governmental Unit	2022-2023 Taxable Net Tax Capacity	Bonded Debt	Percent Allocable to ISD No. 834	Portion Allocable to ISD No. 834
Independent School District No. 834	\$ 157,945,216	\$ 78,612,881	100.00 %	\$ 78,612,881
Overlapping Debt:				
City of Afton	9,680,054	6,367,000	94.55	6,019,999
City of Bayport	5,580,098	2,145,000	100.00	2,145,000
City of Hugo	30,469,314	16,235,000	4.70	763,045
City of Lake Elmo	32,024,473	58,935,000	74.06	43,647,261
City of Lakeland	3,592,799	615,000	100.00	615,000
City of Marine	2,176,230	780,000	100.00	780,000
City of Oak Park Heights	12,900,634	3,995,000	100.00	3,995,000
City of Scandia	10,528,159	3,085,000	0.31	9,564
City of Stillwater	35,658,468	30,485,000	100.00	30,485,000
City of Woodbury	151,913,646	46,635,000	15.38	7,172,463
Northeast Metropolitan Intermediate School District No. 916	523,693,531	71,500,000	30.16	21,564,400
South Washington Watershed District	208,181,253	2,445,000	10.01	244,745
Washington County	458,762,027	108,685,000	34.43	37,420,246
Total Overlapping Debt				<u>154,861,722</u>
Total Direct and Overlapping Debt				<u>\$ 233,474,603</u>

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

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

Source: Washington County

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Limit	\$ 1,068,432,840	\$ 1,203,820,125	\$ 1,239,524,730	\$ 1,273,134,900	\$ 1,354,684,890
Total Net Debt Applicable to Limit	<u>37,820,789</u>	<u>29,832,112</u>	<u>106,648,646</u>	<u>102,748,440</u>	<u>96,785,947</u>
Legal Debt Margin	<u>\$ 1,030,612,051</u>	<u>\$ 1,173,988,013</u>	<u>\$ 1,132,876,084</u>	<u>\$ 1,170,386,460</u>	<u>\$ 1,257,898,943</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	3.54%	2.48%	8.60%	8.07%	7.14%

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

Source: State of Minnesota School Tax Report

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

Fiscal Year				
2019	2020	2021	2022	2023
\$ 1,437,580,770	\$ 1,571,135,775	\$ 1,628,370,810	\$ 1,726,913,715	\$ 2,088,299,220
<u>90,407,987</u>	<u>84,344,821</u>	<u>77,494,748</u>	<u>78,953,719</u>	<u>72,393,921</u>
<u>\$ 1,347,172,783</u>	<u>\$ 1,486,790,954</u>	<u>\$ 1,550,876,062</u>	<u>\$ 1,647,959,996</u>	<u>\$ 2,015,905,299</u>
6.29%	5.37%	4.76%	4.57%	3.47%

Legal Debt Margin Calculation for Fiscal Year 2023

Market Value	\$ 13,921,994,800
Debt Limit (15% of Market Value)	2,088,299,220
Debt Applicable to Limit:	
General Obligation Bonds	74,620,000
Less Amount Set Aside for Repayment of General Obligation Debt	<u>(2,226,079)</u>
Total Net Debt Applicable to Limit	<u>72,393,921</u>
Legal Debt Margin	<u>\$ 2,015,905,299</u>

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

Fiscal Year	City of Stillwater			Total ISD No. 834 Population (3)	School Enrollment (4)	Washington County Unemployment Rate (5)
	Population (1)	Personal Income (1)	Per Capita Personal Income (2)			
2014	18,892	\$ 1,017,013,000	\$ 53,833	61,609	8,497	3.6
2015	19,754	1,148,952,000	58,163	63,225	8,439	3.2
2016	19,693	1,025,218,000	52,060	63,865	8,352	3.3
2017	19,748	1,257,572,000	63,681	64,046	8,450	3.0
2018	19,915	N/A	N/A	64,046	8,342	2.6
2019	20,600	1,311,829,000	63,681	65,883	8,433	2.8
2020	19,767	1,258,782,000	63,681	68,534	8,451	5.7
2021	19,394	1,235,029,000	63,681	68,534	8,181	3.3
2022	19,464	1,493,531,000	76,733	68,357	8,102	2.3
2023	N/A	N/A	N/A	68,357	8,155	2.7

N/A – Not Available

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

Note 2: Unemployment rate for 2023 is an average through July 2023.

Sources:

- (1) City of Stillwater's comprehensive annual financial report for the year ended December 31, 2022
- (2) The per capita personal income used is for that of Washington County, in which the City of Stillwater resides
- (3) Annual school district census and U.S. Census
- (4) The District
- (5) Minnesota Department of Employment and Economic Development

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

Employees (1)	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District Directors/Superintendent	10	11	12	12	14	14	13	14	14	14
Principals	17	17	18	19	17	17	17	17	17	17
Teachers	548	523	522	524	566	564	568	592	596	594
Coordinators, Supervisors, Specialists, and Technical Support	105	105	99	105	116	111	109	112	113	119
Paraprofessionals	197	191	205	208	177	187	196	199	190	190
Food Service	74	72	68	68	66	70	78	69	72	73
Custodians	52	52	53	52	56	56	53	56	64	55
Community Education Leads and Assistants	56	59	72	88	85	124	115	74	101	99
Total	1,059	1,030	1,049	1,076	1,097	1,143	1,149	1,133	1,167	1,161

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

Source: The District's Human Resources Department

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 TEACHER DATA
 YEAR ENDED JUNE 30, 2023
 (UNAUDITED)**

	Salary Schedule				
	BA	BA + 15	BA + 30	BA + 45	BA + 60
Low Range	\$ 47,520	\$ 49,279	\$ 51,061	\$ 52,879	\$ 54,728
High Range	\$ 70,905	\$ 73,845	\$ 79,802	\$ 83,221	\$ 90,988
Number of Teachers	43	10	10	11	39
Average Salary	\$ 87,709				
Average Education		MA + 30			
Number of Full-Time Equivalents	573				

N/A – Not Applicable

Source: The District's Human Resources Department

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 TEACHER DATA (CONTINUED)
 YEAR ENDED JUNE 30, 2023
 (UNAUDITED)**

Salary Schedule							
MA	MA + 15	MA + 30	MA + 45	MA + 60	PHD / EdD	Total	
\$ 54,728	\$ 55,635	\$ 56,548	\$ 57,460	\$ 58,384	\$ 59,308	N/A	
\$ 90,988	\$ 93,043	\$ 94,687	\$ 96,356	\$ 98,034	\$ 99,711	N/A	
102	34	64	48	208	9	578	

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

Fiscal Year	ISD No. 834 Student to Teacher Ratios (1)	Minnesota Department of Education Student to Staff Ratio (2)		
		ISD No. 834	Washington County Average	State Average
2014	17.86	15.01	13.85	12.82
2015	18.99	15.75	14.21	12.56
2016	19.25	16.00	14.42	12.69
2017	18.53	15.37	13.66	12.49
2018	18.01	14.90	13.92	12.45
2019	18.36	15.17	14.07	12.36
2020	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A
2023	N/A	N/A	N/A	N/A

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

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

(N/A) MDE Data is not available

Source: Minnesota Department of Education

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Standardized Tests					
MCA Reading (1)					
Grade 3	68 %	73 %	68 %	68 %	63 %
Grade 5	78	76	81	75	80
Grade 7	68	70	70	68	64
Grade 10	68	72	67	71	73
MCA Math (1)					
Grade 3	81	83	83	80	76
Grade 5	67	65	68	66	59
Grade 7	67	68	68	65	64
Grade 11	65	60	52	62	58
ACT (2)					
Average Composite Score	24.5	24.7	22.6	22.4	22.3
Graduation Data (3)					
ISD No. 834's Graduation Rate	89	87	86	89	92
State Graduation Rate	81	82	83	83	83
Post-Graduation Student Survey					
Four-Year College/University	80	73	73	75	73
Two-Year College	10	16	15	16	15
Employment	3	4	5	2	5
Military	2	3	2	6	2
No Response/Undecided	5	5	5	1	5
Gap Year					
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

N/A – Not Available

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

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

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

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

Fiscal Year				
2019	2020	2021	2022	2023
59 %	N/A %	52 %	51 %	49 %
77	N/A	63	58	70
70	N/A	57	57	50
73	N/A	67	59	57
73	N/A	66	68	65
57	N/A	39	46	45
68	N/A	52	54	51
51	N/A	55	42	40
22.5	23.1	23.9	24.1	21.8
95	94	91	93	-
84	84	83	84	-
70	N/A	70	69	68
17	N/A	14	14	13
4	N/A	4	4	3
3	N/A	3	2	2
6	N/A	9	11	10
				4
<u>100 %</u>	<u>- %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

**INDEPENDENT SCHOOL DISTRICT NO. 834
 STILLWATER AREA PUBLIC SCHOOLS
 SCHOOL FACILITIES
 JUNE 30, 2023
 (UNAUDITED)**

Facility	Use	Constructed	Acres	Classrooms	Square Footage	Capacity	Enrollment (1)
Afton Lakeland Elementary	School	1951/1954/1965/ 1968/1980/2001	17.00	24	63,368	500	474
Andersen Elementary	School	1919/1937/1946/ 1980/1997/2014	1.13	16	49,840	375	335
Brookview Elementary	School	2017 / 2022	20.00	28	86,960	575	571
Central Services	Office / Warehouse	1975	6.50	N/A	16,139	N/A	N/A
Early Childhood Family Center	School	2012	2.00	17	45,685	255	N/A
Lake Elmo Elementary	School	1920/1952/1954/ 1959/1963/1969/ 1976/1987/1988/ 1996/2010	8.70	36	82,570	675	653
Lily Lake Elementary	School	1963/1966/1969/ 1990/1993	12.00	31	73,088	525	414
Oak Park Elementary	School	1956/1963/1975/ 1996/2001/2014	12.70	26	65,781	500	N/A
Oak-Land Middle	School	1967/1969/2016	40.00	45	135,238	1,095	934
Rutherford Elementary	School	1998	16.00	29	106,998	675	555
Stillwater Area High	School	1993/2001/2017	131.88	110	491,125	2,950	2,756
Stillwater Middle	School	1959/1965/1969/ 1979/1993/2014	40.00	51	212,924	1,244	964
Stonebridge Elementary	School	1971 / 1997	12.00	28	65,089	575	421
Transportation Facility	Office / Maintenance	2001	11.00	N/A	17,100	N/A	N/A

N/A – Not Available

(1) Enrollment data from October 1, 2022

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

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

<u>Fiscal Year</u>	<u>Total Lunches Served</u>	<u>Days</u>	<u>Average Daily Participation</u>	<u>Free Lunch</u>		<u>Reduced Lunch</u>	
				<u>Number Served</u>	<u>Percent of Total</u>	<u>Number Served</u>	<u>Percent of Total</u>
2014	769,864	167	4,610	130,637	16.97	41,084	5.34
2015	762,295	173	4,406	134,115	17.59	46,416	6.09
2016	750,615	173	4,344	131,892	17.57	40,893	5.45
2017	718,089	171	4,199	131,214	18.27	39,860	5.55
2018	685,616	171	4,009	128,479	18.74	43,997	6.42
2019	695,879	167	4,167	125,912	18.09	46,955	6.75
2020	581,250	218	2,666	174,770	30.07	38,819	6.68
2021	184,901	199	929	184,901	100.00	-	0.00
2022	819,229	172	4,763	819,229	100.00	-	0.00
2023	771,586	168	4,593	173,847	22.53	38,279	4.96

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

Source: The District's Food Service Department

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

Year Ended June 30,	Average Daily Membership (ADM) (for Students Served or Tuition Paid)					Total Pupil Units
	Pre-Kindergarten and Handicapped Kindergarten	Kindergarten	Elementary	Secondary	Total	
2014	145.28	465.49	3,808.19	4,078.24	8,497.20	9,890.12
2015	139.50	546.31	3,694.85	4,058.48	8,439.14	9,250.82
2016	149.69	477.26	3,657.63	4,067.90	8,352.48	9,166.06
2017	144.04	495.45	3,648.54	4,161.82	8,449.85	9,282.13
2018	146.66	493.72	3,522.57	4,179.34	8,342.29	9,178.17
2019	178.37	506.73	3,530.51	4,217.63	8,433.24	9,276.77
2020	193.80	487.48	3,619.35	4,150.19	8,450.82	9,280.87
2021	171.98	450.98	3,470.88	4,086.94	8,180.78	8,998.17
2022	191.43	449.13	3,416.09	4,045.18	8,101.83	8,910.85
2023	204.07	478.69	3,501.91	3,967.07	8,151.74	8,945.15

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

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

	Pre-Kindergarten	Handicapped Kindergarten	Half-Day Kindergarten	Full-Day Kindergarten	Elementary 1-3	Elementary 4-6	Secondary
Fiscal 2014 through 2016	1.250	1.000	0.612	0.612	1.115	1.060	1.300
Fiscal 2017 through 2023	1.000	1.000	0.550	1.000	1.000	1.000	1.200

Source: Minnesota Department of Education student reporting system as of September 2, 2023

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

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

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

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

Source: Minnesota Department of Education School District Profiles Report



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

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 675	\$ 557	\$ 558	\$ 988	\$ 631	\$ 882
387	399	396	415	436	445
5,217	5,190	5,042	5,917	5,910	6,041
169	161	162	203	195	201
2,226	2,298	2,379	2,576	2,784	2,973
249	253	258	245	292	329
754	751	658	727	739	938
490	523	507	546	617	733
939	958	902	1,110	1,181	1,194
924	907	918	1,016	873	1,463
274	553	484	497	550	1,516
468	415	337	390	386	636
<u>\$ 12,772</u>	<u>\$ 12,965</u>	<u>\$ 12,600</u>	<u>\$ 14,630</u>	<u>\$ 14,594</u>	<u>\$ 17,351</u>
<u>8,376</u>	<u>8,463</u>	<u>8,474</u>	<u>8,206</u>	<u>8,127</u>	<u>8,183</u>