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# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

FOR THE FISCAL YEAR  
ENDED – JUNE 30, 2022



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## **MONTICELLO SCHOOL DISTRICT**

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

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INDEPENDENT SCHOOL DISTRICT NO. 882  
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## **INTRODUCTORY SECTION**



**MONTICELLO PUBLIC SCHOOLS**  
Independent School District No. 882

302 Washington Street  
Monticello, Minnesota 55362  
[www.monticello.k12.mn.us](http://www.monticello.k12.mn.us)

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

Date: November 28, 2022

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

## **INTRODUCTION**

The Annual Comprehensive Financial Report (ACFR) of Independent School District No. 882, Monticello, Minnesota (the District) for the fiscal year ended June 30, 2022 is presented for your information and review. The ACFR is intended to fully disclose the financial position of the District and the results of operations for the fiscal year. The District administration accepts total responsibility for the accuracy, completeness, and fairness in presentation of the enclosed financial reports. Questions and comments are solicited and welcome.

## **REPORT FORMAT**

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

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

## **DISTRICT ORGANIZATION**

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

*Monticello School District is an equal opportunity employer.*

## **DISTRICT ORGANIZATION (CONTINUED)**

The District enrolled 4,206 ADM's (Average Daily Membership) from a population of over 21,304 citizens residing in a 100 square mile area. During 2021-22 the District operated and owned 5 buildings and leased 1 building with a total square footage of 1,017,785 square feet having an average age of 32.78 years: 1 high school, 1 alternative high school, 1 middle school, 2 elementary schools, and 1 early childhood building. This does not include the outdoor space the District leased to start a Nature Base program for Preschool through Grade 5. The District is organized by grade level with elementary schools serving students in kindergarten through Grade 5, middle school serving Grades 6- 8, and the high schools serving Grades 9-12.

### **Mission**

Using the strategic priorities of Teaching and Learning, Collaborative Connections, Innovation and Leadership, and Safe and Healthy Culture, the Monticello School District is committed to producing Resilient Learners, Critical Thinkers, Effective Communicators, and Persons of Integrity.

### **Vision of a Learner**

The Monticello School District, in collaboration with the Monticello community, has established four key attributes that we believe every child should master by the time they walk across the stage as a graduate of Monticello High School. Each of these attributes will be measured by a variety of observables at each level of our school district. If we successfully educate Every Kid, Every Day, our students will exhibit characteristics and tendencies as well as measurable outcomes. Meanwhile, our educators will design tasks and lessons and engage with students in a way that creates observable impact in guiding our students toward these attributes.

- Effective Communicator – learners can communicate and collaborate with purpose and intent in a variety of modes and formats through effective reading, writing, listening and speaking skills.
- Critical Thinker – learners can apply knowledge to analyze, plan, and communicate solutions to real-life, complex challenges.
- Resilient Learner – learners take risks by creating rigorous goals, persist through challenges, and bounce back when they encounter setbacks.
- Person of Integrity – learners make ethical decisions by carefully considering how their words, actions, thoughts, and habits shape their character and affect their community and environment.

## **REPORTING ENTITY**

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

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## **REPORTING ENTITY (CONTINUED)**

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

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

## **FINANCIAL STATEMENTS**

The financial statements contained in this report disclose the financial position of the District as of June 30, 2022, and the financial operations for the fiscal year then ended. The District's financial records and reports are maintained and prepared on a modified or full accrual basis of accounting in accordance with the Uniform Financial Accounting and Reporting System for Minnesota School Districts as well as the standards of the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. These records are audited annually by an independent certified public accountant as required by Minnesota law. The audited financial report must be provided by the Minnesota Department of Education by December 31, subsequent to year-end on June 30. The accounting firm of CliftonLarsonAllen LLP performed the audit for the 2021-22 fiscal year. Their report is included in the financial section of this report. The auditor has given unmodified opinions on the District's financial statements. An unmodified opinion means that, in the judgment of the auditor, the financial statements present fairly, in all material respects, the financial position of the District and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

## **FEDERAL SINGLE AUDIT AND STATE COMPLIANCE AUDIT**

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

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## ACCOUNTING AND BUDGETING

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

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

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

School Board is required to adopt the budget by June 30<sup>th</sup> of each year for the following fiscal year prior to July 1. In the winter the budget is revised based upon enrollment changes, effects of negotiated employee contracts, or other new information impacting revenues or expenditures. The revised budget is presented to the School Board for approval. To accurately track and report financial activities with a focus on site-based accounting, approximately 9,270 accounts have been defined in the District's chart of accounts. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end.

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## **FINANCIAL PROSPECTS FOR FUTURE YEARS**

The Monticello School Board has focused on rebuilding the unassigned fund balance of the General Fund from its FY 2006 low point of - \$426,605, or -1.44% of its General Fund expenditures according to the School Board policy 714. The General Fund unassigned and nonspendable fund balance as of June 30, 2022 is \$4,244,262, or 8.12%. The Monticello School Board approved a deficit budget going into the 2021-2022 school year, but the District experienced some enrollment gains and flat health insurance rates to improve the revised budget. Additional stimulus funds received from the State and Federal government provided the District some short-term financial stability.

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

The District's finances are largely dependent on student enrollment. Monticello has been experiencing relatively flat enrollment from FY 2012 to FY 2022 with enrollment changes ranging from -2.5% decline to +2.3% growth over this 10-year period. Based on the number of Wright county births from the previous 5 years and new housing permits in the city of Monticello, this trend is expected continue for the next five years, resulting small overall changes in the revenue budget.

## **ECONOMIC FACTORS**

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

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

The November 2021 forecast from Minnesota Management and Budget projected a \$7.7 billion surplus for the FY2022-23 biennium. Estimates for state spending are down slightly, but strong growth in income, consumer spending, and profits drove extraordinary revenue growth in FY 2021. When the February 2022 forecast was announced, the projected outlook improved to a projected surplus of \$9.3 billion for the FY2022-23 biennium. Similar to the November forecast, the improved February forecast is a result of higher income, consumer spending, and corporate profits. However, inflation and geopolitical conflict pose some risk to the forecast. The Legislature approved basic funding formula increases of 2.45% for FY 2022 and 2.00% for FY 2023. The metered payment schedule is currently at 90% where it should be, and the District is in a very good cash flow position.

*Monticello School District is an equal opportunity employer.*

## **ECONOMIC FACTORS (CONTINUED)**

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

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

## **MAJOR INITIATIVES**

As with Vision of a Learner and Strategic Priorities, Multi-tiered System of Support (MTSS) is a core aspect of our Strategic Plan. It's the driving force behind how we connect resources to student support. And, it's the system that we utilize to meet the differing needs of every learner in the Monticello School District – whether those needs are academic, developmental, social, emotional, or other.

MTSS, in short, is a framework commonly used by schools to give targeted support to students who are struggling. It helps identify roadblocks to student success and intervene in the early stages to ensure successful outcomes for all students. One of the many benefits of MTSS is that it provides unification across the district, allowing a system of support and initiatives that carry through from the time our young learners enter Eastview Education Center all the way until our Seniors walk across the Graduation Stage at Memorial Stadium. Additionally, by providing the data that comes with an overarching system that stretches across buildings and grades, MTSS assists us in identifying problematic trends in the early stages. This research will allow us to be proactive rather than reactive, and will help us address achievement gaps while also providing the opportunities needed to continue to lift our high achievers even higher.

*Monticello School District is an equal opportunity employer.*

## **AWARDS AND ACKNOWLEDGEMENTS**

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

This report has been prepared following the guidelines provided by the Association of School Business Officials International (ASBO) for their Certificate of Excellence in Financial Reporting Program. In order to receive this award, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report (ACFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements. The District received the ASBO Certificate of Excellence in Financial Reporting for excellence in the preparation and issuance of the District's ACFR for the year ended June 30, 2021. It is the seventh consecutive year the District has received the award.

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

Sincerely,

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

Tina Burkholder,  
Director of Business Services



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

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

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

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



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

**William A. Sutter  
President**

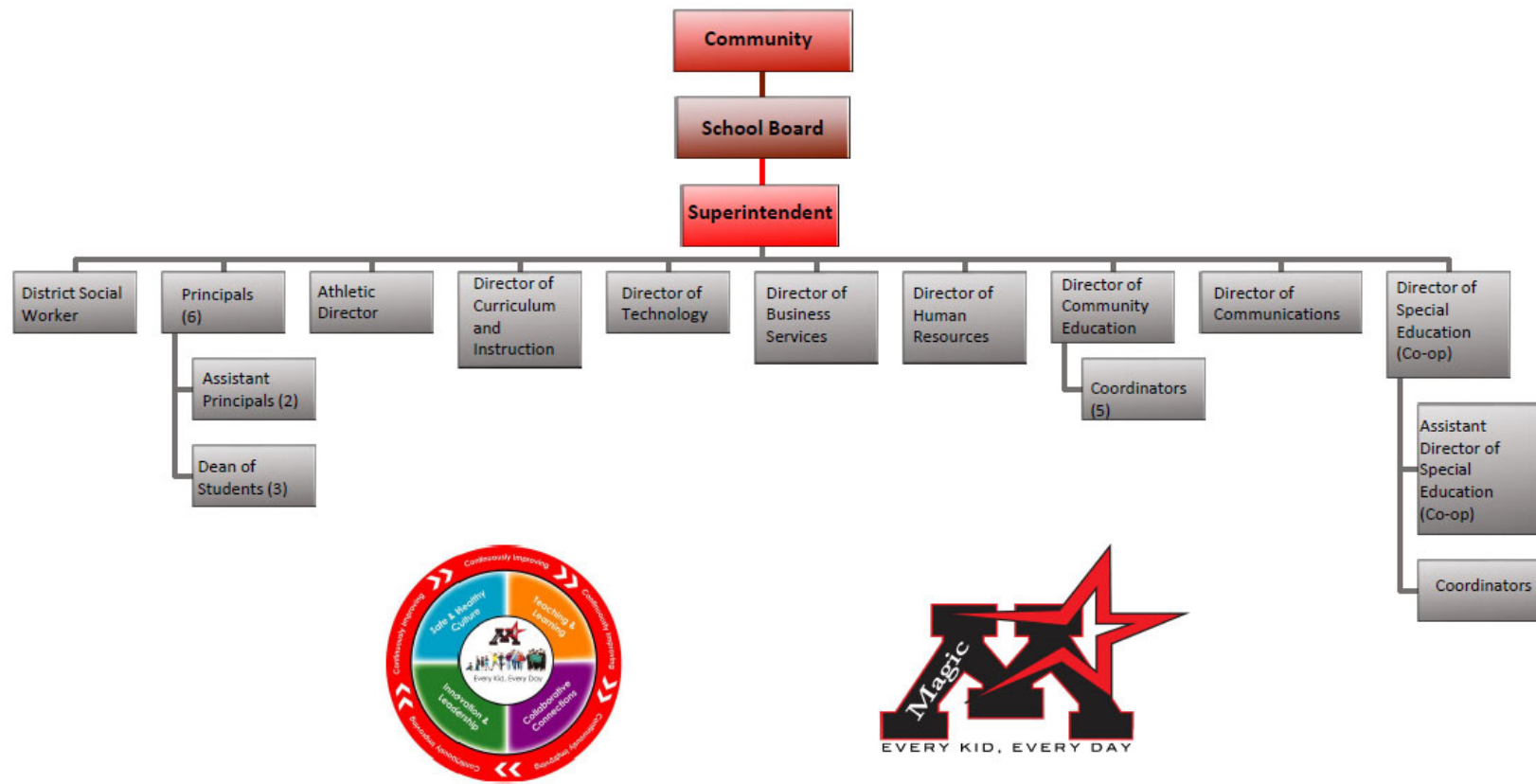
A handwritten signature in black ink, appearing to read 'David J. Lewis'.

**David J. Lewis  
Executive Director**

# Monticello School District 882

Every Kid, Every Day

## Organizational Chart



**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
SCHOOL BOARD AND ADMINISTRATION  
JUNE 30, 2022**

**SCHOOL BOARD**

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

**ADMINISTRATION**

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

## **FINANCIAL SECTION**





## INDEPENDENT AUDITORS' REPORT

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

### Report on the 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. 882 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District'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 the District, as of June 30, 2022, 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 the District 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.

#### ***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 the District'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 the District'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 the District'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, General Fund – Statement of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual, Food Service Fund – Statement of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual, Community Service Fund – Statement of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual, the Schedule of Changes in the District's Supplemental Pension Liability and Related Ratios, the Schedule of Changes in the District's Net OPEB Liability and Related Ratios, Schedule of Money Weighted Rate of Return on OPEB Plan Assets, the Schedule of District's Proportionate Share of the Net Pension Liability, and Schedule of District Contributions 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 the District's basic financial statements. The uniform financial accounting and reporting standards compliance table is presented for purposes of additional analysis and is 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 uniform financial accounting and reporting standards compliance table is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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


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

### **Report on Summarized Comparative Information**

We have previously audited the District's 2021 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated November 18, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
November 28, 2022

## **REQUIRED SUPPLEMENTARY INFORMATION**

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

This section of Monticello Schools — Independent School District No. 882's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022; it is meant to be read in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS**

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

- Net position increased from (\$34,035,441) to (\$30,612,300) mainly due to a change in assumption for pension.
- The net position improved and increased by \$3,423,141 from June 30, 2021, with total revenues of \$75,825,809 and total expenses of \$72,402,668.
- Overall General Fund revenues and other financing sources were \$63,201,830 as compared to \$62,986,338 of expenditures.
- The District's governmental fund revenues and other financing sources were more than expenditures in the current year by \$1,222,724 which caused an increase in overall fund balance.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

**District-Wide Statements**

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

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

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

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

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

**Fund Financial Statements**

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

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

The District has three kinds of funds:

- *Governmental Funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information following the governmental funds statements that explain the relationship (or differences) between them.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

**Fund Financial Statements (Continued)**

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

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

**Net Position**

The District's *combined* net position was (\$30,612,300) on June 30, 2022. This was an increase of \$3,423,141 (see Table A-1).

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

	Governmental Activities		Percentage
	2022	2021	Change
Current and Other Assets	\$ 31,609,939	\$ 30,156,520	4.82 %
Capital and Noncurrent Assets	68,369,249	71,837,105	(4.83)
Total Assets	99,979,188	101,993,625	(1.98)
Deferred Outflows of Resources	18,477,815	20,447,241	(9.63)
Current Liabilities	11,946,672	11,626,855	2.75
Long-Term Liabilities	83,112,963	102,389,870	(18.83)
Total Liabilities	95,059,635	114,016,725	(16.63)
Deferred Inflows of Resources	54,009,668	42,459,582	27.20
Net Position:			
Net Investment in Capital Assets	23,126,264	25,109,224	(7.90)
Restricted	5,722,046	4,153,779	37.76
Unrestricted	(59,460,610)	(63,298,444)	(6.06)
Total Net Position	<u>\$ (30,612,300)</u>	<u>\$ (34,035,441)</u>	

The District's change in financial position is the product of many factors. Deferred inflows of resources increased approximately \$11.5 million and deferred outflows of resources decreased approximately \$2.0 million due to a change in pension assumptions. Long-term liabilities decreased approximately \$19.2 million due to paying down on outstanding debt.



**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

**Changes in Net Position**

The District's total revenues were \$75,825,809 for the year ended June 30, 2022. Property taxes and state formula aid accounted for 59% of total revenue for the year.

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

	Governmental Activities		Total %
	2022	2021	Change
<b>Revenues</b>			
<u>Program Revenues</u>			
Charges for Services	\$ 14,005,347	\$ 12,590,155	11.24 %
Operating Grants and Contributions	15,309,899	14,070,478	8.81
Capital Grants and Contributions	622,020	631,212	(1.46)
<u>General Revenues</u>			
Property Taxes	12,682,476	12,391,520	2.35
Unrestricted State Aid	31,982,691	30,770,967	3.94
Investment Earnings	21,794	6,182	252.54
Other	1,201,582	1,148,966	4.58
Total Revenues	75,825,809	71,609,480	5.89
<b>Expenses</b>			
Administration	1,446,860	1,796,368	(19.46)
District Support Services	1,194,033	1,139,688	4.77
Regular Instruction	26,627,940	28,570,755	(6.80)
Vocational Education Instruction	1,723,254	1,638,491	5.17
Special Education Instruction	16,488,857	18,161,827	(9.21)
Instructional Support Services	3,603,730	3,264,499	10.39
Pupil Support Services	4,648,270	4,378,701	6.16
Sites and Buildings	6,044,334	5,942,591	1.71
Fiscal and Other Fixed Cost Programs	931,888	856,818	8.76
Food Service	2,837,796	2,095,506	35.42
Community Service	4,647,298	4,191,681	10.87
Unallocated - Depreciation	969,107	981,124	(1.22)
Interest and Fiscal Charges on Long-Term Liabilities	1,239,301	1,292,201	(4.09)
Total Expenses	72,402,668	74,310,250	(2.57)
<b>Change in Net Position</b>	3,423,141	(2,700,770)	
Net Position - Beginning of Year	(34,035,441)	(31,334,671)	
Net Position - End of Year	<u>\$ (30,612,300)</u>	<u>\$ (34,035,441)</u>	

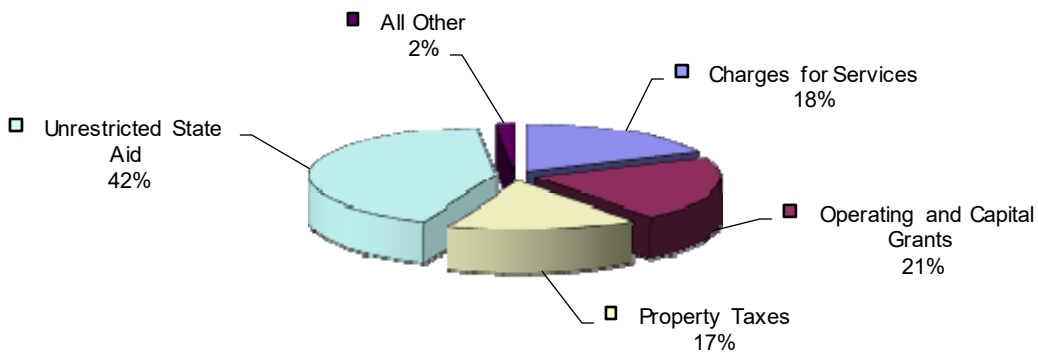
The total cost of all programs and services, including interest and fiscal charges, was approximately \$72.4 million. Total revenues exceeded expenses, increasing net position \$3,423,141 over last year.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

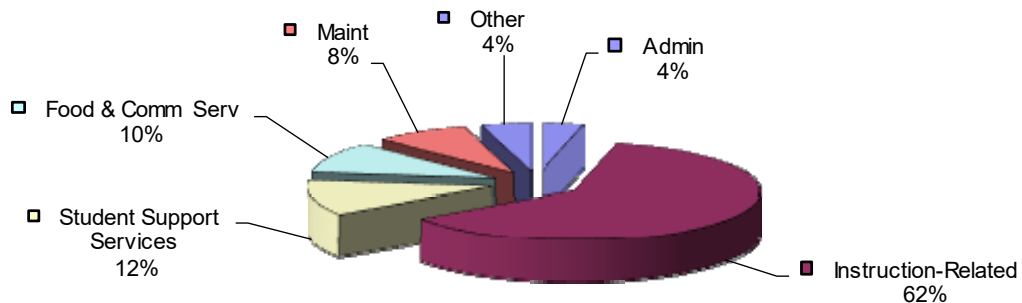
The cost of all *governmental* activities this year was \$72,402,668 as shown in Figure A-1.

- Some of the cost was paid by the users of the District's programs (\$14,005,347).
- The federal and state governments subsidized certain programs with grants and contributions (\$15,931,919).
- A significant portion of governmental activities was paid for with \$12,682,476 in property taxes, \$31,982,691 of unrestricted state aid based on the statewide education aid formula, and \$1,223,376 with investment earnings and other general revenues.

**Figure A-1  
Sources of District's Revenues for Fiscal 2022**



**Figure A-2  
District Expenses for Fiscal 2022**



**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

Typically, the District does not include in an analysis of all governmental funds a breakout of expenditures as depicted in Figure A-2. To do so, distorts the latitude available to the District to allocate resources to instruction. All governmental funds includes not only funds received for the general operation of the District, which are used for classroom instruction, but also includes resources from the entrepreneurial-type funds of Food Service and Community Education, and from resources for fiscal service transactions. Funding for the general operation of the District is controlled by the state and the District does not have the latitude to allocate money received in Food Service, Community Education or for fiscal services to enhance classroom instruction resources. The District cannot take funds from these restricted areas and use the funds to hire teachers to enhance instruction. The preceding graph, by pooling all expenditures, implies that the District does have equal access to all funds to impact classroom instruction. In Minnesota, that is simply not an option. Therefore, a more accurate analysis of resources allocated to instruction should be limited to an analysis of resources received for the general operation of the District and that analysis would show that 74% of those resources are spent on instruction-related and student support services.

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

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2022	2021		2022	2021	
Administration	\$ 1,446,860	\$ 1,796,368	(19.46)%	\$ 1,446,860	\$ 1,786,056	(18.99)%
District Support Services	1,194,033	1,139,688	4.77	1,168,723	1,115,111	4.81
Regular Instruction	26,627,940	28,570,755	(6.80)	20,779,626	23,414,005	(11.25)
Vocational Education Instruction	1,723,254	1,638,491	5.17	1,719,966	1,631,347	5.43
Special Education Instruction	16,488,857	18,161,827	(9.21)	1,235,516	2,807,883	(56.00)
Instructional Support Services	3,603,730	3,264,499	10.39	3,390,489	2,991,137	13.35
Pupil Support Services	4,648,270	4,378,701	6.16	4,433,246	4,161,399	6.53
Sites and Buildings	6,044,334	5,942,591	1.71	5,876,763	5,769,906	1.85
Fiscal and Other Fixed Cost Programs	931,888	856,818	8.76	931,888	856,818	8.76
Food Service	2,837,796	2,095,506	35.42	(683,685)	(202,556)	237.53
Community Service	4,647,298	4,191,681	10.87	(42,398)	413,974	(110.24)
Unallocated - Depreciation	969,107	981,124	(1.22)	969,107	981,124	(1.22)
Interest and Fiscal Charges on Long-Term Liabilities	1,239,301	1,292,201	(4.09)	1,239,301	1,292,201	(4.09)
Total	<u>\$ 72,402,668</u>	<u>\$ 74,310,250</u>	(2.57)	<u>\$ 42,465,402</u>	<u>\$ 47,018,405</u>	(9.68)

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

The financial performance of the District as a whole is reflected in its governmental funds as well and has increased from the previous year. As the District completed the year, its governmental funds reported a *combined* fund balance of \$11,354,689 which is \$1,222,724 higher than last year's ending fund balance of \$10,131,965. Revenues and other financing sources for the District's governmental funds were \$75,585,856 while total expenditures were \$74,363,532.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

**GENERAL FUND**

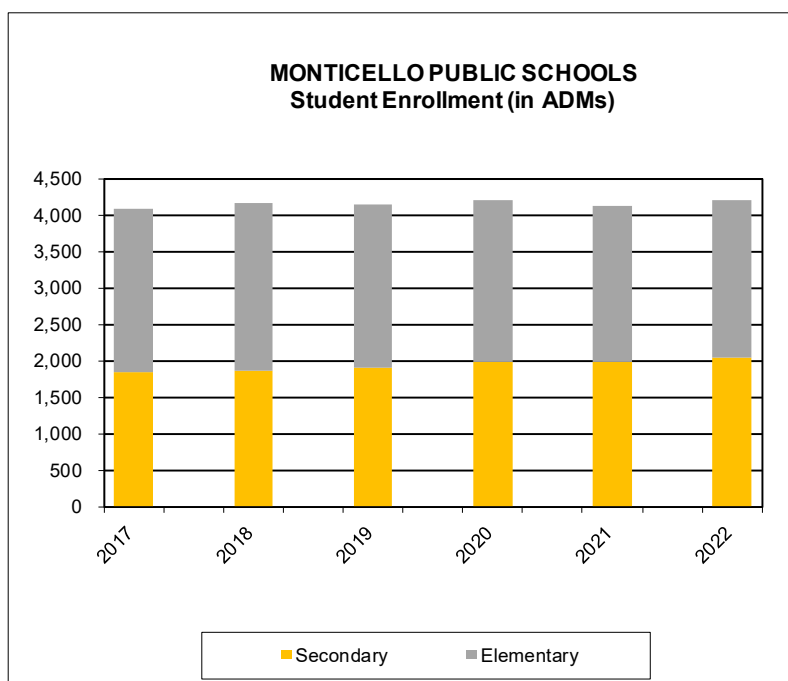
The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through grade 12 including pupil transportation activities and capital outlay projects. General Fund operational revenue is controlled by a complex set of state funding formulas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

**ENROLLMENT**

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

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

	2017	2018	2019	2020	2021	2022
Elementary	2,244	2,296	2,231	2,210	2,125	2,160
Secondary	1,833	1,864	1,909	1,986	1,988	2,046
Total Students for Aid	<u>4,077</u>	<u>4,160</u>	<u>4,140</u>	<u>4,196</u>	<u>4,113</u>	<u>4,206</u>
Percent Change	(1.02)%	2.04 %	(0.48)%	1.35 %	(1.98)%	2.26 %



In 2022, the District experienced an increase in enrollment served of 93 ADMs.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

The following schedule presents a summary of General Fund Revenues.

**Table A-5  
General Fund Revenues**

Fund	Year Ended		Change	
	June 30, 2022	June 30, 2021	Increase (Decrease)	Percent
Local Sources:				
Property Taxes	\$ 8,936,490	\$ 8,713,835	\$ 222,655	2.6 %
Earnings on Investments	12,847	3,477	9,370	269.5
Other	11,830,994	10,996,031	834,963	7.6
State Sources	37,929,436	36,398,266	1,531,170	4.2
Federal Sources	4,465,196	4,601,387	(136,191)	(3.0)
Total General Fund Revenue	<u>\$ 63,174,963</u>	<u>\$ 60,712,996</u>	<u>\$ 2,461,967</u>	4.1

Total General Fund Revenue increased by \$2,461,967 or 4.1% from the previous year. This was mainly due to revenue from State Sources increasing \$1.5 million due to higher enrollment.

The following schedule presents a summary of General Fund Expenditures.

**Table A-6  
General Fund Expenditures**

	Year Ended		Amount of Increase (Decrease)	Percent Increase (Decrease)
	June 30, 2022	June 30, 2021		
Salaries	\$ 35,533,506	\$ 34,799,920	\$ 733,586	2.1 %
Employee Benefits	15,775,318	15,345,753	429,565	2.8
Purchased Services	7,247,143	6,579,794	667,349	10.1
Supplies and Materials	2,869,314	2,642,794	226,520	8.6
Capital Expenditures	999,761	884,799	114,962	13.0
Other Expenditures	561,296	480,164	81,132	16.9
Total Expenditures	<u>\$ 62,986,338</u>	<u>\$ 60,733,224</u>	<u>\$ 2,253,114</u>	3.7

Total General Fund Expenditures increased \$2,253,114 from the previous year. This was mainly due to salary and benefit contract changes. The District also had an increase in purchased services due to improvements to roofs and replacement of playgrounds and parking lots as well as an increase in utility costs.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

In 2021-2022, General Fund revenues and other financing sources exceeded expenditures by \$215,492. Total fund balance increased to \$7,809,271. The District's financial position improved and increased with the unassigned fund balance increasing from \$3,530,061 at June 30, 2021 to \$4,214,851 at June 30, 2022.

Unassigned fund balance is the single best measure of overall financial health. The unassigned fund balance of \$4,214,851 at June 30, 2022 represents just over three weeks of operations.

**General Fund Budgetary Highlights**

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

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

Actual revenues were \$975,557 more than expected from budget. The actual expenditures were \$244,617 under budget.

Revenues were over budget due to slightly higher enrollment compared to estimates and additional federal grants received. For expenditures, salaries and benefits were under budget due to less social distancing restrictions. Instruction Support was under the revised budget as a large Chromebook order took longer to ship and arrived in the following school year. Capital outlay was greater than the original and revised budgets with the additional purchases of smart board displays.

**FOOD SERVICE FUNDS**

Revenues and other financing sources exceeded expenditures in the Food Service Fund by \$735,193. Most of the increase is due to all meals being considered free for all students and reimbursed through federal sources.

**COMMUNITY SERVICE FUNDS**

Revenues exceeded expenditures in the Community Service Fund by \$232,791. This is mainly due to more participation in programs, specifically childcare.

**DEBT SERVICE FUNDS**

The Debt Service Fund revenues exceeded expenditures by \$39,248 in 2021-2022 for the regular debt service account. School districts are required to levy 105% of their annual debt payments to cover possible delinquent property taxes. The state reduces the tax levy through Debt Excess if the fund balance gets too high.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

By the end of 2022, the District had invested \$130,418,373 in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). (More detailed information about capital assets can be found in Note 4 to the financial statements.) Total depreciation/amortization expense for the year was \$4,559,392.

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

	2022	2021	Percentage Change
Land	\$ 4,000	\$ 4,000	-
Construction in Progress	-	782,036	(100.0)
Right-to-Use Assets	229,541	229,541	100.0
Land Improvements	35,288,205	34,730,962	1.6
Buildings and Improvements	83,561,756	82,696,486	1.0
Equipment	11,334,871	11,324,412	0.1
Less: Accumulated Depreciation/Amortization	(62,286,608)	(57,904,606)	7.6
Total	<u>\$ 68,131,765</u>	<u>\$ 71,862,831</u>	(5.2)

**Construction – Next Five Years**

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

**Long-Term Debt**

At year-end, the District had \$45,005,501 in finance purchase obligations, lease liability, and general obligation bonds outstanding, net of bond premium and discount — a decrease of 5.6% from last year — as shown in Table A-8 and additional information is in Note 5 to the financial statements.

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

	2022	2021	Percentage Change
General Obligation Bonds	\$ 43,215,000	\$ 45,475,000	(5.0)%
Net Bond Premium and (Discount)	1,178,291	1,297,731	(9.2)
Finance Purchase Obligations	450,871	693,210	(35.0)
Lease Liability	161,339	229,541	(29.7)
Total	<u>\$ 45,005,501</u>	<u>\$ 47,695,482</u>	(5.6)
Long-Term Debt:			
Due Within One Year	\$ 2,565,024	\$ 2,570,541	
Due in More than One Year	42,440,477	45,124,941	
Total	<u>\$ 45,005,501</u>	<u>\$ 47,695,482</u>	

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

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

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

The District has received additional federal funds as a result of the pandemic which has helped the District's financial position short-term and implemented budget reductions to maintain fiscal stability.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Independent School District No. 882, District Office, 302 Washington Street, Monticello, Minnesota 55362.

**Bond Ratings**

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

**Limitations on Debt**

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



## **BASIC FINANCIAL STATEMENTS**

**MONTICELLO PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. 882**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**  
**(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2021)**

	Governmental Activities	
	2022	2021
<b>ASSETS</b>		
Cash and Investments	\$ 16,427,793	\$ 17,233,454
Receivables:		
Property Taxes	5,998,523	5,978,961
Other Governments	8,789,245	6,676,573
Other	323,407	193,838
Inventories	70,971	73,694
Equity Interest in Joint Venture	237,484	203,815
Capital Assets:		
Land	4,000	4,000
Construction in Process	-	782,036
Other Capital Assets, Net of Depreciation/Amortization	68,127,765	70,847,254
Total Assets	<u>99,979,188</u>	<u>101,993,625</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Related	15,508,576	16,879,280
OPEB Related	2,969,239	3,567,961
Total Deferred Outflows of Resources	<u>18,477,815</u>	<u>20,447,241</u>
<b>LIABILITIES</b>		
Salaries Payable	6,913,013	6,759,521
Accounts and Contracts Payable	950,795	688,863
Accrued Interest	560,231	584,459
Due to Other Governmental Units	33,016	4,768
Due to Other Minnesota School Districts	356,226	337,424
Due to Trust	-	21,637
Severance Payable	178,537	237,365
Unearned Revenue:		
Local Sources	209,617	211,547
Long-Term Liabilities:		
Net Pension Liability	25,246,231	40,227,369
Net OPEB Liability	15,089,754	16,612,355
Net Supplemental Pension Liability	274,452	506,480
Portion Due Within One Year	2,745,237	2,781,271
Portion Due in More Than One Year	42,502,526	45,043,666
Total Liabilities	<u>95,059,635</u>	<u>114,016,725</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension Related	41,337,216	30,165,270
OPEB Related	1,307,116	817,332
Property Taxes Levied for Subsequent Year	11,365,336	11,476,980
Total Deferred Inflows of Resources	<u>54,009,668</u>	<u>42,459,582</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	23,126,264	25,109,224
Restricted for:		
General Fund Operating Capital Purposes	114,811	174,022
General Fund State-Mandated Restrictions	2,047,092	2,387,998
Food Service	1,112,378	377,185
Community Service	710,549	477,810
General Fund Other Restricted	559,942	564,571
Debt Service	1,177,274	172,193
Unrestricted	(59,460,610)	(63,298,444)
Total Net Position	<u>\$ (30,612,300)</u>	<u>\$ (34,035,441)</u>

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2021)**

Functions	2022					2021
	Expenses	Program Revenues			Net (Expense)	Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position	Revenue and Changes in Net Position
					Total	Total
					Governmental Activities	Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>						
Administration	\$ 1,446,860	\$ -	\$ -	\$ -	\$ (1,446,860)	\$ (1,786,056)
District Support Services	1,194,033	-	(1,139)	26,449	(1,168,723)	(1,115,111)
Regular Instruction	26,627,940	640,601	4,959,826	247,887	(20,779,626)	(23,414,005)
Vocational Education Instruction	1,723,254	-	(4,749)	8,037	(1,719,966)	(1,631,347)
Special Education Instruction	16,488,857	10,207,156	5,046,185	-	(1,235,516)	(2,807,883)
Instructional Support Services	3,603,730	-	(4,235)	217,476	(3,390,489)	(2,991,137)
Pupil Support Services	4,648,270	-	215,024	-	(4,433,246)	(4,161,399)
Sites and Buildings	6,044,334	45,409	(9)	122,171	(5,876,763)	(5,769,906)
Fiscal and Other Fixed Cost Programs	931,888	-	-	-	(931,888)	(856,818)
Food Service	2,837,796	288,746	3,232,735	-	683,685	202,556
Community Service	4,647,298	2,823,435	1,866,261	-	42,398	(413,974)
Interest and Fiscal Charges on Long-Term Liabilities	1,239,301	-	-	-	(1,239,301)	(1,292,201)
Unallocated Depreciation	969,107	-	-	-	(969,107)	(981,124)
Total School District	<u>\$ 72,402,668</u>	<u>\$ 14,005,347</u>	<u>\$ 15,309,899</u>	<u>\$ 622,020</u>	<u>(42,465,402)</u>	<u>(47,018,405)</u>
<b>GENERAL REVENUES</b>						
Property Taxes Levied for:						
General Purposes					8,933,158	8,711,012
Community Service					321,448	311,329
Debt Service					3,427,870	3,369,179
State Aid Not Restricted to Specific Purposes					31,982,691	30,770,967
Earnings on Investments					21,794	6,182
Gain on Sale of Capital Assets					26,920	1,686
Miscellaneous					1,174,662	1,147,280
Total General Revenues					<u>45,888,543</u>	<u>44,317,635</u>
<b>CHANGE IN NET POSITION</b>					<u>3,423,141</u>	<u>(2,700,770)</u>
Net Position - Beginning of Year					<u>(34,035,441)</u>	<u>(31,334,671)</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ (30,612,300)</u>	<u>\$ (34,035,441)</u>

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2021)**

	Major Funds				Total Governmental Funds	
	General	Food Service	Community Service	Debt Service	2022	2021
<b>ASSETS</b>						
Cash and Investments	\$ 10,130,268	\$ 1,521,469	\$ 1,151,509	\$ 3,411,909	\$ 16,215,155	\$ 16,994,821
Receivables:						
Current Property Taxes	4,108,216	-	191,460	1,648,785	5,948,461	5,925,567
Delinquent Property Taxes	35,048	-	1,427	13,587	50,062	53,394
Due from Other Minnesota School Districts	3,434,056	-	-	-	3,434,056	3,268,017
Due from Minnesota Department of Education	4,003,652	-	143,880	28,808	4,176,340	3,022,282
Due from Federal through Minnesota Department of Education	905,791	-	273,058	-	1,178,849	386,274
Other Receivables	176,786	31,356	115,265	-	323,407	193,838
Inventory	29,411	40,593	967	-	70,971	73,694
Total Assets	<u>\$ 22,823,228</u>	<u>\$ 1,593,418</u>	<u>\$ 1,877,566</u>	<u>\$ 5,103,089</u>	<u>\$ 31,397,301</u>	<u>\$ 29,917,887</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>						
Liabilities:						
Salaries Payable	\$ 3,008,391	\$ 57,660	\$ 183,400	\$ -	\$ 3,249,451	\$ 3,144,611
Payroll Deductions and Employer Contributions Payable	3,488,081	52,865	122,295	-	3,663,241	3,614,910
Accounts and Contracts Payable	625,624	249,581	61,921	-	937,126	683,286
Due to Other Governmental Units	31,336	-	1,680	-	33,016	4,768
Due to Other Minnesota School Districts	26,029	-	330,197	-	356,226	337,424
Due to Other Funds	-	-	-	-	-	21,637
Severance Payable	176,255	2,282	-	-	178,537	237,365
Unearned Revenue	21,922	118,652	69,043	-	209,617	211,547
Total Liabilities	<u>7,377,638</u>	<u>481,040</u>	<u>768,536</u>	<u>-</u>	<u>8,627,214</u>	<u>8,255,548</u>
Deferred Inflows of Resources:						
Property Taxes Levied for Subsequent Year	7,601,271	-	398,481	3,365,584	11,365,336	11,476,980
Unavailable Revenue - Delinquent Property Taxes	35,048	-	1,427	13,587	50,062	53,394
Total Deferred Inflows of Resources	<u>7,636,319</u>	<u>-</u>	<u>399,908</u>	<u>3,379,171</u>	<u>11,415,398</u>	<u>11,530,374</u>
Fund Balance						
Nonspendable:						
Inventory	29,411	40,593	967	-	70,971	73,694
Restricted:						
Student Activities	26,440	-	-	-	26,440	16,936
Staff Development	99,017	-	-	-	99,017	134,485
Operating Capital	114,811	-	-	-	114,811	174,022
Area Learning Center	21,609	-	-	-	21,609	7,948
Safe Schools - Crime	116,659	-	-	-	116,659	118,861
Community Education Programs	-	-	106,289	-	106,289	26,400
Early Childhood and Family Education Programs	-	-	34,338	-	34,338	26,644
School Readiness	-	-	74,684	-	74,684	-
Adult Basic Education	-	-	370,025	-	370,025	293,173
Restricted for LTFM	1,435,977	-	-	-	1,435,977	1,810,179
Medical Assistance	347,390	-	-	-	347,390	297,028
Achievement and Integration	-	-	-	-	-	2,561
Other Restricted	559,942	1,071,785	122,819	1,723,918	3,478,464	2,713,541
Committed:						
Severance Benefits	420,350	-	-	-	420,350	633,545
Assigned:						
School Building Carryover	353,073	-	-	-	353,073	212,407
Scoreboards	69,741	-	-	-	69,741	60,480
Unassigned	4,214,851	-	-	-	4,214,851	3,530,061
Total Fund Balance	<u>7,809,271</u>	<u>1,112,378</u>	<u>709,122</u>	<u>1,723,918</u>	<u>11,354,689</u>	<u>10,131,965</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 22,823,228</u>	<u>\$ 1,593,418</u>	<u>\$ 1,877,566</u>	<u>\$ 5,103,089</u>	<u>\$ 31,397,301</u>	<u>\$ 29,917,887</u>

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
RECONCILIATION OF THE BALANCE SHEET  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
JUNE 30, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2021)**

	<u>2022</u>	<u>2021</u>
<b>Total Fund Balance for Governmental Funds</b>	<b>\$ 11,354,689</b>	<b>\$ 10,131,965</b>
Total net position reported for governmental activities in the statement of position is different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	4,000	4,000
Construction in Progress	-	782,036
Right-to-Use Assets, Net of Accumulated Amortization	157,054	-
Land Improvements, Net of Accumulated Depreciation	24,806,911	25,879,330
Buildings and Improvements, Net of Accumulated Depreciation	40,137,405	41,534,399
Equipment, Net of Accumulated Depreciation	3,026,395	3,433,525
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current-period's expenditures and, therefore, are reported as deferred inflows of resources in the funds.		
	50,062	53,394
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	(25,246,231)	(40,227,369)
Deferred Inflows of Resources - Pension Related	(41,295,850)	(30,137,979)
Deferred Outflows of Resources - Pension Related	15,412,448	16,759,919
The net supplemental pension liability and related deferred inflows and outflows are not current financial resources and, therefore, are not reported at fund level.		
Net Supplemental Pension Liability	(274,452)	(506,480)
Deferred Inflows of Resources - Pension Related	(41,366)	(27,291)
Deferred Outflows of Resources - Pension Related	96,128	119,361
Internal service funds are used by management to charge the costs of dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position at year-end is:		
	198,648	233,056
The District's other postemployment benefit liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:		
OPEB Liability	(15,089,754)	(16,612,355)
Deferred Inflows of Resources - OPEB Related	(1,307,116)	(817,332)
Deferred Outflows of Resources - OPEB Related	2,969,239	3,567,961
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
	(560,231)	(584,459)
Equity interests in underlying capital assets of joint ventures are not reported in the funds because they do not represent current financial assets.		
Equity Interest in Joint Venture - Wright Technical Center	237,484	203,815
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	(43,215,000)	(45,475,000)
Unamortized Premiums	(1,178,291)	(1,297,731)
Finance Purchase Obligations	(450,871)	(693,210)
Lease Liability	(161,339)	-
Sick Leave	(62,049)	(80,064)
Compensated Absences Payable	(180,213)	(278,932)
<b>Total Net Position of Governmental Activities</b>	<b><u>\$ (30,612,300)</u></b>	<b><u>\$ (34,035,441)</u></b>

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
YEAR ENDED JUNE 30, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2021)**

	Major Funds				Total Governmental Funds	
	General	Food Service	Community Service	Debt Service	2022	2021
<b>REVENUES</b>						
Local Sources:						
Property Taxes	\$ 8,936,490	\$ -	\$ 366,068	\$ 3,383,250	\$ 12,685,808	\$ 12,394,343
Earnings on Investments	12,847	1,633	2,087	5,063	21,630	6,104
Other	11,830,994	288,746	2,936,374	699	15,056,813	13,439,650
State Sources	37,929,436	101,608	1,514,363	288,412	39,833,819	38,172,264
Federal Sources	4,465,196	3,131,127	364,596	-	7,960,919	6,875,643
Total Revenues	63,174,963	3,523,114	5,183,488	3,677,424	75,558,989	70,888,004
<b>EXPENDITURES</b>						
Current:						
Administration	1,573,559	-	-	-	1,573,559	1,678,673
District Support Services	1,264,597	-	-	-	1,264,597	1,129,802
Regular Instruction	25,705,989	-	-	-	25,705,989	24,909,038
Vocational Education Instruction	1,767,389	-	-	-	1,767,389	1,560,090
Special Education Instruction	17,553,755	-	-	-	17,553,755	17,446,087
Instructional Support Services	3,328,715	-	-	-	3,328,715	3,084,900
Pupil Support Services	4,829,982	-	-	-	4,829,982	4,857,276
Sites and Buildings	5,288,324	-	-	-	5,288,324	4,620,446
Fiscal and Other Fixed Cost Programs	328,745	-	-	-	328,745	300,036
Food Service	-	2,749,233	-	-	2,749,233	2,055,414
Community Service	-	-	4,720,580	-	4,720,580	4,094,431
Capital Outlay	999,761	39,088	230,117	-	1,268,966	2,286,744
Debt Service:						
Principal	310,541	-	-	2,260,000	2,570,541	2,440,902
Interest and Fiscal Charges	34,981	-	-	1,378,176	1,413,157	1,456,988
Total Expenditures	62,986,338	2,788,321	4,950,697	3,638,176	74,363,532	71,920,827
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	188,625	734,793	232,791	39,248	1,195,457	(1,032,823)
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from Sale of Equipment	26,867	-	-	-	26,867	1,686
Proceeds from Sale of Inventory	-	400	-	-	400	-
Insurance Recovery Proceeds	-	-	-	-	-	51,845
Transfers In	-	-	-	-	-	996,577
Transfers Out	-	-	-	-	-	(996,577)
Total Other Financing Sources	26,867	400	-	-	27,267	53,531
<b>NET CHANGE IN FUND BALANCES</b>	215,492	735,193	232,791	39,248	1,222,724	(979,292)
Fund Balances - Beginning of Year	7,593,779	377,185	476,331	1,684,670	10,131,965	11,111,257
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 7,809,271</u>	<u>\$ 1,112,378</u>	<u>\$ 709,122</u>	<u>\$ 1,723,918</u>	<u>\$ 11,354,689</u>	<u>\$ 10,131,965</u>

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
GOVERNMENTAL ACTIVITIES  
YEAR ENDED JUNE 30, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2021)**

	2022	2021
<b>Net Change in Fund Balance - Total Governmental Funds</b>	<b>\$ 1,222,724</b>	<b>\$ (979,292)</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlays in the current period.		
Capital Outlays	956,544	2,556,159
Gain (Loss) on Disposal of Capital Assets	(128,218)	(216,901)
Depreciation/Amortization Expense	(4,559,392)	(4,301,261)
Some capital asset additions are financed through finance purchase obligations. In governmental funds, a finance purchase obligation arrangement is considered a source of financing, but in the statement of net position, the finance purchase obligation is reported as a liability. Repayment of finance purchase obligation principal is an expenditure in the governmental funds, but repayment reduces the finance purchase obligation in the statement of net position.		
Change in Accrued Interest Expense - Finance Purchase Obligations	3,353	(118)
Principal Payments - Finance Purchase Obligations	242,339	235,902
The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:		
Repayment of Bond Principal	2,260,000	2,205,000
Change in Accrued Interest Expense - General Obligation Bonds	20,875	20,478
Amortization of Bond Premium	119,440	118,252
Repayment of Lease Liability	68,202	-
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current-period's expenditures and, therefore, are unavailable in the funds.	(3,332)	(2,823)
Net income from the equity interest in joint venture does not provide current financial resources and is not reported as revenue in the funds.	33,669	(3,721)
Payments to the District's irrevocable OPEB trust are recognized as expenditures at the fund level while the change in the net OPEB liability is recognized in the statement of net position.	434,095	52,852
In the statement of activities, certain operating expenses - severance benefits and compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	116,734	168,796
Pension expenditures on the governmental funds are measured by current year employee contributions. Pension expenses on the statement of activities are measured by the change in net pension liability and the related deferred inflows and outflows of resources.	2,670,516	(2,572,505)
Internal service funds are used by the District to charge the costs of employee dental benefits to individual funds. The net revenue of the internal service fund is reported with governmental activities.	(34,408)	18,412
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 3,423,141</b>	<b>\$ (2,700,770)</b>

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
JUNE 30, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2021)**

	Governmental Activities - Internal Service Funds	
	2022	2021
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 212,638	\$ 238,633
<b>LIABILITIES</b>		
Current Liabilities:		
Claims Payable	13,669	5,577
Claims Payable for Dental Benefits	321	-
Total Current Liabilities	<u>13,990</u>	<u>5,577</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ 198,648</u>	<u>\$ 233,056</u>

See accompanying Notes to Basic Financial Statements.



**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2021)**

	Governmental Activities - Internal Service Funds	
	2022	2021
<b>OPERATING REVENUES</b>		
Contributions from District and Employees	\$ 568,571	\$ 575,116
<b>OPERATING EXPENSES</b>		
Dental Insurance Claim Payments	560,621	521,724
General Administration Fees	42,522	35,058
Total Operating Expenses	<u>603,143</u>	<u>556,782</u>
<b>OPERATING INCOME (LOSS)</b>	(34,572)	18,334
<b>NONOPERATING INCOME</b>		
Earnings on Investments	<u>164</u>	<u>78</u>
<b>CHANGE IN NET POSITION</b>	(34,408)	18,412
Net Position - Beginning	<u>233,056</u>	<u>214,644</u>
<b>NET POSITION - ENDING</b>	<u><u>\$ 198,648</u></u>	<u><u>\$ 233,056</u></u>

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2021)**

	Governmental Activities - Internal Service Funds	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from District and Employees	\$ 568,571	\$ 575,116
Payments for Administrative Costs	(42,522)	(35,058)
Payments for Dental Fees and Insurance Claims	(552,208)	(524,186)
Net Cash Provided (Used) by Operating Activities	(26,159)	15,872
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	164	78
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(25,995)	15,950
Cash and Cash Equivalents - Beginning	238,633	222,683
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ 212,638</u>	<u>\$ 238,633</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ (34,572)	\$ 18,334
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Increase (Decrease) in Accounts Payable	8,413	(2,462)
Net Cash Provided (Used) by Operating Activities	<u>\$ (26,159)</u>	<u>\$ 15,872</u>

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2022**

	Scholarship Custodial Fund	Postemployment Benefits Irrevocable Trust Fund
<b>ASSETS</b>		
Cash and Deposits	\$ 2,448,061	\$ -
Investments - Fixed Income	-	1,459,785
Total Assets	<u>2,448,061</u>	<u>1,459,785</u>
<b>LIABILITIES</b>		
Scholarships Awarded but Not Paid	-	-
<b>NET POSITION</b>		
Restricted for OPEB Benefits	-	1,459,785
Restricted for Scholarships	2,448,061	-
Total Net Position	<u><u>\$ 2,448,061</u></u>	<u><u>\$ 1,459,785</u></u>

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

	Scholarship Custodial Fund	Postemployment Benefits Irrevocable Trust Fund
<b>ADDITIONS</b>		
Employer Contributions	\$ -	\$ 1,684,925
Investment Income	20,360	25,125
Donations	77,590	-
Total Additions	<u>97,950</u>	<u>1,710,050</u>
<b>DEDUCTIONS</b>		
Benefit Payments	-	1,843,445
Scholarships	154,740	-
Administrative Expenses	62	-
Total Deductions	<u>154,802</u>	<u>1,843,445</u>
<b>CHANGE IN NET POSITION</b>	(56,852)	(133,395)
Net Position - Beginning of Year	<u>2,504,913</u>	<u>1,593,180</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 2,448,061</u></u>	<u><u>\$ 1,459,785</u></u>

See accompanying Notes to Basic Financial Statements.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The financial statements of Independent School District No. 882 have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**B. Financial Reporting Entity**

Independent School District No. 882 (the District) is an instrumentality of the state of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

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

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

**C. Basic Financial Statement Presentation**

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

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

C. Basic Financial Statement Presentation (Continued)

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

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

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

The Internal Service Fund is presented in the proprietary fund financial statements. Because the principal users of the internal services are the District's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. The costs of these services is reported in the appropriate functional activity.

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

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

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

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

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

**1. Revenue Recognition**

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

**2. Recording of Expenditures**

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

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

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

*Description of Funds*

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

*Major Governmental Funds*

General Fund

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

Food Service Special Revenue Fund

The Food Service Fund is used to account for food service revenues and expenditures. Revenues for the Food Service Fund are generated from user fees, federal reimbursements and state aids.

Community Service Special Revenue Fund

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

Debt Service Fund

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

*Proprietary Fund*

Internal Service Fund

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



**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

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

*Fiduciary Funds*

Scholarship Custodial Fund

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

Postemployment Benefits Irrevocable Trust Fund

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

**E. Budgeting**

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

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

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

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

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**E. Budgeting (Continued)**

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

Encumbrances represent outstanding purchase orders and unfulfilled commitments that are issued to outside vendors and budgeted in the current year, but do not include amounts that are set up as liabilities, amounts for services to be performed by District employees and purchase orders applicable to the subsequent year's budget. As of June 30, 2022, no outstanding encumbrances existed.

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

<u>Revenues</u>	Original Budget	Amendments	Amended Budget
General Fund	\$ 59,455,790	\$ 2,743,616	\$ 62,199,406
Special Revenue Funds:			
Food Service Fund	2,354,229	710,993	3,065,222
Community Service Fund	4,567,427	482,503	5,049,930
 <u>Expenditures</u>			
General Fund	\$ 61,084,168	\$ 2,146,787	\$ 63,230,955
Special Revenue Funds:			
Food Service Fund	2,350,210	292,884	2,643,094
Community Service Fund	4,462,172	417,600	4,879,772

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

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

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**F. Cash and Investments (Including Cash Equivalents)**

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

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

**G. Accounts Receivable**

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

**H. Inventories**

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

**I. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Expense is allocated over the periods benefitted. Prepaid items are recorded using the consumption method of accounting.

**J. Property Taxes**

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

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**J. Property Taxes (Continued)**

Generally, tax revenue is recognized in the fiscal year ending June 30, following the calendar year in which the tax levy is collectible, while the current calendar year tax levy is recorded as deferred revenue (property taxes levied for subsequent year). The majority of District revenue in the General Fund (and to a lesser extent in the District's Community Service Special Revenue Fund) is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between taxes and state aids by the Legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift." In the Debt Service Fund, all property taxes collected in a calendar year are recorded as revenue in the fiscal year which begins July 1 of that calendar year.

In accordance with state law, the current tax shift consists of an amount equal to 31% of the District's 2000 Pay 2001 operating referendum levy (frozen at \$480,526) for the District. Certain other portions of the District's 2021 pay 2022 levy, normally revenue for the 2022-23 fiscal year, are also advance recognized at June 30, 2022, as required by state statute to match revenue with the same fiscal year as the related expenditures.

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is unavailable because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material. Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the state which will be recognized as revenue in the next fiscal year beginning July 1, 2022, are included in Property Taxes Levied for Subsequent Year to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

**K. Capital Assets**

Capital assets are capitalized at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The District maintains a threshold level of \$2,500 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statement but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**K. Capital Assets (Continued)**

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

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

**L. Leases**

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

Right-to-use 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. Right-to-use 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. Right-to-use assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

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

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

The District has recognized 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 District accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to eliminate the price of such components, the District treats the components as a single lease unit.

**M. Deferred Outflows of Resources**

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

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**N. Long-Term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**O. Accrued Employee Benefits**

Vacation

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

Sick Leave

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

Supplemental Benefit Plan/Severance

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

Postemployment Health Care Benefits

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

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

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**P. Deferred Inflows of Resources**

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

**Q. 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.

**R. Unearned Revenue**

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

**S. Fund Balance**

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

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

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**S. Fund Balance (Continued)**

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

**T. Net Position**

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

**U. Use of Estimates**

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

**V. Comparative Data**

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



**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

W. Adoption of New Accounting Standards

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

The District adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption.

**NOTE 2 STEWARDSHIP AND ACCOUNTABILITY**

Excess of Expenditures Over Budget

Expenditures exceeded budgeted amounts in the following funds at June 30, 2022:

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Special Revenue Funds:			
Food Service Fund	\$ 2,643,094	\$ 2,788,321	\$ 145,227
Community Service Fund	4,879,772	4,950,697	70,925

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

**NOTE 3 DEPOSITS AND INVESTMENTS**

A. Deposits

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

Custodial Credit Risk — Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District has a deposit policy for custodial credit risk which follows Minnesota Statutes for deposits.

Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**A. Deposits (Continued)**

Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust departments of a commercial bank or other financial institution not owned or controlled by the depository.

The District's deposits in various banks at June 30, 2022 were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

**B. Investments**

With the exception of Fiduciary Funds held in the District's Postemployment Benefits Irrevocable Trust Fund, the District may invest its idle funds as authorized by Minnesota Statutes as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less
- General obligations rated "A" or better; revenue obligations rated "AA" or better
- General obligations of the Minnesota Housing Finance Agency rate "A" or better
- Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories
- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers

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

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

B. Investments (Continued)

At June 30, 2022, the District had the following investments:

	<u>Amount</u>
MSDLAF+	\$ 12,409,213
MN Trust Money Market	1,802,537
MN Trust Investment Shares	4,173,470
Guaranteed Investment Contract	1,618,304
Insurance Annuity	84,675
Total Investments	<u>\$ 20,088,199</u>

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

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

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

**MONTICELLO PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**B. Investments (Continued)**

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

Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months
MSDLAF+	\$ 12,409,213	\$ 12,409,213	\$ -	\$ -
MN Trust Money Market	1,802,537	1,802,537	-	-
MN Trust Investment Shares	4,173,470	4,173,470	-	-
Guaranteed Investment Contract	1,618,304	1,618,304	-	-
Insurance Annuity	84,675	-	-	84,675
Total	<u>\$ 20,088,199</u>	<u>\$ 20,003,524</u>	<u>\$ -</u>	<u>\$ 84,675</u>

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment policy states the District may invest its available funds in those instruments specified in Minnesota Statutes §§ 118A.04 and 118A.05. The following chart summarizes year-end ratings for the District's investments as rated by Moody's Investors Service:

Type	Credit Quality Rating	Amount
MSDLAF+ Liquid Class	A-1+, A-1	\$ 5,411,288
MSDLAF+ Max Class	A-1+, A-1	1,997,925
MSDLAF+ Term Series	A-1+, A-1	5,000,000
MN Trust Money Market	Not Rated	1,802,537
MN Trust Investment Shares	Not Rated	4,173,470
Guaranteed Investment Contract	AA-	1,618,304
Insurance Annuity	AA	84,675
Total		<u>\$ 20,088,199</u>

**MONTICELLO PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**B. Investments (Continued)**

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

Type	Amount	Percentage
MSDLAF+	\$ 12,409,213	61.77%
MN Trust Money Market	1,802,537	8.97%
MN Trust Investment Shares	4,173,470	20.78%
Guaranteed Investment Contract	1,618,304	8.06%

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

The deposits and investments are made up of the following:

Deposits	\$ 247,440
Minnesota School District Liquid Asset Fund (MSDLAF+)	12,409,213
Investments	<u>7,678,986</u>
Total Deposits and Investments	<u>\$ 20,335,639</u>

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

Cash and Investments - Statement of Net Position	\$ 16,427,793
Cash and Investments - Statement of Fiduciary Fund Net Position	<u>3,907,846</u>
Total Cash and Investments	<u>\$ 20,335,639</u>

**MONTICELLO PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**C. Fair Value Measurements**

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

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

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

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

*Level 2* – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices and recently published security specific trading levels.

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

There were no assets measured at fair value on a recurring basis for 2022.

**MONTICELLO PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 4 CAPITAL ASSETS**

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

	Beginning Balance as Restated	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 4,000	\$ -	\$ -	\$ 4,000
Construction in Progress	782,036	590,715	(1,372,751)	-
Total Capital Assets, Not Being Depreciated/Amortized	786,036	590,715	(1,372,751)	4,000
Capital Assets, Being Depreciated/Amortized:				
Right-to-Use Assets	* 229,541	-	-	229,541
Land Improvements	34,730,962	580,551	(23,308)	35,288,205
Buildings and Improvements	* 82,696,486	944,287	(79,017)	83,561,756
Equipment	11,324,412	213,742	(203,283)	11,334,871
Total Capital Assets, Being Depreciated/Amortized	128,981,401	1,738,580	(305,608)	130,414,373
Accumulated Depreciation/Amortization for:				
Right-to-Use Assets	* -	(72,487)	-	(72,487)
Land Improvements	(8,851,632)	(1,638,555)	8,893	(10,481,294)
Buildings and Improvements	* (41,162,087)	(2,297,085)	34,821	(43,424,351)
Equipment	(7,890,887)	(551,265)	133,676	(8,308,476)
Total Accumulated Depreciation/Amortization	(57,904,606)	(4,559,392)	177,390	(62,286,608)
Total Capital Assets, Being Depreciated/Amortized, Net	71,076,795	(2,820,812)	(128,218)	68,127,765
Governmental Activities Capital Assets, Net	<u>\$ 71,862,831</u>	<u>\$ (2,230,097)</u>	<u>\$ (1,500,969)</u>	<u>\$ 68,131,765</u>

\*The beginning balance of capital assets was restated to record right-to-use assets due to the implementation of GASB Statement No.87.

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

<b>Governmental Activities</b>	
Administration	\$ 72,786
Regular Instruction	2,025,585
Vocational Education Instruction	659
Special Education Instruction	1,691
Instructional Support Services	176,289
Pupil Support Services	4,701
Sites and Buildings	1,242,362
Food Service	49,475
Community Service	16,737
Unallocated	969,107
Total Depreciation/Amortization Expense, Governmental Activities	<u>\$ 4,559,392</u>

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 LONG-TERM LIABILITIES**

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

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

Issue Date	Net Interest Rate	Original Issue	Final Maturity	Principal Outstanding	
				Due Within One Year	Total
2/23/2016	2.00% - 4.00%	\$ 38,640,000	2/1/2040	\$ 1,360,000	\$ 32,015,000
2/23/2016	2.00% - 3.00%	5,700,000	2/1/2031	380,000	3,750,000
4/27/2017	2.00% - 3.00%	5,160,000	2/1/2032	335,000	3,735,000
2/28/2019	2.00% - 3.00%	4,430,000	2/1/2034	250,000	3,715,000
Total General Obligation Bonds				2,325,000	43,215,000
Bond Premium - Net				-	1,178,291
Finance Purchase Obligations:					
Scoreboard				76,633	156,382
Baseball Stadium				11,366	48,778
Special Education Building				79,885	245,711
Total Finance Purchase Obligations				167,884	450,871
Lease Liability:					
ALP Building				72,140	161,339
Sick Leave Payable				-	62,049
Compensated Absences Payable				180,213	180,213
Total				<u>\$ 2,745,237</u>	<u>\$ 45,247,763</u>



**MONTICELLO PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 LONG-TERM LIABILITIES (CONTINUED)**

**B. Minimum Debt Payments**

Minimum annual principal and interest payments required to retire long-term debt, not including compensated absences and sick leave payable are as follows:

<u>Year Ending June 30,</u>	General Obligation Bonds Payable		Finance Purchase Obligations	
	Principal	Interest	Principal	Interest
2023	\$ 2,325,000	\$ 1,322,575	\$ 167,884	\$ 14,278
2024	2,375,000	1,271,075	173,537	8,626
2025	2,430,000	1,218,075	96,401	2,772
2026	2,525,000	1,124,525	13,049	614
2027	2,595,000	1,053,713	-	-
2028 - 2032	13,765,000	4,006,325	-	-
2033 - 2037	10,550,000	2,000,875	-	-
2038 - 2040	6,650,000	428,413	-	-
Total	<u>\$ 43,215,000</u>	<u>\$ 12,425,576</u>	<u>\$ 450,871</u>	<u>\$ 26,290</u>

<u>Year Ending June 30</u>	Lease Liability	
	Principal	Interest
2023	\$ 72,140	\$ 3,046
2024	76,243	1,198
2025	12,956	13
Total	<u>\$ 161,339</u>	<u>\$ 4,257</u>

**C. Description of Long-Term Debt**

**1. General Obligation School Building Bonds**

These bonds were issued to finance acquisition and/or construction/improvement of capital facilities. Assets of the Debt Service Fund, together with scheduled future ad valorem tax levies are dedicated for the retirement of these bonds. Total deferred tax levies available to retire bond principal and interest payable at June 30, 2022 is \$58,422,604. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota Statutes.

**2. Finance Purchase Obligations**

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

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

**MONTICELLO PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 LONG-TERM LIABILITIES (CONTINUED)**

C. Description of Long-Term Debt (Continued)

**2. Finance Purchase Obligations (Continued)**

On December 18, 2019, the District entered into a finance purchase obligation for the construction of the special education rooms. The finance purchase obligation totaled \$398,500 and corresponding equipment and remodeling costs totaled \$702,871. The finance purchase obligation includes annual payments of \$85,509 including interest at 2.49%.

D. Changes in Long-Term Debt

	June 30, 2021 as Restated	Net Additions	Retirements	June 30, 2022
Bonds Payable	\$ 45,475,000	\$ -	\$ 2,260,000	\$ 43,215,000
Bond Premium	1,297,731	-	119,440	1,178,291
Finance Purchase Obligations *	693,210	-	242,339	450,871
Lease Liability *	229,541	-	68,202	161,339
Sick Leave Payable	80,064	244,155	262,170	62,049
Compensated Absences				
Payable - Net	278,932	396,346	495,065	180,213
Total	<u>\$ 48,054,478</u>	<u>\$ 640,501</u>	<u>\$ 3,447,216</u>	<u>\$ 45,247,763</u>

\*The beginning balance of the lease liability was restated due to the implementation of GASB Statement No. 87.

Right-to-use assets acquired through outstanding leases are shown below by underlying asset class.

	Governmental Activities
Buildings	\$ 229,541
Less: Accumulated Amortization	(72,487)
	<u>\$ 157,054</u>

**MONTICELLO PUBLIC SCHOOLS  
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JUNE 30, 2022**

**NOTE 6 RESTRICTED, COMMITTED, AND ASSIGNED FUND BALANCES**

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties. In addition, certain portions of fund balance have been assigned by the District for use specific purposes. Restricted, Committed, and Assigned fund balances at June 30, 2022 are as follows:

**A. Restricted for Student Activity Funds**

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

**B. Restricted for Staff Development**

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

**C. Restricted for Operating Capital**

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

**D. Restricted for Area Learning Center**

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

**E. Restricted for Safe School – Crime Levy**

Represents unspent resources available from the safe school levy.

**F. Restricted for Community Education Programs**

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

**G. Restricted for Early Childhood and Family Education Programs**

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

**H. Restricted for School Readiness**

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

**I. Restricted for Adult Basic Education**

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

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

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

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

K. Restricted for Medical Assistance

Represents resources available to be used for medical assistance expenditures.

L. Restricted for Other Purposes

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

Other Restricted:

Restricted for General Fund:

Little Mountain	\$ 23,177
Pinewood	6,572
Middle School	66,436
High School	287,643
Eastview	3,731
Naturebased	10,300
ALP, School Patrol, Miscellaneous	139,699
Grants	<u>22,384</u>
Total Restricted for General Fund	559,942
Restricted for Food Service	1,071,785
Restricted for Community Service	122,819
Restricted for Bond Payments	<u>1,723,918</u>
Total Other Restricted	<u><u>\$ 3,478,464</u></u>

M. Committed for Severance Benefits

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

N. Assigned for School Building Carryover

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

O. Assigned for Scoreboards

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

**MONTICELLO PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7 PENSION PLANS**

A. Plan Description

**1. General Employees Retirement Plan**

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.

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

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

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

**MONTICELLO PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7 PENSION PLANS (CONTINUED)**

**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% of average salary for each of the first 10 years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% of average salary for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

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

**2. TRA Benefits**

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

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

**MONTICELLO PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7 PENSION PLANS (CONTINUED)**

**B. Benefits Provided (Continued)**

**2. TRA Benefits (Continued)**

*Tier 1 Benefits*

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

With these provisions:

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

or

*Tier II Benefits*

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

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

**MONTICELLO PUBLIC SCHOOLS  
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JUNE 30, 2022**

**NOTE 7 PENSION PLANS (CONTINUED)**

**B. Benefits Provided (Continued)**

**2. TRA Benefits (Continued)**

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

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 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 2022 and the District was required to contribute 7.50% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2022 were \$696,552. The District's contributions were equal to the required contributions as set by state statute.

**2. TRA Contributions**

Per Minnesota Statutes, Chapter 354 rates for the fiscal year 2022 for coordinated were 7.50% for the employee and 8.34% for the employer. Basic rates were 11.00% for the employee and 12.34% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2022 were \$2,362,293. The District's contributions were equal to the required contributions for each year as set by state statute.



**MONTICELLO PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7 PENSION PLANS (CONTINUED)**

**D. Pension Costs**

**1. General Employees Fund Pension Costs**

At June 30, 2022, the District reported a liability of \$5,145,890 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled \$157,170, for a total net pension liability of \$5,303,060 associated with the District. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was .1205% at the end of the measurement period and .1136% for the beginning of the period.

For the year ended June 30, 2022, the District recognized pension expense of \$169,070 for its proportionate share of General Employees Plan's pension expense. In addition, the District recognized an additional \$12,681 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the General Employees Fund.

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 31,615	\$ 157,479
Changes in Actuarial Assumptions	3,141,974	113,830
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	-	4,456,558
Changes in Proportion	383,203	73,261
District Contributions Subsequent to the Measurement Date	696,552	-
Total	<u>\$ 4,253,344</u>	<u>\$ 4,801,128</u>

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**NOTE 7 PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

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

The \$696,552 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expenses Amount</u>
2023	\$ (84,645)
2024	(8,988)
2025	64,834
2026	(1,215,537)

**2. TRA Pension Costs**

At June 30, 2022 the District reported a liability of \$20,100,341 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was .4593% at the end of the measurement period and .4523% at the beginning of the period.

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

<u>Description</u>	<u>Amount</u>
District's Proportionate Share of the TRA Net Pension Liability	\$ 20,100,341
State's Proportionate Share of TRA's Net Pension Liability Associated with the District	1,695,235
Total	<u>\$ 21,795,576</u>

For the year ended June 30, 2022, the District recognized pension expense of \$511,435. It also recognized \$(162,397) as an increase to pension expense for the support provided by direct aid.

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**NOTE 7 PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

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

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 544,406	\$ 569,311
Changes in Actuarial Assumptions	7,366,018	18,134,763
Net Difference Between Projected and Actual		
Investment Earnings	-	16,854,050
Changes in Proportion	886,387	936,598
District Contributions Subsequent to the Measurement Date	2,362,293	-
Total	<u>\$ 11,159,104</u>	<u>\$ 36,494,722</u>

The \$2,362,293 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expenses Amount
2023	\$ (13,448,772)
2024	(10,194,839)
2025	(2,581,062)
2026	(3,017,921)
2027	1,544,683

**3. Summary**

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

	General Employees Fund	Teachers Retirement Fund	Supplemental Benefit Plan	Total
Net Pension Liability	\$ 5,145,890	\$ 20,100,341	\$ -	\$ 25,246,231
Net Supplemental Pension Liability	-	-	274,452	274,452
Deferred Outflows of Resources	4,253,344	11,159,104	96,128	15,508,576
Deferred Inflows of Resources	4,801,128	36,494,722	41,366	41,337,216
Pension Expense	181,751	349,038	52,800	583,589

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**NOTE 7 PENSION PLANS (CONTINUED)**

**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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Cash	-	-
Totals	<u>100.0 %</u>	

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 allocations and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35.5 %	5.10 %
International Equity	17.5	5.30
Fixed Income	20.0	0.75
Private Markets	25.0	5.90
Cash	2.0	-
Totals	<u>100.0 %</u>	

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**NOTE 7 PENSION PLANS (CONTINUED)**

**F. Actuarial Methods and Assumptions**

The total pension liability in the June 30, 2021, 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 7.5% 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 7.5% 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% after 29 years of service and 6.0% per year thereafter.

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.

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

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.

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**NOTE 7 PENSION PLANS (CONTINUED)**

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

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

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 have been no changes since the prior valuation.

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

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

**G. Discount Rate**

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

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

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**NOTE 7 PENSION PLANS (CONTINUED)**

**H. Pension Liability Sensitivity**

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

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
<u>General Employees Plan Discount Rate</u>	6.50 %	7.50 %	8.50 %
District's Proportionate Share of the General Employees Plan Net Pension Liability	\$ 10,494,988	\$ 5,145,890	\$ 756,628
 <u>TRA Discount Rate</u>	 6.50 %	 7.50 %	 8.50 %
District's Proportionate Share of the TRA Net Pension Liability	 \$ 40,603,668	 \$ 20,100,341	 \$ 3,285,979

**I. Pension Plan Fiduciary Net Position**

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

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

**MONTICELLO PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN**

**A. Plan Description**

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

**B. Funding Policy**

The District has assets designated for OPEB. These assets are in a qualified irrevocable trust which is included as a fiduciary fund in these financial statements. The District's investment policy is to follow state statutes as listed in Note 2. Benefit payments equal to the annual direct subsidy plus implicit subsidy are assumed to be made from the trust. Contribution requirements are negotiated between the District and union representatives. For fiscal year 2022, the District made a contribution of \$1,851,036 to the Plan out of the General Fund; the remaining current year benefits were paid from the District's OPEB Trust Fund.

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

The components of the net OPEB liability of the District at June 30, 2022 were as follows:

Total OPEB Liability	\$ 16,549,539
Plan Fiduciary Net Position	<u>1,459,785</u>
District's Net OPEB Liability	<u><u>\$ 15,089,754</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9 %

**D. Actuarial Methods and Assumptions**

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



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

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

The District's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020. Liabilities in this report were calculated as of the valuation date and rolled forward to the measurement date using standard actuarial roll-forward techniques.

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

Inflation	2.50 %
Salary Increases	Service Graded Table
Investment Rate of Return	2.00 %
Health Care Trend Rates	6.00% Grading to 5.00%
	Over 6 Years
Dental Trend Rates	4.00 %

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

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

For the year ended June 30, 2022, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan expenditures, was 1.60%. The money-weighted rate of return expresses investment performance, net of investment expenditures, adjusted for the changing amounts actually invested.

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

**MONTICELLO PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

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

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (or target allocation, if available) and by adding expected inflation (2.50%). Best estimates of geometric real and nominal rates of return for each major asset class included in the OPEB Plan's asset allocation as of the measurement date are summarized in the following table:

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

The discount rate used to measure the total OPEB liability was 3.70%. The projection of cash flows and OPEB trust assets used to determine the discount rate were based on recent employer contribution history and their stated funding policy. The OPEB trust's long-term assumed investment return was used to discount projected benefit payments for as long as projected trust assets are available to fund OPEB payments. Once projected trust assets are exhausted, the municipal bond index rate was applied to the remaining expected benefit payments.

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

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

- Retiring technology support employees hired prior to 2005, who have at least 10 years of service and were are at least 60 years of age will receive a District contribution towards the premium, equal to the contribution that an active employee received, until the retiree reaches Medicare eligibility.

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

- The discount rate was changed from 2.10% to 3.70%.

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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**E. Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances - June 30, 2021	\$ 18,205,535	\$ 1,593,180	\$ 16,612,355
Changes for the Year:			
Service Cost	675,206	-	675,206
Interest	386,386	-	386,386
Plan Changes	14,027	-	14,027
Assumption Changes	(795,365)	-	(795,365)
Differences Between Expected and Actual Experience	-	(6,740)	6,740
Contributions-Employer	-	1,292,838	(1,292,838)
Net Investment income	-	31,864	(31,864)
Benefit Payments	(1,936,250)	(1,451,357)	(484,893)
Net Changes	(1,655,996)	(133,395)	(1,522,601)
Balances - June 30, 2022	<u>\$ 16,549,539</u>	<u>\$ 1,459,785</u>	<u>\$ 15,089,754</u>

The net OPEB liability for the District is \$11,852,503 and the total OPEB liability for the Sherburne and Northern Wright Special Education Cooperative is \$3,237,251.

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

	1% Decrease (2.70)%	Discount Rate (3.70)%	1% Increase (4.70)%
Net OPEB Liability	\$ 15,822,384	\$ 15,089,754	\$ 14,361,125

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower (5.00% decreasing to 4.00%) or 1% point higher (7.00% decreasing to 6.00%) and dental cost trend rates that are 1% point lower (3.00%) or 1% point higher (5.00%) than the current healthcare and dental cost trend rates:

	Healthcare Cost		
	1% Decrease (Medical 5.00% Decreasing to 4.00% Over 6 Years, Dental 3.00%)	Current Trend Rates (Medical 6.00% Decreasing to 5.00% Over 6 Years, Dental 4.00%)	1% Increase (Medical 7.00% Decreasing to 6.00% Over 6 Years, Dental 5.00%)
Net OPEB Liability	\$ 13,688,291	\$ 15,089,754	\$ 16,690,577

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

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$1,324,871. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Liability	\$ 1,998,666	\$ 337,689
Change of Assumptions	401,834	969,427
Net Difference Between Projected and Actual Investment Earnings	10,541	-
Contributions Between Measurement Date and Reporting Date	558,198	-
Total	<u>\$ 2,969,239</u>	<u>\$ 1,307,116</u>

The \$558,198 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30.</u>	<u>Future Recognition</u>
2023	\$ 279,113
2024	277,533
2025	311,775
2026	204,681
2027	148,721
Thereafter	(117,898)
Total	<u>\$ 1,103,925</u>

At June 30, 2022, there are no payables or receivables between the District and the Trust.

**MONTICELLO PUBLIC SCHOOLS  
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**NOTE 9 SUPPLEMENTAL BENEFIT PLAN**

**A. Plan Description**

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

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

**B. Funding Policy**

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

**C. Total Pension Liability**

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

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

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

Total Pension Liability - June 30, 2021	\$ 506,480
Changes for the Year:	
Service Cost	24,671
Interest	8,812
Changes in Benefit Terms	(27,635)
Differences between Expected and Actual Experience	-
Benefit Payments	(237,876)
Net Changes	(232,028)
Total Pension Liability - June 30, 2022	<u>\$ 274,452</u>

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

**D. Pension Costs**

For the year ended June 30, 2022, the District recognized OPEB expense of \$52,800. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Liability	\$ 58,812	\$ 16,148
Change of Assumptions	15,763	25,218
Contributions Between Measurement Date and Reporting Date	21,553	-
Total	<u>\$ 96,128</u>	<u>\$ 41,366</u>

The \$21,553 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	Pension Expense
2023	\$ 19,067
2024	21,937
2025	(2,212)
2026	(5,583)

**E. Actuarial Methods and Assumptions**

The actuarial total pension liability was determined as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	July 1, 2020
Measurement Date:	June 30, 2022
Actuarial Cost Method:	Entry Age, Level Percentage of Pay
Discount Rate:	3.80 %
Inflation:	2.50 %
Salary Increases:	Service Graded Table
Retirement Age:	55
Mortality:	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale

**MONTICELLO PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 9 SUPPLEMENTAL BENEFIT PLAN (CONTINUED)**

**F. Discount Rate**

The discount rate used to measure the total pension liability was 3.80%. The discount rate is based on the estimated yield of 20-Year AA-rated municipal bonds.

**G. Total Pension Liability Sensitivity**

The following presents the District's total pension liability, calculated using the discount rate of 3.80%, as well as what the District's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.80%) or one percentage point higher (4.80%) than the current rate:

	1% Decrease (2.80)%	Current Discount Rate (3.80)%	1% Increase (4.80)%
Total Pension Liability	<u>\$ 296,654</u>	<u>\$ 274,452</u>	<u>\$ 251,722</u>

**NOTE 10 JOINT VENTURE AGREEMENT**

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

The addition is being financed through finance purchase obligations. Each participating district annually authorizes a leasing levy to cover its allocated portion of the finance purchase payment based on the formula set out in the Joint Venture Agreement. Participating districts will also be apportioned operating costs and continuing capital costs for the addition based on the current cost allocation formula. The District levied and paid \$337,450 to Wright Technical Center for the year ended June 30, 2022. On the statement of net position, the amount of \$237,484 is recorded as equity interest in the joint venture.

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

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 COMMITMENTS AND CONTINGENCIES**

**Federal and State Programs**

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

**Outstanding Contracts**

The District had construction commitments in the amount of \$346,907 as of the end of the year.

**NOTE 12 RISK MANAGEMENT**

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

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



## **REQUIRED SUPPLEMENTARY INFORMATION**

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 8,402,830	\$ 8,655,874	\$ 8,936,490	\$ 280,616
Earnings on Investments	3,000	7,500	12,847	5,347
Other	11,596,238	11,606,597	11,830,994	224,397
State Sources	36,374,767	37,504,509	37,929,436	424,927
Federal Sources	3,078,955	4,424,926	4,465,196	40,270
Total Revenues	<u>59,455,790</u>	<u>62,199,406</u>	<u>63,174,963</u>	<u>975,557</u>
<b>EXPENDITURES</b>				
Current:				
Administration	1,552,597	1,608,032	1,573,559	(34,473)
District Support Services	1,272,126	1,268,289	1,264,597	(3,692)
Elementary and Secondary				
Regular Instruction	25,340,466	26,057,916	25,705,989	(351,927)
Vocational Education Instruction	1,260,345	1,470,161	1,767,389	297,228
Special Education Instruction	17,924,453	17,712,784	17,553,755	(159,029)
Instructional Support Services	2,540,209	3,633,103	3,328,715	(304,388)
Pupil Support Services	4,884,895	4,882,669	4,829,982	(52,687)
Sites and Buildings	5,136,315	5,338,120	5,288,324	(49,796)
Fiscal and Other Fixed				
Cost Programs	296,000	312,495	328,745	16,250
Capital Outlay	614,599	685,223	999,761	314,538
Debt Service:				
Principal	242,427	242,427	310,541	68,114
Interest and Fiscal Charges	19,736	19,736	34,981	15,245
Total Expenditures	<u>61,084,168</u>	<u>63,230,955</u>	<u>62,986,338</u>	<u>(244,617)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,628,378)	(1,031,549)	188,625	1,220,174
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Equipment	<u>5,000</u>	<u>10,000</u>	<u>26,867</u>	<u>16,867</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,623,378)</u>	<u>\$ (1,021,549)</u>	215,492	<u>\$ 1,237,041</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>7,593,779</u>	
End of Year			<u>\$ 7,809,271</u>	

See accompanying Notes to Required Supplementary Information.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MAJOR FOOD SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
<b>REVENUES</b>				
Local Sources:				
Earnings on Investments	\$ 500	\$ 500	\$ 1,633	\$ 1,133
Other - Primarily Meal Sales	121,000	245,254	288,746	43,492
State Sources	-	98,518	101,608	3,090
Federal Sources	2,232,729	2,720,950	3,131,127	410,177
Total Revenues	2,354,229	3,065,222	3,523,114	457,892
<b>EXPENDITURES</b>				
Current:				
Food Service	2,295,966	2,503,205	2,749,233	246,028
Capital Outlay	54,244	139,889	39,088	(100,801)
Total Expenditures	2,350,210	2,643,094	2,788,321	145,227
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	4,019	422,128	734,793	312,665
<b>OTHER FINANCING SOURCES</b>				
Proceeds from Sale of Inventory	-	-	400	400
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 4,019</u>	<u>\$ 422,128</u>	735,193	<u>\$ 313,065</u>
<b>FUND BALANCE</b>				
Beginning of Year			377,185	
End of Year			<u>\$ 1,112,378</u>	

See accompanying Notes to Required Supplementary Information.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
MAJOR COMMUNITY SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 366,853	\$ 366,954	\$ 366,068	\$ (886)
Earnings on Investments	3,000	300	2,087	1,787
Other - Primarily Tuition and Fees	2,603,421	2,776,751	2,936,374	159,623
State Sources	1,523,153	1,512,216	1,514,363	2,147
Federal Sources	71,000	393,709	364,596	(29,113)
Total Revenues	<u>4,567,427</u>	<u>5,049,930</u>	<u>5,183,488</u>	<u>133,558</u>
<b>EXPENDITURES</b>				
Current:				
Community Service	4,423,172	4,745,572	4,720,580	(24,992)
Capital Outlay	39,000	134,200	230,117	95,917
Total Expenditures	<u>4,462,172</u>	<u>4,879,772</u>	<u>4,950,697</u>	<u>70,925</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 105,255</u>	<u>\$ 170,158</u>	232,791	<u>\$ 62,633</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>476,331</u>	
End of Year			<u>\$ 709,122</u>	

See accompanying Notes to Required Supplementary Information.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
SCHEDULE OF CHANGES IN THE DISTRICT'S SUPPLEMENTAL  
PENSION LIABILITY AND RELATED RATIOS  
JUNE 30, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability	\$ 506,480	\$ 735,421	\$ 842,947	\$ 917,566	\$ 935,272	\$ 1,238,753
Changes for the Year:						
Service Cost	24,671	30,767	35,487	30,531	31,937	38,727
Interest	8,812	15,295	24,814	29,438	25,460	33,886
Changes in Benefit Terms	(27,635)	40,097	15,844	81,303	(17,280)	(156,558)
Differences between Expected and Actual Experience	-	(20,190)	-	-	-	-
Benefit Payments	<u>(237,876)</u>	<u>(294,910)</u>	<u>(183,671)</u>	<u>(215,891)</u>	<u>(179,867)</u>	<u>(219,536)</u>
Net Changes	<u>(232,028)</u>	<u>(228,941)</u>	<u>(107,526)</u>	<u>(74,619)</u>	<u>(139,750)</u>	<u>(303,481)</u>
Total Pension Liability	<u>\$ 274,452</u>	<u>\$ 506,480</u>	<u>\$ 735,421</u>	<u>\$ 842,947</u>	<u>\$ 795,522</u>	<u>\$ 935,272</u>
Covered Payroll	\$ 6,072,526	\$ 5,895,657	\$ 8,040,060	\$ 7,805,884	\$ 8,156,154	\$ 7,918,596
District's Net OPEB Liability (Asset) as a Percentage of Covered Payroll	5 %	9 %	9 %	11 %	10 %	12 %

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

*See accompanying Notes to Required Supplementary Information.*

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY  
AND RELATED RATIOS  
JUNE 30, 2022**

	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>						
Service Cost	\$ 675,206	\$ 794,178	\$ 632,289	\$ 557,711	\$ 514,292	\$ 646,723
Interest	386,386	401,228	483,707	550,832	398,393	455,201
Plan Changes	14,027	-	377,615	388,068	(295,745)	(1,736,403)
Differences Between Expected and Actual Experience	-	2,928,278	-	(787,949)	-	-
Changes of Assumptions	(795,365)	(244,931)	-	-	-	-
Benefit Payments	(1,936,250)	(1,579,124)	(1,208,615)	(1,281,243)	(1,109,461)	(1,273,369)
<b>Net Change in Total OPEB Liability</b>	<b>(1,655,996)</b>	<b>2,299,629</b>	<b>284,996</b>	<b>(572,581)</b>	<b>(492,521)</b>	<b>(1,907,848)</b>
<b>Total OPEB Liability - Beginning</b>	<b>18,205,535</b>	<b>15,905,906</b>	<b>15,620,910</b>	<b>16,193,491</b>	<b>13,774,158</b>	<b>15,682,006</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 16,549,539</b>	<b>\$ 18,205,535</b>	<b>\$ 15,905,906</b>	<b>\$ 15,620,910</b>	<b>\$ 13,281,637</b>	<b>\$ 13,774,158</b>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 1,292,838	\$ 1,052,070	\$ 847,404	\$ 1,148,057	\$ 1,004,817	\$ 1,185,843
Net Investment Income	31,864	33,914	34,318	36,309	27,830	33,012
Benefit Payments	(1,451,357)	(1,184,443)	(899,060)	(1,276,033)	(1,109,462)	(1,273,368)
Differences Between Expected and Actual Experience	(6,740)	(4,045)	(2,853)	(7,922)	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(133,395)</b>	<b>(102,504)</b>	<b>(20,191)</b>	<b>(99,589)</b>	<b>(76,815)</b>	<b>(54,513)</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>1,593,180</b>	<b>1,695,684</b>	<b>1,715,875</b>	<b>1,815,464</b>	<b>1,892,280</b>	<b>1,946,793</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 1,459,785</b>	<b>\$ 1,593,180</b>	<b>\$ 1,695,684</b>	<b>\$ 1,715,875</b>	<b>\$ 1,815,465</b>	<b>\$ 1,892,280</b>
<b>District's Net OPEB Liability (Asset) - Ending (a) - (b)</b>	<b>\$ 15,089,754</b>	<b>\$ 16,612,355</b>	<b>\$ 14,210,222</b>	<b>\$ 13,905,035</b>	<b>\$ 11,466,172</b>	<b>\$ 11,881,878</b>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9 %	9 %	11 %	11 %	14 %	14 %
Covered Employee Payroll	\$ 34,930,338	\$ 33,912,950	\$ 32,492,530	\$ 31,546,146	\$ 27,052,943	\$ 26,264,993
District's Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll	43 %	49 %	44 %	44 %	42 %	45 %

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

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
SCHEDULE OF MONEY WEIGHTED RATE OF RETURN ON OPEB PLAN ASSETS  
JUNE 30, 2022**

Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2017	1.70 %
2018	1.50 %
2019	1.60 %
2020	1.80 %
2021	1.80 %
2022	1.60 %

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

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

	Measurement Date June 30, 2021	Measurement Date June 30, 2020	Measurement Date June 30, 2019	Measurement Date June 30, 2018
<b>PERA</b>				
District's Proportion of the Net Pension Liability	0.1205 %	0.1136 %	0.1159 %	0.1115 %
District's Proportionate Share of the Net Pension Liability	\$ 5,145,890	\$ 6,810,839	\$ 6,407,851	\$ 6,185,563
State's Proportionate Share of the Net Pension Liability Associated with District	157,170	210,017	199,158	202,973
Total of District's and State's Proportionate Share of the Net Pension Liability	<u>\$ 5,303,060</u>	<u>\$ 7,020,856</u>	<u>\$ 6,607,009</u>	<u>\$ 6,388,536</u>
District's Covered Payroll	\$ 8,365,547	\$ 8,299,080	\$ 8,037,013	\$ 7,649,187
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	61.51 %	82.07 %	79.73 %	80.87 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.00 %	79.06 %	80.20 %	79.53 %
<b>TRA</b>				
District's Proportion of the Net Pension Liability	0.4593 %	0.4523 %	0.4579 %	0.4697 %
District's Proportionate Share of the Net Pension Liability	\$ 20,100,341	\$ 33,416,530	\$ 29,186,642	\$ 29,499,602
State's Proportionate Share of the Net Pension Liability Associated with District	1,695,235	2,800,402	2,582,929	2,771,569
Total of District's and State's Proportionate Share of the Net Pension Liability	<u>\$ 21,795,576</u>	<u>\$ 36,216,932</u>	<u>\$ 31,769,571</u>	<u>\$ 32,271,171</u>
District's Covered Payroll	\$ 27,724,403	\$ 26,341,932	\$ 26,133,684	\$ 26,245,613
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	72.50 %	126.86 %	111.68 %	112.40 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.63 %	75.48 %	78.07 %	78.07 %

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



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

Measurement Date June 30, 2017	Measurement Date June 30, 2016	Measurement Date June 30, 2015	Measurement Date June 30, 2014
0.1109 %	0.1048 %	0.1092 %	0.1104 %
\$ 7,079,783	\$ 8,509,240	\$ 5,659,311	\$ 5,186,039
89,007	111,062	-	-
<u>\$ 7,168,790</u>	<u>\$ 8,620,302</u>	<u>\$ 5,659,311</u>	<u>\$ 5,186,039</u>
\$ 7,171,613	\$ 6,523,080	\$ 6,291,980	\$ 5,986,992
98.72 %	130.45 %	89.94 %	86.62 %
75.90 %	68.91 %	78.20 %	78.75 %
0.4633 %	0.4634 %	0.4523 %	0.4784 %
\$ 92,483,084	\$ 110,531,957	\$ 27,979,228	\$ 22,044,328
8,940,294	11,094,524	3,432,062	1,550,926
<u>\$ 101,423,378</u>	<u>\$ 121,626,481</u>	<u>\$ 31,411,290</u>	<u>\$ 23,595,254</u>
\$ 25,066,013	\$ 24,212,640	\$ 23,150,263	\$ 21,836,533
368.96 %	456.51 %	120.86 %	100.95 %
51.57 %	44.88 %	76.77 %	81.50 %

*See accompanying Notes to Required Supplementary Information.*

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

	2022	2021	2020	2019
<b>PERA</b>				
Contractually Required Contribution	\$ 696,552	\$ 627,416	\$ 622,431	\$ 602,776
Contributions in Relation to the Contractually Required Contribution	<u>(696,552)</u>	<u>(627,416)</u>	<u>(622,431)</u>	<u>(602,776)</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 District's Covered Payroll	 \$ 9,287,360	 \$ 8,365,547	 \$ 8,299,080	 \$ 8,037,013
 Contributions as a Percentage of Covered Payroll	 7.50 %	 7.50 %	 7.50 %	 7.50 %
 <b>TRA</b>				
Contractually Required Contribution	\$ 2,362,293	\$ 2,253,994	\$ 2,086,281	\$ 2,014,907
Contributions in Relation to the Contractually Required Contribution	<u>(2,362,293)</u>	<u>(2,253,994)</u>	<u>(2,086,281)</u>	<u>(2,014,907)</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 District's Covered Payroll	 \$ 28,324,856	 \$ 27,724,403	 \$ 26,341,932	 \$ 26,133,684
 Contributions as a Percentage of Covered Payroll	 8.34 %	 8.13 %	 7.92 %	 7.71 %

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

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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 573,689	\$ 537,871	\$ 489,231	\$ 465,243
<u>(573,689)</u>	<u>(537,871)</u>	<u>(489,231)</u>	<u>(465,243)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,649,187	\$ 7,171,613	\$ 6,523,080	\$ 6,291,980
7.50 %	7.50 %	7.50 %	7.39 %
\$ 1,968,421	\$ 1,879,951	\$ 1,815,948	\$ 1,736,618
<u>(1,968,421)</u>	<u>(1,879,951)</u>	<u>(1,815,948)</u>	<u>(1,736,618)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 26,245,613	\$ 25,066,013	\$ 24,212,640	\$ 23,154,907
7.50 %	7.50 %	7.50 %	7.50 %

*See accompanying Notes to Required Supplementary Information.*

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

**NOTE 1 COMPLIANCE - BUDGETS**

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

In the following funds, expenditures exceeded the appropriations during the year ended June 30, 2022:

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Special Revenue Funds:			
Food Service Fund	\$ 2,643,094	\$ 2,788,321	\$ 145,227
Community Service Fund	4,879,772	4,950,697	70,925

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

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

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

2021

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 have been no changes since the prior valuation.

2020

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

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

2020 (Continued)

Changes in Actuarial Assumptions (Continued)

- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

2019

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2018

Changes in Actuarial Assumption

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed postretirement benefit increase was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

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

2018 (Continued)

Changes in Plan Provisions (Continued)

- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50% beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

Changes in Actuarial Assumption

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

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016

Changes in Actuarial Assumptions

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

Changes in Actuarial Plan Provisions

- There have been no changes since the prior valuation.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

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

2015

Changes in Actuarial Assumptions

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

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 increased 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 year ended June 30:

2021

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 in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

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

2018

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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



**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

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

2017

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016

Changes in Actuarial Assumptions

- The cost of living adjustment was not assumed to increase (it remained at 2.0% for all future years).
- The price inflation assumption was lowered from 3.0% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes at some durations for the merit scale of the salary increase assumption.
- 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 while 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.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

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

2016 (Continued)

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2014

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

**NOTE 3 OTHER POSTEMPLOYMENT BENEFIT PLAN**

The following assumption changes have been made for the measurement date June 30, 2022:

- The discount rate was changed from 2.10% to 3.70%.

The following benefit changes have been made for the measurement date June 30, 2022:

- Retiring technology support employees hired prior to 2005, who have at least 10 years of service and were are at least 60 years of age will receive a District contribution towards the premium, equal to the contribution that an active employee received, until the retiree reaches Medicare eligibility.

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

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

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

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

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

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The discount rate was changed from 3.40% to 3.00%.

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

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

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

**NOTE 4 SUPPLEMENTAL BENEFIT PLAN**

The following assumption changes have been made for the measurement date June 30, 2022:

- The discount rate was changed from 2.10% to 3.8%.

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

- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub- 2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.
- The method used to offset the district contributions to the Deferred Mating Compensation Plans for Custodians, District Office Personnel, Food Service Employees, Paraprofessionals, and Secretaries was changed from assuming the match amounts would offset GASB 73 severance benefits first (before offsetting severance amounts based on unused sick leave) to prorating the match amounts between GASB 73 and unused sick leave benefits.
- The discount rate was changed from 2.40% to 2.10%.

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

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

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

- The district matching contribution was increased from \$2,000 per year to \$2,500 per year for Directors. The district matching contribution is not included in the liability but is an offset to the GASB 73 severance benefit.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The discount rate was changed from 3.50% to 3.10%.

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

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

## **SUPPLEMENTARY INFORMATION**

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE  
YEAR ENDED JUNE 30, 2022**

	Audit	UFARS	Audit-UFARS		Audit	UFARS	Audit-UFARS
<b>01 GENERAL FUND</b>				<b>06 BUILDING CONSTRUCTION</b>			
Total Revenues	\$ 63,174,963	\$ 63,174,964	\$ (1)	Total Revenues	\$ -	\$ -	\$ -
Total Expenditures	62,986,338	62,986,340	(2)	Total Expenditures	-	-	-
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	29,411	29,411	-	460 Nonspendable Fund Balance	-	-	-
<i>Restricted/Reserve:</i>				<i>Restricted/Reserve:</i>			
401 Student Activities	26,440	26,441	(1)	407 Capital Projects Levy	-	-	-
403 Staff Development	99,017	99,017	-	409 Alternative Fac. Program	-	-	-
406 Health & Safety	-	-	-	413 Project Funded by COP	-	-	-
407 Capital Project Levy	-	-	-	467 LTFM	-	-	-
408 Cooperative Rev.	-	-	-	<i>Restricted:</i>			
409 Deferred Maintenance	-	-	-	464 Restricted Fund Balance	-	-	-
414 Operating Debt	-	-	-	<i>Unassigned:</i>			
416 Levy Reduction	-	-	-	463 Unassigned Fund Balance	-	-	-
419 Encumbrances	-	-	-				
423 Certain Teacher Programs	-	-	-	<b>07 DEBT SERVICE</b>			
424 Operating Capital	114,811	114,811	-	Total Revenues	3,677,424	3,677,424	-
426 \$25 Taconite	-	-	-	Total Expenditures	3,638,176	3,638,175	1
427 Disabled Accessibility	-	-	-	<i>Nonspendable:</i>			
428 Learning & Development	-	-	-	460 Nonspendable Fund Balance	-	-	-
434 Area Learning Center	21,609	21,609	-	<i>Restricted/Reserve:</i>			
435 Contracted Alt. Programs	-	-	-	425 Bond Refundings	-	-	-
436 St. Approved Alt. Prog.	-	-	-	451 QZAB Payments	-	-	-
438 Gifted & Talented	-	-	-	<i>Restricted:</i>			
440 Teacher Development & Eval	-	-	-	464 Restricted Fund Balance	1,723,918	1,723,919	(1)
441 Basic Skills	-	-	-	<i>Unassigned:</i>			
443 Telecomm. Access Cost	-	-	-	463 Unassigned Fund Balance	-	-	-
446 First Grade Preparedness	-	-	-				
448 Achievement and Integration	-	-	-	<b>18 CUSTODIAL FUND</b>			
449 Safe Schools Levy	116,659	116,659	-	Total Revenues	97,950	97,950	-
450 Pre-Kindergarten	-	-	-	Total Expenditures	154,802	154,802	-
451 QZAB Payments	-	-	-	401 Student Activities	-	-	-
452 OPEB Liab. Not In Trust	-	-	-	402 Scholarships	2,448,061	2,448,061	-
453 Unfunded Sev & Retirement Levy	-	-	-				
467 LTFM	1,435,977	1,435,977	-	<b>20 INTERNAL SERVICE</b>			
472 Medical Assistance	347,390	347,390	-	Total Revenues	568,735	568,735	-
<i>Restricted:</i>				Total Expenditures	603,143	603,143	-
464 Restricted Fund Balance	559,942	559,942	-	422 Net Position	198,648	198,649	(1)
<i>Committed:</i>							
418 Committed For Separation	420,350	420,350	-	<b>25 OPEB REVOCABLE TRUST</b>			
461 Committed Fund Balance	-	-	-	Total Revenues	-	-	-
<i>Assigned:</i>				Total Expenditures	-	-	-
462 Assigned Fund Balance	422,814	422,814	-	422 Net Position	-	-	-
<i>Unassigned:</i>							
422 Unassigned Fund Balance	4,214,851	4,214,852	(1)	<b>45 OPEB IRREVOCABLE TRUST</b>			
				Total Revenues	1,710,050	1,710,048	2
<b>02 FOOD SERVICE</b>				Total Expenditures	1,843,445	1,843,444	1
Total Revenues	3,523,114	3,523,114	-	422 Net Position	1,459,785	1,459,784	1
Total Expenditures	2,788,321	2,788,321	-				
<i>Nonspendable:</i>				<b>47 OPEB DEBT SERVICE</b>			
460 Nonspendable Fund Balance	40,593	40,593	-	Total Revenues	-	-	-
<i>Restricted:</i>				Total Expenditures	-	-	-
452 OPEB Liab. Not in Trust	-	-	-	<i>Nonspendable:</i>			
464 Restricted Fund Balance	1,071,785	1,071,787	(2)	460 Nonspendable Fund Balance	-	-	-
<i>Unassigned:</i>				<i>Restricted:</i>			
463 Unassigned Fund Balance	-	-	-	425 Bond Refundings	-	-	-
				464 Restricted Fund Balance	-	-	-
<b>04 COMMUNITY SERVICE</b>				<i>Unassigned:</i>			
Total Revenues	5,183,488	5,183,488	-	463 Unassigned Fund Balance	-	-	-
Total Expenditures	4,950,697	4,950,698	(1)				
<i>Nonspendable:</i>							
460 Nonspendable Fund Balance	967	967	-				
<i>Restricted/Reserve:</i>							
426 \$25 Taconite	-	-	-				
431 Community Education	106,289	106,289	-				
432 E.C.F.E.	34,338	34,338	-				
444 School Readiness	74,684	74,684	-				
447 Adult Basic Education	370,025	370,025	-				
452 OPEB Liab. Not in Trust	-	-	-				
<i>Restricted:</i>							
464 Restricted Fund Balance	122,819	122,819	-				
<i>Unassigned:</i>							
463 Unassigned Fund Balance	-	-	-				

## **STATISTICAL SECTION (UNAUDITED)**

The statistical section of the Independent School District No. 882's (the District) annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

The debt capacity schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

### **Demographic and Economic Information**

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

### **Operating Information**

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

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

	Fiscal Year			
	2013	2014	2015	2016
<b>GOVERNMENTAL ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 25,135,009	\$ 28,367,492	\$ 32,717,052	\$ 34,364,408
Restricted	2,055,494	2,023,358	2,441,680	2,267,619
Unrestricted	5,498,909	6,250,771	(25,712,413)	(26,879,967)
Total Governmental Activities				
Net Position	<u>\$ 32,689,412</u>	<u>\$ 36,641,621</u>	<u>\$ 9,446,319</u>	<u>\$ 9,752,060</u>



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

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 25,258,704	\$ 28,999,924	\$ 25,778,548	\$ 25,004,889	\$ 25,109,224	\$ 23,126,264
4,630,541	2,711,875	3,322,852	3,863,922	4,153,779	5,722,046
(50,340,036)	(68,665,748)	(57,326,258)	(60,203,482)	(63,298,444)	(59,460,610)
<u>\$ (20,450,791)</u>	<u>\$ (36,953,949)</u>	<u>\$ (28,224,858)</u>	<u>\$ (31,334,671)</u>	<u>\$ (34,035,441)</u>	<u>\$ (30,612,300)</u>

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

	Fiscal Year			
	2013	2014	2015	2016
<b>EXPENSES</b>				
<b>Governmental Activities</b>				
Administration	\$ 1,238,134	\$ 1,283,586	\$ 1,337,795	\$ 1,440,429
District Support Services	674,478	1,018,438	1,032,096	1,135,630
Elementary and Secondary Regular Instruction	19,757,587	19,835,124	21,790,879	23,705,406
Vocational Education Instruction	824,747	694,045	773,340	773,236
Special Education Instruction	13,076,583	13,944,470	14,949,615	14,494,246
Instructional Support Services	2,804,514	2,625,955	2,807,152	2,941,917
Pupil Support Services	3,408,107	3,640,273	3,734,385	3,883,955
Sites and Buildings	3,684,303	4,129,356	4,571,273	6,206,082
Fiscal and Other Fixed Cost Programs	171,889	172,537	176,392	183,311
Food Service	1,733,824	1,780,814	1,903,682	2,025,562
Community Education and Services	2,527,475	2,745,243	2,380,265	2,557,334
Interest and Fiscal Charges on Long-Term Debt	477,787	250,817	128,293	448,369
Depreciation not Included in Other Functions	1,102,166	1,102,165	1,102,166	1,102,166
Total Governmental Activities Expenses	51,481,594	53,222,823	56,687,333	60,897,643
<b>PROGRAM REVENUES</b>				
<b>Governmental Activities</b>				
Charges for Services:				
Administration	-	-	-	-
District Support Services	-	-	-	-
Elementary and Secondary Regular Instruction	675,556	601,835	428,959	398,912
Vocational Education Instruction	-	-	-	-
Special Education Instruction	1,533,286	2,104,156	2,409,961	6,509,474
Instructional Support Services	-	-	-	-
Pupil Support Services	4,925	-	-	-
Sites and Buildings	-	300	222,464	227,780
Fiscal and Other Fixed Cost Programs	-	-	-	-
Food Service	992,863	1,024,734	1,040,232	1,059,552
Community Education and Services	1,152,504	1,223,615	976,923	1,020,892
Interest and Fiscal Charges on Long-Term Debt	-	-	-	-
Depreciation not Included in Other Functions	-	-	-	-
Operating Grants and Contributions	14,309,359	15,133,838	16,109,098	11,499,346
Capital Grants and Contributions	446,483	476,050	584,023	595,653
Total Governmental Activities Program Revenues	19,114,976	20,564,528	21,771,660	21,311,609
Net Expense	(32,366,618)	(32,658,295)	(34,915,673)	(39,586,034)
<b>GENERAL REVENUES</b>				
<b>Governmental Activities</b>				
Taxes:				
Property Taxes, Levied for General Purposes	6,022,840	4,238,226	5,611,498	6,183,526
Property Taxes, Levied for Community Service	257,587	214,829	273,445	223,361
Property Taxes, Levied for Building Construction	-	-	-	3,500,000
Property Taxes, Levied for Debt Service	4,415,071	4,004,789	5,098,466	1,134,134
General Grants and Aids	24,200,096	27,564,512	27,341,397	28,354,194
Earnings on Investments	42,885	27,634	28,125	151,399
Gain on Sale of Capital Assets	-	7,845	25,878	5,800
Other General Revenues	898,239	552,669	342,146	339,361
Total Governmental Activities	35,836,718	36,610,504	38,720,955	39,891,775
Change in Net Position	\$ 3,470,100	\$ 3,952,209	\$ 3,805,282	\$ 305,741

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 2,267,484	\$ 2,254,899	\$ 1,058,283	\$ 1,560,908	\$ 1,796,368	\$ 1,446,860
1,181,088	1,227,978	820,276	1,065,605	1,139,688	1,194,033
32,103,609	33,518,386	15,059,682	27,681,918	28,570,755	26,627,940
715,728	785,932	1,219,386	1,483,315	1,638,491	1,723,254
19,153,411	20,151,673	12,219,100	17,927,383	18,161,827	16,488,857
3,330,953	3,496,922	2,333,594	3,018,474	3,264,499	3,603,730
4,090,046	4,032,437	3,668,797	4,187,714	4,378,701	4,648,270
9,219,213	8,123,738	7,982,706	6,371,538	5,942,591	6,044,334
162,414	528,373	682,729	647,515	856,818	931,888
1,914,262	2,046,853	2,131,022	1,992,929	2,095,506	2,837,796
2,880,271	3,601,031	3,711,934	4,208,681	4,191,681	4,647,298
1,223,104	1,280,104	1,282,547	1,323,735	1,292,201	1,239,301
1,566,641	1,052,234	1,006,894	985,784	981,124	969,107
79,808,224	82,100,560	53,176,950	72,455,499	74,310,250	72,402,668
1,058,283	-	-	-	-	-
820,276	-	-	-	-	-
792,260	690,907	578,861	456,699	474,259	640,601
1,219,386	-	-	-	-	-
7,459,860	7,947,140	8,780,973	9,273,444	9,736,493	10,207,156
2,333,594	-	-	-	-	-
-	-	-	-	-	-
197,736	118,726	92,841	55,581	64,346	45,409
682,729	-	-	-	-	-
1,002,757	1,086,595	1,114,428	828,435	114,089	288,746
1,125,544	1,409,854	2,069,515	1,895,970	2,200,968	2,823,435
1,282,547	-	-	-	-	-
1,006,894	-	-	-	-	-
9,306,320	11,096,242	7,910,617	10,575,272	14,070,478	15,309,899
550,184	618,329	663,179	649,523	631,212	622,020
28,838,370	22,967,793	21,210,414	23,734,924	27,291,845	29,937,266
(50,969,854)	(59,132,767)	(31,966,536)	(48,720,575)	(47,018,405)	(42,465,402)
6,292,567	6,831,338	8,332,518	8,932,523	8,711,012	8,933,158
228,915	242,189	230,807	316,482	311,329	321,448
2,833,250	1,077,000	439,534	-	-	-
2,170,832	3,239,890	3,136,033	3,567,815	3,369,179	3,427,870
29,339,675	28,857,831	29,424,009	31,020,346	30,770,967	31,982,691
323,478	260,725	285,149	217,629	6,182	21,794
470	-	5,303	4,298	1,686	26,920
564,082	2,120,636	1,647,435	1,075,201	1,147,280	1,174,662
41,753,269	42,629,609	43,500,788	45,134,294	44,317,635	45,888,543
\$ (9,216,585)	\$ (16,503,158)	\$ 11,534,252	\$ (3,586,281)	\$ (2,700,770)	\$ 3,423,141

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

	Fiscal Year			
	2013	2014	2015	2016
<b>GENERAL FUND</b>				
Nonspendable	\$ 642,926	\$ 687,121	\$ 707,359	\$ 726,713
Restricted	119,920	175,271	409,724	523,780
Assigned	2,695,080	717,468	678,992	723,642
Committed	-	1,816,655	1,689,771	1,570,581
Unassigned	3,239,568	3,814,657	3,814,320	3,484,243
	<u>\$ 6,697,494</u>	<u>\$ 7,211,172</u>	<u>\$ 7,300,166</u>	<u>\$ 7,028,959</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Nonspendable	\$ 23,081	\$ 26,059	\$ 19,954	\$ 27,632
Restricted	1,793,181	1,750,381	1,951,768	44,497,887
Unassigned, Reported in:				
Capital Projects Fund	-	-	(761,552)	(837,219)
Total All Other	<u>-</u>	<u>-</u>	<u>(761,552)</u>	<u>(837,219)</u>
Governmental Funds	<u>\$ 1,816,262</u>	<u>\$ 1,776,440</u>	<u>\$ 1,210,170</u>	<u>\$ 43,688,300</u>
Unassigned - Operating				
Account as a Percent of Total Expenditures *	<u>5.81 %</u>	<u>9.91 %</u>	<u>7.49 %</u>	<u>6.63 %</u>

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

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 707,781	\$ 824,508	\$ 62,385	\$ 71,792	\$ 30,695	\$ 29,411
935,714	855,677	1,320,325	2,888,954	3,126,591	2,721,845
224,282	190,620	248,890	202,187	272,887	422,814
1,417,837	1,222,367	990,152	869,405	633,545	420,350
2,079,142	1,333,876	2,412,297	3,582,840	3,530,061	4,214,851
<u>\$ 5,364,756</u>	<u>\$ 4,427,048</u>	<u>\$ 5,034,049</u>	<u>\$ 7,615,178</u>	<u>\$ 7,593,779</u>	<u>\$ 7,809,271</u>
\$ 94,258	\$ 53,751	\$ 47,342	\$ 49,505	\$ 42,999	\$ 41,560
22,653,380	7,482,679	8,755,996	3,446,574	2,495,187	3,503,858
(24,962)	-	-	-	-	-
<u>\$ 22,722,676</u>	<u>\$ 7,536,430</u>	<u>\$ 8,803,338</u>	<u>\$ 3,496,079</u>	<u>\$ 2,538,186</u>	<u>\$ 3,545,418</u>
<u>3.92 %</u>	<u>3.63 %</u>	<u>2.39 %</u>	<u>0.04 %</u>	<u>0.06 %</u>	<u>0.07 %</u>

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

	Fiscal Year			
	2013	2014	2015	2016
<b>REVENUES</b>				
<b>Local Sources</b>				
Taxes	\$ 10,822,864	\$ 8,559,270	\$ 11,011,402	\$ 11,068,163
Investment Earnings	42,885	27,634	28,125	151,399
Other	5,257,291	5,507,309	5,902,663	10,035,274
<b>State Sources</b>	35,156,182	39,273,363	39,190,816	36,113,494
<b>Federal Sources</b>	3,799,756	3,901,037	4,361,724	3,850,596
Total Revenues	55,078,978	57,268,613	60,494,730	61,218,926
<b>EXPENDITURES</b>				
<b>Current</b>				
Administration	1,238,962	1,288,619	1,343,272	1,433,362
District Support Services	663,804	981,089	1,017,776	1,094,300
Elementary and Secondary Regular Instruction	19,463,733	19,848,466	21,840,424	23,167,361
Vocational Education Instruction	820,505	697,512	783,246	770,423
Special Education Instruction	12,971,354	13,988,966	14,948,635	14,332,384
Instructional Support Services	1,868,483	1,756,208	1,976,662	1,939,646
Pupil Support Services	3,406,058	3,585,601	3,708,963	3,865,216
Sites and Buildings	3,332,848	3,527,631	3,674,596	3,978,858
Fiscal and Other Fixed Cost Programs	171,889	172,537	176,392	183,311
Food Service	1,723,438	1,780,814	1,892,382	1,993,950
Community Service	2,575,700	2,679,285	2,357,812	2,459,126
<b>Capital Outlay</b>	1,688,298	1,462,339	2,120,051	8,186,238
<b>Debt Service</b>				
Principal	4,548,262	4,606,385	4,847,978	1,637,808
Interest and Fiscal Charges	705,644	427,150	310,087	110,474
Total Expenditures	55,178,978	56,802,602	60,998,276	65,152,457
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	(100,000)	466,011	(503,546)	(3,933,531)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds Issued	5,970,000	-	-	44,340,000
Premium on Bonds Issued	73,276	-	-	1,349,631
Insurance Recovery	-	-	-	-
Capital Lease/Certificates of Participation	384,313	-	-	439,407
Proceeds from Sale of Assets	4,925	7,845	26,086	11,600
Proceeds from Sale of Inventory	-	-	-	-
Debt Retirement from Escrow Account	(5,975,000)	-	-	-
Total Other Financing Sources (Uses)	457,514	7,845	26,086	46,140,638
Net Change in Fund Balances	\$ 357,514	\$ 473,856	\$ (477,460)	\$ 42,207,107
Debt Services as a Percentage of Noncapital Expenditures	9.73 %	8.94 %	8.65 %	2.93 %

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 11,547,946	\$ 11,418,139	\$ 12,136,162	\$ 12,814,279	\$ 12,394,343	\$ 12,685,808
323,478	260,234	283,532	215,835	6,104	21,630
11,594,919	12,263,089	13,758,222	13,517,517	13,439,650	15,056,813
34,068,736	36,393,849	36,150,163	38,331,790	38,172,264	39,833,819
3,124,534	3,635,513	3,435,577	3,403,667	6,875,643	7,960,919
60,659,613	63,970,824	65,763,656	68,283,088	70,888,004	75,558,989
1,733,162	1,743,600	1,500,426	1,490,651	1,678,673	1,573,559
1,025,933	1,059,397	963,981	1,016,011	1,129,802	1,264,597
23,570,548	24,170,283	23,313,489	23,689,667	24,909,038	25,705,989
686,731	668,092	1,331,983	1,397,638	1,560,090	1,767,389
14,971,050	16,012,491	16,787,182	16,912,027	17,446,087	17,553,755
2,629,279	2,847,399	2,513,754	2,698,019	3,084,900	3,328,715
3,751,172	3,689,028	3,940,134	4,062,571	4,857,276	4,829,982
3,910,662	5,166,328	4,408,790	4,023,624	4,620,446	5,288,324
162,414	147,339	167,003	203,035	300,036	328,745
1,841,499	2,053,482	2,099,404	1,961,992	2,055,414	2,749,233
2,597,306	3,189,608	4,055,079	4,054,917	4,094,431	4,720,580
30,011,547	17,826,315	4,365,805	6,502,339	2,286,744	1,268,966
1,203,041	2,244,706	2,112,872	2,455,495	2,440,902	2,570,541
1,240,752	1,413,271	1,396,623	1,493,491	1,456,988	1,413,157
89,335,096	82,231,339	68,956,525	71,961,477	71,920,827	74,363,532
(28,675,483)	(18,260,515)	(3,192,869)	(3,678,389)	(1,032,823)	1,195,457
5,160,000	-	4,430,000	-	-	-
168,148	-	170,745	-	-	-
126,706	1,116,828	435,768	27,955	51,845	-
-	930,573	-	468,500	-	-
5,303	4,537	5,303	4,298	1,686	26,867
6,620	59,661	-	-	-	400
-	-	-	-	-	-
5,466,777	2,111,599	5,041,816	500,753	53,531	27,267
\$ (23,208,706)	\$ (16,148,916)	\$ 1,848,947	\$ (3,177,636)	\$ (979,292)	\$ 1,222,724
3.77 %	4.45 %	5.32 %	0.06 %	0.06 %	0.05 %

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

<u>For Taxes Collectible</u>	<u>Residential Property</u>	<u>Commercial Industrial Property</u>	<u>Other Property</u>	<u>Less: Tax Increment Property</u>
2013	\$ 7,961,021	\$ 9,970,792	\$ 8,325,133	\$ 885,070
2014	8,142,220	9,343,177	8,162,264	790,345
2015	9,060,661	14,504,143	8,257,031	762,309
2016	9,819,356	15,954,750	9,093,640	687,603
2017	10,709,438	17,020,985	8,529,943	722,414
2018	11,960,706	17,955,102	8,974,684	719,806
2019	13,160,682	16,340,826	8,563,005	706,029
2020	14,466,205	16,129,970	9,969,813	738,209
2021	15,159,639	16,651,094	8,645,051	767,380
2022	16,428,720	21,644,597	2,420,774	750,789

Source: Wright and Sherburne Counties



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

Net Taxable Tax Capacity	Total Direct Tax Rate	Estimated Taxable Market Value	Taxable Tax Capacity as a Percentage of Estimated Market Value
\$ 25,371,876	26.229	\$ 1,938,427,700	1.31 %
24,857,316	28.269	1,920,071,100	1.29
31,059,526	22.882	2,292,783,500	1.35
34,180,143	20.857	2,609,175,300	1.31
35,537,952	16.242	2,461,256,683	1.44
38,170,686	15.621	2,962,731,200	1.29
37,358,484	16.972	3,043,626,600	1.23
39,827,779	15.865	3,039,589,729	1.31
39,688,404	15.390	3,107,579,700	1.28
39,743,302	15.459	3,310,156,400	1.20

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

	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>
<b>GOVERNMENTAL UNIT</b>				
<b>ISD No. 882 (Monticello)</b>	26.229 %	28.269 %	22.882 %	20.857 %
<b>Overlapping Governments:</b>				
Wright County	44.288 %	43.450 %	40.593 %	39.970 %
Sherburne County	54.420 %	54.861 %	51.979 %	50.478 %
City of Monticello	42.262 %	44.709 %	35.737 %	34.471 %
City of Otsego	46.229 %	44.575 %	41.202 %	37.921 %
City of Big Lake	55.198 %	60.048 %	57.518 %	57.112 %
Big Lake Twp	15.306 %	15.591 %	16.058 %	19.004 %
Buffalo Twp	25.514 %	25.310 %	24.432 %	23.379 %
Clearwater Twp	28.574 %	27.905 %	27.826 %	24.135 %
Maple Lake Twp	22.328 %	22.073 %	20.372 %	18.678 %
Monticello Twp	24.483 %	24.879 %	24.952 %	23.386 %
Silver Creek Twp	28.286 %	32.261 %	28.716 %	27.412 %
Hospital District	0.608 %	- %	- %	- %
State	N/A	N/A	N/A	N/A

The state information for 2012-2021 is unavailable.

Source: Wright and Sherburne Counties

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

<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
16.242 %	15.621 %	16.972 %	15.865%	15.390%	15.459%
39.599 %	39.946 %	44.273 %	44.421%	43.719%	43.751%
50.460 %	49.356 %	47.928 %	47.426%	45.835%	44.080%
33.172 %	32.333 %	34.262 %	34.967%	35.659%	36.536%
37.852 %	36.556 %	36.060 %	35.099%	34.653%	34.545%
57.936 %	55.643 %	50.898 %	49.223%	48.471%	47.505%
17.972 %	19.797 %	20.720 %	22.801%	23.550%	21.592%
22.520 %	21.442 %	20.026 %	19.029%	17.692%	17.425%
24.490 %	22.482 %	21.472 %	20.946%	21.021%	19.809%
17.618 %	16.508 %	15.537 %	16.145%	18.948%	16.637%
24.253 %	21.732 %	20.496 %	19.450%	18.948%	17.523%
26.181 %	24.914 %	23.517 %	22.309%	26.640%	22.140%
- %	- %	- %	- %	- %	- %
N/A	N/A	N/A	N/A	N/A	N/A

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

Taxpayer	2022			2013		
	Net Tax Capacity	Rank	Percentage Total District Tax Valuation	Net Tax Capacity	Rank	Percentage Total District Tax Valuation
Northern States Power Co.	\$ 15,698,801	1	39.50 %	\$ 10,083,806	1	39.74 %
Iret Properties	329,742	2	0.83			
Venturian Holdings LLC Etal	255,220	3	0.64			
Centerpoint Energy	242,534	4	0.61			
Target Corporation	199,250	5	0.50	235,634	3	0.93
Wal-Mart Real Est. Business Tr.	192,994	6	0.49	255,332	2	1.01
RCG-Monticello MN LLC	177,428	7	0.45			
UMC Real Estate, LLC	148,410	8	0.37			
Monti-Big Lake Comm Hospital	145,440	9	0.37	150,882	4	0.59
Home Depot USA Inc.	129,280	10	0.33	143,754	5	0.57
MLBL, LLC				148,630	6	0.59
Minnegasco, Inc				133,548	7	0.53
Muller Fam Theatres of Monti				109,597	8	0.43
Ax TC Retail LP				101,596	9	0.40
RCE Property, LLC				95,022	10	0.37
Total for Ten Largest Principal Taxpayers	<u>\$ 17,519,099</u>			<u>\$ 11,457,801</u>		

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

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

For Taxes Collectible	Total Tax Levy for Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 10,778,235	\$ 10,648,661	98.80 %	\$ 120,563	\$ 10,769,224	99.92 %
2014	10,780,124	10,676,682	99.04	92,953	10,769,635	99.90
2015	10,938,113	10,846,305	99.16	87,912	10,934,217	99.96
2016	11,304,610	11,249,353	99.51	55,581	11,304,934	100.00
2017	11,252,912	11,195,237	99.49	55,392	11,250,629	99.98
2018	11,713,247	11,618,442	99.19	94,377	11,712,819	100.00
2019	12,776,448	12,669,104	99.16	103,345	12,772,449	99.97
2020	12,141,929	12,094,921	99.61	40,695	12,135,616	99.95
2021	12,355,839	12,316,356	99.68	22,581	12,338,937	99.86
2022	12,254,173	6,010,776	49.05	-	6,010,776	49.05

Note 1: Delinquent taxes receivable are written-off after seven years. The amount of collections has been adjusted to reflect the write-off of delinquent taxes receivable.

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

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

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

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

Year	G.O. Bonds	Aid and Tax Anticipation Certificates	^	Finance Purchase Agreement	^	Lease Liability	Total Primary Government
2013	\$ 11,455,000	\$ 4,200,000		\$ 493,917		\$ -	\$ 16,148,917
2014	6,980,000	-		362,532		-	7,342,532
2015	2,270,000	-		224,554		-	2,494,554
2016	45,215,000	-		421,153		-	45,636,153
2017	49,330,000	-		263,112		-	49,593,112
2018	47,345,000	-		933,979		-	48,278,979
2019	49,895,000	-		701,122		-	50,596,122
2020	47,690,000	-		929,128		-	48,619,128
2021	45,475,000	-	^	693,210	^	229,541	46,397,751
2022	43,215,000	-	^	450,849	^	161,339	43,827,188

\* Updated information was not available for these years.

^ GASB 87 was implemented as of 7/1/21, which resulted in a restatement of the categories of debt.

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

Source: District Records

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

Estimated Population		Net Bonded Debt per Capita	Percentage of Outstanding Debt to Personal Income
20,533	* \$	786	4.77 %
20,533	*	358	2.03
20,533	*	121	0.69
20,533	*	2,223	N/A
21,721		2,283	N/A
21,721	*	2,223	N/A
21,304		2,375	N/A
21,304		2,282	N/A
21,304		2,167	N/A
21,304		2,050	N/A

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

Year	G.O. Bonds	Less Amounts Available in Debt Service Fund	Net Bonded Debt	Tax Capacity
2013	\$ 11,455,000	\$ 1,205,976	\$ 10,249,024	\$ 25,371,876
2014	6,980,000	1,084,990	5,895,010	24,791,806
2015	2,270,000	1,201,810	1,068,190	31,636,594
2016	45,215,000	807,090	44,407,910	34,867,746
2017	49,330,000	720,215	48,609,785	36,914,524
2018	47,345,000	675,509	46,669,491	38,170,686
2019	49,895,000	721,154	49,173,846	38,358,484
2020	47,690,000	778,074	46,911,926	39,827,779
2021	45,475,000	1,684,670	43,790,330	39,688,404
2022	43,215,000	1,723,919	41,491,081	39,742,302

\* Updated information was not available for these years.

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

Source: District records, Wright and Sherburne Counties.



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

Percentage of Estimated Actual Taxable Value of Property	Estimated Population	Net Bonded Debt per Capita	
40.40 %	20,533	*	\$ 499
23.78	20,533	*	287
3.38	20,533	*	52
127.36	20,533	*	2,163
131.68	21,721		2,238
122.27	21,721	*	2,149
128.20	21,304	*	2,308
117.79	21,304	*	2,202
110.34	21,304	*	2,055
104.40	21,304		1,948

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

<u>Year</u>	<u>Total Principal</u>	<u>Interest and Other Charges</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
2013	\$ 4,415,000	\$ 624,644	\$ 5,039,644	\$ 45,775,045	11.01
2014	4,475,000	414,025	4,889,025	47,397,543	10.31
2015	4,710,000	292,175	5,002,175	50,267,671	9.95
2016	1,395,000	100,750	1,495,750	52,546,813	2.85
2017	1,045,000	1,238,465	2,283,465	53,073,203	4.30
2018	1,985,000	1,391,178	3,376,178	55,751,701	6.06
2019	1,880,000	1,373,775	3,253,775	55,755,393	5.84
2020	2,215,000	1,473,253	3,688,253	56,818,117	6.49
2021	2,205,000	1,430,813	3,635,813	60,733,224	5.99
2022	2,260,000	1,378,175	3,638,175	62,986,338	5.78

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

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
JUNE 30, 2022  
(UNAUDITED)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Debt Repaid with Property Taxes</b>			
Wright County	\$ 140,385,000	23.66 %	\$ 33,215,091
Sherburne County	40,125,000	1.68	674,100
City of Big Lake	15,080,000	0.13	19,604
City of Monticello	24,406,000	100.00	24,406,000
City of Otsego	35,960,483	8.36	3,006,296
Becker Township	-	11.83	-
Big Lake Township	<u>30,000</u>	0.20	<u>60</u>
Subtotal, Overlapping Debt	255,986,483		61,321,151
Independent School District No. 882 - Direct Debt	45,475,000	100.00	<u>45,475,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 106,796,151</u></u>

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

Source: Wright and Sherburne Counties.

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

	Fiscal Year			
	2013	2014	2015	2016
Debt Limit	\$ 290,764,155	\$ 288,010,665	\$ 343,917,525	\$ 391,376,295
Total Net Debt Applicable to Limit	<u>11,455,000</u>	<u>6,980,000</u>	<u>2,270,000</u>	<u>45,215,000</u>
Legal Debt Margin	<u>\$ 279,309,155</u>	<u>\$ 281,030,665</u>	<u>\$ 341,647,525</u>	<u>\$ 346,161,295</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3.94 %	2.42 %	0.66 %	11.55 %

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

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

Source: District records.

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 413,736,855	\$ 444,409,680	\$ 456,543,990	\$ 455,938,459	\$ 466,136,955	\$ 475,303,895
49,330,000	47,345,000	49,895,000	47,690,000	45,475,000	43,215,000
<u>\$ 364,406,855</u>	<u>\$ 397,064,680</u>	<u>\$ 406,648,990</u>	<u>\$ 408,248,459</u>	<u>\$ 420,661,955</u>	<u>\$ 432,088,895</u>
11.92 %	10.65 %	10.93 %	10.46 %	9.76 %	9.09 %

Legal Debt Margin Calculation for Year 2022:

Market Value	\$ 3,310,156,400
Debt Limit (15% of Market Value)	496,523,460
Debt Applicable to Limit:	
G.O. Bonds	43,215,000
Total Net Debt Applicable to Limit	<u>43,215,000</u>
Legal Debt Margin	<u>\$ 453,308,460</u>

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

Year	Estimated Population		Personal Income	Per Capita Personal Income
2013 Est	20,533	*	\$ 362,440,710	\$ 17,652
2014 Est	20,533	*	360,076,360	17,536
2015 Est	20,533	*	371,796,933	18,107
2016 Est	20,533	*	658,971,698	30,338
2017	21,721		1,180,731,839	54,359 +
2018 Est	21,721	*	N/A	N/A
2019	21,304		N/A	N/A
2020 Est	21,304	*	N/A	N/A
2021 Est	21,304	*	N/A	N/A
2022 Est	21,304	*	N/A	N/A

\* Updated information was not available for these years.

N/A : Data not available.

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

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

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

<u>Year</u>	<u>Average Employment Wright County</u>	<u>Average Unemployment Wright County</u>	<u>Average Unemployment State of Minnesota</u>
2013	66,565	5.36	4.80
2014	68,190	4.13	4.09
2015	69,061	3.00	3.00
2016	69,349	3.20	3.40
2017	72,075	2.80	2.90
2018	72,969	2.20	2.20
2019	73,772	2.30	2.50
2020	73,472	4.40	5.40
2021	74,174	2.40	2.80
2022	77,260	1.50	1.60

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

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

Employer	2021*			2012*		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wright County	807	1	21.09 %	722	1	20.74 %
Xcel Energy	700	2	18.29	516	3	14.82
ISD No. 882	577	3	15.08	528	2	15.17
CentraCare Health Monticello	491	4	12.83			
Cargil Kitchen Solutions	400	5	10.45	250	6	7.18
Wal-Mart	300	6	7.84	325	5	9.34
City of Monticello	190	7	4.96	150	9	4.31
Home Depot	150	8	3.92	160	8	4.60
Target	112	9	2.93			
Cub Foods	100	10	2.61	180	7	5.17
New River Medical Center				500	4	14.36
Monticello Big Lake Nursing Home				150	10	4.31
Total	<u>3,827</u>			<u>3,481</u>		

\* Most current information available.

Source: 2012 Bond Documents and Data Axle Reference Solutions



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

Employees	Employees for Fiscal Year Ended			
	2013	2014	2015	2016
Teachers	319	317	326	330
Principals and District Administration	16	15	16	16
Admin Support, Confidential and Individual	17	20	20	20
Clerical	11	12	12	12
Community Service	6	7	7	7
Custodial	29	29	29	29
Cafeteria	32	32	31	31
Paraprofessionals	110	106	105	115
Total	540	538	546	560

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

Source: District Records

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

Employees for Fiscal Year Ended					
2017	2018	2019	2020	2021	2022
329	340	331	327	337	326
17	17	17	17	17	17
20	20	20	20	21	21
29	29	29	29	29	29
7	7	7	7	6	6
29	31	29	31	31	31
35	35	36	36	31	32
121	125	138	127	103	115
587	604	607	594	575	577

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

Average Daily Membership (ADM) (Including Enrollment Option)

<u>Year Ended June 30,</u>	<u>Handicapped and Prekindergarten</u>	<u>Kindergarten</u>	<u>Elementary</u>	<u>Secondary</u>	<u>Total</u>	<u>Total Pupil Units</u>
2013	62.67	305.79	1,831.19	1,831.36	4,031.01	4,635.19
2014	68.74	253.17	1,879.73	1,808.09	4,009.73	4,631.91
2015	74.13	287.90	1,903.95	1,848.68	4,114.66	4,741.41
2016	71.54	274.63	1,919.23	1,761.99	4,027.39	4,379.77
2017	85.76	231.91	1,924.33	1,832.54	4,074.54	4,440.47
2018	81.44	250.22	1,962.96	1,863.73	4,158.35	4,531.08
2019	73.23	235.22	1,884.19	1,860.25	4,052.89	4,424.94
2020	86.77	250.02	1,833.00	1,929.30	4,099.09	4,497.15
2021	120.97	232.50	1,771.88	1,987.98	4,113.33	4,408.15
2022	127.67	234.47	1,797.41	2,046.00	4,205.55	4,614.74

Source: Minnesota Department of Education.

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
EXPENDITURES PER STUDENT  
YEAR ENDED JUNE 30, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2021)  
(UNAUDITED)**

	<u>State Average</u>	<u>ISD No. 882</u>	
	<u>2021</u>	<u>2021</u>	<u>2022</u>
<b>EXPENDITURES PER STUDENT (ADM) (1)</b>			
<b>General Fund - Operating Account</b>			
District and School Administration	\$ 542	\$ 368	\$ 374
District Support Services	703	389	301
Elementary and Secondary Regular Instruction	5,842	5,618	6,112
Vocational Education Instruction	481	765	420
Special Education Instruction	2,641	4,206	4,174
Instructional Support Services	787	723	792
Pupil Support Services	1,210	1,175	1,148
Sites and Buildings, Fiscal, and Other Fixed Cost Programs	<u>1,961</u>	<u>1,403</u>	<u>1,418</u>
Total General Fund - Operating Account	14,167	14,647	14,739
Food Service Special Revenue Fund	<u>529</u>	<u>499</u>	<u>663</u>
Total PK - 12 Operating Expenditures	14,696	15,146	15,402
General Fund - Capital Expenditure Account	900	350	238
Community Service Special Revenue Fund	571	998	1,177
Capital Projects Fund	2,008	328	-
Debt Service Fund	<u>1,522</u>	<u>879</u>	<u>865</u>
Total Expenditures Per Student	<u>\$ 19,697</u>	<u>\$ 17,701</u>	<u>\$ 17,682</u>
ADM Served	<u>882,198</u>	<u>4,113</u>	<u>4,206</u>

Source: Minnesota Department of Education School District Profiles.

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

	Fiscal Year			
	2013	2014	2015	2016
District and School Administration	\$ 1,238,964	\$ 1,288,895	\$ 1,343,272	\$ 1,434,362
District Support Services	666,738	996,061	1,020,440	1,111,558
Elementary and Secondary Regular Instruction	19,731,629	20,035,453	22,068,662	23,383,945
Vocational Education Instruction	820,507	697,512	783,246	770,423
Special Education Instruction	13,006,471	14,160,588	15,038,457	14,333,587
Instructional Support Services	2,731,848	2,474,474	2,672,818	2,699,263
Pupil Support Services	3,426,332	3,596,695	3,710,506	3,869,327
Sites, Buildings, and Equipment	3,535,937	3,975,334	4,091,565	4,761,037
Fiscal and Other Fixed Cost Programs	232,306	172,537	176,392	183,311
Total	<u>\$ 45,390,732</u>	<u>\$ 47,397,549</u>	<u>\$ 50,905,358</u>	<u>\$ 52,546,813</u>
Weighted ADM	4,635.19	4,631.91	4,741.41	4,379.77
District and School Administration	\$ 267	\$ 272	\$ 307	\$ 323
District Support Services	144	210	233	250
Elementary and Secondary Regular Instruction	4,260	4,226	5,039	5,266
Vocational Education Instruction	177	147	179	174
Special Education Instruction	2,808	2,987	3,434	3,228
Instructional Support Services	590	522	610	608
Pupil Support Services	740	759	847	871
Sites, Buildings, and Equipment	763	838	934	1,072
Fiscal and Other Fixed Cost Programs	50	36	40	41
Total	<u>\$ 9,799</u>	<u>\$ 9,997</u>	<u>\$ 11,623</u>	<u>\$ 11,833</u>

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 1,733,506	\$ 1,744,444	\$ 1,501,632	\$ 1,498,737	\$ 1,703,530	\$ 1,595,359
1,026,839	1,059,397	964,484	1,019,032	1,131,623	1,265,626
23,826,601	25,002,501	23,617,094	24,006,100	25,216,720	26,042,539
686,731	668,092	1,335,791	1,399,215	1,560,783	1,785,550
14,974,745	16,019,033	16,789,016	16,914,788	17,446,087	17,562,613
2,751,833	3,356,412	2,583,393	2,798,537	3,367,368	3,676,797
3,800,356	3,697,113	3,946,524	4,116,947	4,865,429	4,843,588
4,110,178	5,523,954	4,792,544	4,861,726	5,141,648	5,885,521
162,414	147,339	167,003	203,035	300,036	328,745
<u>\$ 53,073,203</u>	<u>\$ 57,218,285</u>	<u>\$ 55,697,481</u>	<u>\$ 56,818,117</u>	<u>\$ 60,733,224</u>	<u>\$ 62,986,338</u>
4,440.47	4,529.82	4,517.91	4,497.15	4,408.15	4,614.74
\$ 383	\$ 386	\$ 334	\$ 340	\$ 386	\$ 346
227	234	214	231	257	274
5,260	5,534	5,252	5,446	5,720	5,643
152	148	297	317	354	387
3,306	3,546	3,733	3,837	3,958	3,806
607	743	574	635	764	797
839	818	878	934	1,104	1,050
907	1,223	1,066	1,103	1,166	1,275
36	33	37	46	68	71
<u>\$ 11,717</u>	<u>\$ 12,665</u>	<u>\$ 12,385</u>	<u>\$ 12,889</u>	<u>\$ 13,777</u>	<u>\$ 13,649</u>

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

Year Ended June 30,	Administration	District Support Services	Elementary and Secondary Regular Instruction	Vocational Education Instruction	Special Education Instruction	Instructional Support Services
2013	\$ 1,238,962 2.6 %	\$ 663,804 1.4 %	\$ 19,463,733 41.1 %	\$ 820,505 1.7 %	\$ 12,971,354 27.4 %	\$ 1,868,483 3.9 %
2014	\$ 1,288,637 2.5 %	\$ 981,089 1.9 %	\$ 19,848,466 39.0 %	\$ 697,512 1.4 %	\$ 13,988,966 27.5 %	\$ 1,756,208 3.4 %
2015	\$ 1,343,272 2.6 %	\$ 1,017,776 1.9 %	\$ 21,840,424 41.6 %	\$ 783,246 1.5 %	\$ 14,948,635 28.4 %	\$ 1,976,662 3.8 %
2016	\$ 1,433,362 2.7 %	\$ 1,094,300 2.1 %	\$ 23,167,361 43.7 %	\$ 770,423 1.5 %	\$ 14,332,384 27.0 %	\$ 1,939,646 3.7 %
2017	\$ 1,733,162 3.0 %	\$ 1,025,933 1.8 %	\$ 23,570,548 41.2 %	\$ 686,731 1.2 %	\$ 14,971,050 26.2 %	\$ 2,629,279 4.6 %
2018	\$ 1,743,600 3.1 %	\$ 1,059,397 1.9 %	\$ 24,170,283 43.4 %	\$ 668,092 1.2 %	\$ 16,012,491 28.7 %	\$ 2,847,399 5.1 %
2019	\$ 1,500,426 2.6 %	\$ 963,981 1.7 %	\$ 23,313,489 41.0 %	\$ 1,331,983 2.3 %	\$ 16,787,182 29.5 %	\$ 2,513,754 4.4 %
2020	\$ 1,490,651 2.5 %	\$ 1,016,011 1.7 %	\$ 23,689,667 39.0 %	\$ 1,397,638 2.3 %	\$ 16,912,027 27.8 %	\$ 2,698,019 4.4 %
2021	\$ 1,678,673 2.8 %	\$ 1,129,802 1.9 %	\$ 24,909,038 41.0 %	\$ 1,560,090 2.6 %	\$ 17,446,087 28.7 %	\$ 3,084,900 5.1 %
2022	\$ 1,573,559 2.5 %	\$ 1,264,597 2.0 %	\$ 25,705,989 40.8 %	\$ 1,767,389 2.8 %	\$ 17,553,755 27.9 %	\$ 3,328,715 5.3 %

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

<u>Pupil Support Services</u>	<u>Sites and Buildings</u>	<u>Fiscal and Other Fixed Cost Programs</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Percent Increase (Decrease) from Prior Year</u>
\$ 3,406,058 7.2 %	\$ 3,332,848 7.0 %	\$ 386,151 0.8 %	\$ 1,623,147 3.4 %	\$ 45,775,045 96.6 %	5.46 %
\$ 3,585,601 7.0 %	\$ 3,672,141 7.2 %	\$ 172,537 0.3 %	\$ 1,406,410 2.8 %	\$ 47,397,567 93.1 %	3.54 %
\$ 3,708,963 7.1 %	\$ 3,830,486 7.3 %	\$ 176,392 0.3 %	\$ 1,279,502 2.4 %	\$ 50,905,358 96.9 %	7.40 %
\$ 3,865,216 7.3 %	\$ 4,231,390 8.0 %	\$ 183,311 0.3 %	\$ 1,529,420 2.9 %	\$ 52,546,813 99.0 %	3.22 %
\$ 3,751,172 6.6 %	\$ 4,070,990 7.1 %	\$ 162,414 0.3 %	\$ 471,924 0.8 %	\$ 53,073,203 92.8 %	1.00 %
\$ 3,689,028 6.6 %	\$ 5,448,127 9.8 %	\$ 147,339 0.3 %	\$ 1,432,529 2.6 %	\$ 57,218,285 102.7 %	7.81 %
\$ 3,940,134 6.9 %	\$ 4,659,310 8.2 %	\$ 167,003 0.3 %	\$ 520,219 0.9 %	\$ 55,697,481 98.0 %	(2.66)%
\$ 4,062,571 6.7 %	\$ 4,284,359 7.1 %	\$ 203,035 0.3 %	\$ 1,064,139 1.8 %	\$ 56,818,117 93.6 %	2.01 %
\$ 4,857,276 8.0 %	\$ 4,882,523 8.0 %	\$ 300,036 0.5 %	\$ 884,799 1.5 %	\$ 60,733,224 100.0 %	6.89 %
\$ 4,829,982 7.7 %	\$ 5,633,846 8.9 %	\$ 328,745 0.5 %	\$ 999,761 1.6 %	\$ 62,986,338 100.0 %	3.71 %



**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
SCHOOL BUILDING INFORMATION  
JUNE 30, 2022  
(UNAUDITED)**

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

Source: District records

**MONTICELLO PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 882  
SUMMARY OF MEALS SERVED  
YEAR ENDED JUNE 30, 2022  
(UNAUDITED)**

<u>Meals</u>	<u>Number of Meals Served</u>
Eastview Education Center	50,728
Little Mountain Elementary	73,190
Pinewood Elementary	108,177
Middle School	133,915
High School	<u>136,066</u>
 Total Lunches Served	 <u><u>502,076</u></u>
 Eastview Education Center	 60,452
Little Mountain Elementary	49,799
Pinewood Elementary	60,122
Middle School	55,213
High School	<u>24,385</u>
 Total Breakfasts Served	 <u><u>249,971</u></u>

Source: District records

\*\* FY22 the District Operated under the Summer Food Service Program where meals for students were all at no cost

