
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED – JUNE 30, 2023



MONTICELLO SCHOOL DISTRICT

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2023

PREPARED BY

BUSINESS OFFICE STAFF

MONTICELLO, MINNESOTA

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INDEPENDENT SCHOOL DISTRICT NO. 882
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INTRODUCTORY SECTION



MONTICELLO PUBLIC SCHOOLS
Independent School District No. 882

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

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

Date: December 4, 2023

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, 2023 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 auditor's report, Management's Discussion and Analysis (MD&A), basic financial statements, notes to basic financial statements, and detailed combining and individual statements and schedules. The statistical section includes selected financial and general information presented on a multi-year comparative basis. Where possible, historical data is presented for a 10-year period.

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

DISTRICT ORGANIZATION

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

Monticello School District is an equal opportunity employer.

DISTRICT ORGANIZATION (CONTINUED)

The District enrolled 4,155 ADM's (Average Daily Membership) from a population of over 20,476 citizens residing in a 100 square mile area. During 2022-23 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 35.28 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.

Monticello School District is an equal opportunity employer.

REPORTING ENTITY (CONTINUED)

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

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

FINANCIAL STATEMENTS

The financial statements contained in this report disclose the financial position of the District as of June 30, 2023, 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 2022-23 fiscal year. Their report is included in the financial section of this report. The auditor has given an unmodified opinion on the District's financial statements. An unmodified opinion means that, in the judgment of the auditor, the financial statements present fairly, in all material respects, the financial position of the District and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

FEDERAL SINGLE AUDIT AND STATE COMPLIANCE AUDIT

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

Monticello School District is an equal opportunity employer.

ACCOUNTING AND BUDGETING

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

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

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

School Board is required to adopt the budget by June 30th of each year for the following fiscal year prior to July 1. In the winter the budget is revised based upon enrollment changes, effects of negotiated employee contracts, or other new information impacting revenues or expenditures. The revised budget is presented to the School Board for approval. To accurately track and report financial activities with a focus on site-based accounting, approximately 9,731 accounts have been defined in the District's chart of accounts. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end.

Monticello School District is an equal opportunity employer.

FINANCIAL PROSPECTS FOR FUTURE YEARS

The Monticello School Board has focused on rebuilding the unassigned fund balance of the General Fund from its FY 2006 low point of - \$426,605, or -1.44% of its General Fund expenses according to the School Board policy 714. The General Fund unassigned and nonspendable fund balance as of June 30, 2023 is \$4,377,215 or 8.12%. The Monticello School Board approved a budget surplus going into the 2023-2024 school year. Additional special education cross subsidy funding received from the State government is providing the District some short-term financial stability.

The District's finances are largely dependent on student enrollment. Monticello has been experiencing relatively flat enrollment from FY 2013 to FY 2023 with enrollment changes ranging from -2.6% decline to +2.6% 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 2022 forecast from Minnesota Management and Budget projected a \$11.6 billion surplus for the FY2022-23 biennium. Estimates for state spending are down slightly, but tax collections have exceeded the forecast. When the February 2023 forecast was announced, the projected outlook improved to a projected surplus of \$12.484 billion for the FY2022-23 biennium. Similar to the November forecast, the improved February forecast is a result of higher income and corporate profits with slightly lower state spending. The Legislature approved basic funding formula increases of 2.45 percent for FY 2022 and 2 percent 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 eleven 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, 2022. It is the eighth 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



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

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

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

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



A handwritten signature in black ink, reading 'John W. Hutchison'.

**John W. Hutchison
President**

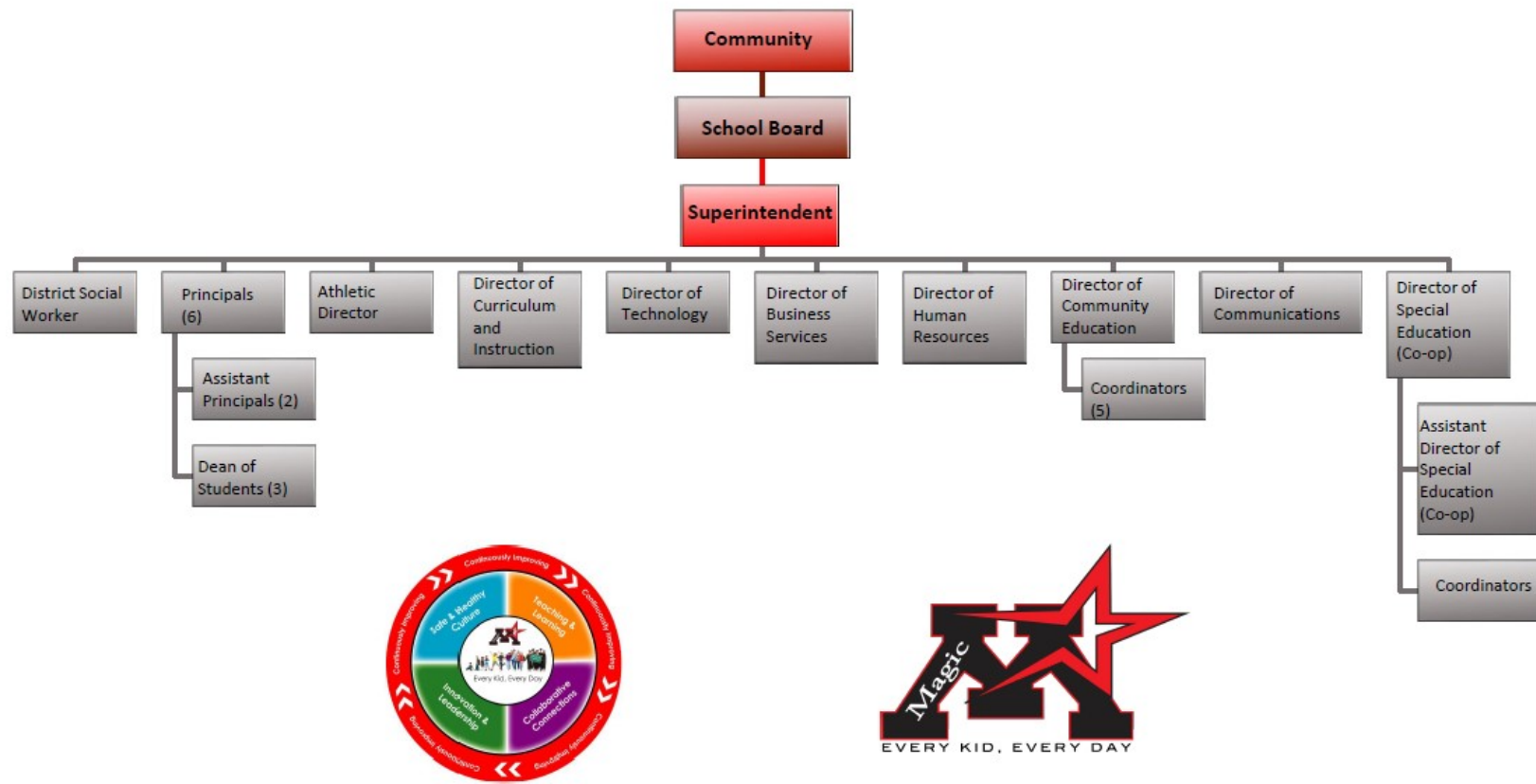
A handwritten signature in black ink, reading 'Siobhán McMahon'.

**Siobhán McMahon, CAE
Chief Operations Officer/
Interim 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, 2023**

SCHOOL BOARD

NAME	TERM ON BOARD EXPIRES	BOARD POSITION
Kathy Ziebarth	12/31/2024	Chairperson
Jeff Hagle	12/31/2024	Vice Chairperson/Treasurer
Melissa Curtis	12/31/2026	Secretary/Clerk
Mark Branson	12/31/2026	Director
Casey Root	12/31/2026	Director
Jamie Sieben	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
Nicole Croteau	Elementary School Principal
Shelly Gilmore	Elementary School Principal
Joe Dockendorf	Elementary School Principal
Gary Revenig	Athletic/Activities Director
Jeremiah Mack	Community Education Director
John Weekley	Special Education Director
Jason Borgstrom	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
Monticello Public Schools
Independent School District No. 882
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, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 – Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual, Major Food Service Fund – Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual, Major Community Service Fund – Schedule 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 2022 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 28, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2023, 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 cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 4, 2023

REQUIRED SUPPLEMENTARY INFORMATION

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

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, 2023; 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 2022-2023 fiscal year include the following:

- Net position increased from (\$30,612,300) to (\$22,134,980) mainly due to a change in assumptions related to the District's pension.
- The net position improved and increased by \$8,477,320 from June 30, 2022, with total revenues of \$74,193,273 and total expenses of \$65,715,953.
- Overall General Fund revenues and other financing sources were \$63,092,025 as compared to \$63,479,894 of expenditures.
- The District's governmental fund revenues and other financing sources were less than expenditures in the current year by \$787,623 which caused a decrease in overall fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

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, 2023**

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 (\$22,134,980) on June 30, 2023. This was an increase of \$8,477,320 (see Table A-1).

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

	Governmental Activities		Percentage
	2023	2022	Change
Current and Other Assets	\$ 31,239,096	\$ 31,609,939	(1.17)%
Capital and Noncurrent Assets	64,651,744	68,369,249	(5.44)
Total Assets	95,890,840	99,979,188	(4.09)
Deferred Outflows of Resources	18,108,420	18,477,815	(2.00)
Current Liabilities	11,439,881	11,946,672	(4.24)
Long-Term Liabilities	102,191,336	83,112,963	22.95
Total Liabilities	113,631,217	95,059,635	19.54
Deferred Inflows of Resources	22,503,023	54,009,668	(58.34)
Net Position:			
Net Investment in Capital Assets	22,219,765	23,126,264	(3.92)
Restricted	5,193,955	5,722,046	(9.23)
Unrestricted	(49,548,700)	(59,460,610)	(16.67)
Total Net Position	\$ (22,134,980)	\$ (30,612,300)	

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Net Position (Continued)

The District's change in financial position is the product of many factors. Deferred inflows of resources decreased approximately \$31.5 million and deferred outflows of resources decreased approximately \$369,000 due to a change in pension assumptions. Long-term liabilities increased approximately \$19.0 million due to increase in the net pension liability.

Changes in Net Position

The District's total revenues were \$74,193,273 for the year ended June 30, 2023. Property taxes and state formula aid accounted for 61% of total revenue for the year.

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

	Governmental Activities		Total %
	2023	2022	Change
Revenues			
<u>Program Revenues</u>			
Charges for Services	\$ 15,871,008	\$ 14,005,347	13.32 %
Operating Grants and Contributions	10,994,000	15,309,899	(28.19)
Capital Grants and Contributions	601,900	622,020	(3.23)
<u>General Revenues</u>			
Property Taxes	12,429,105	12,682,476	(2.00)
Unrestricted State Aid	32,629,698	31,982,691	2.02
Investment Earnings	403,613	21,794	1751.95
Other	1,263,949	1,201,582	5.19
Total Revenues	74,193,273	75,825,809	(2.15)
Expenses			
Administration	1,335,619	1,446,860	(7.69)
District Support Services	1,306,955	1,194,033	9.46
Regular Instruction	20,844,627	26,627,940	(21.72)
Vocational Education Instruction	1,390,251	1,723,254	(19.32)
Special Education Instruction	15,002,856	16,488,857	(9.01)
Instructional Support Services	3,560,675	3,603,730	(1.19)
Pupil Support Services	5,334,144	4,648,270	14.76
Sites and Buildings	6,157,911	6,044,334	1.88
Fiscal and Other Fixed Cost Programs	1,940,951	931,888	108.28
Food Service	3,186,465	2,837,796	12.29
Community Service	4,640,350	4,647,298	(0.15)
Unallocated - Depreciation	-	969,107	(100.00)
Interest and Fiscal Charges on Long-Term Liabilities	1,015,149	1,239,301	(18.09)
Total Expenses	65,715,953	72,402,668	(9.24)
Change in Net Position	8,477,320	3,423,141	
Net Position - Beginning of Year	(30,612,300)	(34,035,441)	
Net Position - End of Year	<u>\$ (22,134,980)</u>	<u>\$ (30,612,300)</u>	

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Changes in Net Position (Continued)

The total cost of all programs and services, including interest and fiscal charges, was approximately \$65.7 million. Total revenues exceeded expenses, increasing net position \$8,477,320 over last year.

The cost of all *governmental* activities this year was \$65,715,953 as shown in Table A-2.

- Some of the cost was paid by the users of the District's programs (\$15,871,008).
- The federal and state governments subsidized certain programs with grants and contributions (\$11,595,900).
- A significant portion of governmental activities was paid for with \$12,429,105 in property taxes, \$32,629,698 of unrestricted state aid based on the statewide education aid formula, and \$1,667,562 with investment earnings and other general revenues.

**Figure A-1
Sources of District's Revenues for Fiscal 2023**

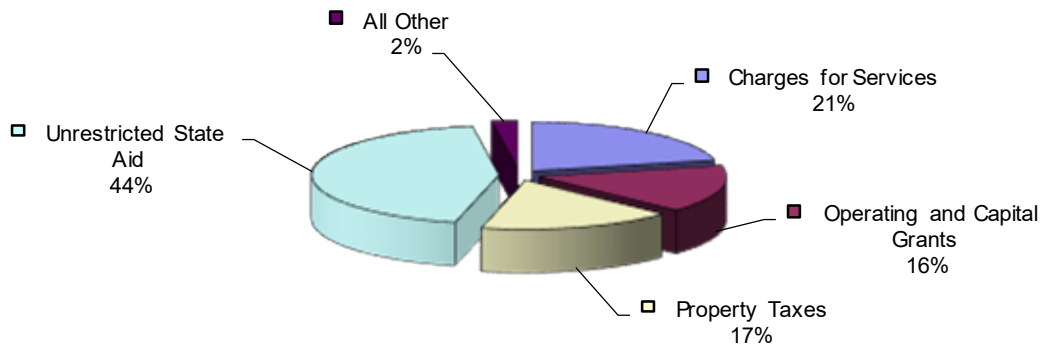
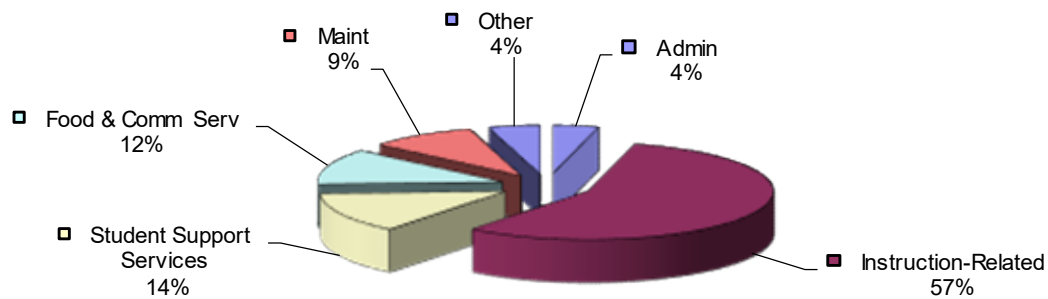


**Figure A-2
District Expenses for Fiscal 2023**



**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Changes in Net Position (Continued)

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 71% 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
	2023	2022		2023	2022	
Administration	\$ 1,335,619	\$ 1,446,860	(7.69)%	\$ 1,335,619	\$ 1,446,860	(7.69)%
District Support Services	1,306,955	1,194,033	9.46	1,284,757	1,168,723	9.93
Regular Instruction	20,844,627	26,627,940	(21.72)	17,052,993	20,779,626	(17.93)
Vocational Education Instruction	1,390,251	1,723,254	(19.32)	1,412,065	1,719,966	(17.90)
Special Education Instruction	15,002,856	16,488,857	(9.01)	(917,125)	1,235,516	(174.23)
Instructional Support Services	3,560,675	3,603,730	(1.19)	3,228,746	3,390,489	(4.77)
Pupil Support Services	5,334,144	4,648,270	14.76	5,108,630	4,433,246	15.23
Sites and Buildings	6,157,911	6,044,334	1.88	6,034,492	5,876,763	2.68
Fiscal and Other Fixed						
Cost Programs	1,940,951	931,888	108.28	1,940,951	931,888	108.28
Food Service	3,186,465	2,837,796	12.29	297,592	(683,685)	(143.53)
Community Service	4,640,350	4,647,298	(0.15)	455,176	(42,398)	(1173.58)
Unallocated - Depreciation	-	969,107	(100.00)	-	969,107	(100.00)
Interest and Fiscal Charges						
on Long-Term Liabilities	1,015,149	1,239,301	(18.09)	1,015,149	1,239,301	(18.09)
Total	<u>\$ 65,715,953</u>	<u>\$ 72,402,668</u>	(9.24)	<u>\$ 38,249,045</u>	<u>\$ 42,465,402</u>	(9.93)

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 decreased from the previous year. As the District completed the year, its governmental funds reported a *combined* fund balance of \$10,567,066 which is \$787,623 less than last year's ending fund balance of \$11,354,689. Revenues and other financing sources for the District's governmental funds were \$74,532,105 while total expenditures were \$75,319,728.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

GENERAL FUND

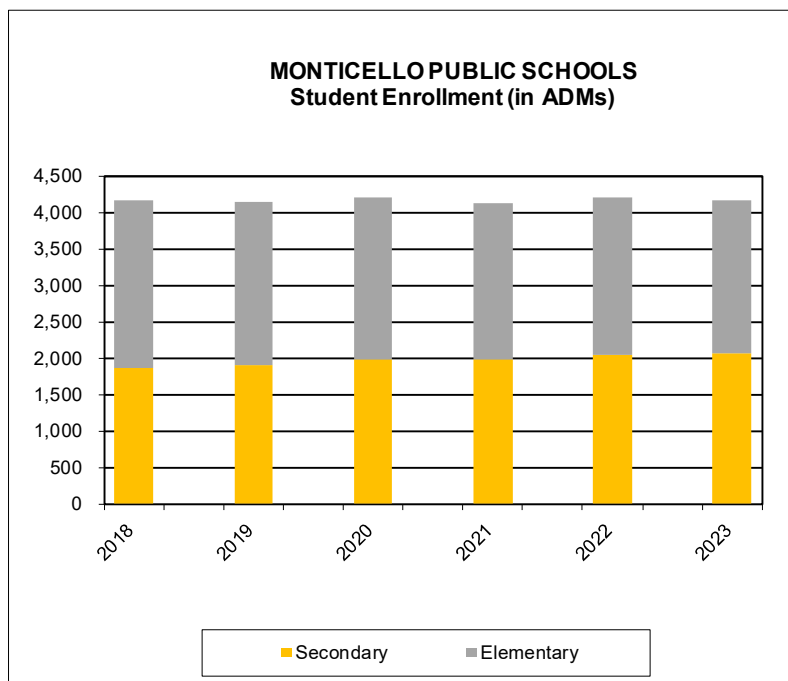
The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through grade 12 including pupil transportation activities and capital outlay projects. General Fund operational revenue is controlled by a complex set of state funding formulas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

	2018	2019	2020	2021	2022	2023
Elementary	2,296	2,231	2,210	2,125	2,160	2,086
Secondary	1,864	1,909	1,986	1,988	2,046	2,069
Total Students for Aid	4,160	4,140	4,196	4,113	4,206	4,155
Percent Change	2.04 %	(0.48)%	1.35 %	(1.98)%	2.26 %	(1.21)%



In 2023, the District experienced a decrease in enrollment served of 51 ADMs.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

The following schedule presents a summary of General Fund Revenues.

**Table A-5
General Fund Revenues**

Fund	Year Ended		Change	
	June 30, 2023	June 30, 2022	Increase (Decrease)	Percent
Local Sources:				
Property Taxes	\$ 8,735,522	\$ 8,936,490	\$ (200,968)	(2.2)%
Earnings on Investments	239,616	12,847	226,769	1765.2
Other	12,616,941	11,830,994	785,947	6.6
State Sources	38,536,415	37,929,436	606,979	1.6
Federal Sources	2,961,203	4,465,196	(1,503,993)	(33.7)
Total General Fund Revenue	<u>\$ 63,089,697</u>	<u>\$ 63,174,963</u>	<u>\$ (85,266)</u>	(0.1)

Total General Fund Revenue decreased by \$85,266 or 0.1% from the previous year. One-time federal grants that were received to help schools recover from the pandemic have been spent, so the District is seeing lower revenue from federal sources. At the same time, the District saw an increase in fundraising revenue, concession sales, and investment earnings to offset the decrease in federal money.

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, 2023	June 30, 2022		
Salaries	\$ 35,846,653	\$ 35,533,506	\$ 313,147	0.9 %
Employee Benefits	16,226,234	15,775,318	450,916	2.9
Purchased Services	7,383,117	7,247,143	135,974	1.9
Supplies and Materials	2,523,491	2,869,314	(345,823)	(12.1)
Capital Expenditures	998,796	999,761	(965)	(0.1)
Other Expenditures	501,603	561,296	(59,693)	(10.6)
Total Expenditures	<u>\$ 63,479,894</u>	<u>\$ 62,986,338</u>	<u>\$ 493,556</u>	0.8

Total General Fund Expenditures increased \$493,556 from the previous year. Going into the 2022-23 school year, the District implemented some budget reductions in the staffing levels. With the approval of new grants (MnMTSS, Grow Your Own, Expanded Rigorous Coursework), some staff were added back. The District also had an increase in purchased services due to an increase in utility costs. In addition, the District had a decrease in supplies and materials and capital expenditure costs due to a decrease in project costs.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

In 2022-2023, General Fund revenues and other financing sources were less than expenditures by \$387,869. Total fund balance decreased to \$7,421,402. The District's financial position deteriorated and decreased with the unassigned fund balance decreasing from \$4,214,851 at June 30, 2022 to \$4,161,585 at June 30, 2023.

Unassigned fund balance is the single best measure of overall financial health. The unassigned fund balance of \$4,161,585 at June 30, 2023 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 \$497,415 more than expected from budget. The actual expenditures were \$1,236,861 over budget.

Revenues were over budget due to earnings from investments being greater than budgeted due to increased interest rates. For other revenue, more fundraising activity and concession sales happened in the student activity accounts than anticipated, which will have a similar effect on the expenditure side. For expenditures, the benefit projects were understated by \$552,000 due to the paid deductibles associated with the VEBA plan that were not included in the estimates. This difference will happen among many different program categories. Capital outlay was \$212,981 higher than expected due to recognizing a subscription-based information technology arrangement in the current year. Special education expenditures were \$376,017 higher than expected due to the Special Education Cooperative occurring more purchased services from the District.

FOOD SERVICE FUNDS

Revenues and other financing sources were less than expenditures in the Food Service Fund by \$205,219. Most of the decrease is due to increased food service costs resulting from increased salaries, benefits, and food costs along with a decrease in the number of meals served.

COMMUNITY SERVICE FUNDS

Revenues were less than expenditures in the Community Service Fund by \$264,864. This is mainly due to receiving less federal aid for our preschool programs and more member districts under the adult basic education consortium spending more of their allocations on one-time needs.

DEBT SERVICE FUNDS

The Debt Service Fund revenues were greater than expenditures by \$70,329 in 2022-2023 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, 2023**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2023, the District had invested \$131,070,713 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 \$0.

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

	2023	2022	Percentage Change
Land	\$ 4,000	\$ 4,000	-
Right-to-Use Assets	229,541	229,541	100.0
Land Improvements	35,643,599	35,288,205	1.0
Buildings and Improvements	83,602,148	83,561,756	0.0
Equipment	11,591,425	11,334,871	2.3
Less: Accumulated Depreciation/Amortization	(66,734,458)	(62,286,608)	7.1
Total	<u>\$ 64,336,255</u>	<u>\$ 68,131,765</u>	(5.6)

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 \$42,116,490 in finance purchase obligations, lease liability, and general obligation bonds outstanding, net of bond premium and discount — a decrease of 6.4% 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**

	2023	2022	Percentage Change
General Obligation Bonds	\$ 40,890,000	\$ 43,215,000	(5.4)%
Net Bond Premium and (Discount)	891,716	1,178,291	(24.3)
Finance Purchase Obligations	245,575	450,871	(45.5)
Lease Liability	89,199	161,339	(44.7)
Total	<u>\$ 42,116,490</u>	<u>\$ 45,005,501</u>	(6.4)
Long-Term Debt:			
Due Within One Year	\$ 2,612,879	\$ 2,565,024	
Due in More than One Year	39,503,611	42,440,477	
Total	<u>\$ 42,116,490</u>	<u>\$ 45,005,501</u>	

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

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. The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid, as such, school districts rely heavily on the State of Minnesota for educational resources. During the 2023 State Legislation session, the basic general education formula was increased by 4.00% and 2.00% for fiscal years 2024 and 2025, respectively.

Because many of the funding formulas for Minnesota school districts are heavily driven by enrollment, school districts receive less revenue when enrollment declines. Currently the District's enrollment is relatively flat with the potential of declining enrollment as smaller kindergarten classes are replacing the senior classes exiting the system. It will be crucial for the District to monitor future enrollment trends as it develops future budgets.

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 \$501 million.

BASIC FINANCIAL STATEMENTS

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
STATEMENT OF NET POSITION
JUNE 30, 2023
(WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 2022)**

	Governmental Activities	
	2023	2022
ASSETS		
Cash and Investments	\$ 16,395,524	\$ 16,427,793
Receivables:		
Property Taxes	6,392,950	5,998,523
Other Governments	7,942,331	8,789,245
Other	381,560	323,407
Prepaid Items	36,710	-
Inventories	90,021	70,971
Equity Interest in Joint Venture	315,489	237,484
Capital Assets:		
Land	4,000	4,000
Other Capital Assets, Net of Depreciation/Amortization	64,332,255	68,127,765
Total Assets	<u>95,890,840</u>	<u>99,979,188</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	14,017,586	15,508,576
OPEB Related	4,090,834	2,969,239
Total Deferred Outflows of Resources	<u>18,108,420</u>	<u>18,477,815</u>
LIABILITIES		
Salaries Payable	6,861,748	6,913,013
Accounts and Contracts Payable	670,159	950,795
Accrued Interest	533,632	560,231
Due to Other Governmental Units	4,657	33,016
Due to Other Minnesota School Districts	281,500	356,226
Severance Payable	89,103	178,537
Unearned Revenue:		
Local Sources	163,806	209,617
Long-Term Liabilities:		
Net Pension Liability	46,321,080	25,246,231
Net OPEB Liability	16,019,661	15,089,754
Net Supplemental Pension Liability	305,119	274,452
Portion Due Within One Year	2,835,276	2,745,237
Portion Due in More Than One Year	39,545,476	42,502,526
Total Liabilities	<u>113,631,217</u>	<u>95,059,635</u>
DEFERRED INFLOWS OF RESOURCES		
Pension Related	9,037,488	41,337,216
OPEB Related	1,138,201	1,307,116
Property Taxes Levied for Subsequent Year	12,327,334	11,365,336
Total Deferred Inflows of Resources	<u>22,503,023</u>	<u>54,009,668</u>
NET POSITION		
Net Investment in Capital Assets	22,219,765	23,126,264
Restricted for:		
General Fund Operating Capital Purposes	80,332	114,811
General Fund State-Mandated Restrictions	1,923,939	2,047,092
Food Service	907,159	1,112,378
Community Service	445,632	710,549
General Fund Other Restricted	564,058	559,942
Debt Service	1,272,835	1,177,274
Unrestricted	(49,548,700)	(59,460,610)
Total Net Position	<u>\$ (22,134,980)</u>	<u>\$ (30,612,300)</u>

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2022)**

		2023			2022	
					Net (Expense)	Net (Expense)
					Revenue and	Revenue and
					Changes in	Changes in
					Net Position	Net Position

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	Major Funds				Total Governmental Funds	
	General	Food Service	Community Service	Debt Service	2023	2022
ASSETS						
Cash and Investments	\$ 11,452,954	\$ 742,123	\$ 927,827	\$ 3,029,755	\$ 16,152,659	\$ 16,215,155
Receivables:						
Current Property Taxes	4,933,354	-	197,899	1,216,648	6,347,901	5,948,461
Delinquent Property Taxes	31,455	-	1,374	12,220	45,049	50,062
Due from Other Minnesota School Districts	3,978,374	-	-	-	3,978,374	3,434,056
Due from Minnesota Department of Education	2,918,934	19,884	111,773	33,504	3,084,095	4,176,340
Due from Federal through Minnesota Department of Education	595,690	162,149	115,170	-	873,009	1,178,849
Due from Other Governmental Units	6,853	-	-	-	6,853	-
Other Receivables	223,416	40,561	117,216	-	381,193	323,407
Prepaid Items	36,710	-	-	-	36,710	-
Inventory	29,411	58,845	1,765	-	90,021	70,971
Total Assets	\$ 24,207,151	\$ 1,023,562	\$ 1,473,024	\$ 4,292,127	\$ 30,995,864	\$ 31,397,301
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE						
Liabilities:						
Salaries Payable	\$ 3,026,563	\$ 27,259	\$ 131,334	\$ -	\$ 3,185,156	\$ 3,249,451
Payroll Deductions and Employer Contributions Payable	3,554,136	28,739	93,717	-	3,676,592	3,663,241
Accounts and Contracts Payable	598,276	5,047	52,278	-	655,601	937,126
Due to Other Governmental Units	3,890	-	767	-	4,657	33,016
Due to Other Minnesota School Districts	12,774	84	268,642	-	281,500	356,226
Severance Payable	89,103	-	-	-	89,103	178,537
Unearned Revenue	41,335	55,274	67,197	-	163,806	209,617
Total Liabilities	7,326,077	116,403	613,935	-	8,056,415	8,627,214
Deferred Inflows of Resources:						
Property Taxes Levied for Subsequent Year	9,428,217	-	413,457	2,485,660	12,327,334	11,365,336
Unavailable Revenue - Delinquent Property Taxes	31,455	-	1,374	12,220	45,049	50,062
Total Deferred Inflows of Resources	9,459,672	-	414,831	2,497,880	12,372,383	11,415,398
Fund Balance:						
Nonspendable:						
Prepaid Items	36,710	-	-	-	36,710	-
Inventory	29,411	58,845	1,765	-	90,021	70,971
Restricted:						
Student Activities	33,361	-	-	-	33,361	26,440
Staff Development	33,919	-	-	-	33,919	99,017
Operating Capital	80,332	-	-	-	80,332	114,811
Area Learning Center	61,463	-	-	-	61,463	21,609
Safe Schools - Crime	-	-	-	-	-	116,659
Community Education Programs	-	-	123,284	-	123,284	106,289
Early Childhood and Family Education Programs	-	-	22,465	-	22,465	34,338
School Readiness	-	-	-	-	-	74,684
Adult Basic Education	-	-	266,806	-	266,806	370,025
Restricted for LTFM	1,383,104	-	-	-	1,383,104	1,435,977
Medical Assistance	412,092	-	-	-	412,092	347,390
Other Restricted	564,058	848,314	29,938	1,794,247	3,236,557	3,478,464
Committed:						
Severance Benefits	344,094	-	-	-	344,094	420,350
Assigned:						
School Building Carryover	228,623	-	-	-	228,623	353,073
Scoreboards	52,650	-	-	-	52,650	69,741
Unassigned	4,161,585	-	-	-	4,161,585	4,214,851
Total Fund Balance	7,421,402	907,159	444,258	1,794,247	10,567,066	11,354,689
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 24,207,151	\$ 1,023,562	\$ 1,473,024	\$ 4,292,127	\$ 30,995,864	\$ 31,397,301

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, 2023
(WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 2022)**

	2023	2022
Total Fund Balance for Governmental Funds	\$ 10,567,066	\$ 11,354,689
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
Right-to-Use Assets, Net of Accumulated Amortization	84,567	157,054
Land Improvements, Net of Accumulated Depreciation	23,501,119	24,806,911
Buildings and Improvements, Net of Accumulated Depreciation	37,870,606	40,137,405
Equipment, Net of Accumulated Depreciation	2,875,963	3,026,395
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.		
	45,049	50,062
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	(46,321,080)	(25,246,231)
Deferred Inflows of Resources - Pension Related	(9,008,649)	(41,295,850)
Deferred Outflows of Resources - Pension Related	13,929,363	15,412,448
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	(305,119)	(274,452)
Deferred Inflows of Resources - Pension Related	(28,839)	(41,366)
Deferred Outflows of Resources - Pension Related	88,223	96,128
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:		
	228,674	198,648
The District's other postemployment benefit liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:		
OPEB Liability	(16,019,661)	(15,089,754)
Deferred Inflows of Resources - OPEB Related	(1,138,201)	(1,307,116)
Deferred Outflows of Resources - OPEB Related	4,090,834	2,969,239
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
	(533,632)	(560,231)
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	315,489	237,484
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	(40,890,000)	(43,215,000)
Unamortized Premiums	(891,716)	(1,178,291)
Finance Purchase Obligations	(245,575)	(450,871)
Lease Liability	(89,199)	(161,339)
Sick Leave	(41,865)	(62,049)
Compensated Absences Payable	(222,397)	(180,213)
Total Net Position of Governmental Activities	<u>\$ (22,134,980)</u>	<u>\$ (30,612,300)</u>

See accompanying Notes to Basic Financial Statements.

MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2022)

	Major Funds				Total Governmental Funds	
	General	Food Service	Community Service	Debt Service	2023	2022
REVENUES						
Local Sources:						
Property Taxes	\$ 8,735,522	\$ -	\$ 397,824	\$ 3,300,772	\$ 12,434,118	\$ 12,685,808
Earnings on Investments	239,616	36,275	34,324	87,802	398,017	21,630
Other	12,616,941	1,337,192	3,080,951	-	17,035,084	15,056,813
State Sources	38,536,415	139,280	1,211,418	335,078	40,222,191	39,833,819
Federal Sources	2,961,203	1,412,401	64,910	-	4,438,514	7,960,919
Total Revenues	63,089,697	2,925,148	4,789,427	3,723,652	74,527,924	75,558,989
EXPENDITURES						
Current:						
Administration	1,701,085	-	-	-	1,701,085	1,573,559
District Support Services	1,355,875	-	-	-	1,355,875	1,264,597
Regular Instruction	24,869,278	-	-	-	24,869,278	25,705,989
Vocational Education Instruction	1,672,493	-	-	-	1,672,493	1,767,389
Special Education Instruction	18,282,880	-	-	-	18,282,880	17,553,755
Instructional Support Services	3,383,317	-	-	-	3,383,317	3,328,715
Pupil Support Services	5,517,426	-	-	-	5,517,426	4,829,982
Sites and Buildings	4,986,818	-	-	-	4,986,818	5,288,324
Fiscal and Other Fixed Cost Programs	412,952	-	-	-	412,952	328,745
Food Service	-	2,903,949	-	-	2,903,949	2,749,233
Community Service	-	-	4,931,908	-	4,931,908	4,720,580
Capital Outlay	998,796	228,271	122,383	-	1,349,450	1,268,966
Debt Service:						
Principal	277,436	-	-	2,325,000	2,602,436	2,570,541
Interest and Fiscal Charges	21,538	-	-	1,328,323	1,349,861	1,413,157
Total Expenditures	63,479,894	3,132,220	5,054,291	3,653,323	75,319,728	74,363,532
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(390,197)	(207,072)	(264,864)	70,329	(791,804)	1,195,457
OTHER FINANCING SOURCES						
Proceeds from Sale of Equipment	2,328	-	-	-	2,328	26,867
Proceeds from Sale of Inventory	-	1,853	-	-	1,853	400
Total Other Financing Sources	2,328	1,853	-	-	4,181	27,267
NET CHANGE IN FUND BALANCES	(387,869)	(205,219)	(264,864)	70,329	(787,623)	1,222,724
Fund Balances - Beginning of Year	7,809,271	1,112,378	709,122	1,723,918	11,354,689	10,131,965
FUND BALANCES - END OF YEAR	<u>\$ 7,421,402</u>	<u>\$ 907,159</u>	<u>\$ 444,258</u>	<u>\$ 1,794,247</u>	<u>\$ 10,567,066</u>	<u>\$ 11,354,689</u>

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED JUNE 30, 2022)**

	<u>2023</u>	<u>2022</u>
Net Change in Fund Balance - Total Governmental Funds	\$ (787,623)	\$ 1,222,724
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	740,599	956,544
Gain (Loss) on Disposal of Capital Assets	(4,889)	(128,218)
Depreciation/Amortization Expense	-	(4,559,392)
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	5,142	3,353
Principal Payments - Finance Purchase Obligations	205,296	242,339
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	2,325,000	2,260,000
Change in Accrued Interest Expense - General Obligation Bonds	21,457	20,875
Amortization of Bond Premium	286,575	119,440
Repayment of Lease Liability	72,140	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.	(5,013)	(3,332)
Net income from the equity interest in joint venture does not provide current financial resources and is not reported as revenue in the funds.	78,005	33,669
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.	360,603	434,095
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).	(22,000)	116,734
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.	9,703,222	2,670,516
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.	30,026	(34,408)
Change in Net Position of Governmental Activities	<u>\$ 13,008,540</u>	<u>\$ 3,423,141</u>

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
STATEMENT OF NET POSITION
PROPRIETARY FUND
INTERNAL SERVICE FUND
JUNE 30, 2023
(WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 2022)**

	Governmental Activities - Internal Service Funds	
	2023	2022
ASSETS		
Current Assets:		
Cash and Investments	\$ 242,865	\$ 212,638
Accounts Receivable	367	-
Total Current Assets	<u>243,232</u>	<u>212,638</u>
LIABILITIES		
Current Liabilities:		
Claims Payable	14,558	13,669
Claims Payable for Dental Benefits	-	321
Total Current Liabilities	<u>14,558</u>	<u>13,990</u>
NET POSITION		
Unrestricted	<u>\$ 228,674</u>	<u>\$ 198,648</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, 2023
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED JUNE 30, 2022)**

	Governmental Activities - Internal Service Funds	
	2023	2022
OPERATING REVENUES		
Contributions from District and Employees	\$ 595,339	\$ 568,571
OPERATING EXPENSES		
Dental Insurance Claim Payments	533,665	560,621
General Administration Fees	37,244	42,522
Total Operating Expenses	<u>570,909</u>	<u>603,143</u>
OPERATING INCOME (LOSS)	24,430	(34,572)
NONOPERATING INCOME		
Earnings on Investments	<u>5,596</u>	<u>164</u>
CHANGE IN NET POSITION	30,026	(34,408)
Net Position - Beginning of Year	<u>198,648</u>	<u>233,056</u>
NET POSITION - END OF YEAR	<u><u>\$ 228,674</u></u>	<u><u>\$ 198,648</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, 2023
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED JUNE 30, 2022)**

	Governmental Activities - Internal Service Funds	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from District and Employees	\$ 594,972	\$ 568,571
Payments for Administrative Costs	(37,244)	(42,522)
Payments for Dental Fees and Insurance Claims	(533,097)	(552,208)
Net Cash Provided (Used) by Operating Activities	24,631	(26,159)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	5,596	164
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	30,227	(25,995)
Cash and Cash Equivalents - Beginning of Year	212,638	238,633
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 242,865</u>	<u>\$ 212,638</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 24,430	\$ (34,572)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Increase in Accounts Receivable	(367)	-
Increase in Accounts Payable	568	8,413
Net Cash Provided (Used) by Operating Activities	<u>\$ 24,631</u>	<u>\$ (26,159)</u>

See accompanying Notes to Basic Financial Statements.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023**

	Scholarship Custodial Fund	Postemployment Benefits Irrevocable Trust Fund
ASSETS		
Cash and Deposits	\$ 2,469,445	\$ -
Investments - Fixed Income	-	1,308,931
Total Assets	<u>2,469,445</u>	<u>1,308,931</u>
NET POSITION		
Restricted for OPEB Benefits	-	1,308,931
Restricted for Scholarships	2,469,445	-
Total Net Position	<u>\$ 2,469,445</u>	<u>\$ 1,308,931</u>

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

	Scholarship Custodial Fund	Postemployment Benefits Irrevocable Trust Fund
ADDITIONS		
Employer Contributions	\$ -	\$ 2,038,995
Investment Income	97,623	19,927
Donations	82,196	-
Total Additions	<u>179,819</u>	<u>2,058,922</u>
DEDUCTIONS		
Benefit Payments	-	2,209,776
Scholarships	156,500	-
Administrative Expenses	1,935	-
Total Deductions	<u>158,435</u>	<u>2,209,776</u>
CHANGE IN NET POSITION	21,384	(150,854)
Net Position - Beginning of Year	<u>2,448,061</u>	<u>1,459,785</u>
NET POSITION - END OF YEAR	<u>\$ 2,469,445</u>	<u>\$ 1,308,931</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, 2023**

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, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statement Presentation (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or 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, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are 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, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Description of Funds

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

Major Governmental Funds

General Fund

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

Food Service Special Revenue Fund

The Food Service Fund is used to account for food service revenues and expenditures. Revenues 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, 2023**

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, 2023**

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, 2023, 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	\$ 62,029,828	\$ 562,454	\$ 62,592,282
Special Revenue Funds:			
Food Service Fund	2,224,803	483,180	2,707,983
<u>Expenditures</u>			
General Fund	\$ 61,507,935	\$ 735,098	\$ 62,243,033
Special Revenue Funds:			
Food Service Fund	2,297,882	231,322	2,529,204

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, 2023**

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, 2023**

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 2022 pay 2023 levy, normally revenue for the 2023-24 fiscal year, are also advance recognized at June 30, 2023, 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, 2023, 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, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets (Continued)

Capital assets not being depreciated includes land.

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.

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

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Leases (Continued)

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 assets that applies to a future period. The District will not recognize the related outflow until a future event occurs.

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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2023**

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 assets 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, 2023**

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/amortization, 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, 2022, from which the summarized information was derived.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Adoption of New Accounting Standards

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

The District adopted the requirements of the guidance effective July 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard did not result in any material agreements being identified.

NOTE 2 STEWARDSHIP AND ACCOUNTABILITY

Excess of Expenditures Over Budget

Expenditures exceeded budgeted amounts in the following funds at June 30, 2023:

	Budget	Expenditures	Excess
General Fund	\$ 62,243,033	\$ 63,479,894	\$ 1,236,861
Special Revenue Funds:			
Food Service Fund	2,529,204	3,132,220	603,016
Community Service Fund	4,360,002	5,054,291	694,289

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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

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

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

The District's deposits in various banks at June 30, 2023 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

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers

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

At June 30, 2023, the District had the following investments:

	<u>Amount</u>
MSDLAF+	\$ 12,619,620
MN Trust Money Market	1,870,906
MN Trust Investment Shares	3,148,011
Guaranteed Investment Contract	1,479,769
Insurance Annuity	74,091
Total Investments	<u>\$ 19,192,397</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
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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	More Than 60 Months
MSDLAF+	\$ 12,619,620	\$ 12,619,620	\$ -	\$ -	\$ -
MN Trust Money Market	1,870,906	1,870,906	-	-	-
MN Trust Investment Shares	3,148,011	3,148,011	-	-	-
Guaranteed Investment Contract	1,479,769	1,479,769	-	-	-
Insurance Annuity	74,091	-	-	-	74,091
Total	<u>\$ 19,192,397</u>	<u>\$ 19,118,306</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,091</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	\$ 5,592,699
MSDLAF+ Max Class	A-1+, A-1	1,026,921
MSDLAF+ Term Series	A-1+, A-1	6,000,000
MN Trust Money Market	Not Rated	1,870,906
MN Trust Investment Shares	Not Rated	3,148,011
Guaranteed Investment Contract	AA-	1,479,769
Insurance Annuity	AA	74,091
Total		<u>\$ 19,192,397</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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+	\$ 12,619,620	65.75%
MN Trust Money Market	1,870,906	9.75%
MN Trust Investment Shares	3,148,011	16.40%
Guaranteed Investment Contract	1,479,769	7.71%

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	\$ 981,503
Minnesota School District Liquid Asset Fund (MSDLAF+)	12,619,620
Investments	<u>6,572,777</u>
Total Deposits and Investments	<u><u>\$ 20,173,900</u></u>

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

Cash and Investments - Statement of Net Position	\$ 16,395,524
Cash and Investments - Statement of Fiduciary Fund Net Position	<u>3,778,376</u>
Total Cash and Investments	<u><u>\$ 20,173,900</u></u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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 2023.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 4,000	\$ -	\$ -	\$ 4,000
Capital Assets, Being Depreciated:				
Land Improvements	35,288,205	355,394	-	35,643,599
Buildings and Improvements	83,561,756	40,392	-	83,602,148
Equipment	11,334,871	344,813	(88,259)	11,591,425
Total Capital Assets, Being Depreciated	130,184,832	740,599	(88,259)	130,837,172
Accumulated Depreciation for:				
Land Improvements	(10,481,294)	(1,661,186)	-	(12,142,480)
Buildings and Improvements	(43,424,351)	(2,307,191)	-	(45,731,542)
Equipment	(8,308,476)	(490,356)	83,370	(8,715,462)
Total Accumulated Depreciation	(62,214,121)	(4,458,733)	83,370	(66,589,484)
Total Capital Assets, Being Depreciated, Net	67,970,711	(3,718,134)	(4,889)	64,247,688
Right-to-Use Assets:				
Buildings	229,541	-	-	229,541
Less Accumulated Amortization:				
Buildings	(72,487)	(72,487)	-	(144,974)
Total Right-to-Use Assets, Net	157,054	(72,487)	-	84,567
Governmental Activities Capital Assets, Net	<u>\$ 68,131,765</u>	<u>\$ (3,790,621)</u>	<u>\$ (4,889)</u>	<u>\$ 64,336,255</u>

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

Governmental Activities:	
Administration	\$ 72,786
Regular Instruction	2,014,335
Vocational Education Instruction	659
Special Education Instruction	1,807
Instructional Support Services	140,068
Pupil Support Services	5,134
Sites and Buildings	1,265,019
Food Service	54,245
Community Service	20,077
Unallocated	957,090
Total Depreciation/Amortization Expense, Governmental Activities	<u>\$ 4,531,220</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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	\$ 1,375,000	\$ 30,655,000
2/23/2016	2.00% - 3.00%	5,700,000	2/1/2031	385,000	3,370,000
4/27/2017	2.00% - 3.00%	5,160,000	2/1/2032	340,000	3,400,000
2/28/2019	2.00% - 3.00%	4,430,000	2/1/2034	275,000	3,465,000
Total General Obligation Bonds				2,375,000	40,890,000
Bond Premium - Net				-	891,716
Finance Purchase Obligations:					
Scoreboard				79,749	79,749
Special Education Building				81,887	165,826
Total Finance Purchase Obligations				161,636	245,575
Lease Liability:					
ALP Building				76,243	89,199
Sick Leave Payable				-	41,865
Compensated Absences Payable				222,397	222,397
Total				<u>\$ 2,835,276</u>	<u>\$ 42,380,752</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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
2024	\$ 2,375,000	\$ 1,271,075	\$ 161,636	\$ 6,864
2025	2,430,000	1,218,075	83,939	1,571
2026	2,525,000	1,124,525	-	-
2027	2,595,000	1,053,713	-	-
2028	2,675,000	976,775	-	-
2029 - 2033	13,300,000	3,559,325	-	-
2034 - 2038	10,490,000	1,681,769	-	-
2039 - 2043	4,500,000	217,744	-	-
Total	<u>\$ 40,890,000</u>	<u>\$ 11,103,001</u>	<u>\$ 245,575</u>	<u>\$ 8,435</u>

<u>Year Ending June 30</u>	Lease Liability	
	Principal	Interest
2024	\$ 76,243	\$ 1,198
2025	12,956	13
Total	<u>\$ 89,199</u>	<u>\$ 1,211</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, 2023 is \$54,592,650. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota Statutes.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

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 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, 2022	Net Additions	Retirements	June 30, 2023
Bonds Payable	\$ 43,215,000	\$ -	\$ 2,325,000	\$ 40,890,000
Bond Premium	1,178,291	-	286,575	891,716
Finance Purchase Obligations	450,871	-	205,296	245,575
Lease Liability	161,339	-	72,140	89,199
Sick Leave Payable	62,049	249,612	269,796	41,865
Compensated Absences				
Payable - Net	180,213	495,126	452,942	222,397
Total	<u>\$ 45,247,763</u>	<u>\$ 744,738</u>	<u>\$ 3,611,749</u>	<u>\$ 42,380,752</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023 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 Community Education Programs

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

F. 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.

G. Restricted for Adult Basic Education

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

**MONTICELLO PUBLIC SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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

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

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

I. Restricted for Medical Assistance

Represents resources available to be used for medical assistance expenditures.

J. Restricted for Other Purposes

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

Other Restricted:

Restricted for General Fund:

Little Mountain	\$ 30,409
Pinewood	6,823
Middle School	56,796
High School	285,929
Eastview	1,823
Naturebased	10,689
ALP, School Patrol, Miscellaneous	<u>171,589</u>
Total Restricted for General Fund	564,058
Restricted for Food Service	848,314
Restricted for Community Service	29,938
Restricted for Bond Payments	<u>1,794,247</u>
Total Other Restricted	<u><u>\$ 3,236,557</u></u>

K. Committed for Severance Benefits

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

L. Assigned for School Building Carryover

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

M. Assigned for Scoreboards

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

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

Tier 1 Benefits

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

With these provisions:

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

or

Tier II Benefits

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

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

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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 2023 and the District was required to contribute 7.50% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2023 were \$705,138. 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 2023 for coordinated were 7.50% for the employee and 8.55% for the employer. Basic rates were 11.00% for the employee and 12.55% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2023 were \$2,474,680. The District's contributions were equal to the required contributions for each year as set by state statute.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 PENSION PLANS (CONTINUED)

D. Pension Costs

1. General Employees Fund Pension Costs

At June 30, 2023, the District reported a liability of \$9,622,840 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 \$282,199, for a total net pension liability of \$9,905,039 associated with the District. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's 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, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was .1215% at the end of the measurement period and .1205% for the beginning of the period.

For the year ended June 30, 2023, the District recognized pension expense of \$1,417,711 for its proportionate share of General Employees Plan's pension expense. In addition, the District recognized an additional \$42,167 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, 2023, 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	\$ 80,379	\$ 102,794
Changes in Actuarial Assumptions	2,177,823	39,138
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	166,913	-
Changes in Proportion	251,537	36,631
District Contributions Subsequent to the Measurement Date	705,138	-
Total	<u>\$ 3,381,790</u>	<u>\$ 178,563</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

The \$705,138 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, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expenses Amount</u>
2024	\$ 923,237
2025	997,367
2026	(292,758)
2027	870,243

2. TRA Pension Costs

At June 30, 2023 the District reported a liability of \$36,698,240 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's 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 .4583% at the end of the measurement period and .4593% 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>Year Ending June 30,</u>	<u>Pension Expenses Amount</u>
2024	\$ 923,237
2025	997,367
2026	(292,758)
2027	870,243

For the year ended June 30, 2023, the District recognized pension expense of (\$7,967,593). It also recognized (\$771,657) as an increase to pension expense for the support provided by direct aid.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

At June 30, 2023, 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	\$ 536,789	\$ 322,380
Changes in Actuarial Assumptions	5,878,966	7,766,098
Net Difference Between Projected and Actual		
Investment Earnings	1,025,141	-
Changes in Proportion	631,997	741,608
District Contributions Subsequent to the Measurement Date	2,474,680	-
Total	<u>\$ 10,547,573</u>	<u>\$ 8,830,086</u>

The \$2,474,680 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, 2024. 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
2024	\$ (6,809,622)
2025	787,365
2026	351,818
2027	4,904,695
2028	8,551

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	\$ 9,622,840	\$ 36,698,240	\$ -	\$ 46,321,080
Net Supplemental Pension Liability	-	-	305,119	305,119
Deferred Outflows of Resources	3,381,790	10,547,573	88,223	14,017,586
Deferred Inflows of Resources	178,563	8,830,086	28,839	9,037,488
Pension Expense	1,459,878	(8,739,250)	55,917	(7,223,455)

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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
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	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Totals	<u>100.0 %</u>	

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 PENSION PLANS (CONTINUED)

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5% for PERA and 7.5% 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 7.0% 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 27 years of service.

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

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 2019 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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 PENSION PLANS (CONTINUED)

F. Actuarial Methods and Assumptions (Continued)

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

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

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

- There have been no changes since the prior valuation.

G. Discount Rate

The discount rate used to measure the PERA General Employees Plan liability in 2022 and 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%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contribution will be made at the fiscal year 2022 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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>	5.50 %	6.50 %	7.50 %
District's Proportionate Share of the General Employees Plan Net Pension Liability	\$ 15,199,780	\$ 9,622,840	\$ 5,048,889
<u>TRA Discount Rate</u>	6.00 %	7.00 %	8.00 %
District's Proportionate Share of the TRA Net Pension Liability	\$ 57,852,776	\$ 36,698,240	\$ 19,358,115

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.

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

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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 498 active participants and 86 retired participants in the Plan. Benefit and eligibility provisions are established through negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available financial report.

B. Funding Policy

The District has assets designated for OPEB. These assets are in a qualified irrevocable trust which is included as a fiduciary fund in these financial statements. The District's investment policy is to follow state statutes as listed in Note 3. Benefit payments equal to the annual direct subsidy plus implicit subsidy are assumed to be made from the trust. Contribution requirements are negotiated between the District and union representatives. For fiscal year 2023, the District made a contribution of \$2,038,995 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, 2023 were as follows:

Total OPEB Liability	\$ 17,328,592
Plan Fiduciary Net Position	<u>1,308,931</u>
District's Net OPEB Liability	<u>\$ 16,019,661</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	8 %

D. Actuarial Methods and Assumptions

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

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022.

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, 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	1.40 %
Health Care Trend Rates	6.50% Grading to 5.00% Over 6 Years Then to 4.00% Over 48 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-2021 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, 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan expenditures, was 1.40%. 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
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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 %	1.40 %
Net Assumed Investment Return (Weighted Avg, Rounded to 1/4%)		1.40 %

The discount rate used to measure the total OPEB liability was 3.80%. 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:

- The current Director of Technology is not eligible for subsidized retiree medical or dental benefits, per the Director of Technology contract effective July 1, 2022 to June 30, 2024.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

D. Actuarial Methods and Assumptions (Continued)

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

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The withdrawal rates were updated to reflect the latest experience study.
- The salary increase rates for non-teachers were updated to reflect the latest experience study.
- The discount rate was changed from 3.70% to 3.80%.
- The expected long-term investment return assumption was changed from 2.00% to 1.40%.

E. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances - June 30, 2022	\$ 16,549,539	\$ 1,459,785	\$ 15,089,754
Changes for the Year:			
Service Cost	546,246	-	546,246
Interest	542,182	-	542,182
Plan Changes	(2,766)	-	(2,766)
Assumption Changes	14,508	-	14,508
Differences Between Expected and Actual Experience	1,925,161	(510)	1,925,671
Contributions - Employer	-	1,517,299	(1,517,299)
Net Investment income	-	20,437	(20,437)
Benefit Payments	(2,246,278)	(1,688,080)	(558,198)
Net Changes	<u>779,053</u>	<u>(150,854)</u>	<u>929,907</u>
Balances - June 30, 2023	<u>\$ 17,328,592</u>	<u>\$ 1,308,931</u>	<u>\$ 16,019,661</u>

The net OPEB liability for the District is \$12,938,659 and the total OPEB liability for the Sherburne and Northern Wright Special Education Cooperative is \$3,081,002.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

E. Changes in the Net OPEB Liability (Continued)

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

	1% Decrease (2.80)%	Discount Rate (3.80)%	1% Increase (4.80)%
Net OPEB Liability	\$ 16,786,465	\$ 16,019,661	\$ 15,267,338

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower (5.50% decreasing to 4.00% then 3.00%) or 1% point higher (7.50% decreasing to 6.00% then 5.00%) and dental cost trend rates that are 1% point lower (3.00%) or 1% point higher (5.00%) than the current healthcare and dental cost trend rates:

	Healthcare Cost		
	Current Trend		
	1% Decrease (Medical 5.50% Decreasing to 4.00% Over 6 Years, then 3.00% Over 48 Years, Dental 3.00%)	Rates (Medical 6.50% Decreasing to 5.00% Over 6 Years, then 4.00% Over 48 Years, Dental 4.00%)	1% Increase (Medical 7.50% Decreasing to 6.00% Over 6 Years, then 5.00% Over 48 Years, Dental 5.00%)
Net OPEB Liability	\$ 14,829,196	\$ 16,019,661	\$ 17,365,868

For the year ended June 30, 2023, the District recognized OPEB expense of \$1,626,908. At June 30, 2023, 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	\$ 3,174,647	\$ 225,124
Change of Assumptions	439,338	913,077
Net Difference Between Projected and Actual Investment Earnings	6,637	-
Contributions Between Measurement Date and Reporting Date	470,212	-
Total	<u>\$ 4,090,834</u>	<u>\$ 1,138,201</u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

E. Changes in the Net OPEB Liability (Continued)

The \$470,212 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, 2024. 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>
2024	\$ 560,103
2025	594,345
2026	487,251
2027	431,289
2028	164,571
Thereafter	244,862
Total	<u>\$ 2,482,421</u>

At June 30, 2023, there are no payables or receivables between the District and the Trust.

NOTE 9 SUPPLEMENTAL BENEFIT PLAN

A. Plan Description

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

Currently, there are 56 active employees and zero retired employees who are eligible to receive benefits under the Plan as of July 1, 2022. 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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 SUPPLEMENTAL BENEFIT PLAN (CONTINUED)

C. Total Pension Liability

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

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

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

Total Pension Liability - June 30, 2022	\$ 274,452
Changes for the Year:	
Service Cost	15,072
Interest	9,689
Changes in Benefit Terms	(1,960)
Differences between Expected and Actual Experience	59,413
Plan Changes	(1,215)
Benefit Payments	<u>(50,332)</u>
Net Changes	<u>30,667</u>
Total Pension Liability - June 30, 2023	<u><u>\$ 305,119</u></u>

D. Pension Costs

For the year ended June 30, 2023, the District recognized OPEB expense of \$55,917. At June 30, 2023, 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	\$ 77,958	\$ 10,765
Change of Assumptions	9,172	18,074
Contributions Between Measurement Date and Reporting Date	<u>1,093</u>	<u>-</u>
Total	<u><u>\$ 88,223</u></u>	<u><u>\$ 28,839</u></u>

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 SUPPLEMENTAL BENEFIT PLAN (CONTINUED)

D. Pension Costs (Continued)

The \$1,093 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, 2024. 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>Pension Expense</u>
2024	\$ 35,242
2025	8,069
2026	4,698
2027	10,282

E. Actuarial Methods and Assumptions

The actuarial total pension liability was determined as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	July 1, 2022
Measurement Date:	June 30, 2023
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-2021 Generational Improvement Scale

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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 SUPPLEMENTAL BENEFIT PLAN (CONTINUED)

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>\$ 315,640</u>	<u>\$ 305,119</u>	<u>\$ 294,377</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 \$341,634 to Wright Technical Center for the year ended June 30, 2023. On the statement of net position, the amount of \$315,489 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.

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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	\$ 9,043,829	\$ 9,167,505	\$ 8,735,522	\$ (431,983)
Earnings on Investments	10,000	75,000	239,616	164,616
Other	11,907,264	12,023,066	12,616,941	593,875
State Sources	38,408,354	38,396,298	38,536,415	140,117
Federal Sources	2,660,381	2,930,413	2,961,203	30,790
Total Revenues	62,029,828	62,592,282	63,089,697	497,415
EXPENDITURES				
Current:				
Administration	1,577,412	1,636,718	1,701,085	64,367
District Support Services	1,219,797	1,339,365	1,355,875	16,510
Elementary and Secondary				
Regular Instruction	24,924,453	25,050,581	24,869,278	(181,303)
Vocational Education Instruction	1,431,032	1,396,916	1,672,493	275,577
Special Education Instruction	17,922,737	17,668,478	18,282,880	614,402
Instructional Support Services	2,929,011	3,353,741	3,383,317	29,576
Pupil Support Services	5,240,367	5,562,944	5,517,426	(45,518)
Sites and Buildings	5,050,792	4,832,616	4,986,818	154,202
Fiscal and Other Fixed				
Cost Programs	375,905	375,905	412,952	37,047
Capital Outlay	495,691	684,165	998,796	314,631
Debt Service:				
Principal	323,296	316,296	277,436	(38,860)
Interest and Fiscal Charges	17,442	25,308	21,538	(3,770)
Total Expenditures	61,507,935	62,243,033	63,479,894	1,236,861
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	521,893	349,249	(390,197)	(739,446)
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Equipment	5,000	5,000	2,328	(2,672)
Transfers Out	-	(1,500)	-	1,500
Total Other Financing Sources (Uses)	5,000	3,500	2,328	(1,172)
NET CHANGE IN FUND BALANCE	<u>\$ 526,893</u>	<u>\$ 352,749</u>	(387,869)	<u>\$ (740,618)</u>
FUND BALANCE				
Beginning of Year			7,809,271	
End of Year			<u>\$ 7,421,402</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, 2023**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Earnings on Investments	\$ 500	\$ 2,500	\$ 36,275	\$ 33,775
Other - Primarily Meal Sales	1,233,219	1,244,028	1,337,192	93,164
State Sources	137,952	136,911	139,280	2,369
Federal Sources	853,132	1,324,544	1,412,401	87,857
Total Revenues	<u>2,224,803</u>	<u>2,707,983</u>	<u>2,925,148</u>	<u>217,165</u>
EXPENDITURES				
Current:				
Food Service	2,234,076	2,326,870	2,903,949	577,079
Capital Outlay	63,806	202,334	228,271	25,937
Total Expenditures	<u>2,297,882</u>	<u>2,529,204</u>	<u>3,132,220</u>	<u>603,016</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(73,079)	178,779	(207,072)	(385,851)
OTHER FINANCING SOURCES				
Proceeds from Sale of Inventory	-	1,000	1,853	853
NET CHANGE IN FUND BALANCE	<u>\$ (73,079)</u>	<u>\$ 179,779</u>	(205,219)	<u>\$ (384,998)</u>
FUND BALANCE				
Beginning of Year			<u>1,112,378</u>	
End of Year			<u>\$ 907,159</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, 2023**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	\$ 375,538	\$ 375,538	\$ 397,824	\$ 22,286
Earnings on Investments	300	300	34,324	34,024
Other - Primarily Tuition and Fees	2,920,200	2,920,200	3,080,951	160,751
State Sources	1,171,100	1,171,100	1,211,418	40,318
Federal Sources	52,000	52,000	64,910	12,910
Total Revenues	<u>4,519,138</u>	<u>4,519,138</u>	<u>4,789,427</u>	<u>270,289</u>
EXPENDITURES				
Current:				
Community Service	4,225,302	4,225,302	4,931,908	706,606
Capital Outlay	<u>134,700</u>	<u>134,700</u>	<u>122,383</u>	<u>(12,317)</u>
Total Expenditures	<u>4,360,002</u>	<u>4,360,002</u>	<u>5,054,291</u>	<u>694,289</u>
NET CHANGE IN FUND BALANCE	<u>\$ 159,136</u>	<u>\$ 159,136</u>	(264,864)	<u>\$ (424,000)</u>
FUND BALANCE				
Beginning of Year			<u>709,122</u>	
End of Year			<u>\$ 444,258</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, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability	\$ 274,452	\$ 506,480	\$ 735,421	\$ 842,947	\$ 917,566	\$ 935,272	\$ 1,238,753
Changes for the Year:							
Service Cost	15,072	24,671	30,767	35,487	30,531	31,937	38,727
Interest	9,689	8,812	15,295	24,814	29,438	25,460	33,886
Changes in Benefit Terms	(1,960)	(27,635)	40,097	15,844	81,303	(17,280)	(156,558)
Differences Between Expected and Actual Experience	59,413	-	(20,190)	-	-	-	-
Plan Changes	(1,215)	-	-	-	-	-	-
Benefit Payments	<u>(50,332)</u>	<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>30,667</u>	<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>\$ 305,119</u>	<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	\$ 3,954,866	\$ 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	8 %	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, 2023**

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service Cost	\$ 546,246	\$ 675,206	\$ 794,178	\$ 632,289	\$ 557,711	\$ 514,292	\$ 646,723
Interest	542,182	386,386	401,228	483,707	550,832	398,393	455,201
Plan Changes	(2,766)	14,027	-	377,615	388,068	(295,745)	(1,736,403)
Differences Between Expected and Actual Experience	1,925,161	-	2,928,278	-	(787,949)	-	-
Changes of Assumptions	14,508	(795,365)	(244,931)	-	-	-	-
Benefit Payments	(2,246,278)	(1,936,250)	(1,579,124)	(1,208,615)	(1,281,243)	(1,109,461)	(1,273,369)
Net Change in Total OPEB Liability	779,053	(1,655,996)	2,299,629	284,996	(572,581)	(492,521)	(1,907,848)
Total OPEB Liability - Beginning	16,549,539	18,205,535	15,905,906	15,620,910	16,193,491	13,774,158	15,682,006
Total OPEB Liability - Ending (a)	\$ 17,328,592	\$ 16,549,539	\$ 18,205,535	\$ 15,905,906	\$ 15,620,910	\$ 13,281,637	\$ 13,774,158
Plan Fiduciary Net Position							
Contributions - Employer	\$ 1,517,299	\$ 1,292,838	\$ 1,052,070	\$ 847,404	\$ 1,148,057	\$ 1,004,817	\$ 1,185,843
Net Investment Income	20,437	31,864	33,914	34,318	36,309	27,830	33,012
Benefit Payments	(1,688,080)	(1,451,357)	(1,184,443)	(899,060)	(1,276,033)	(1,109,462)	(1,273,368)
Differences Between Expected and Actual Experience	(510)	(6,740)	(4,045)	(2,853)	(7,922)	-	-
Net Change in Plan Fiduciary Net Position	(150,854)	(133,395)	(102,504)	(20,191)	(99,589)	(76,815)	(54,513)
Plan Fiduciary Net Position - Beginning	1,459,785	1,593,180	1,695,684	1,715,875	1,815,464	1,892,280	1,946,793
Plan Fiduciary Net Position - Ending (b)	\$ 1,308,931	\$ 1,459,785	\$ 1,593,180	\$ 1,695,684	\$ 1,715,875	\$ 1,815,465	\$ 1,892,280
District's Net OPEB Liability (Asset) - Ending (a) - (b)	\$ 16,019,661	\$ 15,089,754	\$ 16,612,355	\$ 14,210,222	\$ 13,905,035	\$ 11,466,172	\$ 11,881,878
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	8 %	9 %	9 %	11 %	11 %	14 %	14 %
Covered Employee Payroll	\$ 32,355,974	\$ 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	50 %	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.

See accompanying Notes to Required Supplementary Information.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
SCHEDULE OF MONEY WEIGHTED RATE OF RETURN ON OPEB PLAN ASSETS
JUNE 30, 2023**

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 %
2023	1.40 %

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 NINE FISCAL YEARS**

	Measurement Date June 30, 2022	Measurement Date June 30, 2021	Measurement Date June 30, 2020	Measurement Date June 30, 2019
PERA				
District's Proportion of the Net Pension Liability	0.1215 %	0.1205 %	0.1136 %	0.1159 %
District's Proportionate Share of the Net Pension Liability	\$ 9,622,840	\$ 5,145,890	\$ 6,810,839	\$ 6,407,851
State's Proportionate Share of the Net Pension Liability Associated with District	282,199	157,170	210,017	199,158
Total of District's and State's Proportionate Share of the Net Pension Liability	<u>\$ 9,905,039</u>	<u>\$ 5,303,060</u>	<u>\$ 7,020,856</u>	<u>\$ 6,607,009</u>
District's Covered Payroll	\$ 9,287,360	\$ 8,365,547	\$ 8,299,080	\$ 8,037,013
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	103.61 %	61.51 %	82.07 %	79.73 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.70 %	87.00 %	79.06 %	80.20 %
TRA				
District's Proportion of the Net Pension Liability	0.4583 %	0.4593 %	0.4523 %	0.4579 %
District's Proportionate Share of the Net Pension Liability	\$ 36,698,240	\$ 20,100,341	\$ 33,416,530	\$ 29,186,642
State's Proportionate Share of the Net Pension Liability Associated with District	2,721,499	1,695,235	2,800,402	2,582,929
Total of District's and State's Proportionate Share of the Net Pension Liability	<u>\$ 39,419,739</u>	<u>\$ 21,795,576</u>	<u>\$ 36,216,932</u>	<u>\$ 31,769,571</u>
District's Covered Payroll	\$ 28,324,856	\$ 27,724,403	\$ 26,341,932	\$ 26,133,684
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	129.56 %	72.50 %	126.86 %	111.68 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.17 %	86.63 %	75.48 %	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 NINE FISCAL YEARS**

Measurement Date June 30, 2018	Measurement Date June 30, 2017	Measurement Date June 30, 2016	Measurement Date June 30, 2015	Measurement Date June 30, 2014
0.1115 %	0.1109 %	0.1048 %	0.1092 %	0.1104 %
\$ 6,185,563	\$ 7,079,783	\$ 8,509,240	\$ 5,659,311	\$ 5,186,039
202,973	89,007	111,062	-	-
<u>\$ 6,388,536</u>	<u>\$ 7,168,790</u>	<u>\$ 8,620,302</u>	<u>\$ 5,659,311</u>	<u>\$ 5,186,039</u>
\$ 7,649,187	\$ 7,171,613	\$ 6,523,080	\$ 6,291,980	\$ 5,986,992
80.87 %	98.72 %	130.45 %	89.94 %	86.62 %
79.53 %	75.90 %	68.91 %	78.20 %	78.75 %
0.4697 %	0.4633 %	0.4634 %	0.4523 %	0.4784 %
\$ 29,499,602	\$ 92,483,084	\$ 110,531,957	\$ 27,979,228	\$ 22,044,328
2,771,569	8,940,294	11,094,524	3,432,062	1,550,926
<u>\$ 32,271,171</u>	<u>\$ 101,423,378</u>	<u>\$ 121,626,481</u>	<u>\$ 31,411,290</u>	<u>\$ 23,595,254</u>
\$ 26,245,613	\$ 25,066,013	\$ 24,212,640	\$ 23,150,263	\$ 21,836,533
112.40 %	368.96 %	456.51 %	120.86 %	100.95 %
78.07 %	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 NINE FISCAL YEARS**

	2023	2022	2021	2020
PERA				
Contractually Required Contribution	\$ 705,138	\$ 696,552	\$ 627,416	\$ 622,431
Contributions in Relation to the Contractually Required Contribution	<u>(705,138)</u>	<u>(696,552)</u>	<u>(627,416)</u>	<u>(622,431)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 9,401,840	\$ 9,287,360	\$ 8,365,547	\$ 8,299,080
Contributions as a Percentage of Covered Payroll	7.50 %	7.50 %	7.50 %	7.50 %
TRA				
Contractually Required Contribution	\$ 2,474,680	\$ 2,362,293	\$ 2,253,994	\$ 2,086,281
Contributions in Relation to the Contractually Required Contribution	<u>(2,474,680)</u>	<u>(2,362,293)</u>	<u>(2,253,994)</u>	<u>(2,086,281)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 28,943,626	\$ 28,324,856	\$ 27,724,403	\$ 26,341,932
Contributions as a Percentage of Covered Payroll	8.55 %	8.34 %	8.13 %	7.92 %

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

See accompanying Notes to Required Supplementary Information.

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

2019	2018	2017	2016	2015
\$ 602,776	\$ 573,689	\$ 537,871	\$ 489,231	\$ 465,243
<u>(602,776)</u>	<u>(573,689)</u>	<u>(537,871)</u>	<u>(489,231)</u>	<u>(465,243)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,037,013	\$ 7,649,187	\$ 7,171,613	\$ 6,523,080	\$ 6,291,980
7.50 %	7.50 %	7.50 %	7.50 %	7.39 %
\$ 2,014,907	\$ 1,968,421	\$ 1,879,951	\$ 1,815,948	\$ 1,736,618
<u>(2,014,907)</u>	<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>	<u>\$ -</u>
\$ 26,133,684	\$ 26,245,613	\$ 25,066,013	\$ 24,212,640	\$ 23,154,907
7.71 %	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, 2023**

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, 2023:

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund	\$ 62,243,033	\$ 63,479,894	\$ 1,236,861
Special Revenue Funds:			
Food Service Fund	2,529,204	3,132,220	603,016
Community Service Fund	4,360,002	5,054,291	694,289

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:

2022

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

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

2020

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

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

2018

Changes in Actuarial Assumption

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

Changes in Plan Provisions

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

2017

Changes in Actuarial Assumption

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

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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

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

2016

Changes in Actuarial Assumptions

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

Changes in Actuarial Plan Provisions

- There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions

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

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:

2022

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.

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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

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

2020

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

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

2018 (Continued)

Changes in Plan Provisions (Continued)

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

2017

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

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

2016

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

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

2014

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

NOTE 3 OTHER POSTEMPLOYMENT BENEFIT PLAN

The following assumption changes have been made for the measurement date June 30, 2023:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The withdrawal rates were updated to reflect the latest experience study.
- The salary increase rates for non-teachers were updated to reflect the latest experience study.
- The discount rate was changed from 3.70% to 3.80%.
- The expected long-term investment return assumption was changed from 2.00% to 1.40%.

The following benefit changes have been made for the measurement date June 30, 2023:

- The current Director of Technology is not eligible for subsidized retiree medical or dental benefits, per the Director of Technology contract effective July 1, 2022 to June 30, 2024.

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.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 3 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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, 2023**

NOTE 4 SUPPLEMENTAL BENEFIT PLAN

The following assumption changes have been made for the measurement date June 30, 2023:

- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The withdrawal rates were updated to reflect the latest experience study.
- The salary increase rates for non-teachers were updated to reflect the latest experience study.

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%.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 4 SUPPLEMENTAL BENEFIT PLAN (CONTINUED)

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, 2023**

	Audit	UFARS	Audit-UFARS		Audit	UFARS	Audit-UFARS
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenues	\$ 63,089,697	\$ 63,089,697	\$ -	Total Revenues	\$ -	\$ -	\$ -
Total Expenditures	63,479,894	63,479,893	1	Total Expenditures	-	-	-
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	66,121	66,121	-	460 Nonspendable Fund Balance	-	-	-
<i>Restricted/Reserve:</i>				<i>Restricted/Reserve:</i>			
401 Student Activities	33,361	33,361	-	407 Capital Projects Levy	-	-	-
403 Staff Development	33,919	33,919	-	409 Alternative Fac. Program	-	-	-
406 Health & Safety	-	-	-	413 Project Funded by COP	-	-	-
407 Capital Project Levy	-	-	-	467 LTFM	-	-	-
408 Cooperative Rev.	-	-	-	<i>Restricted:</i>			
409 Deferred Maintenance	-	-	-	464 Restricted Fund Balance	-	-	-
414 Operating Debt	-	-	-	<i>Unassigned:</i>			
416 Levy Reduction	-	-	-	463 Unassigned Fund Balance	-	-	-
419 Encumbrances	-	-	-				
423 Certain Teacher Programs	-	-	-	07 DEBT SERVICE			
424 Operating Capital	80,332	80,332	-	Total Revenues	3,723,652	3,723,652	-
426 \$25 Taconite	-	-	-	Total Expenditures	3,653,323	3,653,325	(2)
427 Disabled Accessibility	-	-	-	<i>Nonspendable:</i>			
428 Learning & Development	-	-	-	460 Nonspendable Fund Balance	-	-	-
434 Area Learning Center	61,463	61,463	-	<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	1,794,247	1,794,246	1
441 Basic Skills	-	-	-	<i>Unassigned:</i>			
443 Telecomm. Access Cost	-	-	-	463 Unassigned Fund Balance	-	-	-
446 First Grade Preparedness	-	-	-				
448 Achievement and Integration	-	-	-	18 CUSTODIAL FUND			
449 Safe Schools Levy	-	-	-	Total Revenues	179,819	179,818	1
450 Pre-Kindergarten	-	-	-	Total Expenditures	158,435	158,435	-
451 QZAB Payments	-	-	-	401 Student Activities	-	-	-
452 OPEB Liab. Not in Trust	-	-	-	402 Scholarships	2,469,445	2,469,444	1
453 Unfunded Sev & Retirement Levy	-	-	-				
467 LTFM	1,383,104	1,383,104	-	20 INTERNAL SERVICE			
472 Medical Assistance	412,092	412,092	-	Total Revenues	600,935	600,934	1
<i>Restricted:</i>				Total Expenditures	570,909	570,908	1
464 Restricted Fund Balance	564,058	564,059	(1)	422 Net Position	228,674	228,675	(1)
<i>Committed:</i>				25 OPEB REVOCABLE TRUST			
418 Committed For Separation	344,094	344,094	-	Total Revenues	-	-	-
461 Committed Fund Balance	-	-	-	Total Expenditures	-	-	-
<i>Assigned:</i>				422 Net Position	-	-	-
462 Assigned Fund Balance	281,273	281,273	-	45 OPEB IRREVOCABLE TRUST			
<i>Unassigned:</i>				Total Revenues	2,058,922	2,058,924	(2)
422 Unassigned Fund Balance	4,161,585	4,161,588	(3)	Total Expenditures	2,209,776	2,209,776	-
				422 Net Position	1,308,931	1,308,932	(1)
02 FOOD SERVICE				47 OPEB DEBT SERVICE			
Total Revenues	2,925,148	2,925,147	1	Total Revenues	-	-	-
Total Expenditures	3,132,220	3,132,218	2	Total Expenditures	-	-	-
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	58,845	58,845	-	460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>				<i>Restricted:</i>			
452 OPEB Liab. Not in Trust	-	-	-	425 Bond Refundings	-	-	-
464 Restricted Fund Balance	848,314	848,316	(2)	464 Restricted Fund Balance	-	-	-
<i>Unassigned:</i>				<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-	463 Unassigned Fund Balance	-	-	-
04 COMMUNITY SERVICE							
Total Revenues	4,789,427	4,789,425	2				
Total Expenditures	5,054,291	5,054,289	2				
<i>Nonspendable:</i>							
460 Nonspendable Fund Balance	1,765	1,765	-				
<i>Restricted/Reserve:</i>							
426 \$25 Taconite	-	-	-				
431 Community Education	123,284	123,284	-				
432 E.C.F.E.	22,465	22,465	-				
444 School Readiness	(88,929)	(88,929)	-				
447 Adult Basic Education	266,806	266,806	-				
452 OPEB Liab. Not in Trust	-	-	-				
<i>Restricted:</i>							
464 Restricted Fund Balance	* 118,867	118,869	(2)				
<i>Unassigned:</i>							
463 Unassigned Fund Balance	-	-	-				

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

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			
	2014	2015	2016	2017
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 28,367,492	\$ 32,717,052	\$ 34,364,408	\$ 25,258,704
Restricted	2,023,358	2,441,680	2,267,619	4,630,541
Unrestricted	6,250,771	(25,712,413)	(26,879,967)	(50,340,036)
Total Governmental Activities				
Net Position	<u>\$ 36,641,621</u>	<u>\$ 9,446,319</u>	<u>\$ 9,752,060</u>	<u>\$ (20,450,791)</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					
2018	2019	2020	2021	2022	2023
\$ 28,999,924	\$ 25,778,548	\$ 25,004,889	\$ 25,109,224	\$ 23,126,264	\$ 22,219,765
2,711,875	3,322,852	3,863,922	4,153,779	5,722,046	5,193,955
(68,665,748)	(57,326,258)	(60,203,482)	(63,298,444)	(59,460,610)	(49,548,700)
<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>	<u>\$ (22,134,980)</u>

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

	Fiscal Year			
	2014	2015	2016	2017
EXPENSES				
Governmental Activities				
Administration	\$ 1,283,586	\$ 1,337,795	\$ 1,440,429	\$ 2,267,484
District Support Services	1,018,438	1,032,096	1,135,630	1,181,088
Elementary and Secondary Regular Instruction	19,835,124	21,790,879	23,705,406	32,103,609
Vocational Education Instruction	694,045	773,340	773,236	715,728
Special Education Instruction	13,944,470	14,949,615	14,494,246	19,153,411
Instructional Support Services	2,625,955	2,807,152	2,941,917	3,330,953
Pupil Support Services	3,640,273	3,734,385	3,883,955	4,090,046
Sites and Buildings	4,129,356	4,571,273	6,206,082	9,219,213
Fiscal and Other Fixed Cost Programs	172,537	176,392	183,311	162,414
Food Service	1,780,814	1,903,682	2,025,562	1,914,262
Community Education and Services	2,745,243	2,380,265	2,557,334	2,880,271
Interest and Fiscal Charges on Long-Term Debt	250,817	128,293	448,369	1,223,104
Depreciation not Included in Other Functions	1,102,165	1,102,166	1,102,166	1,566,641
Total Governmental Activities Expenses	53,222,823	56,687,333	60,897,643	79,808,224
PROGRAM REVENUES				
Governmental Activities				
Charges for Services:				
Administration	-	-	-	1,058,283
District Support Services	-	-	-	820,276
Elementary and Secondary Regular Instruction	601,835	428,959	398,912	792,260
Vocational Education Instruction	-	-	-	1,219,386
Special Education Instruction	2,104,156	2,409,961	6,509,474	7,459,860
Instructional Support Services	-	-	-	2,333,594
Sites and Buildings	300	222,464	227,780	197,736
Fiscal and Other Fixed Cost Programs	-	-	-	682,729
Food Service	1,024,734	1,040,232	1,059,552	1,002,757
Community Education and Services	1,223,615	976,923	1,020,892	1,125,544
Interest and Fiscal Charges on Long-Term Debt	-	-	-	1,282,547
Depreciation not Included in Other Functions	-	-	-	1,006,894
Operating Grants and Contributions	15,133,838	16,109,098	11,499,346	9,306,320
Capital Grants and Contributions	476,050	584,023	595,653	550,184
Total Governmental Activities Program Revenues	20,564,528	21,771,660	21,311,609	28,838,370
Net Expense	(32,658,295)	(34,915,673)	(39,586,034)	(50,969,854)
GENERAL REVENUES				
Governmental Activities				
Taxes:				
Property Taxes, Levied for General Purposes	4,238,226	5,611,498	6,183,526	6,292,567
Property Taxes, Levied for Community Service	214,829	273,445	223,361	228,915
Property Taxes, Levied for Building Construction	-	-	3,500,000	2,833,250
Property Taxes, Levied for Debt Service	4,004,789	5,098,466	1,134,134	2,170,832
General Grants and Aids	27,564,512	27,341,397	28,354,194	29,339,675
Earnings on Investments	27,634	28,125	151,399	323,478
Gain on Sale of Capital Assets	7,845	25,878	5,800	470
Other General Revenues	552,669	342,146	339,361	564,082
Total Governmental Activities	36,610,504	38,720,955	39,891,775	41,753,269
Change in Net Position	\$ 3,952,209	\$ 3,805,282	\$ 305,741	\$ (9,216,585)

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

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 2,254,899	\$ 1,058,283	\$ 1,560,908	\$ 1,796,368	\$ 1,446,860	\$ 1,335,619
1,227,978	820,276	1,065,605	1,139,688	1,194,033	1,306,955
33,518,386	15,059,682	27,681,918	28,570,755	26,627,940	20,844,627
785,932	1,219,386	1,483,315	1,638,491	1,723,254	1,390,251
20,151,673	12,219,100	17,927,383	18,161,827	16,488,857	15,002,856
3,496,922	2,333,594	3,018,474	3,264,499	3,603,730	3,560,675
4,032,437	3,668,797	4,187,714	4,378,701	4,648,270	5,334,144
8,123,738	7,982,706	6,371,538	5,942,591	6,044,334	6,157,911
528,373	682,729	647,515	856,818	931,888	1,940,951
2,046,853	2,131,022	1,992,929	2,095,506	2,837,796	3,186,465
3,601,031	3,711,934	4,208,681	4,191,681	4,647,298	4,640,350
1,280,104	1,282,547	1,323,735	1,292,201	1,239,301	1,015,149
1,052,234	1,006,894	985,784	981,124	969,107	-
82,100,560	53,176,950	72,455,499	74,310,250	72,402,668	65,715,953
-	-	-	-	-	-
-	-	-	-	-	-
690,907	578,861	456,699	474,259	640,601	695,151
-	-	-	-	-	-
7,947,140	8,780,973	9,273,444	9,736,493	10,207,156	10,834,695
-	-	-	-	-	-
118,726	92,841	55,581	64,346	45,409	80,936
-	-	-	-	-	-
1,086,595	1,114,428	828,435	114,089	288,746	1,337,192
1,409,854	2,069,515	1,895,970	2,200,968	2,823,435	2,923,034
-	-	-	-	-	-
-	-	-	-	-	-
11,096,242	7,910,617	10,575,272	14,070,478	15,309,899	10,994,000
618,329	663,179	649,523	631,212	622,020	601,900
22,967,793	21,210,414	23,734,924	27,291,845	29,937,266	27,466,908
(59,132,767)	(31,966,536)	(48,720,575)	(47,018,405)	(42,465,402)	(38,249,045)
6,831,338	8,332,518	8,932,523	8,711,012	8,933,158	8,730,509
242,189	230,807	316,482	311,329	321,448	350,914
1,077,000	439,534	-	-	-	-
3,239,890	3,136,033	3,567,815	3,369,179	3,427,870	3,347,682
28,857,831	29,424,009	31,020,346	30,770,967	31,982,691	32,629,698
260,725	285,149	217,629	6,182	21,794	403,613
-	5,303	4,298	1,686	26,920	2,806
2,120,636	1,647,435	1,075,201	1,147,280	1,174,662	1,261,143
42,629,609	43,500,788	45,134,294	44,317,635	45,888,543	46,726,365
\$ (16,503,158)	\$ 11,534,252	\$ (3,586,281)	\$ (2,700,770)	\$ 3,423,141	\$ 8,477,320

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

	Fiscal Year			
	2014	2015	2016	2017
GENERAL FUND				
Nonspendable	\$ 687,121	\$ 707,359	\$ 726,713	\$ 707,781
Restricted	175,271	409,724	523,780	935,714
Assigned	717,468	678,992	723,642	224,282
Committed	1,816,655	1,689,771	1,570,581	1,417,837
Unassigned	3,814,657	3,814,320	3,484,243	2,079,142
Total General Fund	<u>\$ 7,211,172</u>	<u>\$ 7,300,166</u>	<u>\$ 7,028,959</u>	<u>\$ 5,364,756</u>
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ 26,059	\$ 19,954	\$ 27,632	\$ 94,258
Restricted	1,750,381	1,951,768	44,497,887	22,653,380
Unassigned, Reported in:				
Capital Projects Fund	<u>-</u>	<u>(761,552)</u>	<u>(837,219)</u>	<u>(24,962)</u>
Total All Other				
Governmental Funds	<u>\$ 1,776,440</u>	<u>\$ 1,210,170</u>	<u>\$ 43,688,300</u>	<u>\$ 22,722,676</u>
Unassigned - Operating				
Account as a Percent of Total Expenditures *	<u>9.91 %</u>	<u>7.49 %</u>	<u>6.63 %</u>	<u>3.92 %</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					
2018	2019	2020	2021	2022	2023
\$ 824,508	\$ 62,385	\$ 71,792	\$ 30,695	\$ 29,411	\$ 66,121
855,677	1,320,325	2,888,954	3,126,591	2,721,845	2,568,329
190,620	248,890	202,187	272,887	422,814	281,273
1,222,367	990,152	869,405	633,545	420,350	344,094
1,333,876	2,412,297	3,582,840	3,530,061	4,214,851	4,161,585
<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>	<u>\$ 7,421,402</u>
\$ 53,751	\$ 47,342	\$ 49,505	\$ 42,999	\$ 41,560	\$ 60,610
7,482,679	8,755,996	3,446,574	2,495,187	3,503,858	3,085,054
-	-	-	-	-	-
<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>\$ 3,145,664</u>
<u>3.63 %</u>	<u>2.39 %</u>	<u>0.04 %</u>	<u>0.06 %</u>	<u>0.07 %</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			
	2014	2015	2016	2017
REVENUES				
Local Sources				
Taxes	\$ 8,559,270	\$ 11,011,402	\$ 11,068,163	\$ 11,547,946
Investment Earnings	27,634	28,125	151,399	323,478
Other	5,507,309	5,902,663	10,035,274	11,594,919
State Sources	39,273,363	39,190,816	36,113,494	34,068,736
Federal Sources	3,901,037	4,361,724	3,850,596	3,124,534
Total Revenues	<u>57,268,613</u>	<u>60,494,730</u>	<u>61,218,926</u>	<u>60,659,613</u>
EXPENDITURES				
Current				
Administration	1,288,619	1,343,272	1,433,362	1,733,162
District Support Services	981,089	1,017,776	1,094,300	1,025,933
Elementary and Secondary Regular Instruction	19,848,466	21,840,424	23,167,361	23,570,548
Vocational Education Instruction	697,512	783,246	770,423	686,731
Special Education Instruction	13,988,966	14,948,635	14,332,384	14,971,050
Instructional Support Services	1,756,208	1,976,662	1,939,646	2,629,279
Pupil Support Services	3,585,601	3,708,963	3,865,216	3,751,172
Sites and Buildings	3,527,631	3,674,596	3,978,858	3,910,662
Fiscal and Other Fixed Cost Programs	172,537	176,392	183,311	162,414
Food Service	1,780,814	1,892,382	1,993,950	1,841,499
Community Service	2,679,285	2,357,812	2,459,126	2,597,306
Capital Outlay	1,462,339	2,120,051	8,186,238	30,011,547
Debt Service				
Principal	4,606,385	4,847,978	1,637,808	1,203,041
Interest and Fiscal Charges	427,150	310,087	110,474	1,240,752
Total Expenditures	<u>56,802,602</u>	<u>60,998,276</u>	<u>65,152,457</u>	<u>89,335,096</u>
EXCESS OF REVENUES UNDER EXPENDITURES	466,011	(503,546)	(3,933,531)	(28,675,483)
OTHER FINANCING SOURCES (USES)				
Bonds Issued	-	-	44,340,000	5,160,000
Premium on Bonds Issued	-	-	1,349,631	168,148
Insurance Recovery	-	-	-	126,706
Capital Lease/Certificates of Participation	-	-	439,407	-
Proceeds from Sale of Assets	7,845	26,086	11,600	5,303
Proceeds from Sale of Inventory	-	-	-	6,620
Total Other Financing Sources (Uses)	<u>7,845</u>	<u>26,086</u>	<u>46,140,638</u>	<u>5,466,777</u>
Net Change in Fund Balances	<u>\$ 473,856</u>	<u>\$ (477,460)</u>	<u>\$ 42,207,107</u>	<u>\$ (23,208,706)</u>
Debt Services as a Percentage of Noncapital Expenditures	<u>8.94 %</u>	<u>8.65 %</u>	<u>2.93 %</u>	<u>3.77 %</u>

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

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 11,418,139	\$ 12,136,162	\$ 12,814,279	\$ 12,394,343	\$ 12,685,808	\$ 12,434,118
260,234	283,532	215,835	6,104	21,630	398,017
12,263,089	13,758,222	13,517,517	13,439,650	15,056,813	17,035,084
36,393,849	36,150,163	38,331,790	38,172,264	39,833,819	40,222,191
3,635,513	3,435,577	3,403,667	6,875,643	7,960,919	4,438,514
63,970,824	65,763,656	68,283,088	70,888,004	75,558,989	74,527,924
1,743,600	1,500,426	1,490,651	1,678,673	1,573,559	1,701,085
1,059,397	963,981	1,016,011	1,129,802	1,264,597	1,355,875
24,170,283	23,313,489	23,689,667	24,909,038	25,705,989	24,869,278
668,092	1,331,983	1,397,638	1,560,090	1,767,389	1,672,493
16,012,491	16,787,182	16,912,027	17,446,087	17,553,755	18,282,880
2,847,399	2,513,754	2,698,019	3,084,900	3,328,715	3,383,317
3,689,028	3,940,134	4,062,571	4,857,276	4,829,982	5,517,426
5,166,328	4,408,790	4,023,624	4,620,446	5,288,324	4,986,818
147,339	167,003	203,035	300,036	328,745	412,952
2,053,482	2,099,404	1,961,992	2,055,414	2,749,233	2,903,949
3,189,608	4,055,079	4,054,917	4,094,431	4,720,580	4,931,908
17,826,315	4,365,805	6,502,339	2,286,744	1,268,966	1,349,450
2,244,706	2,112,872	2,455,495	2,440,902	2,570,541	2,602,436
1,413,271	1,396,623	1,493,491	1,456,988	1,413,157	1,349,861
82,231,339	68,956,525	71,961,477	71,920,827	74,363,532	75,319,728
(18,260,515)	(3,192,869)	(3,678,389)	(1,032,823)	1,195,457	(791,804)
-	4,430,000	-	-	-	-
-	170,745	-	-	-	-
1,116,828	435,768	27,955	51,845	-	-
930,573	-	468,500	-	-	-
4,537	5,303	4,298	1,686	26,867	2,328
59,661	-	-	-	400	1,853
2,111,599	5,041,816	500,753	53,531	27,267	4,181
\$ (16,148,916)	\$ 1,848,947	\$ (3,177,636)	\$ (979,292)	\$ 1,222,724	\$ (787,623)
4.45 %	5.32 %	0.06 %	0.06 %	0.05 %	0.05 %

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

For Taxes Collectible	Residential Property	Commercial Industrial Property	Other Property	Less: Tax Increment Property
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
2023	19,994,711	22,520,004	6,546,939	880,955

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
\$ 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
48,180,699	12.871	3,342,525,007	1.44

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

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>
GOVERNMENTAL UNIT				
ISD No. 882 (Monticello)	28.269 %	22.882 %	20.857 %	16.242 %
Overlapping Governments:				
Wright County	43.450 %	40.593 %	39.970 %	39.599 %
Sherburne County	54.861 %	51.979 %	50.478 %	50.460 %
City of Monticello	44.709 %	35.737 %	34.471 %	33.172 %
City of Otsego	44.575 %	41.202 %	37.921 %	37.852 %
City of Big Lake	60.048 %	57.518 %	57.112 %	57.936 %
Big Lake Twp	15.591 %	16.058 %	19.004 %	17.972 %
Buffalo Twp	25.310 %	24.432 %	23.379 %	22.520 %
Clearwater Twp	27.905 %	27.826 %	24.135 %	24.490 %
Maple Lake Twp	22.073 %	20.372 %	18.678 %	17.618 %
Monticello Twp	24.879 %	24.952 %	23.386 %	24.253 %
Silver Creek Twp	32.261 %	28.716 %	27.412 %	26.181 %
Hospital District	- %	- %	- %	- %
State	N/A	N/A	N/A	N/A

The state information for 2014-2023 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>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
15.621 %	16.972 %	15.865%	15.390%	15.459%	12.871%
39.946 %	44.273 %	44.421%	43.719%	43.751%	37.848%
49.356 %	47.928 %	47.426%	45.835%	44.080%	38.630%
32.333 %	34.262 %	34.967%	35.659%	36.536%	34.991%
36.556 %	36.060 %	35.099%	34.653%	34.545%	29.572%
55.643 %	50.898 %	49.223%	48.471%	47.505%	38.545%
19.797 %	20.720 %	22.801%	23.550%	21.592%	20.051%
21.442 %	20.026 %	19.029%	17.692%	17.425%	15.047%
22.482 %	21.472 %	20.946%	21.021%	19.809%	17.484%
16.508 %	15.537 %	16.145%	18.948%	16.637%	14.473%
21.732 %	20.496 %	19.450%	18.948%	17.523%	14.750%
24.914 %	23.517 %	22.309%	26.640%	22.140%	24.772%
- %	- %	- %	- %	- %	- %
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	2023			2014		
	Net Tax Capacity	Rank	Percentage Total District Tax Valuation	Net Tax Capacity	Rank	Percentage Total District Tax Valuation
Northern States Power Co.	\$ 16,101,450	1	33.42 %	\$ 9,469,396	1	38.10 %
Iret Properties	448,003	2	0.93			
Centerpoint Energy	276,370	3	0.57			
Venturian Holdings LLC Etal	261,220	4	0.54			
Target Corporation	205,250	5	0.43	201,658	3	0.81
Wal-Mart Real Est. Business Tr.	198,850	6	0.41	250,100	2	1.01
RCG-Monticello MN LLC	179,598	7	0.37			
UMC Real Estate, LLC	154,590	8	0.32			
Monticello Sr Housing Own, LLC	153,975	9	0.32			
Monti-Big Lake Comm Hospital	145,440	10	0.30	150,882	4	0.61
MLBL, LLC				143,370	5	0.58
Minnegasco, Inc				140,800	6	0.57
Home Depot USA Inc				139,250	7	0.56
Muller Fam Theatres of Monti				109,097	8	0.44
Ax TC Retail LP				101,598	9	0.41
Allete Inc				94,168	10	0.38
Total for Ten Largest Principal Taxpayers	<u>\$ 18,124,746</u>			<u>\$ 10,800,319</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
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	35,338	12,351,694	99.97
2022	12,254,173	12,205,663	99.60	31,846	12,237,509	99.86
2023	14,002,105	7,259,500	51.85	-	7,259,500	51.85

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
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
2023	40,890,000	-		245,575		89,199	41,224,774

* 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	* \$	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
20,476	*	2,167	N/A
20,476	*	2,050	N/A
20,476	*	2,013	N/A

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

<u>Year</u>	<u>G.O. Bonds</u>	<u>Less Amounts Available in Debt Service Fund</u>	<u>Net Bonded Debt</u>	<u>Tax Capacity</u>
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
2023	40,890,000	1,794,247	39,095,753	48,180,699

* 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
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	20,476	*	2,139
104.40	20,476	*	2,026
81.14	20,476	*	1,909

**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>
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
2023	2,325,000	1,328,323	3,653,323	63,479,894	5.76

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, 2023
(UNAUDITED)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Wright County	\$ 133,535,000	23.66 %	\$ 31,594,381
Sherburne County	38,710,000	1.68	650,328
City of Big Lake	17,365,000	0.13	22,575
City of Monticello	21,725,000	100.00	21,725,000
City of Otsego	58,591,489	8.36	4,898,248
Becker Township	-	11.83	-
Big Lake Township	<u>260,000</u>	0.20	<u>520</u>
Subtotal, Overlapping Debt	270,186,489		58,891,052
Independent School District No. 882 - Direct Debt	40,890,000	100.00	<u>40,890,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 99,781,052</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			
	2014	2015	2016	2017
Debt Limit	\$ 288,010,665	\$ 343,917,525	\$ 391,376,295	\$ 413,736,855
Total Net Debt Applicable to Limit	<u>6,980,000</u>	<u>2,270,000</u>	<u>45,215,000</u>	<u>49,330,000</u>
Legal Debt Margin	<u>\$ 281,030,665</u>	<u>\$ 341,647,525</u>	<u>\$ 346,161,295</u>	<u>\$ 364,406,855</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.42 %	0.66 %	11.55 %	11.92 %

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					
2018	2019	2020	2021	2022	2023
\$ 444,409,680	\$ 456,543,990	\$ 455,938,459	\$ 466,136,955	\$ 475,303,895	\$ 495,108,921
47,345,000	49,895,000	47,690,000	45,475,000	43,215,000	40,890,000
<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>	<u>\$ 454,218,921</u>
10.65 %	10.93 %	10.46 %	9.76 %	9.09 %	8.26 %

Legal Debt Margin Calculation for Year 2023:

Market Value	\$ 3,342,525,007
Debt Limit (15% of Market Value)	501,378,751
Debt Applicable to Limit:	
G.O. Bonds	<u>40,890,000</u>
Total Net Debt Applicable to Limit	<u>40,890,000</u>
Legal Debt Margin	<u>\$ 460,488,751</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
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	20,476	*	N/A	41,204
2022 Est	20,476	*	N/A	N/A
2023 Est	20,476	*	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>
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
2023	75,316	2.40	2.60

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	2022*			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wright County	807	1	21.09 %			- %
Xcel Energy	700	2	18.29	500	3	14.42
ISD No. 882	577	3	15.08	985	1	28.41
CentraCare Health Monticello	491	4	12.83	525	2	15.14
Cargil Kitchen Solutions	400	5	10.45	417	4	12.03
Wal-Mart	300	6	7.84	300	6	8.65
City of Monticello	190	7	4.96			
Home Depot	150	8	3.92	100	9	2.88
Target	112	9	2.93	190	7	5.48
Cub Foods	100	10	2.61			
Northland Group, Inc				350	5	10.10
WSI Industries, Inc				100	10	2.88
Total	<u>3,827</u>			<u>3,467</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			
	2014	2015	2016	2017
Teachers	317	326	330	329
Principals and District Administration	15	16	16	17
Admin Support, Confidential and Individual	20	20	20	20
Clerical	12	12	12	29
Community Service	7	7	7	7
Custodial	29	29	29	29
Cafeteria	32	31	31	35
Paraprofessionals	106	105	115	121
Total	<u>538</u>	<u>546</u>	<u>560</u>	<u>587</u>

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					
2018	2019	2020	2021	2022	2023
340	331	327	337	326	339
17	17	17	17	17	17
20	20	20	21	21	21
29	29	29	29	29	29
7	7	7	6	6	6
31	29	31	31	31	29
35	36	36	31	32	35
<u>125</u>	<u>138</u>	<u>127</u>	<u>103</u>	<u>115</u>	<u>143</u>
<u>604</u>	<u>607</u>	<u>594</u>	<u>575</u>	<u>577</u>	<u>619</u>

**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>
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
2023	122.18	211.99	1,751.40	2,068.99	4,154.56	4,568.35

Source: Minnesota Department of Education.

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
EXPENDITURES PER STUDENT
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)
(UNAUDITED)**

	<u>State Average</u> <u>2022</u>	<u>ISD No. 882</u>	
		<u>2022</u>	<u>2023</u>
EXPENDITURES PER STUDENT (ADM) (1)			
General Fund - Operating Account			
District and School Administration	\$ 553	\$ 374	\$ 409
District Support Services	757	301	326
Elementary and Secondary Regular Instruction	6,075	6,112	5,986
Vocational Education Instruction	580	420	403
Special Education Instruction	2,743	4,174	4,401
Instructional Support Services	788	792	814
Pupil Support Services	1,435	1,148	1,328
Sites and Buildings, Fiscal, and Other Fixed Cost Programs	<u>2,078</u>	<u>1,418</u>	<u>1,372</u>
Total General Fund - Operating Account	15,009	14,739	15,039
Food Service Special Revenue Fund	<u>666</u>	<u>663</u>	<u>754</u>
Total PK - 12 Operating Expenditures	15,675	15,402	15,793
General Fund - Capital Expenditure Account	974	238	240
Community Service Special Revenue Fund	646	1,177	1,217
Capital Projects Fund	1,773	-	-
Debt Service Fund	<u>1,531</u>	<u>865</u>	<u>879</u>
Total Expenditures Per Student	<u>\$ 20,599</u>	<u>\$ 17,682</u>	<u>\$ 18,129</u>
ADM Served	<u>853,440</u>	<u>4,206</u>	<u>4,155</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			
	2014	2015	2016	2017
District and School Administration	\$ 1,288,895	\$ 1,343,272	\$ 1,434,362	\$ 1,733,506
District Support Services	996,061	1,020,440	1,111,558	1,026,839
Elementary and Secondary Regular Instruction	20,035,453	22,068,662	23,383,945	23,826,601
Vocational Education Instruction	697,512	783,246	770,423	686,731
Special Education Instruction	14,160,588	15,038,457	14,333,587	14,974,745
Instructional Support Services	2,474,474	2,672,818	2,699,263	2,751,833
Pupil Support Services	3,596,695	3,710,506	3,869,327	3,800,356
Sites, Buildings, and Equipment	3,975,334	4,091,565	4,761,037	4,110,178
Fiscal and Other Fixed Cost Programs	172,537	176,392	183,311	162,414
Total	<u>\$ 47,397,549</u>	<u>\$ 50,905,358</u>	<u>\$ 52,546,813</u>	<u>\$ 53,073,203</u>
Weighted ADM	4,631.91	4,741.41	4,379.77	4,440.47
District and School Administration	\$ 272	\$ 307	\$ 323	\$ 383
District Support Services	210	233	250	227
Elementary and Secondary Regular Instruction	4,226	5,039	5,266	5,258
Vocational Education Instruction	147	179	174	152
Special Education Instruction	2,987	3,434	3,228	3,305
Instructional Support Services	522	610	608	607
Pupil Support Services	759	847	871	839
Sites, Buildings, and Equipment	838	934	1,072	907
Fiscal and Other Fixed Cost Programs	36	40	41	36
Total	<u>\$ 9,997</u>	<u>\$ 11,623</u>	<u>\$ 11,833</u>	<u>\$ 11,714</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					
2018	2019	2020	2021	2022	2023
\$ 1,744,444	\$ 1,501,632	\$ 1,498,737	\$ 1,703,530	\$ 1,595,359	\$ 1,701,568
1,059,397	964,484	1,019,032	1,131,623	1,265,626	1,358,586
25,002,501	23,617,094	24,006,100	25,216,720	26,042,539	24,997,958
668,092	1,335,791	1,399,215	1,560,783	1,785,550	1,715,621
16,019,033	16,789,016	16,914,788	17,446,087	17,562,613	18,308,252
3,356,412	2,583,393	2,798,537	3,367,368	3,676,797	3,832,993
3,697,113	3,946,524	4,116,947	4,865,429	4,843,588	5,769,001
5,523,954	4,792,544	4,861,726	5,141,648	5,885,521	5,382,963
147,339	167,003	203,035	300,036	328,745	412,952
<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>	<u>\$ 63,479,894</u>
4,531.08	4,424.94	4,497.15	4,408.15	4,614.74	4,568.35
\$ 394	\$ 334	\$ 340	\$ 386	\$ 346	\$ 369
239	214	231	257	274	294
5,650	5,252	5,446	5,720	5,643	5,417
151	297	317	354	387	372
3,620	3,733	3,837	3,958	3,806	3,967
759	574	635	764	797	831
836	878	934	1,104	1,050	1,250
1,248	1,066	1,103	1,166	1,275	1,166
33	37	46	68	71	89
<u>\$ 12,930</u>	<u>\$ 12,385</u>	<u>\$ 12,889</u>	<u>\$ 13,777</u>	<u>\$ 13,649</u>	<u>\$ 13,755</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
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 %
2023	\$ 1,701,085 2.7 %	\$ 1,355,875 2.1 %	\$ 24,869,278 39.2 %	\$ 1,672,493 2.6 %	\$ 18,282,880 28.8 %	\$ 3,383,317 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>
\$ 3,585,601 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 %
\$ 5,517,426 8.7 %	\$ 5,285,792 8.3 %	\$ 412,952 0.7 %	\$ 998,796 1.6 %	\$ 63,479,894 100.0 %	0.78 %

**MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
SCHOOL BUILDING INFORMATION
JUNE 30, 2023
(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, 2023
(UNAUDITED)**

Meals	Number of Meals Served
Eastview Education Center	43,656
Little Mountain Elementary	64,453
Pinewood Elementary	74,857
Middle School	106,908
High School	<u>125,898</u>
Total Lunches Served	<u><u>415,772</u></u>
Eastview Education Center	51,723
Little Mountain Elementary	19,534
Pinewood Elementary	15,652
Middle School	18,546
High School	<u>15,264</u>
Total Breakfasts Served	<u><u>120,719</u></u>

Source: District records