ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED – JUNE 30, 2024

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, 2024

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, MN 55362
Ph. 763-272-2000
Fax 763-272-2009
www.monticello.k12.mn.us

Date: December 2, 2024

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, 2024 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.

DISTRICT ORGANIZATION (CONTINUED)

The District enrolled 4,119 ADM's (Average Daily Membership) from a population of over 20,476 citizens residing in a 100 square mile area. During 2023-24 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 36.03 years: 1 high school, 1 alternative high school, 1 middle school, 2 elementary schools, and 1 early childhood building. This does not includes the outdoor space the District leased to start a Nature Base program for Preschool through Grade 5. The District is organized by grade level with elementary schools serving students in kindergarten through Grade 5, middle school serving Grades 6-8, and the high schools serving Grades 9-12.

The District and the Sherburne and Northern Wright Special Education Cooperative have a unique relationship. The Sherburne and Northern Wright Special Education Cooperative is a separate legal entity; however, the employees working under this entity are under the District's employment contracts. The Cooperative "purchases" the employees through the District. The District keeps track of the employees funded by the Cooperative under a separate fund

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.

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

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

FINANCIAL STATEMENTS

The financial statements contained in this report disclose the financial position of the District as of June 30, 2024, 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 2023-24 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.

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.

ACCOUNTING AND BUDGETING (CONTINUED)

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 10,123 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.

FINANCIAL PROSPECTS FOR FUTURE YEARS

The Monticello School Board has focused on rebuilding the unassigned fund balance of the General Fund from its FY 2018 low point of $2,158,390, or 4.65% of its General Fund expenses according to the School Board policy 714. The General Fund unassigned and nonspendable fund balance as of June 30, 2024 is $5,270,742 or 9.20% of expenditures excluding the Sherburne and Northern Wright Special Education Cooperative expenditures. The Monticello School Board approved a slight budget deficit going into the 2024-2025 school year. Additional special education cross subsidy funding as well as improvements on the General Education Aid formula 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 2014 to FY 2024 with enrollment changes ranging from -2.53% decline to +2.31% 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.

ECONOMIC FACTORS (CONTINUED)

The November 2023 forecast from Minnesota Management and Budget projected a $2.4 billion surplus for the FY2024-25 biennium, an increase of $808 million from the previous forecast. This positive revision was driven by higher expected consumer spending and corporate profit growth, which boosted the revenue forecast. In February 2024, the outlook improved further, with the surplus now projected at $3.7 billion for the same biennium. Similar to the November forecast, the February update reflects higher corporate profits and increased tax receipts, while state spending estimates remained unchanged. Additionally, the Legislature approved basic funding formula increases of 4 percent for FY 2024 and 2 percent for FY 2025. The District's metered payment schedule is currently at 90%, which is where it should be, putting the District in a strong cash flow position.

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

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

MAJOR INITIATIVES

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.

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, 2023. It is the ninth 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,

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, 2023.

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Ryan S. Stechschulte
President

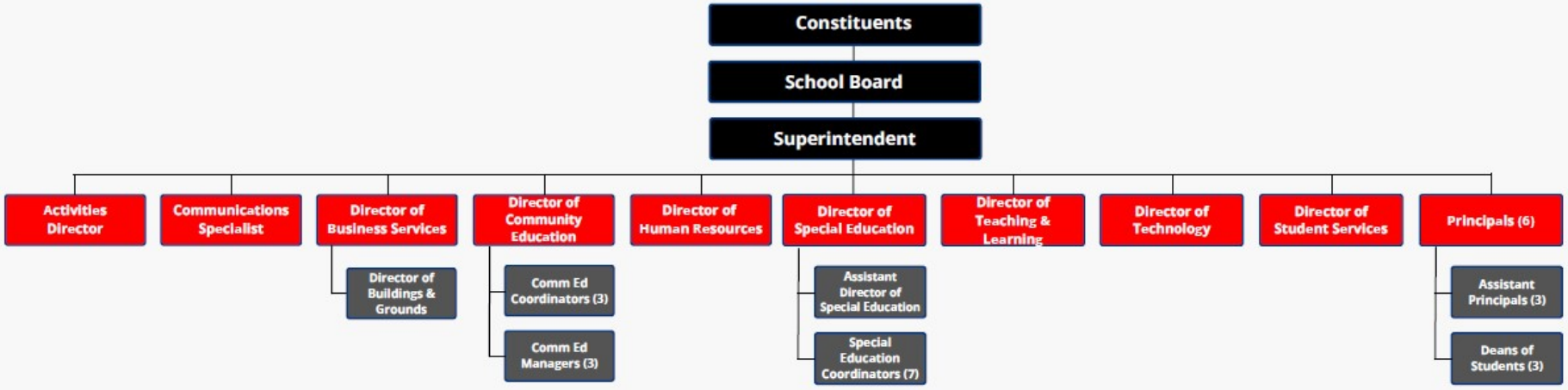
James M. Rowan, CAE, SFO
CEO/Executive Director

Monticello School District is an equal opportunity employer.

MONTICELLO PUBLIC SCHOOLS

Every Kid, Every Day

Organizational Chart



MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
SCHOOL BOARD AND ADMINISTRATION
JUNE 30, 2024

SCHOOL BOARD

NAME	TERM ON BOARD EXPIRES	BOARD POSITION
Kathy Ziebarth	12/31/2024	Chairperson
Jamie Sieben	12/31/2024	Vice Chairperson/Treasurer
Melissa Curtis	12/31/2026	Secretary/Clerk
Mark Branson	12/31/2026	Director
Jeff Hegle	12/31/2024	Director
Casey Root	12/31/2026	Director

ADMINISTRATION

Eric Olson	Superintendent
Tina Burkholder	Director of Business Services
Rob Danneker	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
Kristin Greene	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

CliftonLarsonAllen LLP
CLAconnect.com

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, 2024, 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, 2024, 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.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

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.

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

Report on Summarized Comparative Information

We have previously audited the District's 2023 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 4, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, 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 2, 2024, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 2, 2024

REQUIRED SUPPLEMENTARY INFORMATION

MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

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, 2024; 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 2023-2024 fiscal year include the following:

- Net position improved and increased from ($22,134,980) to ($17,745,679) mainly due to a change in assumptions related to the District's pension.
- The net position improved and increased by $4,389,301 from June 30, 2023, with total revenues of $81,724,998 and total expenses of $77,335,697.
- Overall General Fund revenues and other financing sources were $70,105,550 as compared to $69,608,450 of expenditures.
- The District's governmental fund revenues and other financing sources were more than expenditures in the current year by $112,605 which caused an increase in overall fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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.

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 ($17,745,679) on June 30, 2024. The net position improved and increased by $4,389,301 (see Table A-1).

Table A-1
The District's Net Position

	Governmental Activities		Percentage
	2024	2023	Change
Current and Other Assets	$ 33,218,699	$ 31,239,096	6.34 %
Capital and Noncurrent Assets	62,372,275	64,651,744	(3.53)
Total Assets	95,590,974	95,890,840	(0.31)
Deferred Outflows of Resources	13,151,979	18,108,420	(27.37)
Current Liabilities	12,043,294	11,439,881	5.27
Long-Term Liabilities	96,255,248	102,191,336	(5.81)
Total Liabilities	108,298,542	113,631,217	(4.69)
Deferred Inflows of Resources	18,190,090	22,503,023	(19.17)
Net Position:			
Net Investment in Capital Assets	22,519,172	22,219,765	1.35
Restricted	4,473,078	5,193,955	(13.88)
Unrestricted	(44,737,929)	(49,548,700)	(9.71)
Total Net Position	$ (17,745,679)	$ (22,134,980)	

Net Position (Continued)

The District's change in financial position is the product of many factors. Deferred inflows of resources decreased approximately $5.3 million and deferred outflows of resources decreased approximately $3.9 million due to a change in pension assumptions. Long-term liabilities decreased approximately $2.6 million due to decrease in long term debt outstanding.

Changes in Net Position

The District's total revenues were $81,724,998 for the year ended June 30, 2024. Property taxes and state formula aid accounted for 59% of total revenue for the year.

Table A-2
Change in Net Position

	Governmental Activities		Total %
	2024	2023	Change
Revenues			
Program Revenues			
Charges for Services	$ 15,546,708	$ 15,871,008	(2.04)%
Operating Grants and Contributions	15,959,544	10,994,000	45.17
Capital Grants and Contributions	585,184	601,900	(2.78)
General Revenues			
Property Taxes	13,496,711	12,429,105	8.59
Unrestricted State Aid	34,258,337	32,629,698	4.99
Investment Earnings	580,946	403,613	43.94
Other	1,297,568	1,263,949	2.66
Total Revenues	81,724,998	74,193,273	10.15
Expenses			
Administration	1,568,646	1,335,619	17.45
District Support Services	1,454,284	1,306,955	11.27
Regular Instruction	26,349,607	20,844,627	26.41
Vocational Education Instruction	1,908,940	1,390,251	37.31
Special Education Instruction	18,919,808	15,002,856	26.11
Instructional Support Services	3,494,892	3,560,675	(1.85)
Pupil Support Services	6,308,496	5,334,144	18.27
Sites and Buildings	6,022,672	6,157,911	(2.20)
Fiscal and Other Fixed Cost Programs	2,055,892	1,940,951	5.92
Food Service	3,023,995	3,186,465	(5.10)
Community Service	5,085,751	4,640,350	9.60
Interest and Fiscal Charges on Long-Term Liabilities	1,142,714	1,015,149	12.57
Total Expenses	77,335,697	65,715,953	17.68
Change in Net Position	4,389,301	8,477,320	
Net Position - Beginning of Year	(22,134,980)	(30,612,300)	
Net Position - End of Year	$ (17,745,679)	$ (22,134,980)	

Changes in Net Position (Continued)

The total cost of all programs and services, including interest and fiscal charges, was approximately $77.3 million. Total revenues exceeded expenses, increasing net position $4,389,301 over last year.

The cost of all *governmental* activities this year was $77,335,697 as shown in Table A-2.

- Some of the cost was paid by the users of the District's programs ($15,546,708).
- The federal and state governments subsidized certain programs with grants and contributions ($16,544,728).
- A significant portion of governmental activities was paid for with $13,496,711 in property taxes, $34,258,337 of unrestricted state aid based on the statewide education aid formula, and $1,878,514 with investment earnings and other general revenues.

Figure A-1
Sources of District's Revenues for Fiscal 2024

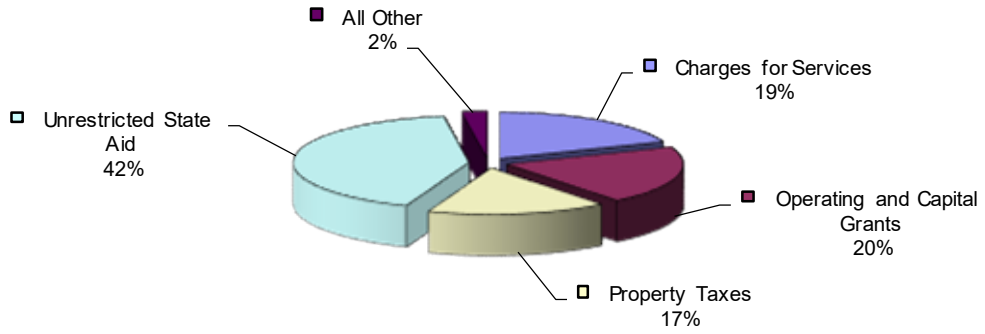
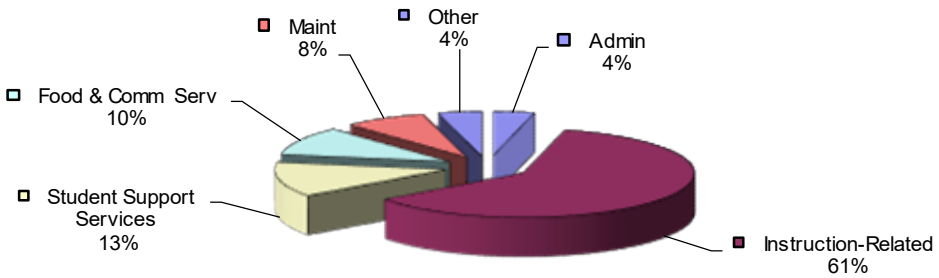


Figure A-2
District Expenses for Fiscal 2024



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 74% of those resources are spent on instruction-related and student support services.

Table A-3
Program Expenses and Net Cost of Services

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	2024	2023	Change	2024	2023	Change
Administration	$ 1,568,646	$ 1,335,619	17.45 %	$ 1,568,646	$ 1,335,619	17.45 %
District Support Services	1,454,284	1,306,955	11.27	1,418,911	1,284,757	10.44
Regular Instruction	26,349,607	20,844,627	26.41	21,898,023	17,052,993	28.41
Vocational Education Instruction	1,908,940	1,390,251	37.31	1,915,869	1,412,065	35.68
Special Education Instruction	18,919,808	15,002,856	26.11	406,381	(917,125)	(144.31)
Instructional Support Services	3,494,892	3,560,675	(1.85)	3,288,566	3,228,746	1.85
Pupil Support Services	6,308,496	5,334,144	18.27	5,408,774	5,108,630	5.88
Sites and Buildings	6,022,672	6,157,911	(2.20)	5,928,952	6,034,492	(1.75)
Fiscal and Other Fixed Cost Programs	2,055,892	1,940,951	5.92	2,055,892	1,940,951	5.92
Food Service	3,023,995	3,186,465	(5.10)	(464,885)	297,592	(256.22)
Community Service	5,085,751	4,640,350	9.60	676,418	455,176	48.61
Interest and Fiscal Charges on Long-Term Liabilities	1,142,714	1,015,149	12.57	1,142,714	1,015,149	12.57
Total	$ 77,335,697	$ 65,715,953	17.68	$ 45,244,261	$ 38,249,045	18.29

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well and has increased from the previous year. As the District completed the year, its governmental funds reported a *combined* fund balance of $10,679,671 which is $112,605 more than last year's ending fund balance of $10,567,066. Revenues and other financing sources for the District's governmental funds were $81,522,791 while total expenditures were $81,410,186.

GENERAL FUND

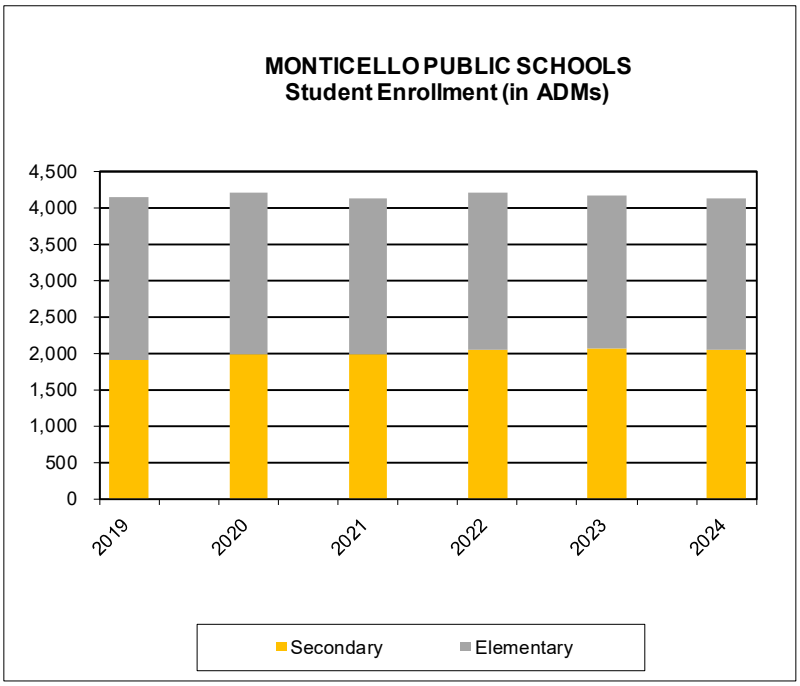
The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through grade 12 including pupil transportation activities and capital outlay projects. General Fund operational revenue is controlled by a complex set of state funding formulas 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. In 2024, the District experienced a decrease in enrollment served of 36 ADMs.

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

	2019	2020	2021	2022	2023	2024
Elementary	2,231	2,210	2,125	2,160	2,086	2,083
Secondary	1,909	1,986	1,988	2,046	2,069	2,036
Total Students for Aid	4,140	4,196	4,113	4,206	4,155	4,119
Percent Change	(0.48)%	1.35 %	(1.98)%	2.26 %	(1.21)%	(0.87)%



The following schedule presents a summary of General Fund Revenues.

Table A-5
General Fund Revenues

Fund	Year Ended June 30, 2024	Year Ended June 30, 2023	Change Increase (Decrease)	Change Percent
Local Sources:				
Property Taxes	$ 10,625,479	$ 8,735,522	$ 1,889,957	21.6 %
Earnings on Investments	378,070	239,616	138,454	57.8
Other	13,014,308	12,616,941	397,367	3.1
State Sources	43,380,186	38,536,415	4,843,771	12.6
Federal Sources	2,706,500	2,961,203	(254,703)	(8.6)
Total General Fund Revenue	$ 70,104,543	$ 63,089,697	$ 7,014,846	11.1

Total General Fund Revenue increased by $7,014,846 or 11.1% from the previous year. Local Property Taxes rose due to an increase in the operating referendum, driven by higher pupil units and adjustments to the inflation factor. Initially, MDE projected inflation rates of 2% for fiscal years 2023 and 2024, but these were later updated to 5% and 7%, respectively. Additionally, the Local Optional Revenue levy increased as a result of higher pupil units, and the Other Postemployment Benefits levy grew due to an increase in retirees. State Sources revenue saw a significant boost, thanks to additional funding approved by the 2023 Legislative session. The General Education formula increased by 4%, while Compensatory revenue rose due to more families qualifying for free and reduced meal benefits, along with expanded eligibility for families directly certified. Furthermore, the Special Education cross-subsidy revenue surged from 6.43% to 44%. New revenue streams approved during the legislative session included Summer-term Unemployment revenue, Student Support Personnel Aid, and School Library Aid.

The following schedule presents a summary of General Fund Expenditures.

Table A-6
General Fund Expenditures

	Year Ended June 30, 2024	Year Ended June 30, 2023	Amount of Increase (Decrease)	Percent Increase (Decrease)
Salaries	$ 38,854,337	$ 35,846,653	$ 3,007,684	8.4 %
Employee Benefits	17,534,362	16,226,234	1,308,128	8.1
Purchased Services	9,052,860	7,383,117	1,669,743	22.6
Supplies and Materials	3,024,210	2,523,491	500,719	19.8
Capital Expenditures	666,727	998,796	(332,069)	(33.2)
Other Expenditures	475,954	501,603	(25,649)	(5.1)
Total Expenditures	$ 69,608,450	$ 63,479,894	$ 6,128,556	9.7

Total General Fund Expenditures increased $6,128,556 from the previous year. Heading into the 2023-24 school year, the District added several teaching positions, along with associated benefits: 1 English Language Learner instructor, 2 Reading coaches, 1 Media specialist, 2 Building substitutes, 3 Special Education teachers, 1 Speech teacher, 1 elementary teacher, and 1 music teacher. Additionally, under Purchased Services, the District incurred higher costs due to extra special education transportation routes, one-time COPS sub-grantee expenses to Becker and Big Lake, and increased Long-Term Facilities Maintenance (LTFM) projects, such as the High School tennis court repairs and roofing work. Supplies and Materials expenses also rose, particularly within the Technology department, due to the early purchase of devices and software licenses ahead of the next fiscal year.

In 2023-2024, General Fund revenues and other financing sources were more than expenditures by $497,100. Total fund balance increased to $7,918,502. The District's financial position increased with the unassigned fund balance increasing from $4,161,585 at June 30, 2023 to $5,221,918 at June 30, 2024.

Unassigned fund balance is the single best measure of overall financial health. The unassigned fund balance of $5,221,918 at June 30, 2024 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 $750,161 more than expected from budget. The actual expenditures were $495,595 over budget.

Revenues were over budget due to additional revenue received from the Sherburne and Northern Wright Special Education Cooperative (Cooperative) purchasing additional staff from the District under Other Revenue. The additional staffing positions included one Kindergarten Educational Support Specialist, one Coordinator, a 0.5 FTE Interpreter, and a 0.5 FTE Speech instructor. The related expenses for the Cooperative staff increased the Special Education Instruction expenses. Otherwise, nearly all budget categories closely aligned with budget estimates.

FOOD SERVICE FUNDS

Revenues and other financing sources were more than expenditures in the Food Service Fund by-$579,941. Most of the increase is due to an increase in state funding received as state legislation passed providing free meals to all students.

COMMUNITY SERVICE FUNDS

Revenues were less than expenditures in the Community Service Fund by $130,330. The primary cause of this decline was the School Readiness program. This program needs to be reviewed to reassess pricing, affordability for families, and the educational offerings provided to students.

DEBT SERVICE FUNDS

The Debt Service Fund revenues were less than expenditures by $834,106 in **2023**-2024 for the regular debt service account. During the 2018-19 school year, the School Board approved a Long-Term Facility Maintenance bond to fund an Indoor Air Quality (IAQ) project at Pinewood Elementary. After the project was complete and all bills paid, there was a balance remaining that the Board transferred back to the Debt Service fund to reduce future tax levies during the 2020-21 school year. It takes a year for the State to see the transfer and was included in the 2022 Payable 2023 levy (for the 2023-24 fiscal year). The Debt Service levy returned to its normal threshold for the 2023 Payable 2024 levy where districts are required to levy 105% of their annual debt payments to cover possible delinquent property taxes.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2024, the District had invested $133,291,881 in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). (More detailed information about capital assets can be found in Note 4 to the financial statements.) Total depreciation/amortization expense for the year was $4,582,459.

Table A-7
The District's Capital Assets

	2024	2023	Percentage Change
Land	$ 4,000	$ 4,000	- %
Construction in Progress	988,492	-	100.0
Right-to-Use Assets	229,541	229,541	-
Land Improvements	35,711,899	35,643,599	0.2
Buildings and Improvements	83,609,942	83,602,148	0.0
Equipment	12,748,007	11,591,425	10.0
Less: Accumulated Depreciation/Amortization	(71,316,917)	(66,734,458)	6.9
Total	$ 61,974,964	$ 64,336,255	(3.7)

Construction – Next Five Years

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

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Debt

At year-end, the District had $39,394,580 in finance purchase obligations, lease liability, and general obligation bonds outstanding, net of bond premium and discount — a decrease of 6.5% 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

	2024	2023	Percentage Change
General Obligation Bonds	$ 38,515,000	$ 40,890,000	(5.8)%
Net Bond Premium and (Discount)	782,685	891,716	(12.2)
Finance Purchase Obligations	83,939	245,575	(65.8)
Lease Liability	12,956	89,199	(85.5)
Total	$ 39,394,580	$ 42,116,490	(6.5)
Long-Term Debt:			
Due Within One Year	$ 2,526,895	$ 2,612,879	
Due in More than One Year	36,867,685	39,503,611	
Total	$ 39,394,580	$ 42,116,490	

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. The 2024 legislative session was not a budget year, so expectations were low. The Legislature approved a small supplemental education budget bill, totaling just $43 million, primarily for the Reading to Ensure Academic Development Act, student absenteeism, and addressing teacher shortages.

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, 2024
(WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 2023)

	Governmental Activities	
	2024	2023
ASSETS		
Cash and Investments	$ 17,376,250	$ 16,395,524
Receivables:		
Property Taxes	7,063,370	6,392,950
Other Governments	8,204,323	7,942,331
Other	454,152	381,560
Prepaid Items	20,737	36,710
Inventories	99,867	90,021
Equity Interest in Joint Venture	397,311	315,489
Capital Assets:		
Land	4,000	4,000
Construction in Process	988,492	-
Other Capital Assets, Net of Depreciation/Amortization	60,982,472	64,332,255
Total Assets	95,590,974	95,890,840
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	10,114,140	14,017,586
OPEB Related	3,037,839	4,090,834
Total Deferred Outflows of Resources	13,151,979	18,108,420
LIABILITIES		
Salaries Payable	7,607,256	6,861,748
Accounts and Contracts Payable	479,428	670,159
Accrued Interest	508,402	533,632
Due to Other Governmental Units	36,101	4,657
Due to Other Minnesota School Districts	414,264	281,500
Severance Payable	29,752	89,103
Unearned Revenue:		
Local Sources	184,665	163,806
Long-Term Liabilities:		
Net Pension Liability	44,119,743	46,321,080
Net OPEB Liability	15,023,424	16,019,661
Net Supplemental Pension Liability	216,455	305,119
Portion Due Within One Year	2,783,426	2,835,276
Portion Due in More Than One Year	36,895,626	39,545,476
Total Liabilities	108,298,542	113,631,217
DEFERRED INFLOWS OF RESOURCES		
Pension Related	3,714,424	9,037,488
OPEB Related	944,568	1,138,201
Property Taxes Levied for Subsequent Year	13,531,098	12,327,334
Total Deferred Inflows of Resources	18,190,090	22,503,023
NET POSITION		
Net Investment in Capital Assets	22,519,172	22,219,765
Restricted for:		
General Fund Operating Capital Purposes	43,989	80,332
General Fund State-Mandated Restrictions	1,628,473	1,923,939
Food Service	1,487,100	907,159
Community Service	315,875	445,632
General Fund Other Restricted	532,569	564,058
Debt Service	465,072	1,272,835
Unrestricted	(44,737,929)	(49,548,700)
Total Net Position	$ (17,745,679)	$ (22,134,980)

See accompanying Notes to Basic Financial Statements.

MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2023)

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	2024 Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities	2023 Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
GOVERNMENTAL ACTIVITIES						
Administration	$ 1,568,646	$ -	$ -	$ -	$ (1,568,646)	$ (1,335,619)
District Support Services	1,454,284	-	(2,055)	37,428	(1,418,911)	(1,284,757)
Regular Instruction	26,349,607	598,537	3,578,371	274,676	(21,898,023)	(17,052,993)
Vocational Education Instruction	1,908,940	-	(6,929)	-	(1,915,869)	(1,412,065)
Special Education Instruction	18,919,808	11,406,703	7,106,724	-	(406,381)	917,125
Instructional Support Services	3,494,892	-	(8,594)	214,920	(3,288,566)	(3,228,746)
Pupil Support Services	6,308,496	-	896,080	3,642	(5,408,774)	(5,108,630)
Sites and Buildings	6,022,672	39,202	-	54,518	(5,928,952)	(6,034,492)
Fiscal and Other Fixed Cost Programs	2,055,892	-	-	-	(2,055,892)	(1,940,951)
Food Service	3,023,995	468,080	3,020,800	-	464,885	(297,592)
Community Service	5,085,751	3,034,186	1,375,147	-	(676,418)	(455,176)
Interest and Fiscal Charges on Long-Term Liabilities	1,142,714	-	-	-	(1,142,714)	(1,015,149)
Total School District	$ 77,335,697	$ 15,546,708	$ 15,959,544	$ 585,184	(45,244,261)	(38,249,045)
GENERAL REVENUES						
Property Taxes Levied for:						
General Purposes					10,643,179	8,730,509
Community Service					367,745	350,914
Debt Service					2,485,787	3,347,682
State Aid Not Restricted to Specific Purposes					34,258,337	32,629,698
Earnings on Investments					580,946	403,613
Gain on Sale of Capital Assets					1,103	2,806
Miscellaneous					1,296,465	1,261,143
Total General Revenues					49,633,562	46,726,365
CHANGE IN NET POSITION					4,389,301	8,477,320
Net Position - Beginning of Year					(22,134,980)	(30,612,300)
NET POSITION - END OF YEAR					$ (17,745,679)	$ (22,134,980)

See accompanying Notes to Basic Financial Statements.

MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)

	Major Funds				Total Governmental Funds	
	General	Food Service	Community Service	Debt Service	2024	2023
ASSETS						
Cash and Investments	$ 12,237,935	$ 1,383,175	$ 902,283	$ 2,621,723	$ 17,145,116	$ 16,152,659
Receivables:						
Current Property Taxes	5,173,594	-	198,356	1,628,671	7,000,621	6,347,901
Delinquent Property Taxes	47,469	-	1,947	13,333	62,749	45,049
Due from Other Minnesota School Districts	3,739,593	-	-	-	3,739,593	3,978,374
Due from Minnesota Department of Education	3,817,667	37,066	116,079	27,714	3,998,526	3,084,095
Due from Federal Through Minnesota Department of Education	466,204	-	-	-	466,204	873,009
Due from Other Governmental Units	-	-	-	-	-	6,853
Other Receivables	212,110	110,234	131,808	-	454,152	381,193
Prepaid Items	20,737	-	-	-	20,737	36,710
Inventory	28,089	70,346	1,432	-	99,867	90,021
Total Assets	$ 25,743,398	$ 1,600,821	$ 1,351,905	$ 4,291,441	$ 32,987,565	$ 30,995,864
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE						
Liabilities:						
Salaries Payable	$ 3,565,298	$ 15,433	$ 188,167	$ -	$ 3,768,898	$ 3,185,156
Payroll Deductions and Employer Contributions Payable	3,673,725	50,865	113,768	-	3,838,358	3,676,592
Accounts and Contracts Payable	376,261	2,727	63,021	-	442,009	655,601
Due to Other Governmental Units	34,532	900	669	-	36,101	4,657
Due to Other Minnesota School Districts	264,083	-	150,181	-	414,264	281,500
Severance Payable	29,752	-	-	-	29,752	89,103
Unearned Revenue	34,636	43,796	106,233	-	184,665	163,806
Total Liabilities	7,978,287	113,721	622,039	-	8,714,047	8,056,415
Deferred Inflows of Resources:						
Property Taxes Levied for Subsequent Year	9,799,140	-	413,991	3,317,967	13,531,098	12,327,334
Unavailable Revenue - Delinquent Property Taxes	47,469	-	1,947	13,333	62,749	45,049
Total Deferred Inflows of Resources	9,846,609	-	415,938	3,331,300	13,593,847	12,372,383
Fund Balance:						
Nonspendable:						
Prepaid Items	20,737	-	-	-	20,737	36,710
Inventory	28,089	70,346	1,432	-	99,867	90,021
Restricted:						
Student Activities	32,880	-	-	-	32,880	33,361
Staff Development	145,140	-	-	-	145,140	33,919
Operating Capital	43,989	-	-	-	43,989	80,332
Area Learning Center	18,135	-	-	-	18,135	61,463
Community Education Programs	-	-	91,729	-	91,729	123,284
Early Childhood and Family Education Programs	-	-	39,352	-	39,352	22,465
Adult Basic Education	-	-	279,444	-	279,444	266,806
Literary Incentive Aid	10,056	-	-	-	10,056	-
LTFM	924,967	-	-	-	924,967	1,383,104
Medical Assistance	497,295	-	-	-	497,295	412,092
Other Restricted	532,569	1,416,754	-	960,141	2,909,464	3,236,557
Committed:						
Severance Benefits	298,843	-	-	-	298,843	344,094
Assigned:						
School Building Carryover	91,234	-	-	-	91,234	228,623
Scoreboards	52,650	-	-	-	52,650	52,650
Unassigned	5,221,918	-	(98,029)	-	5,123,889	4,161,585
Total Fund Balance	7,918,502	1,487,100	313,928	960,141	10,679,671	10,567,066
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 25,743,398	$ 1,600,821	$ 1,351,905	$ 4,291,441	$ 32,987,565	$ 30,995,864

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, 2024
(WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 2023)

	2024	2023
Total Fund Balance for Governmental Funds	$ 10,679,671	$ 10,567,066
Total net position reported for governmental activities in the Statement of Position is different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	4,000	4,000
Construction in Progress	988,492	-
Right-to-Use Assets, Net of Accumulated Amortization	12,080	84,567
Land Improvements, Net of Accumulated Depreciation	21,897,641	23,501,119
Buildings and Improvements, Net of Accumulated Depreciation	35,571,979	37,870,606
Equipment, Net of Accumulated Depreciation	3,500,772	2,875,963
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.	62,749	45,049
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	(44,119,743)	(46,321,080)
Deferred Inflows of Resources - Pension Related	(3,695,171)	(9,008,649)
Deferred Outflows of Resources - Pension Related	10,072,437	13,929,363
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	(216,455)	(305,119)
Deferred Inflows of Resources - Pension Related	(19,253)	(28,839)
Deferred Outflows of Resources - Pension Related	41,703	88,223
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:	193,715	228,674
The District's other postemployment benefit liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:		
OPEB Liability	(15,023,424)	(16,019,661)
Deferred Inflows of Resources - OPEB Related	(944,568)	(1,138,201)
Deferred Outflows of Resources - OPEB Related	3,037,839	4,090,834
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(508,402)	(533,632)
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	397,311	315,489
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	(38,515,000)	(40,890,000)
Unamortized Premiums	(782,685)	(891,716)
Finance Purchase Obligations	(83,939)	(245,575)
Lease Liability	(12,956)	(89,199)
Sick Leave	(27,941)	(41,865)
Compensated Absences Payable	(256,531)	(222,397)
Total Net Position of Governmental Activities	$ (17,745,679)	$ (22,134,980)

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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2023)

	Major Funds				Total Governmental Funds	
	General	Food Service	Community Service	Debt Service	2024	2023
REVENUES						
Local Sources:						
Property Taxes	$ 10,625,479	$ -	$ 414,655	$ 2,438,877	$ 13,479,011	$ 12,434,118
Earnings on Investments	378,070	48,017	44,114	101,848	572,049	398,017
Other	13,014,308	468,080	3,230,595	-	16,712,983	17,035,084
State Sources	43,380,186	1,530,067	1,312,951	277,144	46,500,348	40,222,191
Federal Sources	2,706,500	1,490,733	60,057	-	4,257,290	4,438,514
Total Revenues	70,104,543	3,536,897	5,062,372	2,817,869	81,521,681	74,527,924
EXPENDITURES						
Current:						
Administration	1,704,039	-	-	-	1,704,039	1,701,085
District Support Services	1,465,059	-	-	-	1,465,059	1,355,875
Regular Instruction	26,595,907	-	-	-	26,595,907	24,869,278
Vocational Education Instruction	1,980,731	-	-	-	1,980,731	1,672,493
Special Education Instruction	20,226,264	-	-	-	20,226,264	18,282,880
Instructional Support Services	4,084,278	-	-	-	4,084,278	3,383,317
Pupil Support Services	6,432,034	-	-	-	6,432,034	5,517,426
Sites and Buildings	5,749,465	-	-	-	5,749,465	4,986,818
Fiscal and Other Fixed Cost Programs	460,987	-	-	-	460,987	412,952
Food Service	-	2,874,277	-	-	2,874,277	2,903,949
Community Service	-	-	5,079,660	-	5,079,660	4,931,908
Capital Outlay	666,727	82,782	113,042	-	862,551	1,349,450
Debt Service:						
Principal	237,879	-	-	2,375,000	2,612,879	2,602,436
Interest and Fiscal Charges	5,080	-	-	1,276,975	1,282,055	1,349,861
Total Expenditures	69,608,450	2,957,059	5,192,702	3,651,975	81,410,186	75,319,728
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	496,093	579,838	(130,330)	(834,106)	111,495	(791,804)
OTHER FINANCING SOURCES						
Proceeds from Sale of Equipment	1,007	-	-	-	1,007	2,328
Proceeds from Sale of Inventory	-	103	-	-	103	1,853
Total Other Financing Sources	1,007	103	-	-	1,110	4,181
NET CHANGE IN FUND BALANCES	497,100	579,941	(130,330)	(834,106)	112,605	(787,623)
Fund Balances - Beginning of Year	7,421,402	907,159	444,258	1,794,247	10,567,066	11,354,689
FUND BALANCES - END OF YEAR	$ 7,918,502	$ 1,487,100	$ 313,928	$ 960,141	$ 10,679,671	$ 10,567,066

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, 2024
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED JUNE 30, 2023)

	2024	2023
Net Change in Fund Balance - Total Governmental Funds	$ 112,605	$ (787,623)
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	2,221,168	740,599
Gain (Loss) on Disposal of Capital Assets	-	(4,889)
Depreciation/Amortization Expense	(4,582,459)	(4,531,220)
Some capital asset additions are financed through finance purchase obligations. In governmental funds, a finance purchase obligation arrangement is considered a source of financing, but in the Statement of Net Position, the finance purchase obligation is reported as a liability. Repayment of finance purchase obligation principal is an expenditure in the governmental funds, but repayment reduces the finance purchase obligation in the Statement of Net Position.		
Change in Accrued Interest Expense - Finance Purchase Obligations	3,145	5,142
Principal Payments - Finance Purchase Obligations	161,636	205,296
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	2,375,000	2,325,000
Change in Accrued Interest Expense - General Obligation Bonds	22,085	21,457
Amortization of Bond Premium	109,031	286,575
Repayment of Lease Liability	76,243	72,140
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.	17,700	(5,013)
Net income from the equity interest in joint venture does not provide current financial resources and is not reported as revenue in the funds.	81,822	78,005
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.	136,875	360,603
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).	(20,210)	(22,000)
Pension expenditures on the governmental funds are measured by current year employee contributions. Pension expenses on the Statement of Activities are measured by the change in net pension liability and the related deferred inflows and outflows of resources.	3,709,619	9,703,222
Internal service funds are used by the District to charge the costs of employee dental benefits to individual funds. The net revenue of the internal service fund is reported with governmental activities.	(34,959)	30,026
Change in Net Position of Governmental Activities	$ 4,389,301	$ 8,477,320

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, 2024
(WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 2023)

	Governmental Activities - Internal Service Funds	
	2024	2023
ASSETS		
Current Assets:		
Cash and Investments	$ 231,134	$ 242,865
Accounts Receivable	-	367
Total Assets	231,134	243,232
LIABILITIES		
Current Liabilities:		
Claims Payable	37,419	14,558
Total Current Liabilities	37,419	14,558
NET POSITION		
Unrestricted	$ 193,715	$ 228,674

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, 2024
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED JUNE 30, 2023)

	Governmental Activities - Internal Service Funds	
	2024	2023
OPERATING REVENUES		
Contributions from District and Employees	$ 595,521	$ 595,339
OPERATING EXPENSES		
Dental Insurance Claim Payments	596,495	533,665
General Administration Fees	42,882	37,244
Total Operating Expenses	639,377	570,909
OPERATING INCOME (LOSS)	(43,856)	24,430
NONOPERATING INCOME		
Earnings on Investments	8,897	5,596
CHANGE IN NET POSITION	(34,959)	30,026
Net Position - Beginning of Year	228,674	198,648
NET POSITION - END OF YEAR	$ 193,715	$ 228,674

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, 2024
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED JUNE 30, 2023)

	Governmental Activities - Internal Service Funds	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from District and Employees	$ 595,888	$ 594,972
Payments for Administrative Costs	(42,882)	(37,244)
Payments for Dental Fees and Insurance Claims	(573,634)	(533,097)
Net Cash Provided (Used) by Operating Activities	(20,628)	24,631
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	8,897	5,596
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,731)	30,227
Cash and Cash Equivalents - Beginning of Year	242,865	212,638
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 231,134	$ 242,865
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ (43,856)	$ 24,430
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Increase in Accounts Receivable	367	(367)
Increase in Accounts Payable	22,861	568
Net Cash Provided (Used) by Operating Activities	$ (20,628)	$ 24,631

See accompanying Notes to Basic Financial Statements.

MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024

	Scholarship Custodial Fund	Postemployment Benefits Irrevocable Trust Fund
ASSETS		
Cash and Deposits	$ -	$ -
Investments - Fixed Income	-	1,135,486
Total Assets	-	1,135,486
LIABILITIES		
NET POSITION		
Restricted for OPEB Benefits	-	1,135,486
Total Net Position	$ -	$ 1,135,486

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2024

	Scholarship Custodial Fund	Postemployment Benefits Irrevocable Trust Fund
ADDITIONS		
Employer Contributions	$ -	$ 1,878,993
Investment Income	101,717	20,464
Donations	51,700	-
Total Additions	153,417	1,899,457
DEDUCTIONS		
Benefit Payments	-	2,072,902
Payment to Other Entity	2,622,837	-
Administrative Expenses	25	-
Total Deductions	2,622,862	2,072,902
CHANGE IN NET POSITION	(2,469,445)	(173,445)
Net Position - Beginning of Year	2,469,445	1,308,931
NET POSITION - END OF YEAR	$ -	$ 1,135,486

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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.

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.

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. State revenue is recognized in the year to which it applies according to Minnesota Statutes and GAAP. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Community service tuition, meal sales, 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.

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.

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.

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, 2024, no outstanding encumbrances existed.

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

	Original Budget	Amendments	Amended Budget
Revenues			
General Fund	$ 68,230,412	$ 1,123,970	$ 69,354,382
Special Revenue Funds:			
Food Service Fund	2,911,292	392,794	3,304,086
Community Service Fund	4,856,120	302,763	5,158,883
Expenditures			
General Fund	$ 67,136,552	$ 1,976,303	$ 69,112,855
Special Revenue Funds:			
Food Service Fund	2,797,672	(7,614)	2,790,058
Community Service Fund	4,746,365	362,075	5,108,440

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.

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.

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 2023 pay 2024 levy, normally revenue for the 2024-25 fiscal year, are also advance recognized at June 30, 2024, 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, 2024, 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.

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. 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.

M. Long-Term Obligations

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Accrued Employee Benefits

Vacation

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

Sick Leave

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

Supplemental Benefit Plan/Severance

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

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Deferred Inflows of Resources

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

P. Pensions

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

Q. Unearned Revenue

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

R. Fund Balance

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

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. 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.

S. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in the government-wide, proprietary fund – internal service fund, and Fiduciary Fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation/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.

T. Use of Estimates

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

U. Comparative Data

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2023, from with the summarized information was derived.

NOTE 2 STEWARDSHIP AND ACCOUNTABILITY

Excess of Expenditures Over Budget

Expenditures exceeded budgeted amounts in the following funds at June 30, 2024:

	Budget	Expenditures	Excess
General Fund	$ 69,112,855	$ 69,608,450	$ 495,595
Special Revenue Funds:			
Food Service Fund	2,790,058	2,957,059	167,001
Community Service Fund	5,108,440	5,192,702	84,262

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.

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, 2024 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

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, 2024, the District had the following investments:

	Amount
MSDLAF+	$ 10,034,431
MN Trust Investment Shares	6,883,764
Guaranteed Investment Contract	1,329,395
Total Investments	$ 18,247,590

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 withdraws 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.

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+	$ 10,034,431	$ 10,034,431	$ -	$ -	$ -
MN Trust Investment Shares	6,883,764	6,883,764	-	-	-
Guaranteed Investment Contract	1,329,395	1,329,395	-	-	-
Total	$ 18,247,590	$ 18,247,590	$ -	$ -	$ -

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	$ 522,962
MSDLAF+ Max Class	A-1+, A-1	3,011,469
MSDLAF+ Term Series	A-1+, A-1	6,500,000
MN Trust Investment Shares	Not Rated	6,883,764
Guaranteed Investment Contract	AA-	1,329,395
Total		$ 18,247,590

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+	$ 10,034,431	54.99%
MN Trust Investment Shares	6,883,764	37.72%
Guaranteed Investment Contract	1,329,395	7.29%

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	$ 264,146
Minnesota School District Liquid Asset Fund (MSDLAF+)	10,034,431
Investments	8,213,159
Total Deposits and Investments	$ 18,511,736

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

Cash and Investments - Statement of Net Position	$ 17,376,250
Cash and Investments - Statement of Fiduciary Fund Net Position	1,135,486
Total Cash and Investments	$ 18,511,736

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 2024.

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 4,000	$ -	$ -	$ 4,000
Construction in Progress	-	988,492	-	988,492
Total Capital Assets, Not Being Depreciated/Amortized	4,000	988,492	-	992,492
Capital Assets, Being Depreciated:				
Depreciated:				
Land Improvements	35,643,599	68,300	-	35,711,899
Buildings and Improvements	83,602,148	7,794	-	83,609,942
Equipment	11,591,425	1,156,582	-	12,748,007
Total Capital Assets, Being Depreciated	130,837,172	1,232,676	-	132,069,848
Accumulated Depreciation for:				
Land Improvements	(12,142,480)	(1,671,778)	-	(13,814,258)
Buildings and Improvements	(45,731,542)	(2,306,421)	-	(48,037,963)
Equipment	(8,715,462)	(531,773)	-	(9,247,235)
Total Accumulated Depreciation	(66,589,484)	(4,509,972)	-	(71,099,456)
Total Capital Assets, Being Depreciated, Net	64,247,688	(3,277,296)	-	60,970,392
Right-to-Use Assets:				
Buildings	229,541	-	-	229,541
Less Accumulated Amortization:				
Buildings	(144,974)	(72,487)	-	(217,461)
Total Right-to-Use Assets, Net	84,567	(72,487)	-	12,080
Governmental Activities Capital Assets, Net	$ 64,336,255	$ (2,361,291)	$ -	$ 61,974,964

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

Governmental Activities:	
Administration	$ 72,786
District Support Services	1,069
Regular Instruction	2,015,137
Vocational Education Instruction	659
Special Education Instruction	2,354
Instructional Support Services	195,550
Pupil Support Services	6,109
Sites and Buildings	1,254,456
Food Service	56,925
Community Service	21,886
Unallocated	955,528
Total Depreciation/Amortization Expense, Governmental Activities	$ 4,582,459

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	Principal Outstanding Total
2/23/2016	2.00% - 4.00%	$ 38,640,000	2/1/2040	$ 1,405,000	$ 29,280,000
2/23/2016	2.00% - 3.00%	5,700,000	2/1/2031	395,000	2,985,000
4/27/2017	2.00% - 3.00%	5,160,000	2/1/2032	350,000	3,060,000
2/28/2019	2.00% - 3.00%	4,430,000	2/1/2034	280,000	3,190,000
Total General Obligation Bonds				2,430,000	38,515,000
Bond Premium - Net				-	782,685
Finance Purchase Obligations:					
Special Education Building				83,939	83,939
Total Finance Purchase Obligations				83,939	83,939
Lease Liability:					
ALP Building				12,956	12,956
Sick Leave Payable				-	27,941
Compensated Absences Payable				256,531	256,531
Total				$ 2,783,426	$ 39,679,052

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:

	General Obligation Bonds Payable		Finance Purchase Obligations	
Year Ending June 30,	Principal	Interest	Principal	Interest
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	2,750,000	896,525	-	-
2030 - 2034	12,820,000	3,126,275	-	-
2035 - 2039	10,435,000	1,361,775	-	-
2040	2,285,000	74,263	-	-
Total	$ 38,515,000	$ 9,831,926	$ 83,939	$ 1,571

	Lease Liability	
Year Ending June 30,	Principal	Interest
2025	$ 12,956	$ 13
Total	$ 12,956	$ 13

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, 2024 is $50,764,271. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota Statutes.

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. The finance purchase obligation was paid off in total in fiscal year 2024.

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 $85,510 including interest at 2.49%.

3. Lease Liability

On September 1, 2014, the District entered into a lease agreement for the use of classroom space. The agreement includes monthly payments between $5,935 and $6,485 including interest at 2.49%.

D. Changes in Long-Term Debt

	June 30, 2023	Net Additions	Retirements	June 30, 2024
Bonds Payable	$ 40,890,000	$ -	$ 2,375,000	$ 38,515,000
Bond Premium	891,716	-	109,031	782,685
Finance Purchase Obligations	245,575	-	161,636	83,939
Lease Liability	89,199	-	76,243	12,956
Sick Leave Payable	41,865	183,446	197,370	27,941
Compensated Absences Payable - Net	222,397	508,375	474,241	256,531
Total	$ 42,380,752	$ 691,821	$ 3,393,521	$ 39,679,052

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, 2024 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 Literary Incentive Aid

Represents available resources to support implementation of evidence-based reading instruction.

D. Restricted for Operating Capital

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

E. Restricted for Area Learning Center

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

F. Restricted for Community Education Programs

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

G. Restricted for Early Childhood and Family Education Programs

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

H. Restricted for Adult Basic Education

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

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

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

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

J. Restricted for Medical Assistance

Represents resources available to be used for medical assistance expenditures.

K. Restricted for 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	$ 20,579
Pinewood	8,102
Middle School	46,136
High School	341,232
Eastview	4,059
Naturebased	11,480
ALP	2,342
District Wide	98,639
Total Restricted for General Fund	532,569
Restricted for Food Service	1,416,754
Restricted for Bond Payments	960,141
Total Other Restricted	$ 2,909,464

L. Committed for Severance Benefits

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

M. Assigned for School Building Carryover

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

N. Assigned for Scoreboards

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

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.

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.

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 l, 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.

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 2024 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, 2024 were $762,391. 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 2024 for coordinated were 7.50% for the employee and 8.75% for the employer. Basic rates were 11.25% for the employee and 12.75% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2024 were $2,761,909. The District's contributions were equal to the required contributions for each year as set by state statue.

NOTE 7 PENSION PLANS (CONTINUED)

D. Pension Costs

1. General Employees Fund Pension Costs

At June 30, 2024, the District reported a liability of $6,743,817 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 $186,017, for a total net pension liability of $6,929,834 associated with the District. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was .1206% at the end of the measurement period and .1215% for the beginning of the period.

For the year ended June 30, 2024, the District recognized pension expense of $1,081,034 for its proportionate share of General Employees Plan's pension expense. In addition, the District recognized an additional $836 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, 2024, 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	$ 221,469	$ 46,456
Changes in Actuarial Assumptions	1,091,730	1,848,424
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	252,196
Changes in Proportion	132,719	40,776
District Contributions Subsequent to the Measurement Date	762,391	-
Total	$ 2,208,309	$ 2,187,852

NOTE 7 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

The $762,291 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, 2025. 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
2025	$ 270,924
2026	(1,010,422)
2027	143,860
2028	(146,296)

2. TRA Pension Costs

At June 30, 2024 the District reported a liability of $37,375,926 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to 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 .4527% at the end of the measurement period and .4583% 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:

Description	Amount
District's Proportionate Share of the TRA Net Pension Liability	$ 37,375,926
State's Proportionate Share of TRA's Net Pension Liability Associated with the District	2,618,131
Total	$ 39,994,057

For the year ended June 30, 2024, the District recognized pension expense (benefit) of ($1,210,129). It also recognized ($258,813) as an increase to pension expense (benefit) for the support provided by direct aid.

NOTE 7 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

At June 30, 2024, 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	$ 370,524	$ 544,294
Changes in Actuarial Assumptions	4,354,088	-
Net Difference Between Projected and Actual Investment Earnings	-	138,634
Changes in Proportion	377,607	824,391
District Contributions Subsequent to the Measurement Date	2,761,909	-
Total	$ 7,864,128	$ 1,507,319

The $2,761,909 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, 2025. 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
2025	$ 216,043
2026	(211,881)
2027	4,286,526
2028	(551,333)
2029	(144,455)

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	$ 6,743,817	$ 37,375,926	$ -	$ 44,119,743
Net Supplemental Pension Liability	-	-	216,455	216,455
Deferred Outflows of Resources	2,208,309	7,864,128	41,703	10,114,140
Deferred Inflows of Resources	2,187,852	1,507,319	19,253	3,714,424
Pension Expense (Benefit)	1,081,870	(1,468,942)	58,940	(328,132)

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	100.0 %	

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	100.0 %	

NOTE 7 PENSION PLANS (CONTINUED)

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, 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 7.0% for PERA and 7.0% 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 7.0% 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 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 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.

NOTE 7 PENSION PLANS (CONTINUED)

F. Actuarial Methods and Assumptions (Continued)

The following changes in actuarial assumptions for PERA occurred in 2023:

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.5% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of $170.1 million will be contributed to the plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

The following changes in actuarial assumptions for TRA occurred in 2023:

- 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 2023 was 7.0%. 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 7.0%. 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 2023 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).

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
General Employees Plan Discount Rate	6.00 %	7.00 %	8.00 %
District's Proportionate Share of the General Employees Plan Net Pension Liability	$ 11,930,354	$ 6,743,817	$ 2,477,693
TRA Discount Rate	6.00 %	7.00 %	8.00 %
District's Proportionate Share of the TRA Net Pension Liability	$ 59,611,853	$ 37,375,926	$ 19,173,113

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.

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.

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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 2024, the District made a contribution of $1,878,993 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, 2024 were as follows:

Total OPEB Liability	$ 16,158,910
Plan Fiduciary Net Position	1,135,486
District's Net OPEB Liability	$ 15,023,424
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7 %

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.

The District's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022. Liabilities in this report were calculated as of the valuation date and rolled forward to the measurement date using standard roll-forward techniques.

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

D. Actuarial Methods and Assumptions (Continued)

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	6.25% 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, 2024, 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.

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:

Asset Class	Long-Term Expected Real Rate of Return	Long-Term Expected Nominal Rate of Return
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 4.10%. The projection of cash flows and OPEB trust assets used to determine the discount rate were based on recent employer contribution history and their stated funding policy. The OPEB trust's long-term assumed investment return was used to discount projected benefit payments for as long as projected trust assets are available to fund OPEB payments. Once projected trust assets are exhausted, the municipal bond index rate was applied to the remaining expected benefit payments.

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

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

- None

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

- The discount rate was changed from 3.80% to 4.10%.

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

E. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances - June 30, 2023	$ 17,328,593	$ 1,308,932	$ 16,019,661
Changes for the Year:			
Service Cost	540,202	-	540,202
Interest	638,071	-	638,071
Plan Changes	-	-	-
Assumption Changes	(166,467)	-	(166,467)
Differences Between Expected and Actual Experience	-	2,138	(2,138)
Contributions - Employer	-	1,517,368	(1,517,368)
Net Investment income	-	18,325	(18,325)
Benefit Payments	(2,181,489)	(1,711,277)	(470,212)
Net Changes	(1,169,683)	(173,446)	(996,237)
Balances - June 30, 2024	$ 16,158,910	$ 1,135,486	$ 15,023,424

The net OPEB liability for the District is $12,196,372 and the total OPEB liability for the Sherburne and Northern Wright Special Education Cooperative is $2,827,052.

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 (3.10)%	Discount Rate (4.10)%	1% Increase (5.10)%
Net OPEB Liability	$ 15,736,151	$ 15,023,424	$ 14,322,290

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 healthcare cost trend rates that are 1% point lower (5.25% decreasing to 4.00% then 3.00%) or 1% point higher (7.25% 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		
	1% Decrease (Medical 5.25% Decreasing to 4.00% Over 6 Years, then 3.00% Over 48 Years, Dental 3.00%)	Current Trend Rates (Medical 6.25% Decreasing to 5.00% Over 6 Years, then 4.00% Over 48 Years, Dental 4.00%)	1% Increase (Medical 7.25% Decreasing to 6.00% Over 6 Years, then 5.00% Over 48 Years, Dental 5.00%)
Net OPEB Liability	$ 13,741,801	$ 15,023,424	$ 16,476,085

For the year ended June 30, 2024, the District recognized OPEB expense of $1,626,908. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Liability	$ 2,425,465	$ 112,559
Change of Assumptions	295,165	832,009
Net Difference Between Projected and Actual Investment Earnings	2,193	-
Contributions Between Measurement Date and Reporting Date	315,016	-
Total	$ 3,037,839	$ 944,568

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

E. Changes in the Net OPEB Liability (Continued)

The $315,016 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, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Future Recognition
2025	$ 569,921
2026	462,827
2027	406,865
2028	140,147
2029	220,845
Thereafter	(22,350)
Total	$ 1,778,255

At June 30, 2024, 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.

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, 2023	$	305,119
Adjustments*		(48,857)
Corrected Total Pension Liability		256,262
Changes for the Year:		
Service Cost		14,864
Interest		9,361
Changes in Benefit Terms		(1,755)
Differences between Expected and Actual Experience		-
Plan Changes		-
Benefit Payments		(62,277)
Net Changes		(39,807)
Total Pension Liability - June 30, 2024	$	216,455

*Adjustments are needed to reflect the amounts shown in the addendum to the actuarial valuation report which was completed during September 2023. The addendum report includes actual 2022-2023 benefit payments and a change in the discount rate.

D. Pension Costs

For the year ended June 30, 2024, the District recognized OPEB expense of $58,940. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 9 SUPPLEMENTAL BENEFIT PLAN (CONTINUED)

D. Pension Costs (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Liability	$ 37,828	$ 5,382
Change of Assumptions	2,587	13,871
Contributions Between Measurement Date and Reporting Date	1,288	-
Total	$ 41,703	$ 19,253

The $1,288 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, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Pension Expense
2025	$ 7,543
2026	4,190
2027	9,771
2028	(342)

E. Actuarial Methods and Assumptions

The actuarial total pension liability was determined as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2022
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age, Level Percentage of Pay
Discount Rate	4.10 %
Inflation	2.50 %
Salary Increases	Service Graded Table
Retirement Age	55.00 %
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 4.10%. The discount rate is based on the estimated yield of 20-Year AA-rated municipal bonds.

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 4.10%, as well as what the District's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.10%) or one percentage point higher (5.10%) than the current rate:

	1% Decrease (3.10)%	Current Discount Rate (4.10)%	1% Increase (5.10)%
Total Pension Liability	$ 227,667	$ 216,455	$ 205,096

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 $347,937 to Wright Technical Center for the year ended June 30, 2024. On the statement of net position, the amount of $397,311 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.

Commitments

The District had construction commitments in the amount of $844,248 as of the end of the year.

NOTE 12 RISK MANAGEMENT

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

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

REQUIRED SUPPLEMENTARY INFORMATION

MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	$ 10,467,896	$ 10,624,109	$ 10,625,479	$ 1,370
Earnings on Investments	75,000	240,000	378,070	138,070
Other	12,286,874	12,195,337	13,014,308	818,971
State Sources	43,009,874	43,561,308	43,380,186	(181,122)
Federal Sources	2,390,768	2,733,628	2,706,500	(27,128)
Total Revenues	68,230,412	69,354,382	70,104,543	750,161
EXPENDITURES				
Current:				
Administration	1,735,175	1,743,074	1,704,039	(39,035)
District Support Services	1,374,123	1,454,898	1,465,059	10,161
Elementary and Secondary Regular Instruction	26,231,590	26,422,040	26,595,907	173,867
Vocational Education Instruction	1,536,324	1,834,371	1,980,731	146,360
Special Education Instruction	19,666,643	20,084,498	20,226,264	141,766
Instructional Support Services	3,441,187	3,919,196	4,084,278	165,082
Pupil Support Services	6,254,735	6,411,695	6,432,034	20,339
Sites and Buildings	5,739,088	5,905,297	5,749,465	(155,832)
Fiscal and Other Fixed Cost Programs	428,404	428,404	460,987	32,583
Capital Outlay	479,965	660,064	666,727	6,663
Debt Service:				
Principal	232,970	232,970	237,879	4,909
Interest and Fiscal Charges	16,348	16,348	5,080	(11,268)
Total Expenditures	67,136,552	69,112,855	69,608,450	495,595
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,093,860	241,527	496,093	254,566
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Equipment	5,000	5,000	1,007	(3,993)
NET CHANGE IN FUND BALANCE	$ 1,098,860	$ 246,527	497,100	$ 250,573
FUND BALANCE				
Beginning of Year			7,421,402	
End of Year			$ 7,918,502	

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, 2024

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Earnings on Investments	$ 2,500	$ 38,000	$ 48,017	$ 10,017
Other - Primarily Meal Sales	355,430	420,697	468,080	47,383
State Sources	1,108,792	1,497,755	1,530,067	32,312
Federal Sources	1,444,570	1,347,634	1,490,733	143,099
Total Revenues	2,911,292	3,304,086	3,536,897	232,811
EXPENDITURES				
Current:				
Food Service	2,530,028	2,691,246	2,874,277	183,031
Capital Outlay	267,644	98,812	82,782	(16,030)
Total Expenditures	2,797,672	2,790,058	2,957,059	167,001
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	113,620	514,028	579,838	65,810
OTHER FINANCING SOURCES				
Proceeds from Sale of Inventory	1,000	1,000	103	(897)
NET CHANGE IN FUND BALANCE	$ 114,620	$ 515,028	579,941	$ 64,913
FUND BALANCE				
Beginning of Year			907,159	
End of Year			$ 1,487,100	

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, 2024

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	$ 387,298	$ 387,683	$ 414,655	$ 26,972
Earnings on Investments	500	35,000	44,114	9,114
Other - Primarily Tuition and Fees	3,168,914	3,347,664	3,230,595	(117,069)
State Sources	1,254,408	1,328,479	1,312,951	(15,528)
Federal Sources	45,000	60,057	60,057	-
Total Revenues	4,856,120	5,158,883	5,062,372	(96,511)
EXPENDITURES				
Current:				
Community Service	4,610,965	4,966,040	5,079,660	113,620
Capital Outlay	135,400	142,400	113,042	(29,358)
Total Expenditures	4,746,365	5,108,440	5,192,702	84,262
NET CHANGE IN FUND BALANCE	$ 109,755	$ 50,443	(130,330)	$ (180,773)
FUND BALANCE				
Beginning of Year			444,258	
End of Year			$ 313,928	

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, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability	$ 305,119	$ 274,452	$ 506,480	$ 735,421	$ 842,947	$ 917,566	$ 935,272	$ 1,238,753
Adjustments to Beginning Balance	(48,857)	-	-	-	-	-	-	-
Changes for the Year:								
Service Cost	14,864	15,072	24,671	30,767	35,487	30,531	31,937	38,727
Interest	9,361	9,689	8,812	15,295	24,814	29,438	25,460	33,886
Changes in Benefit Terms	(1,755)	(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	(62,277)	(50,332)	(237,876)	(294,910)	(183,671)	(215,891)	(179,867)	(219,536)
Net Changes	(39,807)	30,667	(232,028)	(228,941)	(107,526)	(74,619)	(139,750)	(303,481)
Total Pension Liability	$ 216,455	$ 305,119	$ 274,452	$ 506,480	$ 735,421	$ 842,947	$ 795,522	$ 935,272
Covered Payroll	$ 4,073,512	$ 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	5 %	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, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service Cost	$ 540,202	$ 546,246	$ 675,206	$ 794,178	$ 632,289	$ 557,711	$ 514,292	$ 646,723
Interest	637,953	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	(166,467)	14,508	(795,365)	(244,931)	-	-	-	-
Benefit Payments	(2,181,489)	(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	(1,169,801)	779,053	(1,655,996)	2,299,629	284,996	(572,581)	(492,521)	(1,907,848)
Total OPEB Liability - Beginning	17,328,592	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)	$ 16,158,791	$ 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	$ 1,517,368	$ 1,517,299	$ 1,292,838	$ 1,052,070	$ 847,404	$ 1,148,057	$ 1,004,817	$ 1,185,843
Net Investment Income	18,325	20,437	31,864	33,914	34,318	36,309	27,830	33,012
Benefit Payments	(1,711,277)	(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	2,020	(510)	(6,740)	(4,045)	(2,853)	(7,922)	-	-
Net Change in Plan Fiduciary Net Position	(173,564)	(150,854)	(133,395)	(102,504)	(20,191)	(99,589)	(76,815)	(54,513)
Plan Fiduciary Net Position - Beginning	1,308,931	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)	$ 1,135,367	$ 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)	$ 15,023,424	$ 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	7 %	8 %	9 %	9 %	11 %	11 %	14 %	14 %
Covered Employee Payroll	$ 33,326,654	$ 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	45 %	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, 2024

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 %
2024	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.

See accompanying Notes to Required Supplementary Information.

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

	Measurement Date June 30, 2023	Measurement Date June 30, 2022	Measurement Date June 30, 2021	Measurement Date June 30, 2020
PERA				
District's Proportion of the Net Pension Liability	0.1206 %	0.1215 %	0.1205 %	0.1136 %
District's Proportionate Share of the Net Pension Liability	$ 6,743,817	$ 9,622,840	$ 5,145,890	$ 6,810,839
State's Proportionate Share of the Net Pension Liability Associated with District	186,017	282,199	157,170	210,017
Total of District's and State's Proportionate Share of the Net Pension Liability	$ 6,929,834	$ 9,905,039	$ 5,303,060	$ 7,020,856
District's Covered Payroll	$ 9,401,840	$ 9,287,360	$ 8,365,547	$ 8,299,080
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	71.73 %	103.61 %	61.51 %	82.07 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.10 %	76.70 %	87.00 %	79.06 %
TRA				
District's Proportion of the Net Pension Liability	0.4527 %	0.4583 %	0.4593 %	0.4523 %
District's Proportionate Share of the Net Pension Liability	$ 37,375,926	$ 36,698,240	$ 20,100,341	$ 33,416,530
State's Proportionate Share of the Net Pension Liability Associated with District	2,618,131	2,721,499	1,695,235	2,800,402
Total of District's and State's Proportionate Share of the Net Pension Liability	$ 39,994,057	$ 39,419,739	$ 21,795,576	$ 36,216,932
District's Covered Payroll	$ 28,943,626	$ 28,324,856	$ 27,724,403	$ 26,341,932
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	129.13 %	129.56 %	72.50 %	126.86 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.42 %	76.17 %	86.63 %	75.48 %

See accompanying Notes to Required Supplementary Information.

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

Measurement Date June 30, 2019	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
0.1159 %	0.1115 %	0.1109 %	0.1048 %	0.1092 %	0.1104 %
$ 6,407,851	$ 6,185,563	$ 7,079,783	$ 8,509,240	$ 5,659,311	$ 5,186,039
199,158	202,973	89,007	111,062	-	-
$ 6,607,009	$ 6,388,536	$ 7,168,790	$ 8,620,302	$ 5,659,311	$ 5,186,039
$ 8,037,013	$ 7,649,187	$ 7,171,613	$ 6,523,080	$ 6,291,980	$ 5,986,992
79.73 %	80.87 %	98.72 %	130.45 %	89.94 %	86.62 %
80.20 %	79.53 %	75.90 %	68.91 %	78.20 %	78.75 %
0.4579 %	0.4697 %	0.4633 %	0.4634 %	0.4523 %	0.4784 %
$ 29,186,642	$ 29,499,602	$ 92,483,084	$ 110,531,957	$ 27,979,228	$ 22,044,328
2,582,929	2,771,569	8,940,294	11,094,524	3,432,062	1,550,926
$ 31,769,571	$ 32,271,171	$ 101,423,378	$ 121,626,481	$ 31,411,290	$ 23,595,254
$ 26,133,684	$ 26,245,613	$ 25,066,013	$ 24,212,640	$ 23,150,263	$ 21,836,533
111.68 %	112.40 %	368.96 %	456.51 %	120.86 %	100.95 %
78.07 %	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 TEN FISCAL YEARS

	2024	2023	2022	2021
PERA				
Contractually Required Contribution	$ 762,391	$ 705,138	$ 696,552	$ 627,416
Contributions in Relation to the Contractually Required Contribution	(762,391)	(705,138)	(696,552)	(627,416)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 10,165,213	$ 9,401,840	$ 9,287,360	$ 8,365,547
Contributions as a Percentage of Covered Payroll	7.50 %	7.50 %	7.50 %	7.50 %
TRA				
Contractually Required Contribution	$ 2,761,909	$ 2,474,680	$ 2,362,293	$ 2,253,994
Contributions in Relation to the Contractually Required Contribution	(2,761,909)	(2,474,680)	(2,362,293)	(2,253,994)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 31,564,674	$ 28,943,626	$ 28,324,856	$ 27,724,403
Contributions as a Percentage of Covered Payroll	8.75 %	8.55 %	8.34 %	8.13 %

See accompanying Notes to Required Supplementary Information.

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

2020	2019	2018	2017	2016	2015
$ 622,431	$ 602,776	$ 573,689	$ 537,871	$ 489,231	$ 465,243
(622,431)	(602,776)	(573,689)	(537,871)	(489,231)	(465,243)
$ -	$ -	$ -	$ -	$ -	$ -
$ 8,299,080	$ 8,037,013	$ 7,649,187	$ 7,171,613	$ 6,523,080	$ 6,291,980
7.50 %	7.50 %	7.50 %	7.50 %	7.50 %	7.39 %
$ 2,086,281	$ 2,014,907	$ 1,968,421	$ 1,879,951	$ 1,815,948	$ 1,736,618
(2,086,281)	(2,014,907)	(1,968,421)	(1,879,951)	(1,815,948)	(1,736,618)
$ -	$ -	$ -	$ -	$ -	$ -
$ 26,341,932	$ 26,133,684	$ 26,245,613	$ 25,066,013	$ 24,212,640	$ 23,154,907
7.92 %	7.71 %	7.50 %	7.50 %	7.50 %	7.50 %

See accompanying Notes to Required Supplementary Information.

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, 2024:

	Budget	Expenditures	Excess
General Fund	$ 69,112,855	$ 69,608,450	$ 495,595
Special Revenue Funds:			
Food Service Fund	2,790,058	2,957,059	167,001
Community Service Fund	5,108,440	5,192,702	84,262

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:

2023

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5% to 7.00%.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of $170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay of early retirement on or after January 1, 2024, was eliminated.
- A one time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

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.

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

2021

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020

Changes in Actuarial Assumptions

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

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

2020 (Continued)

Changes in Plan Provisions

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

2019

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2018

Changes in Actuarial Assumption

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

Changes in Plan Provisions

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

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

2017

Changes in Actuarial Assumption

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

Changes in Plan Provisions

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

2016

Changes in Actuarial Assumptions

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

Changes in Actuarial Plan Provisions

- There have been no changes since the prior valuation.

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.

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

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

2023

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.

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.

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.

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

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.
- 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.

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

2017

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016

Changes in Actuarial Assumptions

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

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

2016 (Continued)

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2014

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

NOTE 3 OTHER POSTEMPLOYMENT BENEFIT PLAN

The following assumption changes have been made for the measurement date June 30, 2024:

- The discount rate was changed from 3.80% to 4.10%.

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.

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%.

NOTE 4 SUPPLEMENTAL BENEFIT PLAN

The following assumption changes have been made for the measurement date June 30, 2024:

- The discount rate was changed from 3.90% to 4.10%.

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 lates experience study.
- The discount rate was changed from 3.80% to 3.90%.

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%.

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, 2024

	Audit	UFARS	Audit-UFARS
01 GENERAL FUND			
Total Revenues	$ 70,104,543	$ 70,104,540	$ 3
Total Expenditures	69,608,450	69,608,450	-
Nonspendable:			
460 Nonspendable Fund Balance	48,826	48,825	1
Restricted/Reserve:			
401 Student Activities	32,880	32,879	1
403 Staff Development	145,140	145,140	-
406 Health & Safety	-	-	-
407 Capital Project Levy	-	-	-
408 Cooperative Rev.	-	-	-
409 Deferred Maintenance	-	-	-
412 Literary Incentive Aid	10,056	10,056	-
414 Operating Debt	-	-	-
416 Levy Reduction	-	-	-
419 Encumbrances	-	-	-
423 Certain Teacher Programs	-	-	-
424 Operating Capital	43,989	43,989	-
426 $25 Taconite	-	-	-
427 Disabled Accessibility	-	-	-
428 Learning & Development	-	-	-
434 Area Learning Center	18,135	18,135	-
435 Contracted Alt. Programs	-	-	-
436 St. Approved Alt. Prog.	-	-	-
438 Gifted & Talented	-	-	-
439 English Learner	-	-	-
440 Teacher Development & Eval	-	-	-
441 Basic Skills	-	-	-
443 Telecomm. Access Cost	-	-	-
446 First Grade Preparedness	-	-	-
448 Achievement and Integration	-	-	-
449 Safe Schools Levy	-	-	-
450 Pre-Kindergarten	-	-	-
451 QZAB Payments	-	-	-
452 OPEB Liab. Not in Trust	-	-	-
453 Unfunded Sev & Retirement Levy	-	-	-
467 LTFM	924,967	924,967	-
472 Medical Assistance	497,295	497,295	-
Restricted:			
464 Restricted Fund Balance	532,569	532,570	(1)
Committed:			
418 Committed For Separation	298,843	298,843	-
461 Committed Fund Balance	-	-	-
Assigned:			
462 Assigned Fund Balance	143,884	143,884	-
Unassigned:			
422 Unassigned Fund Balance	5,221,918	5,221,917	1
02 FOOD SERVICE			
Total Revenues	3,536,897	3,536,898	(1)
Total Expenditures	2,957,059	2,957,060	(1)
Nonspendable:			
460 Nonspendable Fund Balance	70,346	70,346	-
Restricted:			
452 OPEB Liab. Not in Trust	-	-	-
464 Restricted Fund Balance	1,416,754	1,416,756	(2)
Unassigned:			
463 Unassigned Fund Balance	-	-	-
04 COMMUNITY SERVICE			
Total Revenues	5,062,372	5,062,373	(1)
Total Expenditures	5,192,702	5,192,705	(3)
Nonspendable:			
460 Nonspendable Fund Balance	1,432	1,432	-
Restricted/Reserve:			
426 $25 Taconite	-	-	-
431 Community Education	91,729	91,729	-
432 E.C.F.E.	39,352	39,352	-
444 School Readiness	* (206,821)	(206,821)	-
447 Adult Basic Education	279,444	279,444	-
452 OPEB Liab. Not in Trust	-	-	-
Restricted:			
464 Restricted Fund Balance	* 108,792	108,790	2
Unassigned:			
463 Unassigned Fund Balance	-	-	-

	Audit	UFARS	Audit-UFARS
06 BUILDING CONSTRUCTION			
Total Revenues	$ -	$ -	$ -
Total Expenditures	-	-	-
Nonspendable:			
460 Nonspendable Fund Balance	-	-	-
Restricted/Reserved:			
407 Capital Projects Levy	-	-	-
409 Alternative Fac. Program	-	-	-
413 Project Funded by COP	-	-	-
467 LTFM	-	-	-
Restricted:			
464 Restricted Fund Balance	-	-	-
Unassigned:			
463 Unassigned Fund Balance	-	-	-
07 DEBT SERVICE			
Total Revenues	2,817,869	2,817,871	(2)
Total Expenditures	3,651,975	3,651,975	-
Nonspendable:			
460 Nonspendable Fund Balance	-	-	-
Restricted/Reserve:			
425 Bond Refundings	-	-	-
451 QZAB Payments	-	-	-
Restricted:			
464 Restricted Fund Balance	960,141	960,142	(1)
Unassigned:			
463 Unassigned Fund Balance	-	-	-
18 CUSTODIAL FUND			
Total Revenues	153,417	153,417	-
Total Expenditures	2,622,862	2,622,862	-
401 Student Activities	-	-	-
402 Scholarships	-	-	-
20 INTERNAL SERVICE			
Total Revenues	604,418	604,417	1
Total Expenditures	639,377	639,376	1
422 Net Position	193,715	193,716	(1)
25 OPEB REVOCABLE TRUST			
Total Revenues	-	-	-
Total Expenditures	-	-	-
422 Net Position	-	-	-
45 OPEB IRREVOCABLE TRUST			
Total Revenues	1,899,457	1,899,456	1
Total Expenditures	2,072,902	2,072,901	1
422 Net Position	1,135,486	1,135,487	(1)
47 OPEB DEBT SERVICE			
Total Revenues	-	-	-
Total Expenditures	-	-	-
Nonspendable:			
460 Nonspendable Fund Balance	-	-	-
Restricted:			
425 Bond Refundings	-	-	-
464 Restricted Fund Balance	-	-	-
Unassigned:			
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			
	2015	2016	2017	2018
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	$ 32,717,052	$ 34,364,408	$ 25,258,704	$ 28,999,924
Restricted	2,441,680	2,267,619	4,630,541	2,711,875
Unrestricted	(25,712,413)	(26,879,967)	(50,340,036)	(68,665,748)
Total Governmental Activities Net Position	$ 9,446,319	$ 9,752,060	$ (20,450,791)	$ (36,953,949)

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

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 25,778,548	$ 25,004,889	$ 25,109,224	$ 23,126,264	$ 22,219,765	$ 22,519,172
3,322,852	3,863,922	4,153,779	5,722,046	5,193,955	4,473,078
(57,326,258)	(60,203,482)	(63,298,444)	(59,460,610)	(49,548,700)	(44,737,929)
$ (28,224,858)	$ (31,334,671)	$ (34,035,441)	$ (30,612,300)	$ (22,134,980)	$ (17,745,679)

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

	Fiscal Year			
	2015	2016	2017	2018
EXPENSES				
Governmental Activities				
Administration	$ 1,337,795	$ 1,440,429	$ 2,267,484	$ 2,254,899
District Support Services	1,032,096	1,135,630	1,181,088	1,227,978
Elementary and Secondary Regular Instruction	21,790,879	23,705,406	32,103,609	33,518,386
Vocational Education Instruction	773,340	773,236	715,728	785,932
Special Education Instruction	14,949,615	14,494,246	19,153,411	20,151,673
Instructional Support Services	2,807,152	2,941,917	3,330,953	3,496,922
Pupil Support Services	3,734,385	3,883,955	4,090,046	4,032,437
Sites and Buildings	4,571,273	6,206,082	9,219,213	8,123,738
Fiscal and Other Fixed Cost Programs	176,392	183,311	162,414	528,373
Food Service	1,903,682	2,025,562	1,914,262	2,046,853
Community Education and Services	2,380,265	2,557,334	2,880,271	3,601,031
Interest and Fiscal Charges on Long-Term Debt	128,293	448,369	1,223,104	1,280,104
Depreciation not Included in Other Functions	1,102,166	1,102,166	1,566,641	1,052,234
Total Governmental Activities Expenses	56,687,333	60,897,643	79,808,224	82,100,560
PROGRAM REVENUES				
Governmental Activities				
Charges for Services:				
Administration	-	-	1,058,283	-
District Support Services	-	-	820,276	-
Elementary and Secondary Regular Instruction	428,959	398,912	792,260	690,907
Vocational Education Instruction	-	-	1,219,386	-
Special Education Instruction	2,409,961	6,509,474	7,459,860	7,947,140
Instructional Support Services	-	-	2,333,594	-
Sites and Buildings	222,464	227,780	197,736	118,726
Fiscal and Other Fixed Cost Programs	-	-	682,729	-
Food Service	1,040,232	1,059,552	1,002,757	1,086,595
Community Education and Services	976,923	1,020,892	1,125,544	1,409,854
Interest and Fiscal Charges on Long-Term Debt	-	-	1,282,547	-
Depreciation not Included in Other Functions	-	-	1,006,894	-
Operating Grants and Contributions	16,109,098	11,499,346	9,306,320	11,096,242
Capital Grants and Contributions	584,023	595,653	550,184	618,329
Total Governmental Activities Program Revenues	21,771,660	21,311,609	28,838,370	22,967,793
Net Expense	(34,915,673)	(39,586,034)	(50,969,854)	(59,132,767)
GENERAL REVENUES				
Governmental Activities				
Taxes:				
Property Taxes, Levied for General Purposes	5,611,498	6,183,526	6,292,567	6,831,338
Property Taxes, Levied for Community Service	273,445	223,361	228,915	242,189
Property Taxes, Levied for Building Construction	-	3,500,000	2,833,250	1,077,000
Property Taxes, Levied for Debt Service	5,098,466	1,134,134	2,170,832	3,239,890
General Grants and Aids	27,341,397	28,354,194	29,339,675	28,857,831
Earnings on Investments	28,125	151,399	323,478	260,725
Gain on Sale of Capital Assets	25,878	5,800	470	-
Other General Revenues	342,146	339,361	564,082	2,120,636
Total Governmental Activities	38,720,955	39,891,775	41,753,269	42,629,609
Change in Net Position	$ 3,805,282	$ 305,741	$ (9,216,585)	$ (16,503,158)

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

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 1,058,283	$ 1,560,908	$ 1,796,368	$ 1,446,860	$ 1,335,619	$ 1,568,646
820,276	1,065,605	1,139,688	1,194,033	1,306,955	1,454,284
15,059,682	27,681,918	28,570,755	26,627,940	20,844,627	26,349,607
1,219,386	1,483,315	1,638,491	1,723,254	1,390,251	1,908,940
12,219,100	17,927,383	18,161,827	16,488,857	15,002,856	18,919,808
2,333,594	3,018,474	3,264,499	3,603,730	3,560,675	3,494,892
3,668,797	4,187,714	4,378,701	4,648,270	5,334,144	6,308,496
7,982,706	6,371,538	5,942,591	6,044,334	6,157,911	6,022,672
682,729	647,515	856,818	931,888	1,940,951	2,055,892
2,131,022	1,992,929	2,095,506	2,837,796	3,186,465	3,023,995
3,711,934	4,208,681	4,191,681	4,647,298	4,640,350	5,085,751
1,282,547	1,323,735	1,292,201	1,239,301	1,015,149	1,142,714
1,006,894	985,784	981,124	969,107	-	-
53,176,950	72,455,499	74,310,250	72,402,668	65,715,953	77,335,697
-	-	-	-	-	-
-	-	-	-	-	-
578,861	456,699	474,259	640,601	695,151	598,537
-	-	-	-	-	-
8,780,973	9,273,444	9,736,493	10,207,156	10,834,695	11,406,703
-	-	-	-	-	-
92,841	55,581	64,346	45,409	80,936	39,202
-	-	-	-	-	-
1,114,428	828,435	114,089	288,746	1,337,192	468,080
2,069,515	1,895,970	2,200,968	2,823,435	2,923,034	3,034,186
-	-	-	-	-	-
-	-	-	-	-	-
7,910,617	10,575,272	14,070,478	15,309,899	10,994,000	15,959,544
663,179	649,523	631,212	622,020	601,900	585,184
21,210,414	23,734,924	27,291,845	29,937,266	27,466,908	32,091,436
(31,966,536)	(48,720,575)	(47,018,405)	(42,465,402)	(38,249,045)	(45,244,261)
8,332,518	8,932,523	8,711,012	8,933,158	8,730,509	10,643,179
230,807	316,482	311,329	321,448	350,914	367,745
439,534	-	-	-	-	-
3,136,033	3,567,815	3,369,179	3,427,870	3,347,682	2,485,787
29,424,009	31,020,346	30,770,967	31,982,691	32,629,698	34,258,337
285,149	217,629	6,182	21,794	403,613	580,946
5,303	4,298	1,686	26,920	2,806	1,103
1,647,435	1,075,201	1,147,280	1,174,662	1,261,143	1,296,465
43,500,788	45,134,294	44,317,635	45,888,543	46,726,365	49,633,562
$ 11,534,252	$ (3,586,281)	$ (2,700,770)	$ 3,423,141	$ 8,477,320	$ 4,389,301

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

	Fiscal Year			
	2015	2016	2017	2018
GENERAL FUND				
Nonspendable	$ 707,359	$ 726,713	$ 707,781	$ 824,508
Restricted	409,724	523,780	935,714	855,677
Assigned	678,992	723,642	224,282	190,620
Committed	1,689,771	1,570,581	1,417,837	1,222,367
Unassigned	3,814,320	3,484,243	2,079,142	1,333,876
Total General Fund	$ 7,300,166	$ 7,028,959	$ 5,364,756	$ 4,427,048
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	$ 19,954	$ 27,632	$ 94,258	$ 53,751
Restricted	1,951,768	44,497,887	22,653,380	7,482,679
Unassigned, Reported in:				
Special Revenue Funds	-	-	-	-
Capital Projects Fund	(761,552)	(837,219)	(24,962)	-
Total All Other Governmental Funds	$ 1,210,170	$ 43,688,300	$ 22,722,676	$ 7,536,430
Unassigned - Operating Account as a Percent of Total Expenditures *	7.49 %	6.63 %	3.92 %	3.63 %

* 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						
2019	2020	2021	2022	2023	2024
$ 62,385	$ 71,792	$ 30,695	$ 29,411	$ 66,121	$ 48,826
1,320,325	2,888,954	3,126,591	2,721,845	2,568,329	2,205,031
248,890	202,187	272,887	422,814	281,273	143,884
990,152	869,405	633,545	420,350	344,094	298,843
2,412,297	3,582,840	3,530,061	4,214,851	4,161,585	5,221,918
$ 5,034,049	$ 7,615,178	$ 7,593,779	$ 7,809,271	$ 7,421,402	$ 7,918,502
$ 47,342	$ 49,505	$ 42,999	$ 41,560	$ 60,610	$ 71,778
8,755,996	3,446,574	2,495,187	3,503,858	3,085,054	2,787,420
-	-	-	-	-	(98,029)
-	-	-	-	-	-
$ 8,803,338	$ 3,496,079	$ 2,538,186	$ 3,545,418	$ 3,145,664	$ 2,761,169
2.39 %	0.04 %	0.06 %	0.07 %	0.07 %	0.08 %

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			
	2015	2016	2017	2018
REVENUES				
Local Sources				
Taxes	$ 11,011,402	$ 11,068,163	$ 11,547,946	$ 11,418,139
Investment Earnings	28,125	151,399	323,478	260,234
Other	5,902,663	10,035,274	11,594,919	12,263,089
State Sources	39,190,816	36,113,494	34,068,736	36,393,849
Federal Sources	4,361,724	3,850,596	3,124,534	3,635,513
Total Revenues	60,494,730	61,218,926	60,659,613	63,970,824
EXPENDITURES				
Current				
Administration	1,343,272	1,433,362	1,733,162	1,743,600
District Support Services	1,017,776	1,094,300	1,025,933	1,059,397
Elementary and Secondary Regular Instruction	21,840,424	23,167,361	23,570,548	24,170,283
Vocational Education Instruction	783,246	770,423	686,731	668,092
Special Education Instruction	14,948,635	14,332,384	14,971,050	16,012,491
Instructional Support Services	1,976,662	1,939,646	2,629,279	2,847,399
Pupil Support Services	3,708,963	3,865,216	3,751,172	3,689,028
Sites and Buildings	3,674,596	3,978,858	3,910,662	5,166,328
Fiscal and Other Fixed Cost Programs	176,392	183,311	162,414	147,339
Food Service	1,892,382	1,993,950	1,841,499	2,053,482
Community Service	2,357,812	2,459,126	2,597,306	3,189,608
Capital Outlay	2,120,051	8,186,238	30,011,547	17,826,315
Debt Service				
Principal	4,847,978	1,637,808	1,203,041	2,244,706
Interest and Fiscal Charges	310,087	110,474	1,240,752	1,413,271
Total Expenditures	60,998,276	65,152,457	89,335,096	82,231,339
EXCESS OF REVENUES UNDER EXPENDITURES	(503,546)	(3,933,531)	(28,675,483)	(18,260,515)
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	1,116,828
Capital Lease/Certificates of Participation	-	439,407	-	930,573
Proceeds from Sale of Assets	26,086	11,600	5,303	4,537
Proceeds from Sale of Inventory	-	-	6,620	59,661
Total Other Financing Sources (Uses)	26,086	46,140,638	5,466,777	2,111,599
Net Change in Fund Balances	$ (477,460)	$ 42,207,107	$ (23,208,706)	$ (16,148,916)
Debt Services as a Percentage of Noncapital Expenditures	8.65 %	2.93 %	3.77 %	4.45 %

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					
2019	2020	2021	2022	2023	2024
$ 12,136,162	$ 12,814,279	$ 12,394,343	$ 12,685,808	$ 12,434,118	$ 13,479,011
283,532	215,835	6,104	21,630	398,017	572,049
13,758,222	13,517,517	13,439,650	15,056,813	17,035,084	16,712,983
36,150,163	38,331,790	38,172,264	39,833,819	40,222,191	46,500,348
3,435,577	3,403,667	6,875,643	7,960,919	4,438,514	4,257,290
65,763,656	68,283,088	70,888,004	75,558,989	74,527,924	81,521,681
1,500,426	1,490,651	1,678,673	1,573,559	1,701,085	1,704,039
963,981	1,016,011	1,129,802	1,264,597	1,355,875	1,465,059
23,313,489	23,689,667	24,909,038	25,705,989	24,869,278	26,595,907
1,331,983	1,397,638	1,560,090	1,767,389	1,672,493	1,980,731
16,787,182	16,912,027	17,446,087	17,553,755	18,282,880	20,226,264
2,513,754	2,698,019	3,084,900	3,328,715	3,383,317	4,084,278
3,940,134	4,062,571	4,857,276	4,829,982	5,517,426	6,432,034
4,408,790	4,023,624	4,620,446	5,288,324	4,986,818	5,749,465
167,003	203,035	300,036	328,745	412,952	460,987
2,099,404	1,961,992	2,055,414	2,749,233	2,903,949	2,874,277
4,055,079	4,054,917	4,094,431	4,720,580	4,931,908	5,079,660
4,365,805	6,502,339	2,286,744	1,268,966	1,349,450	862,551
2,112,872	2,455,495	2,440,902	2,570,541	2,602,436	2,612,879
1,396,623	1,493,491	1,456,988	1,413,157	1,349,861	1,282,055
68,956,525	71,961,477	71,920,827	74,363,532	75,319,728	81,410,186
(3,192,869)	(3,678,389)	(1,032,823)	1,195,457	(791,804)	111,495
4,430,000	-	-	-	-	-
170,745	-	-	-	-	-
435,768	27,955	51,845	-	-	-
-	468,500	-	-	-	-
5,303	4,298	1,686	26,867	2,328	1,007
-	-	-	400	1,853	103
5,041,816	500,753	53,531	27,267	4,181	1,110
$ 1,848,947	$ (3,177,636)	$ (979,292)	$ 1,222,724	$ (787,623)	$ 112,605
5.32 %	0.06 %	0.06 %	0.05 %	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
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
2024	23,038,936	23,488,391	7,697,812	321,958

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
$ 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
53,903,181	13.525	4,290,330,695	1.26

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

	2014-2015	2015-2016	2016-2017	2017-2018
GOVERNMENTAL UNIT				
ISD No. 882 (Monticello)	22.882 %	20.857 %	16.242 %	15.621 %
Overlapping Governments:				
Wright County	40.593 %	39.970 %	39.599 %	39.946 %
Sherburne County	51.979 %	50.478 %	50.460 %	49.356 %
City of Monticello	35.737 %	34.471 %	33.172 %	32.333 %
City of Otsego	41.202 %	37.921 %	37.852 %	36.556 %
City of Big Lake	57.518 %	57.112 %	57.936 %	55.643 %
Big Lake Twp	16.058 %	19.004 %	17.972 %	19.797 %
Buffalo Twp	24.432 %	23.379 %	22.520 %	21.442 %
Clearwater Twp	27.826 %	24.135 %	24.490 %	22.482 %
Maple Lake Twp	20.372 %	18.678 %	17.618 %	16.508 %
Monticello Twp	24.952 %	23.386 %	24.253 %	21.732 %
Silver Creek Twp	28.716 %	27.412 %	26.181 %	24.914 %
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)

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
16.972 %	15.865%	15.390%	15.459%	12.871%	13.525%
44.273 %	44.421%	43.719%	43.751%	37.848%	33.737%
47.928 %	47.426%	45.835%	44.080%	38.630%	36.597%
34.262 %	34.967%	35.659%	36.536%	34.991%	34.547%
36.060 %	35.099%	34.653%	34.545%	29.572%	23.108%
50.898 %	49.223%	48.471%	47.505%	38.545%	36.384%
20.720 %	22.801%	23.550%	21.592%	20.051%	19.437%
20.026 %	19.029%	17.692%	17.425%	15.047%	13.576%
21.472 %	20.946%	21.021%	19.809%	17.484%	14.283%
15.537 %	16.145%	18.948%	16.637%	14.473%	12.847%
20.496 %	19.450%	18.948%	17.523%	14.750%	12.659%
23.517 %	22.309%	26.640%	22.140%	24.772%	22.048%
- %	- %	- %	- %	- %	- %
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)

	2024			2015		
Taxpayer	Net Tax Capacity	Rank	Percentage Total District Tax Valuation	Net Tax Capacity	Rank	Percentage Total District Tax Valuation
Northern States Power Co.	$ 13,154,350	1	24.40 %	$ 14,620,272	1	47.07 %
Iret Properties	522,804	2	0.97			
Deephaven Development LLC	381,872	3	0.71			
Venturian Holdings LLC Etal	295,116	4	0.55			
Target Corporation	234,606	5	0.44	201,658	3	0.65
Clear Creek Land Company LLC	230,290	6	0.43			
Wal-Mart Real Est. Business Tr.	227,294	7	0.42	213,650	2	0.69
Monticello Sr Housing Own, LLC	175,360	8	0.33			
UMC Real Estate, LLC	174,480	9	0.32			
Monti-Big Lake Comm Hospital	167,256	10	0.31	150,882	4	0.49
Minnegasco, Inc				146,992	5	0.47
Home Depot USA Inc				135,958	6	0.44
Muller Fam Theatres of Monti				109,097	7	0.35
Ax TC Retail LP				101,598	8	0.33
Ryan Companies US Inc				92,634	9	0.30
RCE Property LLC				79,250	10	0.26
Total for Ten Largest Principal Taxpayers	$ 15,563,428			$ 15,851,991		

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
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	13,226,215	13,055,013	98.71	84,287	13,139,300	99.34
2024	13,974,378	7,552,915	54.05	-	7,552,915	54.05

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

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

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

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

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

Year	G.O. Bonds	Aid and Tax Anticipation Certificates	^	Finance Purchase Agreement	^	Lease Liability	Total Primary Government
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
2024	38,515,000	-		83,863		12,956	38,611,819

* 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		$ 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
20,476	*	1,886	N/A

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

Year	G.O. Bonds	Less Amounts Available in Debt Service Fund	Net Bonded Debt	Tax Capacity
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
2024	38,515,000	960,142	37,554,858	54,487,811

* 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
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
68.92	20,476	*	1,834

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

Year	Total Principal	Interest and Other Charges	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
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
2024	2,375,000	1,276,975	3,651,975	69,608,450	5.25

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, 2024
(UNAUDITED)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Wright County	$ 126,585	23.66 %	$ 29,950
Sherburne County	37,265	1.68	626
City of Big Lake	15,365,000	0.13	19,975
City of Monticello	19,193,000	100.00	19,193,000
City of Otsego	62,145,359	8.36	5,195,352
Becker Township	-	11.83	-
Big Lake Township	220,000	0.20	440
Subtotal, Overlapping Debt	97,087,209		24,439,343
Independent School District No. 882 - Direct Debt	38,515,000	100.00	38,515,000
Total Direct and Overlapping Debt			$ 62,954,343

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			
	2015	2016	2017	2018
Debt Limit	$ 343,917,525	$ 391,376,295	$ 413,736,855	$ 444,409,680
Total Net Debt Applicable to Limit	2,270,000	45,215,000	49,330,000	47,345,000
Legal Debt Margin	$ 341,647,525	$ 346,161,295	$ 364,406,855	$ 397,064,680
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.66 %	11.55 %	11.92 %	10.65 %

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					
2019	2020	2021	2022	2023	2024
$ 456,543,990	$ 455,938,459	$ 466,136,955	$ 475,303,895	$ 495,108,921	$ 643,549,604
49,895,000	47,690,000	45,475,000	43,215,000	43,215,000	38,515,000
$ 406,648,990	$ 408,248,459	$ 420,661,955	$ 432,088,895	$ 451,893,921	$ 605,034,604
10.93 %	10.46 %	9.76 %	9.09 %	8.73 %	5.98 %

Legal Debt Margin Calculation for Year 2023:

Market Value	$ 4,290,330,695
Debt Limit (15% of Market Value)	643,549,604
Debt Applicable to Limit:	
G.O. Bonds	38,515,000
Total Net Debt Applicable to Limit	38,515,000
Legal Debt Margin	$ 605,034,604

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	
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	
2024 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)

Year	Average Employment Wright County	Average Unemployment Wright County	Average Unemployment State of Minnesota
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
2024	74,222	2.80	2.80

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

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

	2022*			2012		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wright County	807	1	21.09 %	722	1	20.74 %
Xcel Energy	700	2	18.29	516	3	14.82
ISD No. 882	577	3	15.08	528	2	15.17
CentraCare Health Monticello	491	4	12.83			
Cargil Kitchen Solutions	400	5	10.45	250	6	7.18
Wal-Mart	300	6	7.84	325	5	9.34
City of Monticello	190	7	4.96	150	9	4.31
Home Depot	150	8	3.92	160	8	4.60
Target	112	9	2.93			
Cub Foods	100	10	2.61	180	7	5.17
New River Medical Center				500	4	14.36
Monticello Big Lake Nursing Home				150	10	4.31
Total	3,827			3,481		

* Most current information available.
Source: 2022 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 2015	2016	2017	2018
Teachers	326	330	329	340
Principals and District Administration	16	16	17	17
Admin Support, Confidential and Individual	20	20	20	20
Clerical	12	12	29	29
Community Service	7	7	7	7
Custodial	29	29	29	31
Cafeteria	31	31	35	35
Paraprofessionals	105	115	121	125
Total	546	560	587	604

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					
2019	2020	2021	2022	2023	2024
331	327	337	326	339	345
17	17	17	17	17	17
20	20	21	21	21	21
29	29	29	29	29	29
7	7	6	6	6	6
29	31	31	31	29	28
36	36	31	32	35	39
138	127	103	115	143	165
607	594	575	577	619	650

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

Average Daily Membership (ADM) (Including Enrollment Option)

Year Ended June 30,	Handicapped and Prekindergarten	Kindergarten	Elementary	Secondary	Total	Total Pupil Units
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
2024	62.55	258.89	1,760.80	2,036.28	4,118.52	4,525.76

Source: Minnesota Department of Education.

MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
EXPENDITURES PER STUDENT
YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)
(UNAUDITED)

	State Average	ISD No. 882	
	2023	2023	2024
EXPENDITURES PER STUDENT (ADM) (1)			
General Fund - Operating Account			
District and School Administration	$ 578	$ 409	$ 414
District Support Services	790	326	356
Elementary and Secondary Regular Instruction	6,181	5,986	6,458
Vocational Education Instruction	628	403	481
Special Education Instruction	2,919	4,401	4,911
Instructional Support Services	829	814	992
Pupil Support Services	1,564	1,328	1,562
Sites and Buildings, Fiscal, and Other Fixed Cost Programs	2,242	1,372	1,567
Total General Fund - Operating Account	15,731	15,039	16,741
Food Service Special Revenue Fund	702	754	718
Total PK - 12 Operating Expenditures	16,433	15,793	17,459
General Fund - Capital Expenditure Account	1,053	240	162
Community Service Special Revenue Fund	715	1,217	1,261
Capital Projects Fund	1,513	-	-
Debt Service Fund	1,551	879	887
Total Expenditures Per Student	$ 21,265	$ 18,129	$ 19,769
ADM Served	860,781	4,155	4,119

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			
	2015	2016	2017	2018
District and School Administration	$ 1,343,272	$ 1,434,362	$ 1,733,506	$ 1,744,444
District Support Services	1,020,440	1,111,558	1,026,839	1,059,397
Elementary and Secondary Regular Instruction	22,068,662	23,383,945	23,826,601	25,002,501
Vocational Education Instruction	783,246	770,423	686,731	668,092
Special Education Instruction	15,038,457	14,333,587	14,974,745	16,019,033
Instructional Support Services	2,672,818	2,699,263	2,751,833	3,356,412
Pupil Support Services	3,710,506	3,869,327	3,800,356	3,697,113
Sites, Buildings, and Equipment	4,091,565	4,761,037	4,110,178	5,523,954
Fiscal and Other Fixed Cost Programs	176,392	183,311	162,414	147,339
Total	$ 50,905,358	$ 52,546,813	$ 53,073,203	$ 57,218,285
Weighted ADM	4,741.41	4,379.77	4,440.47	4,531.08
District and School Administration	$ 303	$ 317	$ 392	$ 388
District Support Services	230	245	232	236
Elementary and Secondary Regular Instruction	4,970	5,161	5,385	5,560
Vocational Education Instruction	176	170	155	149
Special Education Instruction	3,387	3,163	3,384	3,562
Instructional Support Services	602	596	622	746
Pupil Support Services	836	854	859	822
Sites, Buildings, and Equipment	921	1,051	929	1,228
Fiscal and Other Fixed Cost Programs	40	40	37	33
Total	$ 11,465	$ 11,597	$ 11,995	$ 12,724

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					
2019	2020	2021	2022	2023	2024
$ 1,501,632	$ 1,498,737	$ 1,703,530	$ 1,595,359	$ 1,701,568	$ 1,706,152
964,484	1,019,032	1,131,623	1,265,626	1,358,586	1,481,882
23,617,094	24,006,100	25,216,720	26,042,539	24,997,958	26,765,623
1,335,791	1,399,215	1,560,783	1,785,550	1,715,621	2,027,622
16,789,016	16,914,788	17,446,087	17,562,613	18,308,252	20,235,010
2,583,393	2,798,537	3,367,368	3,676,797	3,832,993	4,397,133
3,946,524	4,116,947	4,865,429	4,843,588	5,769,001	6,439,845
4,792,544	4,861,726	5,141,648	5,885,521	5,382,963	6,094,196
167,003	203,035	300,036	328,745	412,952	460,987
$ 55,697,481	$ 56,818,117	$ 60,733,224	$ 62,986,338	$ 63,479,894	$ 69,608,450
4,424.94	4,497.15	4,408.15	4,614.74	4,614.74	4,525.76
$ 341	$ 325	$ 369	$ 346	$ 369	$ 370
219	221	245	274	294	321
5,358	5,202	5,464	5,643	5,417	5,800
303	303	338	387	372	439
3,809	3,665	3,781	3,806	3,967	4,385
586	606	730	797	831	953
895	892	1,054	1,050	1,250	1,395
1,087	1,054	1,114	1,275	1,166	1,321
38	44	65	71	89	100
$ 12,636	$ 12,312	$ 13,160	$ 13,649	$ 13,755	$ 15,084

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
2015	$ 1,343,272 2.5 %	$ 1,017,776 1.9 %	$ 21,840,424 41.2 %	$ 783,246 1.5 %	$ 14,948,635 28.2 %	$ 1,976,662 3.7 %
2016	$ 1,433,362 2.5 %	$ 1,094,300 1.9 %	$ 23,167,361 40.5 %	$ 770,423 1.3 %	$ 14,332,384 25.0 %	$ 1,939,646 3.4 %
2017	$ 1,733,162 3.1 %	$ 1,025,933 1.8 %	$ 23,570,548 42.3 %	$ 686,731 1.2 %	$ 14,971,050 26.9 %	$ 2,629,279 4.7 %
2018	$ 1,743,600 3.1 %	$ 1,059,397 1.9 %	$ 24,170,283 42.5 %	$ 668,092 1.2 %	$ 16,012,491 28.2 %	$ 2,847,399 5.0 %
2019	$ 1,500,426 2.5 %	$ 963,981 1.6 %	$ 23,313,489 38.4 %	$ 1,331,983 2.2 %	$ 16,787,182 27.6 %	$ 2,513,754 4.1 %
2020	$ 1,490,651 2.4 %	$ 1,016,011 1.6 %	$ 23,689,667 37.6 %	$ 1,397,638 2.2 %	$ 16,912,027 26.9 %	$ 2,698,019 4.3 %
2021	$ 1,678,673 2.7 %	$ 1,129,802 1.8 %	$ 24,909,038 39.5 %	$ 1,560,090 2.5 %	$ 17,446,087 27.7 %	$ 3,084,900 4.9 %
2022	$ 1,573,559 2.5 %	$ 1,264,597 2.0 %	$ 25,705,989 40.5 %	$ 1,767,389 2.8 %	$ 17,553,755 27.7 %	$ 3,328,715 5.2 %
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 %
2024	$ 1,704,039 2.4 %	$ 1,465,059 2.1 %	$ 26,595,907 38.2 %	$ 1,980,731 2.8 %	$ 20,226,264 29.1 %	$ 4,084,278 5.9 %

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

Pupil Support Services	Sites and Buildings	Fiscal and Other Fixed Cost Programs	Capital Outlay	Total	Percent Increase (Decrease) from Prior Year
$ 3,708,963 7.0 %	$ 3,830,486 7.2 %	$ 176,392 0.3 %	$ 1,279,502 2.4 %	$ 50,905,358 95.9 %	11.21 %
$ 3,865,216 6.8 %	$ 4,231,390 7.4 %	$ 183,311 0.3 %	$ 1,529,420 2.7 %	$ 52,546,813 91.8 %	3.22 %
$ 3,751,172 6.7 %	$ 4,070,990 7.3 %	$ 162,414 0.3 %	$ 471,924 0.8 %	$ 53,073,203 95.3 %	1.00 %
$ 3,689,028 6.5 %	$ 5,448,127 9.6 %	$ 147,339 0.3 %	$ 1,432,529 2.5 %	$ 57,218,285 100.7 %	7.81 %
$ 3,940,134 6.5 %	$ 4,659,310 7.7 %	$ 167,003 0.3 %	$ 520,219 0.9 %	$ 55,697,481 91.7 %	(2.66)%
$ 4,062,571 6.4 %	$ 4,284,359 6.8 %	$ 203,035 0.3 %	$ 1,064,139 1.7 %	$ 56,818,117 90.2 %	2.01 %
$ 4,857,276 7.7 %	$ 4,882,523 7.8 %	$ 300,036 0.5 %	$ 884,799 1.4 %	$ 60,733,224 96.4 %	6.89 %
$ 4,829,982 7.6 %	$ 5,633,846 8.9 %	$ 328,745 0.5 %	$ 999,761 1.6 %	$ 62,986,338 99.2 %	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 %
$ 6,432,034 9.2 %	$ 5,992,424 8.6 %	$ 460,987 0.7 %	$ 666,727 1.0 %	$ 69,608,450 100.0 %	9.65 %

MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
SCHOOL BUILDING INFORMATION
JUNE 30, 2024
(UNAUDITED)

Facility	Year Constructed	Years of Addition	Grades Housed	Square Footage
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, 2024
(UNAUDITED)

Meals	Number of Meals Served
Eastview Education Center	
Little Mountain Elementary	38,922
Pinewood Elementary	74,437
Middle School	93,141
High School	128,391
	140,216
Total Lunches Served	475,107
Eastview Education Center	
Little Mountain Elementary	55,793
Pinewood Elementary	26,971
Middle School	27,887
High School	49,601
Adult Breakfast	24,571
Total Breakfasts Served	184,823

Source: District records

MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND OTHER REQUIRED REPORTS

YEAR ENDED JUNE 30, 2024

CPAs | CONSULTANTS | WEALTH ADVISORS

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MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
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SINGLE AUDIT AND OTHER REQUIRED REPORTS

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 2, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 2, 2024

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Independent School District 882's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative* Requirements*, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We have issued our report thereon, dated December 2, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 2, 2024

MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures		Pass-Through to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE					
Passed Through Minnesota Department of Education:					
Child Nutrition Cluster:					
Noncash Assistance (Commodities):					
National School Lunch Program	10.555	1-0882-000		$ 247,097	$ -
Cash Assistance:					
National School Breakfast Program	10.553	1-0882-000		239,692	-
National School Lunch Program	10.555	1-0882-000		885,681	-
COVID-19 Supply Chain Assistance Funding	10.555	1-0882-000		105,860	-
Summer Food Service Program for Children	10.559	1-0882-000		9,147	-
Total Child Nutrition Cluster				1,487,477	-
COVID-19 Pandemic EBT Administrative Costs Entities	10.649	1-0882-000		3,256	-
Total U.S. Department of Agriculture				1,490,733	-
U.S. DEPARTMENT OF JUSTICE					
Direct					
Public Safety Partnership and Community Policing Grant	16.710	Not Applicable		226,537	-
U.S. DEPARTMENT OF EDUCATION					
Passed Through Minnesota Department of Education:					
Adult Basic Education Formula Revenue	84.002	%		60,057	-
Title II, Part A - Improving Teacher Quality	84.367	S367A230022		81,767	-
Title III, Part A	84.365	S365A230023A		21,922	-
Title I, Part A	84.010	S010A230023A		281,605	-
Migrant Education-State Grant Program	84.011	%		12,473	-
COVID-19 - 90% Elementary and Secondary School Emergency Relief Fund III (ESSER III)	84.425U	S425U230045	$ 1,114		-
COVID-19 - 90% Learning Loss Elementary and Secondary School Emergency Relief Fund III (ESSER III)	84.425U	S425U230045	278		-
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425U	S425U230045	370,804		-
COVID-19 - Learning Recovery - Lost Instruction Time	84.425U	S425U230045	27,907		-
COVID-19 ARP - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	S425W230024	3,708		-
Total Education Stabilization Fund				403,811	-
Passed Through Sherburne and Northern Wright Special Education Cooperative:					
Special Education Grants for Infants and Families	84.181	H181A230029		61,508	-
Idea Part C - Regional IEIC	84.181	H181A230029		3,772	-
Special Education Cluster:					
Special Education	84.027	H027A230087	1,519,399		-
COVID-19 ARP Individuals with Disabilities Education Act (IDEA) Part B Section 611	84.027	H027A230087	13,193		-
Special Education Preschool Grants	84.173	H173A230086	66,210		-
COVID-19 - ARP Preschool Grants for Children with Disabilities Part B, Section 619	84.173	%	14,513		-
Passed Through Minnesota Department of Education:					
Special Education-Preschool Grants	84.173A	%	3,372		-
Total Special Education Cluster				1,616,687	-
Total U.S. Department of Education				2,543,602	-
Total Federal Expenditures				$ 4,260,872	$ -

% - Unknown Pass-Through Number

See accompanying Notes to Schedule of Expenditures of Federal Awards.

MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

NOTE 1 GENERAL

The accompanying schedule of expenditures of federal awards presents the expenditures of all federal financial assistance programs of Independent School District No. 882 for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a select portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the District's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance. Under these principles, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 INDIRECT COST RATE

The District has not elected to use the 10% de minimis in direct costs rate as allowed under Uniform Guidance.

NOTE 4 DEFINITIONS

% — The pass-through entity identifying number is unknown.

NOTE 5 ASSISTANCE LISTING NUMBER TOTALS

The total of Assistance Listing No. 10.555 is $1,238,638.
The total of Assistance Listing No. 84.425U is $400,103.
The total of Assistance Listing No. 84.181 is $65,280.

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INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 2, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide for School Districts* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 2, 2024

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MONTICELLO PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 882
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? _____ yes ____x____ no
   - Significant deficiency(ies) identified? _____ yes ____x____ no
3. Noncompliance material to financial statements noted? _____ yes ____x____ no

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? _____ yes ____x____ no
   - Significant deficiency(ies) identified? _____ yes ____x____ none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes ____x____ no

Identification of Major Federal Programs

Assistance Listing Number(s)	**Name of Federal Program or Cluster**
10.553, 10.555, and 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? ____x____ yes _____ no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Findings and Questioned Costs – Minnesota Legal Compliance

None reported

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