



## ***Independent School District No. 877 2021-2022 End of Year Financial Report School Board Workshop – Nov. 14, 2022***

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This document recaps the district's preliminary financial results for the year ended June 30, 2022. The main highlights by fund are as follows:

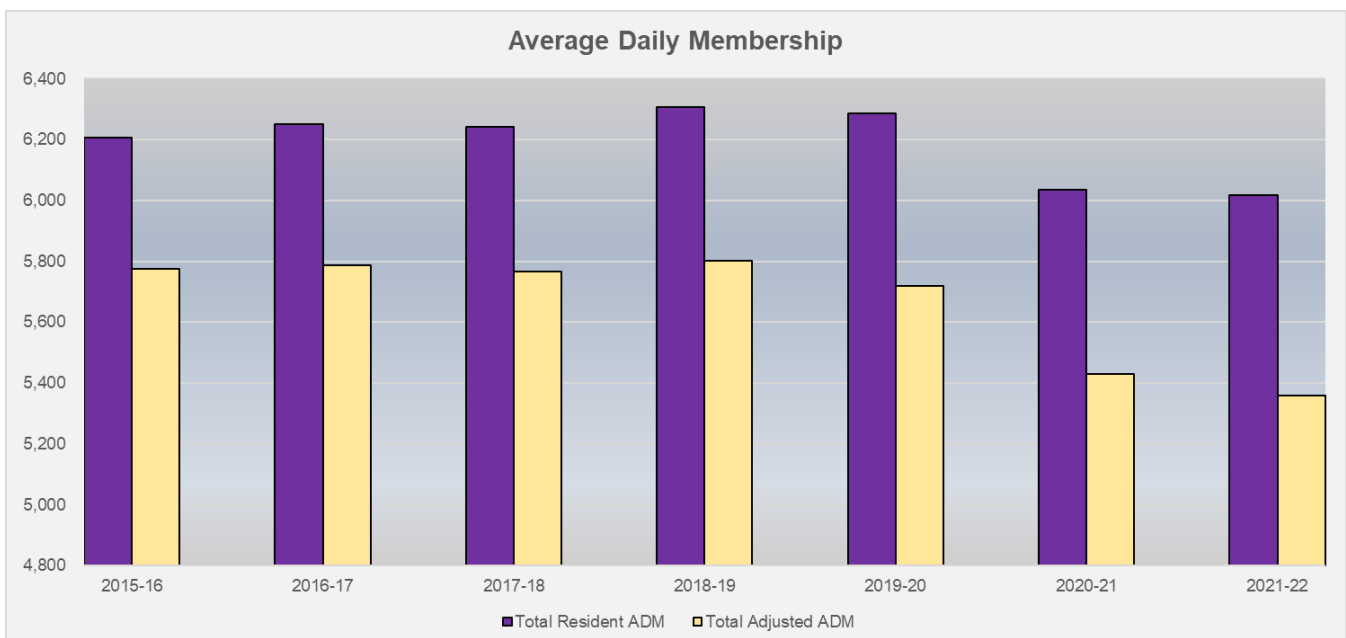
- General Fund
    - Total Average Daily Membership (ADM) was 72 students less than the 2020-21 school year. Final 2021-22 ADM was 23 more than budgeted.
    - Total extended time ADM was 68.5 less than budgeted.
    - Revenues were over budget by \$270,824.
    - Expenditures came in more favorably than anticipated. Total expenditures were under budget by \$104,088.
  - The Food Service fund balance increased by \$1,325,148.
  - The Community Service fund balance increased by \$327,579.
  - The Building Construction fund balance decreased by \$468,779.
  - The HRA Trust fund balance increased by \$633,100.
  - The OPEB Trust fund balance decreased in value by \$2,833,002.
  - The Debt Service fund balance decreased by \$95,017.
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### Average Daily Membership

Resident Average Daily Membership (ADM) includes all resident students who are enrolled in the district, educated in another district for which tuition is paid, or attending another district under enrollment options. Adjusted ADM includes resident students attending the district, nonresident enrollment option students, and nonresident tuition students. History shows that we tend to service fewer students than reside in our community. We saw our resident ADM totals decrease by 18. Our total adjusted ADM decreased by 72 from last year.

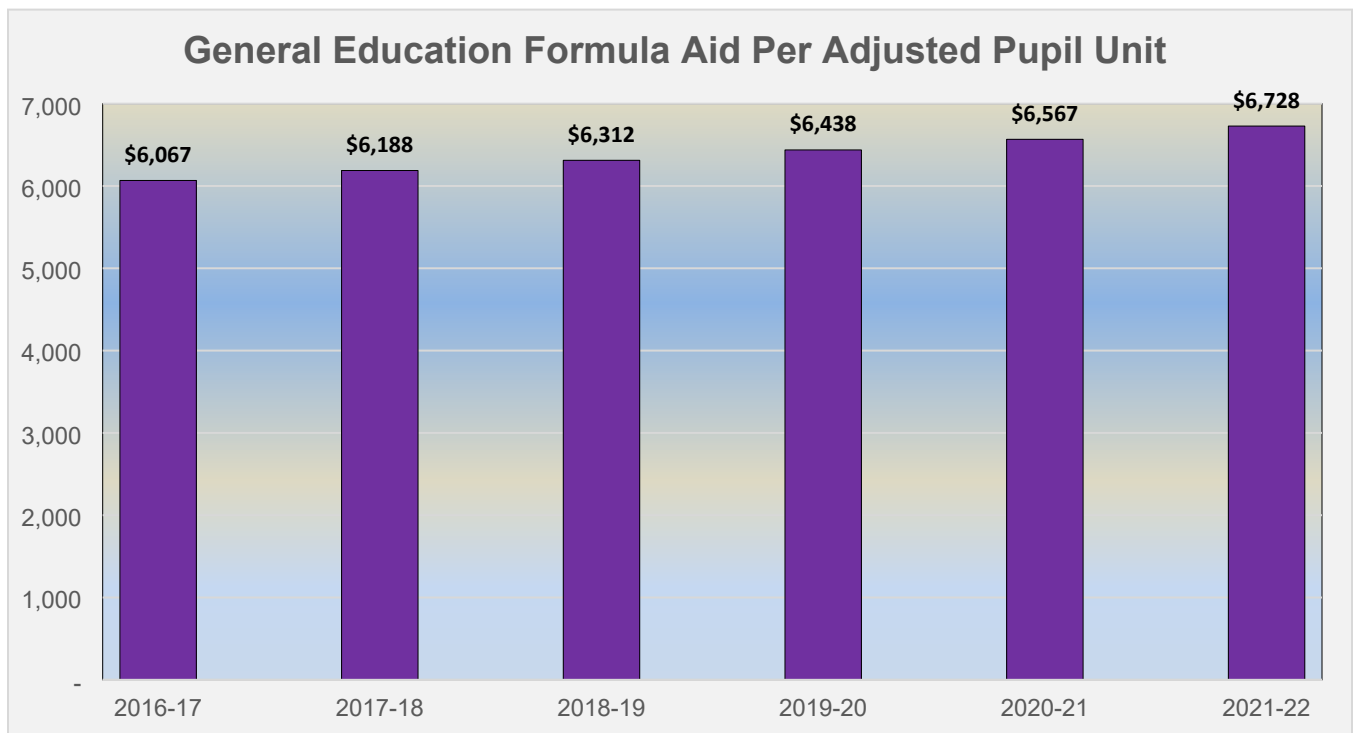
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Change from Prior Year
<b>Total Resident ADM</b>	6,206	6,251	6,241	6,308	6,285	6,036	6,018	(18)
<b>Residents Options Out</b>	837	902	931	984	1,007	1,012	1,069	57
<b>Residents Attending Here</b>	5,369	5,349	5,310	5,324	5,278	5,024	4,949	(75)
<b>Non-Resident Options In</b>	340	365	381	410	368	343	333	(10)
<b>Tuition Out</b>	65	73	76	67	72	64	77	13
<b>Total Adjusted ADM</b>	5,774	5,787	5,767	5,801	5,718	5,431	5,359	(72)
<b>Net Enrollment</b>	(497)	(537)	(550)	(574)	(639)	(669)	(736)	(67)
<b>Total Pupil Unit Weights (PUN)</b>	6,322	6,343	6,326	6,362	6,275	5,979	5,898	(81)



General Education Revenue

The largest source of revenue for the district is basic General Education Revenue. Total basic General Education Revenue is calculated by multiplying the formula allowance by the number of Pupil Unit Weights (PUN). PUN is calculated using a weighting system applied to the Adjusted ADMs. The legislature has increased the formula as shown in the chart and graph below.

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>General Education Formula Allowance</b>	\$ 6,067	\$6,188	\$6,312	\$6,438	\$ 6,567	\$6,728
<b>Percent Increase From Prior Year</b>	4.05%	1.99%	2.00%	2.00%	2.00%	2.45%



### General Fund - Revenue

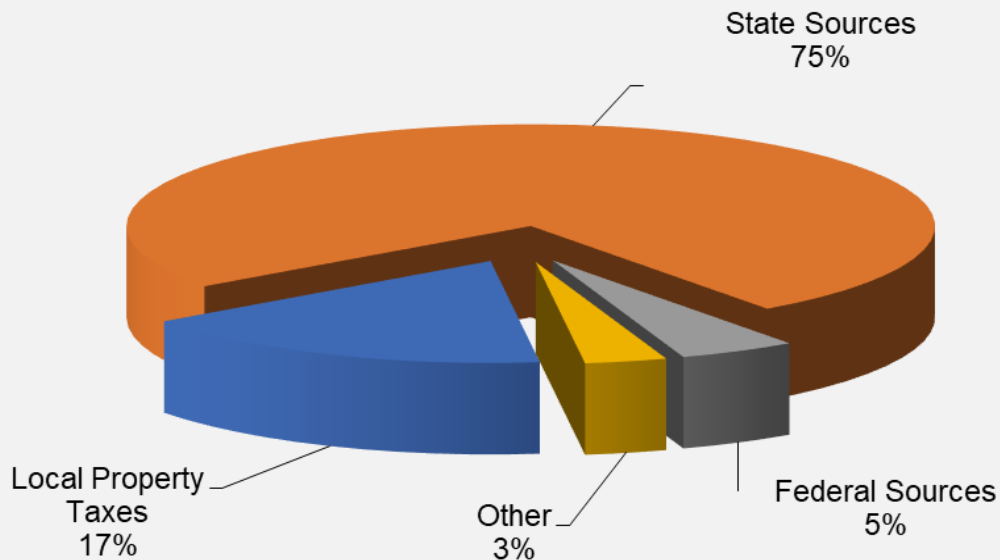
In the General Fund, revenues came in over budget by \$270,824 or .37%. Property taxes were higher due to changes in county apportionment and disparity aid. Total revenue from state sources was \$198,078 less than budgeted. General education revenue was \$359,035 under budget mainly due to less than expected extended time ADMs. Special Education Aid came in \$278,864 higher than budget due to changes in tuition costs and prior year adjustments. Total federal revenue was \$192,190 higher than budgeted. This is mainly due to decreased use of federal pandemic relief funds and higher than budgeted E-Rate reimbursements. Other local sources were \$41,207 higher than budgeted. Revenues from activities were much higher than anticipated but were offset by less than expected tuition from other districts.

In comparison to last year, total General Fund revenue increased by \$750,047. Revenue from local property taxes was higher by \$566,726 primarily due to decreases in equalization aid. Revenue from state sources was lower by \$121,717 due to the combination of an increase in the general education revenue formula aid, fewer PUNs, and lower special education aid. Revenue from federal sources decreased by \$818,310 primarily due to a reduction in the availability of federal pandemic relief funds by \$889,234. Revenue from other sources increased by \$1,123,348. Activities were a major contributor to the difference due to much higher participation than expected resulting in \$452,766 more revenue than budgeted. Another major change in 2021-22 was the arrangement for providing the Transitions program. This change resulted in additional revenue of \$686,848.

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	2020-2021 Actual	2021-2022 Revised Budget	2021-2022 Actual	Budget Variance	% Budget Variance	Change from Prior Year	% Change from Prior Year
<b>Revenue</b>							
Local Property Taxes	\$11,890,039	\$12,221,260	\$12,456,765	\$235,505	1.93%	\$566,726	4.77%
State Sources	\$55,596,371	\$55,651,060	\$55,452,982	(\$198,078)	-0.36%	(\$143,389)	-0.26%
Federal Sources	\$4,294,002	\$3,305,174	\$3,497,364	\$192,190	5.81%	(\$796,638)	-18.55%
Other	\$1,298,907	\$2,381,048	\$2,422,255	\$41,207	1.73%	\$1,123,348	86.48%
<b>Total</b>	<b>\$73,079,319</b>	<b>\$73,558,542</b>	<b>\$73,829,366</b>	<b>\$270,824</b>	<b>0.37%</b>	<b>\$750,047</b>	<b>1.03%</b>

**2021-2022 General Fund Revenue By Source**



General Fund – Expenditures by Object

In the General Fund, expenditures were under budget by \$104,088 or .14%. The budget variances are primarily from the following areas:

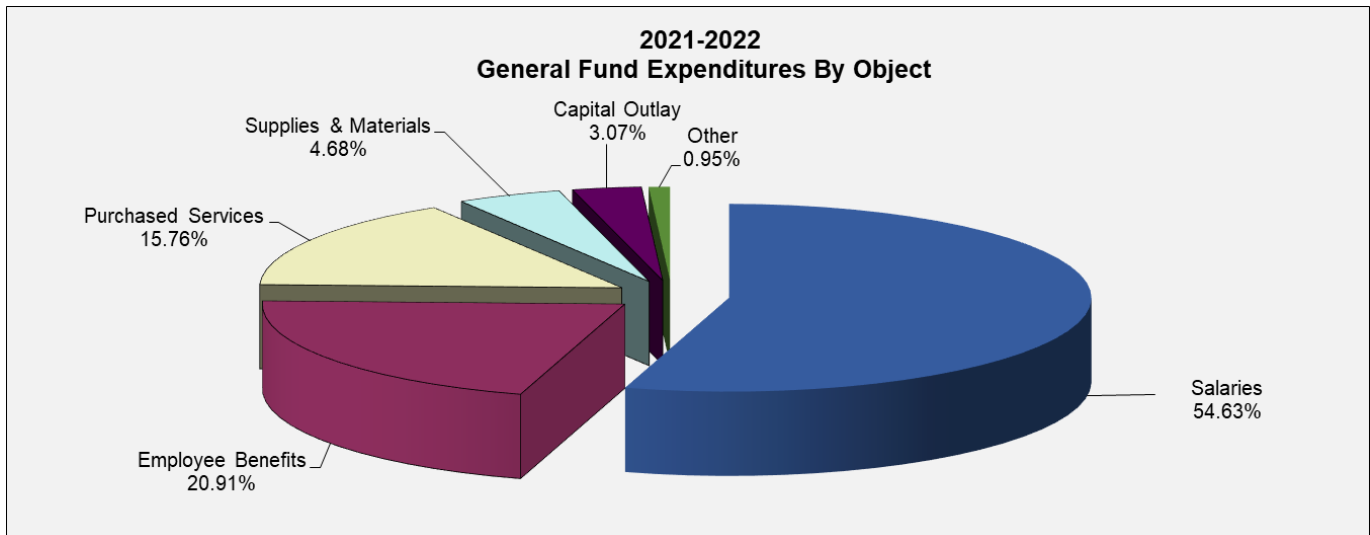
- Higher than anticipated substitute costs by \$265,243.
- Salaries were lower than anticipated due to position openings not able to be filled and less extended time costs.
- Re-employment was over budget by \$100,641.
- Utility costs were under budget by \$27,879.
- Transportation routes were reduced and federal pandemic relief funds were used for summer school transportation resulting in a savings of \$454,762 for route transportation.
- Purchased services related to federal pandemic relief aid were \$43,708 over budget.
- Purchased services related to Activities were \$39,702 over budget.
- Tuition and reimbursement payments to other school districts were \$484,389 over budget. Primarily due to \$306,756 for online classes and \$153,523 for Transitions.
- Lower than budgeted travel expenditures by \$32,961.
- Fuel for transportation was \$93,996 over budget due to pricing.
- Activity supplies and materials were over budget by \$91,064.
- Technology supplies and materials expenditures were \$527,046 higher due to a new Emergency Connectivity Grant.
- Curriculum purchases were under budget by \$175,000.
- Maintenance and custodial supplies were over budget by \$115,738 due to price increases.
- Technology capital purchases were \$159,839 under budget.
- Capitalized lease for the printshop was \$127,170 over budget due to new reporting requirements.
- Capital projects and LTFM underspent by \$388,659 due to project timing with completion in July and August 2022.
- ECSE Tuition to Community Education was \$29,491 over budget due to higher participation.
- The STEAM integration grant was \$21,981 over budget due to needs.

The General Fund expenditures increased by \$1,454,938 or 2.05% from the previous year. The increase was due to a \$1,058,323 increase in salaries and benefits, a \$1,271,060 increase in purchased services, and reductions in supplies, materials, and capital outlay totaling \$949,647.

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### GENERAL FUND 01 - EXPENDITURE SUMMARY

	2020-2021 Actual	2021-2022 Revised Budget	2021-2022 Actual	Budget Variance	% Budget Variance	Change from Prior Year	% Change from Prior Year
<b>Expenditures</b>							
Salaries	\$38,498,305	\$39,897,920	\$39,479,604	(\$418,316)	-1.05%	\$981,299	2.55%
Employee Benefits	\$15,036,828	\$15,118,383	\$15,113,852	(\$4,531)	-0.03%	\$77,024	0.51%
Purchased Services	\$10,121,120	\$11,342,620	\$11,392,180	\$49,560	0.44%	\$1,271,060	12.56%
Supplies & Materials	\$3,868,302	\$2,761,345	\$3,379,522	\$618,177	22.39%	(\$488,780)	-12.64%
Capital Outlay	\$2,680,041	\$2,620,857	\$2,219,174	(\$401,683)	-15.33%	(\$460,867)	-17.20%
Other	\$608,044	\$630,541	\$683,246	\$52,705	8.36%	\$75,202	12.37%
<b>Total</b>	<b>\$70,812,640</b>	<b>\$72,371,666</b>	<b>\$72,267,578</b>	<b>(\$104,088)</b>	<b>-0.14%</b>	<b>\$1,454,938</b>	<b>2.05%</b>



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General Fund - Fund Balance

With total revenues ending at \$73,829,366 and total expenditures at \$72,267,578, the General Fund's overall fund balance increased \$1,561,788 to \$19,595,848 as of June 30, 2022. The Unassigned/Nonspendable fund balance increased by \$937,868. For consistency, the district's fund balance policy is calculated with the Non-Spendable and Unassigned Fund Balance totals.

	6/30/2019	6/30/2020	6/30/2021	6/30/2022	Change from Prior Year
<b>Restricted Fund Balance</b>					
Operating Capital	\$ 733,445	\$ 1,015,094	\$ 1,182,367	\$ 1,497,207	\$ 314,840
Teacher Development	\$ 103,096	\$ 0	\$ -	\$ -	\$ -
Long-term Facilities Maintenance	\$ (71,833)	\$ (115,278)	\$ 347,494	\$ 624,421	\$ 276,927
Student Activities-Fund 51	\$ 28,484	\$ 26,151	\$ 21,121	\$ 38,012	\$ 16,891
Medical Assistance	\$ 217,324	\$ 308,929	\$ 482,065	\$ 488,888	\$ 6,823
	<b>\$ 1,010,515</b>	<b>\$ 1,234,896</b>	<b>\$ 2,033,047</b>	<b>\$ 2,648,528</b>	<b>\$ 615,481</b>
<b>Committed Fund Balance</b>					
Severance Insurance Premiums	\$ 3,340,760	\$ 2,615,036	\$ 2,187,804	\$ 2,374,820	\$ 187,016
<b>Assigned Fund Balance</b>					
Carryover	\$ 587,621	\$ 904,294	\$ 1,201,806	\$ 1,425,512	\$ 223,706
Student Activities-Fund 9	\$ 389,588	\$ 403,589	\$ 383,104	\$ 346,873	\$ (36,231)
Dental Insurance	\$ 194,973	\$ 261,023	\$ 184,725	\$ 77,302	\$ (107,423)
Capital	\$ 1,833,715	\$ 1,833,715	\$ 1,385,317	\$ 1,030,697	\$ (354,620)
PPD	\$ 66,719	\$ 105,022	\$ 37,353	\$ 133,344	\$ 95,991
Third Party Billing	\$ 560,353	\$ -	\$ -	\$ -	\$ -
	<b>\$ 3,632,968</b>	<b>\$ 3,507,642</b>	<b>\$ 3,192,305</b>	<b>\$ 3,013,728</b>	<b>\$ (178,577)</b>
<b>Non-Spendable Fund Balance</b>	\$ 574,149	\$ 559,231	\$ 607,009	\$ 808,200	\$ 201,191
<b>Unassigned Fund Balance</b>	\$ 6,136,607	\$ 7,850,575	\$ 10,013,895	\$ 10,750,572	\$ 736,677
	<b>\$ 6,710,756</b>	<b>\$ 8,409,807</b>	<b>\$ 10,620,904</b>	<b>\$ 11,558,772</b>	<b>\$ 937,868</b>
<b>Total Fund Balance</b>	<b>\$ 14,694,999</b>	<b>\$ 15,767,381</b>	<b>\$ 18,034,060</b>	<b>\$ 19,595,848</b>	<b>\$ 1,561,788</b>

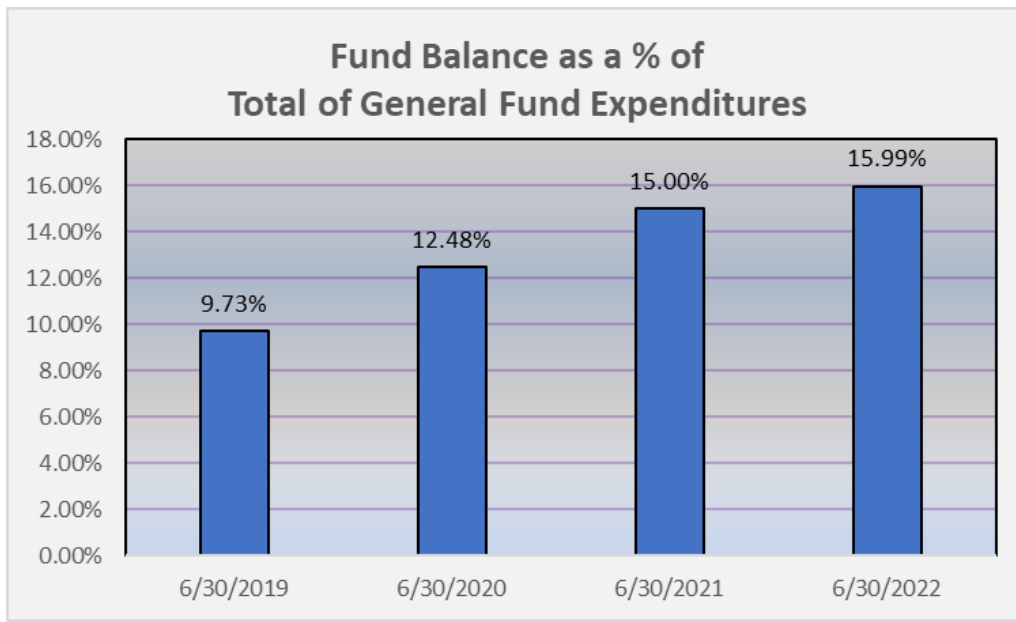


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### General Fund - Fund Balance

The Non-Spendable and Unassigned Fund Balances increased by \$937,868 to \$11,558,772 as of June 30, 2022, which is 15.99% of total expenditures. This is a .99% increase from the prior year. The fund balance percentage is slightly outside the parameters of our Fund Balance policy of 8-12% but the overage is planned for balancing the operating referendum and inflation over the next few years.

	6/30/2019	6/30/2020	6/30/2021	6/30/2022	Change from Prior Year
<b>Non-Spendable Fund Balance</b>	\$ 574,149	\$ 559,231	\$ 607,009	\$ 808,200	\$ 201,191
<b>Unassigned Fund Balance</b>	\$ 6,136,607	\$ 7,850,575	\$ 10,013,895	\$ 10,750,572	\$ 736,677
	<b>\$ 6,710,756</b>	<b>\$ 8,409,807</b>	<b>\$ 10,620,904</b>	<b>\$ 11,558,772</b>	<b>\$ 937,868</b>
<b>Total General Fund Expenditures</b>	<b>\$ 68,940,964</b>	<b>\$ 67,409,717</b>	<b>\$ 70,812,639</b>	<b>\$ 72,267,578</b>	<b>\$ 1,454,939</b>
<b>Fund Balance as a % of Total of General Fund Expenditures</b>	<b>9.73%</b>	<b>12.48%</b>	<b>15.00%</b>	<b>15.99%</b>	



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Food Service – Fund 02

In the Food Service Fund, revenues exceeded expenditures causing the fund balance to increase by \$1,325,148. Food Service revenues were over budget by \$564,285 and the expenditures were under budget by \$515,540. The Food Service Fund had higher meal participation than expected, increases in the local and federal meal reimbursement rates, and elevated a la carte purchases to increase revenue. Due to the pandemic, the Summer Food Service Program for free breakfast and lunch was continuous throughout the school year. The actual meal counts exceeded the prior year's counts by 149,954 meals between breakfast and lunch through June 30, 2022.

Food Service revenues from all sources were up \$1,282,604 from the previous year. Expenditures were up \$399,410 from the previous year. Labor costs in total were \$20,885 less than the prior year due to increased absences and an inability to fill position openings. All other costs were \$420,295 higher than the prior year.

**FOOD SERVICE FUND 02 - REVENUE SUMMARY**

	2020-2021 Actual	2021-2022 Revised Budget	2021-2022 Actual	Budget Variance	% Budget Variance	Change from Prior Year	% Change from Prior Year
<b>Revenue</b>							
State Sources	\$1,250	\$55,945	\$149,810	\$93,865	167.78%	\$148,560	11884.80%
Federal Sources	\$3,410,989	\$4,205,100	\$4,168,766	(\$36,334)	-0.86%	\$757,777	22.22%
Other	\$163,707	\$33,220	\$539,974	\$506,754	1525.45%	\$376,267	229.84%
<b>Total Revenue</b>	<b>\$3,575,946</b>	<b>\$4,294,265</b>	<b>\$4,858,550</b>	<b>\$564,285</b>	<b>13.14%</b>	<b>\$1,282,604</b>	<b>35.87%</b>
<b>Expenditures</b>							
Salaries	\$1,079,928	\$1,045,734	\$1,091,929	\$46,195	4.42%	\$12,001	1.11%
Employee Benefits	\$503,803	\$492,258	\$470,917	(\$21,341)	-4.34%	(\$32,886)	-6.53%
Purchased Services	\$124,675	\$126,650	\$135,361	\$8,711	6.88%	\$10,686	8.57%
Supplies & Materials	\$1,261,277	\$2,277,400	\$1,725,132	(\$552,268)	-24.25%	\$463,855	36.78%
Capital Outlay	\$141,323	\$98,500	\$102,336	\$3,836	3.89%	(\$38,987)	-27.59%
Other	\$22,986	\$8,400	\$7,727	(\$673)	-8.01%	(\$15,259)	-66.38%
<b>Total Expenditures</b>	<b>\$3,133,992</b>	<b>\$4,048,942</b>	<b>\$3,533,402</b>	<b>(\$515,540)</b>	<b>-12.73%</b>	<b>\$399,410</b>	<b>12.74%</b>
<b>Fund Balance</b>	<b>\$1,372,380</b>	<b>\$1,617,703</b>	<b>\$2,697,528</b>	<b>\$1,079,825</b>	<b>66.75%</b>	<b>\$1,325,148</b>	<b>96.56%</b>

**Independent School District No. 877**  
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**Meal Counts**

	2020-21 Actual	2021-22 Revised Budget	2021-22 Actual	Budget Variance	% Budget Variance	Change from Prior Year
<b>School Year Program</b>						
<b>School Days</b>	174	174	174	-	0.00%	-
Lunch	498,006	608,496	662,932	54,436	8.95%	164,926
Breakfast	280,148	283,116	281,492	(1,624)	-0.57%	1,344
<b>Total</b>	<b>778,154</b>	<b>891,612</b>	<b>944,424</b>	<b>52,812</b>	<b>5.92%</b>	<b>166,270</b>
<b>Meals per Day</b>						
Lunch	2,862	3,497	3,810	313	8.95%	948
Breakfast	1,610	1,627	1,618	(9)	-	8
<b>Total</b>	<b>4,472</b>	<b>5,124</b>	<b>5,428</b>	<b>304</b>	<b>5.92%</b>	<b>956</b>
<b>Summer Food Program</b>						
<b>Program Days</b>	42	42	42	-	0.00%	-
Lunch	43,754	20,000	36,760	16,760	83.80%	(6,994)
Breakfast	42,602	20,000	33,280	13,280	66.40%	(9,322)
<b>Total</b>	<b>86,356</b>	<b>40,000</b>	<b>70,040</b>	<b>30,040</b>	<b>75.10%</b>	<b>(16,316)</b>
<b>Meals per Day</b>						
Lunch	1,042	476	875	399	83.80%	(167)
Breakfast	1,014	476	792	316	66.40%	(222)
<b>Total</b>	<b>2,056</b>	<b>952</b>	<b>1,668</b>	<b>715</b>	<b>75.10%</b>	<b>(388)</b>

**Total Meal Counts - All Programs**

	2019-2020	2020-2021	2021-2022	Change from Prior Year	% Change from Prior Year
<b>Lunch</b>	573,705	541,760	699,692	157,932	29.15%
<b>Breakfast</b>	270,191	322,750	314,772	(7,978)	-2.47%
<b>Total</b>	<b>843,896</b>	<b>864,510</b>	<b>1,014,464</b>	<b>149,954</b>	<b>17.35%</b>

Community Service – Fund 04

## Independent School District No. 877

### 2021-2022 End of Year Financial Report

### School Board Workshop – Nov. 14, 2022

The Community Service Fund had increases in all fund balance categories except Adult Basic Education and Unassigned. Revenues came in under budget by \$48,579 or 1.26% while expenditures were under budget by \$43,230 or 1.23%. Revenue was down from the prior year in state sources but increased in all other categories. Other revenue sources rebounded increasing by \$661,112. Expenditures increased in all programs for a total increase of \$368,724 from last year. The overall Community Service fund balance also rebounded and increased by \$327,579 or 157% with a June 30, 2022 balance of \$118,334.

	2020-2021 Actual	2021-2022 Revised Budget	2021-2022 Actual	Budget Variance	% Budget Variance	Change from Prior Year	% Change from Prior Year
<b>Revenue</b>							
Local Property Taxes	\$473,805	\$597,012	\$593,294	(\$3,718)	-0.62%	\$119,489	25.22%
State Sources	\$575,341	\$560,677	\$545,315	(\$15,362)	-2.74%	(\$30,026)	-5.22%
Federal	\$6,813	\$20,028	\$36,421	\$16,393	81.85%	\$29,608	434.58%
Other	\$1,958,522	\$2,665,526	\$2,619,634	(\$45,892)	-1.72%	\$661,112	33.76%
<b>Total Revenue</b>	<b>\$3,014,481</b>	<b>\$3,843,243</b>	<b>\$3,794,664</b>	<b>(\$48,579)</b>	<b>-1.26%</b>	<b>\$780,183</b>	<b>25.88%</b>
<b>Expenditures</b>							
Salaries	\$2,050,555	\$2,287,429	\$2,237,435	(\$49,994)	-2.19%	\$186,880	9.11%
Employee Benefits	\$749,389	\$818,772	\$793,259	(\$25,513)	-3.12%	\$43,870	5.85%
Purchased Services	\$182,049	\$270,007	\$255,884	(\$14,123)	-5.23%	\$73,835	40.56%
Supplies & Materials	\$113,175	\$114,626	\$165,295	\$50,669	44.20%	\$52,120	46.05%
Capital Outlay	\$45	\$16,893	\$11,847	(\$5,046)	-29.87%	\$11,802	26226.67%
Other	\$3,146	\$2,586	\$3,363	\$777	30.05%	\$217	6.90%
<b>Total Expenditures</b>	<b>\$3,098,359</b>	<b>\$3,510,313</b>	<b>\$3,467,083</b>	<b>(\$43,230)</b>	<b>-1.23%</b>	<b>\$368,724</b>	<b>11.90%</b>

<b>Fund Balance</b>	<b>6/30/2021</b>	<b>6/30/2022</b>	<b>Change</b>	<b>% Change</b>
Community Education	(438,778)	(122,940)	315,838	71.98%
ECFE	196,617	225,808	29,191	14.85%
School Readiness	44,612	78,695	34,083	76.40%
Adult Basic Education	36,961	-	(36,961)	-100.00%
Unassigned/Nonspendable	(48,648)	(63,220)	(14,572)	-29.95%
	<b>(209,236)</b>	<b>118,343</b>	<b>327,579</b>	<b>156.56%</b>

Building Construction – Fund 6

## Independent School District No. 877

### 2021-2022 End of Year Financial Report

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The Building Construction Fund tracks the revenues and expenditures from bond issues and other restricted revenue sources. Activity includes expenditures from the high school tennis courts project. The high school tennis court project was started in 2020-21 and will be completed in 2022-23. Expenditures for work completed as of the end of the year totaled \$468,779 leaving a balance of \$42,401 on June 30, 2022.

	2020-2021 Actual	2021-2022 Revised Budget	2021-2022 Actual	Budget Variance	% Budget Variance	Change from Prior Year	% Change from Prior Year
<b>Revenue</b>							
Interest Income	\$0	\$0	\$0	\$0	0.00%	\$0	0.00%
Miscellaneous Income	\$0	\$0	\$0	\$0	0.00%	\$0	0.00%
Erate Discount Revenue	\$0	\$0	\$0	\$0	0.00%	\$0	0.00%
Miscellaneous Income	\$0	\$0	\$0	\$0	0.00%	\$0	0.00%
Lease Purchase Agreement	\$726,750	\$0	\$0	\$0	100.00%	(\$726,750)	-100.00%
<b>Total Revenue</b>	<b>\$726,750</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>100.00%</b>	<b>(\$726,750)</b>	<b>-100.00%</b>
<b>Expenditures</b>							
District Wide	\$0	\$0	\$0	\$0	0.00%	\$0	0.00%
Phoenix LC	\$0	\$0	\$0	\$0	0.00%	\$0	0.00%
Buffalo High School	\$ 360,060	\$465,000	\$468,779	\$3,779	0.81%	\$108,719	30.19%
Buffalo Community Middle School	\$0	\$0	\$0	\$0	0.00%	\$0	0.00%
Parkside Elementary	\$0	\$0	\$0	\$0	0.00%	\$0	0.00%
Hanover Elementary	\$0	\$0	\$0	\$0	0.00%	\$0	0.00%
Montrose Elementary	\$0	\$0	\$0	\$0	0.00%	\$0	0.00%
Tatanka Elementary	\$0	\$0	\$0	\$0	0.00%	\$0	0.00%
Discovery Elementary	\$0	\$0	\$0	\$0	0.00%	\$0	0.00%
Northwinds Elementary	\$0	\$0	\$0	\$0	0.00%	\$0	0.00%
<b>Total Expenditures</b>	<b>\$360,060</b>	<b>\$465,000</b>	<b>\$468,779</b>	<b>\$3,779</b>	<b>0.81%</b>	<b>\$108,719</b>	<b>30.19%</b>
<b>Fund Balance</b>	<b>\$511,180</b>	<b>\$46,180</b>	<b>\$42,401</b>	<b>(\$3,779)</b>	<b>-8.18%</b>	<b>(\$468,779)</b>	<b>-91.71%</b>

Health Reimbursement Account Trust – Fund 18

## ***Independent School District No. 877 2021-2022 End of Year Financial Report School Board Workshop – Nov. 14, 2022***

The district created a sunset clause in the teachers' contract and the administrators' contract, and some individual contracts for recently hired positions. Individuals hired after the sunset date in their respective contracts are no longer eligible for the grandfathered post-retirement insurance benefits. The new provisions require the district to make an up-front contribution to the employee's HRA account upon hire and an annual contribution to the employee's HRA account for each year of service. Each contract has a contribution limit for the individual employee. These funds are held in an irrevocable trust with Mid-America through National Insurance Services. The employees have to meet certain vesting requirements before they can access these funds. As a result of these contract provisions, we are required to show the cumulative balance of contributions plus any accrued interest in these trust accounts for those individuals eligible for this new program. The actual payments to the trust are already included in the General Fund expenditures shown previously in this report. This will also be the case in future years. The balances shown represent cumulative contributions and interest earned on those individual accounts as of the end of the fiscal year. The balance in the accounts was \$3,403,212 on June 30, 2022, which was an increase of \$633,100.

	2020-2021 Actual	2021-2022 Revised Budget	2021-2022 Actual	Budget Variance	% Budget Variance	Change from Prior Year	% Change from Prior Year
<b>Revenue</b>							
Interest Income	\$42,441	\$35,000	\$45,280	\$10,280	29.37%	\$2,839	6.69%
Miscellaneous Revenue	\$650,144	\$296,000	\$587,820	\$291,820	98.59%	(\$62,324)	-9.59%
<b>Total Revenue</b>	<b>\$692,585</b>	<b>\$331,000</b>	<b>\$633,100</b>	<b>\$302,100</b>	<b>127.96%</b>	<b>(\$59,485)</b>	<b>-2.90%</b>
<b>Expenditures</b>							
Transfers Out	\$0	\$0	\$0	\$0	0.00%	\$0	0.00%
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$0</b>	<b>\$0</b>
<b>Fund Balance</b>	<b>\$2,770,112</b>	<b>\$3,101,112</b>	<b>\$3,403,212</b>	<b>\$302,100</b>	<b>100.00%</b>	<b>\$633,100</b>	<b>22.85%</b>

OPEB Irrevocable Trust Fund – Fund 45

## Independent School District No. 877

### 2021-2022 End of Year Financial Report

### School Board Workshop – Nov. 14, 2022

During the 2009-2010 school year, the district issued \$10.845 million in OPEB Bonds and at the same time, created an irrevocable trust with Bremer Bank to fund the district's post-employment benefits. The debt payments and property tax levy revenue are recorded in Debt Service Fund 47, and the trust activity is recorded in Fund 45.

The district started using the Trust in the 2012-2013 year to cover post-employment obligations and has done so each year since. The interest earnings and dividends recognized each year represent the change in the financial markets and any distributions out of the Trust. Retiree contributions represent the employee's share of retiree insurance costs. During the fiscal year, the market started to slow and realize negative returns. This is the eighth year of using the OPEB Trust and in 2021-2022 the trust paid for a net cost of \$941,310 that would have otherwise been in the General Fund. The amount held in trust for OPEB as of June 30, 2022, decreased by \$2,833,002 to \$14,050,505.

	2020-2021 Actual	2021-2022 Revised Budget	2021-2022 Actual	Budget Variance	% Budget Variance	Change from Prior Year	% Change from Prior Year
<b>Revenue</b>							
Interest Income/Change in Market Value	\$3,109,597	(\$405,000)	(\$1,820,165)	(\$1,415,165)	349.42%	(\$4,929,762)	-158.53%
Retiree Contributions	\$332,741	\$373,295	\$281,719	(\$91,576)	-24.53%	(\$51,022)	-15.33%
Sale of Bonds Proceeds	\$0	\$0	\$0	\$0	0.00%	\$0	0.00%
<b>Total Revenue</b>	<b>\$3,442,338</b>	<b>(\$31,705)</b>	<b>(\$1,538,446)</b>	<b>(\$1,506,741)</b>	<b>4752.38%</b>	<b>(\$4,980,784)</b>	<b>-144.69%</b>
<b>Expenditures</b>							
Health Insurance	\$678,367	\$636,203	\$591,724	(\$44,479)	-6.99%	(\$86,643)	-12.77%
Life Insurance	\$12,799	\$21,475	\$18,382	(\$3,093)	-14.40%	\$5,583	43.62%
Dental Insurance	\$55,023	\$58,882	\$49,379	(\$9,503)	-16.14%	(\$5,644)	-10.26%
Contributions to H.S.A.	\$361,526	\$535,651	\$635,071	\$99,420	18.56%	\$273,545	75.66%
<b>Total Expenditures</b>	<b>\$1,107,715</b>	<b>\$1,252,211</b>	<b>\$1,294,556</b>	<b>\$42,345</b>	<b>3.38%</b>	<b>\$186,841</b>	<b>16.87%</b>
<b>Net Assets</b>							
	<b>\$15,334,421</b>	<b>\$14,050,505</b>	<b>\$12,501,419</b>	<b>(\$1,549,086)</b>	<b>100.00%</b>	<b>(\$2,833,002)</b>	<b>-18.47%</b>

## ***Independent School District No. 877 2021-2022 End of Year Financial Report School Board Workshop – Nov. 14, 2022***

### Debt Service – Funds 07 & 47

The Debt Service Fund balances for Funds 07 and 47 decreased \$95,017 to an overall fund balance of \$1,269,807 as of June 30, 2022. Revenues were higher than the prior year by \$8,601,906 due to the bond refunding. Expenditures were also higher than the prior year by \$8,608,261 due to the bond refunding.

School districts are required to levy 105% of their annual debt payments to cover possible delinquent property taxes. When the fund balance reaches a certain point, the State calculates a debt excess fund balance figure and reduces the tax levy by that amount on the next year's property tax levy. All of the funds in the Restricted Fund Balance total are restricted to meet future debt obligations of the district.

<b>Fund 7 &amp; 47</b>	<b>2020-2021 Actual</b>	<b>2021-2022 Revised Budget</b>	<b>2021-2022 Actual</b>	<b>Budget Variance</b>	<b>% Budget Variance</b>	<b>Change from Prior Year</b>	<b>% Change from Prior Year</b>
<b>Revenue</b>							
Local Property Taxes	\$7,171,320	\$7,181,584	\$7,182,671	\$1,087	0.02%	\$11,351	0.16%
State Sources	\$284,632	\$280,000	\$278,494	(\$1,506)	-0.54%	(\$6,138)	-2.16%
Interest Revenue	\$3,692	\$1,200	(\$6,929)	(\$8,129)	-677.42%	(\$10,621)	-287.68%
Bond Proceeds	\$0	\$8,607,314	\$8,607,314	\$0	0.00%	\$8,607,314	0.00%
<b>Total Revenue</b>	<b>\$7,459,644</b>	<b>\$16,070,098</b>	<b>\$16,061,550</b>	<b>(\$8,548)</b>	<b>-677.94%</b>	<b>\$8,601,906</b>	<b>-289.67%</b>
<b>Expenditures</b>							
Principal & Interest	\$7,548,306	\$7,545,958	\$7,545,958	\$0	0.00%	(\$2,348)	-0.03%
Other	\$0	\$76,085	\$75,609	(\$476)	-0.63%	\$75,609	100.00%
Bond Refunding Payments	\$0	\$8,535,000	\$8,535,000	\$0	0.00%	\$8,535,000	0.00%
<b>Total Expenditures</b>	<b>\$7,548,306</b>	<b>\$16,157,043</b>	<b>\$16,156,567</b>	<b>(\$476)</b>	<b>0.00%</b>	<b>\$8,608,261</b>	<b>114.04%</b>
<b>Fund Balance</b>	<b>\$1,364,824</b>	<b>\$1,277,879</b>	<b>\$1,269,807</b>	<b>(\$8,072)</b>	<b>-0.59%</b>	<b>(\$95,017)</b>	<b>-6.96%</b>