Balancing Growth and Infrastructure: A Deep Dive into Stillwater Public Schools' Fiscal Health (2011–2024)

Executive Summary

Over the past decade-plus, Stillwater Public Schools has navigated a dynamic fiscal landscape—balancing the demands of rising enrollment, infrastructure renewal, and extraordinary federal stimulus funding—while maintaining healthy fund balances and prudent debt management. Below is a distilled deep dive into the key financial trends and indicators drawn from the District's audited financial statements for fiscal years 2011 through 2024.

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1. Revenue Trends

- **Overall Growth:** Total governmental revenues rose steadily from approximately $55 million in FY 2011 to $81.8 million in FY 2024, a 49% increase over the period.
- **Local vs. State vs. Federal Mix:**
  - **Local Sources** (primarily property taxes and fees) grew from $21.9 million in FY 2021 to $40.96 million in FY 2024, driven by approved bond levies and incremental millage increases.
  - **State Aid** has remained relatively flat in nominal terms (~$29 million annually), reflecting statutory funding formulas.
  - **Federal Funding** spiked during COVID-19, with ESSER I/II/III grants injecting over $3.3 million in FY 2024 alone – down from the peak stimulus years but still supplementing core programs.

2. Expenditure Patterns

- **Instruction vs. Support Services:**
  - **Instructional Costs** have increased modestly, from $30 million in FY 2011 to $35.6 million in FY 2024, illustrating controlled per-pupil spending.
  - **Support Services** (including transportation, administration, and maintenance) climbed more sharply—from $20 million to $29.7 million—reflecting expanded facilities and personnel support.

Disclaimer: This executive summary is based on the "Audited Financial Statements – Regulatory Basis" of Stillwater School District No. 1-16 for the fiscal years ended June 30, 2011 through June 30, 2024. Data are drawn directly from the District's combined financial statements and supplementary schedules. While every effort has been made to ensure accuracy, this summary is for informational purposes only and should not be construed as a substitute for the official audited statements. Readers should refer to the complete audit reports and notes for comprehensive detail.

- **Capital Outlays:** Annual capital expenditures surged following the passage of bond issues in 2023–24, with $8.7 million spent in FY 2024 on new construction and modernization.

3. Fund Balance Health

- **General Fund:** Unassigned fund balance stands at $2.55 million as of June 30, 2024—about 4% of general fund revenues—providing a modest cushion for cash-flow and contingencies.
- **Special Revenue Funds:** Combined balances of $4.63 million support building and child-nutrition programs.
- **Capital Projects:** A robust $24.29 million remains unspent from recent bond proceeds, earmarked for major facility upgrades and technology investments.

4. Long-Term Debt & Capital Financing

- **Debt Issuance:** Total long-term debt ballooned from $59.3 million (FY 2023) to $154.2 million (FY 2024), driven by a $92.995 million lease-revenue financing for a new campus and $13 million in 2024 general obligation bonds.
- **Debt Service Capacity:** The debt service fund holds $1.16 million (FY 2024), with annual debt-service requirements of approximately $14.8 million in principal and interest obligations – serviceable through dedicated property-tax levies.

5. Strategic Implications

- **Infrastructure Renewal:** The influx of capital through recent financing positions the District to address long-deferred facility needs, but also elevates annual debt service obligations.
- **Operating Sustainability:** Flat state aid and post-pandemic tapering of federal grants underscore the importance of local revenue optimization and expenditure discipline.
- **Resilience & Reserves:** While fund balances remain positive, the District should monitor unassigned reserves in the general fund to ensure flexibility in the face of enrollment shifts or economic downturns.

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