

**BRECKENRIDGE SCHOOL BOARD MEETING
INDEPENDENT SCHOOL DISTRICT #846
WEDNESDAY, JANUARY 17, 2024
REGULAR MEETING - 4:00 PM
ELEMENTARY CONFERENCE ROOM #233
810 BEEDE AVENUE
BRECKENRIDGE, MN 56520**

AGENDA

- 1. Call the Meeting to Order**
 - A. Pledge of Allegiance
 - B. School Happenings
- 2. Approval of Agenda**
- 3. Organizational Meeting**
 - A. Election of Officers
 - B. Wire Transfer Authority
 - C. Depositories
 - D. School Bank
 - E. Legal Counsel and Authorized Contacts
 - F. IRS Mileage
 - G. Official Newspaper
 - H. Board Member Compensation
 - I. Assignment of Committees
- 4. Public Input**
- 5. Approval of Consent Agenda**
 - A. Minutes
 - B. Financials
 1. Financial Report & Bills

Breckenridge Public School Payment Reg by Bank and Check

Bank	Batch	Pmt No	Check No	Pay Type	Grp Code	Rcd	Vendor	Tax Class	Print	Recon	Void	Pay/Void Date	Amount
FAB		44349		Wire	1 00172		CASH-WA DISTRIBUTING		No	Yes	No	12/27/2023	35,027.65
FAB		44377		Wire	1 00039		MN DEPT OF REVENUE (EFT)		No	Yes	No	12/16/2023	5,581.27
FAB		44378		Wire	1 00599		P.E.R.A.		No	Yes	No	12/16/2023	10,843.10
FAB		44379		Wire	1 00600		TEACHERS RETIREMENT ASSN.		No	Yes	No	12/16/2023	22,447.82
FAB		44380		Wire	1 01052		AMERICAN FAM. LIFE ASSURANCE		No	Yes	No	12/16/2023	148.90
FAB		44381		Wire	1 01233		EFTPS		No	Yes	No	12/16/2023	44,834.44
FAB		44382		Wire	1 2251		FURTHER (FSA/ HSA)		No	Yes	No	12/16/2023	4,523.33
FAB		44383		Wire	1 2277		EDUCATORS BENEFIT ACH		No	Yes	No	12/16/2023	7,984.89
FAB		44384		Wire	1 00039		MN DEPT OF REVENUE (EFT)		No	No	No	12/17/2023	6,695.69
FAB		44385		Wire	1 00599		P.E.R.A.		No	Yes	No	12/17/2023	13,079.22
FAB		44386		Wire	1 00600		TEACHERS RETIREMENT ASSN.		No	Yes	No	12/17/2023	25,965.58
FAB		44387		Wire	1 01233		EFTPS		No	Yes	No	12/17/2023	52,266.64
FAB		44388		Wire	1 2251		FURTHER (FSA/ HSA)		No	Yes	No	12/17/2023	4,523.33
FAB		44389		Wire	1 2277		EDUCATORS BENEFIT ACH		No	No	No	12/17/2023	8,026.56
FAB		44390		Wire	1 3459		AMERITAS LIFE INSURANCE		No	Yes	No	12/17/2023	221.52
FAB		44391		Wire	1 2251		FURTHER (FSA/ HSA)		No	Yes	No	12/31/2023	1,184.66
FAB		44392		Wire	1 2277		EDUCATORS BENEFIT ACH		No	Yes	No	12/31/2023	93.75
FAB		44393		Wire	1 2656		QUADIENT FINANCE USA		No	Yes	No	12/31/2023	500.00
FAB		44394		Wire	1 3702		REVTRAK		No	Yes	No	12/31/2023	312.93
FAB		44395		Wire	1 3703		SCHOOL PAY		No	Yes	No	12/31/2023	432.06
FAB		44466		Wire	1 00193		GREAT PLAINS NATURAL GAS		No	No	No	01/12/2024	8,392.47
FAB		44467		Wire	1 00055		BRECKENRIDGE PUBLIC UTILITIES		No	No	No	01/12/2024	11,216.59
FAB		44468		AE	1 02274	REMIT	APPLE COMPUTER, INC.		No	No	No	01/12/2024	11.75
FAB		44469		AE	1 2727		AMERICAN EXPRESS		No	No	No	01/12/2024	135.19
FAB		44470		Wire	1 03359		WALMART STORE		No	No	No	01/12/2024	334.85
FAB		44471		Wire	1 03359	Remit	WALMART - CAPITAL ONE		No	No	No	01/12/2024	826.03
FAB		44472		EL	1 01719		ECONO FOODS		No	No	No	01/12/2024	128.07
FAB		44473		EL	1 2411		MSHSCA, INC.		No	No	No	01/12/2024	90.75
FAB		44474		EL	1 2901		DOLLAR TREE STORES INC.		No	No	No	01/12/2024	27.50
FAB		44475		EL	1 3490		DECA INC.		No	No	No	01/12/2024	13.00
FAB		44476		EL	1 3732		ELAN CREDIT CARD		No	No	No	01/12/2024	317.89
FAB		44477		EL	1 3833		COLUMN SOFTWARE PBC		No	No	No	01/12/2024	89.10
FAB		44339	128224	Check	1 3507		BARTUNEK, BRYCE		Yes	No	No	12/21/2023	145.00
FAB		44345	128225	Check	1 3815		BOESEN, SPENCER		Yes	No	No	12/21/2023	35.00
FAB		44346	128226	Check	1 3821		CHRISTIANSON, GAVEN		Yes	No	No	12/21/2023	281.00
FAB		44337	128227	Check	1 3278		CHUINARD, JORDAN		Yes	Yes	No	12/21/2023	150.00
FAB		44333	128228	Check	1 2821		EITER, TERRY J.		Yes	No	No	12/21/2023	145.00
FAB		44332	128229	Check	1 2238		FURTHER		Yes	No	No	12/21/2023	56.50
FAB		44331	128230	Check	1 1499		GOPHER STATE ONE-CALL		Yes	Yes	No	12/21/2023	16.20

Breckenridge Public School Payment Reg by Bank and Check

Bank	Batch	Pmt No	Check No	Pay Type	Grp Code	Rcd	Vendor	Tax Class	Print	Recon	Void	Pay/Void Date	Amount
FAB		44341	128231	Check	1	3539	GUARDIAN		Yes	No	No	12/21/2023	1,938.78
FAB		44334	128232	Check	1	2822	GULSETH, MARK		Yes	No	No	12/21/2023	195.00
FAB		44336	128233	Check	1	3131	HANSEN, PHILIP		Yes	No	No	12/21/2023	195.00
FAB		44338	128234	Check	1	3282	HOGANSON, MICHAEL		Yes	Yes	No	12/21/2023	145.00
FAB		44330	128235	Check	1	1243	NORTH CENTRAL TRUCK EQUIPMENT		Yes	Yes	No	12/21/2023	578.77
FAB		44340	128236	Check	1	3520	OLE & LENA'S PIZZERIA		Yes	Yes	No	12/21/2023	4,516.50
FAB		44348	128237	Check	1	3830	PEDERSON, DARREL		Yes	No	No	12/21/2023	150.00
FAB		44347	128238	Check	1	3829	PEDERSON, KAY		Yes	Yes	No	12/21/2023	150.00
FAB		44344	128239	Check	1	3776	PETERSON, TREVOR		Yes	No	No	12/21/2023	1,500.00
FAB		44335	128240	Check	1	2980	SAVARY, DYLAN MARTIN		Yes	Yes	No	12/21/2023	145.00
FAB		44342	128241	Check	1	3735	THOMPSON, CODY JAMES		Yes	Yes	No	12/21/2023	41.00
FAB		44343	128242	Check	1	3738	WANEK, ROBERT C		Yes	No	No	12/21/2023	82.00
FAB		44329	128243	Check	1	00536	ZANER-BLOSER, INC		Yes	Yes	No	12/21/2023	272.80
FAB		44351	128244	Check	1	00604	AFSCME COUNCIL 65		Yes	No	No	12/27/2023	24.99
FAB		44357	128245	Check	1	2865	ASKEGAARD, MASON J.		Yes	No	No	12/27/2023	155.00
FAB		44360	128246	Check	1	3815	BOESEN, SPENCER		Yes	No	No	12/27/2023	22.00
FAB		44350	128247	Check	1	00603	BRECKENRIDGE ED LOCAL 1299		Yes	No	No	12/27/2023	2,275.34
FAB		44358	128248	Check	1	3278	CHUINARD, JORDAN		Yes	No	No	12/27/2023	155.00
FAB		44352	128249	Check	1	01184	MIN SCHOOL EMPLOYEES ASSOC		Yes	No	No	12/27/2023	873.25
FAB		44353	128250	Check	1	01779	NCPEERS GROUP LIFE INS		Yes	No	No	12/27/2023	32.00
FAB		44354	128251	Check	1	1292	ND CHILD SUPPORT DIVISION		Yes	No	No	12/27/2023	457.50
FAB		44361	128252	Check	1	3831	RELIANCE STANDARD LIFE INSURANC		Yes	No	No	12/27/2023	9,961.93
FAB		44356	128253	Check	1	2863	SOLUM, BRADY		Yes	No	No	12/27/2023	155.00
FAB		44355	128254	Check	1	1569	WAHPETON AUTO VALUE		Yes	No	No	12/27/2023	26.44
FAB		44359	128255	Check	1	3738	WANEK, ROBERT C		Yes	No	No	12/27/2023	41.00
FAB		44367	128256	Check	1	2809	BENNETT, THOMAS		Yes	No	No	01/08/2024	130.00
FAB		44362	128257	Check	1	00152	BREMER BANK		Yes	No	No	01/08/2024	35.00
FAB		44374	128258	Check	1	3795	CREATIVE LEARNING SYSTEMS LLC		Yes	No	No	01/08/2024	143,628.51
FAB		44368	128259	Check	1	2822	GULSETH, MARK		Yes	No	No	01/08/2024	195.00
FAB		44371	128260	Check	1	3282	HOGANSON, MICHAEL		Yes	No	No	01/08/2024	145.00
FAB		44372	128261	Check	1	3386	KARLGAARD, LUKE		Yes	No	No	01/08/2024	145.00
FAB		44369	128262	Check	1	3024	LAMBRECHT, BRETT		Yes	No	No	01/08/2024	130.00
FAB		44365	128263	Check	1	1693	MDTSEA		Yes	No	No	01/08/2024	40.00
FAB		44370	128264	Check	1	3261	QUAST, JONATHAN LEE		Yes	No	No	01/08/2024	130.00
FAB		44366	128265	Check	1	2590	REGENTS OF THE UNIVERSITY OF MIN		Yes	No	No	01/08/2024	1,878.00
FAB		44363	128266	Check	1	01741	STATE OF MINNESOTA		Yes	No	No	01/08/2024	446.25
FAB		44364	128267	Check	1	03193	U.S. BANK		Yes	No	No	01/08/2024	709,212.50
FAB		44373	128268	Check	1	3738	WANEK, ROBERT C		Yes	No	No	01/08/2024	41.00
FAB		44464	128269	Check	1	3826	95 Percent Group		Yes	No	No	01/12/2024	1,039.20

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Bank	Batch	Pmt No	Check No	Pay Type	Grp Code	Rcd	Vendor	Tax Class	Print	Recon	Void	Pay/Void Date	Amount
FAB		44427	128270	Check	1 2196		ACT FINANCE		Yes	No	No	01/12/2024	476.00
FAB		44403	128271	Check	1 00604		AFSCME COUNCIL 65		Yes	No	No	01/12/2024	24.99
FAB		44458	128272	Check	1 3697		A-OX WELDING SUPPLY COMPANY INC		Yes	No	No	01/12/2024	85.95
FAB		44424	128273	Check	1 2020		BLICK ART MATERIALS		Yes	No	No	01/12/2024	322.31
FAB		44456	128274	Check	1 3593		BLUE CROSS BLUE SHIELD OF MN		Yes	No	No	01/12/2024	51,282.55
FAB		44402	128275	Check	1 00603		BRECKENRIDGE ED LOCAL 1299		Yes	No	No	01/12/2024	2,275.34
FAB		44412	128276	Check	1 02482		BUILDERS FIRST SOURCE		Yes	No	No	01/12/2024	619.03
FAB		44463	128277	Check	1 3821		CHRISTIANSON, GAVEN		Yes	No	No	01/12/2024	71.00
FAB		44401	128278	Check	1 00545		CONTINGENT FUND		Yes	No	No	01/12/2024	1,088.00
FAB		44396	128279	Check	1 00111		CULINEX		Yes	No	No	01/12/2024	944.66
FAB		44436	128280	Check	1 2714		CUMMINS SALES AND SERVICES		Yes	No	No	01/12/2024	2,960.14
FAB		44399	128281	Check	1 00482		DAILY NEWS		Yes	No	No	01/12/2024	158.00
FAB		44451	128282	Check	1 3484		DIAZ, STACY		Yes	No	No	01/12/2024	62.85
FAB		44446	128283	Check	1 3303		ECOLAB		Yes	No	No	01/12/2024	97.83
FAB		44429	128284	Check	1 2265		EDUCATORS BENEFIT CONSULTANTS-		Yes	No	No	01/12/2024	138.40
FAB		44454	128285	Check	1 3558		EVERYDAY SPEECH		Yes	No	No	01/12/2024	399.99
FAB	4	44410	128286	Check	1 01994		FARM CITY SUPPLY		Yes	No	No	01/12/2024	82.96
FAB		44397	128287	Check	1 00153		FARMERS UNION OIL CO		Yes	No	No	01/12/2024	5,239.87
FAB		44438	128288	Check	1 2774		FIRST ADVANTAGE BACKGROUND SEF		Yes	No	No	01/12/2024	77.42
FAB		44462	128289	Check	1 3789		FIRST CHOICE FOOD & BEVERAGE SO		Yes	No	No	01/12/2024	454.31
FAB		44428	128290	Check	1 2238		FURTHER		Yes	No	No	01/12/2024	56.50
FAB		44444	128291	Check	1 3269	1099	GILBERTSON, MATTHEW L		Yes	No	No	01/12/2024	91.00
FAB		44442	128292	Check	1 3131		HANSEN, PHILIP		Yes	No	No	01/12/2024	145.00
FAB		44406	128293	Check	1 01529		HILLYARD/HUTCHINSON		Yes	No	No	01/12/2024	2,282.44
FAB		44445	128294	Check	1 3282		HOGANSON, MICHAEL		Yes	No	No	01/12/2024	145.00
FAB		44413	128295	Check	1 03428		JAWASKI GLASS & REPAIR, INC.		Yes	No	No	01/12/2024	195.00
FAB		44422	128296	Check	1 1929		JOSTENS		Yes	No	No	01/12/2024	301.55
FAB		44459	128297	Check	1 3724		J-TECH MECHANICAL		Yes	No	No	01/12/2024	664.87
FAB		44432	128298	Check	1 2556		JW PEPPER		Yes	No	No	01/12/2024	87.50
FAB		44449	128299	Check	1 3386		KARLGAARD, LUKE		Yes	No	No	01/12/2024	195.00
FAB		44414	128300	Check	1 1086		KBMW 1450		Yes	No	No	01/12/2024	290.00
FAB		44400	128301	Check	1 00518		LAKES COUNTRY SERVICE COOP		Yes	No	No	01/12/2024	115.00
FAB		44435	128302	Check	1 2706		LEIGHTON BROADCASTING		Yes	No	No	01/12/2024	320.00
FAB		44425	128303	Check	1 2169		LEPP ENTERPRISES		Yes	No	No	01/12/2024	950.23
FAB		44420	128304	Check	1 1827		LUXURY LIMO BUS		Yes	No	No	01/12/2024	1,092.30
FAB		44447	128305	Check	1 3328		MARCO TECHNOLOGIES, LLC		Yes	No	No	01/12/2024	2,166.94
FAB		44405	128306	Check	1 01184		MN SCHOOL EMPLOYEES ASSOC		Yes	No	No	01/12/2024	322.30
FAB		44437	128307	Check	1 2718		MN STATE COMMUNITY AND TECHNIC/		Yes	No	No	01/12/2024	6,916.65
FAB		44465	128308	Check	1 3832		NADINE JULSON, LLC		Yes	No	No	01/12/2024	17,090.60

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Bank	Batch	Pmt No	Check No	Pay Type	Grp Code	Rcd	Vendor	Tax Class	Print	Recon	Void	Pay/Void Date	Amount
FAB		44417	128309	Check	1 1292		ND CHILD SUPPORT DIVISION		Yes	No	No	01/12/2024	457.50
FAB		44409	128310	Check	1 01946		NORTH CENTRAL INTERNATIONAL, LLC		Yes	No	No	01/12/2024	133.85
FAB		44416	128311	Check	1 1243		NORTH CENTRAL TRUCK EQUIPMENT		Yes	No	No	01/12/2024	477.50
FAB		44404	128312	Check	1 00927		NW LINKS		Yes	No	No	01/12/2024	1,612.43
FAB		44426	128313	Check	1 2193		PEMBERTON, SORLIE, RUFER &		Yes	No	No	01/12/2024	156.00
FAB		44439	128314	Check	1 2818		PETERSON, RICHARD		Yes	No	No	01/12/2024	41.00
FAB		44423	128315	Check	1 1967		PIZZA RANCH		Yes	No	No	01/12/2024	1,020.00
FAB		44450	128316	Check	1 3419		QUADIANT LEASING USA, INC.		Yes	No	No	01/12/2024	366.18
FAB		44455	128317	Check	1 3572		RED RIVER TELEPHONE ASSN		Yes	No	No	01/12/2024	775.31
FAB		44440	128318	Check	1 2844		REGION 6A		Yes	No	No	01/12/2024	200.00
FAB		44398	128319	Check	1 00411		REGION I COMPUTER SERVICES		Yes	No	No	01/12/2024	4,648.33
FAB		44441	128320	Check	1 2940		RJ MECHANICAL, INC.		Yes	No	No	01/12/2024	385.87
FAB		44430	128321	Check	1 2266		rSCHOOLTODAY		Yes	No	No	01/12/2024	562.50
FAB		44443	128322	Check	1 3224		SANFORD HEALTH OCCUPATION MEDI		Yes	No	No	01/12/2024	230.00
FAB		44408	128323	Check	1 01941		SCHMITT MUSIC CENTERS		Yes	No	No	01/12/2024	429.31
FAB		44415	128324	Check	1 1126	Remit	SCHOOL SPECIALTY		Yes	No	No	01/12/2024	207.84
FAB	01	44453	128325	Check	1 3557		SOLID TECHNOLOGY SYSTEMS		Yes	No	No	01/12/2024	6,682.40
FAB		44452	128326	Check	1 3524		SOLUTIONS		Yes	No	No	01/12/2024	750.00
FAB		44431	128327	Check	1 2524		ST. FRANCIS MEDICAL CENTER		Yes	No	No	01/12/2024	2,617.38
FAB		44407	128328	Check	1 01553		SUMMERVILLE ELECTRIC, INC.		Yes	No	No	01/12/2024	8,666.00
FAB		44461	128329	Check	1 3760		TECHCHECK		Yes	No	No	01/12/2024	28,420.92
FAB		44433	128330	Check	1 2585		TECTAAMERICA GREENBERG ROOFIN		Yes	No	No	01/12/2024	1,375.38
FAB		44434	128331	Check	1 2664		TWIN CITY HARDWARE		Yes	No	No	01/12/2024	204.45
FAB		44419	128332	Check	1 1774		VIKING COCA-COLA BOTTLING CO.		Yes	No	No	01/12/2024	1,181.60
FAB		44460	128333	Check	1 3756		Vivacity Tech		Yes	No	No	01/12/2024	219.00
FAB		44448	128334	Check	1 3385		VON HANSON'S SNACKS, INC		Yes	No	No	01/12/2024	106.73
FAB		44418	128335	Check	1 1569		WAHPETON AUTO VALVE		Yes	No	No	01/12/2024	67.44
FAB		44457	128336	Check	1 3682		WALLY'S PLUMBING SERVICES, LLC		Yes	No	No	01/12/2024	409.00
FAB		44411	128337	Check	1 02267	remit	WASTE MANAGEMENT		Yes	No	No	01/12/2024	1,353.75
FAB		44421	128338	Check	1 1890		WRIGLEY MECHANICAL, INC.		Yes	No	No	01/12/2024	1,408.00

Bank Total: \$1,313,845.14

Report Total: \$1,313,845.14

**Reconciliation of Ledger Balances with Bank Statement
Independent School District NO. 846
Breckenridge, Minnesota**

Date of Report: January 12, 2024

For the Month of December 2023

General Ledger Balances

FUNDS	Balance Beg. of Month	Debits	Credits	Balance End of Month
General Fund	\$2,490,612.98	956,246.83	946,111.05	\$2,500,748.76
Food Service	136,233.17	5,336.20	62,196.41	\$79,372.96
Comm. Serv.	211,543.14	32,071.52	22,734.56	\$220,880.10
Debt. Redemption	741,987.33	65,354.43	550.00	\$806,791.76
Trust Fund	3,356.73	0.00	0.00	\$3,356.73
Student Activities	62,146.21	2,380.69	8,575.27	\$55,951.63
TOTALS:	\$3,645,879.56	\$1,061,389.67	\$1,040,167.29	\$3,667,101.94

Bank Balances

Description	Balance Per Bank	Outstanding Checks and Wires	Deposits in Transit	Balance
Bremer	\$283,638.87	53,055.19	1,348.00	\$231,931.68
The 'Barn" Cash Box				50.00
Bank of the West (Contingent)				8,000.00
Petty Cash				400.00
TOTALS:				\$240,381.68

Investments

Minn. School District Liquid Asset Fund	5.3000%	\$ 320,994.22	
Minn. School District "MAX" Fund	5.4000%	\$3,006,906.84	
Bremer Money Market	4.0000%	\$107,259.20	
TOTALS:			\$ 3,435,160.26

TOTAL CASH AND INVESTMENTS:			\$3,675,541.94
			=====

**Breckenridge Public School
Student Activity Guideline
Period Ending December 31, 2023**

Sequence: Group-Sub, Crs

										B24								
L	Fd	Org	Pro	Fin	O/S	Crs	Class	Sub	Description	Annual Budget	Period 202406	Year To Date	% YTD	Encumbrances	+ Enc	% YTD	Remaining Balance	
00 Assets																		
B	21	101	000				100	00	Student Activities Cash	0.00	(6,194.58)	55,951.63	0%	0.00	0.00	0%	(55,951.63)	
00 Assets																		
922 Class of 2022																		
E	21	005	298	301	401	922	401	922	Class of 2022 Supplies	702.00	0.00	0.00	0%	0.00	0.00	0%	702.00	
922 Class of 2022																		
923 Class of 2023																		
B	21	401	923				400	923	Class of 2023	0.00	0.00	(1,718.31)	0%	0.00	0.00	0%	1,718.31	
E	21	005	298	301	401	923	401	923	Class of 2023 Supplies	2,000.00	0.00	0.00	0%	0.00	0.00	0%	2,000.00	
R	21	005	298	301	099	923	401	923	Class of 2023 Revenue	(1,000.00)	0.00	0.00	0%	0.00	0.00	0%	(1,000.00)	
923 Class of 2023																		
924 Class of 2024																		
B	21	401	924				400	924	Class of 2024	0.00	0.00	(4,653.81)	0%	0.00	0.00	0%	4,653.81	
E	21	005	298	301	401	924	401	924	Class of 2024 Supplies	10,000.00	0.00	0.00	0%	0.00	0.00	0%	10,000.00	
R	21	005	298	301	099	924	401	924	Class of 2024 Revenue	(15,000.00)	0.00	0.00	0%	0.00	0.00	0%	(15,000.00)	
924 Class of 2024																		
925 Class of 2025																		
R	21	005	298	301	099	925	401	925	Class of 2025 Revenue	0.00	(300.00)	(7,366.00)	0%	0.00	0.00	0%	7,366.00	
E	21	005	298	301	401	925	401	925	Class of 2025 Supplies	0.00	4,516.50	4,516.50	0%	0.00	0.00	0%	(4,516.50)	
925 Class of 2025																		
978 National Honor Society																		
B	21	401	978				400	978	National Honor Society	0.00	0.00	(505.62)	0%	0.00	0.00	0%	505.62	
E	21	005	298	301	401	978	401	978	National Honor Society Suppl	1,300.00	0.00	0.00	0%	0.00	0.00	0%	1,300.00	
R	21	005	298	301	099	978	401	978	National Honor Society Reven	(500.00)	0.00	0.00	0%	0.00	0.00	0%	(500.00)	
978 National Honor Society																		
979 High School Student Council																		
B	21	401	979				400	979	High School Student Council	0.00	0.00	(7,356.72)	0%	0.00	0.00	0%	7,356.72	
R	21	005	298	301	092	979	401	979	Interest Income	(14,352.00)	0.00	0.00	0%	0.00	0.00	0%	(14,352.00)	
R	21	005	298	301	099	979	401	979	High School Student Council I	(2,500.00)	0.00	(2,224.00)	89%	0.00	0.00	89%	(276.00)	
E	21	005	298	301	401	979	401	979	High School Student Council I	3,600.00	85.00	1,620.96	45%	0.00	0.00	45%	1,979.04	
979 High School Student Council																		
980 Letterclub																		
B	21	401	980				400	980	Letterclub	0.00	0.00	(4,768.49)	0%	0.00	0.00	0%	4,768.49	
E	21	005	298	301	401	980	401	980	Letterclub Supplies	1,000.00	11.75	58.75	6%	0.00	0.00	6%	941.25	

Breckenridge Public School Receipt Listing Report with Detail by Deposit

Deposit Co	Bank	Batch	Rct No	Receipt Type	Receipt St	Date	Check No	Pmt Type	Grp Code	Customer	Inv No	Inv Date	Inv Type	Invoice Amount	Applied Amount	Unapplied Amount	
9302	0846	FAB															
December			16182	Credit	A	12/14/23	0846 B 01 215 027	Check	1	1284 REINERTSON, PERRY Life & Disability Payable					6.00	0.00	
							0846 B 01 215 025			Group Health Payable					548.68	0.00	
														Receipt Total:	\$554.68	\$0.00	
December			16183	Credit	A	12/14/23	0846 B 01 215 025	Check	1	1293 Robin Werner Group Health Payable					1,653.58	0.00	
														Receipt Total:	\$1,653.58	\$0.00	
			16184	Credit	A	12/14/23	0846 R 01 201 258 000 621 102	Check	1	1003 HS GENERAL FUND RECI MS Band Sales					65.85	0.00	
														Receipt Total:	\$65.85	\$0.00	
			16185	Credit	A	12/14/23	0846 R 01 005 000 000 099 000	Check	1	1061 VIKING COCA-COLA BOT Misc. Revenue					563.50	0.00	
							0846 R 21 005 298 301 099 990			DECA Revenue					45.75	0.00	
														Receipt Total:	\$609.25	\$0.00	
ID			16186	Credit	A	12/14/23	0846 R 01 005 000 000 099 000	Cash	1	C1 Misc Misc. Revenue					10.00	0.00	
														Receipt Total:	\$10.00	\$0.00	
6A Distribution			16187	Credit	A	12/14/23	0846 R 01 300 292 000 050 000	Check	1	1067 REGION 6A General Athletics Fees					5,672.26	0.00	
														Receipt Total:	\$5,672.26	\$0.00	
brenda Dahlgren CTE SUB			16188	Credit	A	12/14/23	0846 R 01 005 000 000 099 000	Check	1	1014 LAKES COUNTRY SERVIC Misc. Revenue					150.00	0.00	
														Receipt Total:	\$150.00	\$0.00	
Donation for Ninja Course			16189	Credit	A	12/14/23	0846 R 04 005 591 000 099 000	Check	1	1192 BELL BANK Misc. Revenue					100.00	0.00	
														Receipt Total:	\$100.00	\$0.00	
														Deposit Total:	\$8,815.62	\$0.00	
9303	0846	FAB															
			16190	Credit	A	12/04/23	0846 R 01 100 791 000 053 000	Check	1	1004 ELEM GENERAL FUND DE Elem Roller Skating Revenue					995.00	0.00	
							0846 R 02 005 770 701 601 000			Student Lunch Sales					641.00	0.00	

Breckenridge Public School Receipt Listing Report with Detail by Deposit

Deposit Co	Bank	Batch	Rct No	Receipt Type	Receipt St	Date	Check No	Pmt Type	Grp Code	Customer	Inv No	Inv Date	Inv Type	Invoice Amount	Applied Amount	Unapplied Amount							
9303	0846	FAB	16190	Credit A	12/04/23	0846 R 01 299	249	000 040	1004	ELEM GENERAL FUND DE Drivers Ed Tuition				650.00		0.00							
														Receipt Total:	\$2,286.00	\$0.00							
														Deposit Total:	\$2,286.00	\$0.00							
9304	0846	FAB	16191	Credit A	12/07/23	0846 R 01 300	296	000 060	1003	HS GENERAL FUND RECI HS Girls Activity Tickets Reve				80.00		0.00							
														0846 R 01 300	792	000 621	000	HS Concessions Sale of Mate			381.00		0.00
														0846 R 01 300	294	000 060	212	HS Boys Wrestling Revenue			520.00		0.00
														0846 R 01 005	000 099	000	Misc. Revenue				185.00		0.00
														0846 R 01 300	292	000 050	000	General Athletics Fees			150.00		0.00
														0846 R 01 300	291	000 060	232	Yearbook Ads			775.00		0.00
														0846 R 02 005	770	701 601	000	Student Lunch Sales			80.00		0.00
														0846 R 21 005	298	301 099	990	DECA Revenue			171.00		0.00
														0846 R 21 005	298	301 099	990	DECA Revenue			192.00		0.00
														0846 R 21 005	298	301 099	925	Class of 2025 Revenue			300.00		0.00
														Receipt Total:	\$2,834.00	\$0.00							
														Deposit Total:	\$2,834.00	\$0.00							
9305	0846	FAB	16192	Credit A	12/11/23	0846 R 01 300	792	000 621	1003	HS GENERAL FUND RECI HS Concessions Sale of Mate				1,270.00		0.00							
														0846 R 01 300	294	000 060	202	HS Boys Basketball Revenue			563.00		0.00
														0846 R 01 300	294	000 060	212	HS Boys Wrestling Revenue			630.00		0.00
														Receipt Total:	\$2,463.00	\$0.00							
														Deposit Total:	\$2,463.00	\$0.00							
9306	0846	FAB	16193	Credit V	12/11/23	0846 R 04 005	570	321 040	1009	COMMUNITY EDUCATION School Age Care Tuition from				94.50		0.00							
														0846 R 04 005	591	000 050	202	Youth Basketball Fees			370.00		0.00
														0846 R 04 005	591	000 050	204	Youth Football Fees			85.00		0.00
														0846 R 04 005	591	000 050	208	Summer Youth Enrichment Fe			60.00		0.00
														0846 R 04 005	591	000 050	211	Youth Volleyball Fees			135.00		0.00
														0846 R 04 005	591	000 621	225	Youth Program Concessions			2,649.25		0.00

Breckenridge Public School Receipt Listing Report with Detail by Deposit

Deposit Co	Bank	Batch	Rct No	Receipt Type	Receipt St	Receipt Date	Check No	Check Date	Pmt Type	Grp Code	Customer	Inv No	Inv Date	Inv Type	Invoice Amount	Applied Amount	Unapplied Amount
9306	0846	FAB		16193	Credit	V	12/11/23		Check	1	1009	COMMUNITY EDUCATION					
				0846	R	04	005	591	000	050	201	Youth Baseball Fees			175.00	175.00	0.00
				0846	R	04	005	591	000	050	208	Golf			30.00	30.00	0.00
															\$3,598.75	\$3,598.75	\$0.00
															\$3,598.75	\$3,598.75	\$0.00
9307	0846	FAB		16194	Credit	A	12/15/23		Check	1	1004	ELEM GENERAL FUND DE					
				0846	R	01	100	791	000	053	000	Elem Roller Skating Revenue			181.00	181.00	0.00
				0846	R	04	005	582	344	040	000	School Readines Tuition from			170.00	170.00	0.00
				0846	R	02	005	770	701	601	000	Student Lunch Sales			459.00	459.00	0.00
				0846	R	01	299	249	000	040	000	Drivers Ed Tutition			1,300.00	1,300.00	0.00
															\$2,110.00	\$2,110.00	\$0.00
															\$2,110.00	\$2,110.00	\$0.00
9308	0846	FAB		16195	Credit	A	12/15/23		Check	1	1003	HS GENERAL FUND RECI					
				0846	R	01	300	792	000	621	000	HS Concessions Sale of Mate			853.00	853.00	0.00
				0846	R	01	300	294	000	060	202	HS Boys Basketball Revenue			644.00	644.00	0.00
				0846	R	01	300	291	000	060	232	Yearbook Ads			350.00	350.00	0.00
				0846	R	21	005	298	301	099	982	HS Band Revenue			599.00	599.00	0.00
				0846	R	21	005	298	301	099	990	DECA Revenue			62.00	62.00	0.00
															\$2,508.00	\$2,508.00	\$0.00
															\$2,508.00	\$2,508.00	\$0.00
9309	0846	FAB		16196	Credit	A	12/15/23		Check	1	1009	COMMUNITY EDUCATION					
				0846	R	04	005	591	000	050	212	Youth Wrestling Fees			700.00	700.00	0.00
				0846	R	04	005	591	000	050	208	Cheerleading			60.00	60.00	0.00
															\$760.00	\$760.00	\$0.00
															\$760.00	\$760.00	\$0.00
9310	0846	FAB		16197	Credit	A	12/21/23		Check	1	1003	HS GENERAL FUND RECI					
				0846	R	01	300	792	000	621	000	HS Concessions Sale of Mate			1,658.00	1,658.00	0.00
				0846	R	01	300	294	000	060	202	HS Boys Basketball Revenue			734.00	734.00	0.00
				0846	R	01	300	296	000	060	202	HS Girls Basketball Revenue			650.00	650.00	0.00

Breckenridge Public School Receipt Listing Report with Detail by Deposit

Deposit Co	Bank	Batch	Rct No	Receipt Type	Receipt St	Receipt Date	Check No	Pmt Type	Grp Code	Customer	Inv No	Inv Date	Inv Type	Invoice Amount	Applied Amount	Unapplied Amount
9314	0846	FAB	16201	Credit A	12/30/23			Check 1	1002	STATE OF MINNESOTA						
					0846	R 04 005 582	344	300	000	School Readines State Aids				9,279.24		0.00
					0846	R 04 005 580	325	300	000	ECFE State Aid				5,055.41		0.00
					0846	R 04 005 583	354	300	000	Preschool Screening State Aic				303.30		0.00
														\$306,467.94		\$0.00
														\$306,467.94		\$0.00
9315	0846	FAB	16202	Credit A	12/31/23			Check 1	1009	COMMUNITY EDUCATION						
					0846	R 04 005 505	321	040	000	Comm Ed Tuition				22.00		0.00
					0846	R 04 005 570	321	040	000	School Age Care Tuition from				5,315.00		0.00
					0846	R 04 005 580	325	040	000	ECFE Tuition				88.00		0.00
					0846	R 04 005 591	000	050	212	Youth Wrestling Fees				910.00		0.00
														\$6,335.00		\$0.00
														\$6,335.00		\$0.00
9316	0846	FAB	16203	Credit A	12/31/23			Check 1	1003	HS GENERAL FUND RECI						
					0846	R 01 299 249	000	040	000	Drivers Ed Tuition				975.00		0.00
					0846	R 01 300 258	000	050	000	HS Music Fees				65.00		0.00
					0846	R 01 300 292	000	050	000	General Athletics Fees				200.00		0.00
					0846	R 01 300 296	000	060	214	HS Girls Activity Tickets Reve				315.00		0.00
					0846	R 02 005 770	701	601	000	Student Lunch Sales				3,906.20		0.00
					0846	R 01 300 291	000	060	232	Yearbook Ads				30.00		0.00
					0846	R 21 005 298	301	099	989	Drama Club Revenue				75.00		0.00
					0846	R 01 100 791	000	053	000	Elem Roller Skating Revenue				130.00		0.00
														\$5,696.20		\$0.00
														\$5,696.20		\$0.00
9317	0846	FAB	16204	Credit A	12/31/23			Check 1	1003	HS GENERAL FUND RECI						
					0846	R 21 005 298	301	099	990	DECA Revenue				600.88		0.00
					0846	B 01 212 001				Sales Taxes Payable				0.06		0.00
														\$600.94		\$0.00
														\$600.94		\$0.00

Breckenridge Public School Receipt Listing Report with Detail by Deposit

Deposit Co	Bank	Batch	Rct No	Receipt Type	Receipt St	Receipt Date	Check No	Pmt Type	Grp Code	Customer	Inv No	Inv Date	Inv Type	Invoice Amount	Applied Amount	Unapplied Amount
9321	0846	FAB	16209	Credit	V	12/31/23	0846 R 04 005 570	321 040 000	1009	COMMUNITY EDUCATION					(94.50)	0.00
															(\$3,598.75)	\$0.00
															(\$3,598.75)	\$0.00
															\$787,498.53	\$0.00

Receipt Total:

Deposit Total:

Report Total:

Breckenridge Public School-Contingent Account
Account Summary
December 2023

	<u>Dec 23</u>
Ordinary Income/Expense	
Expense	
01300291000369256 Band Enty Fee	120.00
04005505321319000 CE Class Fees	398.00
04005570321369000 SACC EntryFee	60.00
04005591000142202 BBB Coach	320.00
04005591000319202 Y Bskt Officl	190.00
	<hr/>
Total Expense	1,088.00
	<hr/>
Net Ordinary Income	-1,088.00
	<hr/>
Net Income	-1,088.00
	<hr/> <hr/>

**Breckenridge Public School-Contingent Account
Transaction List by Date
December 2023**

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
Dec 23				
12/08/2023	27043	Morgan Navratil	3rd-6th GBB	-320.00
12/11/2023	27044	The Formidable Genealogist, LLC	Intro to Online Genealogy	-20.00
12/11/2023	27045	Three Rivers Gymnastics	Early Out 11.13	-60.00
12/15/2023	27046	MBDA	Honor Band Fee	-120.00
12/15/2023	27047	Aidan Sanchez	YP Boys Basketball	-40.00
12/15/2023	27048	Connor Ernst	YP Boys Basketball	-40.00
12/15/2023	27049	Jaxton Graves-Bolte	YP Boys Basketball	-40.00
12/15/2023	27050	Spencer Boesen	YP Boys Basketball	-40.00
12/15/2023	27051	Jalie Ernst	YP Boys Basketball	-30.00
12/28/2023	27052	Mary Morris	Fall Dog Obedience	-378.00
Dec 23				

**Breckenridge Public School-Contingent Account
Transaction List by Date-Contingent Book
December 2023**

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Split</u>	<u>Amount</u>
Dec 23						
Check	12/08/2023	27043	Morgan Navratil	3rd-6th GBB	04005591000142202 BBB Coach	-320.00
Check	12/11/2023	27044	The Formidable Gene...	Intro to Online Geneal...	04005505321319000 CE Class Fees	-20.00
Check	12/11/2023	27045	Three Rivers Gymnast...	Early Out 11.13	04005570321369000 SACC Entry...	-60.00
Check	12/15/2023	27046	MBDA	Honor Band Fee	01300291000369256 Band Enty Fee	-120.00
Check	12/15/2023	27047	Aidan Sanchez	YP Boys Basketball	04005591000319202 Y Bskt Officl	-40.00
Check	12/15/2023	27048	Connor Ernst	YP Boys Basketball	04005591000319202 Y Bskt Officl	-40.00
Check	12/15/2023	27049	Jaxton Graves-Bolte	YP Boys Basketball	04005591000319202 Y Bskt Officl	-40.00
Check	12/15/2023	27050	Spencer Boesen	YP Boys Basketball	04005591000319202 Y Bskt Officl	-40.00
Check	12/15/2023	27051	Jalie Ernst	YP Boys Basketball	04005591000319202 Y Bskt Officl	-30.00
Check	12/28/2023	27052	Mary Morris	Fall Dog Obedience	04005505321319000 CE Class Fees	-378.00
Dec 23						

C. Hires

1. McKala Carroll, SpEd Para-Educator

D. Resignations

1. Lesley Salinas, SpEd Para-Educator
2. Cheryl Ferrell, Head Girl's Golf Coach

E. Extra Curricular Contracts

F. Enrollment

22

2023-2024 Enrollment Numbers

	August	September	October	November	December	January	February	March	April	May	June '23							
K	40	42	42	43	43	44						39						
1	37	34	34	33	34	34						46						
2	45	44	44	45	45	46						45						
3	43	42	42	44	45	45						34						
4	28	29	29	28	28	30						30						
5	29	28	28	26	26	27						42						
6	41	37	36	38	38	36						40						
7	51	44	47	47	46	49						56						
8	56	56	55	54	54	56						62						
9	59	62	64	67	68	66						66						
10	65	57	64	62	63	63						50						
11	45	53	51	54	50	52						53						
12	51	55	53	53	53	53						63	Graduated 64 Seniors Class of '23 (We had a "super, super Senior" that finished their last credit in September & walked in Spring)					
												626						
ALP only		0	0	0	0	0						2						
Total	590	588	589	594	593	601						655						
Pre-School	50	61	61	61	61	61						40						
Grand Total												695						
																		22
PSEO		5	5	5	5	5						2						
VL		6	6	12	12	12						9						
MS St. Mary's		12	12	12	12	12						16						
El. St. Mary's		20	29	29	29	29						13						
Homeschool		11	28	27	27	27						42						

6. Communications

A. Ex-officio Student Representatives

B. Dean of Students

C. K-12 Principal

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Breckenridge Elementary School

Breckenridge Pride...Inspiring to Excel



K-12 Board Report January 2024

#1 BOARD VALUE: To provide a world-class education for Breckenridge students.

#2 BOARD VALUE: The board values the need for individualized learning and will prioritize our resources to support student achievement through active and engaging learning.

Breckenridge Pride:

- Student Showcase Night
- Ms. Erickson's Government class wrote children's books on various Presidents. Her students then came over to several elementary classrooms to read their stories to the students.
- The Breckenridge High School Knowledge Bowl team had a successful meet on Jan. 10 in Fergus Falls.

Instructional Leadership Team

- Behavior Flow Chart for K-12
 - Identify behaviors and the different levels.
 - Major/Minors
 - Develop consistency throughout the two buildings with behaviors that impact TEACHING AND LEARNING.
 - [Elem behavior flow chart](#)

Student Showcase Night:

- Jan. 8, 2024 5:00-8:30 pm
- Make up activity for those not in attendance (34 students)
- Attendance:
 - 6th 34/36 present (94%)
 - 5th 22/27 present (1 newly enrolled of 5 absent; 81%)
 - 7-12th - 274/308 present (89%)
- Program: [SKM_C450i24010715061.pdf](#)

Workshop Day - Jan. 15, 2024

- MCA training for all staff
- AI resources presented by Miriam
- Adolf Brown - motivational speaker w/Wahpeton Schools

Principal for a Day with Senator Jordan Rasmussen:

- Met with K-12 Staff at the morning staff meeting.

Breckenridge Elementary School

Breckenridge Pride...Inspiring to Excel

- Topics of discussion:
 - TRA
 - Read Act Expectations
 - Non-Exclusionary Discipline Expectations
 - Need funding, resources and time to complete these mandates.
- Met with Student Council and Board Reps for a Q & A
 - Shared his story and early involvement with the Student Council and other leadership roles that helped prepare him for his current role.
 - Shared with them opportunities they might have to participate in as pages, interns, etc at the capitol.
- Toured both buildings...talked with teachers individually, visited classrooms, ate lunch w/students, etc.

D. Facilities Manager

E. Business Manager

F. Superintendent

G. Committee Reports

7. Old Business

A. Adopt Policies 102; 722

27

Adopted: 07/13/2004

Breckenridge ISD 846 Policy 102

Orig. 1995

Revised: ~~4/20/2022~~ 1- -2024

Rev. 202~~4~~3

102 EQUAL EDUCATIONAL OPPORTUNITY

I. PURPOSE

The purpose of this policy is to ensure that equal educational opportunity is provided for all students of the school district.

II. GENERAL STATEMENT OF POLICY

- A. The policy of the school district is to provide equal educational opportunity for all students. The school district does not unlawfully discriminate on the basis of race, color, creed, religion, national origin, sex, marital status, parental status, status with regard to public assistance, disability, sexual orientation, including gender identity and expression, or age. The school district also makes reasonable accommodations for students with disabilities.
- B. The school district prohibits harassment and discrimination of any individual based on any of the protected classifications listed above. For information about the types of conduct that constitute violation of the school district's policy on harassment and violence and the school district's procedures for addressing such complaints, refer to the school district's policy on harassment and violence. (Policy 413)
- C. The school district prohibits discrimination of students with a disability, within the intent of Section 504 of the Rehabilitation Act of 1973 ("Section 504"), who need services, accommodations, or programs in order to receive a free appropriate public education. For information as to protections that may apply pursuant to Section 504 and the school district's corresponding procedures for addressing disability discrimination complaints, refer to the school district's policy on student disability nondiscrimination (Policy 521).
- D. The school district prohibits sexual harassment discrimination of any individual on the basis of sex in its education programs or activities. For information as to the protections that apply pursuant to Title IX and school district's corresponding procedures and processes for addressing sexual harassment and discrimination, refer to the school district's policy on Title IX sex nondiscrimination (Policy 522).
- E. **The school district shall provide equal opportunity for members of each sex and to members of all races and ethnicities to participate in its athletic program. In determining whether equal opportunity to participate in athletic programs is available for the purposes of this law, at least the following factors shall be**

considered to the extent that they are applicable to a given situation: whether the opportunity for males and females to participate in the athletic program reflects the demonstrated interest in athletics of the males and females in the student body of the educational institution; whether the opportunity for members of all races and ethnicities to participate in the athletic program reflects the demonstrated interest in athletics of members of all races and ethnicities in the student body of the educational institution; whether the variety and selection of sports and levels of competition effectively accommodate the demonstrated interests of members of each sex; whether the variety and selection of sports and levels of competition effectively accommodate the demonstrated interests of members of all races and ethnicities; the provision of equipment and supplies; scheduling of games and practice times; assignment of coaches; provision of locker rooms; practice and competitive facilities; and the provision of necessary funds for teams of one sex.

- FE.** This policy applies to all areas of education including academics, coursework, co-curricular and extracurricular activities, or other rights or privileges of enrollment.
- GF.** Every school district employee shall be responsible for complying with this policy.
- HG.** Any student, parent, or guardian having a question regarding this policy should discuss it with the appropriate school district official as provided by policy. In the absence of a specific designee, an inquiry or a complaint should be referred to the superintendent.

Legal References: Minn. Stat. § 121A.03, Subd. 2 (Sexual, Religious, and Racial Harassment and Violence Policy)
Minn. Stat. § 121A.04 (Athletic Programs; Sex Discrimination)
Minn. Stat. Ch. 363A (Minnesota Human Rights Act)
20 U.S.C. § 1681 *et seq.* (Title IX of the Education Amendments of 1972)
42 U.S.C. § 2000d *et seq.* (Title VI of the Civil Rights Act of 1964)
42 U.S.C. § 12101 *et seq.* (Americans with Disabilities Act)

Cross References: Policy 413 (Harassment and Violence)
Policy 521 (Student Disability Nondiscrimination)
Policy 522 (Title IX Sex Nondiscrimination Policy, Grievance Procedure and Process)

INDEPENDENT SCHOOL DISTRICT NO. 846
PUBLIC DATA REQUEST FORM

TO BE COMPLETED BY THE REQUESTOR

REQUESTOR NAME (NOT REQUIRED):	PHONE NUMBER:*
ADDRESS:*	EMAIL ADDRESS:*
DATE OF REQUEST:	
DESCRIPTION OF THE INFORMATION REQUESTED: (attach additional page if necessary)	
MANNER IN WHICH RESPONSIVE DATA IS TO BE PROVIDED:	
INSPECTION ONLY _____ COPIES ONLY** _____ BOTH INSPECTION AND COPIES _____ **	
**Inspection is free, but there is a charge for copies. Payment must be received before copies will be provided.	

FOR OFFICE USE ONLY

DATE REQUEST RECEIVED:	REQUEST RECEIVED BY:
DATE OF RESPONSE:	RESPONSE PROVIDED BY:

* Requestor’s name is optional. However, contact information is necessary to mail/email the data. Also, contact information is needed if the school district does not understand the request. We will not work on such a request until clarified.

8. New Business

A. Resolution Accepting Donations

B. Final Audit Report

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**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota**

**AUDITED FINANCIAL STATEMENTS
Year Ended June 30, 2023**

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota**

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**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
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**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota**

**OFFICIAL DIRECTORY
June 30, 2023**

Brett Johnson	Chair
Steven Arnhalt	Vice-Chair
Justin Nepl	Treasurer
Shawn Krause Roberts	Clerk
Marc Hasbargen	Director
Clayton Ernst	Director
Ty Mikkelson	Director
Kristie Sullivan	Superintendent
Dessica Komestakes	Business Manager



INDEPENDENT AUDITOR'S REPORT

School Board
Breckenridge Public Schools
Breckenridge, 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 the Breckenridge Public Schools ("the District"), as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position, and the respective budgetary comparison for the general fund 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 Auditor's 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.

Auditor's 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 auditor's 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, schedules of employer's proportionate share of net pension and OPEB pension liability, schedules of employer contributions, and notes to required supplementary information presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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 nonmajor governmental funds – combining balance sheet, nonmajor governmental funds – combining schedule of revenues, expenditures, and changes in fund balance, schedule of changes in UFARS fund balances – General Fund, uniform financial accounting reporting standards compliance table, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 nonmajor governmental funds – combining balance sheet, nonmajor governmental funds – combining schedule of revenues, expenditures, and changes in fund balance, schedule of changes in UFARS fund balances – General Fund, uniform financial accounting reporting standards compliance table, and schedule of expenditures of federal awards are 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 official directory but does not include the basic financial statements and our auditor’s 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2023 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 the District’s internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with Legal Compliance Audit Guide prepared by the Office of the State Auditor pursuant to Minn. Stat. §6.65, we have also issued a report dated December 31, 2023, on our consideration of the District’s compliance with aspects of the provisions of the Minnesota Legal Compliance Audit Guide for School Districts. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not directed primarily toward obtaining knowledge of noncompliance. That report is an integral part of procedures performed in accordance with Office of the State Auditor’s Minnesota Legal Compliance Audit Guide for School Districts in considering the District’s compliance with certain regulatory requirements pursuant to Minn. Stat. §6.65.



Nadine Julson, LLC
Wahpeton, North Dakota
December 31, 2023

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023**

The Management's Discussion and Analysis (MD&A) of the Breckenridge Public Schools's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023, with comparative data for the fiscal year ended June 30, 2022. The intent of the MD&A is to look at the District's financial performance as a whole. It should, therefore, be read in conjunction with the basic financial statements and related notes.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2023 are as follows:

- General Fund 01 – The overall revenues were \$9,031,971 while the overall expenditures were \$9,020,743. Net other financing sources were \$112,293.
- Food Service Fund 02 – The overall revenues were \$549,700 while the overall expenditures were \$538,308.
- Community Service Fund 04 – The overall revenues were \$472,061 while the overall expenditures were \$394,683.
- Debt Service Fund 07 – The overall revenues were \$744,791 while the overall expenditures were \$763,127.

Using this Annual Report

This annual financial report consists of a series of statements and related footnotes. These statements are organized so that the reader can understand the District as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. These statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's general fund with all other governmental funds presented in total in one column.

Reporting on the District as a Whole

Statement of Net Position and Statement of Activities

These statements are summaries of all the funds used by the District to provide programs and activities and attempt to answer the question "How did the District do financially during the year ended June 30, 2023?" The Statement of Net Position presents information on all the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information on how the District's net position changed during the fiscal year. This statement is presented using the accrual basis of accounting, which means that all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes).

These two statements report the District's net position and changes in net position. The change in net position is important because it tells the reader whether, for the District as a whole, the financial position of the District has improved or deteriorated. The causes of this change may be the result of many factors, some financial and some not.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, administration, district support services, regular instruction, vocational education, special education instruction, community education and services, instructional support services, pupil support services, sites and buildings, and fiscal and other fixed cost programs.

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Management's Discussion and Analysis - Continued

Reporting on the District's Most Significant Funds

The District uses separate funds to account for and manage money dedicated for particular purposes (e.g. taxes collected from special mill levies and funds received from grants and donations). The fund basic financial statements allow the District to demonstrate its stewardship over the accountability for resources provided by taxpayers and other entities. Fund financial statements provide detailed information about the District's major funds. Using the criteria established by GASB Statement No. 34, the District's general fund and debt service fund are considered a "major fund." The District's other funds, food service and community service, are used to account for a multitude of financial transactions and is summarized under the heading "Other Governmental Funds".

The District also reports fiduciary funds where the District is the trustee for assets that belong to others. The District is responsible for ensuring the assets reported in these funds are used only by those to whom the assets belong.

Financial Analysis of the District as a Whole

Table I provides a summary of the District's net position as of June 30, 2023 and 2022. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the year ended June 30, 2023 net position increased by \$1,839,134.

Table I
Net Position
June 30,

	2023	2022
Assets and Deferred Outflows of Resources		
Current Assets	\$ 5,503,939	\$ 5,273,265
Capital Assets, net of depreciation	12,843,352	13,126,645
Deferred Outflows of Resources	1,889,405	2,057,319
Total Assets and Deferred Outflows of Resources	20,236,696	20,457,229
Liabilities and Deferred Inflows of Resources		
Current Liabilities	1,426,271	1,641,171
Long-term Liabilities	12,585,035	10,029,957
Deferred Inflows of Resources	3,142,514	7,542,359
Total Liabilities and Deferred Inflows of Resources	17,153,820	19,213,487
NET POSITION		
Net Investment in Capital Assets	6,354,122	6,059,310
Restricted	785,340	754,032
Unrestricted (Deficit)	(4,056,586)	(5,569,600)
Total Net Position	\$ 3,082,876	\$ 1,243,742

The District's net position at June 30, 2023 is segregated into three separate categories. Net position invested in capital assets (net of related debt) are not available for future spending. Restricted net position represents resources that are subject to external restrictions on how they must be spent. The remaining unrestricted net positions are available to meet the District's ongoing obligations.

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Management's Discussion and Analysis - Continued

Table II shows the changes in net position for the fiscal years ended June 30, 2023 and 2022.

Table II
Changes in Net Position
Years Ended June 30,

	2023	2022
Revenues		
Program Revenues		
Charges for Services	\$ 405,762	\$ 591,188
Operating Grants and Contributions	1,677,644	1,686,616
General Revenues		
Property Taxes	1,352,624	1,228,805
State Aid-Unrestricted	7,250,092	6,687,608
Interest and Miscellaneous Earnings	109,260	55,872
Total Revenues	<u>\$ 10,795,382</u>	<u>\$ 10,250,089</u>
Expenses		
Administration	\$ 683,945	\$ 672,692
District Support Services	299,072	320,148
Regular Instruction	2,864,054	3,749,245
Vocational Instruction	131,382	154,838
Special Education Instruction	1,343,713	1,336,246
Community Education and Services	394,683	404,605
Instructional Support Services	320,348	531,231
Pupil Support Services	1,580,731	1,387,540
Sites and Buildings	1,140,116	1,226,659
Fiscal and Other Fixed Cost Programs	198,204	249,806
Total Expenses	<u>8,956,248</u>	<u>10,033,010</u>
Change in Net Position	<u>\$ 1,839,134</u>	<u>\$ 217,079</u>

Unrestricted state aid constituted 67.2%, operating grants and contributions 15.5%, property tax 12.5%, and charges for services made 3.8% of the total revenues of governmental activities of the District for the fiscal year ended June 30, 2023. Regular instruction constituted 32.0%, pupil support services 17.6%, special education instruction 15.0% and sites and buildings 12.7% of total expenses for governmental activities during the fiscal year ended June 30, 2023.

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Management's Discussion and Analysis - Continued**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table III shows the total cost of services and the net cost of services. It identifies the cost of these services supported by tax revenue and other unrestricted revenues.

**Table III
Total and Net Cost of Services
Years Ended June 30,**

	Total Cost		Net Cost	
	2023	2022	2023	2022
Administration	\$ 683,945	\$ 672,692	\$ 683,945	\$ 672,692
District Support Services	299,072	320,148	293,197	320,148
Regular Instruction	2,864,054	3,749,245	1,981,472	1,471,441
Vocational Instruction	131,382	154,838	131,382	154,838
Special Education Instruction	1,343,713	1,336,246	1,246,602	1,336,246
Community Education and Services	394,683	404,605	3,524	404,605
Instructional Support Services	320,348	531,231	320,348	531,231
Pupil Support Services	1,580,731	1,387,540	874,052	1,387,540
Sites and Buildings	1,140,116	1,226,659	1,140,116	1,226,659
Fiscal and Other Fixed Cost Programs	198,204	249,806	198,204	249,806
Total Expenses	<u>\$ 8,956,248</u>	<u>\$ 10,033,010</u>	<u>\$ 6,872,842</u>	<u>\$ 7,755,206</u>

Financial Analysis of the Government's Funds

The purpose of the District's governmental funds is to provide information on the near-term inflows, outflows, and balances of available resources. Unreserved fund balance generally can be used as a measure of the District's net resources available for spending as of the end of the fiscal year. These funds are accounted for using the modified accrual basis of accounting.

The District's governmental funds had total revenue of \$10,798,523 and expenditures of \$10,716,861 for the fiscal year ended June 30, 2023. The unassigned fund balance of the District's general fund was \$2,232,228.

General Fund Budgetary Highlights

During the year, revenues were more than budgetary estimates by \$246,392 and expenditures were more than budgetary estimates by \$168,431. Additional information on the District's budget can be found in Note 2 of the audited financial statements that follow this analysis.

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Management's Discussion and Analysis - Continued**

Capital Assets

As of June 30, 2023, the District had \$12,843,352 invested in capital assets. Table IV shows the balances at June 30, 2023 and 2022. For additional information regarding capital assets, readers are referred to Note 5.

**Table IV
Capital Assets
(Net of Accumulated Depreciation/Amortization)
Years Ended June 30,**

	2023	2022
Land	\$ 186,000	\$ 186,000
Buildings and Improvements	11,763,032	12,143,740
Equipment	676,197	588,372
Land Improvements	115,125	119,945
Right to Use Leased Assets	102,998	88,588
Total Capital Assets	<u>\$ 12,843,352</u>	<u>\$ 13,126,645</u>

Debt Administration

As of June 30, 2023, the District had \$6,489,230 of outstanding debt a decrease of \$578,105 from the previous fiscal year. For additional information regarding the outstanding debt, readers are referred to Note 6.

**Table V
Outstanding Debt
Years Ended June 30,**

	Total Outstanding		Due Within One Year	
	2023	2022	2023	2022
General Obligation Bonds Payable	\$ 6,110,000	\$ 6,650,000	\$ 605,000	\$ 540,000
Leases Payable	103,398	116,501	21,060	116,501
Bond Premium	275,832	300,834	25,002	36,022
Total	<u>\$ 6,489,230</u>	<u>\$ 7,067,335</u>	<u>\$ 651,062</u>	<u>\$ 692,523</u>

For the Future

The District enrollment for the fiscal year ended June 30, 2023, decreased slightly from the previous year. Enrollment is a source of stress for the District's financial future since Minnesota school districts are paid based upon pupil units served. An increased decline in enrollment results in less revenue being received for operations.

The District anticipates revenue shortfalls from regular activities, however additional federal money was received through the CARES Act during 2023. The District has maintained strong reserve balances which will help bridge financial gaps.

Contacting the District's Financial Management

This financial report is designed to provide our parents, taxpayers and creditors with a general overview of the Breckenridge Public Schools's finances and to show the District's accountability for the money it receives to provide the best possible education to all students enrolled in the District. Anyone who has questions about information contained in this report or who is interested in receiving additional information is encouraged to contact the District Business Office at 810 Beede Ave. Breckenridge, Minnesota.

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota

STATEMENT OF NET POSITION
June 30, 2023

ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 3,614,476
Receivables	
Current Property Taxes	1,017,808
Delinquent Property Taxes	4,755
Accounts	12,606
Due from Other Governmental Units	844,005
Inventories	10,289
Total Current Assets	5,503,939
Capital Assets	
Non-depreciable	
Land	186,000
Depreciable, net of accumulated depreciation	
Buildings and Improvements	11,763,032
Equipment	676,197
Land Improvements	115,125
Right to Use Leased Assets	102,998
Total Capital Assets	12,843,352
Total Assets	18,347,291
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension & OPEB	1,889,405
Total Assets and Deferred Outflows of Resources	20,236,696
LIABILITIES	
Current Liabilities	
Accounts Payable	140,031
Due To Other Governmental Units	27
Salaries Payable	577,895
Unearned Revenue	13,521
Interest Payable	43,735
Current Portion of Long-term Debt	
General Obligation Bonds Payable	605,000
Leases Payable	21,060
Bond Premium	25,002
Total Current Liabilities	1,426,271
Due After One Year	
General Obligation Bonds Payable	5,505,000
Leases Payable	82,338
Bond Premium	250,830
Compensated Absences	55,593
Pension & OPEB Liability	6,691,274
Total Long-term Liabilities	12,585,035
Total Liabilities	14,011,306
DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied for Subsequent Year	1,757,646
Deferred Inflows Related to Pension & OPEB	1,384,868
Total Deferred Inflows of Resources	3,142,514
Total Liabilities and Deferred Inflows of Resources	17,153,820
NET POSITION	
Net Investment in Capital Assets	6,354,122
Restricted	785,340
Unrestricted (Deficit)	(4,056,586)
Total Net Position	\$ 3,082,876

See Notes to Financial Statements

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota**

**STATEMENT OF ACTIVITIES
Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Administration	\$ 683,945	\$ -	\$ -	\$ (683,945)
District Support Services	299,072	4,775	1,100	(293,197)
Regular Instruction	2,864,054	37,685	844,897	(1,981,472)
Vocational Instruction	131,382	-	-	(131,382)
Special Education Instruction	1,343,713	-	97,111	(1,246,602)
Community Education and Services	394,683	109,655	281,504	(3,524)
Instructional Support Services	320,348	-	-	(320,348)
Pupil Support Services	1,580,731	253,647	453,032	(874,052)
Sites and Buildings	1,140,116	-	-	(1,140,116)
Fiscal and Other Fixed Cost Programs	198,204	-	-	(198,204)
	<u>\$ 8,956,248</u>	<u>\$ 405,762</u>	<u>\$ 1,677,644</u>	(6,872,842)
General Revenues				
Taxes				
				904,421
				378,241
				69,962
				7,250,092
				64,080
				7,683
				37,497
				<u>8,711,976</u>
				1,839,134
				<u>1,243,742</u>
				<u>\$ 3,082,876</u>

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota**

**BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2023**

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	Debt Service		
ASSETS				
Cash and Cash Equivalents	\$ 2,909,171	\$ 327,677	\$ 377,628	\$ 3,614,476
Current Property Taxes	438,799	546,436	32,573	1,017,808
Delinquent Property Taxes	2,460	2,078	217	4,755
Accounts	12,606	-	-	12,606
Due from Other Governmental Units	799,453	36,399	8,153	844,005
Inventories	-	-	10,289	10,289
Total Assets	4,162,489	912,590	428,860	5,503,939
LIABILITIES				
Accounts Payable	120,449	-	19,582	140,031
Due To Other Governmental Units	27	-	-	27
Salaries Payable	571,519	-	6,376	577,895
Unearned Revenue	-	-	13,521	13,521
Total Liabilities	691,995	-	39,479	731,474
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	2,460	2,078	217	4,755
Property Taxes Levied for Subsequent Year	908,375	775,110	74,161	1,757,646
Total Deferred Inflows of Resources	910,835	777,188	74,378	1,762,401
FUND BALANCE				
Nonspendable	-	-	10,289	10,289
Restricted	327,431	135,402	304,714	767,547
Unassigned	2,232,228	-	-	2,232,228
Total Fund Balance	2,559,659	135,402	315,003	3,010,064
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 4,162,489	\$ 912,590	\$ 428,860	\$ 5,503,939

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2023**

Total Fund Balance - Governmental Funds		\$ 3,010,064
Total net position reported for government activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds.		
Cost of Capital Assets	22,545,529	
Less Accumulated Depreciation	(9,702,177)	
Net Capital Assets	<u>12,843,352</u>	12,843,352
Property taxes receivable 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 unavailable revenue in the funds.		
		4,755
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditures when due. All liabilities, both current and long-term are reported in the statement of net position. Balances at the end of the year are reported in the statement of net position.		
Interest Payable	(43,735)	
Compensated Absences Payable	(55,593)	
General Obligation Bonds Payable	(6,110,000)	
Leases Payable	(103,398)	
Bond Premium	(275,832)	
Pension & OPEB Liability	(6,186,737)	
Total Long-term Liabilities	<u>(12,775,295)</u>	(12,775,295)
Total Net Position of Governmental Activities		<u>\$ 3,082,876</u>

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

	Major Funds			Total Governmental Funds
	General Fund	Debt Service	Other Governmental Funds	
REVENUES				
Local Property Tax Levies	\$ 880,955	\$ 381,569	\$ 70,370	\$ 1,332,894
Other Local Sources	374,520	-	458,141	832,661
Investment Earnings	64,080	-	-	64,080
State Sources	6,943,633	363,222	148,857	7,455,712
Federal Sources	759,949	-	344,393	1,104,342
Sale of Assets	8,834	-	-	8,834
Total Revenues	9,031,971	744,791	1,021,761	10,798,523
EXPENDITURES				
Current				
Administration	664,282	-	-	664,282
District Support Services	299,072	-	-	299,072
Regular Instruction	4,192,930	-	-	4,192,930
Vocational Instruction	131,382	-	-	131,382
Special Education Instruction	1,343,713	-	-	1,343,713
Community Education and Services	-	-	394,683	394,683
Instructional Support Services	320,348	-	-	320,348
Pupil Support Services	845,310	-	538,308	1,383,618
Sites and Buildings	1,063,457	-	-	1,063,457
Fiscal and Other Fixed Cost Programs	47,956	223,127	-	271,083
Debt Service				
Principal	-	540,000	-	540,000
Capital Outlay	112,293	-	-	112,293
Total Expenditures	9,020,743	763,127	932,991	10,716,861
Excess (Deficiency) of Revenues over Expenditures	11,228	(18,336)	88,770	81,662
OTHER FINANCING SOURCES				
Proceeds from Capital Leases	112,293	-	-	112,293
Total Other Financing Sources	112,293	-	-	112,293
NET CHANGE IN FUND BALANCE	123,521	(18,336)	88,770	193,955
FUND BALANCE, BEGINNING OF YEAR	2,436,138	153,738	226,233	2,816,109
FUND BALANCE, END OF YEAR	\$ 2,559,659	\$ 135,402	\$ 315,003	\$ 3,010,064

See Notes to Financial Statements

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$	193,955
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets with a cost greater than \$5,000 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 year.		(282,142)
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Net Increase in Compensated Absences	(33,826)	
Net Decrease in Pension Liability	1,338,306	
Net Decrease in Interest Payable	47,877	
		1,352,357
Governmental funds report debt proceeds as current financial resources. The statement of activities treats such issuance of bonds payable as a liability.		(112,293)
Repayment of debt principal and other long-term liabilities is an expenditure in the governmental fund financial statements, but repayment reduces long-term liabilities in the statement of net position.		665,396
Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain or loss on the sale of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold.		(1,151)
Governmental funds report the effect of bond issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Annual amortization of bond issue premium and bond issuance costs are included in the statement of activities, but not in the governmental funds.		25,002
Some revenues reported on the statement of activities are not reported as revenues in the governmental funds since they do not represent available resources to pay current expenditures. This consists of a decrease in taxes receivable.		(1,990)
Change in Net Position of Governmental Activities	\$	<u>1,839,134</u>

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET
TO ACTUAL – GENERAL FUND
Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local Property Tax Levies	\$ 822,688	\$ 882,137	\$ 880,955	\$ (1,182)
Other Local Sources	264,896	278,029	374,520	96,491
Investment Earnings	5,000	5,000	64,080	59,080
State Sources	6,776,570	6,936,304	6,943,633	7,329
Federal Sources	554,950	677,309	759,949	82,640
Sale of Assets	-	6,800	8,834	2,034
Total Revenues	8,424,104	8,785,579	9,031,971	246,392
EXPENDITURES				
Current				
Administration	639,676	666,065	664,282	1,783
District Support Services	228,879	262,481	299,072	(36,591)
Regular Instruction	4,011,434	4,223,440	4,192,930	30,510
Vocational Instruction	143,449	134,663	131,382	3,281
Special Education Instruction	1,306,674	1,345,711	1,343,713	1,998
Instructional Support Services	322,396	371,215	320,348	50,867
Pupil Support Services	595,670	708,093	845,310	(137,217)
Sites and Buildings	888,515	1,092,644	1,063,457	29,187
Fiscal and Other Fixed Cost Programs	47,007	48,000	47,956	44
Capital Outlay	-	-	112,293	(112,293)
Total Expenditures	8,183,700	8,852,312	9,020,743	(168,431)
Excess (Deficiency) of Revenues over Expenditures	240,404	(66,733)	11,228	77,961
OTHER FINANCING SOURCES (USES)				
Proceeds from Capital Leases	-	-	112,293	112,293
Operating Transfer Out	(21,818)	(20,451)	-	20,451
Total Other Financing Sources (Uses)	(21,818)	(20,451)	112,293	132,744
NET CHANGE IN FUND BALANCE	218,586	(87,184)	123,521	210,705
FUND BALANCE, BEGINNING OF YEAR			2,436,138	
FUND BALANCE, END OF YEAR			\$ 2,559,659	

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota**

**STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023**

Assets	
Cash and Investments	<u>\$ 3,357</u>
Net Position	
Unrestricted	<u>\$ 3,357</u>

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2023

Additions	
Gifts and Bequests	\$ 28,540
Deductions	
Scholarships	28,890
Net Change in Net Position	(350)
Net Position, Beginning of Year	3,707
Net Position, End of Year	<u>\$ 3,357</u>

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Breckenridge Public Schools, (“the District”) was formed and operates pursuant to applicable Minnesota laws and statutes. The District is governed by a School Board elected by voters of the District. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting standards.

B. Reporting Entity

The accompanying financial statements present the activities of the District’s funds, departments, boards, commissions, and other organizations, along with any component units. The District has considered all potential component units for which the District is financially accountable and other organizations for which the nature and significance of their relationships with the District such that exclusion would cause the District’s financial statements to be misleading or incomplete. GASB has set forth criteria to be considered in determining financial accountability. This criterion includes appointing a voting majority of an organization’s governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the District.

Based on these criteria, there are no component units to be included within the District as a reporting entity.

C. Government-Wide Financial Statement Presentation

The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, fees and other non-exchange transactions. The statement of activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

D. Fund Financial Statement Presentation

Major individual governmental funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements.

The fiduciary fund is presented in the fiduciary fund financial statement. The District has one type of fiduciary fund, the private-purpose 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, this fund is excluded from the government-wide statements.

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:

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. For this purpose, the District generally considers revenues to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to Minnesota Statutes.

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued**

Federal revenue is recorded in the year in which the related expenditure is made. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Recording of Expenditures – Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, postemployment benefits, and pensions, are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the District the right to use leased assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

The fiduciary fund financial statement is reported using the economic resources measurement focus and the accrual basis of accounting as described earlier in these notes.

Description of Funds

The existence of the various district funds has been established by the Minnesota Department of Education. Each fund is accounted for as an independent entity. Descriptions of the funds included in this report are as follows:

Major Governmental Funds

General Fund – The General Fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – Used to account for the accumulation of resources for, and payment of, general obligation bond principal, interest, and related costs.

Nonmajor Governmental Funds

Food Service Fund – Used to account for food service revenues and expenditures.

Community Service Fund – The community service fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, adult or early childhood programs, extended day programs, or other similar services.

Other Funds

Private-Purpose Trust Fund – The private-purpose trust fund is used to administer resources received and held by the District as trustees for others. The private-purpose trust is used for scholarships.

E. Other Significant Accounting Policies

Budgeting

An operating budget is adopted by July 1 of each fiscal year for all governmental funds on the same modified accrual basis used to reflect actual revenues and expenditures. The superintendent is authorized to transfer budget amounts within line items; however, supplemental appropriations that amend total appropriations of any fund require a board resolution. Reported budgeted amounts are as originally adopted or as amended by board resolution. Unencumbered appropriations lapse at year-end.

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued

Cash and Cash Equivalents

Cash balances for all district funds are pooled and invested to the extent available in various investment instruments as authorized by state statutes. Earnings from such investments are allocated to each of the funds based on the fund's average monthly cash and cash equivalents balance. Funds that incur a deficit balance in pooled cash and cash equivalents during the year are charged interest.

Deposits and investments include deposits, petty cash, money market accounts, and monies deposited with the Minnesota School District Liquid Asset Fund (MSDLAF) and are stated at fair value. Fair value is the price that would be received to sell the investment in an orderly transaction at year end.

Receivables

Amounts are shown net of any allowance for uncollectable amounts. No allowances for uncollectable receivables have been recorded. The only receivables not expected to be collected within one year are property taxes receivable.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Inventories

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies, 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. Surplus commodities are stated at standardized costs, as determined by the U.S. Department of Agriculture.

Property Taxes

The majority of district revenue is determined annually by statutory funding formulas. The total revenue allowed by these formulas is allocated between property taxes and state aids by the Legislature based on education funding priorities.

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. The remaining portion of the taxes collectible in 2023 is recorded as deferred inflows of resources (property taxes levied for subsequent year).

Property tax levies are certified to the County Auditor in December of each year for collection from taxpayers in May and October of the following calendar year. In Minnesota, counties act as collection agents for all property taxes. The county spreads all levies over taxable property. Such taxes become a lien on property on the following January 1. The county general remits taxes to the District at periodic intervals as they are collected. A portion of the property taxes levied is paid by the State of Minnesota through various tax credits, which are included in revenue from state sources in the financial statements.

Current property taxes receivable is the uncollected portion of the taxes levied in 2022 and collectible in 2023. This levy is offset with a deferred inflow of resources for property taxes levied for a subsequent year. Delinquent taxes receivable includes the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for delinquent taxes not received within 60 days after year-end in the fund financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued

Capital Assets

Capital assets include land, buildings, and equipment. 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. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more. Such assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is not capitalized.

Capital assets are recorded in the government-wide financial statements 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 purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 5 to 50 years. Land and construction in progress are not depreciated. 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.

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 deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Accrued Employee Benefits

Certain administrative and non-certified staff are eligible to receive paid vacation. They are only paid for the number of days they are required to work, each in accordance with their respective contracts. In the fund financial statements, the expenditure for vacation pay is recognized when payment is made, and a liability is recorded only for amounts payable in the current period. In the district-wide statements, vacation expense is recognized as earned and a liability is recorded for all earned vacation pay.

Postemployment Benefits Other Than Pensions (OPEB)

Under the provisions of the various employee and union contracts, the District provides certain postemployment benefits other than pensions to eligible retirees. These OPEB obligations are funded on a pay-as-you-go basis. The total OPEB liability, deferred outflows/inflows of resources, and OPEB expense were actuarially determined in accordance with GASB Statement No. 75. Additional information can be found in Note 7.

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 the 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.

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis and Minneapolis School District. This direct aid is a result of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015. Additional information can be found in Note 8.

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

The District has two items that qualify for reporting in this category on the government-wide statement of net position. Deferred outflows of resources related to other postemployment benefits and pension plans. These amounts consist of various estimate differences and contributions made to the plan subsequent to the measurement date that will be recognized as expenditures in future years.

Deferred Inflows of Resources

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

The District has four types of items that qualify for reporting in this category. The first item, unavailable revenue from property taxes, arises under a modified accrual basis of accounting and is reported only in the Governmental Funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available. The second item is property taxes levied for subsequent years, which represent property taxes received or reported as a receivable before the period for which the taxes are levied and is reported as a deferred inflow of resources in both the government-wide statement of net position and the governmental funds balance sheet. Property taxes levied for subsequent years are deferred and recognized as an inflow of resources in the government-wide financial statements in the year for which they are levied and in the governmental fund financial statements during the year for which they are levied, if available. The third and fourth items are deferred inflows related to pension and OPEB plans as a result of various estimate differences that will be recognized as expenses in future years, reported in the government-wide statement of net position.

Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the District's financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any long-term debt attributable to the acquisition, construction, or improvement of those assets. Restricted Net Position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted Net Position is the net amount of assets, deferred outflows or resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Fund Balance

In the fund financial statements, governmental funds report fund balance in the classifications that disclose constraints for which amount in those funds can be spent. These classifications are as follows:

1. Nonspendable
 - a. Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. They include items such as, but not limited to, inventories, prepaid items, or the permanent principal of endowment funds.
2. Restricted
 - a. Fund balance is reported as restricted when constraints are placed on the use of resources that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed
 - a. A committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the School Board. Formal action is required to be taken to establish, modify, or rescind a fund balance commitment.

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued

4. Assigned
 - a. Assigned fund balances are amounts that are constrained by the government's intent to be used for specific purposes but are under the direction of the board and the business manager.
5. Unassigned
 - a. Unassigned fund balance is the lowest classification for the General Fund. This is a fund balance that has not been reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. A negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

It is the policy of the District to spend restricted resources first, followed by unrestricted resources. It is also the policy of the District to spend unrestricted resources of funds in the following order: committed, assigned and then unassigned. The District will strive to maintain an unassigned general fund balance of at least \$600,000 or ten percent of the annual budget.

Leases

The District is a lessee for a noncancellable lease of building components and office equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease(s) and will remeasure the lease asset(s) and liability(ies) if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

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; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage in fiscal year 2023.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - LEGAL COMPLIANCE - BUDGETS

Expenditures over Appropriations – General fund expenditures exceeded appropriations for the year ended June 30, 2023. Expenditures in excess of budgeted amounts were offset by revenues in excess of budgeted amounts.

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the District’s School Board. All such depositories are members of the Federal Reserve System. The most significant risk associated with deposits is custodial credit risk. This is the risk that in the even of a bank failure, the District’s deposits may be lost.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated “A” or better; revenue obligations rated “AA” or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

At June 30, 2023, all deposits were insured or collateralized by securities held by the District’s agent in the District’s name.

Investments

The following are considered the most significant risks associated with investments:

1. Credit Risk – Investments – Minnesota Statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, bankers' acceptances, certain repurchase agreements and commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record.
2. Custodial Credit Risk – Investments – The investment in the Minnesota School District Liquid Asset Fund is not subject to the credit risk classifications as noted in paragraph 9 of GASB Statement No. 40.
3. Interest Rate Risk – Investments – The District does not have a formal policy that limits investment maturities.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following table presents the District’s deposit and investment balances at June 30, 2023:

Type	Fair Value	Investment Maturities (in Years)		
		N/A	<1	1-5
Cash and Cash Equivalents				
Minnesota School District Liquid Asset Fund	\$ 3,261,328	\$ 3,261,328	\$ -	\$ -
Deposits	250,984	250,984	-	-
Petty Cash	400	400	-	-
Money Market	105,121	105,121	-	-
Total	<u>\$ 3,617,833</u>	<u>\$ 3,617,833</u>	<u>\$ -</u>	<u>\$ -</u>

The Minnesota School District Liquid Asset Fund is an external investment pool not registered with the Securities and Exchange Commission (SEC) that follows the same regulatory rules of the SEC under rule 2a7. The fair value of the position in the pool is the same as the value of the pool’s shares.

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued

Deposits and investments are included on the basic financial statements as follows:

Cash and Cash Equivalents - Statement of Net Position	\$ 3,614,476
Cash and Cash Equivalents - Fiduciary Fund	<u>3,357</u>
Total	<u><u>\$ 3,617,833</u></u>

NOTE 4 – DUE FROM OTHER GOVERNMENTAL UNITS

The amount due from other governmental units consists of a reimbursement claim for various programs. Most claims are passed through the state to the District.

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 186,000	\$ -	\$ -	\$ 186,000
Total Capital Assets, not being depreciated	186,000	-	-	186,000
Capital Assets, being depreciated/amortized				
Buildings and Improvements	19,272,299	-	-	19,272,299
Equipment	2,179,892	207,869	(305,814)	2,081,947
Land Improvements	879,690	13,300	-	892,990
Right to Use Leased Assets	230,932	112,293	(230,932)	112,293
Total Capital Assets, being depreciated	22,562,813	333,462	(536,746)	22,359,529
Less Accumulated Depreciation/Amortization for				
Buildings and Improvements	7,128,559	380,708	-	7,509,267
Equipment	1,591,520	118,893	(304,663)	1,405,750
Land Improvements	759,745	18,120	-	777,865
Right to Use Leased Assets	142,344	97,883	(230,932)	9,295
Total Accumulated Depreciation	9,622,168	615,604	(535,595)	9,702,177
Total Capital Assets Being Depreciated, net	12,940,645	(282,142)	(1,151)	12,657,352
Governmental Activities Capital Assets, net	<u>\$ 13,126,645</u>	<u>\$ (282,142)</u>	<u>\$ (1,151)</u>	<u>\$ 12,843,352</u>

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

Governmental Activities	
Administration	\$ 19,663
Pupil Support Services	197,113
Sites and Buildings	<u>398,828</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 615,604</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued

NOTE 6 - LONG-TERM LIABILITIES

During the year ended June 30, 2023, the following changes occurred in liabilities reported in long-term liabilities:

	Long-term Liabilities at July 1, 2022	Increases	Decreases	Long-term Liabilities at June 30, 2023	Due Within One Year
Governmental Activities					
General Obligation Bonds Payable	\$ 6,650,000	\$ -	\$ (540,000)	\$ 6,110,000	\$ 605,000
Leases Payable	116,501	112,293	(125,396)	103,398	21,060
Bond Premium	300,834	-	(25,002)	275,832	25,002
Compensated Absences*	21,767	33,826	-	55,593	-
Pension & OPEB Liability*	3,633,378	3,057,896	-	6,691,274	-
Total - Governmental Activities	<u>\$ 10,722,480</u>	<u>\$ 3,204,015</u>	<u>\$ (690,398)</u>	<u>\$ 13,236,097</u>	<u>\$ 651,062</u>

*The change in pension liability is shown as a net change because changes in salary prohibit exact calculations of additions and reductions.

Bonds Payable

Bonds payable at June 30, 2023, are comprised of the following individual issues:

1. *General Obligation Alternative Facilities Bonds, Series 2014A* – From an original issuance of \$6,050,000, at interest rates of 2.0-4.0%, \$5,015,000 remains outstanding. The principal and interest are payable through February 1, 2036.
2. *General Obligation Capital Facilities Bonds, Series 2014A* – From an original issuance of \$1,475,000, at interest rates of 2.0-4.0%, \$375,000 remains outstanding. The principal and interest are payable through February 1, 2029.
3. *General Obligation Abatement Bonds, Series 2014A* – From an original issuance of \$365,000, at interest rates of 2.0-4.0%, \$180,000 remains outstanding. The principal and interest are payable through February 1, 2029.
4. *General Obligation Facilities Maintenance Bonds, Series 2016A* – From an original issuance of \$725,000 at interest rates of 1.75-2.00%, \$540,000 remains outstanding. The principal and interest are payable through February 1, 2026.

The debt service requirements are as follows:

Year Ending June 30	Bonds Payable	
	Principal	Interest
2024	\$ 605,000	\$ 208,422
2025	625,000	192,322
2026	550,000	178,272
2027	430,000	164,400
2028	450,000	151,500
2029 - 2033	2,065,000	523,000
2034 - 2038	1,385,000	112,400
	<u>\$ 6,110,000</u>	<u>\$ 1,530,316</u>

Leases Payable

The District entered into a five-year lease agreement as lessee for the acquisition and use of copier machines. The lease liability is measured at a discount rate of 3.78%, which is the estimated incremental borrowing rate of the District. The District is required to make monthly principal and interest payments of \$2,050.

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BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued

The future principal and interest payments as of June 30, 2023, were as follows:

Year Ending June 30	Lease Payable	
	Principal	Interest
2024	\$ 21,060	\$ 3,546
2025	21,870	2,736
2026	22,711	1,895
2027	23,584	1,021
2028	14,173	179
	<u>\$ 103,398</u>	<u>\$ 9,377</u>

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

All employees are allowed upon meeting the eligibility requirements under Minn. Stat. 471.61 subd, 2b, to participate in the District’s health insurance plan after retirement. This plan covers active and retired employees who have reached age 55, with teachers, principals, and superintendent needing at least 3 years of service and all other district employees needing 5 years of service. Benefit provisions are established through negotiations between the District and the union representing District employees and are renegotiated at the end of each contract period. A separately issued report is not available.

Benefits Provided

The contract groups have access to other post-retirement benefits of blended medical premiums of \$518 for single and \$1,383 for family coverage. The implicit rate subsidy is only until Medicare eligibility. There are no subsidized post-employment medical, dental, or life insurance benefits.

Employees Covered by Benefit Terms

At the valuation date of July 1, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>115</u>
Total	<u><u>117</u></u>

Total OPEB Liability

The District’s total OPEB liability of \$162,148 was measured as of July 1, 2021, and was determined by an actuarial valuation of July 1, 2021.

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued

Actuarial Assumptions

The total OPEB liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary increases	Service Graded Table
Discount rate	2.10%
Healthcare cost trend rates	6.50%, grading to 5.00% over 6 years, then to 4.00% over the next 48 years
Retiree Plan Participation	
Pre-65 subsidy available	N/A
Pre-65 subsidy not available	25%
Percent of Married Retirees Electing Spouse Coverage	
Spouse subsidy available	N/A
Spouse subsidy not available	10%

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-Year Municipal Bond Yield. Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale. The actuarial assumptions used in the July 1, 2021 valuation were based on inputs from a variety of published sources of historical and projected future financial data. The following changes in actuarial assumptions were made for the year ended 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 to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale.
- The salary increase rates for non-teachers were updated to reflect the latest experience study.
- The withdrawal rates were updated to reflect the latest experience study.
- The inflation rate was changed from 2.50% to 2.00%.
- The discount rate was changed from 3.10% to 2.10%.

There were no changes in plan provisions for the year ended June 30, 2023.

Changes in the Total OPEB Liability

Balance at beginning of year	\$ 152,520
Changes from the prior year	
Service cost	13,449
Interest cost	3,410
Benefit payments	(7,231)
Total net changes	9,628
Balance at end of year	\$ 162,148

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued

Sensitivity of the Total OPEB Liability to Changes in Discount Rate and the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate of 1 percentage point lower and 1 percentage point higher than the current discount rate:

	1% Decrease (1.10%)	Current Discount Rate (2.10%)	1% Increase (3.10%)
District's proportionate share of the net OPEB liability	\$ 169,845	\$ 162,148	\$ 154,595

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a healthcare cost trend of 1 percentage point lower and 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease in Healthcare Trend Rate	Selected Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
Medical trend rate	5.50%, decreasing to 4.00% over 6 years then to 3.00% over the next 48 years	6.50%, decreasing to 5.00% over 6 years then to 4.00% over the next 48 years	7.50%, decreasing to 6.00% over 6 years then to 5.00% over the next 48 years
Total OPEB liability	\$ 147,648	\$ 162,148	\$ 179,162

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized OPEB expense of \$8,208. At June 30, 2023, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability gains	\$ -	\$ 19,441
Assumption changes	6,661	1,257
Employer contributions made after the measurement date	9,613	-
Total	<u>\$ 16,274</u>	<u>\$ 20,698</u>

The \$9,613 reported as deferred outflows of resources related to OPEB resulting from the District’s contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2024.

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

<u>Year ended June 30:</u>	
2024	\$ (8,651)
2025	(8,645)
2026	1,630
2027	1,629
2028	-

NOTE 8 – DEFINED BENEFIT PENSION PLANS

Substantially all employees of the District are required by state law to belong to defined benefit, multiemployer, cost-sharing pension plans administered by the Public Employees’ Retirement Association (PERA) or the Teachers’ Retirement Association (TRA), both of which are administered on a state-wide basis.

Disclosures relating to these plans are as follows:

Public Employees Retirement Association (PERA)

Plan Descriptions

The District participates in the General Employees Retirement Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (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.

The General Employees Retirement Plan covers certain full time and part-time employees of the District. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

Benefits Provided

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 percent for each of the first 10 years of service and 1.7 percent for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent 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 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. 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.

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued

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 percent of their annual covered salary in fiscal year 2023 and the District was required to contribute 7.50 percent for Coordinated Plan members. The District’s contributions to the General Employees Fund for the year ended June 30, 2023, were \$135,041. The District’s contributions were equal to the required contributions as set by state statute.

Pension Costs

At June 30, 2023, the District reported a liability of \$1,900,808 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 non-employer 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 \$55,718.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on the District’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022 relative to the total employer contributions received from all of PERA’s participating employers. The District’s proportionate share was .0240 percent at the end of the measurement period and .0232 percent for the beginning of the period.

District’s proportionate share of net pension liability	\$ 1,900,808
State of Minnesota’s proportionate share of the net pension liability associated with the District	<u>55,718</u>
Total	\$ 1,956,526

For the year ended June 30, 2023, the District recognized pension expense of \$302,920 for its proportionate share of the General Employees Plan’s pension expense. In addition, the District recognized \$8,326 as expense for its proportionate share of the State of Minnesota’s pension expense for the annual \$16 million contribution.

At June 30, 2023, the District reported its proportionate share of the General Employees Plan’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,877	\$ 19,621
Net difference between projected and actual investment earnings on pension plan investments	-	8,894
Changes of assumptions	416,281	7,441
Changes in proportion	32,768	-
Contributions subsequent to measurement date	<u>138,438</u>	<u>-</u>
Total	<u>\$ 603,364</u>	<u>\$ 35,956</u>

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued

The \$138,438 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2024	\$ 164,852
2025	167,862
2026	(59,804)
2027	156,060
2028	-

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:

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

Actuarial Methods and Assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5 percent in the June 30, 2022 actuarial valuation and 7.0 percent in the June 30, 2023 actuarial valuation. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 and salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 29 years of service and 6.0 percent per year thereafter. Mortality rates are based on the Pub-2010 General Employee Mortality Table.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2022:

- Changes in actuarial assumptions
 - Mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- Changes in plan provisions
 - There were no changes in plan provisions since the previous evaluation.

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued**

Discount Rate

The discount rate for the General Employees Plan used to measure the total pension liability in 2022 was 6.5 percent. 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.

Pension Liability Sensitivity

The following presents the District’s proportionate share of the net pension liability, 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:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
District's proportionate share of the net pension liability	\$ 3,002,426	\$ 1,900,808	\$ 997,311

Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

Teachers Retirement Association (TRA)

Plan Description

The Teachers 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 school, 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 Minnesota State.

Benefits Provided

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.

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued

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:

Tier I 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 if service years 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 service years are July 1, 2006 or after	1.9% per year

Within these provisions:

- Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- 3% per year early retirement reduction factor for all years under normal retirement age.
- Unreduced benefits for early retirement under a Rule-of-90 (age plus allowable service equals 90 or more).

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 is applied. For years of service July 1, 2006 and after, a level formula of 1.9% per year for coordinated members and 2.7% per year for Basic members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statute. 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 benefit calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 66.

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 plan provisions in effect at the time they last terminated their public service.

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued

Contribution Rate

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year ended June 30, 2021, June 30, 2022, and June 30, 2023 were:

	June 30, 2021		June 30, 2022		June 30, 2023	
	Employees	Employers	Employees	Employers	Employees	Employers
Basic	11%	12.13%	11%	12.34%	11%	12.55%
Coordinated	7.5%	8.13%	7.5%	8.34%	7.5%	8.55%

The following is a reconciliation of employer contributions in TRA’s fiscal year 2022 ACFR “Statement of Changes in Fiduciary Net Position” to the employer contributions used in Schedule of Employer and Non-Employer Pension Allocations.

	<i>in thousands</i>
Employer contributions reported in TRA’s ACFR, Statement of Changes in Fiduciary Net Position	\$ 482,679
Employer contributions not related to future contribution efforts	(2,178)
TRA’s contributions not included in allocation	(572)
Total employer contributions	479,929
Total non-employer contributions	35,590
Total contributions reported in Schedule of Employer and Non-Employer Allocations	\$ 515,519

Amounts reported in the allocation schedules may not precisely agree with financial statement amounts or actuarial valuations due to the number of decimal places used in the allocations. TRA has rounded percentage amounts to the nearest ten thousandths.

Actuarial Assumptions

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

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial information	
Valuation date	July 1, 2022
Measurement date	June 30, 2022
Experience studies	June 28, 2019 (demographic and economic assumptions)*
Actuarial cost method	Entry Age Normal
Actuarial assumptions	
Investment rate of return	7.00%
Price inflation	2.50%
Wage growth rate	2.85% before July 1, 2028 and 3.25% after June 30, 2028
Projected salary increase	2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 20, 2028
Cost of living adjustment	1% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued

Mortality assumptions	
Pre-retirement	RP- 2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale.
Post-retirement	RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.
Post-disability	RP-2014 disabled retiree mortality table, without adjustment.

**The assumptions prescribed are based on the experience study dated June 28, 2019. For GASB 67 purposes, the long-term rate of return assumptions is selected by TRA management in consultation with actuary*

The long-term expected rate of return on 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 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%

The TRA actuary has determined the average of the expected remaining service lives of all members for fiscal year 2023 is six years. The Difference between Expected and Actual Experience, Changes of Assumptions, and Changes in Proportion use the amortization period of six years in the schedule presented. The amortization period for Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments is five years as required by GASB 68.

There were no changes in actuarial assumptions since the 2021 valuation.

Discount Rate

The discount rate used to measure the total pension liability was 7%. 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 contributions will be made at the fiscal year 2022 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued

Net Pension Liability

On June 30, 2023, the District reported a liability of \$4,628,318 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. District proportionate share was .0578% at the end of the measurement period and .0569% for the beginning of the year.

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:

District’s proportionate share of net pension liability	<u>\$ 4,628,318</u>
State of Minnesota’s proportionate share of the net pension liability associated with the District	<u>\$ 343,306</u>

For the year ended June 30, 2023, the district recognized pension expense of \$696,343. It also recognized \$47,206 as an increase to pension expense for the support provided by direct aid.

On June 30, 2022, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 69,743	\$ 40,904
Net difference between projected and actual investment earnings on pension plan investments	163,430	
Changes of assumptions	730,007	1,033,576
Changes in proportion	-	253,734
Contributions subsequent to measurement date	<u>306,587</u>	<u>-</u>
Total	<u>\$ 1,269,767</u>	<u>\$ 1,328,214</u>

The \$306,587 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2024	\$ (990,496)
2025	65,897
2026	(1,391)
2027	551,127
2028	9,828

The following presents the net pension liability of TRA calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 7,296,292	\$ 4,628,318	\$ 2,441,412

The District's proportion of the net pension liability was based on the employer contributions to TRA in relation to TRA's total employer contributions including direct aid contributions from the State of Minnesota, City of Minneapolis and Minneapolis School District.

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at <https://minnesotatra.org>, by writing to TRA at 60 Empire Drive, Suite 400, St. Paul, MN, 55103-4000; or by calling 651-296-2409 or 800-657-3669.

NOTE 9 – FUND BALANCE

Certain portions of fund balances 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.

The following is a summary of fund balances as of June 30, 2023:

	General Fund	Debt Service	Other Governmental Funds	Total Governmental Funds
Nonspendable				
Inventories	\$ -	\$ -	\$ 10,289	\$ 10,289
Total Nonspendable	-	-	10,289	10,289
Restricted				
Student Activities	53,208	-	-	53,208
Staff Development	49,665	-	-	49,665
Operating Capital	55,030	-	-	55,030
Community Education	-	-	36,451	36,451
Early Childhood and Family Education	-	-	34,576	34,576
Food Service	-	-	163,478	163,478
Community Service	-	-	70,209	70,209
Debt Service	-	135,402	-	135,402
Medical Assistance	169,528	-	-	169,528
Total Restricted	327,431	135,402	304,714	767,547
Unassigned	2,232,228	-	-	2,232,228
Total Fund Balance	\$ 2,559,659	\$ 135,402	\$ 315,003	\$ 3,010,064

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued

The UFARS fund balance reporting standards are slightly different than the reporting standards under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Below is a reconciliation between the fund balance reporting under GASB 54 and UFARS reporting standards:

	<u>GASB Balance</u>	<u>Reconciling Items</u>	<u>UFARS Balance</u>
Nonspendable			
Inventories	\$ 10,289	\$ -	\$ 10,289
Total Nonspendable	10,289	-	10,289
Restricted			
Student Activities	53,208		53,208
Staff Development	49,665		49,665
Operating Capital	55,030		55,030
Community Education	36,451		36,451
Early Childhood and Family Education	34,576		34,576
School Readiness	-	(12,011)	(12,011)
Food Service	163,478		163,478
Community Service	70,209	12,011	82,220
Debt Service	135,402		135,402
Long-Term Facilities Maintenance	-	(113,347)	(113,347)
Medical Assistance	169,528		169,528
Total Restricted	767,547	(113,347)	654,200
Unassigned	2,232,228	113,347	2,345,575
Total Fund Balance	<u>\$ 3,010,064</u>	<u>\$ -</u>	<u>\$ 3,010,064</u>

NOTE 10 – FLEXIBLE BENEFIT PLAN

The District has a flexible benefit plan which is classified as a “cafeteria plan” (the Plan) under section 125 of the Internal Revenue Code. All employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing pre-tax dollars withheld from payroll checks to the Plan for healthcare and dependent care benefits.

Before the beginning of the Plan year, which is from September 1, thru August 31, each participant designates a total amount of pre-tax dollars to be contributed to the Plan during the year. At June 30, the District is contingently liable for claims against the total amount of participants’ annual contributions to the medical reimbursement portion of the Plan, whether or not such contributions have been made.

Payment of insurance premiums (health, dental, life, and disability) are made by the District directly to the designated insurance companies. These payments are made monthly and are accounted for in the General Fund and special revenue funds.

Amounts withheld for medical reimbursement and dependent care are paid by the District to an outside administrator upon an employee submitting a request for reimbursement. Payments are made by the outside administrator to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the employee.

All property of the Plan and income attributable to that property is solely the property of the District, subject to the claims of the District’s general creditors. Participants’ rights under the plan are equal to those of general creditors of the District in an amount equal to eligible healthcare and dependent care expenses incurred by the participants. The District believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Financial Statements – Continued**

NOTE 11 – EMPLOYEE BENEFIT PLAN 403(B)

Full time teachers are eligible to participate in the matching 403(b) program after completion of their first year of teaching and upon the beginning of their second consecutive year of teaching for matching contributions based on the follow maximum contribution schedule:

<u>Years of Service</u>	<u>Maximum Contribution</u>
2 – 3	\$500
4 – 7	750
8 – 12	1,000
13 – 17	1,250
18 – 25	1,500
25+	1,750

Eligible part time teachers shall receive a matching contribution on a pro-rata basis equal to their percentage of full-time employment after completion of their third consecutive year of teaching.

Contributions are invested in tax deferred annuities selected and owned by Plan participants. The District contributions for the years ended June 30, 2023, 2022, and 2021 were \$60,014, \$66,155, and \$61,642, respectively.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Federal and State Revenue

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 funds. 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.

Litigation and Potential Exposure

In the ordinary course of its operations, the District is party to legal proceedings as a plaintiff or defendant. The financial impact of remaining actions is not determinable at June 30, 2023, but, in the opinion of management and legal counsel, the ultimate disposition of any or all of these proceedings will not have a material effect on the District’s financial position.

NOTE 13 – RELATED ORGANIZATIONS

The District, in conjunction with eight other school districts, is a member district of Fergus Falls Area Special Education Cooperative No. 935. The Joint Powers Board consists of one representative and one delegate from each member district. The representative is the Superintendent of Schools of each member district, and the delegate is one School Board member from each member district appointed by the School Board of that member district, who serves a three-year term. The purpose of the Joint Powers is to provide by cooperative effort a comprehensive special education program for the member districts. Each member district is entitled to one vote, which shall be cast by the delegate of that member district. The representative is a nonvoting member of the Joint Powers Board. Contributions of \$165,320 were made by the District to the related organization for the year ended June 30, 2023. The contributions are based on the operating budget of the Cooperative and allocated per agreement to the member districts.

Fergus Falls Area Special Education Cooperative is separately audited from the District. Complete financial statements for the Cooperative can be obtained from its administrative office at 518 Friberg Avenue, Fergus Falls, MN 56537.

NOTE 14 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 31, 2023, the date on which the financial statements were available to be issued.

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota**

**PENSION SCHEDULES
Year Ended June 30, 2023**

Schedule of Changes in the District's Total OPEB Liability and Related Ratios, Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018
Service cost	13,449	13,057	12,913	12,537	14,692	14,264
Interest	3,410	4,354	3,928	5,982	5,756	5,537
Change of assumptions	-	9,993	-	(3,781)	-	-
Differences between expected and actual experience	-	(214)	-	(57,899)	-	-
Benefit payments	(7,231)	(4,088)	(2,395)	(10,426)	(12,886)	(14,649)
Net Change in Total OPEB Liability	9,628	23,102	14,446	(53,587)	7,562	5,152
Total OPEB Liability - Beginning	152,520	129,418	114,972	168,559	160,997	155,845
Total OPEB Liability - Ending	162,148	152,520	129,418	114,972	168,559	160,997
Covered payroll	5,029,271	4,882,787	4,860,757	4,719,182	4,837,397	4,696,502
District's total OPEB liability as a percentage of covered payroll	3.22%	3.12%	2.66%	2.44%	3.48%	3.43%

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*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Pension Schedules – Continued

Schedule of Employer’s Share of Net Pension Liability Last 10 Fiscal Years *

<u>Pension Plan</u>	<u>Measurement Date June 30</u>	<u>District's Proportion of the Net Pension Liability (Asset)</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>State's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Total</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
PERA	2022	0.0240%	1,900,808	55,718	1,956,526	1,845,842	103.0%	0.0%
PERA	2021	0.0232%	990,744	30,245	1,020,989	1,568,634	63.2%	87.0%
PERA	2020	0.0231%	1,384,951	42,685	1,427,636	1,547,412	89.5%	79.1%
PERA	2019	0.0228%	1,260,561	39,165	1,299,726	1,487,416	84.7%	80.2%
PERA	2018	0.0231%	1,281,493	41,934	1,323,427	1,455,026	88.1%	79.5%
PERA	2017	0.0236%	1,506,608	18,927	1,525,535	1,453,048	103.7%	75.9%
PERA	2016	0.0239%	1,940,561	25,332	1,965,893	1,379,916	140.6%	68.9%
PERA	2015	0.0233%	1,207,527	-	1,207,527	1,292,976	93.4%	78.2%
PERA	2014	0.0240%	1,127,400	-	1,127,400	1,284,461	87.8%	78.8%
TRA	2022	0.0578%	4,628,318	343,306	4,971,624	3,572,686	129.5%	76.7%
TRA	2021	0.0569%	2,490,114	210,017	2,700,131	3,406,396	73.1%	86.6%
TRA	2020	0.0601%	4,440,269	371,899	4,812,168	3,490,947	127.2%	75.5%
TRA	2019	0.0601%	3,830,787	338,916	4,169,703	3,410,739	112.3%	78.1%
TRA	2018	0.0610%	3,831,022	359,800	4,190,822	3,369,880	113.7%	78.1%
TRA	2017	0.0624%	12,456,172	1,203,535	13,659,707	3,358,707	370.9%	51.6%
TRA	2016	0.0657%	15,671,018	1,573,080	17,244,098	3,417,307	458.6%	44.9%
TRA	2015	0.0553%	3,420,852	419,715	3,840,567	2,805,307	121.9%	76.8%
TRA	2014	0.0736%	3,391,435	238,651	3,630,086	3,364,519	100.8%	81.5%

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* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10- year trend is compiled, the District will present information for those years for which information is available.

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Pension Schedules – Continued**

Schedule of Employer’s Contributions Last 10 Fiscal Years *

<u>Pension Plan</u>	<u>Fiscal Year Ending</u>	<u>Statutorily Required Contribution</u>	<u>Contribution in Relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
PERA	2023	135,041	(135,041)	-	1,845,842	7.3%
PERA	2022	135,080	(135,080)	-	1,568,634	8.6%
PERA	2021	117,648	(117,648)	-	1,547,412	7.6%
PERA	2020	116,056	(116,056)	-	1,487,416	7.8%
PERA	2019	111,556	(111,556)	-	1,455,026	7.7%
PERA	2018	109,127	(109,127)	-	1,453,048	7.5%
PERA	2017	108,979	(108,979)	-	1,379,916	7.9%
PERA	2016	103,494	(103,494)	-	1,292,976	8.0%
PERA	2015	96,973	(96,973)	-	1,284,461	7.5%
TRA	2023	297,962	(297,962)	-	3,572,686	8.3%
TRA	2022	299,069	(299,069)	-	3,406,396	8.8%
TRA	2021	276,940	(276,940)	-	3,490,947	7.9%
TRA	2020	276,483	(276,483)	-	3,410,739	8.1%
TRA	2019	262,968	(262,968)	-	3,369,880	7.8%
TRA	2018	252,741	(252,741)	-	3,358,707	7.5%
TRA	2017	251,903	(251,903)	-	3,417,307	7.4%
TRA	2016	256,298	(256,298)	-	2,805,307	9.1%
TRA	2015	210,398	(210,398)	-	3,364,519	6.3%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10- year trend is compiled, the District will present information for those years for which information is available.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023**

NOTE 1 – OPEB CHANGES OF ASSUMPTIONS AND PLAN PROVISIONS

2023 Changers

Changes in Actuarial Assumptions

- None

Change in Plan Provisions

- There have been no changes since the prior valuation.

2022 Changes

Changes in Actuarial Assumptions

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale.
- The salary increase rates for non-teachers were updated to reflect the latest experience study.
- The withdrawal rates were updated to reflect the latest experience study.
- The inflation rate was changed from 2.50% to 2.00%.
- The discount rate was changed from 3.10% to 2.10%.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions

- None

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2018 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 3.40% to 3.10%.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

- None

Changes in Plan Provisions

- There have been no changes since the prior valuation.

NOTE 2 – PERA CHANGES OF ASSUMPTIONS AND PLAN PROVISIONS

2022 Changes

Change in Actuarial Assumptions

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

Change in Plan Provisions

- There have been no changes since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, 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

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2019 Changes

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, decreasing 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.

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Required Supplementary Information – Continued

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent 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 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, 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 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and non-vested deferred members. The revised CSA load are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed for 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent 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

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Required Supplementary Information – Continued

2015 Changes

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2035 and 2.50 percent per year thereafter.

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 increase 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 3 – TRA CHANGES OF ASSUMPTIONS AND PLAN PROVISIONS

2022 Changes

Change in Actuarial Assumptions

- None

Change in Plan Provisions

- There have been no changes since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

- 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 zero percent 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 6 years, (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% 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.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Required Supplementary Information – Continued

2019 Changes

Changes in Actuarial Assumptions

- 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.
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- The employer contribution rate is increased each July 1 over the next 6 years, (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% 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.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

- The discount rate was decreased to 4.66% from 8.0%.
- The cost of living adjustment (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% on 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 July 1, 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 zero% 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 was reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% 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.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Notes to Required Supplementary Information – Continued

2017 Changes

Changes in Actuarial Assumptions

- The discount rate was decreased to 5.12% from 4.66%.
- The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- Adjustments 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 non-vested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 2.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for ten 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

Changes in Actuarial Assumptions

- The discount rate was decreased to 4.66% from 8.0%.
- The COLA was not assumed to increase for funding or the GASB calculation. It remained at 2% for all future years.
- The price inflation assumption was lowered from 3% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes as 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 post-retirement mortality assumption was changed to the RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates.
- Generational projection uses the MP 2015 scale.
- The post-disability mortality assumption was changed to the RP 2014 disabled retiree mortality table, without adjustment.
- Augmentation in the early retirement reduction factors is phased out of 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 form of annuity payment at retirement were made.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes of benefit terms

- The DTRFA was merged into TRA on June 30, 2015.

Changes in Actuarial Assumptions

- The annual COLA for the June 30, 2015, valuation assumed 2%. The prior year valuation used 2% with an increase to 2.5% commencing in 2034. The discount rate used to measure the total pension liability was 8.0%. This is a decrease from the discount rate at the prior measurement date of 8.25%. Details, if necessary, can be obtained from the TRA Comprehensive Annual Financial Report.

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota

NONMAJOR GOVERNMENTAL FUNDS – COMBINING BALANCE SHEET
June 30, 2023

	Food Service	Community Services	Total Other Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 179,962	\$ 197,666	\$ 377,628
Current Property Taxes	-	32,573	32,573
Delinquent Property Taxes	-	217	217
Due from Other Governmental Units	-	8,153	8,153
Inventories	10,289	-	10,289
Total Assets	190,251	238,609	428,860
LIABILITIES			
Accounts Payable	2,963	16,619	19,582
Salaries Payable	-	6,376	6,376
Salaries Payable	13,521	-	13,521
Total Liabilities	16,484	22,995	39,479
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	-	217	217
Property Taxes Levied for Subsequent Year	-	74,161	74,161
Total Deferred Inflows of Resources	-	74,378	74,378
FUND BALANCE			
Nonspendable	10,289	-	10,289
Restricted	163,478	141,236	304,714
Total Fund Balance	173,767	141,236	315,003
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 190,251	\$ 238,609	\$ 428,860

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota**

**NONMAJOR GOVERNMENTAL FUNDS – COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2023**

	Food Service	Community Services	Total Other Governmental Funds
REVENUES			
Local Property Tax Levies	\$ -	\$ 70,370	\$ 70,370
Other Local Sources	175,501	282,640	458,141
State Sources	29,806	119,051	148,857
Federal Sources	344,393	-	344,393
Total Revenues	549,700	472,061	1,021,761
EXPENDITURES			
Current			
Community Education and Services	-	394,683	394,683
Pupil Support Services	538,308	-	538,308
Total Expenditures	538,308	394,683	932,991
Excess of Revenues over Expenditures	11,392	77,378	88,770
FUND BALANCE, BEGINNING OF YEAR	162,375	63,858	226,233
FUND BALANCE, END OF YEAR	\$ 173,767	\$ 141,236	\$ 315,003

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota**

**UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE
Year Ended June 30, 2023**

Fiscal Compliance Report - 6/30/2023

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District: BRECKENRIDGE (846-1) [Back Print](#)

	Audit	UFARS	Audit - UFARS		Audit	UFARS	Audit - UFARS
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenue	\$9,031,971	\$9,023,110	\$8,861	Total Revenue	\$0	\$0	\$0
Total Expenditures	\$9,020,743	\$8,908,425	\$112,318	Total Expenditures	\$0	\$0	\$0
<i>Non Spendable:</i>				<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$0	\$26,398	(\$26,398)	4.60 Non Spendable Fund Balance	\$0	\$0	\$0
<i>Restricted / Reserved:</i>				<i>Restricted / Reserved:</i>			
4.01 Student Activities	\$53,208	\$53,208	\$0	4.07 Capital Projects Levy	\$0	\$0	\$0
4.02 Scholarships	\$0	\$0	\$0	4.13 Funded by COP/FP	\$0	\$0	\$0
4.03 Staff Development	\$49,665	\$49,665	\$0	4.67 LTFM	\$0	\$0	\$0
4.07 Capital Projects Levy	\$0	\$0	\$0	<i>Restricted:</i>			
4.08 Cooperative Revenue	\$0	\$0	\$0	4.64 Restricted Fund Balance	\$0	\$0	\$0
4.13 Funded by COP/FP	\$0	\$0	\$0	<i>Unassigned:</i>			
4.14 Operating Debt	\$0	\$0	\$0	4.63 Unassigned Fund Balance	\$0	\$0	\$0
4.16 Levy Reduction	\$0	\$0	\$0				
4.17 Taconite Building Maint	\$0	\$0	\$0	07 DEBT SERVICE			
4.24 Operating Capital	\$55,030	\$55,030	\$0	Total Revenue	\$744,791	\$744,790	\$1
4.26 \$25 Taconite	\$0	\$0	\$0	Total Expenditures	\$763,127	\$763,125	\$2
4.27 Disabled Accessibility	\$0	\$0	\$0	<i>Non Spendable:</i>			
4.28 Learning & Development	\$0	\$0	\$0	4.60 Non Spendable Fund Balance	\$0	\$0	\$0
4.34 Area Learning Center	\$0	\$0	\$0	<i>Restricted / Reserved:</i>			
4.35 Contracted Alt. Programs	\$0	\$0	\$0	4.25 Bond Refundings	\$0	\$0	\$0
4.36 State Approved Alt. Program	\$0	\$0	\$0	4.33 Maximum Effort Loan Aid	\$0	\$0	\$0
4.38 Gifted & Talented	\$0	\$0	\$0	4.51 QZAB Payments	\$0	\$0	\$0
4.40 Teacher Development and Evaluation	\$0	\$0	\$0	4.67 LTFM	\$0	\$0	\$0
4.41 Basic Skills Programs	\$0	\$0	\$0	<i>Restricted:</i>			
4.48 Achievement and Integration	\$0	\$0	\$0	4.64 Restricted Fund Balance	\$135,402	\$161,548	(\$26,144)
4.49 Safe Schools Levy	\$0	(\$50,932)	\$50,932	<i>Unassigned:</i>			
4.51 QZAB Payments	\$0	\$0	\$0	4.63 Unassigned Fund Balance	\$0	(\$26,143)	\$26,143
4.52 OPEB Liab Not In Trust	\$0	\$0	\$0				
4.53 Unfunded Sev & Retirement Levy	\$0	\$0	\$0	08 TRUST			
4.59 Basic Skills Extended Time	\$0	\$0	\$0	Total Revenue	\$28,540	\$28,540	\$0
4.67 LTFM	(\$113,347)	(\$113,347)	\$0	Total Expenditures	\$28,890	\$28,890	\$0
4.72 Medical Assistance	\$169,528	\$169,529	(\$1)	<i>Restricted / Reserved:</i>			
<i>Restricted:</i>				4.01 Student Activities	\$0	\$0	\$0
4.64 Restricted Fund Balance	\$0	\$0	\$0	4.02 Scholarships	\$3,357	\$3,357	\$0
4.75 Title VII Impact Aid	\$0	\$0	\$0	4.22 Unassigned Fund Balance (Net Assets)	\$0	\$0	\$0
4.76 Payments in Lieu of Taxes	\$0	\$0	\$0				
<i>Committed:</i>				18 CUSTODIAL			
4.18 Committed for Separation	\$0	\$0	\$0	Total Revenue	\$0	\$0	\$0
4.61 Committed Fund Balance	\$0	\$0	\$0	Total Expenditures	\$0	\$0	\$0
<i>Assigned:</i>				<i>Restricted / Reserved:</i>			
4.62 Assigned Fund Balance	\$0	\$0	\$0	4.01 Student Activities	\$0	\$0	\$0
<i>Unassigned:</i>				4.02 Scholarships	\$0	\$0	\$0
4.22 Unassigned Fund Balance	\$2,345,575	\$2,370,109	(\$24,534)	4.48 Achievement and Integration	\$0	\$0	\$0
				4.64 Restricted Fund Balance	\$0	\$0	\$0
02 FOOD SERVICES							
Total Revenue	\$549,700	\$515,242	\$34,458	20 INTERNAL SERVICE			
Total Expenditures	\$538,308	\$503,849	\$34,459	Total Revenue	\$0	\$0	\$0
<i>Non Spendable:</i>				Total Expenditures	\$0	\$0	\$0
4.60 Non Spendable Fund Balance	\$10,289	\$10,289	\$0	4.22 Unassigned Fund Balance (Net Assets)	\$0	\$0	\$0
<i>Restricted / Reserved:</i>							
4.52 OPEB Liab Not In Trust	\$0	\$0	\$0	25 OPEB REVOCABLE TRUST			
<i>Restricted:</i>				Total Revenue	\$0	\$0	\$0
4.64 Restricted Fund Balance	\$163,478	\$163,479	(\$1)	Total Expenditures	\$0	\$0	\$0
<i>Unassigned:</i>				4.22 Unassigned Fund Balance (Net Assets)	\$0	\$0	\$0
4.63 Unassigned Fund Balance	\$0	\$0	\$0				

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS**

Uniform Financial Accounting and Reporting Standards Compliance Table – Continued

04 COMMUNITY SERVICE

Total Revenue	\$472,081	<u>\$472,051</u>	<u>\$10</u>
Total Expenditures	\$394,883	<u>\$394,673</u>	<u>\$10</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>			
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>
4.31 Community Education	\$36,451	<u>\$36,451</u>	<u>\$0</u>
4.32 E.C.F.E	\$34,576	<u>\$34,574</u>	<u>\$2</u>
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	<u>\$0</u>
4.44 School Readiness	(\$12,011)	<u>(\$12,011)</u>	<u>\$0</u>
4.47 Adult Basic Education	\$0	<u>\$0</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted:</i>			
4.64 Restricted Fund Balance	\$82,220	<u>\$82,220</u>	<u>\$0</u>
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

45 OPEB IRREVOCABLE TRUST

Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>

47 OPEB DEBT SERVICE

Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted:</i>			
4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed through Minnesota Department of Public Instruction			
School Breakfast Program	10.553	846-1-000 FIN 705	\$ 92,974
National School Lunch Program	10.555	846-1-000 FIN 701	217,527
Total Child Nutrition Cluster			310,501
Child and Adult Care Program Commodities	10.558	846-1-000 FIN 701	33,892
Total U.S. Department of Agriculture			344,393
U.S. DEPARTMENT OF TREASURY			
Passed through Minnesota Department of Public Instruction			
Coronavirus State and Local Fiscal Recovery Funds	21.027	846-1-000 FIN 150	21,874
FEDERAL COMMUNICATIONS COMMISSION			
COVID-19 Emergency Connectivity Grant	32.009	N/A	70,635
U.S. DEPARTMENT OF EDUCATION			
Passed through Minnesota Department of Public Instruction			
Title I - Grants to LEA's	84.010	846-1-000 FIN 401	121,961
Supporting Effective Instruction State Grants	84.367	846-1-000 FIN 414	19,391
Student Support and Academic Enrichment Program	84.424	846-1-000 FIN 433	11,418
Elementary and Secondary School Emergency Relief Fund	84.425D	846-1-000 FIN 155	8,423
American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	846-1-000 FIN 160	410,686
American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	846-1-000 FIN 161	75,561
Total 84.425			494,670
Total U.S. Department of Education			647,440
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Minnesota Department of Public Instruction			
Minnesota COVID-19 Testing	93.323	846-1-000 FIN 170	20,000
Total Expenditures of Federal Awards			\$ 1,104,342

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2023**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The amounts reported on the schedule have been reconciled to and are in agreement with amounts recorded in the accounting records from which the financial statements have been reported.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the applicable cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or limited as to reimbursement. The District has not elected to use the 10-percent de minimis cost rate as allowed under the Uniform Guidance.

NOTE 3 – NONCASH AWARDS

Federal reimbursement is not based upon specified expenditures. Therefore, the amounts reported here represent cash value received rather than federal expenditures.



INDEPENDENT AUDITOR'S 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*

School Board
Breckenridge Public Schools
Breckenridge, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to finance 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 the Breckenridge Public Schools (“the District”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 31, 2023.

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 basis for designing the 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 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses (2023-001 and 2023-002).

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 determination of financial statement amounts. However, providing an opinion on compliance with these 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*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our engagement and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Nadine Julson, LLC
Wahpeton, North Dakota
December 31, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

School Board
Breckenridge Public Schools
Breckenridge, Minnesota

Report on Compliance for the Major Federal Program

Opinion on The Major Federal Program

We have audited the Breckenridge Public Schools (“the District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District’s major federal program for the year ended June 30, 2023. The District’s major federal programs is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on The 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 (*Government Auditing Standards*); 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 Auditor’s 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.

Auditor's 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.

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 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 Auditor's 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.

Nadine Julson, LLC

Nadine Julson, LLC
Wahpeton, North Dakota
December 31, 2023



INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

School Board
Breckenridge Public Schools
Breckenridge, 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 the Breckenridge Public Schools ("the District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 31, 2023.

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 (*delete sections not required to test*) 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.

Nadine Julson, LLC

Nadine Julson, LLC
Wahpeton, North Dakota
December 31, 2023

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2023**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Report Issued:	Unmodified		
Internal Control Over Financial Reporting			
Material weakness identified?	<u> X </u>	Yes	<u> </u> No
Significant deficiencies identified not considered to be material weaknesses?	<u> </u>	Yes	<u> </u> None reported
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u> No

Federal Awards

Internal Control Over Major Program			
Material weakness identified?	<u> </u>	Yes	<u> X </u> No
Significant deficiency identified?	<u> </u>	Yes	<u> X </u> None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit finding disclosed that are required to be reported in accordance with 2 CDF 200.516(a)?	<u> </u>	Yes	<u> X </u>	No
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CFDA Numbers	Name of Program or Cluster
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs	<u> \$750,000 </u>
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Auditee qualified as low-risk auditee?	<u> </u>	Yes	<u> X </u>	No
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SECTION II - FINANCIAL STATEMENT FINDINGS

2023-001 INADEQUATE SEGREGATION OF DUTIES

Criteria

The segregation of duties and responsibilities between different individuals for custody of assets, recordkeeping for those assets, and reconciliation of those asset accounts is an important control activity needed to adequately protect the entity's assets and ensure accurate financial reporting.

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Schedule of Findings and Questioned Costs - Continued**

Condition

Proper internal control surrounding custody of assets, the recording of transactions, reconciling bank accounts and preparation of financial statements dictates that there should be sufficient accounting personnel, so duties of employees are properly segregated. More segregation of duties would provide better control over the assets of the District.

Effect or Potential Effect

Without sufficient segregation of duties, the risk significant increases that errors and fraud related to cash receipts, disbursements, and reconciliations, including misappropriation of assets, could occur and not be detected within a timely basis.

Cause

The entity's limited size and staffing resources have made it difficult for management to provide sufficient staffing to fully segregate incompatible duties in a cost-effective manner.

Recommendation

The accounting functions should be reviewed to determine if additional segregation of duties is feasible and to improve the efficiency and effectiveness of financial management and financial statement accuracy for the District. Segregation of authorization, custody of assets, record keeping, and reconciliation functions would assist in mitigating the risk of fraud or misstatements to the financial statements.

Views of Responsible Officials

There is no disagreement with the audit finding and we understand that this will be a repeated recommendation due to the limited amount of resources of the District. The District will segregate functions where feasible.

2023-002 FINANCIAL STATEMENT PREPARATION

Criteria

A good system of internal accounting control contemplates an adequate system for the preparation of the financial statements, including recording government wide journal entries in order to reconcile from the fund financials to the government wide financials and ensuring all general ledger accounts are properly reflected on a GAAP basis.

Condition

The District does not have an internal control system designed to provide for the preparation of the financial statements being audited, including recording government wide journal entries. As auditors, we were requested to draft the financial statements, which include proposing government wide journal entries, and drafting the accompanying notes to the financial statements.

Effect or Potential Effect

Inadequate controls over financial reporting of the District results in more than a remote likelihood that the District would not be able to draft the financial statements and accompanying notes to financial statements that are materially correct without the assistance of the auditors.

Recommendation

We recommend the District be aware of this condition and be prepared and able to provide all necessary information and schedules to complete the financial statements and disclosures. As a compensating control, the District should establish an internal control policy to document annual review of the financial statements and to review a financial statement disclosure checklist.

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Schedule of Findings and Questioned Costs - Continued**

Views of Responsible Officials

The District will continue to have the auditor prepare the financial statements. It is currently not cost-effective for management to perform the preparation.

**INDEPENDENT SCHOOL DISTRICT NO. 846
BRECKENRIDGE PUBLIC SCHOOLS
Breckenridge, Minnesota**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year ended June 30, 2023**

Prior Financial Statement Findings

2022-001

A material weakness was reported for inadequate segregation of duties.

Corrective Action Plan

The accounting functions should be reviewed to determine if additional segregation of duties is feasible and to improve the efficiency and effectiveness of financial management and financial statement accuracy for the District. Segregation of authorization, custody of assets, record keeping, and reconciliation functions would assist in mitigating the risk of fraud or misstatements to the financial statements. This material weakness continues to exist under the current audit findings as finding number 2023-001.

2022-002

A material weakness was reported for financial statement preparation.

Corrective Action Plan

The accounting functions should be reviewed to determine if it is feasible for the District to prepare its own financial statements. This material weakness continues to exist under the current audit findings as finding number 2023-002.

2022-003

A significant deficiency was reported for improper retention of employee personnel forms.

Corrective Action Plan

Management will make an effort to ensure all employee personal forms are completed properly and retained appropriately.

2022-004

A failure to comply with provisions of uniform financial accounting and reporting standards for inactive student activity accounts.

Corrective Action Plan

Student activity fund balances will be reviewed annually to ensure that they remain active, or the required plan is submitted to document the inactivity.



December 31, 2023
School Board
Breckenridge Public Schools

We have audited the financial statements of the Breckenridge Public Schools (“the District”) as of and for the year ended June 30, 2023, and have issued our report thereon dated December 31, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated October 30, 2023, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material weakness and material noncompliance, and other matters noted during our audit in a separate letter to you dated December 31, 2023.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity’s Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements was:

Management's estimate of depreciable lives and residual values of buildings and equipment is based on industry standards. We evaluated the key factors and assumptions used to develop the depreciable lives and residual value in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

The disclosure of OPEB and pensions in Note 7 and 8 discloses the amounts related to deferred inflows, deferred outflows, and net pension liability.

The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in a separate letter dated December 31, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Information Included in the Annual Report

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the District's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Other Matters

We applied certain limited procedures to the OPEB and pension schedules and notes to required supplementary information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the nonmajor governmental funds combining balance sheet, schedule of revenues, expenditures, and change in fund balance, uniform financial accounting and reporting standards compliance table, schedule of expenditures of federal awards, and notes to schedule of expenditures of federal awards which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the school board and management of the District and is not intended to be, and should be, used by anyone other than these specified parties.

Very truly yours,



Nadine Julson, LLC

Breckenridge Public Schools
810 Beede Ave
Breckenridge, MN 56520
(218) 643-6822

Date: December 31, 2023
To: Nadine Julson, LLC
From: Dessica Komestakes, Business Manager
Re: Breckenridge Public Schools Corrective Action Plan
Contact Person Responsible for Correction Action Plan: Dessica Komestakes, Business Manager

Section 1 – Financial Statement Findings

2023-001 Inadequate Segregation of Duties – Material Weakness

Condition

The District has limited staff members responsible for the primary accounting functions. A lack of segregation of duties exists as limited personnel are responsible to collect and deposit monies, issue checks, send checks to vendors, record receipts disbursement in journals, maintain the general ledger, create credit memos, and perform bank reconciliations.

Corrective Action Plan

Agree – The District will segregate duties where possible.

Anticipated Completion Date

No date set.

2023-002 Financial Statement Preparation – Material Weakness

Condition

The District has limited staff members responsible for the preparation of financial statements, including recording government wide journal entries in order to reconcile from the fund financial statements to the government wide financial and preparation of notes to the financial statements.

Corrective Action Plan

Agree – The District will review internal control policies and document annual review of the financial statements.

Anticipated Completion Date

No date set.

Triennial Assessment

An assessment of our local school wellness policy must be conducted a minimum of once every three years, per USDA regulations. It's called a Triennial Assessment, and you have a copy that we completed in December. Our district wellness committee reviews how we're meeting goals outlined in our wellness policy about nutrition promotion education, physical activity, school-based activities to promote student wellness, nutrition guidelines and marketing of foods available on our campuses.

As part of this assessment, we score our policy with a national tool from the Rudd Institute at the University of Connecticut. Our district does well. On a scale of 100, our comprehensiveness is **86** and our strength is **65**. The Rudd Institute tested this tool in a sample of 50 districts around the country and found the average comprehensiveness score was 54 and the average strength score was 33.

Action Plan

I also want to share with you our wellness committee's Action Plan. You have a copy of this as well in your packet. You'll note our six goals that we review at our wellness committee meetings.

Invitation

You're welcome to attend our wellness meetings. We'd love to have a school board representative.

The Farm at St. Francis



The purpose of **The Farm** purpose is to grow fresh fruits and vegetables to improve food security and health in Richland and Wilkin County



Farm Highlights

The Farm at St. Francis is located on the campus of CHI St. Francis Health, 2400 St. Francis Drive, Breckenridge, MN

In 2021, The Farm received a grant from CommonSpirit Health to fund a three-year Community Health project in food security and food system development.

Nearly 3000 lbs. of produce were donated to Richland Wilkin Emergency Food Pantry in 2023

How You Can Be Involved

Looking for individuals, businesses, service clubs, and organizations to consider donating time for various projects that can accommodate all skill levels. Construction, planting, weeding, harvesting, and watering are current needs.

Looking for additional project team members to guide the project into the future.

2024 Giving Opportunities

Consider a gift in kind like small equipment, tools, inputs, plants, and cash donations.

Volunteer Times

A supervisor is available every Monday and Wednesday from 9am-12n. and yet volunteer times are flexible. Send an email or call to schedule a time to volunteer.



Contact Us

Call or text Jason Bergstrand at (701) 306-5280 or email jason.bergstrand@claycountymn.gov to learn more about the Farm and how you can get involved!

You may also contact Rick Abrahamson, Farm Project Coordinator at (218) 643-0371 or email ricky.abrahamson@commonspirit.org

Breckenridge School Wellness Policy Action Plan: Date: 10/13/23, 12/8/23

Goal What do we want to accomplish?	Action Steps What activities need to happen?	Timeline Start dates	Measurement How is progress measured?	Lead Person	Stakeholders Who will be involved and/or impacted?	Complete?
1.Promote wellness committee	1a. open committee membership to community 1b. school board member 1c. student 1d. school psychologist	ongoing	More awareness – try to send as much as possible to Facebook page updater	Through communication typically done by district	All school district constituents	IP
2. Staff wellness support	2a. Annually consider 12 Days of Wellness or another initiative by wellness committee 2b. Promote Heart, Rotary, hypertension screenings; diabetes prevention 2c. reminders of blood pressure and fitness center 2d. Massages – Steph will pursue 2e. Mindfulness messaging – explore opportunities 2f. Consider exploring Kognito mental health/suicide prevention program – available on website as teacher training offering 2g. Promote insurance and EAP offerings	ongoing	Participation	Stephanie Beyer, Dee Nelson, Wellness Committee	staff	ongoing
3. Orchard Education	Increase usage and care	ongoing		HS Principal, Agriculture teacher, FFA	Constituents	IP 107
4. Vaping Education	4a. involve students, staff, parents 4b. Partner with WeCare on Cessation Packets 4c. Use My Life, My Quit to help students quit vaping	ongoing	Awareness; decrease in usage; use pre and post survey	Principal Corinna Erickson, WeCare	Students, Teachers and Families	Ongoing proactive work being done
5. Dental Health Promotion	5a. Offer and expand oral health education in pre-k and elementary grades in partnership with NDSCS Hygiene students. 5b. Continue to partner and promote Apple Tree Dental mobile clinics 5c. Consider adding oral health to Wellness Policy #533 <i>Complete!</i>	SY 23-24	Oral health education and resources provided to children and families	Jane Neubauer, Apple tree dental 5d. Karen Nitzkorski, Jane Neubauer and Superintendent Kristie Sullivan	Students, staff, families	5c. Complete
6. Food Shelf exploration and support	6a. Determine need 6b. Explore implementation options	SY 23-24	Meeting needs of student with nutrition insecurity	Kelly Larson, Wellness Committee	Students and families	

Local Wellness Policy: Triennial Assessment Template

Background Information

An assessment of your school wellness policy must be conducted a minimum of once every three years; however, Local Educational Agencies (LEAs) may assess their policy more frequently if they wish. The results of the assessment must be made available to the public.

Purpose

The template below is offered as a way to summarize the information gathered during your assessment. Members of a school wellness committee who are completing their triennial assessment for their school wellness policy may use this template. It contains the three required components of the triennial assessment, including 1) compliance with the wellness policy 2) how the wellness policy compares to model wellness policies 3) progress made in attaining the goals of the wellness policy.

Results

The copy of the assessment must be made available to the public. How the assessment is made available is the decision of the LEA. Many LEA's choose to post the results on their district website. The triennial assessment summary and the assessment details (e.g. WellSAT 3.0 report) must be shared.

Recordkeeping

Keep a copy of the most recent triennial assessment, along with supporting documentation on file. This will be needed when you have a School Nutrition Program administrative review.

Local Wellness Policy: Triennial Assessment Summary

Section 1: General Information

School(s) included in the assessment:

Month and year of current assessment: _____

Date of last Local Wellness Policy revision: _____

Website address for the wellness policy and/or information on how the public can access a copy:

Section 2: Wellness Committee Information

How many times per year does your school wellness committee meet? _____

Designated School Wellness Leader

Name	Job Title	Email Address

School Wellness Committee Members

Name	Job Title	Email Address

Section 3. Comparison to Model School Wellness Policies

Complete the [WellsAT3.0 assessment tool](#) and keep a copy of the results on file for at least three full school years plus the current year, as it will be reviewed during the next administrative review of your school nutrition program.

Indicate model policy language used for comparison:

- Alliance for a Healthier Generation: Model Policy
- WellsAT 3.0 example policy language
- Other (please specify): _____

Describe how your wellness policy compares to model wellness policies.

Section 4. Compliance with the Wellness Policy and Progress towards Goals

At a minimum, local wellness policies are required to include:

- Specific goals for:
 - Nutrition promotion and education
 - Physical activity
 - Other school based activities that promote student wellness.
- Standards and nutrition guidelines for all foods and beverages sold to students on the school campus during the school day that are consistent with Federal regulations for school meal nutrition standards, and the Smart Snacks in School nutrition standards.
- Standards for all foods and beverages provided, but not sold, to students during the school day (e.g., in classroom parties, classroom snacks brought by parents, or other foods given as incentives).
- Policies for food and beverage marketing that allow marketing and advertising of only those foods and beverages that meet the Smart Snacks in School nutrition standards.
- Description of public involvement, public updates, policy leadership, and evaluation plan.

Using the tables below, indicate the language that is currently written in the district local wellness policy in relation to each topic area. Next, assess and discuss whether the district is meeting the goal, partially meeting the goal, or not meeting the goal. Finally, indicate the progress made for each goal and next steps that have been identified.

Nutrition Promotion and Education Goal(s)	Meeting Goal	Partially Meeting Goal	Not Meeting Goal	Describe progress and next steps

Physical Activity Goal(s)	Meeting Goal	Partially Meeting Goal	Not Meeting Goal	Describe progress and next steps

School-based activities to promote student wellness goal(s)	Meeting Goal	Partially Meeting Goal	Not Meeting Goal	Describe progress and next steps

Nutrition guidelines for all foods and beverages for sale on the school campus (i.e. school meals and smart snacks)	Meeting Goal	Partially Meeting Goal	Not Meeting Goal	Describe progress and next steps

Guidelines for other foods and beverages available on the school campus, but not sold	Meeting Goal	Partially Meeting Goal	Not Meeting Goal	Describe progress and next steps

Marketing and advertising of only foods and beverages that meet Smart Snacks	Meeting Goal	Partially Meeting Goal	Not Meeting Goal	Describe progress and next steps

Include any additional notes, if necessary:

D. Land Plots
9. Adjournment