



ROYALTON BOARD OF EDUCATION

Regular Meeting Agenda

January 8, 2024

6:30 PM

1. Call to Order

2. Roll Call

3. Board Chair Comments

4. Approval of Agenda

5. Recognition of Citizens for Input Purposes

6. Reports/News

6.a. Board Committee Report

6.b. Superintendent Report

6.c. Business Manager Report

7. Consent Agenda Approval

***The Board is consenting to approve items listed below as presented, at one time. At any point a Director can pull an item off the consent agenda for further discussion.**

7.a. Approval of Truth in Taxation Meeting Minutes 12.11.23

7.b. Approval of Regular Board Meeting Minutes 12.11.23

7.c. Claims, Accounts and Financial

Approve accounts payable and receivables, and employee reimbursements as attached and approve all other financial reports as presented.

8. Discussion/Information/Action Items

8.a. Preliminary Audit Report

8.b. Calendar Discussion

8.c. Approval of Spring Break Survey

8.d. Approval of Reduction Resolution

8.e. Approval of Donations by Resolution

9. Upcoming Meeting Schedule

10. Adjournment



ROYALTON
PUBLIC SCHOOLS

Home of the Royals

RESPECT · HONESTY · INTEGRITY · LEADERSHIP · ACCOUNTABILITY · SERVICE

120 Hawthorn Street, Royalton, MN 56373
Phone (320) 584-4000
royaltonpublicschools.org

FISCAL YEAR 2024
JANUARY BUDGET UPDATE

ENROLLMENT

- Original Adopted Budget: 935 ADM
 - Ended 22-23 943 ADM

- As of December 2023: 919 Students
 - ADM's calculated based on weighted factor
 - EC-6th Grade = 1.0
 - 7th-12th Grade = 1.20
 - 23-24 updated School ADM Report not available yet

- Enrollment Tracking
 - Monthly
 - Budget impact
 - Updated MDE ADM Web Estimates
 - 12.05.2023
 - 922 ADM

GENERAL FUND REVENUES

		FISCAL YEAR 2024			PRIOR FISCAL YEAR 2023		2ND PRIOR FISCAL YEAR 2022		2024	2023	2022
		Adopted Budget	Revised Budget	Year-to-Date Actual	Total Actual	Year-to-Date Actual	Total Actual	Year-to-Date Actual	% of Budget	% of Total	% of Total
Revenues by Source											
Local Revenues	00 Local Revenues	3,039,303.33	3,039,303.33	793,037.69	3,107,384.47	1,312,244.08	2,682,386.39	354,173.17	26.09%	42.23%	13.20%
State Revenues	00 State Revenues	10,437,724.21	10,437,724.21	3,536,579.79	10,034,698.71	3,332,567.55	9,493,142.66	2,994,834.17	33.88%	33.21%	31.55%
Federal Revenues	00 Federal Revenues from State	737,999.14	737,999.14	94,028.44	1,096,238.72	134,603.37	1,327,390.74	188,163.05	12.74%	12.28%	14.18%
Misc Local Revenues	00 Loc Sales, Ins Recov & Jdgmnt	124,969.00	124,969.00	76,062.11	374,885.52	172,568.77	62,421.98	53,155.89	60.86%	46.03%	85.16%
Total Revenues		14,339,995.68	14,339,995.68	4,499,708.03	14,613,207.42	4,951,983.77	13,565,341.77	3,590,326.28	31.38%	33.89%	26.47%

- On track with current year budget: 31%

GENERAL FUND EXPENDITURES

Royalton School District
 FINANCIAL REPORTS
 MONTH ENDED November 30th, 2023



Expenditures by Object	FISCAL YEAR 2024			PRIOR FISCAL YEAR 2023		2ND PRIOR FISCAL YEAR 2022		2024	2023	2022
	Adopted Budget	Revised Budget	Year-to-Date Actual	Total Actual	Year-to-Date Actual	Total Actual	Year-to-Date Actual	% of Budget	% of Total	% of Total
Salaries & Wages	6,516,224.03	6,516,224.03	2,183,411.37	6,937,559.15	2,020,712.69	6,545,518.98	1,809,156.39	33.51%	29.13%	27.64%
Employee Benefits	2,096,000.92	2,096,000.92	564,767.80	1,896,589.87	574,342.11	1,804,876.95	568,192.08	26.95%	30.28%	31.48%
Purchased Services	1,671,429.00	1,671,429.00	635,465.11	1,842,545.54	653,218.01	1,688,001.62	518,169.20	38.02%	35.45%	30.70%
Supplies & Materials	1,198,086.74	1,198,086.74	557,616.69	1,375,709.48	533,764.37	1,204,525.76	366,248.03	46.54%	38.80%	30.41%
Capital Expenditures	328,969.00	328,969.00	137,258.07	1,014,689.22	545,491.23	524,343.28	283,493.06	41.72%	53.76%	54.07%
Other Expenditures	12,949.98	12,949.98	10,969.04	72,084.66	22,265.35	74,794.24	28,671.26	84.70%	30.89%	38.33%
Total Expenditures	11,823,659.67	11,823,659.67	4,089,488.08	13,139,177.92	4,349,793.76	11,842,060.83	3,573,930.02	34.59%	33.11%	30.18%

- On track with current year budget: 34%



Thank you!

Truth in Taxation Meeting

Monday, December 11, 2023 6:05 PM

Early Childhood Entrance Foyer, Enter Door #1, 120 South Hawthorn Street,
Royalton, MN 56373

Tyra Baumann: Present
Lucas Boyd: Present
Randy Hackett: Present
Rian Hofstad: Present
Angela Roering: Present
Maria Traut: Present

1. Call to Order

2. Pledge to Flag

3. Roll Call

4. Truth in Taxation Public Hearing

5. Adjournment

Motion to Adjourn the Meeting at 6:31pm. This motion, made by Tyra Baumann and seconded by Maria Traut, Passed.

Tyra
Baumann: Yea

Lucas Boyd: Yea

Randy
Hackett: Yea

Rian
Hofstad: Yea

Angela
Roering: Yea

Maria
Traut: Yea

Yea: 6, Nay: 0

Board Secretary

Regular Meeting

Monday, December 11, 2023 6:35 PM

Early Childhood Entrance Foyer, Enter Door #1, 120 South Hawthorn Street,
Royalton, MN 56373

Tyra Baumann: Present
Lucas Boyd: Present
Randy Hackett: Present
Rian Hofstad: Present
Angela Roering: Present
Maria Traut: Present

1. Call to Order

2. Roll Call

3. Board Chair Comments

4. Approval of Agenda

Motion to Approve Agenda. This motion, made by Tyra Baumann and seconded by Randy Hackett, Passed.

Tyra Baumann: Yea

Lucas Boyd: Yea

Randy Hackett: Yea

Rian Hofstad: Yea

Angela Roering: Yea

Maria Traut: Yea

Yea: 6, Nay: 0

5. Appreciation, Recognition and Presentations

We recognized the Students of the Month:

September: Nate Moga

October: Nick Leibold

November: Maimouna Toure

6. Recognition of Citizens for Input Purposes

7. Reports/News

7.a. Board Committee Report

7.b. Superintendent Report

7.c. Principal Report

8. Consent Agenda Approval

*The Board is consenting to approve items

listed below as presented, at one time. At any point a Director can pull an item off the consent agenda for further discussion.

Motion to Approve All Items on Consent Agenda.
This motion, made by Randy Hackett and seconded by Tyra Baumann, Passed.

Tyra
Baumann: Yea

Lucas Boyd: Yea

Randy
Hackett: Yea

Rian
Hofstad: Yea

Angela
Roering: Yea

Maria
Traut: Yea

Yea: 6, Nay: 0

8.a. Approval of Regular Board Meeting Minutes
11.27.23

8.b. Claims, Accounts and Financial
Approve accounts payable and receivables,
and employee reimbursements as attached and
approve all other financial reports as
presented.

8.c. Approval of RESP Contract

8.d. Approval of Resignations

8.e. Approval of New Hires

9. Discussion/Information/Action Items

9.a. Approval of Final Levy
Motion to Approve Final Levy. This motion,
made by Tyra Baumann and seconded by Randy
Hackett, Passed.

Tyra
Baumann: Yea

Lucas
Boyd: Yea

Randy
Hackett: Yea

Rian
Hofstad: Yea

Angela
Roering: Yea

Maria Yea

Traut:

Yea: 6, Nay: 0

- 9.b. Approval of Freshwater Targeted Services
Motion to Approve Freshwater Targeted Services. This motion, made by Tyra Baumann and seconded by Randy Hackett, Passed.

Tyra

Baumann: Yea

Lucas

Boyd: Yea

Randy

Hackett: Yea

Rian

Hofstad: Yea

Angela

Roering: Yea

Maria

Traut: Yea

Yea: 6, Nay: 0

- 9.c. Approval of Donations by Resolution
Motion to Approve Donations by Resolution. This motion, made by Maria Traut and seconded by Tyra Baumann, Passed.

Tyra

Baumann: Yea

Lucas

Boyd: Yea

Randy

Hackett: Yea

Rian

Hofstad: Yea

Angela

Roering: Yea

Maria

Traut: Yea

Yea: 6, Nay: 0

- 9.d. Fundraising Report

- 9.e. Strategic Plan Update

- 9.f. Spring Break Survey Discussion

10. Upcoming Meeting Schedule

There will not be a policy meeting this month.
The finance meeting was moved to December 14th

at Noon.

11. **Adjournment**

The meeting was adjourned at 7:30pm. This motion, made by Tyra Baumann and seconded by Randy Hackett, Passed.

Tyra
Baumann: Yea

Lucas Boyd: Yea

Randy
Hackett: Yea

Rian
Hofstad: Yea

Angela
Roering: Yea

Maria
Traut: Yea

Yea: 6, Nay: 0

Board Secretary

Royalton Public Schools
Detail Payment Register By Check
Fund Summary

Fund Description	Total
12 Student Activities	\$23,741.46
Report Total	\$23,741.46

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	ACT	19566	2133		BERNICK'S		Check		
				E 12	020 298 018 301 401	POP PAYMENT		\$295.92	
	PO#:	Voucher #:	40548	Invoice	Invoice No: 10151179	12/4/2023	Paid Amt:	\$295.92	
							Check Amount:	\$295.92	
0485	ACT	19567	4599		MELISSA POSER		Check		
				E 12	020 292 020 301 401	CC Food Reimbursement		\$200.00	
	PO#:	Voucher #:	40550	Invoice	Invoice No: 11.08.2023	12/4/2023	Paid Amt:	\$200.00	
							Check Amount:	\$200.00	
0485	ACT	19568	2202		MN FFA ASSOCIATION		Check		
				E 12	020 298 030 301 820	Regional Membership dues		\$646.00	
	PO#:	Voucher #:	40547	Invoice	Invoice No: 5566	12/4/2023	Paid Amt:	\$646.00	
							Check Amount:	\$646.00	
0485	ACT	19569	3498		VALLEY ATHLETICS		Check		
				E 12	020 296 034 301 401	Shooting/Warm Up Shirts		\$2,789.10	
	PO#:	Voucher #:	40549	Invoice	Invoice No: 52881	12/4/2023	Paid Amt:	\$2,789.10	
							Check Amount:	\$2,789.10	
0485	ACT	19570	2150		Bratsch, Donna		Check		
				E 12	020 298 018 301 401	REIMB CONCESSION SUPPLIES		\$1,058.68	
	PO#:	Voucher #:	40639	Invoice	Invoice No: 12.07.2023	12/7/2023	Paid Amt:	\$1,058.68	
							Check Amount:	\$1,058.68	
0485	ACT	19571	4867		Bzdok, Bob		Check		
				E 12	020 294 033 301 401	Football away meals		\$292.18	
	PO#:	Voucher #:	40632	Invoice	Invoice No: 12.04.2023	12/7/2023	Paid Amt:	\$292.18	
							Check Amount:	\$292.18	
0485	ACT	19572	4242		RADEMACHER COMPANIES, INC.		Check		
				E 12	020 298 041 301 401	Candy for Royalty for Homecoming Parade		\$39.44	
	PO#:	Voucher #:	40633	Invoice	Invoice No: 00058058	12/7/2023	Paid Amt:	\$39.44	
							Check Amount:	\$39.44	
0485	ACT	19573	4852		Randt, Jennifer		Check		
				E 12	020 298 041 301 401	Turkey Bingo Supplies		\$38.94	
	PO#:	Voucher #:	40634	Invoice	Invoice No: 12.04.2023	12/7/2023	Paid Amt:	\$38.94	
							Check Amount:	\$38.94	
0485	ACT	19574	2257		Skwira, Robert		Check		
				E 12	020 298 035 301 401	YES/Tech Club tax reimbursement		\$11.29	
	PO#:	Voucher #:	40637	Invoice	Invoice No: 12.06.2023	12/7/2023	Paid Amt:	\$11.29	
				E 12	020 298 035 301 401	YES/Tech Club Officer Retreat		\$177.47	
	PO#:	Voucher #:	40638	Invoice	Invoice No: 12.04.2023	12/7/2023	Paid Amt:	\$177.47	
							Check Amount:	\$188.76	

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	ACT	19575	2645		XCEL ENERGY CENTER		Check		
				E 12	020 298 030 301 401	World's Toughest Rodeo		\$1,410.00	
	PO#:	Voucher #:	40635	Invoice	Invoice No:	12.01.2023		12/7/2023	
							Paid Amt:	\$1,410.00	
							Check Amount:	\$1,410.00	
0485	ACT	19576	4212		HERITAGE EMBROIDERY & DESIGN		Check		
				E 12	020 294 079 301 401	Shooting Shirts		\$1,098.00	
	PO#: 5615	Voucher #:	40649	Invoice	Invoice No:	57342		12/15/2023	
							Paid Amt:	\$1,098.00	
							Check Amount:	\$1,098.00	
0485	ACT	19577	2374		REGION 7 BPA		Check		
				E 12	020 298 021 301 401	REGION REGISTRATION		\$160.00	
	PO#:	Voucher #:	40656	Invoice	Invoice No:	263-161		12/15/2023	
							Paid Amt:	\$160.00	
							Check Amount:	\$160.00	
0485	ACT	19578	4295		AMAZON CAPITAL SERVICES		Check		
				E 12	020 298 048 301 401	Classroom Supplies		\$53.92	
	PO#:	Voucher #:	40722	Invoice	Invoice No:	1XX&-FWNV-9DF1		12/21/2023	
							Paid Amt:	\$53.92	
							Check Amount:	\$53.92	
0485	ACT	19579	2133		BERNICK'S		Check		
				E 12	020 298 018 301 401	POP PAYMENT		\$1,183.68	
	PO#:	Voucher #:	40787	Invoice	Invoice No:	10161420		12/21/2023	
							Paid Amt:	\$1,183.68	
							Check Amount:	\$1,183.68	
0485	ACT	19580	2150		Bratsch, Donna		Check		
				E 12	020 298 018 301 401	REIMB CONCESSION SUPPLIES		\$686.13	
	PO#:	Voucher #:	40789	Invoice	Invoice No:	12.20.2023		12/21/2023	
							Paid Amt:	\$686.13	
							Check Amount:	\$686.13	
0485	ACT	19581	1783		Cimenski, Melanie		Check		
				E 12	020 298 023 301 401	Dinner Theatre Supplies		\$49.28	
	PO#:	Voucher #:	40759	Invoice	Invoice No:	12.01.2023		12/21/2023	
				E 12	020 298 023 301 401	Tech stuff for Drama		\$451.19	
	PO#:	Voucher #:	40760	Invoice	Invoice No:	11.28.2023		12/21/2023	
							Paid Amt:	\$451.19	
							Check Amount:	\$500.47	
0485	ACT	19582	2135		GRANITE CITY JOBBING		Check		
				E 12	020 298 018 301 401	CONCESSIONS PRODUCTS		\$439.84	
	PO#:	Voucher #:	40788	Invoice	Invoice No:	364365		12/21/2023	
							Paid Amt:	\$439.84	
							Check Amount:	\$439.84	
0485	ACT	19583	4809		Liddane, Joelle		Check		
				E 12	020 298 030 301 401	Reimbursement contest meal		\$134.40	
	PO#:	Voucher #:	40757	Invoice	Invoice No:	12.14.2023		12/21/2023	
							Paid Amt:	\$134.40	
							Check Amount:	\$134.40	

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
0485	ACT	19584	2157		MINN TEX CITRUS		Check
				E 12	020 298 030 301 401	FRUIT SALE PAYMENT	\$12,451.00
	PO#:	Voucher #:	40756	Invoice	Invoice No: 18345	12/21/2023	Paid Amt: \$12,451.00
							Check Amount: \$12,451.00
0485	ACT	19585	4616		ST. SCHOLASTICA HONOR BAND		Check
				E 12	020 298 039 301 401	Regis Fee for Honor Band	\$75.00
	PO#:	Voucher #:	40770	Invoice	Invoice No: 12.19.2023	12/21/2023	Paid Amt: \$75.00
							Check Amount: \$75.00
							Report Total: \$23,741.46

Royalton Public Schools
Detail Payment Register By Check
Fund Summary

Fund	Description	Total
01	General	\$159,228.33
02	Food Service	\$4,776.21
04	Community Service	\$5,913.24
Report Total		\$169,917.78

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	PCB	1558			TEACHERS RETIREMENT ASSN		Wire		
				B 01	215 018	TRA		\$6.19	
				B 04	215 018	TRA		\$34.65	
PO#:	Voucher #:	40809	Invoice	Invoice No:	S202411S0	12/15/2023	Paid Amt:	\$40.84	
								Check Amount:	\$40.84
0485	PCB	1558			TEACHERS RETIREMENT ASSN		Wire		
				B 01	215 018	TRA		\$29,959.39	
				B 04	215 018	TRA		\$818.17	
PO#:	Voucher #:	40800	Invoice	Invoice No:	S2024110	12/15/2023	Paid Amt:	\$30,777.56	
								Check Amount:	\$30,777.56
0485	PCB	1137			EDUCATORS BENEFIT CONS, LLC		Wire		
				B 01	215 005	Tax Ann		\$683.89	
PO#:	Voucher #:	40801	Invoice	Invoice No:	S2024110	12/15/2023	Paid Amt:	\$683.89	
				B 01	215 005	Tax Ann		\$171.23	
PO#:	Voucher #:	40802	Invoice	Invoice No:	S2024110	12/15/2023	Paid Amt:	\$171.23	
				B 01	215 005	Tax Ann		\$1,586.47	
PO#:	Voucher #:	40803	Invoice	Invoice No:	S2024110	12/15/2023	Paid Amt:	\$1,586.47	
				B 01	215 005	Tax Ann		\$8,439.53	
				B 04	215 005	Payroll Deductions		\$207.88	
PO#:	Voucher #:	40804	Invoice	Invoice No:	S2024110	12/15/2023	Paid Amt:	\$8,647.41	
				B 01	215 005	Tax Ann		\$156.80	
PO#:	Voucher #:	40805	Invoice	Invoice No:	S2024110	12/15/2023	Paid Amt:	\$156.80	
				B 01	215 005	Tax Ann		\$237.50	
PO#:	Voucher #:	40806	Invoice	Invoice No:	S2024110	12/15/2023	Paid Amt:	\$237.50	
								Check Amount:	\$11,483.30
0485	PCB	1415			PERA		Wire		
				B 01	215 017	PERA		\$12,841.68	
				B 02	215 017	PERA		\$1,884.25	
				B 04	215 017	PERA		\$1,278.40	
PO#:	Voucher #:	40797	Invoice	Invoice No:	S2024110	12/15/2023	Paid Amt:	\$16,004.33	
								Check Amount:	\$16,004.33
0485	PCB	1096			COMMISSIONER OF REVENUE		Wire		
				B 01	215 013	State Tax		\$9,153.06	
				B 02	215 013	State Tax		\$316.35	
				B 04	215 013	State Tax		\$383.49	
PO#:	Voucher #:	40798	Invoice	Invoice No:	S2024110	12/15/2023	Paid Amt:	\$9,852.90	
								Check Amount:	\$9,852.90

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	PCB	4400			FEDERAL TAX PAYMENT		Wire		
				B 01	215 010	FICA		\$5.74	
				B 04	215 010	FICA		\$32.14	
PO#:	Voucher #:	40810	Invoice	Invoice No:	S202411S0	12/15/2023	Paid Amt:	\$37.88	
							Check Amount:	\$37.88	
0485	PCB	4400			FEDERAL TAX PAYMENT		Wire		
				B 01	215 010	FICA		\$39,975.24	
				B 02	215 010	FICA		\$2,011.56	
				B 04	215 010	FICA		\$2,258.88	
				B 01	215 011	Federal Tax		\$15,987.72	
				B 02	215 011	Federal Tax		\$489.27	
				B 04	215 011	Federal Tax		\$408.74	
PO#:	Voucher #:	40807	Invoice	Invoice No:	S2024110	12/15/2023	Paid Amt:	\$61,131.41	
							Check Amount:	\$61,131.41	
0485	PCB	1096			COMMISSIONER OF REVENUE		Wire		
				B 01	215 013	State Tax		\$10,200.86	
				B 02	215 013	State Tax		\$401.28	
				B 04	215 013	State Tax		\$502.44	
PO#:	Voucher #:	40822	Invoice	Invoice No:	S2024120	12/29/2023	Paid Amt:	\$11,104.58	
							Check Amount:	\$11,104.58	
0485	PCB	1137			EDUCATORS BENEFIT CONS, LLC		Wire		
				B 01	215 005	Tax Ann		\$683.89	
PO#:	Voucher #:	40825	Invoice	Invoice No:	S2024120	12/29/2023	Paid Amt:	\$683.89	
				B 01	215 005	Tax Ann		\$171.23	
PO#:	Voucher #:	40826	Invoice	Invoice No:	S2024120	12/29/2023	Paid Amt:	\$171.23	
				B 01	215 005	Tax Ann		\$1,586.47	
PO#:	Voucher #:	40827	Invoice	Invoice No:	S2024120	12/29/2023	Paid Amt:	\$1,586.47	
				B 01	215 005	Tax Ann		\$8,446.00	
				B 04	215 005	Payroll Deductions		\$207.88	
PO#:	Voucher #:	40828	Invoice	Invoice No:	S2024120	12/29/2023	Paid Amt:	\$8,653.88	
				B 01	215 005	Tax Ann		\$156.80	
PO#:	Voucher #:	40829	Invoice	Invoice No:	S2024120	12/29/2023	Paid Amt:	\$156.80	
				B 01	215 005	Tax Ann		\$237.50	
PO#:	Voucher #:	40830	Invoice	Invoice No:	S2024120	12/29/2023	Paid Amt:	\$237.50	
							Check Amount:	\$11,489.77	

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	PCB	4614			WEX		Wire		
			E 01	005 110	000 000 305	WEX Service Fee Dec 2023		\$211.50	
PO#:	Voucher #:	40833	Invoice	Invoice No:	001860678-IN	12/29/2023	Paid Amt:	\$211.50	
							Check Amount:	\$211.50	
0485	PCB	4614			WEX		Wire		
			B 01	215 082		Daycare		\$416.67	
PO#:	Voucher #:	40834	Invoice	Invoice No:	12-04-2023	12/29/2023	Paid Amt:	\$416.67	
							Check Amount:	\$416.67	
0485	PCB	4614			WEX		Wire		
			B 01	215 082		Flex		\$27.68	
PO#:	Voucher #:	40835	Invoice	Invoice No:	12062023	12/29/2023	Paid Amt:	\$27.68	
							Check Amount:	\$27.68	
0485	PCB	4614			WEX		Wire		
			B 01	215 082		Daycare		\$1,306.74	
PO#:	Voucher #:	40836	Invoice	Invoice No:	12112023	12/29/2023	Paid Amt:	\$1,306.74	
							Check Amount:	\$1,306.74	
0485	PCB	4614			WEX		Wire		
			B 01	215 082		Daycare		\$520.84	
PO#:	Voucher #:	40837	Invoice	Invoice No:	12182023	12/29/2023	Paid Amt:	\$520.84	
							Check Amount:	\$520.84	
0485	PCB	4614			WEX		Wire		
			B 01	215 082		Flex		\$1,803.33	
PO#:	Voucher #:	40838	Invoice	Invoice No:	12262023	12/29/2023	Paid Amt:	\$1,803.33	
							Check Amount:	\$1,803.33	
0485	PCB	4614			WEX		Wire		
			B 01	215 084		HSA		\$6,764.69	
			B 02	215 084		HSA		\$60.00	
			B 02	215 084		Adjustment		(\$446.50)	
			B 04	215 084		Payroll Deductions		\$160.41	
PO#:	Voucher #:	40476	Invoice	Invoice No:	S2024100	12/29/2023	Paid Amt:	\$6,538.60	
							Check Amount:	\$6,538.60	
0485	PCB	4614			WEX		Wire		
			B 01	215 084		HSA		\$6,764.69	
			B 02	215 084		HSA		\$60.00	
			B 04	215 084		Payroll Deductions		\$160.41	
			B 04	215 084		Adjustment		(\$540.25)	
PO#:	Voucher #:	40794	Invoice	Invoice No:	S2024110	12/29/2023	Paid Amt:	\$6,444.85	
							Check Amount:	\$6,444.85	

Royalton Public Schools

Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
0485	PCB	4614			WEX		Wire
				B 01 215 084	HSA		\$725.00
	PO#:	Voucher #:	40841	Invoice	Invoice No: 12222023	12/29/2023	Paid Amt: \$725.00
							Check Amount: \$725.00
							Report Total: \$169,917.78

Royalton Public Schools
Detail Payment Register By Check
Fund Summary

Fund	Description	Total
01	General	\$67,604.79
02	Food Service	\$21,572.82
04	Community Service	\$4,473.07
11	Activities	\$6,243.76
Report Total		\$99,894.44

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	PCB	75978	4295		AMAZON CAPITAL SERVICES		Check		
				E 01	020 211 936 000 401	GDLF Craft Cart		\$171.59	
PO#:	Voucher #:	40496	Invoice		Invoice No: 1R36-KHLJ-MWW6	12/4/2023	Paid Amt:	\$171.59	
				E 01	005 640 000 316 401	How to Delelop PLCs for Singletons		\$72.36	
PO#:	Voucher #:	40497	Invoice		Invoice No: 1DLP-93FP-3P49	12/4/2023	Paid Amt:	\$72.36	
				E 01	005 110 690 000 401	Universal 76300 File Jackets		\$16.32	
PO#:	Voucher #:	40498	Invoice		Invoice No: 1KHQ-1Q7V-QFJG	12/4/2023	Paid Amt:	\$16.32	
				E 01	020 260 255 000 430	Plastic Rulers		\$9.99	
PO#:	Voucher #:	40499	Invoice		Invoice No: 1RNY-HCXR-76KT	12/4/2023	Paid Amt:	\$9.99	
							Check Amount:	\$270.26	
0485	PCB	75979	3790		BRAINERD PUBLIC SCHOOLS- ISD #181		Check		
				E 01	020 294 056 000 425	WRESTLING TOURNAMENT ENTRY FEE		\$350.00	
PO#:	Voucher #:	40520	Invoice		Invoice No: 11.30.2023	12/4/2023	Paid Amt:	\$350.00	
							Check Amount:	\$350.00	
0485	PCB	75980	4370		CAPITAL ONE		Check		
				E 01	020 301 096 830 430	Classroom Supplies		\$163.39	
				E 04	005 505 000 321 401	Classroom Supplies		\$130.61	
				E 01	020 301 000 302 530	Classroom Supplies		\$287.25	
				E 01	020 211 936 000 401	Classroom Supplies		\$97.10	
PO#:	Voucher #:	40500	Invoice		Invoice No: 4856811	12/4/2023	Paid Amt:	\$678.35	
							Check Amount:	\$678.35	
0485	PCB	75981	1074		CENTRA SOTA COOPERATIVE		Check		
				E 01	005 760 000 720 442	UNLEADED		\$1,369.87	
				E 01	005 760 000 720 442	Discount		(\$47.01)	
PO#:	Voucher #:	40501	Invoice		Invoice No: 5440852	12/4/2023	Paid Amt:	\$1,322.86	
				E 01	005 760 000 720 442	Wintermaster Dyed		\$4,737.26	
				E 01	005 760 000 720 442	Discount		(\$122.60)	
PO#:	Voucher #:	40502	Invoice		Invoice No: 5440851	12/4/2023	Paid Amt:	\$4,614.66	
							Check Amount:	\$5,937.52	
0485	PCB	75982	4396		CHRIS VOSEN AUTO REPAIR		Check		
				E 01	005 760 000 720 350	Filters, Oil, Labor #25		\$150.03	
PO#:	Voucher #:	40503	Invoice		Invoice No: 7403	12/4/2023	Paid Amt:	\$150.03	
							Check Amount:	\$150.03	
0485	PCB	75983	2602		CLIMATE AIR INC		Check		
				E 01	005 810 000 000 350	HVAC Repairs Elementary		\$1,411.08	
PO#:	Voucher #:	40504	Invoice		Invoice No: 56583	12/4/2023	Paid Amt:	\$1,411.08	

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	PCB	75983	2602		CLIMATE AIR INC		Check		
				E 01	005 810 000 000 350	HVAC Repairs Elementary		\$582.20	
	PO#:	Voucher #:	40505	Invoice	Invoice No: 56560			12/4/2023	
							Paid Amt:	\$582.20	
							Check Amount:	\$1,993.28	
0485	PCB	75984	1089		CLUBS CHOICE FUNDRAISING		Check		
				E 11	010 203 902 000 450	FUND RAISER PRODUCT		\$6,243.76	
	PO#:	Voucher #:	40506	Invoice	Invoice No: SO0472345			12/4/2023	
							Paid Amt:	\$6,243.76	
							Check Amount:	\$6,243.76	
0485	PCB	75985	4557		COLE & SARAH DEVITT		Check		
				R 01	000 292 000 000 060	Refund Robotics		\$40.00	
	PO#:	Voucher #:	40507	Invoice	Invoice No: 10.02.2023			12/4/2023	
							Paid Amt:	\$40.00	
							Check Amount:	\$40.00	
0485	PCB	75986	1133		ECM PUBLISHERS INC		Check		
				E 01	005 110 000 000 380	November 27 Agenda		\$50.88	
	PO#:	Voucher #:	40545	Invoice	Invoice No: 974597			12/4/2023	
							Paid Amt:	\$50.88	
							Check Amount:	\$50.88	
0485	PCB	75987	1152		EVERGREEN LAWN IRRIGATION		Check		
				E 01	005 810 000 000 350	Winterize Pipes/Irrigation		\$900.00	
	PO#:	Voucher #:	40508	Invoice	Invoice No: 7419			12/4/2023	
							Paid Amt:	\$900.00	
							Check Amount:	\$900.00	
0485	PCB	75988	1215		HILLYARD INC		Check		
				E 01	005 810 000 000 401	Pad Hand Med		\$4.60	
	PO#:	Voucher #:	40509	Invoice	Invoice No: 605309671			12/4/2023	
							Paid Amt:	\$4.60	
				E 01	005 810 000 000 401	PM Services and Vacuum cleaner repair		\$185.10	
	PO#:	Voucher #:	40510	Invoice	Invoice No: 700566522			12/4/2023	
							Paid Amt:	\$185.10	
				E 01	005 810 000 000 401	PM Service Machine repair and inspection		\$44.50	
	PO#:	Voucher #:	40511	Invoice	Invoice No: 700566523			12/4/2023	
							Paid Amt:	\$44.50	
				E 01	005 810 000 000 401	PM Service Repair Vacuum		\$214.50	
	PO#:	Voucher #:	40512	Invoice	Invoice No: 700566524			12/4/2023	
							Paid Amt:	\$214.50	
				E 01	005 810 000 000 401	PM service repair Auto Scrubber		\$129.73	
	PO#:	Voucher #:	40513	Invoice	Invoice No: 700566525			12/4/2023	
							Paid Amt:	\$129.73	
				E 01	005 810 000 000 401	PM Service Advenger		\$232.08	
	PO#:	Voucher #:	40514	Invoice	Invoice No: 700566526			12/4/2023	
							Paid Amt:	\$232.08	
				E 01	005 810 000 000 401	PM Service Scrub Ride		\$301.61	
	PO#:	Voucher #:	40515	Invoice	Invoice No: 700566527			12/4/2023	
							Paid Amt:	\$301.61	
				E 01	005 810 000 000 401	PM Service Hydroretriever		\$133.00	
	PO#:	Voucher #:	40516	Invoice	Invoice No: 700566528			12/4/2023	
							Paid Amt:	\$133.00	

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	PCB	75988	1215		HILLYARD INC		Check		
				E 01	005 810 000 000 401	PM Service ISCRUB		\$133.00	
PO#:	Voucher #:	40517	Invoice	Invoice No:	700566529	12/4/2023	Paid Amt:	\$133.00	
				E 01	005 810 000 000 401	Velcro 2 sided		\$85.72	
PO#:	Voucher #:	40518	Invoice	Invoice No:	605313550	12/4/2023	Paid Amt:	\$85.72	
								Check Amount:	\$1,463.84
0485	PCB	75989	3687		HOLDINGFORD HARDWARE		Check		
				E 01	020 255 255 000 430	Tech Ed Supplies		\$22.91	
PO#:	Voucher #:	40551	Invoice	Invoice No:	34880	12/4/2023	Paid Amt:	\$22.91	
				E 01	020 255 255 000 430	Tech Ed Supplies		\$3.67	
PO#:	Voucher #:	40552	Invoice	Invoice No:	35239	12/4/2023	Paid Amt:	\$3.67	
				E 01	020 255 255 000 430	Tech Ed Supplies		\$92.71	
PO#:	Voucher #:	40553	Invoice	Invoice No:	36178	12/4/2023	Paid Amt:	\$92.71	
								Check Amount:	\$119.29
0485	PCB	75990	4215		HORTICULTURAL PRODUCTS & SERVICES		Check		
				E 01	020 301 096 830 430	SKU #5866R-Bullseye Scarlet Hybrid Geraniur		\$36.45	
				E 01	020 301 096 830 430	SKU #05860R-Maverick Mix Hybrid Geranium		\$31.80	
				E 01	020 301 096 830 430	SKU #05848R-Maverick White Geranium		\$31.80	
				E 01	020 301 096 830 430	Shipping		\$9.95	
PO#: 5595	Voucher #:	40561	Invoice	Invoice No:	109505	12/4/2023	Paid Amt:	\$110.00	
								Check Amount:	\$110.00
0485	PCB	75991	4346		ISD #31 BEMIDJI		Check		
				E 01	998 211 000 000 390	Service CE		\$361.83	
PO#:	Voucher #:	40519	Invoice	Invoice No:	11008	12/4/2023	Paid Amt:	\$361.83	
								Check Amount:	\$361.83
0485	PCB	75992	1267		KEMPS, LLC		Check		
				E 02	005 770 000 701 490	MILK		\$162.25	
PO#:	Voucher #:	40521	Invoice	Invoice No:	4898203	12/4/2023	Paid Amt:	\$162.25	
				E 02	005 770 000 701 490	MILK		\$118.00	
PO#:	Voucher #:	40522	Invoice	Invoice No:	4897773	12/4/2023	Paid Amt:	\$118.00	
				E 02	005 770 000 701 490	MILK		\$236.00	
PO#:	Voucher #:	40523	Invoice	Invoice No:	4904843	12/4/2023	Paid Amt:	\$236.00	
				E 02	005 770 000 701 490	MILK		\$175.80	
PO#:	Voucher #:	40524	Invoice	Invoice No:	4904823	12/4/2023	Paid Amt:	\$175.80	
								Check Amount:	\$692.05

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	PCB	75993	3595		LIZ MERTEN PHOTOGRAPHY		Check		
				E 01	020 292 000 000 305	Hallway postersTrack, Football, Volleyball		\$390.00	
	PO#:	Voucher #:	40525	Invoice	Invoice No: 0131	12/4/2023	Paid Amt:	\$390.00	
								Check Amount:	\$390.00
0485	PCB	75994	1326		MENARDS		Check		
				E 01	020 255 255 000 430	Shop Supplies		\$302.72	
	PO#: 5544	Voucher #:	40526	Invoice	Invoice No: 21968	12/4/2023	Paid Amt:	\$302.72	
				E 01	020 298 062 000 401	Construction Shed Resale Supplies		\$4,330.51	
	PO#: 5591	Voucher #:	40527	Invoice	Invoice No: 21967	12/4/2023	Paid Amt:	\$4,330.51	
								Check Amount:	\$4,633.23
0485	PCB	75995	1897		MESPA		Check		
				E 01	010 640 000 316 366	ES Principals Conference		\$450.00	
	PO#:	Voucher #:	40528	Invoice	Invoice No: 16409	12/4/2023	Paid Amt:	\$450.00	
								Check Amount:	\$450.00
0485	PCB	75996	1346		MINNESOTA POWER		Check		
				E 01	020 810 000 000 331	Acct 811180000 Elect		\$333.52	
	PO#:	Voucher #:	40529	Invoice	Invoice No: 811594863492	12/4/2023	Paid Amt:	\$333.52	
				E 01	020 810 000 000 331	Acct 5091115490 MS/HS		\$10,185.18	
	PO#:	Voucher #:	40530	Invoice	Invoice No: 509181901997	12/4/2023	Paid Amt:	\$10,185.18	
				E 01	020 810 000 000 331	Acct 6691032130 Elect		\$35.46	
	PO#:	Voucher #:	40531	Invoice	Invoice No: 669593135321	12/4/2023	Paid Amt:	\$35.46	
				E 01	010 810 000 000 331	ES		\$3,436.38	
	PO#:	Voucher #:	40532	Invoice	Invoice No: 401056092699	12/4/2023	Paid Amt:	\$3,436.38	
								Check Amount:	\$13,990.54
0485	PCB	75997	4458		MOSYLE CORPORATION		Check		
				E 01	005 690 690 000 405	Add'l Licenses 11/01/2023 through 7/31/2024		\$28.84	
				E 01	005 690 690 000 405	Auth add-on		\$6.00	
	PO#:	Voucher #:	40557	Invoice	Invoice No: 2370967	12/4/2023	Paid Amt:	\$34.84	
								Check Amount:	\$34.84
0485	PCB	75998	1375		NAPA AUTO PARTS		Check		
				E 01	005 760 000 720 401	Peak, Electrical Tape and oil		\$53.05	
	PO#:	Voucher #:	40554	Invoice	Invoice No: 576593	12/4/2023	Paid Amt:	\$53.05	
				E 01	005 760 000 720 401	Antifreeze		\$74.94	
	PO#:	Voucher #:	40555	Invoice	Invoice No: 575509	12/4/2023	Paid Amt:	\$74.94	
				E 01	005 760 000 720 401	Classroom Shop Supplies		\$45.86	
	PO#:	Voucher #:	40556	Invoice	Invoice No: 575448	12/4/2023	Paid Amt:	\$45.86	
								Check Amount:	\$173.85

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	PCB	75999	4826		Nichole Bialke		Check		
				R 01	000 292 000 000 060	Refund Robotics		\$40.00	
	PO#:	Voucher #:	40533	Invoice	Invoice No: 10.02.2023			Paid Amt:	\$40.00
								Check Amount:	\$40.00
0485	PCB	76000	4827		Norcostco, Inc.		Check		
				E 01	005 110 690 000 350	Light board repair in cafetorium		\$555.50	
	PO#:	Voucher #:	40534	Invoice	Invoice No: 205244			Paid Amt:	\$555.50
								Check Amount:	\$555.50
0485	PCB	76001	1406		PAN-O-GOLD BAKING CO		Check		
				E 02	005 770 000 701 490	BREAD		\$107.40	
	PO#:	Voucher #:	40535	Invoice	Invoice No: 10000623331002			Paid Amt:	\$107.40
				E 02	005 770 000 701 490	BREAD		\$148.98	
	PO#:	Voucher #:	40536	Invoice	Invoice No: 10000623331003			Paid Amt:	\$148.98
								Check Amount:	\$256.38
0485	PCB	76002	2444		PONTS LOGGING AND LUMBER		Check		
				E 01	020 301 000 830 433	Lumber for Woods I and II		\$1,475.00	
	PO#: 5511	Voucher #:	40560	Invoice	Invoice No: 0067596			Paid Amt:	\$1,475.00
								Check Amount:	\$1,475.00
0485	PCB	76003	4242		RADEMACHER COMPANIES, INC.		Check		
				E 01	005 810 000 000 401	Distilled Water		\$7.00	
	PO#:	Voucher #:	40558	Invoice	Invoice No: 002-00076239			Paid Amt:	\$7.00
				E 01	020 301 096 830 430	Romaine Lettus		\$7.98	
	PO#:	Voucher #:	40559	Invoice	Invoice No: 00039534			Paid Amt:	\$7.98
								Check Amount:	\$14.98
0485	PCB	76004	1477		ROYALTON LUMBER COMPANY		Check		
				E 01	005 810 000 000 401	Ice Melt and other supplies		\$2,878.22	
	PO#:	Voucher #:	40562	Invoice	Invoice No: 864683			Paid Amt:	\$2,878.22
								Check Amount:	\$2,878.22
0485	PCB	76005	3940		ST. CLOUD ORTHOPEDICS		Check		
				E 01	020 292 000 000 305	Athletic Traing Service 8-14-2023 to 6-01-2024		\$8,034.00	
	PO#:	Voucher #:	40546	Invoice	Invoice No: 2			Paid Amt:	\$8,034.00
								Check Amount:	\$8,034.00
0485	PCB	76006	2577		SYSCO WESTERN MN, INC.		Check		
				E 02	005 770 000 701 491	Commodity		\$51.78	
	PO#:	Voucher #:	40537	Invoice	Invoice No: 253521956			Paid Amt:	\$51.78
				E 02	005 770 000 701 491	Commodity		\$49.69	
	PO#:	Voucher #:	40538	Invoice	Invoice No: 253521958			Paid Amt:	\$49.69
				E 02	005 770 000 701 490	LUNCH		\$2,133.21	

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	PCB	76006	2577		SYSCO WESTERN MN, INC.		Check		
				E 02	005 770 000 701 401	SUPPLIES		\$7.46	
PO#:	Voucher #:	40539	Invoice		Invoice No: 253521960	12/4/2023	Paid Amt:	\$2,140.67	
				E 02	005 770 000 701 490	LUNCH		\$95.80	
PO#:	Voucher #:	40540	Invoice		Invoice No: 253521961	12/4/2023	Paid Amt:	\$95.80	
				E 02	005 770 000 701 490	LUNCH		\$84.11	
PO#:	Voucher #:	40541	Invoice		Invoice No: 253521962	12/4/2023	Paid Amt:	\$84.11	
				E 02	005 770 000 701 490	LUNCH		\$2,849.27	
				E 02	005 770 000 705 490	BREAKFAST		\$94.47	
				E 02	005 770 000 701 401	SUPPLIES		\$130.36	
PO#:	Voucher #:	40542	Invoice		Invoice No: 253521957	12/4/2023	Paid Amt:	\$3,074.10	
				E 02	005 770 000 705 490	BREAKFAST		\$599.64	
PO#:	Voucher #:	40543	Invoice		Invoice No: 253521959	12/4/2023	Paid Amt:	\$599.64	
							Check Amount:	\$6,095.79	
0485	PCB	76007	4206		T-MOBILE		Check		
				E 01	005 810 000 000 320	Mobile Internet Acct 971799683		\$100.00	
PO#:	Voucher #:	40544	Invoice		Invoice No: 11.20.2023	12/4/2023	Paid Amt:	\$100.00	
							Check Amount:	\$100.00	
0485	PCB	76008	2966		ARROW LIFT ACCESSIBILITY		Check		
				E 01	005 810 000 000 350	Replace Phone Battery on lift		\$104.02	
PO#:	Voucher #:	40608	Invoice		Invoice No: P-S144738	12/7/2023	Paid Amt:	\$104.02	
							Check Amount:	\$104.02	
0485	PCB	76009	4828		Aschenbrenner, Ashley		Check		
				R 04	000 570 000 321 050	Map Refund		\$31.75	
PO#:	Voucher #:	40565	Invoice		Invoice No: 12062023	12/7/2023	Paid Amt:	\$31.75	
							Check Amount:	\$31.75	
0485	PCB	76010	4829		Baker, Michael & Abigail		Check		
				R 04	000 570 000 321 050	Map Refund		\$50.00	
PO#:	Voucher #:	40566	Invoice		Invoice No: 12062023	12/7/2023	Paid Amt:	\$50.00	
							Check Amount:	\$50.00	
0485	PCB	76011	4830		Barthel, Bill & Jan		Check		
				R 04	000 570 000 321 050	Map Refund		\$52.00	
PO#:	Voucher #:	40567	Invoice		Invoice No: 12062023	12/7/2023	Paid Amt:	\$52.00	
							Check Amount:	\$52.00	
0485	PCB	76012	4516		Bartkovicz, Robyn		Check		
				E 01	020 211 936 000 401	PBIS Items		\$41.97	
PO#:	Voucher #:	40605	Invoice		Invoice No: 11.21.2023	12/7/2023	Paid Amt:	\$41.97	
							Check Amount:	\$41.97	

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	PCB	76013	4831		Bielejeski, Tanya		Check		
				R 04	000 570 000 321 050	Map Refund		\$518.15	
	PO#:	Voucher #:	40568	Invoice	Invoice No: 12062023			Paid Amt:	\$518.15
						12/7/2023		Check Amount:	\$518.15
0485	PCB	76014	4832		Blonigen, Amber		Check		
				R 04	000 570 000 321 050	Map Refund		\$60.75	
	PO#:	Voucher #:	40569	Invoice	Invoice No: 12062023			Paid Amt:	\$60.75
						12/7/2023		Check Amount:	\$60.75
0485	PCB	76015	4833		Burggraff, Leslie		Check		
				R 04	000 570 000 321 050	Map Refund		\$52.50	
	PO#:	Voucher #:	40570	Invoice	Invoice No: 12062023			Paid Amt:	\$52.50
						12/7/2023		Check Amount:	\$52.50
0485	PCB	76016	3344		CDW-GOVERNMENT		Check		
				E 01	020 211 690 000 401	Epson Lamp		\$66.96	
	PO#:	Voucher #:	40619	Invoice	Invoice No: ND50692			Paid Amt:	\$66.96
						12/7/2023		Check Amount:	\$66.96
0485	PCB	76017	1074		CENTRA SOTA COOPERATIVE		Check		
				E 01	005 760 000 720 442	UNLEADED		\$1,099.71	
				E 01	005 760 000 720 442	Discount		(\$40.52)	
	PO#:	Voucher #:	40607	Invoice	Invoice No: 5440972			Paid Amt:	\$1,059.19
						12/7/2023		Check Amount:	\$1,059.19
0485	PCB	76018	2281		CMC CONFERENCE		Check		
				E 01	020 292 000 000 401	Fall All Coaches meeting meal		\$195.00	
	PO#:	Voucher #:	40636	Invoice	Invoice No: 12.06.2023			Paid Amt:	\$195.00
						12/7/2023		Check Amount:	\$195.00
0485	PCB	76019	1090		CMERDC		Check		
				E 01	005 110 000 000 401	Chk Stock/Tax Envelopes		\$93.75	
	PO#:	Voucher #:	40606	Invoice	Invoice No: 194717			Paid Amt:	\$93.75
						12/7/2023		Check Amount:	\$93.75
0485	PCB	76020	4834		Crowder, Sam & Kim		Check		
				R 04	000 570 000 321 050	Map Refund		\$15.00	
	PO#:	Voucher #:	40571	Invoice	Invoice No: 12062023			Paid Amt:	\$15.00
						12/7/2023		Check Amount:	\$15.00
0485	PCB	76021	4835		Decker, Tyler & Amanda		Check		
				R 04	000 570 000 321 050	Map Refund		\$25.50	
	PO#:	Voucher #:	40572	Invoice	Invoice No: 12062023			Paid Amt:	\$25.50
						12/7/2023		Check Amount:	\$25.50

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	PCB	76022	4837		Elyea, Clare		Check		
				R 04	000 570 000 321 050	Map Refund		\$24.00	
	PO#:	Voucher #:	40574	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt:	\$24.00	
							Check Amount:	\$24.00	
0485	PCB	76023	1165		FLINN SCIENTIFIC INC		Check		
				E 01	020 260 000 000 430	Copper Chloride Solution		\$11.29	
				E 01	020 260 000 000 430	Test Tube Brush 1-1/8		\$7.80	
				E 01	020 260 000 000 430	Test Tube Brush 3/4		\$5.25	
				E 01	020 260 000 000 430	Phenol Red Indicator Solution		\$17.16	
				E 01	020 260 000 000 430	Cylinder, Borosilicate Glass		\$42.60	
				E 01	020 260 000 000 430	Test Tubes with Rims		\$43.92	
				E 01	020 260 000 000 430	Bottle Dropping Glass		\$22.70	
				E 01	020 260 000 000 430	Shipping		\$15.03	
	PO#: 5576	Voucher #:	40612	Invoice	Invoice No: 2930045	12/7/2023	Paid Amt:	\$165.75	
							Check Amount:	\$165.75	
0485	PCB	76024	4810		Frenchick, Kaitlyn		Check		
				E 01	020 292 000 000 401	Plastic for Wrestling Mats		\$179.97	
	PO#:	Voucher #:	40604	Invoice	Invoice No: 12.06.2023	12/7/2023	Paid Amt:	\$179.97	
							Check Amount:	\$179.97	
0485	PCB	76025	4857		Gleisner, Tina		Check		
				R 04	000 570 000 321 050	Map Refund		\$183.25	
	PO#:	Voucher #:	40594	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt:	\$183.25	
							Check Amount:	\$183.25	
0485	PCB	76026	4839		Gottwalt, Ashley		Check		
				R 04	000 570 000 321 050	Map Refund		\$107.00	
	PO#:	Voucher #:	40576	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt:	\$107.00	
							Check Amount:	\$107.00	
0485	PCB	76027	4840		Harrington, Ben & Kasi		Check		
				R 04	000 570 000 321 050	Map Refund		\$16.25	
	PO#:	Voucher #:	40577	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt:	\$16.25	
							Check Amount:	\$16.25	
0485	PCB	76028	2027		HOLDINGFORD BASKETBALL		Check		
				E 04	005 505 000 321 305	3rd Grade Boys Basketball	\$175.00	\$175.00	
	PO#:	Voucher #:	40613	Invoice	Invoice No: 11.27.2023	12/7/2023	Paid Amt:	\$175.00	
							Check Amount:	\$175.00	

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
0485	PCB	76029	1241		ISCORP		Check
				E 01	005 110 000 000 305 Skyward hosting Student service for January, 2		\$157.50
	PO#:	Voucher #:	40630	Invoice	Invoice No: 0736214	12/7/2023	Paid Amt: \$157.50
							Check Amount: \$157.50
0485	PCB	76030	4841		Jones, Ashlyn		Check
				R 04	000 570 000 321 050 Map Refund		\$8.50
	PO#:	Voucher #:	40578	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt: \$8.50
							Check Amount: \$8.50
0485	PCB	76031	4842		Justin, Nick & Kelly		Check
				R 04	000 570 000 321 050 Map Refund		\$24.00
	PO#:	Voucher #:	40579	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt: \$24.00
							Check Amount: \$24.00
0485	PCB	76032	1267		KEMPS, LLC		Check
				E 02	005 770 000 701 490 MILK		\$381.10
	PO#:	Voucher #:	40624	Invoice	Invoice No: 4913037	12/7/2023	Paid Amt: \$381.10
				E 02	005 770 000 701 490 MILK		\$339.25
	PO#:	Voucher #:	40625	Invoice	Invoice No: 4908233	12/7/2023	Paid Amt: \$339.25
							Check Amount: \$720.35
0485	PCB	76033	4865		King, Brenda		Check
				R 04	000 570 000 321 050 Map Refund		\$42.00
	PO#:	Voucher #:	40602	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt: \$42.00
							Check Amount: \$42.00
0485	PCB	76034	4843		Kunstleben, Melissa		Check
				R 04	000 570 000 321 050 Map Refund		\$60.00
	PO#:	Voucher #:	40580	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt: \$60.00
							Check Amount: \$60.00
0485	PCB	76035	4844		Lanners, Ryan & Kelly		Check
				R 04	000 570 000 321 050 Map Refund		\$124.30
	PO#:	Voucher #:	40581	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt: \$124.30
							Check Amount: \$124.30
0485	PCB	76036	4866		Litchfield Community Ed		Check
				E 04	005 505 000 321 305 5th Grade Boys Basketball		\$150.00
	PO#:	Voucher #:	40616	Invoice	Invoice No: 11.27.2023	12/7/2023	Paid Amt: \$150.00
							Check Amount: \$150.00
0485	PCB	76037	1292		LONG PRAIRIE GREY EAGLE SCHOOLS		Check
				E 04	005 505 000 321 305 5th Grade Boys Basketball		\$150.00
	PO#:	Voucher #:	40615	Invoice	Invoice No: 11.27.2023	12/7/2023	Paid Amt: \$150.00
							Check Amount: \$150.00

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	PCB	76038	4845		Manea, Jeremy & Ellissia		Check		
				R 04	000 570 000 321 050	Map Refund		\$59.75	
	PO#:	Voucher #:	40582	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt:	\$59.75	
							Check Amount:	\$59.75	
0485	PCB	76039	4838		Mick, Jennifer		Check		
				R 04	000 570 000 321 050	Map Refund		\$7.00	
	PO#:	Voucher #:	40575	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt:	\$7.00	
							Check Amount:	\$7.00	
0485	PCB	76040	2524		MIDCONTINENT COMMUNICATIONS		Check		
				E 01	005 810 000 000 320	PHONE SERVICE		\$1,265.29	
	PO#:	Voucher #:	40609	Invoice	Invoice No: 14529320113718	12/7/2023	Paid Amt:	\$1,265.29	
							Check Amount:	\$1,265.29	
0485	PCB	76041	4846		Misbe, Chris		Check		
				R 04	000 570 000 321 050	Map Refund		\$29.40	
	PO#:	Voucher #:	40583	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt:	\$29.40	
							Check Amount:	\$29.40	
0485	PCB	76042	1357		MN DEPT OF LABOR AND INDUSTRY		Check		
				E 01	005 810 000 000 350	Boilers		\$80.00	
	PO#:	Voucher #:	40628	Invoice	Invoice No: ABR0321076X	12/7/2023	Paid Amt:	\$80.00	
				E 01	005 810 000 000 350	Boilers & Vessels		\$40.00	
	PO#:	Voucher #:	40629	Invoice	Invoice No: ABR0319455X	12/7/2023	Paid Amt:	\$40.00	
							Check Amount:	\$120.00	
0485	PCB	76043	3918		MORA BOOSTER CLUB		Check		
				E 04	005 505 000 321 305	4th Grade Girls Basketball		\$175.00	
	PO#:	Voucher #:	40618	Invoice	Invoice No: 11.27.2023	12/7/2023	Paid Amt:	\$175.00	
							Check Amount:	\$175.00	
0485	PCB	76044	1369		MORRISON CO HEALTH & HUMAN SERV		Check		
				E 02	005 770 000 701 820	Food Pools Lodging License		\$775.00	
	PO#:	Voucher #:	40603	Invoice	Invoice No: 890	12/7/2023	Paid Amt:	\$775.00	
							Check Amount:	\$775.00	
0485	PCB	76045	1370		Morrison CO Social Services		Check		
				E 01	005 110 000 000 305	REPORTING & PAYMENT AGENT		\$1,000.00	
	PO#:	Voucher #:	40640	Invoice	Invoice No: 11.14.2023	12/7/2023	Paid Amt:	\$1,000.00	
							Check Amount:	\$1,000.00	
0485	PCB	76046	3965		MRI SOFTWARE LLC		Check		
				E 01	005 110 000 000 305	Staff Screen		\$187.00	
	PO#:	Voucher #:	40620	Invoice	Invoice No: MRIUS1765936	12/7/2023	Paid Amt:	\$187.00	
							Check Amount:	\$187.00	

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Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	PCB	76047	4847		Nelson, Matthew & LeeAnn		Check		
				R 04	000 570 000 321 050	Map Refund		\$74.05	
	PO#:	Voucher #:	40584	Invoice	Invoice No: 12062023			Paid Amt:	\$74.05
						12/7/2023		Check Amount:	\$74.05
0485	PCB	76048	4848		Niehaus, Kayla		Check		
				R 04	000 570 000 321 050	Map Refund		\$16.60	
	PO#:	Voucher #:	40585	Invoice	Invoice No: 12062023			Paid Amt:	\$16.60
						12/7/2023		Check Amount:	\$16.60
0485	PCB	76049	1403		OSAKIS PUBLIC SCHOOL		Check		
				E 04	005 505 000 321 305	3rd Grade Boys Basketball		\$150.00	
	PO#:	Voucher #:	40614	Invoice	Invoice No: 11.27.2023			Paid Amt:	\$150.00
						12/7/2023		Check Amount:	\$150.00
0485	PCB	76050	1406		PAN-O-GOLD BAKING CO		Check		
				E 02	005 770 000 701 490	BREAD		\$37.57	
	PO#:	Voucher #:	40623	Invoice	Invoice No: 10000623338003			Paid Amt:	\$37.57
						12/7/2023		Check Amount:	\$37.57
0485	PCB	76051	4849		Piotrowski, Troy & Rebecca		Check		
				R 04	000 570 000 321 050	Map Refund		\$7.00	
	PO#:	Voucher #:	40586	Invoice	Invoice No: 12062023			Paid Amt:	\$7.00
						12/7/2023		Check Amount:	\$7.00
0485	PCB	76052	4850		Plumski, Robert & Sarah		Check		
				R 04	000 570 000 321 050	Map Refund		\$12.00	
	PO#:	Voucher #:	40587	Invoice	Invoice No: 12062023			Paid Amt:	\$12.00
						12/7/2023		Check Amount:	\$12.00
0485	PCB	76053	4851		Progreba, Joshua & Miranda		Check		
				R 04	000 570 000 321 050	Map Refund		\$34.50	
	PO#:	Voucher #:	40588	Invoice	Invoice No: 12062023			Paid Amt:	\$34.50
						12/7/2023		Check Amount:	\$34.50
0485	PCB	76054	4852		Randt, Jennifer		Check		
				R 04	000 570 000 321 050	Map Refund		\$6.48	
	PO#:	Voucher #:	40589	Invoice	Invoice No: 12062023			Paid Amt:	\$6.48
						12/7/2023		Check Amount:	\$6.48
0485	PCB	76055	4853		Ratke, Philip & Kari		Check		
				R 04	000 570 000 321 050	Map Refund		\$56.00	
	PO#:	Voucher #:	40590	Invoice	Invoice No: 12062023			Paid Amt:	\$56.00
						12/7/2023		Check Amount:	\$56.00

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	PCB	76056	3113		REPUBLIC SERVICES #891		Check		
				E 01	005 810 000 000 330	WASTE MANAGEMENT SERVICE		\$1,165.96	
	PO#:	Voucher #:	40610	Invoice	Invoice No: 0891-001314734	12/7/2023	Paid Amt:	\$1,165.96	
				E 01	005 810 000 000 330	WASTE MANAGEMENT SERVICE		\$983.67	
	PO#:	Voucher #:	40611	Invoice	Invoice No: 0891-001314735	12/7/2023	Paid Amt:	\$983.67	
							Check Amount:	\$2,149.63	
0485	PCB	76057	4860		Rothleutner, Kathryn		Check		
				R 04	000 570 000 321 050	Map Refund		\$218.00	
	PO#:	Voucher #:	40597	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt:	\$218.00	
							Check Amount:	\$218.00	
0485	PCB	76058	4854		Sauer, Amanda		Check		
				R 04	000 570 000 321 050	Map Refund		\$23.75	
	PO#:	Voucher #:	40591	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt:	\$23.75	
							Check Amount:	\$23.75	
0485	PCB	76059	4855		Scepurek, Sara & Terry		Check		
				R 04	000 570 000 321 050	Map Refund		\$129.00	
	PO#:	Voucher #:	40592	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt:	\$129.00	
							Check Amount:	\$129.00	
0485	PCB	76060	4858		Smith, Keri		Check		
				R 04	000 570 000 321 050	Map Refund		\$166.50	
	PO#:	Voucher #:	40595	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt:	\$166.50	
							Check Amount:	\$166.50	
0485	PCB	76061	4856		Soltis, Sarah		Check		
				R 04	000 570 000 321 050	Map Refund		\$27.00	
	PO#:	Voucher #:	40593	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt:	\$27.00	
							Check Amount:	\$27.00	
0485	PCB	76062	2577		SYSCO WESTERN MN, INC.		Check		
				E 02	005 770 000 701 490	LUNCH		\$1,804.42	
				E 02	005 770 000 701 401	SUPPLIES		\$130.40	
	PO#:	Voucher #:	40621	Invoice	Invoice No: 253528102	12/7/2023	Paid Amt:	\$1,934.82	
				E 02	005 770 000 701 491	Commodity		\$69.09	
	PO#:	Voucher #:	40622	Invoice	Invoice No: 253528103	12/7/2023	Paid Amt:	\$69.09	
							Check Amount:	\$2,003.91	
0485	PCB	76063	1559		TECH CHECK, LLC		Check		
				E 01	005 715 000 342 319	QNV-7012R Wisenet Q Network Outdoor Vand		\$342.67	
				E 01	005 715 000 342 319	SBP-137WMW1 Wisenet Wall Bracket for Out		\$55.71	
	PO#: 5593	Voucher #:	40626	Invoice	Invoice No: 53983	12/7/2023	Paid Amt:	\$398.38	
				E 01	005 110 690 000 401	Microsoft DataCenter 2022 (2) Core License		\$3,540.00	

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	PCB	76063	1559		TECH CHECK, LLC		Check		
				E 01	005 110 690 000 401	Windows Server 2022 User CAL		\$90.00	
	PO#: 5583	Voucher #:	40627	Invoice	Invoice No: 53982	12/7/2023	Paid Amt:	\$3,630.00	
							Check Amount:	\$4,028.38	
0485	PCB	76064	4862		Trutwin, Shantel		Check		
				R 04	000 570 000 321 050	Map Refund		\$18.20	
	PO#:	Voucher #:	40599	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt:	\$18.20	
							Check Amount:	\$18.20	
0485	PCB	76065	4861		Trutwin, Vanessa		Check		
				R 04	000 570 000 321 050	Map Refund		\$123.25	
	PO#:	Voucher #:	40598	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt:	\$123.25	
							Check Amount:	\$123.25	
0485	PCB	76066	2573		UPSALA AREA SCHOOLS		Check		
				E 04	005 505 000 321 305	4th Grade Girls Basketball		\$150.00	
	PO#:	Voucher #:	40617	Invoice	Invoice No: 11.27.2023	12/7/2023	Paid Amt:	\$150.00	
							Check Amount:	\$150.00	
0485	PCB	76067	4836		Villcheck, Lisa		Check		
				R 04	000 570 000 321 050	Map Refund		\$111.50	
	PO#:	Voucher #:	40573	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt:	\$111.50	
							Check Amount:	\$111.50	
0485	PCB	76068	4863		Waddell, James		Check		
				R 04	000 570 000 321 050	Map Refund		\$223.00	
	PO#:	Voucher #:	40600	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt:	\$223.00	
							Check Amount:	\$223.00	
0485	PCB	76069	4864		Ward, Bill & Samantha		Check		
				R 04	000 570 000 321 050	Map Refund		\$68.00	
	PO#:	Voucher #:	40601	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt:	\$68.00	
							Check Amount:	\$68.00	
0485	PCB	76070	4859		Wegman, Jen		Check		
				R 04	000 570 000 321 050	Map Refund		\$11.00	
	PO#:	Voucher #:	40596	Invoice	Invoice No: 12062023	12/7/2023	Paid Amt:	\$11.00	
							Check Amount:	\$11.00	
0485	PCB	76071	4295		AMAZON CAPITAL SERVICES		Check		
				E 01	005 810 000 000 401	DC Motor Speeds Controller		\$22.10	
	PO#:	Voucher #:	40652	Invoice	Invoice No: 1FPV-YMV3_FVGX	12/15/2023	Paid Amt:	\$22.10	
				E 01	020 211 936 000 401	Scor-Pal		\$128.76	
	PO#:	Voucher #:	40654	Invoice	Invoice No: 11K3-J9H6-9L7L	12/15/2023	Paid Amt:	\$128.76	

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
0485	PCB	76071	4295		AMAZON CAPITAL SERVICES		Check
				E 04	005 570 000 000 401 Lego's		\$105.09
PO#:	Voucher #:	40660	Invoice		Invoice No: 1QKT-V9P7-MXG6	12/15/2023	Paid Amt: \$105.09
				E 02	005 770 000 701 401 DecoPac Sanding Sugar		\$67.69
PO#:	Voucher #:	40661	Invoice		Invoice No: 1QPW-46GF-7WCY	12/15/2023	Paid Amt: \$67.69
				E 01	020 260 255 000 430 Physical iScience Level 2.0		\$43.99
PO#:	Voucher #:	40662	Invoice		Invoice No: 1LHD-TQT1-YG9N	12/15/2023	Paid Amt: \$43.99
				E 01	010 212 000 000 430 Hot Glue Sticks		\$36.98
PO#:	Voucher #:	40663	Invoice		Invoice No: 1FNN-CMM4-VWF6	12/15/2023	Paid Amt: \$36.98
				E 01	010 203 690 000 401 Amazon Basics 5-Pack USB-A to Micro USB F		\$20.25
PO#: 5608	Voucher #:	40665	Invoice		Invoice No: 1QCL-Y4L4-L9XT	12/15/2023	Paid Amt: \$20.25
				E 01	020 211 936 000 401 GDLF Craft Cart Credit		(\$171.59)
PO#:	Voucher #:	40666	Invoice		Invoice No: 1VKQ-K6DC-3RHR	12/15/2023	Paid Amt: (\$171.59)
				E 01	020 292 000 000 430 Fitness Equipment		\$514.20
PO#:	Voucher #:	40667	Invoice		Invoice No: 1V7Y-LWMG-1KCD	12/15/2023	Paid Amt: \$514.20
				E 04	005 570 000 000 401 Lego's		\$259.22
PO#:	Voucher #:	40668	Invoice		Invoice No: 1JD4-6C43-RGXG	12/15/2023	Paid Amt: \$259.22
				E 01	005 810 000 000 401 Cabinet locking bar		\$203.44
PO#:	Voucher #:	40669	Invoice		Invoice No: 1H7T-HY3V-1WLR	12/15/2023	Paid Amt: \$203.44
				E 01	010 218 000 388 430 MakerBot		\$148.49
PO#:	Voucher #:	40670	Invoice		Invoice No: 1JPR-TDXQ-KLYG	12/15/2023	Paid Amt: \$148.49
				E 01	020 255 000 000 430 Wood Stain		\$47.40
PO#:	Voucher #:	40671	Invoice		Invoice No: 1QWP-6XWJ-CC9C	12/15/2023	Paid Amt: \$47.40
				E 01	020 255 000 000 430 Part washer solvent and garage door remotes		\$414.97
PO#:	Voucher #:	40672	Invoice		Invoice No: 1TT7-Q6PF-PJ1D	12/15/2023	Paid Amt: \$414.97
				E 01	010 203 690 000 401 OtterBox iPhone 14 & iPhone 13 Defender Ser		\$44.99
				E 01	020 211 690 000 401 OtterBox iPhone 14 & iPhone 13 Defender Ser		\$44.99
PO#: 5608	Voucher #:	40673	Invoice		Invoice No: 1J74-XD7W-6KMT	12/15/2023	Paid Amt: \$89.98
							Check Amount: \$1,930.97
0485	PCB	76072	4478		AMERICAN MAILING MACHINE, INC		Check
				E 01	005 110 000 000 305 MAIL MACHINE SUPPLIES		\$313.77
PO#:	Voucher #:	40645	Invoice		Invoice No: IN119345	12/15/2023	Paid Amt: \$313.77
							Check Amount: \$313.77
0485	PCB	76073	2598		ANDERSON INDUSTRIAL SCALES INC		Check
				E 01	020 294 056 000 305 TESTED & CERTIFIED WR SCALES		\$130.00
PO#:	Voucher #:	40648	Invoice		Invoice No: 3238	12/15/2023	Paid Amt: \$130.00
							Check Amount: \$130.00

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	PCB	76074	4360		BENEFIT EXTRAS, INC.		Check		
				E 01	005 110 000 000 305	COBRA Processing Fee		\$132.00	
	PO#:	Voucher #:	40653	Invoice	Invoice No: 119260	12/15/2023	Paid Amt:	\$132.00	
							Check Amount:	\$132.00	
0485	PCB	76075	4761		CANS R US, LLC		Check		
				E 01	005 810 000 000 305	Toilet Rental		\$110.00	
	PO#:	Voucher #:	40674	Invoice	Invoice No: 3201	12/15/2023	Paid Amt:	\$110.00	
							Check Amount:	\$110.00	
0485	PCB	76076	1074		CENTRA SOTA COOPERATIVE		Check		
				E 01	005 760 000 720 442	Wintermaster Dyed		\$3,717.00	
				E 01	005 760 000 720 442	Discount		(\$102.85)	
	PO#:	Voucher #:	40675	Invoice	Invoice No: 5441024	12/15/2023	Paid Amt:	\$3,614.15	
				E 01	005 760 000 720 442	UNLEADED		\$761.28	
				E 01	005 760 000 720 442	Discount		(\$28.05)	
	PO#:	Voucher #:	40676	Invoice	Invoice No: 5441025	12/15/2023	Paid Amt:	\$733.23	
							Check Amount:	\$4,347.38	
0485	PCB	76077	4396		CHRIS VOSEN AUTO REPAIR		Check		
				E 01	005 760 000 720 350	Filters, Oil, Labor #27		\$123.99	
	PO#:	Voucher #:	40677	Invoice	Invoice No: 7416	12/15/2023	Paid Amt:	\$123.99	
							Check Amount:	\$123.99	
0485	PCB	76078	1086		CITY OF ROYALTON		Check		
				E 01	005 810 000 000 332	Acct 01-00003550-00-8 Water/Sewer		\$1,181.60	
	PO#:	Voucher #:	40678	Invoice	Invoice No: 12.04.2023	12/15/2023	Paid Amt:	\$1,181.60	
				E 01	005 810 000 000 332	Acct 01-00002863-00-6 Water/Sewer		\$648.48	
	PO#:	Voucher #:	40679	Invoice	Invoice No: 12042023	12/15/2023	Paid Amt:	\$648.48	
							Check Amount:	\$1,830.08	
0485	PCB	76079	3511		COLLEGE BOARD		Check		
				E 01	020 710 000 000 461	PSAT/NMSQT - 11th Grade		\$75.60	
	PO#:	Voucher #:	40655	Invoice	Invoice No: P2311622621	12/15/2023	Paid Amt:	\$75.60	
							Check Amount:	\$75.60	
0485	PCB	76080	1133		ECM PUBLISHERS INC		Check		
				E 01	005 110 000 000 380	October 23 Regular Minutes		\$147.84	
	PO#:	Voucher #:	40680	Invoice	Invoice No: 975810	12/15/2023	Paid Amt:	\$147.84	
				E 01	005 110 000 000 380	December 11 Agenda		\$46.08	
	PO#:	Voucher #:	40681	Invoice	Invoice No: 976513	12/15/2023	Paid Amt:	\$46.08	
				E 01	005 110 000 000 380	December 11 Truth & Taxation Agenda		\$24.00	
	PO#:	Voucher #:	40682	Invoice	Invoice No: 976514	12/15/2023	Paid Amt:	\$24.00	
							Check Amount:	\$217.92	

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	PCB	76081	3957		Flakus, Monica		Check		
				E 01	020 211 936 000 401	PBIS Materials		\$47.64	
	PO#:	Voucher #:	40650	Invoice	Invoice No: 12122023		12/15/2023	Paid Amt:	\$47.64
				E 01	020 211 936 000 401	PBIS Materials		\$132.85	
	PO#:	Voucher #:	40651	Invoice	Invoice No: 12122023		12/15/2023	Paid Amt:	\$132.85
								Check Amount:	\$180.49
0485	PCB	76082	3781		Gotfredson, Kelly		Check		
				E 01	020 296 059 000 366	Reimbursement Coaches Clinic		\$149.00	
	PO#:	Voucher #:	40659	Invoice	Invoice No: 12132023		12/15/2023	Paid Amt:	\$149.00
								Check Amount:	\$149.00
0485	PCB	76083	1238		INNOVATIVE OFFICE SOLUTION, LLC		Check		
				E 01	020 211 000 000 401	Classroom Kleenex		\$154.98	
	PO#: 5616	Voucher #:	40647	Invoice	Invoice No: IN4409611		12/15/2023	Paid Amt:	\$154.98
								Check Amount:	\$154.98
0485	PCB	76084	1267		KEMPS, LLC		Check		
				E 02	005 770 000 701 490	MILK		\$416.00	
	PO#:	Voucher #:	40683	Invoice	Invoice No: 4925050		12/15/2023	Paid Amt:	\$416.00
				E 02	005 770 000 701 490	MILK		\$327.80	
	PO#:	Voucher #:	40684	Invoice	Invoice No: 4924614		12/15/2023	Paid Amt:	\$327.80
				E 02	005 770 000 701 490	MILK		\$263.90	
	PO#:	Voucher #:	40685	Invoice	Invoice No: 4919258		12/15/2023	Paid Amt:	\$263.90
				E 02	005 770 000 701 490	MILK		\$206.50	
	PO#:	Voucher #:	40686	Invoice	Invoice No: 4919026		12/15/2023	Paid Amt:	\$206.50
								Check Amount:	\$1,214.20
0485	PCB	76085	4325		Kummet, Dylan		Check		
				E 01	020 292 000 000 820	Reimbursement Coaching Association	\$69.75	\$69.75	
	PO#:	Voucher #:	40658	Invoice	Invoice No: 12082023		12/15/2023	Paid Amt:	\$69.75
								Check Amount:	\$69.75
0485	PCB	76086	1915		NORTH CENTRAL BUS & EQUIPMENT, INC.		Check		
				E 01	005 760 000 720 401	Switch		\$204.74	
	PO#:	Voucher #:	40687	Invoice	Invoice No: 307430		12/15/2023	Paid Amt:	\$204.74
								Check Amount:	\$204.74
0485	PCB	76087	1406		PAN-O-GOLD BAKING CO		Check		
				E 02	005 770 000 701 490	BREAD		\$155.37	
	PO#:	Voucher #:	40646	Invoice	Invoice No: 10000623345003		12/15/2023	Paid Amt:	\$155.37
				E 02	005 770 000 701 490	BREAD		\$76.73	
	PO#:	Voucher #:	40688	Invoice	Invoice No: 10000623345002		12/15/2023	Paid Amt:	\$76.73

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0485	PCB	76087	1406		PAN-O-GOLD BAKING CO		Check		
				E 02	005 770 000 701 490 BREAD			\$170.42	
	PO#:	Voucher #:	40689	Invoice	Invoice No: 10000623338004	12/15/2023	Paid Amt:		\$170.42
							Check Amount:		\$402.52
0485	PCB	76088	4674		POMP'S TIRE SERVICE, INC		Check		
				E 01	005 760 000 720 423 Spares for Bus #13-14			\$2,036.88	
	PO#:	Voucher #:	40690	Invoice	Invoice No: 2380010244	12/15/2023	Paid Amt:		\$2,036.88
							Check Amount:		\$2,036.88
0485	PCB	76089	2374		REGION 7 BPA		Check		
				E 01	020 298 000 000 366 ADVISOR REGION REGISTRATION			\$50.00	
	PO#:	Voucher #:	40657	Invoice	Invoice No: 263-161	12/15/2023	Paid Amt:		\$50.00
							Check Amount:		\$50.00
0485	PCB	76090	2464		SPEER CHIROPRACTIC, PA		Check		
				E 01	005 760 000 720 305 DOT PHYSICAL Goldade			\$100.00	
	PO#:	Voucher #:	40691	Invoice	Invoice No: 12.05.2023	12/15/2023	Paid Amt:		\$100.00
							Check Amount:		\$100.00
0485	PCB	76091	2577		SYSCO WESTERN MN, INC.		Check		
				E 02	005 770 000 701 491 Commodity			\$70.14	
	PO#:	Voucher #:	40692	Invoice	Invoice No: 253528107	12/15/2023	Paid Amt:		\$70.14
				E 02	005 770 000 701 491 Commodity			\$23.63	
	PO#:	Voucher #:	40693	Invoice	Invoice No: 253532408	12/15/2023	Paid Amt:		\$23.63
				E 02	005 770 000 701 490 LUNCH			\$282.46	
	PO#:	Voucher #:	40694	Invoice	Invoice No: 253528104	12/15/2023	Paid Amt:		\$324.86
				E 02	005 770 000 701 401 SUPPLIES			\$42.40	
	PO#:	Voucher #:	40695	Invoice	Invoice No: 253528106	12/15/2023	Paid Amt:		\$828.75
				E 02	005 770 000 705 490 BREAKFAST			\$828.75	
	PO#:	Voucher #:	40695	Invoice	Invoice No: 253528106	12/15/2023	Paid Amt:		\$828.75
				E 02	005 770 000 701 490 LUNCH			\$3,218.94	
	PO#:	Voucher #:	40696	Invoice	Invoice No: 253528105	12/15/2023	Paid Amt:		\$3,634.19
				E 02	005 770 000 701 401 SUPPLIES			\$415.25	
	PO#:	Voucher #:	40696	Invoice	Invoice No: 253528105	12/15/2023	Paid Amt:		\$3,634.19
				E 02	005 770 000 705 490 BREAKFAST			\$875.01	
	PO#:	Voucher #:	40697	Invoice	Invoice No: 253532411	12/15/2023	Paid Amt:		\$875.01
				E 02	005 770 000 701 490 LUNCH			\$2,376.15	
	PO#:	Voucher #:	40698	Invoice	Invoice No: 253532409	12/15/2023	Paid Amt:		\$2,871.82
				E 02	005 770 000 705 490 Breakfast credit			(\$66.04)	
	PO#:	Voucher #:	40699	Invoice	Invoice No: 253522240	12/15/2023	Paid Amt:		(\$66.04)

Royalton Public Schools Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
0485	PCB	76091	2577		SYSCO WESTERN MN, INC.		Check
				E 04	005 570 000 000 490 MAP		\$211.22
	PO#:	Voucher #:	40700	Invoice	Invoice No: 253532410	12/15/2023	Paid Amt: \$211.22
							Check Amount: \$8,773.58
0485	PCB	76092	1369		MORRISON CO HEALTH & HUMAN SERV		Check
				E 02	005 770 000 701 820 Elementary Food Pools Lodging License		\$745.00
	PO#:	Voucher #:	40711	Invoice	Invoice No: 12.18.2023	12/20/2023	Paid Amt: \$745.00
							Check Amount: \$745.00
							Report Total: \$99,894.44

Royalton Public Schools
Timecard Archive Detail

	Calendar	Type/ Option	Pay/Ded Code	Units	ACA Unii Override	Conversion Unit	Rate	Amount	Account Code	Earn Sch	ACA Month	Pay Type	Check Description	Batch No	Created By
Id: 114	Brezinka , June														
	12/15/2023	S202411-0	P EBENONW2	0.00			9.32	\$9.32		1	11/30/2023	02	Meal Reimbursement		1038
	12/31/2023	S202412-0	P EBENONW2	0.00			9.32	\$9.32		1	12/15/2023	02	Meal Reimbursement		1038
	Units Subtotal:			0.00		EBENONW2 Total:		\$18.64							
	Units:			0.00		Emp Pay:		\$18.64							
Id: 1077	Gregory , Curtis														
	12/31/2023	S202412-0	P EBENONW2	0.00			10.00	\$10.00		1	12/15/2023	02	Meal Reimbursement		1038
	Units Subtotal:			0.00		EBENONW2 Total:		\$10.00							
	Units:			0.00		Emp Pay:		\$10.00							
Id: 413	Krueger , Amy														
	12/15/2023	S202411-0	P EBENONW2	0.00			132.72	\$132.72	04-005-505-000-321-366	1	11/30/2023	02	Hotel Reimbursement		1038
	Units Subtotal:			0.00		EBENONW2 Total:		\$132.72							
	Units:			0.00		Emp Pay:		\$132.72							
Id: 1076	Leisenheimer , Hannah														
	12/15/2023	S202411-0	P EBENONW2	0.00			2.75	\$2.75	01-010-203-000-000-366	1	11/30/2023	02	Milage		1038
	Units Subtotal:			0.00		EBENONW2 Total:		\$2.75							
	Units:			0.00		Emp Pay:		\$2.75							
Id: 852	Moon , Tamber														
	12/31/2023	S202412-0	P EBENONW2	0.00			52.50	\$52.50		1	12/15/2023	02	Uniform allowance		1038
	Units Subtotal:			0.00		EBENONW2 Total:		\$52.50							
	Units:			0.00		Emp Pay:		\$52.50							
Id: 263	Petron , Cynthia														
	12/15/2023	S202411-0	P EBENONW2	0.00			5.96	\$5.96	01-010-203-000-000-366	1	11/30/2023	02	Milage		1038
	Units Subtotal:			0.00		EBENONW2 Total:		\$5.96							
	Units:			0.00		Emp Pay:		\$5.96							
Id: 1001	Popp , Doug														
	12/15/2023	S202411-0	P EBENONW2	0.00			10.00	\$10.00		1	11/30/2023	02	Meal Reimbursement		1038
	12/31/2023	S202412-0	P EBENONW2	0.00			10.00	\$10.00		1	12/15/2023	02	Meal Reimbursement		1038
	12/31/2023	S202412-0	P EBENONW2	0.00			9.85	\$9.85		1	12/15/2023	02	Meal Reimbursement		1038
	Units Subtotal:			0.00		EBENONW2 Total:		\$29.85							
	Units:			0.00		Emp Pay:		\$29.85							

Royalton Public Schools
Timecard Archive Detail

Id:	Calendar	Type/ Option	Pay/Ded Code	Units	ACA Unii Override	Conversion Unit	Rate	Amount	Account Code	Earn Sch	ACA Month	Pay Type	Check Description	Batch No	Created By
879	Torres , Barbara														
	12/15/2023	S202411-0	P EBENONW2	0.00			36.00	\$36.00	02-005-770-000-701-412	1	11/30/2023	02	Uniform Allowance		1038
			Units Subtotal:	0.00				EBENONW2 Total:							\$36.00
			Units:	0.00				Emp Pay:							\$36.00
Employee Count	8		Totals:	0.00				\$288.42							

BradyMartz

December 27, 2023

To the Board of Education
Independent School District No. 485
Royalton, Minnesota

In planning and performing our audit of the basic financial statements of Independent School District No. 485, as of and for the year ended June 30, 2023, 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, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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.

However, during our audit we became aware of matters that are an opportunity for strengthening internal controls and operating efficiency. These matters are discussed in the attached "Comments to Management to Improve Internal Accounting Controls and Procedures." A separate report dated December 27, 2023, contains our report on a significant deficiency in the District's internal control. This letter does not affect our report dated December 27, 2023, on the basic financial statements of Independent School District No. 485.

We will review the status of these comments during our next audit engagement. We have already discussed the comments with the superintendent, and we will be pleased to discuss the comments in further detail at your convenience, to perform any additional study of the matters, or to assist you in implementing the recommendations.

This information is intended solely for the use of school board and management of Independent School District No. 485 and Minnesota Department of Education and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,



BRADY, MARTZ & ASSOCIATES, P.C.
Thief River Falls, Minnesota

Independent School District No. 485
Comments to Management to Improve Internal Accounting Controls and Procedures
June 30, 2023

Verification of Free and Reduced Price Applications

We requested information on the required verification of free and reduced price applications on all free and reduced application on file at October 1, 2022. However, the District was not able to provide this information.

Recommendation: We recommend that the District implement policies and procedures that ensure the required verification of free and reduced price applications is being completed annually.

Child Nutrition Cluster – Monthly Reimbursement

During our testing of meals served, we tested 3 months and errors were found in all 3 months.

Recommendation: We recommend that the District implement policies and procedures to ensure that the monthly reimbursement reports are being submitted accurately and reconcile to the supporting documentation.

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**INDEPENDENT SCHOOL DISTRICT NO. 485
 ROYALTON, MINNESOTA
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ROYALTON, MINNESOTA
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**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
ROSTER OF SCHOOL OFFICIALS
June 30, 2023**

Rian Hofstad	Chairperson
Tyra Baumann	Vice Chairperson
Angela Roering	Clerk
Maria Traut	Treasurer
Lucas Boyd	Director
Randy Hackett	Director
Dr. Kristine Wehrkamp Herman	Superintendent

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Independent School District No. 485
Royalton, 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 Independent School District No. 485, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Independent School District No. 485, as of June 30, 2023, and the respective changes in financial position 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 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 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.

Emphasis of Matter

As described in Note 2 to the financial statements, the District adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

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 generally accepted auditing standards 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement 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 judgement, 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, budgetary comparison information, schedules, and notes as listed in the table of contents as required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 combining statements, schedule of changes in fund balances, and compliance table as listed in the table of contents as supplementary information 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 combining statements, schedule of changes in fund balances, and compliance table 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 listing of school officials 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 27, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**BRADY, MARTZ & ASSOCIATES, P.C.
THIEF RIVER FALLS, MINNESOTA**

December 27, 2023

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**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023**

This section of Independent School District No. 485's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

The general fund balance decreased \$451,805 during the 2022-2023 school year. Expenditures and other financing uses exceeded revenues and other financing sources by \$451,805 during the 2022-2023 school year. This is primarily due to an increase in planned capital expenditures for the year. The total general fund balance decrease of \$451,805 results in a total general fund balance of 24% which includes non-spendable, restricted, assigned and unassigned funds. Specifically, the unassigned fund balance ended the year at 15%. The District's unassigned fund balance policy requires a minimum of 12-17%.

Overview of the Financial Statements

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

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements.
 - The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short-term* as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's general fund budget for the year, and supplementary information that is presented for additional analysis.

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, liabilities and deferred inflows/outflows of resources – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are shown in one category:

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023**

- *Governmental activities:* All of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues.

The District has one kind of fund:

- **Governmental funds:** The District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, reconciliations have been provided following the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances to help explain the relationship (or differences) between the governmental funds and governmental activities.

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023**

Financial Analysis of the District as a Whole

Net Position

The District's combined net position was \$2,461,508 on June 30, 2023 (see details in Table A-1).

**Table A-1
Statement of Net Position**

	<u>2023</u>	<u>2022</u>	Total Percentage Change
Current and Other Assets	\$ 7,115,557	\$ 7,795,639	(8.7) %
Capital Assets	<u>27,111,898</u>	<u>27,334,629</u>	(0.8)
Total Assets	<u>34,227,455</u>	<u>35,130,268</u>	(2.6)
Deferred Outflows of Resources	<u>2,466,966</u>	<u>2,407,379</u>	2.5
Long-term Liabilities	27,757,430	25,470,345	9.0
Other Liabilities	<u>2,543,843</u>	<u>2,763,208</u>	(7.9)
Total Liabilities	<u>30,301,273</u>	<u>28,233,553</u>	7.3
Deferred Inflows of Resources	<u>3,931,640</u>	<u>8,817,419</u>	(55.4)
Net Position			
Net Investment in Capital Assets	5,852,625	4,841,807	20.9
Restricted	1,172,015	1,746,162	(32.9)
Unrestricted	<u>(4,563,132)</u>	<u>(6,101,294)</u>	25.2
Total Net Position	<u>\$ 2,461,508</u>	<u>\$ 486,675</u>	(405.8) %

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023**

Change in Net Position

Table A-2 presents the change in net position of the District.

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

	<u>2023</u>	<u>2022</u>	<u>Total Percentage Change</u>
Revenues			
Program Revenues			
Charges for Services	\$ 1,172,941	\$ 627,154	87.0 %
Operating Grants and Contributions	2,427,018	2,473,298	(1.9)
Capital Grants and Contributions	558,389	672,326	(16.9)
General Revenues			
Property Taxes	1,995,504	2,006,419	(0.5)
Unrestricted State Aid	8,299,260	7,815,114	6.2
Other Sources	297,044	44,404	569.0
Total Revenues	<u>14,750,156</u>	<u>13,638,715</u>	8.1
Expenses			
Administration	772,939	639,508	20.9
District Support Services	325,612	326,243	(0.2)
Elementary & Secondary Regular Instruction	3,682,951	4,565,776	(19.3)
Vocational Education Instruction	236,798	194,570	21.7
Special Education Instruction	1,407,291	1,349,966	4.2
Community Education and Services	436,612	353,700	23.4
Instructional Support Services	814,668	773,481	5.3
Pupil Support Services	1,862,962	1,563,485	19.2
Sites and Buildings	1,549,881	1,445,570	7.2
Fixed Costs	104,952	89,566	17.2
Interest on Long-term Debt	773,724	764,247	1.2
Depreciation - Unallocated	899,556	896,524	0.3
Total Expenses	<u>12,867,946</u>	<u>12,962,636</u>	(0.7)
Change in Net Position	1,882,210	676,079	178.4
Net Position - Beginning	486,675	(189,404)	
GASB 96 Adjustment - See Note 2	92,623		
Net Position - Beginning, Restated	<u>579,298</u>	<u>(189,404)</u>	(405.9)
Net Position - Ending	<u>\$ 2,461,508</u>	<u>\$ 486,675</u>	(405.8) %

The District's total revenues were \$14,750,156 for the year ended June 30, 2023. Property taxes and state aid payments accounted for 82 percent of total revenue for the year. The total cost of all programs and services was \$12,867,946. The District's expenses are predominantly related to educating and caring for students.

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023**

Total revenues surpassed expenses, increasing net position \$1,882,210 over last year. For the year ended June 30, 2023, the net effect of the District's deferred inflows and outflows of resources and net pension liability related to TRA and PERA increased net position by \$1,469,126. For the year ended June 30, 2022, the net effect of the District's deferred inflows and outflows of resources and net pension liability related to TRA and PERA increased net position by \$456,969.

The net cost of governmental activities is their total costs less program revenues applicable to each category.

Table A-3 presents these net costs.

**Table A-3
Net Cost of Governmental Activities**

	Total Cost of Services		Total	Net Cost of Services		Total
	2023	2022	Percentage Change	2023	2022	Percentage Change
Expenses						
Administration	\$ 772,939	\$ 639,508	20.9 %	\$ 772,939	\$ 639,508	20.9 %
District Support Services	325,612	326,243	(0.2)	306,912	325,953	(5.8)
Elementary & Secondary						
Regular Instruction	3,682,951	4,565,776	(19.3)	2,411,684	3,648,685	(33.9)
Vocational Education Instruction	236,798	194,570	21.7	198,920	175,577	13.3
Special Education Instruction	1,407,291	1,349,966	4.2	449,372	569,657	(21.1)
Community Education and Services	436,612	353,700	23.4	26,837	(46,043)	(158.3)
Instructional Support Services	814,668	773,481	5.3	562,660	428,303	31.4
Pupil Support Services	1,862,962	1,563,485	19.2	892,596	685,570	30.2
Sites and Buildings	1,549,881	1,445,570	7.2	1,309,446	1,012,311	29.4
Fixed Costs	104,952	89,566	17.2	104,952	89,566	17.2
Interest on Long-term Debt	773,724	764,247	1.2	773,724	764,247	1.2
Depreciation - Unallocated	899,556	896,524	0.3	899,556	896,524	0.3
	<u>\$ 12,867,946</u>	<u>\$ 12,962,636</u>	(0.7) %	<u>\$ 8,709,598</u>	<u>\$ 9,189,858</u>	(5.2) %

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Table A-4
Major Funds**

	Fund Balance		Increase	Percentage
	2023	2022	(Decrease)	(Decrease)
Governmental Funds				
General	\$ 2,912,742	\$ 3,364,547	\$ (451,805)	(13.4) %
Debt Service	452,132	439,975	12,157	2.8

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023**

General Fund

The general fund includes the primary operations of the District in providing educational services to students from kindergarten through grade 12, including pupil transportation activities and capital outlay projects.

Table A-5 presents a summary of general fund revenue.

**Table A-5
General Fund Revenue**

	<u>2023</u>	<u>2022</u>	Amount of Increase (Decrease)	Percent Increase (Decrease)
Local Sources				
Property Taxes	\$ 663,787	\$ 727,612	\$ (63,825)	(8.8) %
Other Local and County	705,794	331,671	374,123	112.8
State Sources	9,225,545	8,651,374	574,171	6.6
Federal Sources	820,435	730,079	90,356	12.4
Other	114,143	41,183	72,960	177.2
Total General Fund Revenue	<u>\$ 11,529,704</u>	<u>\$ 10,481,919</u>	<u>\$ 1,047,785</u>	10.0 %

Total general fund revenue increased by \$1,047,785 or 10.0 percent from the previous year. Basic general education revenue is determined by a state per student funding formula. Other state-authorized revenue, including excess levy referendum and the property tax shift, involve an equalized mix of property tax and state aid revenue. Therefore, the mix of property tax and state aid can change significantly from year to year without any net change in revenue.

Table A-6 presents a summary of general fund expenditures.

**Table A-6
General Fund Expenditures**

	<u>2023</u>	<u>2022</u>	Amount of Increase (Decrease)	Percent Increase (Decrease)
Salaries	\$ 6,412,479	\$ 6,082,205	\$ 330,274	5.4 %
Employee Benefits	1,756,061	1,683,469	72,592	4.3
Purchased Services	1,802,645	1,659,403	143,242	8.6
Supplies and Materials	967,565	876,317	91,248	10.4
Capital Expenditures	1,068,331	524,343	543,988	103.7
Debt Service	14,593		14,593	100.0
Other Expenditures	28,070	16,468	11,602	70.5
Total General Fund Expenditures	<u>\$ 12,049,744</u>	<u>\$ 10,842,205</u>	<u>\$ 1,207,539</u>	11.1 %

Total general fund expenditures increased \$1,207,539 or 11.1 percent from the previous year.

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023**

General Fund Budgetary Highlights

During the year the District revised its budget.

The District's final budget for the general fund anticipated that revenues and other financing sources would exceed expenditures and other financing uses by \$483,597. The actual results for the year show a \$451,805 deficit.

Capital Assets and Debt Administration

Capital Assets

Note 4 to the financial statements presents an analysis of capital assets transactions occurring during the year ended June 30, 2023. Additions totaled \$759,365 for athletic equipment, boiler replacement, cable upgrades, HVAC improvements, two vehicles, two buses, and copier leases. There were no disposals in the current year.

Long-Term Debt

At year-end, the District had \$21,259,273 of long-term debt consisting of bonds and leases. Notes 7-8 to the financial statements presents details of these items.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of existing circumstances that could significantly affect its financial health in the future:

- Sequestration of federal dollars puts funding at risk, and in districts that receive a significant amount of federal dollars, the impact of sequestration is magnified. Special Education and Title I are significant sources of revenue and programming for the District, and the sequestering of funds in these programs, which serve the neediest students in the District, would be extremely detrimental to the ability of the District to meet students' needs.
- Enrollment plays a vital part in the financial stability of the district. Prior to the COVID-19 pandemic the District experienced growth in student enrollment. Since the pandemic ended student enrollment numbers have rebounded increasing from year to year; 2021-2022 at 917 and 2022-2023 at 942. We anticipate remaining stable over the next 3 fiscal years. The basic general education formula allowance increased from \$6,067 in 2016-17 by 2% to \$6,188 in 2017-18 and by 2% for 2018-19 at \$6,312 and by 2% in 2019-20 at \$6,438, and again by 2% 2020-2021 at \$6,567. 2021-2022 funding allowance did increase by 2.45% with lengthy legislative discussion. Enrollment growth and general education formula increases are huge factors in the stability of the district budget. We continue to make strides to possibly prevent deficient spending. The District has taken the appropriate steps to maintain stability in its budget, preserving its unassigned fund balance within the District policy while continuing to make necessary improvements in the facility.
- Student needs continue to grow. Increasingly, the District is serving students with significant mental health and special education needs. These students require additional staffing support to be successful, but mental health services are not funded and special education continues to be inadequately funded at the state and federal level, despite the federal government's initial promise to fund 40% of special education.

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023**

- State funding continues to be inadequate, a fact supported by a study produced for the Minnesota Center for Public Finance Research and originally commissioned by the Governor of Minnesota. Since 1992, the funding formula has not kept pace with inflation, indicating that in "real" dollars, the District has less money to spend per pupil now than in 1992, before the heightened requirements of the now repealed Profile of Learning, Minnesota State Standards and the Federal NCLB Act. Although some increases in funding have been implemented in recent legislative sessions, until the state fully addresses the inadequacy of the current funding formula, school districts like Royalton will continue to struggle meeting budgetary needs.
- The District's ability to attract and retain highly qualified staff. With the increased accountability standards coupled with the increased needs of the students served, having highly qualified and trained staff is essential. Current and pending teacher shortages mean competition for these staff will become fiercer, and the district's ability to pay well enough to attract and retain staff will lead to higher staffing costs.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Office, Independent School District No. 485, 120 S Hawthorn Street, Royalton, MN 56373.

INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
STATEMENT OF NET POSITION
June 30, 2023

GOVERNMENTAL ACTIVITIES

ASSETS

Cash and Investments	\$	4,684,185
Property Taxes Receivable		1,234,732
Accounts Receivable		1,219
Due From Department of Education		782,232
Due From Federal thru DOE		117,721
Lease Receivable		43,181
Prepaid Items		246,476
Inventory		5,811
Land		16,471
Construction in Process		82,450
Depreciable Capital Assets:		
Land Improvements		867,111
Buildings		39,318,611
Equipment		3,778,179
Right to Use Lease Asset		68,235
Right to Use SBITA		92,623
Less Accumulated Depreciation/Amortization		(17,111,782)
Total Capital Assets, Net of Depreciation/Amortization		<u>27,111,898</u>

TOTAL ASSETS

34,227,455

DEFERRED OUTFLOWS OF RESOURCES

Cost Sharing Defined Benefit Pension Plan	2,439,390
Other Post Employment Benefits	27,576

TOTAL DEFERRED OUTFLOWS OF RESOURCES

2,466,966

LIABILITIES

Accounts Payable	93,674
Payroll Liabilities	788,388
Interest Payable	373,154
Unearned Revenue	349
Long-Term Liabilities Due Within One Year	1,288,278
Long-Term Liabilities	
Bonds Payable, Net of Premium	21,203,967
Compensated Absences	12,236
Lease Payable	55,306
Net Pension Liability	7,406,013
Total Other Postemployment Benefit Liability	368,186
Less Amounts Due Within One Year	(1,288,278)
Total Long-Term Liabilities	<u>27,757,430</u>

TOTAL LIABILITIES

30,301,273

DEFERRED INFLOWS OF RESOURCES

Property Taxes Levied - Subs. Years	2,295,308
Leases	43,181
Other Post Employment Benefits	144,823
Cost Sharing Defined Benefit Pension Plan	1,448,328

TOTAL DEFERRED INFLOWS OF RESOURCES

3,931,640

See Notes to the Financial Statements

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
STATEMENT OF NET POSITION (CONTINUED)
June 30, 2023**

NET POSITION	
Net Investment in Capital Assets	5,852,625
Restricted for:	
Student Activities	221,054
Scholarships	34,544
Operating Capital	145,543
Basic Skills Extended Time	16,134
Gifted and Talented	5,931
Safe Schools Levy	71,770
Long-Term Facilities Maint.	3,192
Medical Assistance	82,239
Debt Service	78,978
Food Service	138,423
Community Education	288,924
ECFE	50,771
School Readiness	1,159
Community Service	33,353
Unrestricted	(4,563,132)
TOTAL NET POSITION	\$ <u>2,461,508</u>

See Notes to the Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
GOVERNMENTAL ACTIVITIES					
Administration	\$ 772,939	\$	\$	\$	\$ (772,939)
District Support Services	325,612			18,700	(306,912)
Elementary & Secondary					
Regular Instruction	3,682,951	551,271	682,496	37,500	(2,411,684)
Vocational Education Instruction	236,798		34,878	3,000	(198,920)
Special Education Instruction	1,407,291		957,919		(449,372)
Community Education and Services	436,612	364,164	45,611		(26,837)
Instructional Support Services	814,668		141,984	110,024	(562,660)
Pupil Support Services	1,862,962	257,506	564,130	148,730	(892,596)
Sites and Buildings	1,549,881			240,435	(1,309,446)
Fixed Costs	104,952				(104,952)
Interest On Long-Term Debt	773,724				(773,724)
Depreciation - Unallocated	899,556				(899,556)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 12,867,946	\$ 1,172,941	\$ 2,427,018	\$ 558,389	(8,709,598)

GENERAL REVENUES

Taxes	
Property Taxes, Levied for General Purposes	659,803
Property Taxes, Levied for Community Education and Services	46,595
Property Taxes, Levied for Debt Service	1,289,106
Unrestricted State Aid	8,299,260
Unrestricted Investment Earnings	140,489
Gain on Sale of Capital Asset	3,236
Other General Revenue	153,319
TOTAL GENERAL REVENUES	10,591,808
Change in Net Position	1,882,210
Net Position - Beginning	486,675
GASB 96 Adjustment - See Note 2	92,623
Net Position - Beginning, Restated	579,298
Net Position - Ending	\$ 2,461,508

See Notes to the Financial Statements

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2023**

	General Fund	Debt Service Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 3,024,478	\$ 1,090,088	\$ 569,619	\$ 4,684,185
Current Property Taxes Receivable	334,771	861,289	21,519	1,217,579
Delinquent Property Taxes Receivable	1,212	13,882	2,059	17,153
Accounts Receivable	1,219			1,219
Due From Federal thru DOE	117,721			117,721
Due From Department of Education	708,002	72,342	1,888	782,232
Lease Receivable	43,181			43,181
Prepaid Items	244,627		1,849	246,476
Inventory			5,811	5,811
TOTAL ASSETS	\$ 4,475,211	\$ 2,037,601	\$ 602,745	\$ 7,115,557
LIABILITIES				
Accounts Payable	\$ 81,585	\$	\$ 12,089	\$ 93,674
Payroll Liabilities	758,894		29,494	788,388
Unearned Revenue			349	349
TOTAL LIABILITIES	840,479		41,932	882,411
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Delinquent Taxes	1,212	13,882	2,059	17,153
Unavailable Revenue - Lease	43,181			43,181
Property Taxes Levied - Subs. Years	677,597	1,571,587	46,124	2,295,308
TOTAL DEFERRED INFLOWS OF RESOURCES	721,990	1,585,469	48,183	2,355,642
FUND BALANCES				
Fund Balance:				
Nonspendable	244,627		7,660	252,287
Restricted for Student Activities	221,054			221,054
Restricted for Scholarships	34,544			34,544
Restricted for Operating Capital	145,543			145,543
Restricted for Basic Skills Extended Time	16,134			16,134
Restricted for Gifted and Talented	5,931			5,931
Restricted for Safe Schools Levy	71,770			71,770
Restricted for Long-Term Facilities Maint.	3,192			3,192
Restricted for Medical Assistance	82,239			82,239
Restricted for Debt Service		452,132		452,132
Restricted for Food Service			132,262	132,262
Restricted for Community Education			288,924	288,924
Restricted for ECFE			50,771	50,771
Restricted for School Readiness			1,159	1,159
Restricted for Community Service			31,854	31,854
Assigned	270,000			270,000
Unassigned	1,817,708			1,817,708
TOTAL FUND BALANCES	2,912,742	452,132	512,630	3,877,504
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,475,211	\$ 2,037,601	\$ 602,745	\$ 7,115,557

See Notes to the Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. 485

ROYALTON, MINNESOTA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2023

Total fund balances - governmental funds	\$ 3,877,504
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	
Cost of capital assets	44,223,680
Less accumulated depreciation/amortization	(17,111,782)
Deferred outflows of resources relating to the cost sharing defined benefit plans and other postemployment benefits in the governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
	2,466,966
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
Bonds Payable	(20,295,000)
Bond Premium	(908,967)
Compensated Absences payable	(12,236)
Lease Payable	(55,306)
Net Pension Liability	(7,406,013)
Total Other Postemployment Benefit Liability	(368,186)
Deferred inflows of resources relating to the cost sharing defined benefit plans and other postemployment benefits in the governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
	(1,593,151)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	
	17,153
Interest Payable	<u>(373,154)</u>
Net position of governmental activities	<u>\$ 2,461,508</u>

See Notes to the Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. 485

ROYALTON, MINNESOTA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2023

	General Fund	Debt Service Fund	Other Nonmajor Funds	Total Governmental Funds
REVENUES				
Local Property Tax Levies	\$ 663,787	\$ 1,287,008	\$ 44,879	\$ 1,995,674
Other Local & County Revenues	705,794	22,290	383,625	1,111,709
Revenue From State Sources	9,225,545	723,442	85,712	10,034,699
Revenue From Federal Sources	820,435		379,804	1,200,239
Sale/Other Conversion of Asset	114,143		257,506	371,649
TOTAL REVENUES	<u>11,529,704</u>	<u>2,032,740</u>	<u>1,151,526</u>	<u>14,713,970</u>
EXPENDITURES				
Current				
Administration	753,989			753,989
District Support Services	281,859			281,859
Elementary & Secondary				
Regular Instruction	5,016,824			5,016,824
Vocational Education Instruction	226,020			226,020
Special Education Instruction	1,401,116			1,401,116
Community Education and Services			436,612	436,612
Instructional Support Services	542,216			542,216
Pupil Support Services	1,051,121		721,057	1,772,178
Sites and Buildings	1,588,723			1,588,723
Fixed Costs	104,952			104,952
Debt Service				
Principal	12,929	1,215,000		1,227,929
Interest	1,664	805,583		807,247
Capital Outlay	1,068,331			1,068,331
TOTAL EXPENDITURES	<u>12,049,744</u>	<u>2,020,583</u>	<u>1,157,669</u>	<u>15,227,996</u>
Revenues Over (Under) Expenditures	(520,040)	12,157	(6,143)	(514,026)
OTHER FINANCING SOURCES				
Issuance of Lease	68,235			68,235
Sale of Capital Assets			3,236	3,236
TOTAL OTHER FINANCING SOURCES	<u>68,235</u>		<u>3,236</u>	<u>71,471</u>
Net Change in Fund Balances	(451,805)	12,157	(2,907)	(442,555)
Fund Balances - Beginning	3,364,547	439,975	515,537	4,320,059
Fund Balances - Ending	<u>\$ 2,912,742</u>	<u>\$ 452,132</u>	<u>\$ 512,630</u>	<u>\$ 3,877,504</u>

See Notes to the Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. 485

ROYALTON, MINNESOTA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2023

Total net change in fund balances - governmental funds \$ (442,555)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlays	759,365
Depreciation/Amortization expense	(1,074,719)

The issuance of long-term debt provides current financial resources to the governmental funds, but the issuance increases long-term liabilities in the statement of net position. (68,235)

Revenue in the statement of activities that does not provide current financial resources is not reported as revenues in the governmental funds. (171)

Change in net pension liability (3,546,852)

Change in deferred outflows and inflows of resources related to net pension liability 5,015,978

Change in deferred outflows and inflows of resources related to other postemployment benefit liability 14,436

The District recognized pension expense and grant revenue for the District's proportionate share of the State of Minnesota's contribution to the PERA and TRA.

Payment of principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position. 1,227,929

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. 31,858

In the statement of activities, certain expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts paid.)

Other postemployment benefits	<u>(34,824)</u>
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Change in net position of governmental activities \$ 1,882,210

See Notes to the Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District operates under a school board form of government for the purpose of providing educational services to individuals within the District areas. The governing body consists of a six member board elected by the voters of the District to serve four-year terms.

A. Basis of Presentation

The financial statements of Independent School District No. 485 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The District's policy is to include in the financial statements all funds, departments, agencies, boards, commissions, and other component units for which the District is considered to be financially accountable.

Component units are legally separated entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally dependent upon by the potential component unit.

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

C. Basic Financial Statement Presentation

The district-wide financial statements (i.e. the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function.

Separate fund financial statements are provided for governmental funds. All individual governmental funds are reported in separate columns in the fund financial statements.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing or related cash flows. Property taxes are generally recognized as revenues in the fiscal year for which they are levied, except for advance amounts recognized in accordance with a statutory "tax shift". Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting transactions are recorded in the following manner:

Revenue Recognition – Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes and accounting principles generally accepted in the United States of America. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within one year.

Recording of Expenditures – Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates.

As a general rule, the effect of interfund activity has been eliminated from the district-wide financial statements.

Description of Funds

The existence of the various District funds has been established by the State of Minnesota, Department of Education. Each fund is accounted for as an independent entity. A description of the funds included in this report is as follows:

Governmental Funds

Major Funds:

General Fund – Accounts for all financial resources and transactions except those required to be accounted for in other funds including pupil transportation and capital outlay activities, which were previously (prior to July 1, 1996) accounted for in separate special revenue funds.

Debt Service Fund – This fund is used to account for the accumulation of resources for, and payment of, general obligation (G.O) bond principal, interest, and related costs.

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

Nonmajor Funds:

Special Revenue Funds – Accounts for proceeds of specific revenue sources (other than permanent fund and major capital projects) that are legally restricted to expenditures for specified purposes. The District’s special revenue funds and their purposes are as follows:

Food Service – Accounts for all activities associated with the preparation and serving of regular and incidental meals, lunches, or snacks in connection with school activities.

Community Service – Accounts for the resources designated for programs other than those for elementary and secondary students.

GASB No. 34 also requires that budget vs. actual information be presented for the general fund and all major special revenue funds.

E. Specific Account Information

Cash and Investments – Cash and temporary investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

Investments are carried at fair value. The District considers certificates of deposit to be cash.

When fair value measurements are required, various data is used in determining those values. This statement requires that assets and liabilities that are carried at fair value must be classified and disclosed in the following levels based on the nature of the data used.

Level 1: Quoted market prices in active markets for identical assets or liabilities

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data

Level 3: Unobservable market inputs that are not corroborated by market data

Taxes Receivable – Taxes receivable represents taxes levied in 2022, which are not payable until 2023, net of the amount received prior to June 30.

Property Taxes – 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 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 generally remits taxes to the District at periodic intervals as the taxes are collected.

A portion of 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.

Generally, tax revenue is recognized in the fiscal year ending June 30, following the calendar year in which the tax levy is collectible, while the current calendar year tax levy is recorded as unavailable revenue (property taxes levied for subsequent years).

The majority of the revenue in the general fund is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between property taxes and state aids by the legislature

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the “tax shift.”

Taxes, which remain unpaid, are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is deferred in the fund based financial statements because it is not known to be available to finance the operations of the District in the current year.

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. Prepaid items are recorded as an expenditure at the time of consumption.

Inventory – Inventory is recorded using the consumption method of accounting and consists 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 Department of Agriculture.

Capital Assets – Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets. Expenditures for major additions and improvements that extend the useful lives of property and equipment are capitalized. Routine expenditures for repairs and maintenance are charged to expense as incurred.

Capital assets are recorded in the district-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 purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 5 to 25 years for land improvements, 10 to 50 years for buildings, and 5 to 20 years for equipment.

Capital assets not being depreciated include land and construction in progress, if any.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Leases - Lessor – The District is a lessor for lease of a portion of a building. The District recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term.

Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources initially measured at the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

- The District uses its estimated incremental borrowing rate as the discount rate for leases. The District has made an accounting policy election to use a risk free rate based on US Treasury T-bill rate as of the lease commencement.

Leases - Lessee – The determination of whether an arrangement contains a lease is made at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the District has control of the right to use asset. Control includes the right to obtain present service capacity and the right to determine the nature and manner of use of the underlying asset, as specified in the contract.

Leases with an initial lease term of more than 12 months, or that contain an option to purchase that the District is reasonably certain to exercise, are recognized based on the present value of lease payments over the lease term discounted using the interest rate implicit in the lease. In cases where the implicit rate is not readily determinable, the District uses its incremental borrowing rate based on the information available at the lease commencement date. The District accounts for lease agreements with lease and non-lease components together as a single lease component for all underlying classes of assets. Short term leases have a term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the District is reasonably certain to exercise.

Subscription-Based Information Technology Arrangements (SBITA) – Subscription-Based Information Technology Arrangements (SBITA) are contracts that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The determination of whether a SBITA asset and liability are to be recorded in the financial statements is made at inception by evaluating the maximum possible term of the SBITA.

A SBITA contract with an initial term of more than 12 months, or that contain an option to extend the contract more than 12 months that is reasonably expected to be exercised by the District, are recognized based on the present value of subscription payments over the contract term discounted using the interest rate implicit in the lease. In cases where the implicit rate is not readily determinable, the District uses its incremental borrowing rate based on the information available at the SBITA contract commencement date. The District has made an accounting policy election to use a risk free rate based on US Treasury T-bill rate as of the SBITA contract commencement.

The District continues to recognize short-term SBITA subscription payments as outflows of resources (expenditure) based on the payment provision of the SBITA contract. Short-term SBITA contracts have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised.

The amortizable life of SBITA assets are limited to the shorter of the expected agreement term or the useful life of the underlying asset.

Long-Term Obligations – In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Existing bonded debt is reported at the face value of remaining indebtedness. For any new indebtedness that may be issued in the future, bond premiums and discounts will be deferred and amortized over the life of the bonds using the effective interest method. Bonds payable will be reported net of the applicable bond premium or discount. Bond issuance costs will be expensed in the period incurred.

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

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.

Compensated Absences and Severance - The Superintendent earns 25 days of vacation a year. The Superintendent is also entitled to payment for 30% of unused sick leave days earned and accrued.

Royalton Educated Support Professionals (RESP) who have completed 20 years of continuous service and have attained the minimum age of 55 shall be eligible to receive 25% of their accumulated and unused sick leave hours as severance pay. Employees hired after July 1, 2012, are no longer eligible for this benefit.

After 3 years of service a principal shall receive 25% of the principal's daily rate of pay for accumulated and unused sick leave days when leaving employment, unless discharged for cause. After 6 years of service they shall receive 30% and after 20 years they shall receive 50%.

Teachers hired before July 1, 1994, and who have completed 15 years of service and who have attained the minimum age of 55 years shall be eligible to receive a maximum of 83 days times \$300 per day as severance pay.

Non-union employees who have completed 20 years of continuous service with the District and who have attained the minimum age of 55 or any employee who has completed 25 years of service with the District will receive one-third of their accumulated sick leave hours as severance pay upon leaving the District. Any employee who has completed 30 years of continuous service with the District will receive one-half of their accumulated sick leave hours as severance pay upon leaving the District.

Post Employment Severance and Health Benefits - Employees retiring before they are eligible for Medicare may remain on the District's health care plan until they are eligible. Employees must pay their own health insurance premiums.

Pensions - For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and Teachers Retirement Association (TRA) and additions to/deductions from PERA 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.

PERA has a special funding situation created by direct aid contributions of \$16 million made by the State of Minnesota.

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis, and Minneapolis School District. The direct aid is a result of the merger 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 Duluth Teacher's Retirement Fund Association (DTRFA) in 2015. Additional information can be found in Note 5.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element,

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

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 resource (expense/expenditure) until then. The District has two items that qualify for reporting in this category named *Cost Sharing Defined Benefit Pension Plan* and *Other Postemployment Benefits* which represents actuarial differences within PERA and TRA pension plans as well as amounts paid to the plans after the measurement date.

In addition to liabilities, the statement of net 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, one of which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue – delinquent taxes*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources, property taxes and leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The items, *property taxes levied – subs. years* and *leases*, are reported as a deferred inflow of resources for both the Balance Sheet – Governmental Funds and the Statement of Net Position as these amounts represent property tax revenue levied for a subsequent period and leases. The last items, *Cost Sharing Defined Benefit Pension Plan* and *Other Postemployment Benefits*, represent actuarial differences within PERA and TRA pension plans and other postemployment benefits.

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 of 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.

Net Position Flow Assumption – Sometimes the government will fund outlays for a particular purpose for both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance –The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable – Consists of amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

Restricted – Consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions and administered by the Minnesota Department of Education.

Committed – Consists of amounts constrained to specific purposes by a government itself, using its highest level of decision making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

INDEPENDENT SCHOOL DISTRICT NO. 485
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NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

Assigned – Consists of amounts a government intends to use for a specific purpose. These constraints are established by the Board of Education and/or management. The Board of Education delegates the power to assign fund balances to the superintendent.

Unassigned – Consists of amounts that are available for any purpose; positive amounts are reported only in the general fund.

When both restricted and unrestricted resources are available for use, it is the District’s policy to first use restricted resources, and then use unrestricted resources as they are needed. When committed, assigned or unassigned resources are available for use, it is the District’s policy to use resources in the following order; 1) committed, 2) assigned and 3) unassigned.

The District will strive to maintain a minimum unassigned general fund balance of 14-20% percent of the annual expenditure budget.

F. Use of 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. Ultimate results could differ from those estimates.

NOTE 2 CHANGE IN ACCOUNTING PRINCIPLES

The District implemented GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* in the fiscal year ended June 30, 2023. GASB Statement No. 96 establishes uniform accounting and financial reporting requirements for SBITAS.

The adoption of GASB 96 resulted in the recognition of a right to use SBITA asset of \$92,623 as of July 1, 2022. Results for periods prior to June 30, 2022 continue to be reported in accordance with the District’s historical accounting treatment. See Note 9 for expanded disclosures regarding the District’s SBITAS.

NOTE 3 DEPOSITS AND INVESTMENTS

The District maintains a cash account at its depository bank. The District considers certificates of deposit to be cash.

The District’s interest income for the year ended June 30, 2023 was \$140,489.

The pooled cash and investment account is comprised of the following:

		Governmental Activities
Cash	\$	82,341
Investments		4,601,844
Total	\$	4,684,185

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

As of June 30, 2023, the District had the following investments:

Investments	Fair Value (Level 1)
Minnesota School District Liquid Asset Fund	\$ 4,601,844

The Minnesota School District Liquid Asset Fund is a common law trust organized and existing under the laws of the State of Minnesota, in accordance with the provisions of the Minnesota Joint Powers Act. The general objective of the Fund is to provide a high yield for the participants while maintaining liquidity and preserving capital by investing only in instruments authorized by Minnesota Statutes, which govern the temporary investment of School District monies. In addition, the fixed rate/fixed term portion of the program is also structured with safety of principal as the major objective.

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

Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The District may invest idle funds as authorized in Minnesota Statutes, as follows:

- (a) Direct obligations or obligations guaranteed or insured issued by the United States, its agencies, its instrumentalities, or organizations created by an act of Congress.
- (b) General obligations and revenue obligations of any state or local government with taxing powers rated “A” and “AA”, respectively, and general obligations of the Minnesota Housing Finance Agency which is a moral obligation of the State of Minnesota and rated “A” or better.
- (c) Commercial paper issued by United States corporations or their Canadian subsidiaries, rated in the highest quality by at least two rating agencies, and maturing in 270 days or less.
- (d) Time deposits that are fully insured by the FDIC or bankers acceptances of U.S. banks.
- (e) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above.
- (f) Repurchase or reverse repurchase agreements with banks that are qualified as a “depository” of public funds of the government entity, any other financial institution which is a member of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
- (g) Guaranteed investment contracts (GIC’s) issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories, or in the top three rating categories for long-term GIC’s issued by Minnesota banks.
- (h) Securities lending agreements with financial institutions having its principal executive office in Minnesota and meeting the qualifications described in (f) above.

Concentration of Credit Risk – The District places no limit on the amount the District may invest in any one issuer.

Custodial Credit Risk - Deposits – The District does not have a policy for custodial credit risk. In accordance with Minnesota Statutes, the District maintains deposits at those depository banks authorized by the District’s board, all of which are members of the Federal Reserve System. Minnesota Statutes require that all District

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deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

NOTE 4 CAPITAL ASSETS

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

	Beginning Balance, Restated	Increases	Decreases	Ending Balance
Capital Assets, not depreciated/amortized:				
Land	\$ 16,471	\$	\$	\$ 16,471
Construction in Process	82,450			82,450
Total capital assets, not being depreciated	<u>98,921</u>			<u>98,921</u>
Capital Assets, being depreciated/amortized:				
Land Improvements	867,111			867,111
Buildings	39,042,627	275,984		39,318,611
Equipment	3,363,033	415,146		3,778,179
Right-To-Use Leased Equipment		68,235		68,235
Right-To-Use SBITA	92,623			92,623
Total capital assets, being depreciated/amortized	<u>43,365,394</u>	<u>759,365</u>		<u>44,124,759</u>
Less accumulated depreciation/amortization for:				
Land Improvements	713,173	15,875		729,048
Buildings	12,627,416	872,794		13,500,210
Equipment	2,696,474	153,714		2,850,188
Right-To-Use Leased Equipment		13,647		13,647
Right-To-Use SBITA	18,689	18,689		18,689
Total accumulated depreciation/amortization	<u>16,037,063</u>	<u>1,074,719</u>		<u>17,111,782</u>
Total Capital Assets, being depreciated/amortized, net	<u>27,328,331</u>	<u>(315,354)</u>		<u>27,012,977</u>
Governmental Activities Capital Assets, net	<u>\$ 27,427,252</u>	<u>\$ (315,354)</u>	<u>\$</u>	<u>\$ 27,111,898</u>

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In the statement of activities, depreciation/amortization expense was charged to the following governmental functions:

Administration	\$ 18,950
District Support Services	18,309
Elementary & Secondary	
Regular Instruction	25,681
Vocational Education Instruction	1,129
Special Education Instruction	6,089
Instructional Support Services	13,901
Pupil Support Services	91,104
Depreciation - Unallocated	899,556
	<u>\$ 1,074,719</u>

NOTE 5 DEFINED BENEFIT PENSION PLANS- STATEWIDE

Substantially, all employees of the District are required by state law to belong to pension plans administered by Teachers Retirement Association (TRA) or Public Employees Retirement Association (PERA), all of which are administered on a statewide basis.

Disclosures relating to these plans follow:

A. Public Employees Retirement Association

Plan Description – The District participates in the following cost-sharing multiple-employer defined benefit pension plans 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.

General Employees Retirement Plan

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 a Coordinated Plan member is 1.2% for each of the first ten years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years

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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 will be 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 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.

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 \$174,587. 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 \$2,257,209 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 \$66,094.

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 0.0293% at the end of the measurement period and 0.0255% for the beginning of the period.

District's proportionate share of net pension liability	\$ 2,257,209
State of Minnesota's proportionate share of the net pension liability associated with the District	66,094
Total	<u>\$ 2,323,303</u>

For the year ended June 30, 2023, the District recognized pension expense of \$320,359 for its proportionate share of General Employee Plan’s pension expense. In addition, the District recognized \$9,876 as grant revenue 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 General Employee Plan’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 18,854	\$ 21,605
Difference between projected and actual investment earnings	122,157	
Changes in actuarial assumptions	458,699	8,343
Changes in proportion	127,870	11,990
Contributions paid to PERA subsequent to the measurement date	174,587	
Total	<u>\$ 902,167</u>	<u>\$ 41,938</u>

The \$174,587 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Pension Expense Amount
2024	\$ 238,117
2025	243,363
2026	32
2027	204,130

Long-Term Expected Return on Investment – The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.50%	5.10%
Private Markets	25.00%	5.90%
Fixed Income	25.00%	0.75%
International Equity	16.50%	5.30%

Actuarial Methods and Assumptions – The total pension liability in the June 30, 2022, actual 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 6.50 percent. 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 6.50 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent and benefit increases after retirement are assumed to be 1.25 percent.

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Salary growth assumptions range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years.

Mortality rates are based on the Pub-2010 General Employee Mortality Table. The table is adjusted slightly to fit PERA’s experience.

Actuarial assumptions are reviewed every four years. The most recent four-year experience study in 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:

- The 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 valuation.

Discount Rate – The discount rate used to measure the total pension liability in 2022 was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity – The following presents the District’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Sensitivity Analysis - NPL at Different Discount Rates		
1% Decrease (5.5%)	Current (6.5%)	1% Increase (7.5%)
\$ 3,565,380	\$ 2,257,209	\$ 1,184,307

Pension Plan Fiduciary Net Position – Detailed information about each defined benefit 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.

B. Teachers Retirement Association

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 schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those employed by St. Paul schools or Minnesota State Colleges and Universities). Educators first hired by

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Minnesota State may elect either TRA coverage or coverage through the Defined Contribution Plan (DCR) administered by the State of Minnesota.

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.

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:

<u>Tier I</u>	<u>Step Rate Formula</u>	<u>Percentage</u>
Basic	1 st ten years of service	2.2 percent per year
	All years after	2.7 percent per year
Coordinated	1 st ten years if service years are up to July 1, 2006	1.2 percent per year
	1 st ten years if service years are July 1, 2006 or after	1.4 percent per year
	All other years of service if service years are up to July 1, 2006	1.7 percent per year
	All other years of service if service years are July 1, 2006 or after	1.9 percent per year

With these provisions:

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

or

Tier II Benefits:

For years of service prior to July 1, 2006, a level formula of 1.7 percent per year for Coordinated members and 2.7 percent per year for Basic members is applied. For years of service July 1, 2006 and after, a level formula of 1.9 percent per year for Coordinated members and 2.7 percent 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.

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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.

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

	June 30, 2021		June 30, 2022		June 30, 2023	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic	11.00%	12.13%	11.00%	12.34%	11.00%	12.55%
Coordinated	7.50%	8.13%	7.50%	8.34%	7.50%	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	<u>(572)</u>
Total employer contributions	479,929
Total non-employer contributions	<u>35,590</u>
Total contributions reported in <i>Schedule of Employer and Non-Employer Allocations</i>	<u>\$ 515,519</u>

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
Experience Study	June 30, 2022
	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 30, 2028.

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Cost of Living Adjustment	1.00% for January 2019 through January 2023, then increasing by 0.10% each year up to 1.50% annually
Mortality Assumption	
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 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Geometric Mean)</u>
Domestic Equity	33.50%	5.10%
International Equity	16.50%	5.30%
Private Markets	25.00%	5.90%
Fixed Income	25.00%	0.75%

The TRA actuary has determined the average of the expected remaining service lives of all members for fiscal year 2023 is 6 years. The “Difference Between Expected and Actual Experience” and “Changes of Assumptions” and “Changes in Proportion” use the amortization period of 6 years in the schedule presented. The amortization period for “Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments” is 5 years as required by GASB 68.

Changes in actuarial assumptions since the 2021 valuation: None

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent. The discount rate used to measure the TPL at the Prior Measurement Date was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal 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).

Net Pension Liability - On June 30, 2023, the District reported a liability of \$5,148,804 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

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Minneapolis School District. District proportionate share was 0.0643% at the end of the measurement period and 0.0633% 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	\$ 5,148,804
State's proportionate share of the net pension liability associated with the District	\$ 382,004

For the year ended June 30, 2023, the District recognized pension expense of \$(1,164,188). It also recognized \$52,527 as an increase to pension expense for the support provided by direct aid.

On June 30, 2023, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 77,002	\$ 45,827
Net difference between projected and actual earnings on plan inv.	179,992	
Changes in actuarial assumptions	812,095	1,153,985
Changes in proportion	115,340	206,578
Contributions paid to TRA subsequent to the measurement date	352,794	
Total	<u>\$ 1,537,223</u>	<u>\$ 1,406,390</u>

\$352,794 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 ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to TRA pensions will be recognized in pension expense as follows:

Year Ending June 30	Pension Expense Amount
2024	\$ (1,015,505)
2025	105,820
2026	15,328
2027	651,437
2028	20,959

Pension Liability Sensitivity - The following presents the net pension liability calculated using the discount rate of 7.00 percent 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 percent) or one percentage higher (8.00 percent) than the current rate.

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Sensitivity Analysis - NPL at Different Discount		
1% Decrease	Current	1% Increase
(6.0%)	(7.0%)	(8.0%)
\$ 8,116,809	\$ 5,148,804	\$ 2,715,965

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 www.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.

The District recognized total pension expense of \$(843,829) for all of the pension plans in which it participates.

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS

Plan Description - The District's Plan is a single-employer defined benefit healthcare plan to eligible retirees and their spouses. The authority and requirement to provide these benefits is established in Minnesota Statutes Section 471.61, Subd. 2b. The benefit levels, employee contributions, and employer contributions are governed by the District and can be amended by the District through the District's collective bargaining agreements with employee groups.

Benefits Provided – The District provides healthcare benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the plan.

Funding Policy - Retirees and their spouses contribute to the healthcare plan at the same rate as District employees. Since the premium is a blended rate determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy. The District provides postemployment healthcare benefits to qualifying retirees.

Employees Covered by Benefit Term – At June 30, 2023, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	2
Active plan members	142
Total Members	144

Total OPEB Liability – The District's total OPEB liability of \$368,186 was measured as of July 1, 2022 and was determined by an actuarial valuation as of July 1, 2021.

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	2.0 percent
Salary increases	Rates vary by group
Medical Trend Rates	6.25 percent decreasing to 5.0 percent then to 4.0 percent

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Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount- Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale.

The discount rate is based on the estimated yield of 20-year municipal bonds. The overall single discount rate is 2.1%.

In the July 1, 2021 actuarial valuation, the entry age, level percentage of pay actuarial cost method was used.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 6/30/2022	\$ 333,362
Changes for the year:	
Service Cost	52,850
Interest Cost	7,840
Benefit Payments	<u>(25,866)</u>
Net Changes	<u>34,824</u>
Balance at 6/30/2023	<u>\$ 368,186</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – 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 that is one percentage point lower (1.1 percent) or one percentage point higher (3.1 percent) than the current rate:

District Total OPEB Liability		
1% Decrease (1.1%)	Current (2.1%)	1% Increase (3.1%)
\$ 393,929	\$ 368,186	\$ 343,220

Sensitivity of the Total OPEB Liability to Changes in 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 healthcare cost trend rates that are one percentage point lower (5.25 percent decreasing to 4.0 percent over 5 years) or one percentage point higher (7.25 percent decreasing to 6.0 percent over 5 years) than the current healthcare cost trend rates:

District Healthcare Cost Trend Rates		
(5.25% decreasing to 4.0%)	(6.25% decreasing to 5.0%)	(7.25% decreasing to 6.0%)
\$ 318,072	\$ 368,186	\$ 428,775

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the District recognized OPEB expense of \$28,005. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 19,959	\$ 7,098
Difference between expected and actual experience		137,725
Employer contributions paid subsequent to the measurement date	7,617	
Total	<u>\$ 27,576</u>	<u>\$ 144,823</u>

\$7,617 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	OPEB Expense Amount
2024	\$ (32,685)
2025	(32,685)
2026	(32,678)
2027	(13,405)
2028	(13,411)

NOTE 7 LONG-TERM LIABILITIES

Changes in the District's long-term liabilities for the year ended June 30, 2023 are as follows:

Summary of Long-Term Liabilities

	Beginning Balance	Additions	Retired	Ending Balance	Due Within One Year
G.O. Bonds	\$ 21,510,000	\$	\$ 1,215,000	\$ 20,295,000	\$ 1,275,000
Premium on Bonds	982,822		73,855	908,967	
Total Bonds	<u>22,492,822</u>		<u>1,288,855</u>	<u>21,203,967</u>	<u>1,275,000</u>
Lease Payable		68,235	12,929	55,306	13,278
Compensated Absences	12,236			12,236	
Total Long-Term Liabilities	<u>\$ 22,505,058</u>	<u>\$ 68,235</u>	<u>\$ 1,301,784</u>	<u>\$ 21,271,509</u>	<u>\$ 1,288,278</u>

The District's interest expense on long-term debt for the year ended June 30, 2023 was \$774,362. Compensated absences and leases payable are generally liquidated by the general fund.

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

General Obligation Bonds

Date of Issue	Net Interest Rate	Maturity Dates	Original Amount	Current Year Retired	Balance 6/30/2023	Amounts Due in 2023/24	
						Principal	Interest
6/24/2015	3.0 - 5.0%	2/1/2036	\$ 25,260,000	\$ 1,090,000	\$ 18,995,000	\$ 1,145,000	\$ 714,712
7/27/2016	2.0 - 3.0%	2/1/2032	2,000,000	125,000	1,300,000	130,000	31,595
				<u>\$ 1,215,000</u>	<u>\$ 20,295,000</u>	<u>\$ 1,275,000</u>	<u>\$ 746,307</u>

Annual debt service requirements to maturity are as follows:

G.O. Bonds		
Year Ending June 30	Principal	Interest
2024	\$ 1,275,000	\$ 746,307
2025	1,335,000	685,157
2026	1,400,000	621,107
2027	1,465,000	553,907
2028	1,510,000	511,357
2029 - 2033	8,130,000	1,806,928
2034 - 2036	5,180,000	391,106
	<u>\$ 20,295,000</u>	<u>\$ 5,315,869</u>

NOTE 8 LEASES

Lease Receivable

As of June 30, 2023, the District had a lease receivable and deferred inflows of resources of \$43,181 related to the lease of space on District property to an entity. The lease terminates on May 31, 2026. Revenues for the year ended June 30, 2023, amounted to \$15,405.

Lease Revenue	Year Ended	
	30-Jun-23	
Building	\$	12,929
Interest Revenue		2,476
Total	\$	<u>15,405</u>

Lease Payable

The District is a lessee for a noncancellable lease of equipment. The value of the lease liability was \$55,306 as of June 30, 2023. The value of the right-to-use lease asset was \$68,235 at the end of the fiscal year and had accumulated amortization of \$13,647.

The following is the total lease expense for the year ended June 30, 2023:

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

Lease expense	Year Ending 2023-06
Amortization expense by class of underlying asset	
Equipment	\$ 13,647
Total amortization expense	13,647
Variable lease expense	1,665
Total	\$ 15,312

Following is a schedule of activity in leased assets and the lease liability for the year ended June 30, 2023:

	Beginning of Year	Additions	Modifications & Remeasurements	Subtractions	End of Year	Amounts Due Within One Year
Lease Assets						
Equipment	\$	\$ 68,235	\$	\$	\$ 68,235	
Less: Accumulated Amortization						
Equipment		(13,647)			(13,647)	
Total Lease Assets, net	\$	\$ 54,588	\$	\$	\$ 54,588	
Lease Liabilities	\$	\$ 68,235	\$	\$ (12,929)	\$ 55,306	\$ 13,278

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, are as follows:

Year Ending June 30	Lease Payable	
	Principal	Interest
2024	\$ 13,278	\$ 1,315
2025	13,638	956
2026	14,005	587
2027	14,385	209
	\$ 55,306	\$ 3,067

NOTE 9 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The District entered into two subscription-based information technology arrangements (SBITAs) for information managing tools and curriculum. The Tech Check LLC commenced on July 1, 2021 and terminates on June 30, 2024. The curriculum arrangement with Benchmark Universe commenced on July 1, 2021 and terminates on June 30, 2028. The subscriptions were fully prepaid at commencement resulting in no future minimum payments or a SBITA liability as of June 30, 2023.

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

The following is a schedule of activity in SBITA assets and the SBITA liability for the year ended June 30, 2023:

SBITA Assets	Beginning of Year, Restated	Additions	Modifications & Remeasurements	Subtractions	End of Year
Software	\$ 9,758	\$	\$	\$	\$ 9,758
Curriculum	82,865	_____	_____	_____	82,865
Total SBITA Assets	<u>92,623</u>	_____	_____	_____	<u>92,623</u>
 Less: Accumulated Amortization					
Software		(4,879)			(4,879)
Curriculum		(13,811)			(13,811)
Total SBITA Accumulated Amort.	_____	<u>(18,690)</u>	_____	_____	<u>(18,690)</u>
 Total SBITA Assets, net	 \$ 92,623	 \$ (18,690)	 \$ _____	 \$ _____	 \$ <u>73,933</u>

NOTE 10 SEVERANCE PAY

The District has a severance pay plan for employees. The plan calls for employees to be paid for unused portions of their sick leave upon termination of employment. At June 30, 2023, the estimated liability under this plan was \$12,236.

NOTE 11 CONTINGENCIES

The District receives significant financial assistance from numerous federal, state and local governmental agencies in the form of grants and aids. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2023.

NOTE 12 RISK MANAGEMENT

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

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

NOTE 13 NEW PRONOUNCEMENTS

GASB Statement No. 99, *Omnibus 2022*, provides guidance on the following accounting matters:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, enhances the accounting and financial reporting requirements for accounting changes and error corrections. The standard is effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences through aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The standard is effective for fiscal years beginning after December 15, 2023.

Management has not yet determined what effect these statements will have on the District's financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Property Tax Levies	\$ 710,609	\$ 670,365	\$ 663,787	\$ (6,578)
Other Local & County Revenues	258,010	703,005	705,794	2,789
Revenue From State Sources	9,070,610	9,107,832	9,225,545	117,713
Revenue From Federal Sources	498,000	645,072	820,435	175,363
Sale/Other Conversion of Asset	38,400	90,384	114,143	23,759
TOTAL REVENUES	10,575,629	11,216,658	11,529,704	313,046
EXPENDITURES				
Current				
Administration	623,555	760,340	753,989	(6,351)
District Support Services	464,157	310,933	281,859	(29,074)
Elementary & Secondary				
Regular Instruction	4,844,681	4,216,496	5,016,824	800,328
Vocational Education Instruction	147,583	192,162	226,020	33,858
Special Education Instruction	1,300,451	1,324,645	1,401,116	76,471
Instructional Support Services	339,327	339,056	542,216	203,160
Pupil Support Services	650,270	944,649	1,051,121	106,472
Sites and Buildings	1,422,947	1,682,061	1,588,723	(93,338)
Fixed Costs	95,000	163,318	104,952	(58,366)
Debt Service				
Principal	14,000		12,929	12,929
Interest	500	734	1,664	930
Capital Outlay	498,200	798,667	1,068,331	269,664
TOTAL EXPENDITURES	10,400,671	10,733,061	12,049,744	1,316,683
Revenues Over (Under) Expenditures	174,958	483,597	(520,040)	(1,003,637)
OTHER FINANCING SOURCES (USES)				
Issuance of Lease			68,235	68,235
TOTAL OTHER FINANCING USES			68,235	68,235
Net Change in Fund Balances	174,958	483,597	(451,805)	(935,402)
Fund Balances - Beginning	3,364,547	3,364,547	3,364,547	
Fund Balances - Ending	\$ 3,539,505	\$ 3,848,144	\$ 2,912,742	\$ (935,402)

See Notes to the Required Supplementary Information

INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Last 10 Years

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB Liability						
Service Cost	\$ 47,105	\$ 48,518	\$ 46,687	\$ 48,088	\$ 51,311	\$ 52,850
Interest	15,416	15,813	16,749	12,121	13,248	7,840
Difference Between Expected and Actual Experience			(118,383)		(121,786)	
Assumption Changes			(16,570)		27,945	
Benefit Payments	<u>(69,577)</u>	<u>(34,657)</u>	<u>(35,327)</u>	<u>(27,575)</u>	<u>(26,588)</u>	<u>(25,866)</u>
Net Change in Total OPEB Liability	(7,056)	29,674	(106,844)	32,634	(55,870)	34,824
Total OPEB Liability - Beginning	<u>440,824</u>	<u>433,768</u>	<u>463,442</u>	<u>356,598</u>	<u>389,232</u>	<u>333,362</u>
Total OPEB Liability - Ending	<u>\$ 433,768</u>	<u>\$ 463,442</u>	<u>\$ 356,598</u>	<u>\$ 389,232</u>	<u>\$ 333,362</u>	<u>\$ 368,186</u>
Covered Payroll	\$ 4,756,506	\$ 4,899,201	\$ 5,406,491	\$ 5,568,686	\$ 5,795,540	\$ 5,969,406
District's Total OPEB Liability as a Percentage of a Covered Payrol	9.12%	9.46%	6.60%	6.99%	5.75%	6.17%

The District implemented GASB No. 75 for the fiscal year ended June 30, 2018. Information from prior years is not available.

See Notes to the Required Supplementary Information

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
SCHEDULE OF DISTRICT CONTRIBUTIONS
LAST 10 YEARS**

	<u>Fiscal Year Ended June 30</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
PERA						
	2015	\$ 112,987	\$ 112,987	\$	1,506,493	7.50 %
	2016	119,091	119,091		1,587,880	7.50
	2017	129,845	129,845		1,731,267	7.50
	2018	136,473	136,473		1,819,640	7.50
	2019	136,338	136,338		1,817,840	7.50
	2020	138,337	138,337		1,844,493	7.50
	2021	137,822	137,822		1,837,627	7.50
	2022	158,923	158,923		2,118,973	7.50
	2023	174,587	174,587		2,327,830	7.50
TRA						
	2015	\$ 243,379	\$ 243,379	\$	3,245,053	7.50 %
	2016	259,164	259,164		3,455,520	7.50
	2017	271,676	271,676		3,622,347	7.50
	2018	282,379	282,379		3,765,053	7.50
	2019	298,524	298,524		3,871,907	7.71
	2020	304,544	304,544		3,845,253	7.92
	2021	307,748	307,748		3,785,338	8.13
	2022	335,552	335,552		4,023,405	8.34
	2023	352,794	352,794		4,112,557	8.58

The amounts presented for each fiscal year were determined as of the District's year end which is June 30th.

The District implemented GASB Statement No. 68 for its fiscal year ended June 30, 2015. Information for the prior years is not available.

See Notes to the Required Supplementary Information

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
SCHEDULE OF DISTRICT'S SHARE OF NET PENSION LIABILITY
LAST 10 YEARS**

Fiscal Year Ended June 30	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with the District (if Applicable)	Total	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
PERA							
2014	0.0242 %	\$ 1,136,795	\$	\$ 1,136,795	\$ 1,272,303	89.35 %	78.70 %
2015	0.0261	1,352,637		1,352,637	1,506,493	89.79	78.19
2016	0.0256	2,078,593	27,111	2,105,704	1,587,880	130.90	68.90
2017	0.0269	1,717,278	21,572	1,738,850	1,731,267	99.19	75.90
2018	0.0271	1,503,397	49,334	1,552,731	1,819,640	82.62	79.53
2019	0.0257	1,420,895	44,165	1,465,060	1,817,840	78.16	80.23
2020	0.0259	1,552,823	47,886	1,600,709	1,844,493	84.19	79.06
2021	0.0255	1,088,964	33,282	1,122,246	1,837,627	59.26	87.00
2022	0.0293	2,257,209	66,094	2,323,303	2,118,973	106.52	76.67
TRA							
2014	0.0673 %	\$ 3,101,136	\$ 218,056	\$ 3,319,192	\$ 3,070,329	101.00 %	81.50 %
2015	0.0639	3,952,847	484,598	4,437,445	3,245,053	121.81	76.80
2016	0.0664	15,837,984	1,590,486	17,428,470	3,455,520	458.34	44.88
2017	0.0673	13,434,301	1,298,551	14,732,852	3,622,347	370.87	51.57
2018	0.0981	4,277,317	401,877	4,679,194	3,765,053	113.61	78.07
2019	0.0682	4,347,082	384,520	4,731,602	3,871,907	112.27	78.21
2020	0.0662	4,890,945	409,603	5,300,548	3,845,253	127.19	75.48
2021	0.0633	2,770,197	233,504	3,003,701	3,785,338	73.18	86.63
2022	0.0643	5,148,804	382,004	5,530,808	4,023,405	127.97	76.17

The amounts presented for each fiscal year were determined as of the measurement date of the collective net pension liability which is June 30 of the previous fiscal year.

The District implemented GASB Statement No. 68 for its fiscal year ended June 30, 2015. Information for the prior years is not available.

See Notes to the Required Supplementary Information

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023**

NOTE 1 BUDGETARY DATA

Budgets are prepared for District funds on the same basis and using the same accounting practices as are used to account and prepare financial reports for the funds. Budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. All appropriations lapse at year-end. Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting is not utilized in the governmental funds of the District.

The budget is adopted through the passage of a resolution. Administration can authorize the transfer of budgeted amounts within any fund. Any revisions that alter the total expenditures of any fund must be approved by the governing board. The legal level of budgetary control is the fund level. The annual appropriated budget is not legally binding on the District unless the District has a deficit fund balance, which exceeds 2.5% of expenditures.

NOTE 2 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2023, expenditures exceeded appropriations in the general fund by \$1,316,683.

NOTE 3 DEFINED BENEFIT PLANS

PERA

2022 Changes

Changes in Actuarial Assumptions: The 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 valuation.

TRA

Changes in actuarial assumptions since the 2022 valuation: None

NOTE 4 OTHER POSTEMPLOYMENT BENEFITS

2023 Changes: None

INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Food Service Fund	Community Service Fund	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 134,944	\$ 434,675	\$ 569,619
Current Property Taxes Receivable		21,519	21,519
Delinquent Property Taxes Receivable		2,059	2,059
Due From Department of Education		1,888	1,888
Prepaid Expenses	350	1,499	1,849
Inventory	5,811		5,811
TOTAL ASSETS	\$ 141,105	\$ 461,640	\$ 602,745
LIABILITIES			
Accounts Payable	\$ 1,016	\$ 11,073	\$ 12,089
Payroll Liabilities	1,317	28,177	29,494
Unearned Revenue	349		349
TOTAL LIABILITIES	2,682	39,250	41,932
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Delinquent Taxes		2,059	2,059
Property Taxes Levied - Subs. Years		46,124	46,124
TOTAL DEFERRED INFLOWS OF RESOURCES		48,183	48,183
FUND BALANCES			
Fund Balance:			
Nonspendable	6,161	1,499	7,660
Restricted for Food Service	132,262		132,262
Restricted for Community Education		288,924	288,924
Restricted for ECFE		50,771	50,771
Restricted for School Readiness		1,159	1,159
Restricted for Community Service		31,854	31,854
TOTAL FUND BALANCES	138,423	374,207	512,630
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 141,105	\$ 461,640	\$ 602,745

INDEPENDENT SCHOOL DISTRICT NO. 485**ROYALTON, MINNESOTA****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
NONMAJOR GOVERNMENTAL FUNDS****For the Year Ended June 30, 2023**

	<u>Food Service Fund</u>	<u>Community Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local Property Tax Levies	\$	\$ 44,879	\$ 44,879
Other Local & County Revenues	5,712	377,913	383,625
Revenue From State Sources	38,740	46,972	85,712
Revenue From Federal Sources	379,804		379,804
Sale/Other Conversion of Asset	257,506		257,506
	<u>681,762</u>	<u>469,764</u>	<u>1,151,526</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
Community Education and Services		436,612	436,612
Pupil Support Services	721,057		721,057
	<u>721,057</u>	<u>436,612</u>	<u>1,157,669</u>
TOTAL EXPENDITURES			
Revenues Over (Under) Expenditures	(39,295)	33,152	(6,143)
OTHER FINANCING SOURCES			
Sale of Capital Assets	3,236		3,236
	<u>3,236</u>		<u>3,236</u>
TOTAL OTHER FINANCING SOURCES			
Net Change in Fund Balances	(36,059)	33,152	(2,907)
Fund Balances - Beginning	174,482	341,055	515,537
Fund Balances - Ending	<u>\$ 138,423</u>	<u>\$ 374,207</u>	<u>\$ 512,630</u>

INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
SCHEDULE OF CHANGES IN FUND BALANCES
For the Year Ended June 30, 2023

	UFARS Balance Beginning of Year	Revenues	Expenditures	Transfers	Sale of Capital Asset	Debt Issuance	UFARS Balance End of Year
General Fund							
Nonspendable	\$ 83,000	\$	\$	\$ 161,627	\$	\$	\$ 244,627
Restricted for:							
Student Activities	194,638	266,548	240,084	(48)			221,054
Scholarships	33,053	3,291	1,800				34,544
Staff Development	121,768	141,984	263,752				
Operating Capital	472,767	261,450	588,674				145,543
Basic Skills Extended Time	16,134						16,134
Gifted and Talented	20,413	13,447	27,929				5,931
Safe Schools Levy	74,831	37,257	40,318				71,770
Long Term Facilities Maint.	67,509	177,643	241,960				3,192
Medical Assistance	108,568	17,031	43,360				82,239
Assigned	270,000						270,000
Unassigned	1,901,866	10,611,053	10,601,867	(161,579)		68,235	1,817,708
Total General Fund	<u>3,364,547</u>	<u>11,529,704</u>	<u>12,049,744</u>			<u>68,235</u>	<u>2,912,742</u>
Food Service Fund							
Nonspendable	6,938			(777)			6,161
Restricted for Food Service	167,544	681,762	721,057	777	3,236		132,262
Total Food Service Fund	<u>174,482</u>	<u>681,762</u>	<u>721,057</u>		<u>3,236</u>		<u>138,423</u>
Community Service Fund							
Nonspendable				1,499			1,499
Restricted for:							
Community Education	208,435	226,888	146,399				288,924
ECFE	42,208	33,967	25,404				50,771
School Readiness	59,290	206,678	264,809				1,159
Community Service	31,122	2,231		(1,499)			31,854
Total Community Service Fund	<u>341,055</u>	<u>469,764</u>	<u>436,612</u>				<u>374,207</u>
Debt Service Fund							
Restricted for Debt Service	439,975	2,032,740	2,020,583				452,132
Total Debt Service Fund	<u>439,975</u>	<u>2,032,740</u>	<u>2,020,583</u>				<u>452,132</u>
Totals	<u>\$ 4,320,059</u>	<u>\$ 14,713,970</u>	<u>\$ 15,227,996</u>	<u>\$</u>	<u>\$ 3,236</u>	<u>\$ 68,235</u>	<u>\$ 3,877,504</u>

INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

To the Board of Education
Independent School District No. 485
Royalton, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 485 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 27, 2023.

Legal Compliance

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 contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts* promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

Purpose of the Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.



BRADY, MARTZ & ASSOCIATES, P.C.
THIEF RIVER FALLS, MINNESOTA

December 27, 2023

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**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**

To the Board of Education
Independent School District No. 485
Royalton, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 485, 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 27, 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 a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

The 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 audit and described in the accompanying schedule of findings and corrective action plan. 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.



BRADY, MARTZ & ASSOCIATES, P.C.
THIEF RIVER FALLS, MINNESOTA

December 27, 2023

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
SCHEDULE OF FINDINGS
June 30, 2023**

2023-001 FINDING

Criteria

Generally, a system of internal control contemplates separation of duties that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

Condition

Lack of sufficient segregation of duties. During our audit, we reviewed budget to actual results and as of period 12, all property tax revenue had been reported as miscellaneous revenue. Receipting in revenue to the correct revenue accounts will assist management in ensuring that revenue is received and reported correctly. In addition, the District did not reconcile the payroll liability for compensated absences.

Cause

Size and budget constraints limiting the number of personnel within the accounting department.

Effect

The design of the internal control over financial reporting that could adversely affect the ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Recommendation

Record revenue in correct general ledger accounts, reconcile payroll liability accounts, and review budget to actual reports. Areas should be reviewed periodically and consideration given to improving segregation of duties.

Views of Responsible Officials and Planned Corrective Actions

The District agrees with the recommendation and will continue to review the accounting system, including changes that may occur. Implement segregation whenever practical.

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
CORRECTIVE ACTION PLAN
June 30, 2023**

2023-001 FINDING

Contact Person – Superintendent

Corrective Action Plan – Administration will continually review current segregation of accounting duties to determine if further segregation is possible. The District hired School Management Services to bring in additional support for the district office to assist in accounting functions.

Completion Date – Ongoing

INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE
June 30, 2023

District Name:	INDEPENDENT SCHOOL DISTRICT NO. 485			District Number:	485		
	Audit	UFARS	Variance		Audit	UFARS	Variance
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenue	11,529,704	11,529,704		Total Revenue			
Total Expenditures	12,049,744	12,049,745	(1)	Total Expenditures			
<i>Non Spendable</i>				<i>Non Spendable</i>			
460 Non Spendable Fund Balance	244,627	244,627		460 Non Spendable Fund Balance			
<i>Restricted/Reserved:</i>				<i>Restricted/Reserved:</i>			
401 Student Activities	221,054	221,102	(48)	407 Capital Projects Levy			
402 Scholarships	34,544	34,544		413 Projects Funded By COP			
403 Staff Development				467 Long Term Fac. Maint. (LTFM)			
406 Health & Safety				<i>Restricted</i>			
407 Capital Projects Levy				464 Restricted Fund Balance			
408 Cooperative Revenue				467 LTFM			
411 Severance Pay				<i>Unassigned:</i>			
413 Project Funded by COP				463 Unassigned Fund Balance			
414 Operating Debt				Reconciliation of Building Construction			
416 Levy Reduction							
417 Taconite Building Maintenance				07 DEBT SERVICE			
423 Certain Teacher Programs				Total Revenue	2,032,740	2,032,740	
424 Operating Capital	145,543	145,542	1	Total Expenditures	2,020,583	2,020,583	
426 \$25 Taconite				<i>Non Spendable</i>			
427 Disabled Accessibility				460 Non Spendable Fund Balance			
428 Learning & Development				<i>Restricted/Reserved:</i>			
434 Area Learning Center				425 Bond Refundings			
435 Contracted Alt Programs				451 QZAB Payments			
436 State Approved Alt Program				<i>Restricted</i>			
438 Gifted & Talented	5,931	5,931		464 Restricted Fund Balance	452,132	452,133	(1)
440 Teacher Development and Eval				<i>Unassigned:</i>			
441 Basic Skills Programs				463 Unassigned Fund Balance			
448 Achievement and Integration				Reconciliation of Debt Service	4,505,455	4,505,456	(1)
449 Safe Schools Levy	71,770	71,770					
450 Prekindergarten				08 TRUST			
451 QZAB Payments				Total Revenue			
452 OPEB Liab Not In Trust				Total Expenditures			
453 Unfunded Sev & Retiremt Levy				<i>Unassigned:</i>			
459 Basic Skills Ext Time	16,134	16,134		422 Unassigned Fund Balance			
467 LTFM	3,192	3,191	1	Reconciliation of Trust			
472 Medical Assistance	82,239	82,240	(1)				
475 Title VII Impact Aid				20 INTERNAL SERVICE			
476 Payment in Lieu of Taxes (PILT)				Total Revenue			
<i>Restricted</i>				Total Expenditures			
464 Restricted Fund Balance				<i>Unassigned:</i>			
<i>Committed</i>				422 Unassigned Fund Balance			
418 Committed for Separation				Reconciliation of Internal Service			
461 Committed							
<i>Assigned</i>				25 OPEB REVOCABLE TRUST FUND			
462 Assigned Fund Balance	270,000	270,000		Total Revenue			
<i>Unassigned:</i>				Total Expenditures			
422 Unassigned Fund Balance	1,817,708	1,817,663	45	<i>Unassigned:</i>			
Reconciliation of General	26,492,190	26,492,193	(3)	422 Unassigned Fund Balance			
				Reconciliation of OPEB Revocable Trust			
02 FOOD SERVICE							
Total Revenue	681,762	681,762		45 OPEB IRREVOCABLE TRUST FUND			
Total Expenditures	721,057	721,057		Total Revenue			
<i>Non Spendable</i>				Total Expenditures			
460 Non Spendable Fund Balance	6,161	6,161		<i>Unassigned:</i>			
<i>Restricted/Reserved:</i>				422 Unassigned Fund Balance			
452 OPEB Liab Not In Trust				Reconciliation of OPEB Irrevocable Trust			
<i>Restricted</i>							
464 Restricted Fund Balance	132,262	132,263	(1)	47 OPEB DEBT SERVICE FUND			
<i>Unassigned</i>				Total Revenue			
463 Unassigned Fund Balance				Total Expenditures			
Reconciliation of Food Service	1,541,242	1,541,243	(1)	<i>Non Spendable</i>			
				460 Non Spendable Fund Balance			
04 COMMUNITY SERVICE				<i>Restricted</i>			
Total Revenue	469,764	469,765	(1)	425 Bond Refundings			
Total Expenditures	436,612	436,612		464 Restricted Fund Balance			
<i>Non Spendable</i>				<i>Unassigned</i>			
460 Non Spendable Fund Balance	1,499	1,499		463 Unassigned Fund Balance			
<i>Restricted/Reserved:</i>				Reconciliation of OPEB Debt Service			
426 \$25 Taconite							
431 Community Education	288,924	288,924					
432 E.C.F.E.	50,771	50,771					
440 Teacher Development & Eval							
444 School Readiness	1,159	1,159					
447 Adult Basic Education							
452 OPEB Liab Not In Trust							
<i>Restricted</i>							
464 Restricted Fund Balance	31,854	31,854					
<i>Unassigned</i>							
463 Unassigned Fund Balance							
Reconciliation of Community Service	1,280,583	1,280,584	(1)				

**INDEPENDENT SCHOOL DISTRICT NO. 485
ROYALTON, MINNESOTA**

SINGLE AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2023

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

To the Board of Education
Independent School District No. 485
Royalton, Minnesota

Report on Compliance for Each Major Federal Program

Qualified Opinion

We have audited the Independent School District No. 485's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Independent School District No. 485's major federal programs for the year ended June 30, 2023. The Independent School District No. 485's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on the Education Stabilization Fund

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, Independent School District No. 485 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Education Stabilization Fund for the year ended June 30, 2023.

Basis for Qualified Opinion

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 Independent School District No. 485 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 qualified opinion on compliance for each major federal program. Our audit does not provide a legal determination of Independent School District No. 485's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on the Education Stabilization Fund

As described in the accompanying schedule of findings and questioned costs, Independent School District No. 485 did not comply with requirements regarding the Education Stabilization Fund as described in findings 2023-002 for special tests.

Compliance with such requirements is necessary, in our opinion, for Independent School District No. 485 to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with 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 Independent School District No. 485'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 Independent School District No. 485'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 generally accepted auditing standards, *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 Independent School District No. 485's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Independent School District No. 485'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 Independent School District No. 485'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 internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Independent School District No. 485'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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-003 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the Independent School District No. 485's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs and corrective action plan. The Independent School District No. 485's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Independent School District No. 485, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Independent School District No. 485's basic financial statements. We issued our report thereon dated December 27, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



**BRADY, MARTZ & ASSOCIATES, P.C.
THIEF RIVER FALLS, MINNESOTA**

January 5, 2024

INDEPENDENT SCHOOL DISTRICT NO. 485
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal AL Number	Amount
<u>U.S. Department of Health and Human Services</u>		
Passed-Through Minnesota Department of Education: COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	\$ <u>121,937</u>
Total U.S. Department of Health and Human Services		<u>121,937</u>
<u>U.S. Department of Education</u>		
Passed-Through Minnesota Department of Education: Title II, Part A	84.367	16,478
Title I	84.010	90,125
COVID-19 Education Stabilization Fund	84.425U	482,935
Passed-Through Wright Technical Center: Career and Technical Education - Basic Grants to States	84.048	<u>4,333</u>
Total U.S. Department of Education		<u>593,871</u>
<u>U.S. Department of Agriculture</u>		
Passed-Through Minnesota Department of Education: <i>Child Nutrition Cluster:</i>		
School Breakfast Program	10.553	60,561
National School Lunch Program (Nonmonetary Assistance)	10.555	55,846
National School Lunch Program	10.555	228,533
COVID-19 - National School Lunch Program	10.555C	34,863
<i>Total Child Nutrition Cluster</i>		<u>379,803</u>
COVID-19 Pandemic EBT Administrative Costs	10.649C	<u>628</u>
Total U.S. Department of Agriculture		<u>380,431</u>
<u>Federal Communications Commission</u>		
Direct Program: COVID-19 Emergency Connectivity Fund Program	32.009	<u>104,000</u>
Total Federal Communications Commission		<u>104,000</u>
TOTAL FEDERAL AWARDS		<u>\$ 1,200,239</u>

See Notes to the Schedule of Expenditures of Federal Awards

INDEPENDENT SCHOOL DISTRICT NO. 485
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the accompanying schedule of expenditures of federal awards (the Schedule) are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 BASIS OF PRESENTATION

The Schedule includes the federal award activity of Independent School District No. 485 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Independent School District No. 485, it is not intended to be and does not present the financial position or changes in net position of Independent School District No. 485.

NOTE 4 COMMODITY DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

NOTE 5 PASS-THROUGH ENTITIES

All pass-through entities listed on the previous page use the same AL numbers as the federal grantors to identify these grants and have not assigned any additional identifying numbers.

NOTE 6 SUBRECIPIENTS

During the year ended June 30, 2023, the District did not pass any federal money to subrecipients.

INDEPENDENT SCHOOL DISTRICT NO. 485
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

Section I-Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:
Internal control over financial reporting:

Unmodified

Material weakness(es) identified?

yes

no

Significant deficiency(ies) identified?

yes

none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

yes no

Significant deficiency(ies) identified?

yes none reported

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

Qualified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

yes no

Identification of major programs:

AL Number(s) Name of Federal Program or Cluster

84.425U COVID-19 Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee? yes no

INDEPENDENT SCHOOL DISTRICT NO. 485
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
JUNE 30, 2023

Section II – Financial Statement Findings

2023-001 FINDING

Criteria

Generally, a system of internal control contemplates separation of duties that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

Condition

Lack of sufficient segregation of duties. During our audit, we reviewed budget to actual results and as of period 12, all property tax revenue had been reported as miscellaneous revenue. Receipting in revenue to the correct revenue accounts will assist management in ensuring that revenue is received and reported correctly. In addition, the District did not reconcile the payroll liability for compensated absences.

Cause

Size and budget constraints limiting the number of personnel within the accounting department.

Effect

The design of the internal control over financial reporting that could adversely affect the ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Recommendation

Record revenue in correct general ledger accounts, reconcile payroll liability accounts, and review budget to actual reports. Areas should be reviewed periodically and consideration given to improving segregation of duties.

Views of Responsible Officials and Planned Corrective Actions

The District agrees with the recommendation and will continue to review the accounting system, including changes that may occur. Implement segregation whenever practical.

INDEPENDENT SCHOOL DISTRICT NO. 485
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
JUNE 30, 2023

Section III – Federal Award Findings and Questioned Costs

2023-002 FINDING

Federal Program

Education Stabilization Fund (AL 84.425U)
Special Tests – Wage Rates Requirements

Criteria

The Uniform Guidance requires “all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor.” Furthermore, the Compliance requires the prevailing wage rate clauses be included in the contract or subcontract, and that the contractor or subcontractor submit the required certified payrolls weekly, for each week in which any contract work is performed.

Condition

We noted during requesting of information that the District did not enter their HVAC project with a signed contract, which would have contained the correct wage rate verbiage. Furthermore, the District did not obtain the required certified payrolls for the contractor.

Questioned Costs

None.

Context

The District used ESSER funds to pay for an HVAC project at the district. We noted there was no contract between the vendor and the District so the required wage rate verbiage was omitted. We also noted that the District did not obtain the required certified payrolls.

Effect

The District is not in compliance with Uniform Guidance’s wage rate requirements.

Cause

The District does not have controls in place to ensure compliance with federal grant requirements.

Repeat Finding

No.

Recommendation

The District should implement policies and procedures to ensure all construction contracts in excess of \$2,000 that are paid with federal funds follows the federal wage rate requirements.

Views of Responsible Officials

The District agrees with the recommendation.

INDEPENDENT SCHOOL DISTRICT NO. 485
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
JUNE 30, 2023

2023-003 FINDING

Federal Program

Education Stabilization Fund (AL 84.425U)
Allowable Activities/Costs

Criteria

A system of internal controls requires entities to have controls in place to ensure approval of all transactions.

Condition

We noted during testing, the District did not follow their disbursement procedures on 17 out of 18 non-payroll transactions tested.

Questioned Costs

None.

Context

23 transactions were selected from a population of 225. The sample is not statistically valid.

Effect

There is an increased risk of charging unallowable transactions to the grant.

Cause

The District does not have controls in place to ensure all non-payroll transactions are being approved.

Repeat Finding

No.

Recommendation

The District should follow their cash disbursement procedures.

Views of Responsible Officials

The District agrees with the recommendation.

INDEPENDENT SCHOOL DISTRICT NO. 485
SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2023

2022-001 FINDING

Criteria

During the year ended June 30, 2022, the District has a lack of segregation of accounting duties due to a limited number of office employees. The lack of adequate segregation of accounting duties could adversely affects the District's ability to initiate, record, process and report financial data consistent with the assertions of management in the basic financial statements. This lack of segregation of accounting duties can be demonstrated in the following areas, which is not intended to be an all-inclusive list:

- The Business Manager prepares all journal entries without anyone reviewing them.
- The Business Manager adds and disposes assets, calculates depreciation and maintains the master listing of capital assets.
- The Payroll Specialist approves time cards, processes payroll, and completes the ACH filing.
- The District Office Assistant matches purchase orders and invoices and processes payments in the District's accounting system. The Business Manager approves invoices for payment.
- The Business Manager has access to the complete accounting system.

During our audit, we tested the internal control over various District financial reporting functions. One such function is the general ledger journal entry process. We also tested specific journal entries for validity, purpose, amount, and approval. Although our testing indicated valid journal entries, we found that all entries lacked evidence of approval. Not having an adequate process in place could jeopardize the integrity of the basic financial statements.

In addition, we noted the budget in the District's accounting system did not agree to the budget approved by the board by a difference of over \$2 million. Effective budget to actual analysis cannot be completed when the budget used in this analysis is not correct.

Condition

The District does not have adequate segregation of accounting duties.

Cause

There are a limited number of office employees.

Effect

The lack of adequate segregation of accounting duties could adversely affect the District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the basic financial statements.

Recommendation

Continue to review the accounting system, including changes that may occur. Implement segregation whenever practical.

Views of Responsible Officials and Planned Corrective Actions

The District agrees with the recommendation and will review on an annual basis.

Corrective Action Taken

No action taken. See current year finding 2023-001 and Corrective Action Plan.

INDEPENDENT SCHOOL DISTRICT NO. 485
SCHEDULE OF PRIOR AUDIT FINDINGS - CONTINUED
JUNE 30, 2023

2022-002 FINDING

Criteria

Internal controls that assure all requests for reimbursement are properly entered, reviewed, and submitted.

Condition

We selected monthly reimbursement submissions for testing. The District could not readily provide back-up documentation for the number of meals submitted for reimbursement through the CLICS reporting system as the District purged its data in the Skyward system at year-end.

Cause

The District purged its data in the Skyward system at year-end.

Effect

Verification of monthly reimbursement submissions as required by the audit requirements of the Uniform Guidance may not be possible.

Recommendation

Follow the District's record retention policy and maintain back-up documentation for required time period.

Views of the Responsible Officials and Planned Corrective Actions

The District agrees with the recommendations and will implement immediately.

Corrective Action Taken

Yes.



ROYALTON PUBLIC SCHOOLS

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CORRECTIVE ACTION PLAN JUNE 30, 2023

2023-001 FINDING

Contact Person – Kristine Wehrkamp Herman, Superintendent

Corrective Action Plan – Administration will continually review current segregation of accounting duties to determine if further segregation is possible. The District hired School Management Services to bring in additional support for the district office to assist in accounting functions.

Completion Date – Ongoing

2023-002 FINDING

Contact Person – Kristine Wehrkamp Herman, Superintendent

Corrective Action Plan – The District will implement policies and procedures to ensure all construction contracts in excess of \$2,000 that are paid with federal funds follow the federal wage rate requirements.

Completion Date – January 31, 2024

2023-003 FINDING

Contact Person – Kristine Wehrkamp Herman, Superintendent

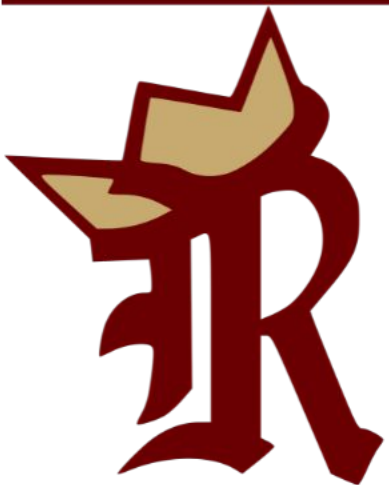
Corrective Action Plan – The District will follow their cash disbursement procedures.

Completion Date – January 31, 2024

Dr. Kristine Wehrkamp Herman
Superintendent

Mr. Joel Swenson
Middle/High School Principal

Mr. Anthony Neumann
Elementary School Principal



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2024-2025 School Calendar Options Presentation

January 8, 2024

READ Act Professional Development Requirements

PreK - Gr 3, All K-12 SPED Teachers, ALL Reading Interventionists, PreK- Gr 5 Curriculum Directors and Employees who select reading materials, and Instructional Support Staff who provide reading support must be trained in the **Science of Teaching Reading by July 1, 2025**

Gr 4-12, Curriculum Directors and Employees who select reading materials, and Instructional Support Staff who provide reading support must be trained in the **Science of Teaching Reading by July 1, 2027**

<https://education.mn.gov/MDE/dse/READ/>

MDE Approved Programs

Lexia - Language Essentials for Teachers of Reading and Spelling (LETRS)

Center for Applied Research and Education Improvement (CAREI) - CAREIALL: Advancing Language and Literacy

Consortium on Reaching Excellence in Education (CORE)

Royalton Public Schools

- Elects to participate in LETRS training
 - Allows for more flexibility in training dates
 - Well-known and well-respected in the Teaching and Learning Profession
 - The only option that has a component specifically for Early Childhood

Training Schedule

- LETRS training will take place over the next two school years
 - District will request an extension from MDE on the completion date
- Two options to ensure training is completed
 - Add Early Outs to the School Schedule
 - Teachers: If early outs: 12 Board credits toward lane change, no stipend
 - Title Paras: If early outs: \$1000 stipend, \$500 after completion of the first 4 units, \$500 after completion of the next 4 units = \$6,000 stipend for paras
 - No Early Outs to the School Schedule
 - Teachers: 12 Board credits toward lane change + \$500 stipend for the entire training (8 modules) = \$20,500 for stipends for teachers
 - Title Paras: If no early outs: \$1500 stipend: \$750 after completion of the first 4 units, \$750 after completion next 4 units = \$9,000 stipend for paras

Calendar Options

- Four Calendar Options for consideration:
 - [Option 1](#) - calendar is similar to prior years
 - [Option 2](#) - calendar includes spring break
 - [Option 3](#) - calendar includes spring break and early outs
 - [Option 4](#) - calendar includes early outs and **No** spring break

Discussion



Thank you!



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2024-2025 Spring Break Survey

Discussion

January 8, 2024

Spring Break Survey

Royalton Public Schools has not had a spring break in the last 25 years, rather some four day weekends are sprinkled in throughout the winter and spring months. This allows for earlier dismissal at the end of the school year.

The Board has requested a discussion regarding surveying the school community to determine if they would want a spring break in future calendar years.

Possible Spring Break Survey Question

Royalton Public Schools requests your feedback regarding instituting a spring break in the 2024-2025 school year.

Spring Break Impacts on Final Student Day and Graduation :

- **With** a spring break in the school year 24-25, the school year would end Tuesday, June 3, 2025 and graduation would be within the week of June 2 - 6, 2025.
- **Without** a spring break in school year 24-25, the school year would end Friday, May 30, 2025 and graduation would occur on Friday, May 30, 2025.
- **With** a spring break in the school year 25-26, the school year would end Thursday, June 4, 2026 and graduation would be either June 4th or 5th, 2026.
- **Without** a spring break in school year 25-26, the school year would end Friday, May 29, 2026 and graduation would occur on Friday, May 29, 2026.

Possible Spring Break Survey Question

Survey Question:

Would you be in favor of a **week-long** spring break in March if it meant the school year would continue further into June with **fewer** four day weekends throughout the winter and spring?

(For 2024-2025 calendar options see the January 8th Board Meeting Agenda on the website.)

Discussion



Thank you!

Reduction Resolution

Member _____ introduced the following resolution and moved its adoption:

Resolution directing the administration to make recommendations for reductions in programs and positions and reasons therefor.

Whereas, if the financial condition of the school district indicates that the school board may need to reduce expenditures, and

Whereas, there may be a reduction in student enrollment, and,

Whereas, this reduction in expenditure and decrease in student enrollment may include discontinuance of positions and discontinuance or curtailment of programs, and,

Whereas, a determination must be made as to which teachers' contracts may be terminated and not renewed and which teachers may be placed on unrequested leave of absence without pay or fringe benefits in effecting discontinuance of positions, Be it resolved, by the School Board of Independent School District No. 485 as follows:

That the School Board hereby directs the Superintendent of Schools and administration to consider the discontinuance of programs or positions to effectuate economies in the school district and reduce expenditures and as a result of a reduction in enrollment make recommendations to the school board for the discontinuance of programs, curtailment of programs, discontinuance of positions or curtailment of positions.

The motion for adoption of the foregoing resolution was duly seconded by Member

_____ and upon a roll call vote being taken thereon, the

following voted

in favor thereof:

following voted against:

and the following abstained:

The foregoing resolution was approved this ___ day of _____, 2024.

_____ Board Chair, Rian Hofstad

_____ Board Clerk, Angela Roering

Resolution for Acceptance of Gifts to the Royalton School District

Member _____ introduced the following resolution and moved its adoption:

WHEREAS all information is included in your packet;

The Rice Area Sportsmen's Club has generously offered to donate \$2000 to the Royalton Trap Team.

The Royals Wrestling Club has generously donated \$27584.23 to the Royalton/Upsala Wrestling program to purchase new mats in the wrestling rooms.

WHEREAS the conditions on these gifts are included in the packet.

THEREFORE, BE IT RESOLVED by the Royalton School Board to gratefully accept the gifts.

The motion for adoption of the foregoing resolution was duly seconded by Member

_____ and upon a roll call vote being taken thereon, the

following voted

in favor thereof:

following voted against:

and the following abstained:

The foregoing resolution was approved this ___ day of _____, 2024.

_____ Board Chair, Rian Hofstad

_____ Board Clerk, Angela Roering