



Agenda  
Regular School Board  
Meeting  
Tuesday, April 9, 2024  
6:30 PM

1. Call to Order, Roll Call
2. Agenda Adjustments
3. Announcements, Comments, Recognitions
  - 3.a. Land Acknowledgment
4. Summary of Community Input Received for Action Items
5. Consent Agenda
  - 5.a. Minutes - Board Meeting of March 19, 2024
  - 5.b. Payment of Bills
  - 5.c. Personnel - Resignations, Appointments, Reductions
  - 5.d. Gifts
  - 5.e. Pavement Rehabilitation Bids
  - 5.f. Construction Fund Disbursement Request - Certificates of Participation 2021A
6. Reports and Non-Action Items
  - 6.a. Multilingual Program Report  
**Speaker(s):** Lourdes Flores-Hanson, Teresa Chavez, Silvia Vasquez, María Cristina Delgado, Carmen Sieleni, Kelly Grucelski and Kelsey Raymond
7. Action Items
  - 7.a. 2022-2023 Audit Report and Acceptance  
**Speaker(s):** Shari Thompson
  - 7.b. Set Closed Sessions for Superintendent's Evaluation  
**Speaker(s):** Chair Todd Anderson
8. Board Reports  
**Speaker(s):** Board Members
9. Superintendent's Report  
**Speaker(s):** Superintendent Jenny Loeck
10. Adjournment

MINUTES OF THE REGULAR MEETING, SCHOOL BOARD, INDEPENDENT  
SCHOOL DISTRICT NO. 623, 1251 West County Road B2, Roseville, MN 55113

March 19, 2024

Chair Todd Anderson called the school board meeting to order at 6:30 p.m. Board members present: Todd Anderson, Mike Boguszewski, Rose Chu, Mannix Clark, Kitty Gogins, Curtis Johnson. Board members absent: none. Also present: Jenny Loeck, superintendent of schools, and approximately thirty-two other visitors or staff who attended all or part of the meeting.

Announcements, Comments, Recognitions. Roseville Area High School student Benjamin Lee was recognized for being named a National Merit Finalist. Parkview Center School band teacher Joe Churchich was recognized for receiving Schmitt Music's Band Educator of the Year award. Mr. Churchich was accompanied by students in the Minnesota Band Directors Association (MBDA) All State 6-8 Honor Jazz Band, MBDA All State 6-8 Band, and Central Region MBDA 6-8 Honor Band.

Summary of Community Input Received for Action Items. The board received no community input regarding the evening's action items.

- (52) Consent Agenda. Boguszewski moved, Chu seconded acceptance of the consent agenda, including the minutes of the school board meeting on March 6, 2024; payment of bills; resignations, appointments, reductions, adjustments; and gifts. Ayes: Anderson, Boguszewski, Chu, Clark, Gogins, Johnson. Nays: none. Motion carried unanimously.

Intent to Issue Long-Term Facilities Maintenance Bonds. Shari Thompson, director of business services, and Jodie Zesbaugh, senior municipal advisor at Ehlers, reviewed the pre-sale report summarizing the sale of bonds and projected interest rates. The school board adopted a resolution authorizing the issuance of general obligation facilities maintenance bonds on September 26, 2023, to finance deferred maintenance projects at Emmet D. Williams Elementary School.

School Climate Report. Melissa Sonnek, assistant superintendent, and Jake Von De Linde, director of student achievement, reviewed school climate data, including insights from staff surveys, a new student social-emotional learning and equity survey, and student referral and suspension data.

Study Session Report. Kitty Gogins reported on the March 6 study session. Board members participated in culturally responsive professional development led by staff in the Office of Educational Equity.

Board Reports. Rose Chu, Mannix Clark and Todd Anderson participated in officer workshops facilitated by the Minnesota School Boards Association (MSBA). Mike Boguszewski and Mannix Clark took part in the Day at the Capitol event sponsored by MSBA and the Minnesota Association of School Administrators. Treasurer Clark also provided updates from the most recent Northeast Metro 916 board meeting. Kitty Gogins shared that she attended a Roseville Area Senior Program Advisory Council meeting and

met with the principal at Roseville Area Middle School. She also highlighted reports from various schools about the impact of the district's new literacy curriculum on student achievement. In addition, Director Gogins and Director Johnson attended an MPR News North Star Journey Live event held at Roseville Area High School focused on the state's new ethnic studies standards. Curtis Johnson attended a District Curriculum Advisory Committee meeting and an open house for the FireBears Robotics team. Todd Anderson attended a District Safety and Security Team meeting and Central Park Elementary's STEM family night.

Superintendent's Report. Superintendent Loeck congratulated Niceta Thomas, director of student services, for receiving the Minnesota Administrators for Special Education New Special Education Leader Award. She also recognized members of Roseville Area High School's Black Student Union for an incredible showcase of student talent through dance, song, and spoken word at a recent cultural celebration.

The Chair declared the meeting adjourned at 8:10 p.m.

Signed \_\_\_\_\_  
Clerk

Approved \_\_\_\_\_  
Chair

March 19, 2024

Meeting Date: April 9, 2024

**PAYMENT OF BILLS:**  
**-March 1 - March 15, 2024**

That bills in the amount of: **\$8,803,141.88** by the following funds be approved:

GENERAL	\$6,512,775.59
FOOD SERVICE	\$373,968.60
COMMUNITY SERVICE	\$298,444.03
BUILDING FUND	\$203,047.10
DEBT FUND	\$1,227,850.00
READING RECOVERY	\$0.00
AMSD	\$13,398.67
OPEB DEBT	\$0.00
DENTAL INS FUND	\$37,546.67
NO SUBURBAN COLLABORATIVE	\$129,283.57
EXTRA CURRICULAR-STU ACTIVITY	\$6,827.65

**RECOMMENDATION:**

That above payments are included in check numbers:

WIRE TRANSFERS	202300427	through	202300455
CHECKS	353927	through	354450
CAPITAL ONE AP CHECKS	8283	through	8316
ACH A/P	232410829	through	232410868

**PAYMENT DISTRIBUTION BY FUND:**

	GENERAL	FOOD SERVICE	COMMUNITY SERVICE	BUILDING CONSTRUCT	DEBT FUND	Delta Dental Self Insured	28-RR Fiscal Agent	29-AMSD Fiscal Agent	OPEB	N SUB COLL/ SCHLSHP	EXTRA CURR-STU ACTIVITY	TOTAL DISBURSEMENTS
WIRE TRANSFERS	\$2,979,991.74	\$34,539.96	\$105,626.65		\$1,227,850.00	\$37,546.67		\$3,706.72			\$1,367.71	\$4,390,629.45
CHECKS	\$1,643,577.36	\$265,498.18	\$44,619.37	\$203,047.10				\$673.24		\$129,283.57	\$5,156.95	\$2,291,855.77
CAPITAL ONE A/P	\$38,190.45	\$7,673.70	\$145.41								\$58.50	\$46,068.06
ACH A/P	\$4,505.30	\$389.75	\$0.00								\$244.49	\$5,139.54
TRANSFER TO P/R	\$1,846,510.74	\$65,867.01	\$148,052.60					\$9,018.71				\$2,069,449.06
VOID CHECKS	\$0.00	\$0.00	\$0.00									\$0.00
<b>TOTAL</b>	<b>\$6,512,775.59</b>	<b>\$373,968.60</b>	<b>\$298,444.03</b>	<b>\$203,047.10</b>	<b>\$1,227,850.00</b>	<b>\$37,546.67</b>	<b>\$0.00</b>	<b>\$13,398.67</b>	<b>\$0.00</b>	<b>\$129,283.57</b>	<b>\$6,827.65</b>	<b>\$8,803,141.88</b>

<b>BOND CONSTRUCTION FUNDS</b>	Mar 1, 2024			
	Cash & Investments	Revenue	Disbursements	Balance
	Balance	3/1 to 3/31	3/1 to 3/31	Remaining as of 3/31/24
	\$8,715,199.34	\$0.00	\$38,354.86	\$8,676,844.48

**RECOMMENDATION:**

The above disbursements include check numbers:

CHECKS Mar 1 - Mar 15, 2024	through	\$0.00	*start with check 102703
WIRES	through	\$0.00	
VOID CHECKS		\$0.00	

# Human Resources Information

5-C

Meeting Date

04/09/24

## Hired-New Licensed

**Bierwagen, Mary**

Effective Date 3/15/2024

Anpetu Teca Education Center

Adult Basic Educaton Teacher

Hired working a .35 FTE for the 2023-2024 school year.

## Hired-New Licensed Long Term Substitute

**Curtiss, Sarah**

Effective Date 4/8/2024

Edgerton Elementary

Elementary Intervention Teacher

Hired working as a 1.0 FTE Long Term Substitute through 06/07/24.

**Jensen, Amanda**

Effective Date 4/6/2024

Roseville Area High School

FACS Teacher

Hired working as a 1.0 FTE Long Term Substitute through 06/07/24

## Hired-Non-Licensed

**Gray, Angela**

Effective Date 3/18/2024

Roseville Area High School

Nutrition Services Assistant

Hired working 4 hours per day.

**Weldon, Brandon**

Effective Date 3/25/2024

District Wide

Custodial Services

Hired working 8 hours per day.

**Whirlwind Soldier, Wesley**

Effective Date 3/18/2024

Roseville Area High School

Clerical Support-Staff

Hired working 8 hours per day.

# Human Resources Information

5-C

Meeting Date

04/09/24

## Medical Leave

**Rowan, Jacquelin**

Effective Date

Little Canada Elementary

Elementary Teacher

Requesting a medical leave until 06/07/24.

## Resignation-Licensed

**Schneider, Alexis**

Effective Date 6/7/2024

Parkview Center School

Special Education Teacher

Resigning from leave effective 06/07/24.

## Resignation-Non-Licensed

**Ani, Adelanke**

Effective Date 3/22/2024

Falcon Heights Elementary

Special Education Paraprofessional

Resigning effective 03/22/24.

**Carroll, Gabriella**

Effective Date 4/13/2024

Districtwide

American Indian Program Coordinator

Resigned effective 04/13/24.

**Coleman, Jamonte**

Effective Date 1/21/2023

Roseville Area Middle School

Special Education Paraprofessional

Resigned effective 12/21/23.

**Friedman, Gloria**

Effective Date 4/5/2024

Harambee Elementary

Out of School Time Program Specialist

Resigned effective 04/05/24.

# Human Resources Information

5-C

## Meeting Date

04/09/24

---

### **Klein, Anita**

Effective Date 3/15/2024

Edgerton Elementary

Nutrition Services Assistant

Resigned effective 03/15/24.

### **Oreschnick, Holly**

Effective Date 4/9/2024

Roseville Area Middle School

Technology and Information Services

Resigned effective 04/09/24.

### **Ramirez Lara, Maria**

Effective Date 3/19/2024

Anpetu Teca Education Center

Pre-K Paraprofessional

Resigned effective 03/19/24.

### **Smith, Latrone**

Effective Date 3/15/2024

Emmet Williams Elementary

Special Education Paraprofessional

Resigned effective 03/18/24.

### **Valle Chavez, Leticia**

Effective Date 3/25/2024

Roseville Area High School

Nutrition Services

Resigned effective 03/25/24.

## Retirement

### **Amadick, Cynthia**

Effective Date 6/6/2024

Roseville Area Middle School

Clerical Support Staff

Retiring effective 06/06/24. Ms. Amadick worked for the district for 11 years.

# Human Resources Information

5-C

## Meeting Date

04/09/24

---

### **Barke, Janis**

Effective Date 6/7/2024

Central Park Elementary

Elementary Teacher

Retiring effective 06/07/24. Ms. Barke worked for the district for 27 years.

### **Blixt, Beverly**

Effective Date 6/6/2024

Parkview Center School

Clerical Support Staff

Retiring from leave effective 06/06/24. Ms. Blixt worked for the district for 17 years.

### **Froemming, Joan**

Effective Date 3/22/2024

Edgerton Elementary

Elementary Teacher

Retiring effective 03/22/24. Ms. Froemming worked for the district for 26 years.

### **Hardenbrook, Jodie**

Effective Date 6/7/2024

Roseville Area Middle School

Science Teacher

Retiring effective 06/07/24. Ms. Hardenbrook worked for the district for 10 years.

### **Jensen, David**

Effective Date 5/31/2024

District Center

Custodial Services Specialist

Retiring effective 05/31/24. Mr. Jensen worked for the district for 31 years.

## Termination

### **Johnson, Peter**

Effective Date 3/22/2024

District Wide

Custodial Services

Termination during probationary period.

# Human Resources Information

5-C

**Meeting Date**

04/09/24

---

**Meggitt, Christopher**

Effective Date 3/19/2024

Anpetu Teca Education Center

Special Education Paraprofessional

Terminated effective 03/19/24.

**Ruchie, James**

Effective Date 3/18/2024

Falcon Heights Elementary

Custodial Services

Terminated effective 03/18/24.

## GIFTS TO SCHOOLS 2023/24

<b>SCHOOL BUILDING</b>	<b>NAME/ADDRESS OF DONOR</b>	<b>GIFT</b>	<b>USE</b>
Falcon Heights Elementary School	Charities Aid Foundation America C/O Cyber Grants LLC PO Box 4355 Southfield, MI 48037-4355	\$97.02	Special needs
Falcon Heights Elementary School	DonorsChoose.org 134 West 37th Street, 11th Floor New York, NY 10018	Art supplies	Kindergarten classroom use
Parkview Center School	YourCause/Blackbaud - on behalf of Karen Doherty 65 Fairchild St Charleston, SC 29492	\$80.00	Principal's discretion
Roseville Area High School	Maija Beyer 1414 Burke Ave W Roseville, MN 55113	\$10.00	Family and Consumer Science department
Roseville Area High School	Kelly and Lowell Samuelson 428 Southhill Drive Roseville, MN 55113	\$25.00	Family and Consumer Science department
Roseville Area High School	Andre Kimmes and Elizabeth Aslesen 2839 Oxford St Roseville, MN 55113	\$10.00	Family and Consumer Science department
Roseville Area High School	Jason Spafford and Cynthia Berger 1975 Malvern St Lauderdale, MN 55113	\$10.00	Family and Consumer Science department
Roseville Area High School	Jon England 1150 Lexington Pkwy St. Paul, MN 55103	\$100.00	Family and Consumer Science department
Roseville Area High School	Lawrence Schumacher 2091 Fairways Lane Roseville, MN 55113	\$50.00	Family and Consumer Science department and RAHS food shelf

Roseville Area High School	Peter and Lauren Mau 1473 Blair Ave St. Paul, MN 55104	\$350.00	Girls track and field
Roseville Area High School	Kearn Bartholomay 1854 Alameda St Roseville, MN 55113	Cello	Instrumental music department
Roseville Area Schools	YourCause/Blackbaud - on behalf of Aaron Mastrian 65 Fairchild Street Charleston, SC 29492	\$20.00	District's discretion

Agenda Topic: Accept Bids for Long-Term Facilities Maintenance Project – Pavement Rehabilitation Summer 2024  
Meeting Date: April 9, 2024  
Contact Person: Shari Thompson

---

Background:

The board-approved Long-Term Facilities Maintenance Plan (LTFM) includes pavement rehabilitation projects at various sites in the district including Roseville Area High School, Edgerton Elementary, Central Park Elementary, and the district center. Administration worked with Larson Engineering to develop, bid, and manage the projects.

Bids were opened on February 29, 2024. Four bids were received. The lowest qualified bidder was Bituminous Roadways, in the amount of \$593,180. The project cost falls within the approved LTFM budget.

---

Recommendation:

It is recommended that the board accept the bid of \$593,180 for pavement rehabilitation from Bituminous Roadways.

Action Required

Informational – No Board Action Requested

**Larson Engineering, Inc.**  
3524 Labore Road  
White Bear Lake, MN 55110-5126  
651.481.9120 Fax: 651.481.9201  
www.larsonengr.com



March 4, 2024

Ms. Shari Thompson  
Roseville Area Schools  
1251 West County Road B2  
Roseville, MN 55113

Re: Contractor Recommendation – Bituminous Roadways  
2024 Pavement Rehabilitation  
Roseville Area Schools  
LEMN Project No: 12236139.000

Dear Ms. Thompson,

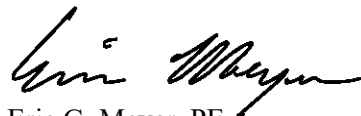
Based upon our review of the bid results for the above referenced project, we recommend the apparent low bidder, Bituminous Roadways, be awarded the contract in the total amount of \$593,180.00 for Bid Items 1, 2, 3, and 4.

We have personal experience working with Bituminous Roadways and have found their overall performance, workmanship, scheduling, and quality control to be satisfactory.

The bid bonds of the remaining bidders may be returned. The bid bond for Bituminous Roadways will be held until the construction contracts are signed.

If you have any questions, please do not hesitate to contact our office.

Sincerely,  
**Larson Engineering, Inc.**



Eric G. Meyer, PE  
Project Manager

## BID TABULATION

Project: Roseville Area Schools - 2024 Pavement Rehabilitation						
Date: February 29, 2024						
Contractor	Winberg Companies	Northwest Asphalt	Bituminous Roadways	Minnesota Roadways		
Bid Bond	X	X	X	X		
Resp Contractor forms	X	X	X	X		
Addendum 1	X	X	X	X		
Bid Item 1- Edgerton Elem	\$ 124,243.35	\$ 101,000.00	\$ 103,820.00	\$ 102,818.00		
Bid Item 2- Central Park Elem	\$ 15,461.11	\$ 17,000.00	\$ 16,870.00	\$ 10,995.00		
Bid Item 3- Roseville HS	\$ 294,479.64	\$ 302,600.00	\$ 289,720.00	\$ 348,551.00		
Bid Item 4- District Center	\$ 232,620.23	\$ 184,000.00	\$ 182,770.00	\$ 180,790.00		
Total	\$ 666,804.33	\$ 604,600.00	\$ 593,180.00	\$ 643,154.00		
Unit Price 1	\$ 48.00	\$ 40.00	\$ 21.50	\$ 26.50		
Unit Price 2	\$ 58.00	\$ 55.00	\$ 31.50	\$ 35.50		
Unit Price 3	\$ 19.50	\$ 25.00	\$ 12.00	\$ 12.75		
Unit Price 4	\$ 22.00	\$ 30.00	\$ 15.00	\$ 13.75		
Unit Price 5	\$ 69.00	\$ 45.00	\$ 65.00	\$ 95.00		

Agenda Topic: Approve Construction Fund Disbursement Request – Certificates of Participation 2021A  
Meeting Date: April 9, 2024  
Contact Person: Shari Thompson

---

Background:

The proceeds generated by the sale of Certificates of Participation for completion of the construction of Anpétu Téča Education Center are being held in escrow with Zion Bank. This will be the final draw to reimburse the district for expenses and close the account.

The total application amount for April is \$4,712,223.52, which is for expenses previously paid but not reimbursed.

---

Recommendation:

It is recommended that the board approve the disbursement request for \$4,712,223.52 to Zion Bank from the Construction Fund, the amounts shown on attached Schedule A.

  X   Action Required

       Informational – No Board Action Requested

**EXHIBIT C**  
**DISBURSEMENT REQUEST**

**\$17,510,000**  
**CERTIFICATES OF PARTICIPATION, SERIES 2021A**  
**Evidencing the Proportional Interests of the Registered Owners thereof in**  
**Lease Payments under a Lease-Purchase Agreement, dated as of March 1, 2021**  
**Between INDEPENDENT SCHOOL DISTRICT NO. 623 (ROSEVILLE AREA SCHOOLS),**  
**RAMSEY COUNTY, MINNESOTA, as Lessee, and**  
**ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Lessor**

**DISTRICT REQUEST NO. 15**  
**FOR DISBURSEMENT FROM CONSTRUCTION FUND**  
**April 9, 2024**

Zions Bancorporation, National Association  
111 West Washington Street, Suite 1860  
Chicago, IL 60602  
Attention: Robert Cafarelli

The undersigned does hereby certify pursuant to Section 3.03 of the Indenture of Trust, dated as of March 1, 2021 (the "Indenture"), by Zions Bancorporation, National Association, a national banking association (the "Trustee"), and joined in by Independent School District No. 623 (Roseville Area Schools, Ramsey County, Minnesota, a public school district and political subdivision of the State of Minnesota (the "District"), as follows:

- (1) I have read said Section 3.03 and the definitions in the Indenture relating thereto. All capitalized terms used in this District Request have the meaning given to them in the Indenture. This Request is being delivered to the Trustee in accordance with said Section 3.03.
- (2) The amount and nature and the name and address of the payee of each item of Project Costs paid by and requested to be reimbursed to the District is attached hereto as SCHEDULE A, together with a cancelled check or receipt for such payment.
- (3) The amount and nature and the name and address of the payee of each item of Projects Costs due and payable by the District, and requested to be paid to a person other than the District is attached hereto as SCHEDULE B.
- (4) The documents required by Section 3.03 of the Indenture are attached.
- (5) Each item of cost for which payment or reimbursement is requested is or was necessary in connection with the Certificate-Financed Project and qualifies as a Project Cost under the Indenture.
- (6) There has not been filed with or served upon the District any notice of any lien, right to a lien or attachment upon or claim affecting the right of any such Person to receive payment of the amount stated in this Request that has not been released or will not be released simultaneously with the

payment of such obligation, except for liens arising from indebtedness then being diligently contested in good faith by the District.

(7) No item of cost requested to be paid or reimbursed by this Request has formed the basis for any previous payment from the Construction Fund.

(8) The balance remaining in the Construction Fund, after disbursement of money therefrom in accordance with this Request, together with any other money available to the District for such purpose, will be sufficient to pay the remaining Project Costs.

(9) No default by the District under the Indenture has occurred that has not been cured.

(10) All representations and warranties made by the District in the Indenture and in the Lease-Purchase Agreement, dated as of March 1, 2021, between the District, as lessee, and the Trustee, as lessor, are true and correct on and as of the date of this Request with the same effect as if made on this date.

You are hereby requested to disburse from the Construction Fund the amounts shown on SCHEDULE A and SCHEDULE B and to make payment to the Persons entitled to receipt thereof as shown on said schedules as of the date and year first written above.

**INDEPENDENT SCHOOL DISTRICT NO. 623  
(ROSEVILLE AREA SCHOOLS), RAMSEY  
COUNTY, MINNESOTA**

By \_\_\_\_\_

Its Chair

By \_\_\_\_\_

Its District Clerk

SCHEDULE A

Project Costs to be reimbursed to the District are set forth below. Attached to this District Request are canceled checks, invoices marked "paid," or other evidence of payment of such Project Costs. All such Project Costs are eligible for payment pursuant to the terms of Treasury Regulations, Section 1.150-2.

<u>Amount</u>	<u>Payee</u>	<u>Description of Expense</u>
\$808,475.75	ISD 623	Reimbursement 8/15/2020 expenses paid
\$709,537.00	ISD 623	Reimbursement 7/11/2020 expenses paid
\$707,232.25	ISD 623	Reimbursement 6/11/2020 expenses paid
\$418,591.52	ISD 623	Reimbursement 1/11/2021 expenses paid
\$1,199,375.00	ISD 623	Reimbursement 1/11/2021 expenses paid
\$869,012.00	ISD 623	Reimbursement 2/10/2021 expenses paid
\$4,712,223.52 TOTAL DRAW		

Agenda Topic: Multilingual Program Report  
Meeting Date: April 9, 2024  
Contact Person: Lourdes Flores-Hanson

---

Background:

Lourdes Flores-Hanson, multilingual program coordinator, and multilingual program educators will provide information about district programming and resources for multilingual learners.

---

Recommendation:

Action Required

Informational – No Board Action Requested

# ROSEVILLE AREA SCHOOLS

# Multilingual Programming Report



Lourdes Flores-Hanson, Multilingual Program Administrator  
Teresa Chavez, DLSI Coordinator, Little Canada  
Silvia Vasquez, DLSI Family Engagement Coordinator, RAMS  
María Cristina Delgado, DLSI Coordinator, RAMS and RAHS  
Carmen Sieleni, MLL Lead Elementary  
Kelly Grucelski, MLL Lead RAMS  
Kelsey Raymond, MLL Lead RAHS

April 9, 2024





# Multilingual Programming

- Dual Language Spanish Immersion in grades K-11
- English Language Development Programming (ELD) in all elementary schools, RAMS, FAHS, and RAHS
- Cultural liaison team
- Multilingual communication with families using a variety of tools (DialogOne, FB pages, WhatsApp, Talking Points, Say Hi, Google Translate)
- Family Institute in partnership with cultural liaisons & teachers
- Bilingual paras for DLSI program at Little Canada and RAMS
- Bilingual paras for ELD programming at RAMS and RAHS

# Dual Language Spanish Immersion

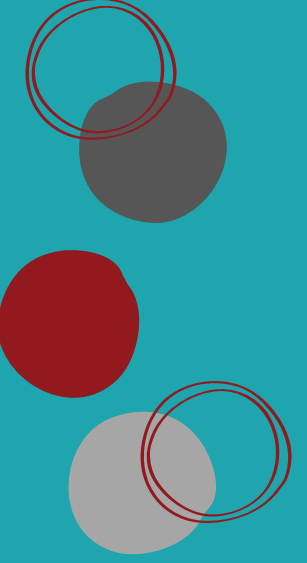
“Let’s recognize that being multilingual is a superpower. Especially in today’s global society and economy, knowing more than one language from birth, acquiring a new language through school, or learning new languages later in life can provide tangible advantages. The ability to read and think in more than one language promotes higher levels of abstract thought, which is important in learning. And multilingual and multiliterate adults have wide job opportunities. Every student should have the opportunity to access multilingual education.”

Source: U.S. Department of Education “Raise the Bar: Create Pathways for Global Engagement Provide Every Student with a Pathway to Multilingualism”



# DLSI at Little Canada Elementary





# DLSI at Little Canada

- Hosted two Amity International interns for 2023-2024 school year
- Requested two Amity International interns for 2024-2025 school year
- Continue working on translanguaging/bridging with language allocation plan
- Continue implementing new literacy curriculum (Spanish Language Arts and English Language Arts) in DLSI



*Grades K-6 students participating in Little Canada Elementary DLSI*



# Little Canada DLSI Enrollment Data

- 479 students currently enrolled in K-6 DLSI
- 279 Spanish Home Language (SHL)
- 200 English Home Language (EHL)
- Students remain in DLSI with only 1.5% student attrition per year K-6 DLSI.
- We continue to add sections (will add a third 4th grade DLSI classroom in 2024-2025).

Success with kindergarten enrollment and late-entry DLSI students  
(entrance test LAS-O)

Benefits: 3 (+1) Goals of Dual Language Education: Bilingualism and Biliteracy, Grade level academic achievement in Spanish and English, and Sociocultural Competence (Palmer, et.all, 2019)

DLSI is proven to increase academic achievement for English Learners and BIPOC students and reduce the opportunity gap.

“DLSI programs were born of the pains of social justice and a demand for equity in education for English Learners.” (Collier & Thomas, 2018)



# Roseville Area Middle School & Roseville Area High School Dual Language Spanish Immersion



**DLSI: Dual Language Spanish Immersion**

**Our Mission**  
Our Dual Language Spanish Immersion programs provide students with a solid education to become bilingual, biliterate, and multicultural leaders in our globalized society.

**At Little Canada Elementary School**  
Our Dual Language Spanish Immersion program is a part of the Little Canada Elementary School community. The program is offered as an option to any elementary student who lives within the school district or open enrolls into the school district. Students must apply to attend.

**At Roseville Area Middle School**  
Students in the Dual Language Spanish Immersion program at Roseville Area Middle School will have three classes taught in Spanish: Spanish Language Arts, science, and social studies. The other five classes will be taught in English: math, English, and elective classes. All classes are aligned with Minnesota State Academic Standards. By having classes taught in both languages, students will have the opportunity to continue to develop their academic language throughout their academic career.

**At Roseville Area High School**  
The DLSI students at RAHS take three Spanish Language Arts classes during their academic experience. These courses have the goal of guiding students toward the achievement of biliteracy, bilingualism, and ultimately, being comfortable in multicultural social, academic, and professional situations. The DLSI students have the opportunity to take the AP Spanish test and obtain the Bilingual Seal granted by the state of Minnesota.

**Student Focus: DLSI Narrative Writing**  
After reading short stories, students in Roseville Area Middle School's Dual-Language Spanish Immersion (DLSI) program were asked to write a narrative short story about an event in their lives. Following are three students who submitted short stories. To read the full essays, please click this QR code:

**De Vacaciones a Cartagena de Indias**  
By Josue Bastardo

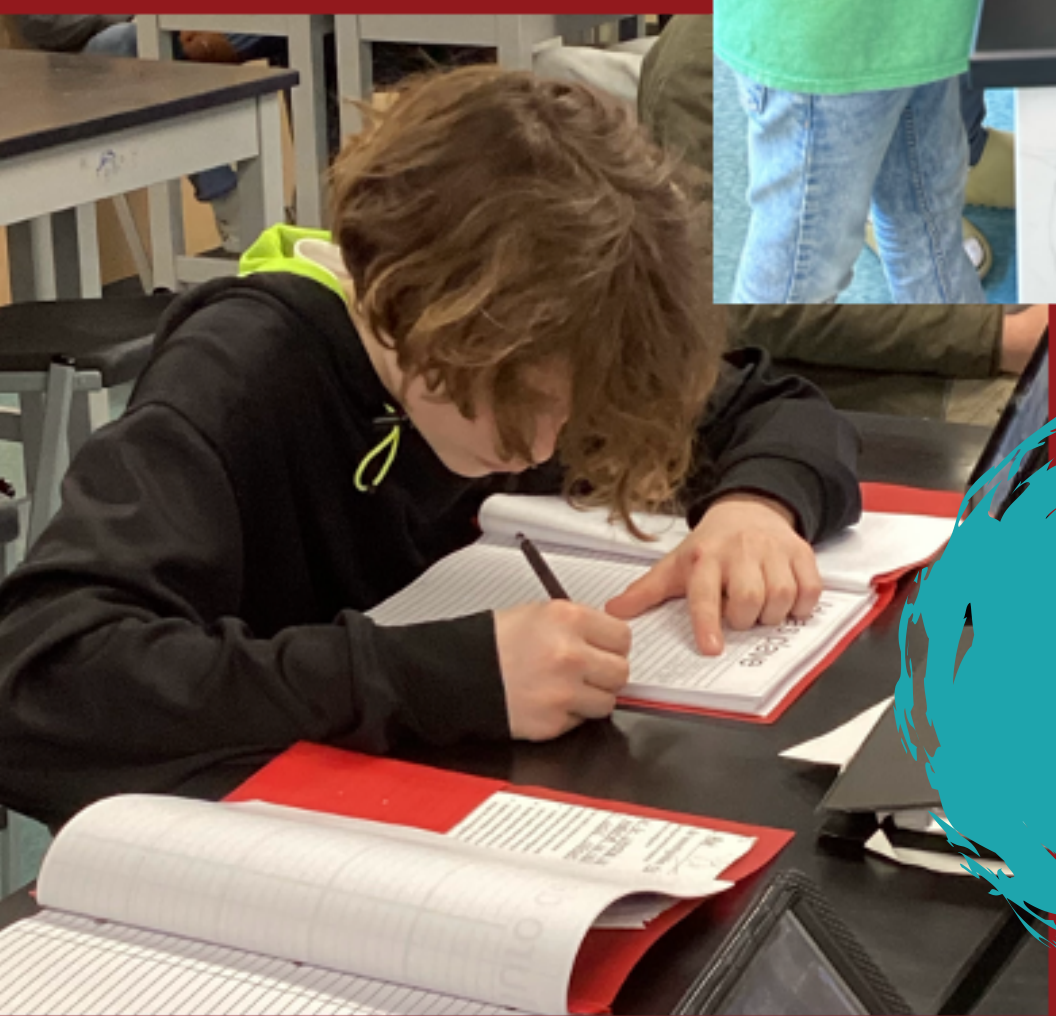
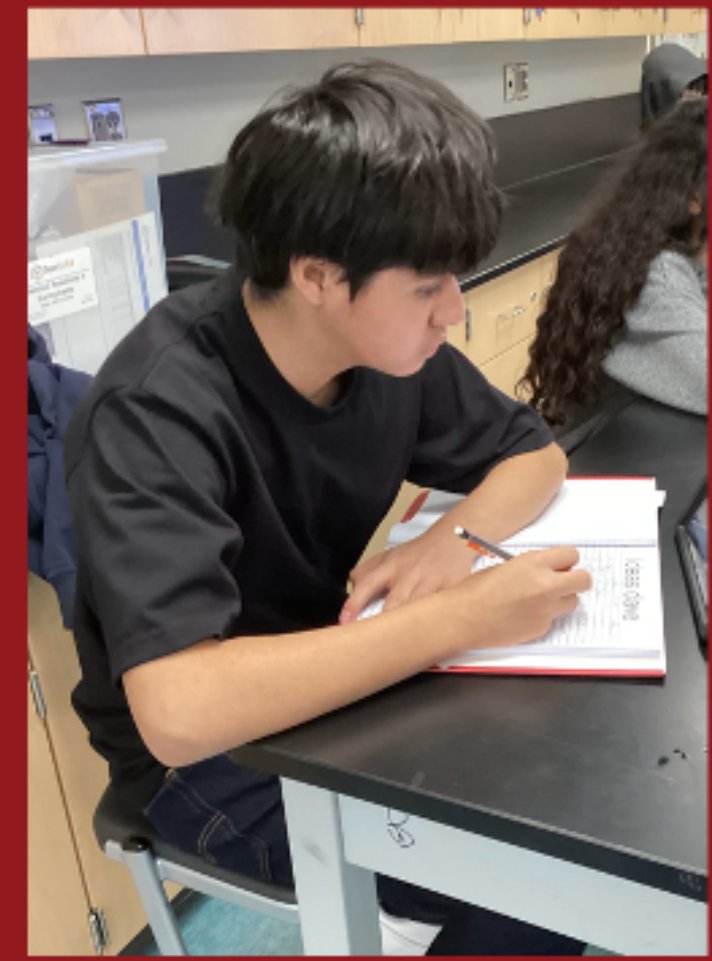
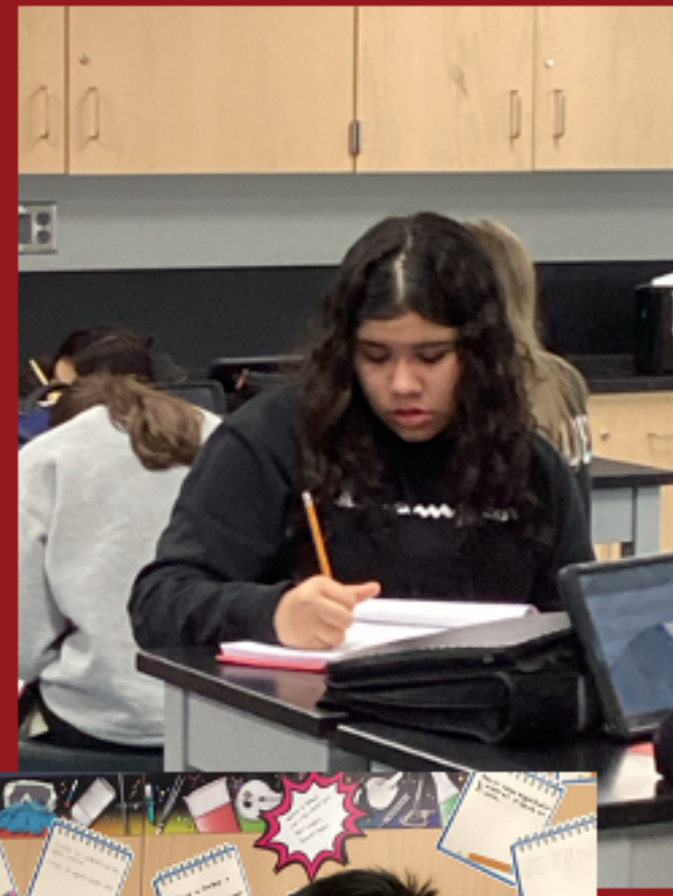
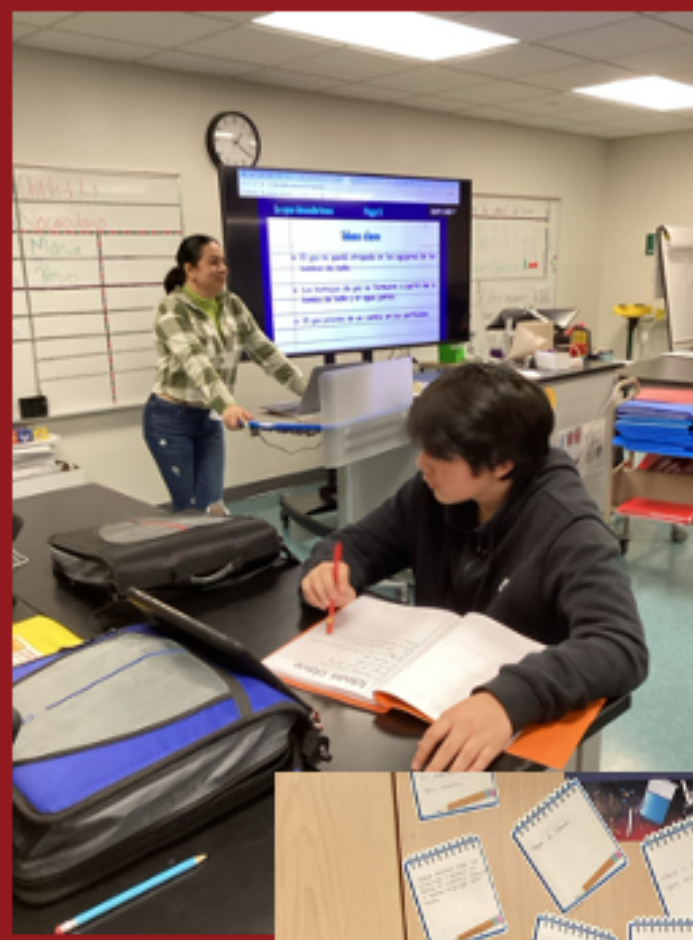
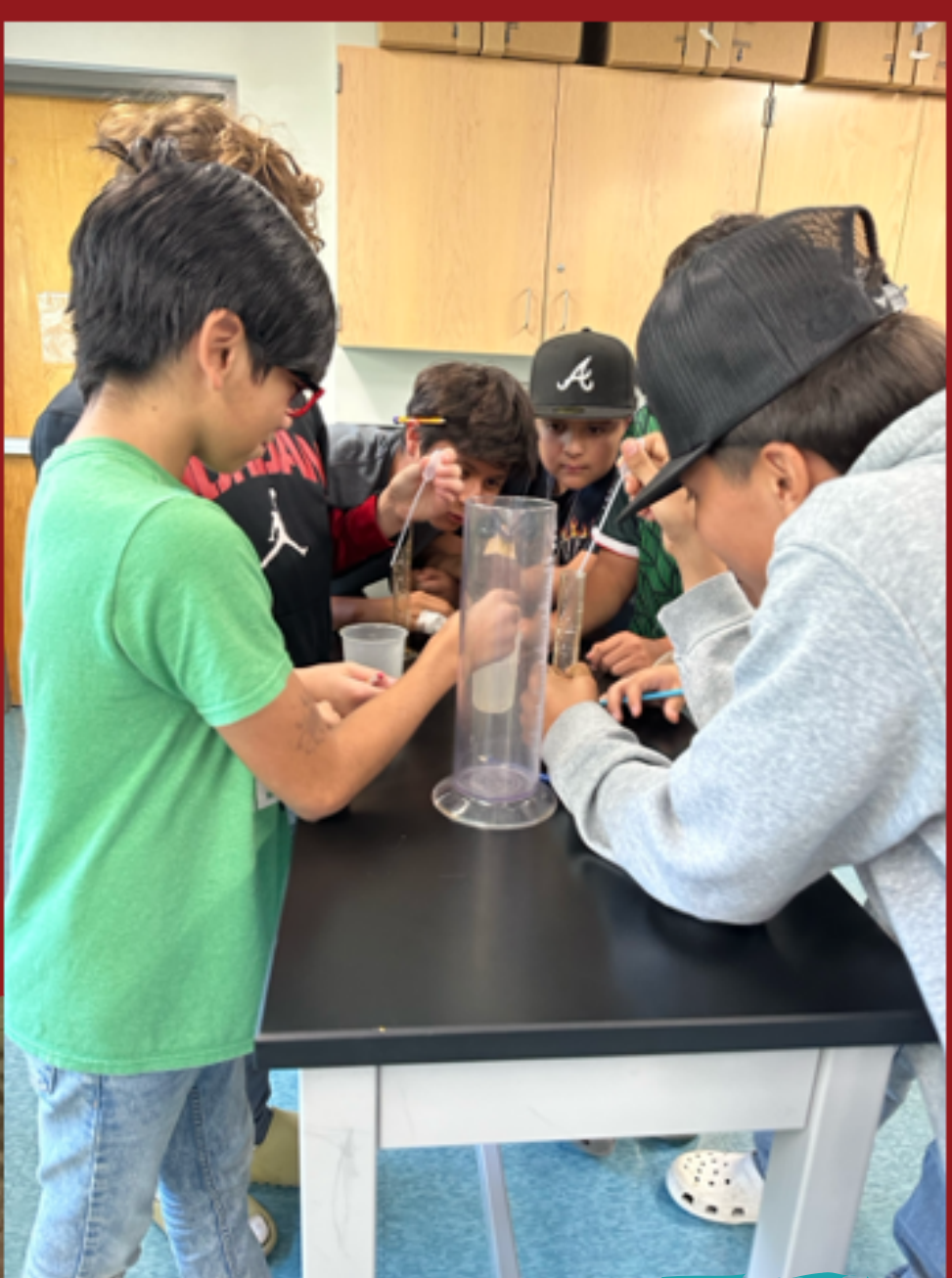
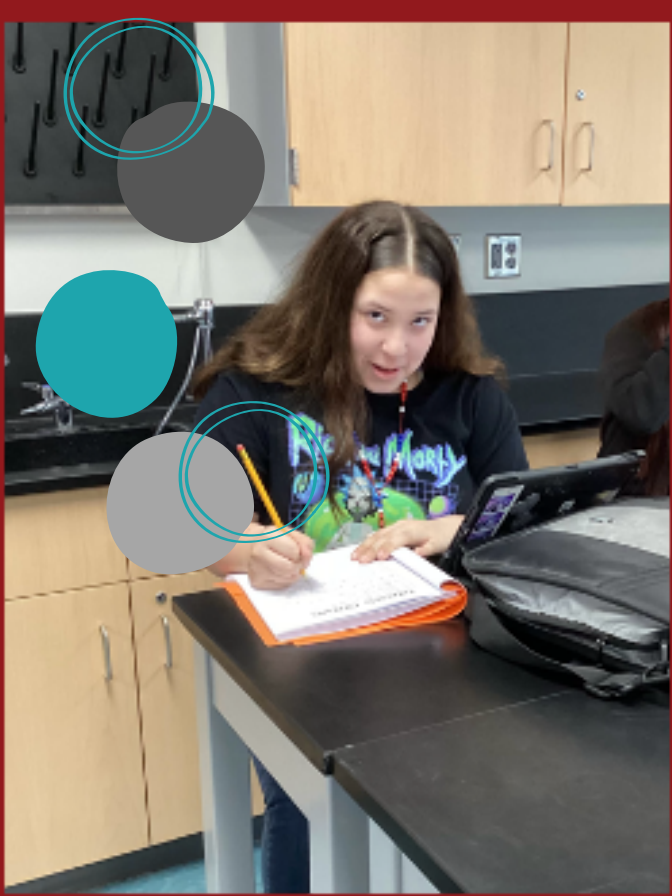
**Mi Historia**  
By Anneke Bue

**Mi Mundo en Vueltas**  
By Joy Luna

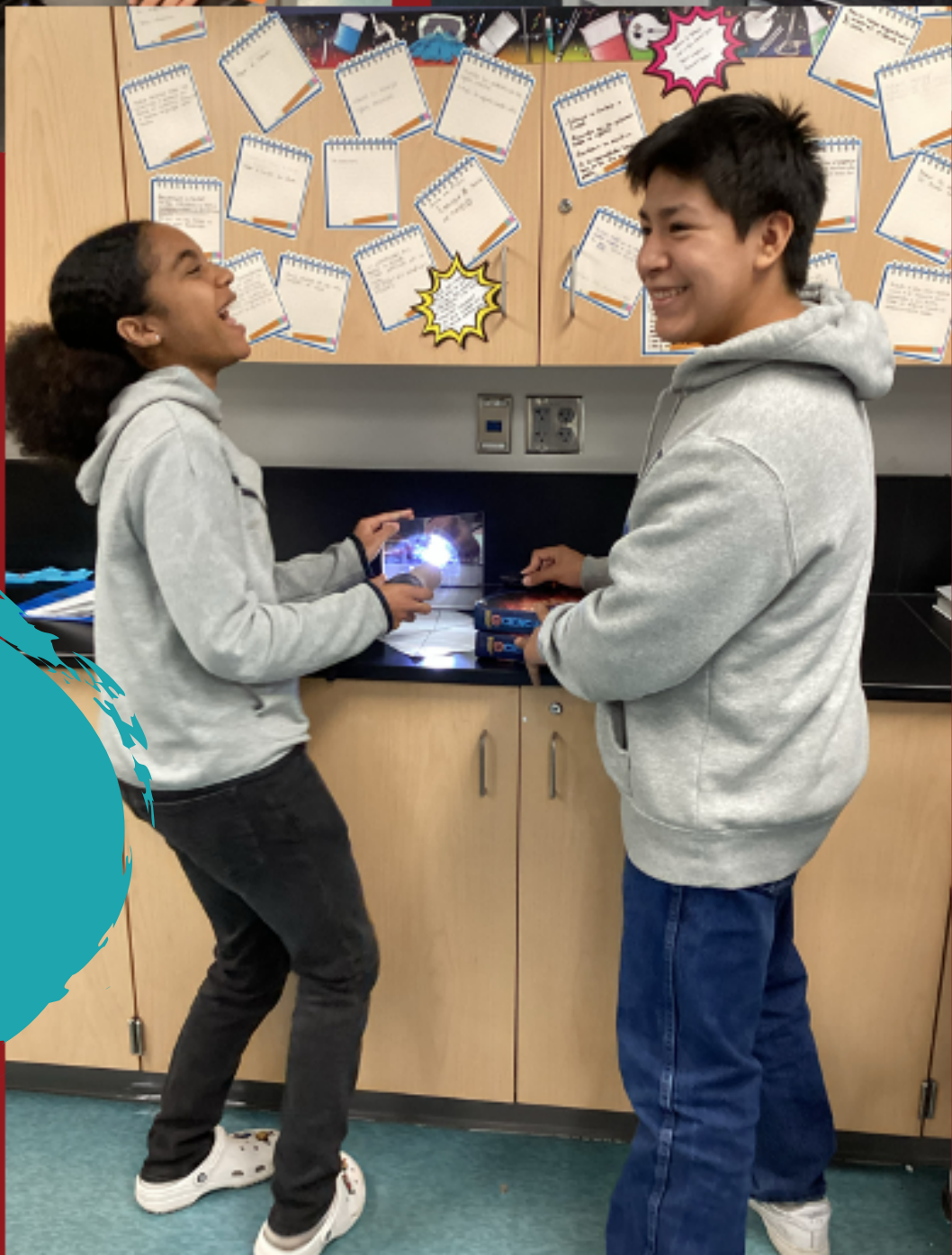
For more information about Roseville Area Schools' Dual Language Spanish Immersion program, visit [id623.org/learning/dlsi](http://id623.org/learning/dlsi) or call 651-434-8109.

THE RAIDER VOICE ■■■

Our Dual Language Spanish Immersion program exists to provide students with a solid education to become bilingual, biliterate, and multicultural leaders in our globalized society.



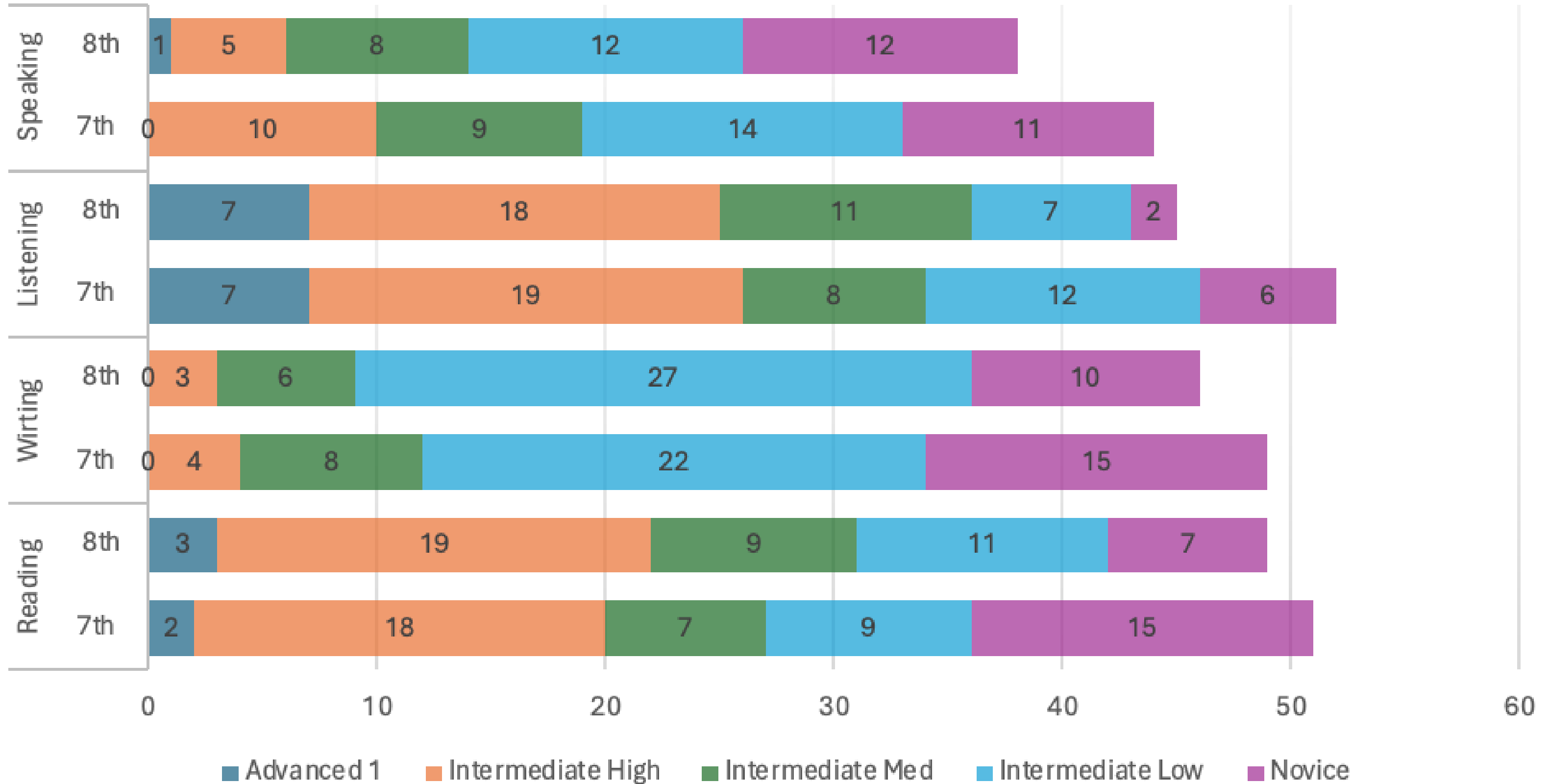
# DLSI at RAMS



# 2023–2024 DLSI RAMS Enrollment

Courses Offered		Grade 7	Grade 8
	Languages and Cultures	52	49
	Social Studies	52	49
	Life Science	52	49

# SPANISH LANGUAGE PROFICIENCY 2023-24





# DLSI at RAHS



# 2023-2024 DLSI RAHS Enrollment

**Current  
Courses**

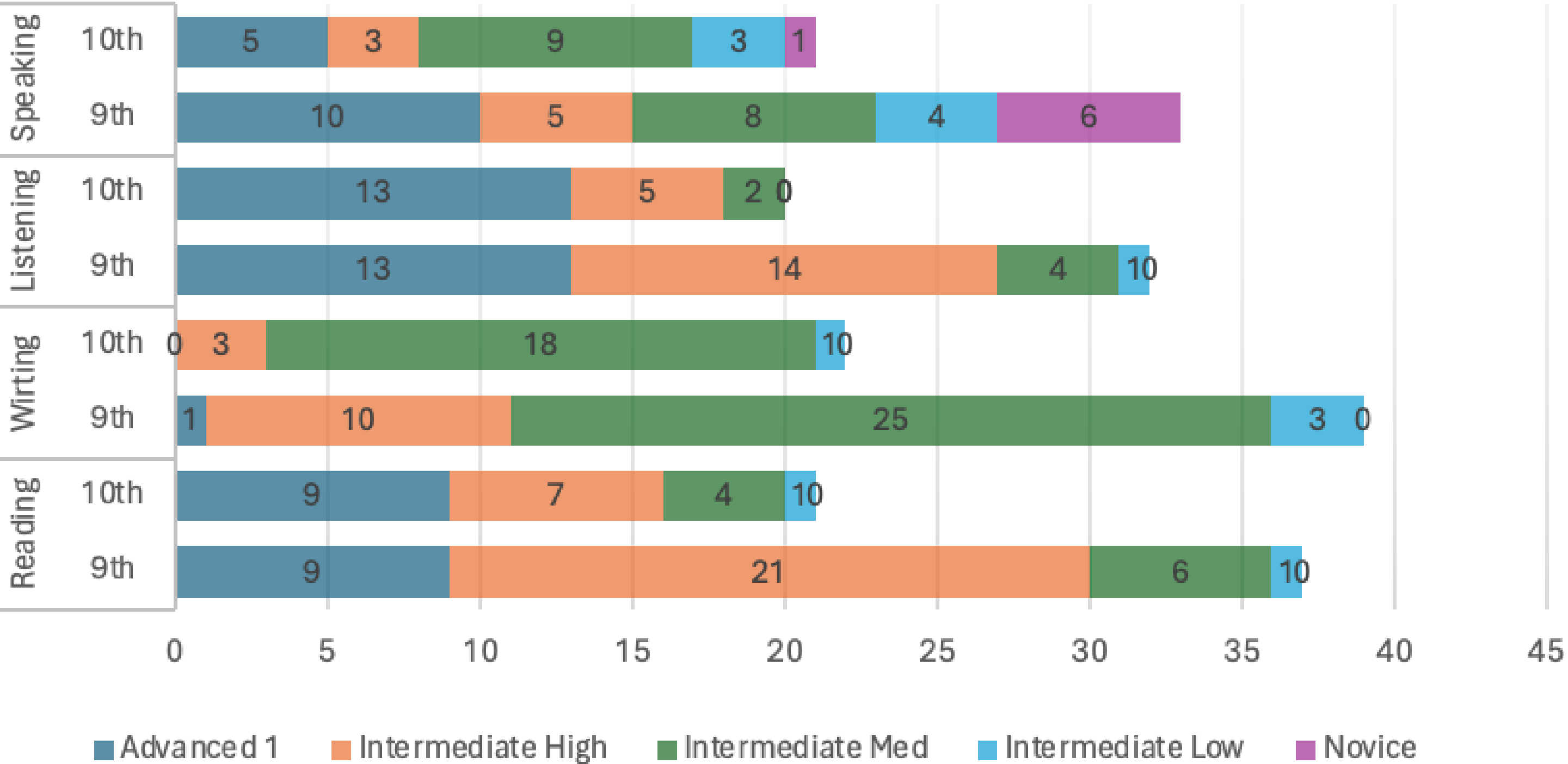
	Grade 9	Grade 10	Grade 11	Grade 12
Spanish Language Arts	40	22	X	X
AP Spanish	X	X	27	X

**Coming  
2024-2025**



**DLSI World Studies 9, 10  
DLSI Senior Capstone**

# SPANISH LANGUAGE PROFICIENCY 2023-24



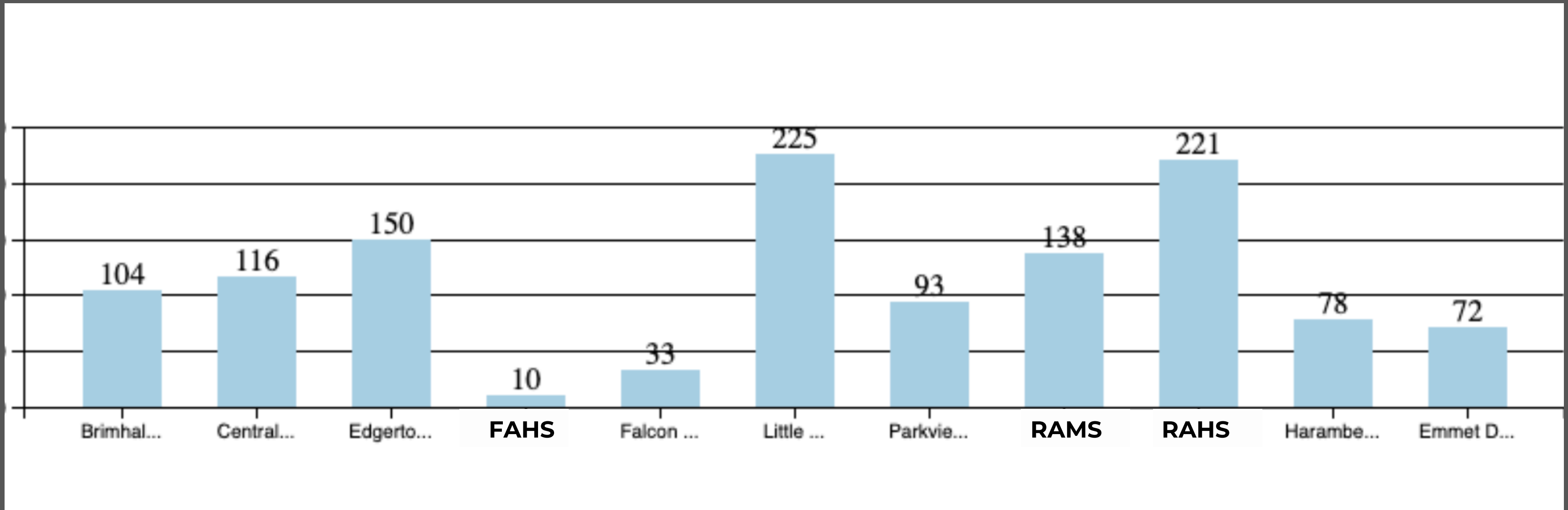


# English Language Development Program Mission

The English Language Development Program provides research and evidence-based language instruction and programming support for students receiving English Language Development services. Our program advocates for equity for multilingual students in all learning environments.



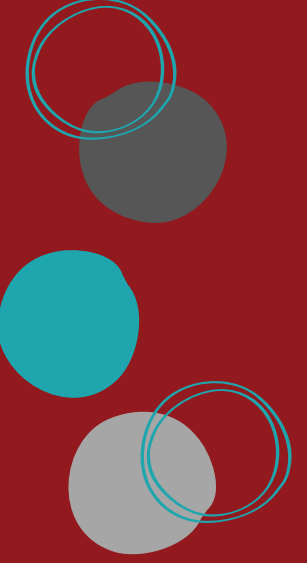
# Student ELD Participation (by school)



**Total students being serviced (April 1, 2024): 1240**  
**Total students being monitored (April 1, 2024): 153**

# MLL/ELD Enrollment Numbers

<b>School</b>	<b>Feb. 2023 Projections</b>	<b>February 1, 2024</b>	<b>April 1, 2024</b>
Brimhall	88	101	104
Central Park	115	112	116
Edgerton	156	149	150
Emmett D Williams	70	68	72
Falcon Heights	39	36	33
Harambee	58	77	78
Little Canada	193	217	221
Parkview	106	88	93
RAMS	133	139	138
RAHS	192	221	221
FAHS	9	12	10
<b>Total</b>	<b>1159</b>	<b>1220</b>	<b>1240</b>



**Total number of students receiving ELD services, by grade band**

**Elementary School (grades K-6): 854**

**Middle School (grades 7-8): 155**

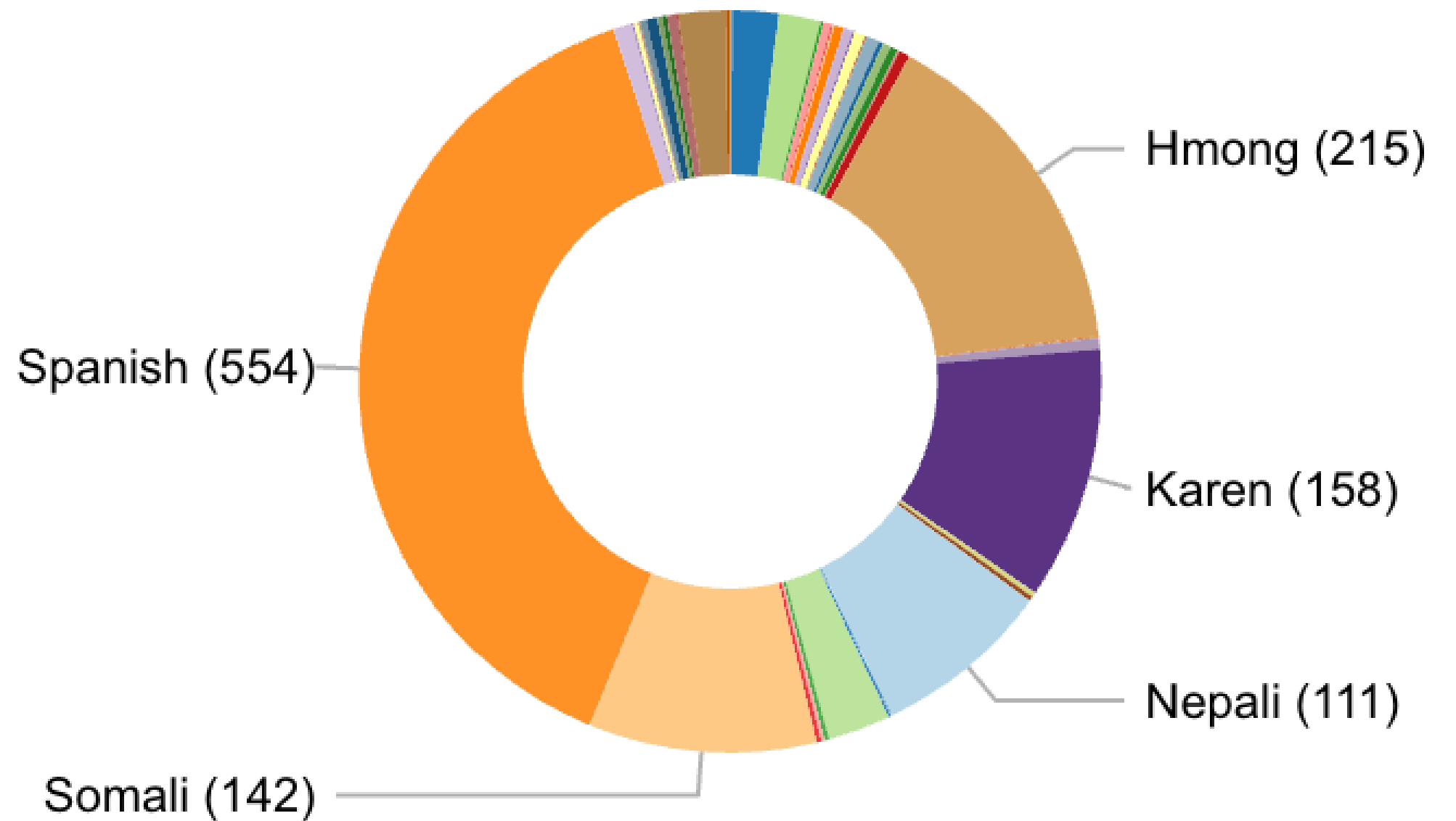
**High School (grades 9-12): 231**

# Top Home Languages of ELD Students

Our linguistically gifted students speak 92 different languages!

Additional common languages:

**Oromo 39**  
**Arabic 26**  
**Amharic 29**  
**Vietnamese 29**





# English Language Development Program Staff

**30 teachers**

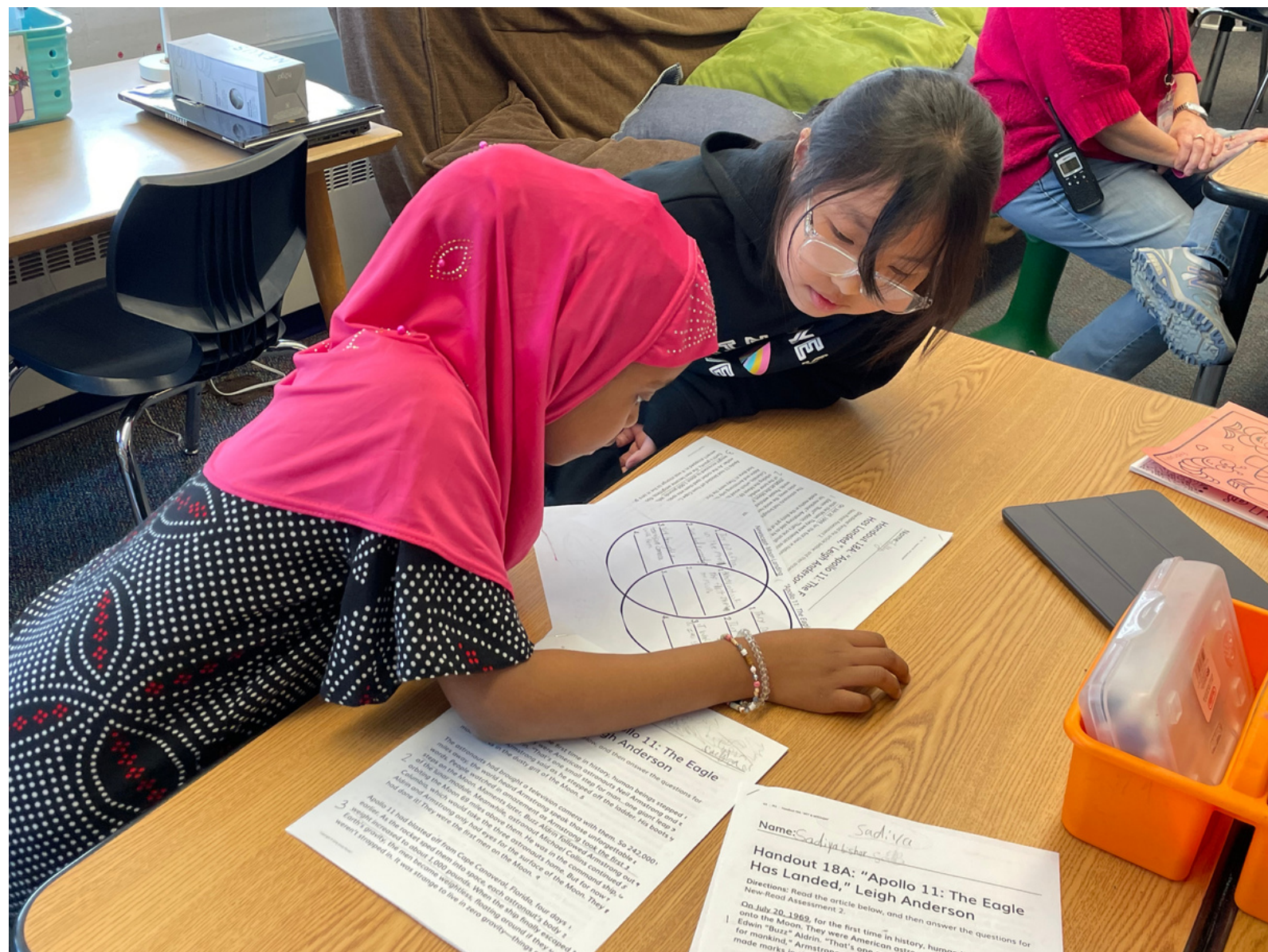
**4 paraprofessionals**

**388 years of collective  
teaching experience**

# Multilingual Learners in the English Language Development Program – Elementary



# Elementary Highlights



## Pull-out ELD classes

*ELD teachers work with small groups of students based on language level.*

## Push-In/ Co-teaching Model

*ELD teachers work in mainstream classes and support multilingual students and content curriculum.*

## Grade-Level Collaborative Teams



*ELD teachers create curriculum that is accessible for all students.*



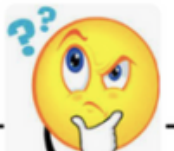
# Literacy Collaborations

- All teachers hired before 2022 have been LETRS trained.
- MLL teachers with LETRS training have provided PD for MLL elementary teachers.
- MLL teachers are collaborating with the mainstream teachers.



Examine the cover of *Amos & Boris*. Partner Talk

	I see	I infer	I wonder
	I See _____.	I infer _____.	I wonder _____.
	What do you see?	What do you infer?	What do you wonder?
	I See _____.	I infer _____.	I wonder _____.

# Multilingual Learners in the English Language Development Program – RAMS





# RAMS ELD Highlights

## ■ Collaborative Team Work

Providing feedback for ELD students to improve their speaking skills

## ■ Translanguaging

Providing opportunities for students to use their home languages in class to better understand new language and content

## ■ Co-teaching and ELM (English Learners in the Mainstream) Coaching

ELD and mainstream teachers collaborating in English 7, English 8, Science 7, Science 8, Health 8, Design and Create 7, and FACS 8



**Building Community  
in STAR/Advisory**



**A recently arrived  
student reads  
stories by  
evacuees from  
his home country**



**Students share  
greetings in their  
home languages**



# Multilingual Learners in the English Language Development Program – RAHS





# RAHS ELD Highlights

- **Service Models**  
ELD courses, Sheltered Content courses,  
co-teaching math and science
- **Professional Development**  
Co-teaching PD, sheltered content PD,  
Grading for Equity
- **ELM (English Learners in the Mainstream)**  
**Coaching** for content teachers

# Scenes from RAHS

Students participate in a conversation partners activity in their ELD class



A student works on solving inequalities in Sheltered Content Foundations of Algebra










Wednesday April 3  
Do Now!

I like \_\_\_\_\_ foods because...

My favorite \_\_\_\_\_ food is ...

07:00

- spicy 
- fresh 
- delicious 
- healthy 
- salty 
- sour 
- sweet 



Agenda Topic: 2022-2023 Audit Report and Acceptance  
Meeting Date: April 9, 2024  
Contact Person: Shari Thompson

---

Background:

The annual audit for the fiscal year ended June 30, 2023, has been completed by the auditing firm CliftonLarsonAllen LLP.

Upon acceptance, the following reports related to the audit for the period ending June 30, 2023, will be posted to the district website at <https://www.isd623.org/services/business-services>:

- Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2023
- Executive Audit Summary and Management Report, June 30, 2023
- Schedule of Expenditures of Federal Awards and Other Required Reports, June 30, 2023

The district ended the year with an unassigned general fund balance of \$9,228,880 compared to \$3,288,979 on June 30, 2022. The ending unassigned fund balance represents 7.53 percent of general fund expenditures. School board policy has set a goal to maintain a minimum general fund balance of 3 percent of the annual budget, and this balance meets those parameters.

The Food Service fund balance increased during the year by \$84,052 to \$3,641,126. Nutrition Services continues to use a portion of its revenue to replace worn-out equipment while maintaining a fund balance. This fund balance allows the district to make a larger investment in our equipment replacement. The USDA and Minnesota Department of Education requires Nutrition Services to have a spending plan so it does not have an “excessive” fund balance.

The Community Service fund balance increased by \$555,454 during this same period for a final year-end balance of \$2,271,534 and a fund balance of 28.38 percent of total expenditures, bearing in mind that many reserve accounts make up this fund. Most of the Community Service revenues are programming fees.

The Capital Projects or Construction fund ended the year with a fund balance of \$11,468,962. This fund is currently used to finance specific building projects funded by the bond referendum approved by voters in November 2017, as well as Long-Term Facilities Maintenance (LTFM)



projects totaling \$2,000,000 or more per project, to improve the structural integrity of aging district facilities.

The Debt Service fund includes both a regular debt service fund that is used to pay off principal and interest of bonds issued in prior years for building construction and improvements and an account for Other Post-Employment Benefit (OPEB) bonds. The combined debt service fund ended with a fund balance of \$982,860. The balance is adequate to meet the district's short-term debt obligations.

Christopher Knopik, principal, and Troy Gabler, manager, of CliftonLarsonAllen, LLP will be providing a review of the audit report and findings.

---

Recommendation:

It is recommended that the board accept the 2022-2023 Financial Statements and Supplemental Information for Fiscal Year Ending June 30, 2023.

Action Required

Informational – No Board Action Requested



*We'll get you there.*

CPAs | CONSULTANTS | WEALTH ADVISORS

# Executive Audit Summary for Roseville Area Schools (ISD #623)

Presented By:

Christopher Knopik, Principal

Troy Gabler, Manager

# Audit Results Year Ended 6/30/23

## Audit Opinion

- Issue what is known as a “clean” or unmodified audit report.

## Yellow Book Compliance

- No compliance issues noted.

## Internal Controls – Material Weaknesses

- Adjustment for fixed asset additions to be reduced for CIP process changing during the year.
- Student Activities Funds were booked to unearned revenue for tracking purposes but should be recognized and restricted.
- Food Service Fund federal receivables and revenues were materially understated.



# Audit Results Year Ended 6/30/2023

## Single Audit

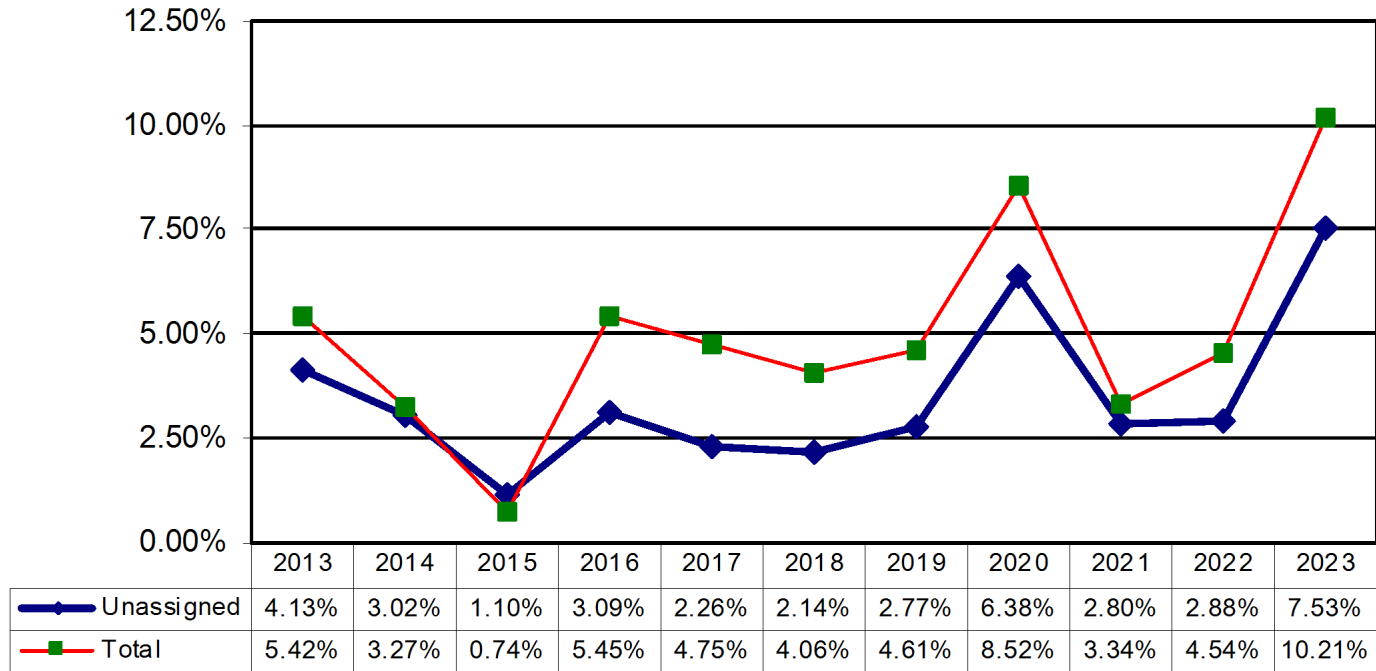
- Special Education - Suspension and Debarment– 4 of 5 (Year 2)
- Special Education – Procurement – 2 of 5 (Year 2)
- Education Stabilization Fund, Child Nutrition, and Title 1 – No findings

## MN Legal Compliance

- 35 days – 1 of 22 invoices
- Outstanding Indebtedness Report filed late (3/2/2023 vs. due on 2/1/2023)

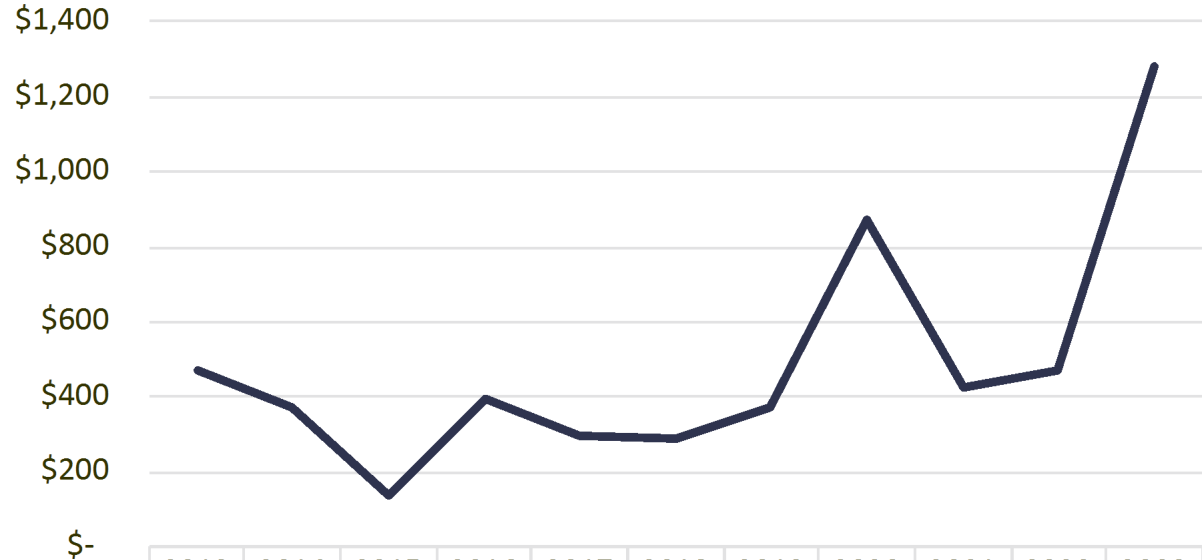


## Fund Balance as a Percent of Expenditures in the General Fund



# General Fund Unassigned

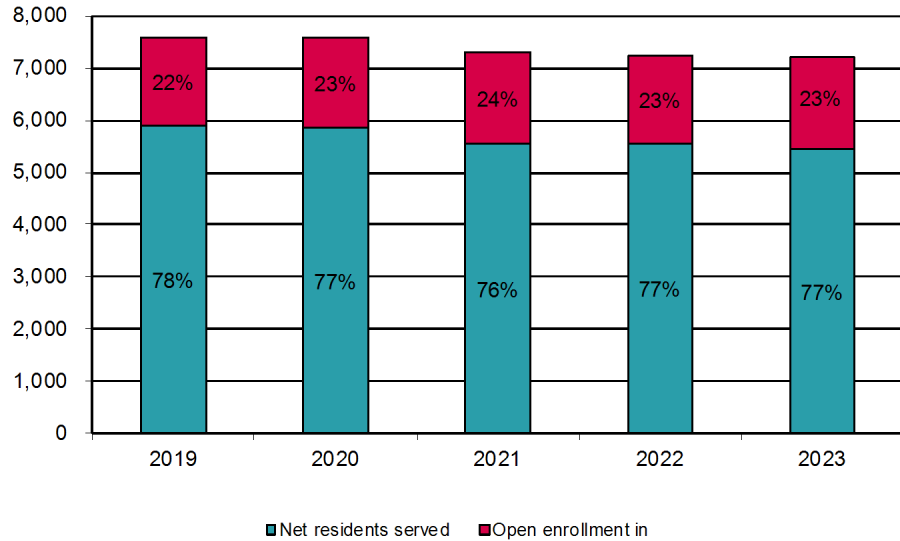
## Fund Balance Per ADM



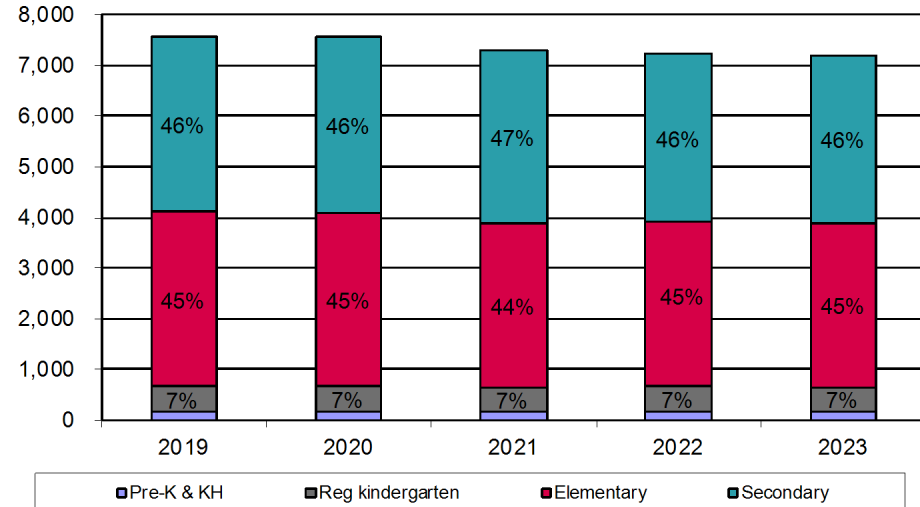
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
— Fund Balance Per ADM	\$473	\$372	\$140	\$395	\$301	\$291	\$376	\$874	\$428	\$468	\$1,282



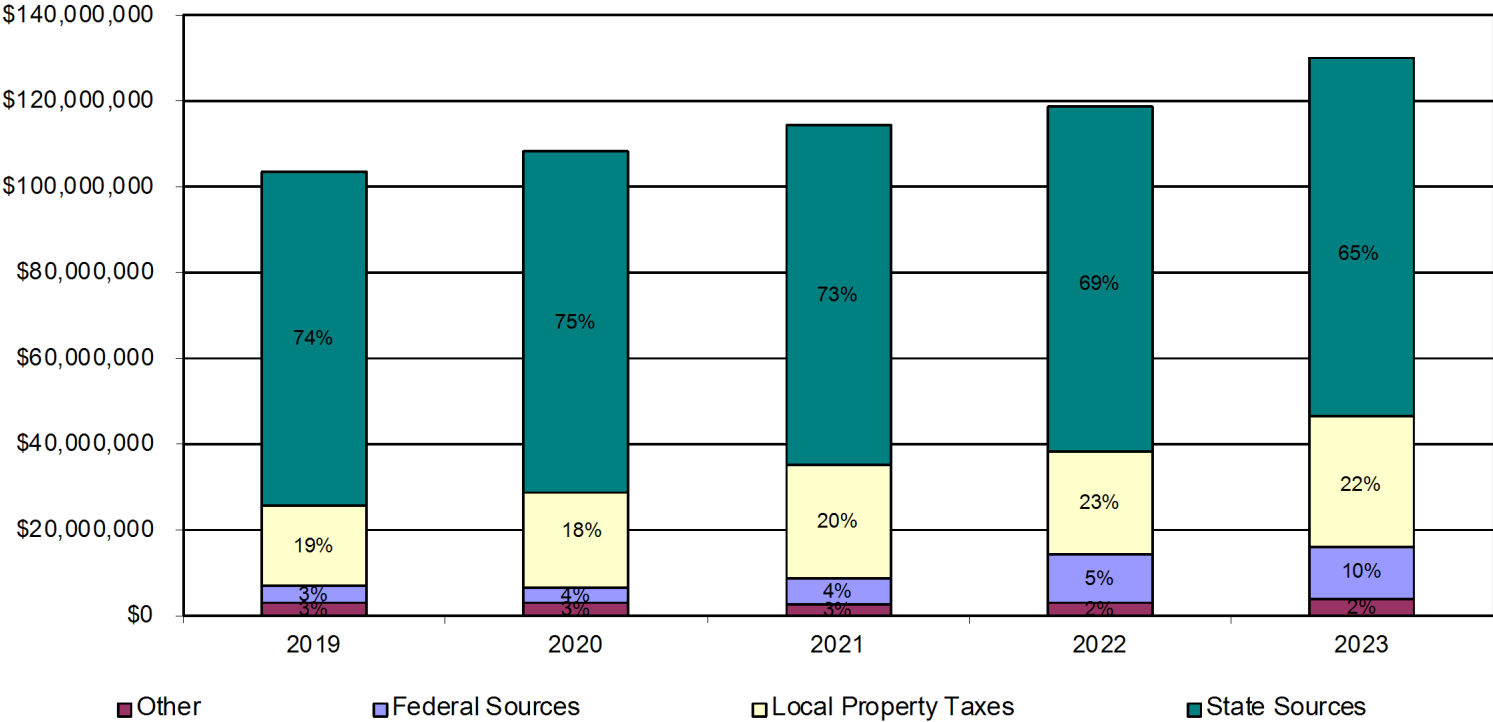
**ROSEVILLE AREA SCHOOLS**  
Student Enrollment for Aid (in ADMs)



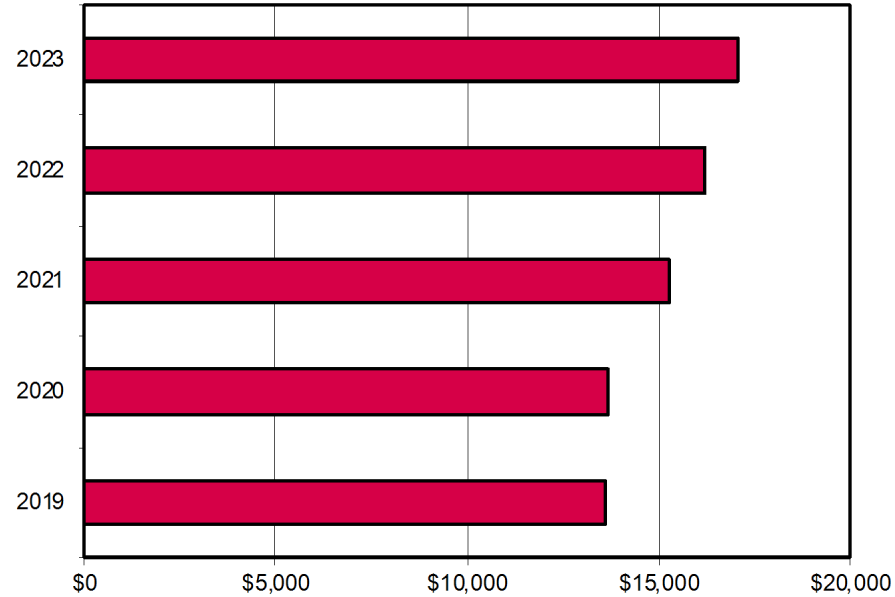
**ROSEVILLE AREA SCHOOLS**  
Student Enrollment for Aid (in ADMs)



# ROSEVILLE AREA SCHOOLS General Fund Revenue Sources



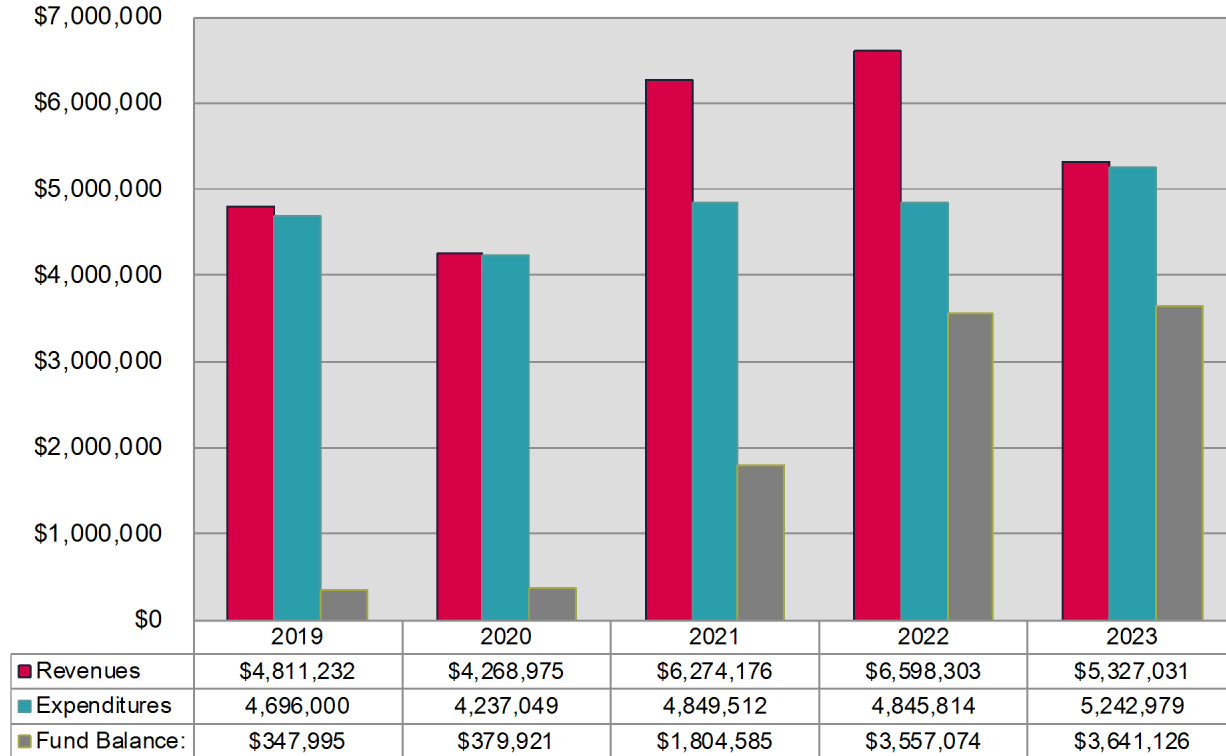
## General Fund Expenditures Per Student (Per ADM)



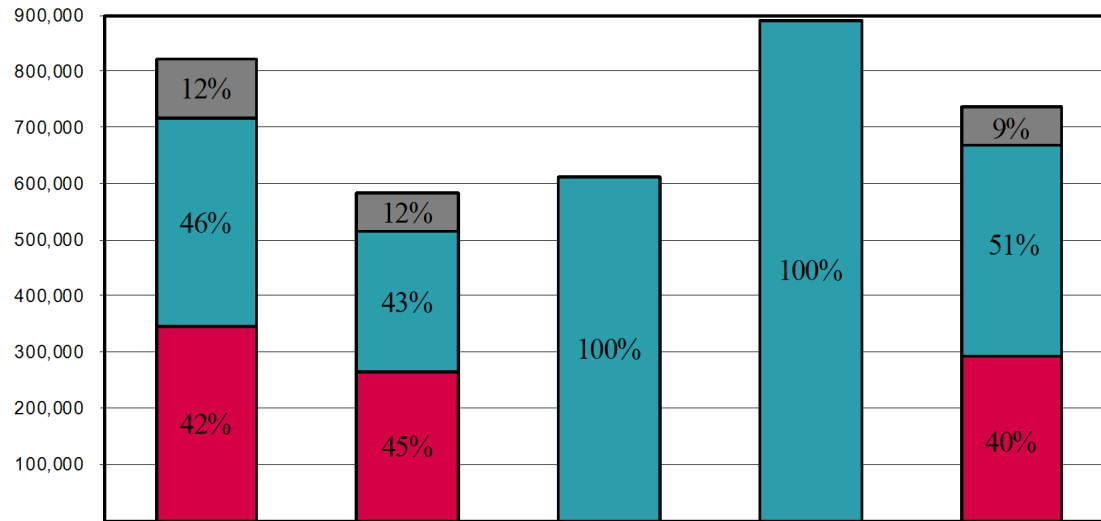
	2019	2020	2021	2022	2023
■ General Fund -All Expenditures	\$13,595	\$13,706	\$15,276	\$16,230	\$17,034



## Revenue, Expenditures and Fund Balance - Food Service Fund



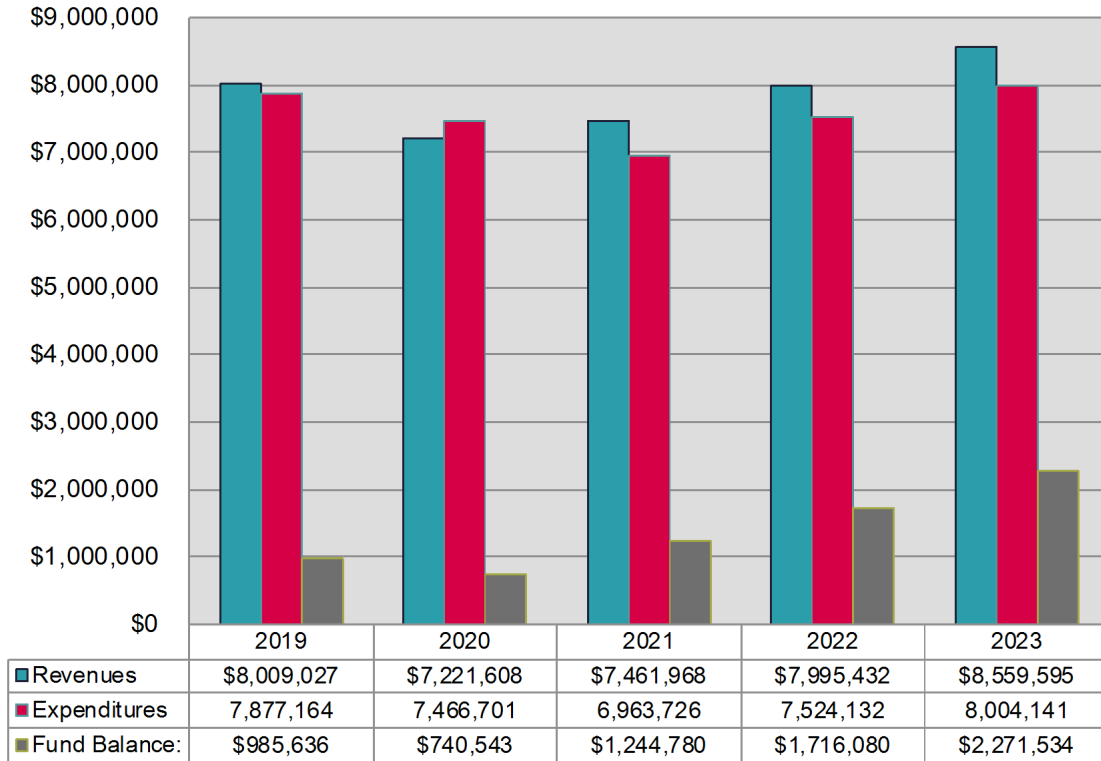
## MEALS SERVED TO STUDENTS



	2019	2020	2021	2022	2023
Reduced Meals	102,442	69,867	-	-	67,311
Free Meals	374,333	248,842	611,801	890,644	374,743
Full-Price Meals	343,411	264,357	-	-	293,597
<b>Total meals served</b>	<b>820,186</b>	<b>583,066</b>	<b>611,801</b>	<b>890,644</b>	<b>735,651</b>



## Revenue, Expenditures and Fund Balance - Community Service Fund



# Upcoming Standards

- SAS 145 – IT
- SAS 143 – Estimates
- Capital Asset Implementation Guidance
- GASB 100 – Correction of Error & Other Changes
- GASB 101 – Compensated Absences

# Questions and Feedback

- We welcome any questions pertaining to the audit, Governance Communication Letter, Internal Control Communication or other matters related to the engagement.
- We appreciate the opportunity to serve as the auditors for Roseville Area Schools and welcome any feedback relative to our performance.



Thank you!

Christopher Knopik

Principal

612.397.3266

[Christopher.Knopik@CLAconnect.com](mailto:Christopher.Knopik@CLAconnect.com)

Troy Gabler

Manager

763.516.7742

[Troy.Gabler@CLAconnect.com](mailto:Troy.Gabler@CLAconnect.com)



CLAconnect.com



CPAs | CONSULTANTS | WEALTH ADVISORS

©2023 CliftonLarsonAllen LLP. CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAglobal.com/disclaimer](https://www.claglobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



Roseville Area Schools

1251 County Road B2 West • Roseville, MN 55113  
PHONE 651-635-1600 • FAX 651-635-1659 • [www.isd623.org](http://www.isd623.org)

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

*For the fiscal year ended June 30, 2023*

Excellence, Innovation & Equity in All We Do

INDEPENDENT SCHOOL DISTRICT 623

Roseville Area Schools

Roseville, Minnesota

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
ROSEVILLE, MINNESOTA**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2023**

**PREPARED BY THE  
BUSINESS SERVICES DEPARTMENT**

**SHARI THOMPSON  
DIRECTOR OF BUSINESS SERVICES**

**DENISE MICKLE  
CONTROLLER**

**KATHY ENGLUND  
DISTRICT ACCOUNTANT**

**POLLY LUTZKA  
ACCOUNTS PAYABLE**

**LAURA GARNJOBST  
ACCOUNTS RECEIVABLE**

**PEGGY SEPION  
PAYROLL**

**MAUREEN WILLET  
PAYROLL**

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

**INTRODUCTORY SECTION**

<b>TRANSMITTAL LETTER</b>	<b>1</b>
<b>SCHOOL BOARD AND ADMINISTRATION</b>	<b>7</b>
<b>ORGANIZATIONAL CHART</b>	<b>8</b>

**FINANCIAL SECTION**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>10</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>MANAGEMENT'S DISCUSSION ANALYSIS</b>	<b>15</b>

**BASIC FINANCIAL STATEMENTS**

<b>STATEMENT OF NET POSITION</b>	<b>31</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>32</b>

**GOVERNMENTAL FUNDS**

<b>BALANCE SHEET</b>	<b>33</b>
<b>RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION</b>	<b>34</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE</b>	<b>35</b>
<b>RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES</b>	<b>36</b>

**PROPRIETARY FUNDS**

**INTERNAL SERVICE FUND**

<b>STATEMENT OF NET POSITION</b>	<b>37</b>
<b>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION</b>	<b>38</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>39</b>

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

<b>FIDUCIARY FUNDS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>40</b>
<b>STATEMENT OF CHANGES IN NET POSITION</b>	<b>41</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>42</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE – BUDGET TO ACTUAL – MAJOR GENERAL FUND</b>	<b>83</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE – BUDGET TO ACTUAL – MAJOR FOOD SERVICE FUND</b>	<b>84</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE – BUDGET TO ACTUAL – MAJOR COMMUNITY SERVICE     FUND</b>	<b>85</b>
<b>SCHEDULE OF CHANGES IN THE DISTRICT’S NET OPEB LIABILITY AND     RELATED RATIOS</b>	<b>86</b>
<b>SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN ON PLAN ASSETS     – OPEB</b>	<b>87</b>
<b>SCHEDULE OF DISTRICT’S PROPORTIONATE SHARE OF THE NET     PENSION LIABILITY</b>	<b>88</b>
<b>SCHEDULE OF DISTRICT’S CONTRIBUTIONS</b>	<b>89</b>
<b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION</b>	<b>90</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>GENERAL FUND</b>	
<b>BALANCE SHEET</b>	<b>96</b>
<b>SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND         BALANCE – BUDGET TO ACTUAL</b>	<b>97</b>
<b>FOOD SERVICE SPECIAL REVENUE FUND</b>	
<b>BALANCE SHEET</b>	<b>101</b>

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

<b>SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL</b>	<b>102</b>
<b>COMMUNITY SERVICE SPECIAL REVENUE FUND</b>	
<b>BALANCE SHEET</b>	<b>103</b>
<b>SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL</b>	<b>104</b>
<b>CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND</b>	
<b>BALANCE SHEET</b>	<b>105</b>
<b>SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL</b>	<b>106</b>
<b>DEBT SERVICE FUND</b>	
<b>BALANCE SHEET</b>	<b>107</b>
<b>SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL</b>	<b>108</b>
<b>UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE</b>	<b>109</b>
<b>STATISTICAL SECTION (UNAUDITED)</b>	
<b>STATISTICAL SECTION</b>	<b>112</b>
<b>NET POSITION BY COMPONENT</b>	<b>113</b>
<b>CHANGES IN NET POSITION</b>	<b>114</b>
<b>FUND BALANCES, GOVERNMENTAL FUNDS</b>	<b>116</b>
<b>CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS</b>	<b>117</b>
<b>ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY</b>	<b>119</b>
<b>DIRECT AND OVERLAPPING PROPERTY TAX RATES</b>	<b>120</b>
<b>PRINCIPAL PROPERTY TAXPAYERS</b>	<b>121</b>
<b>PROPERTY TAX LEVIES AND COLLECTIONS</b>	<b>122</b>

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

<b>OUTSTANDING DEBT BY TYPE</b>	<b>123</b>
<b>COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT</b>	<b>124</b>
<b>RATIO OF NET GENERAL OBLIGATIONS BONDED DEBT TO TAX CAPACITY AND NET OBLIGATION BONDED DEBT PER CAPITA</b>	<b>125</b>
<b>LEGAL DEBT MARGIN INFORMATION</b>	<b>126</b>
<b>DEMOGRAPHIC AND ECONOMIC STATISTICS</b>	<b>127</b>
<b>PRINCIPAL EMPLOYERS</b>	<b>128</b>
<b>FULL-TIME EQUIVALENT DISTRICT EMPLOYEE BY TYPE</b>	<b>129</b>
<b>SCHOOL BUILDING INFORMATION</b>	<b>130</b>
<b>STANDARDIZED TESTING</b>	<b>131</b>
<b>SUMMARY OF MEALS SERVED</b>	<b>132</b>
<b>SCHEDULE OF INSURANCE COVERAGE</b>	<b>133</b>

## **INTRODUCTORY SECTION**



# Roseville Area Schools

1251 County Road B2 West • Roseville, MN 55113  
PHONE 651-635-1600 • FAX 651-635-1659 • www.isd623.org

**April 1, 2024**

**FISCAL YEAR 2023**  
**ANNUAL COMPREHENSIVE**  
**FINANCIAL REPORT**

To: Independent School District No. 623 – Roseville Area Schools School Board Members and Citizens

The Annual Comprehensive Financial Report (ACFR) of Independent School District No. 623 – Roseville Area Schools (the District) for the fiscal year ended June 30, 2023, is submitted herewith. Minnesota state law requires that public school districts publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2023. The District is required to undergo an annual Single Audit in conformity with the provisions of the U.S. Office of Management and Budget's Uniform Guidance. The District is also required to undergo an annual Minnesota State legal compliance audit under Minnesota Statutes § 6.65. Independent auditor reports and a Schedule of Expenditures of Federal Awards are included in a separately issued document.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The ACFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the management's discussion and analysis (MD&A), basic financial statements, required supplementary information, and combining and individual fund statements and schedules presented as supplemental information, as well as the independent auditor's report on the financial statements. The statistical section includes a number of tables of unaudited data depicting the financial history of the District for the past 10 years, demographics, and other miscellaneous information.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

District Center • 1251 County Rd B2 West • Roseville, MN 55113-3299

PHONE 651/635-1600 • FAX 651/635-1659 • www.isd623.org

*Roseville Area School District 623 is an equal opportunity affirmative action educator and employer, committed to a culturally diverse workforce*

## **PROFILE OF THE DISTRICT**

The District was incorporated in 1949 and serves portions of seven suburban communities on the north edge of the Minneapolis/St. Paul metropolitan area. The District enrolled 7,198 students in fiscal year (FY) 2023 from a population of 58,239 citizens residing in a 21.65 square mile area. The District encompasses the cities of Arden Hills, Falcon Heights, Little Canada, Lauderdale, Maplewood, Roseville, and Shoreview.

The District is governed by an elected six-member School Board. The seated School Board consists of six members who are elected at large in odd-numbered years. Members serve alternating four-year terms.

The School Board hires the superintendent and delegates the authority and responsibility to administer school district operations. The superintendent serves as an ex-officio member of the School Board.

Roseville Area Schools offer four option schools. The first is Parkview Center School offering a kindergarten through eighth grade model. The second is our Spanish Dual Language Immersion Program at Little Canada Elementary. The goal of Dual Language Immersion programs is to create bi-lingual, bi-literate, multi-cultural students who are better prepared for success in the ever-expanding global community. The third is our year-round school, Harambee Elementary, with a focus on Environmental Science and Community Cultures. Last is the SPARK Program at Central Park Elementary which focuses on Science, Technology, Engineering, Arts and Math.

The District's students reflect the global community, coming from homes where 91 dialects or languages other than English are spoken. Diverse demographics contribute to rich, real-life learning environments that prepare students for the 21st century workplace.

Gifted education programs serve the academic, social, and emotional needs of gifted/talented learners.

Co-curricular offerings build character, stretch minds, and challenge the body. Students have been recognized as state champions in various sports; Minnesota State High School League Academic Excellence award winners; state qualifiers in multiple sports; and All-Conference musicians.

Preschool is offered at early childhood centers at Harambee, Parkview, and Anpétu Téca Education Center. Free all-day kindergarten is available at all elementary sites. High quality before- and after-school care (Friendship Connection) is available to all elementary and middle school students.

The financial reporting entity includes all the funds of the primary government (the District). Component units are legally separate entities for which the District (primary government) is financially accountable. There are no organizations considered to be component units of the District.

The District is required to adopt an initial budget for the fiscal year no later than June 30th preceding the beginning of the fiscal year on July 1st. This annual budget serves as the foundation for the District's financial planning and control.

## LOCAL ECONOMY

During FY 2023, the District operated 12 buildings: 1 high school, 1 middle school, 1 kindergarten through eighth grade, 7 elementary schools, 1 education center including the alternative high school, and a central administration building. The instructional program is organized using several grade configurations: Pre-K–6, K-8, 7–8, and 9–12. The District had a budgeted enrollment of 7,249, average daily membership for FY 2023 and an actual enrollment of 7,198. Student enrollment has declined slightly over the last four years, much of the decrease is a direct result of COVID-19. The pandemic has primarily impacted the elementary enrollment with a higher number of families choosing an option to home school, enroll in an online program, or enrollment at a charter school or private school. The 7<sup>th</sup> through 12<sup>th</sup> grade enrollment numbers continue to experience more stabilized enrollment numbers. Enrollment is projected to be stagnant over the next three years.

The majority of the District's school buildings were built between 1951 and 1996. Although some of the school buildings are over 50 years old, the District participates in the Long-Term Facilities Maintenance Program through the state of Minnesota and has a 10-year spending plan with a \$14 million annual budget to address deferred maintenance and health and safety facility needs. In FY 2018 the District was successful in passing a \$144 million dollar bond for improvement and expansion of buildings in the District. The District completed the final phase of construction in December 2021. To date, the District has been able to stay on schedule and on budget for all construction projects and deferred maintenance projects.

The District intentionally focuses on efforts of staff and other resources to identify financial resources that are available to maximize revenue. Except for locally imposed fees for things like student activities, the District is dependent on the state of Minnesota for its revenue authority and state aid. Some revenue authority, such as operating referenda and building bonds, also require voter approval. Thanks to the support of the local taxpayers, the District successfully passed an increase of \$915 per pupil unit in November 2021, effective with the 21-22 fiscal year.

For the past several years, the funding provided for public education in the state of Minnesota has not been sufficient to meet instructional program needs, due to increased inflationary costs and required mandates. The 2023 Legislature authorized a 4 percent increase in the basic funding formula for fiscal year 2023-2024 and a 2 percent increase in 2024-2025. Since the outbreak in March 2020, the pandemic has made economic conditions in Minnesota as well as other states extremely volatile.

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

- State aid versus local taxpayer funding for programs and services.
- Economic factors, such as the ongoing pandemic and related unemployment and overall revenue collections by the state.
- Mandated programs that are not fully funded, such as special education.
- Compliance and implementation of governmental pronouncements.
- Impact to local taxpayers for funding requests.
- Increased competition for students from other public schools, as well as charter schools.
- Housing development and growth.
- Enrollment trends.
- Health insurance cost increases.
- Pension obligations, both local and state.
- Management of federal and other special funded state programs.

## **INTERNAL CONTROL STRUCTURE AND BUDGETARY CONTROL**

The District complies with the Uniform Financial Accounting and Reporting Standards (UFARS) for Minnesota Schools. UFARS, established in 1976, dictates a modified accrual basis of accounting. An audited annual financial report must be provided to the Minnesota Department of Education by December 31, subsequent to year-end on June 30.

The District has established a system of internal controls that provide reasonable assurance that assets are safeguarded from misuse or losses. Reasonable assurance means the cost of controls is weighed against the benefits received. The District utilizes an integrated payroll/finance system for all financial recordkeeping.

Encumbrances, or open purchase orders, are used as a budgetary control tool and are charged against line item budgets when issued. Each site and department administrator has access to the finance system to extract reports and review detailed budget activity specific to their area of responsibility. The district administration receives and reviews monthly financial reports. These reports are also presented to the Board of Education and are publicly available as part of the Board's meeting materials.

The District's budgeting process begins with a review and estimation of projected student enrollment. Enrollment is the main driver of the allocation of the unrestricted revenue resources. A majority of the budgeting decisions are made centrally including staffing, capital expenditures, and infrastructure improvements. Budget managers receive an allocation for site or department-specific needs.

Legal budgetary control is at the fund level; however, directors, principals, supervisors, and other budget managers are responsible for monitoring their budget centers within each of the funds. All appropriations lapse at year-end.

## **RELEVANT FINANCIAL POLICIES**

The District has adopted a comprehensive set of financial policies. The management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America and with Minnesota Uniform Financial Accounting and Reporting Standards. The internal control framework is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits require estimates and judgments by management.

School Board Policy 744 addresses fund balance. The policy is in place to ensure the financial stability of the District, to provide a sound basis to justify continuation of the strong financial rating, and to provide a reserve enabling the District to deal with unforeseen budget expenditures. The School Board strives to maintain an unassigned fund balance that will not fall below 3 percent of the District's General Fund operating expenditure budget, excluding capital programs.

Minnesota Statutes § 123B.83 requires districts to "limit its expenditures so that its net unreserved General Fund balance does not constitute statutory operating debt under § 123B.81." The district's unreserved General Fund balance is above the statutory guidelines for statutory operating debt.

Unassigned fund balance in the General Fund Operating Account at June 30, 2023 was \$9,157,247 or 7.47 percent of total General Fund Operating Account expenditures. This amount was above the policy guidelines of 3 percent set by the School Board for budgetary and planning purposes.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

### **INDEPENDENT AUDIT AND CERTIFICATE OF EXCELLENCE**

State statutes require an annual audit by independent certified public accountants. The accounting firm of CliftonLarsonAllen LLP was initially selected by the School Board to conduct the annual audit for fiscal year 2001-2002.

This report has been prepared following the guidelines provided by the Association of School Business Officials International (ASBO) for their Certificate of Excellence in Financial Reporting Program. Achieving recognition by this program provides a clear indication of the District's high standards for financial reporting. The District intends to submit this report, its second Comprehensive Annual Financial Report, to the ASBO Certificate Program for consideration. The District received its first ASBO Certificate of Excellence in Financial Reporting beginning with the 2018-2019 Comprehensive Annual Financial Report.

### **ACKNOWLEDGMENTS**

We acknowledge the efforts of the entire business office and the related district staff in providing complete and accurate data for this Comprehensive Annual Financial Report.

Respectfully submitted,



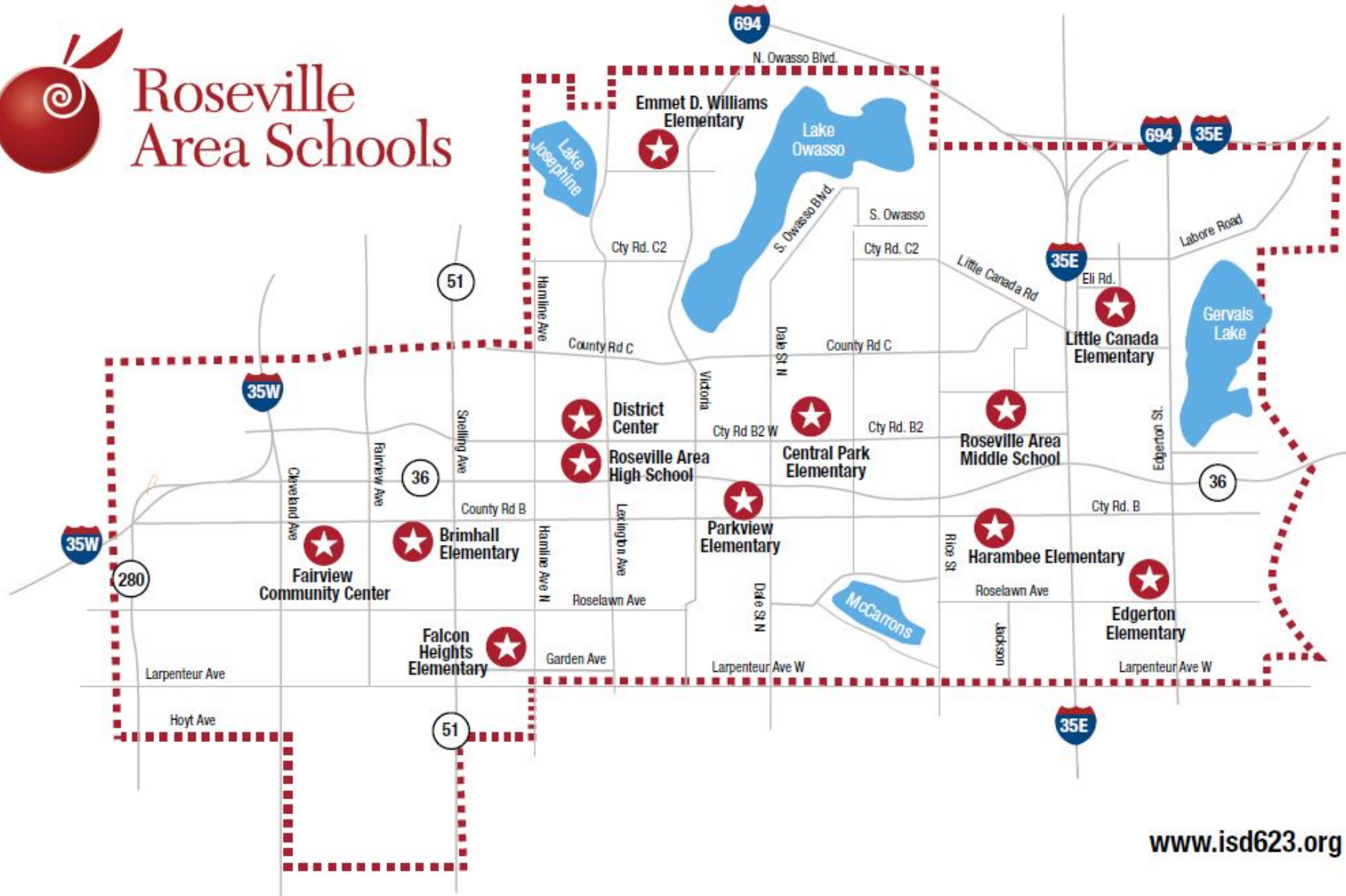
Shari Thompson  
Director of Business Services



Denise Mickle  
Controller



# Roseville Area Schools



[www.isd623.org](http://www.isd623.org)

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHOOL BOARD AND ADMINISTRATION  
JUNE 30, 2023**

**SCHOOL BOARD**

<b>NAME</b>	<b>TERM ON BOARD EXPIRES</b>	<b>BOARD POSITION</b>
Curtis Johnson	December 31, 2025	Chair
Todd Anderson	December 31, 2023	Clerk
Dr. Rose Chu	December 31, 2023	Treasurer
Mike Boguszewski	December 31, 2023	Director
Mannix Clark	December 31, 2025	Director
Kitty Gogins	December 31, 2025	Director

**ADMINISTRATION**

**Cabinet:**

Dr. Jenny Loeck	Superintendent
Melissa Sonnek	Assistant Superintendent
Jacob Von De Linde	Director of Student Achievement
Delon Smith	Director of Equity and Innovation
Niceta Thomas	Director of Student Services
Shari Thompson	Director of Business Services
Kenyatta McCarty	Director of Human Resources
Cyndi Arneson	Director of Community Education
Carrie Ardito	Director of Communications

**Business Services Office:**

Denise Mickle	Controller
Kathy Englund	District Accountant

**District Offices:**

Independent School District No. 623  
Roseville Area Schools  
1251 West. County Road B-2  
Roseville, MN 55113-3299  
(651) 635-1600

ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
ORGANIZATIONAL CHART  
2022-2023

# Roseville Area Schools

DISTRICT  
LEADERSHIP  
TEAM



## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

School Board  
Independent School District No. 623  
Roseville Area Schools  
Roseville, 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 Roseville Area Schools, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Roseville Area Schools' 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 Roseville Area Schools, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Roseville Area Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matters – Correction of an Error***

As discussed in Note 14 to the financial statements, the District restated its beginning net position for capital assets which were recorded in both construction in progress and buildings in the previous years as well as for an overstatement of accumulated depreciation. Our auditors' opinion was not modified with respect to this restatement.

***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 Roseville Area Schools' 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.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Roseville Area Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Roseville Area Schools' 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, budget to actual schedules, Other Postemployment Benefits Schedules, and Schedules of the District's Proportionate Share of the Net Pension Liability and Pension Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Roseville Area Schools' basic financial statements. The combining and individual fund financial schedules, budget to actual schedules, and Uniform Financial Accounting and Reporting Standards Compliance Table 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 GAAS. In our opinion, the combining and individual fund financial schedules, budgetary comparison schedules, and Uniform Financial Accounting and Reporting Standards 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 introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

School Board  
Independent School District No. 623  
Roseville Area Schools

**Report on Summarized Comparative Information**

We have previously audited Roseville Area Schools' 2022 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated May 10, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended **June 30, 2022**, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2024, on our consideration of Roseville Area Schools' 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 Roseville Area Schools' 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 Roseville Area Schools' internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
April 1, 2024

**REQUIRED SUPPLEMENTARY INFORMATION**

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

This section of Roseville Area Schools – Independent School District No. 623's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section. The Management's Discussion and Analysis (MD&A) is a required element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2022-2023 fiscal year include the following:

- Net position increased by \$26,851,662 from current year activity in 2023. A prior period restatement also decreased beginning net position by \$14,273,439.
- Overall General Fund revenues were \$129,768,471 as compared to \$122,613,641 of expenditures.
- The total fund balance of the General Fund increased overall by \$7,195,384 from the prior year. The fund balance in the unassigned fund balance category increased by \$5,939,901 having begun the year with a balance of \$3,288,979 and ending with a balance of \$9,228,880. While an increase of \$6,804,516 in fund balance was projected in the revised budgets adopted by the Board, the actual increase of \$7,195,384 was the result of higher than anticipated exchange revenue as well as less expenditures than were budgeted for, especially with regards to regular instruction, special education instruction, and debt service for leases.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and 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.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others to whom the resources belong.

**District-Wide Statements**

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

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**District-Wide Statements (Continued)**

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, deferred outflows of resources, liabilities, and deferred inflows of resources – is one way to measure the District's financial health or position.

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

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

- *Governmental Activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Property taxes and state aids finance most of these activities.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's *funds* – focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

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

The District has three kinds of funds:

- *Governmental Funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements to explain the relationship (or differences) between them.
- *Proprietary Funds* – The District uses an internal service fund to report activities that provide supplies and services for the District's other programs and activities. The District currently has an internal service fund for self-insurance of dental benefits.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Fund Financial Statements (Continued)**

- *Fiduciary Funds* – The District is the trustee, or *fiduciary*, for assets that belong to others, such as the Suburban Ramsey Family Collaborative Custodial Fund. The District has also established an irrevocable trust fund for other postemployment benefits (OPEB). This trust was funded with the proceeds from General Obligation OPEB Bonds issued in 2009. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Position**

The District's *combined* net position was \$(30,087,689) on June 30, 2023, an increase of \$26,851,662, or 47.16% A-1). Total assets decreased by approximately \$15.21 million or 4.84%. Capital assets decreased by approximately \$7.02 million or 3.15%, largely due to the prior period restatement relating to capital assets. Applying the restatement to the prior year balance would result in a current year increase to capital assets of \$7.25 million, or 3.47%, due to current year additions exceeding depreciation and amortization. Total liabilities increased by \$30.1 million or 11.33% with the net pension liability increasing \$39.67 million due to large investment losses of the plans and other long-term liabilities decreasing \$8.95 million as the result of scheduled debt service payments exceeding any new debt issued.

**Table A-1  
The District's Net Position**

	Governmental Activities as of June 30,		Percentage Change
	2023	2022	
Current and Other Assets	\$ 82,910,412	\$ 91,092,243	(8.98)%
Capital Assets	215,990,371	223,013,990	(3.15)
Total Assets	<u>298,900,783</u>	<u>314,106,233</u>	(4.84)
Deferred Outflows of Resources	26,606,294	27,912,009	(4.68)
Current Liabilities	10,731,979	11,316,830	(5.17)
Net Pension Liability	86,176,320	46,515,888	85.26
Long-Term Liabilities	199,124,289	208,069,821	(4.30)
Total Liabilities	<u>296,032,588</u>	<u>265,902,539</u>	11.33
Deferred Inflows of Resources	<u>59,562,178</u>	<u>118,781,615</u>	(49.86)
Net Position			
Net Investment in Capital Assets	38,623,832	39,991,157	(3.42)
Restricted	17,406,311	27,454,489	(36.60)
Unrestricted	(86,117,832)	(110,111,558)	(21.79)
Restatement	-	(14,273,439)	(100.00)
Total Net Position	<u>\$ (30,087,689)</u>	<u>\$ (56,939,351)</u>	(47.16)

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

**Net Position (Continued)**

The largest positive portion of the District's net position represents its investment in capital assets (land, buildings, equipment, etc.) less any related debt used to acquire those assets that is still outstanding. The District is able to report positive balances in the net investment in capital assets portion of its net position. Another portion of the District's net position, restricted net position, represents resources that are subject to external restrictions on how they may be used. The restricted portion of the District's net position decreased by approximately \$9.95 million during the current year. The remaining unrestricted portion is that which may be used to meet the District's ongoing obligations. This portion of net position increased by approximately \$23.90 million, to a year-end balance of (\$86,211,302). The District's overall net position has been a deficit balance since fiscal year 2015 when the District implemented Governmental Accounting Standards Board Statement No. 68, which required recording the District's long-term liabilities for pensions.

**Changes in Net Position**

In Table A-2, Change in Net Position, operations are reported on a governmental-wide basis with no reference to funds. This format is similar to the fund financial statements, except it is presented on an accrual basis of accounting.

Total revenues for all governmental activities were \$157,155,159 for the year ended June 30, 2023. Property taxes and state formula aid accounted for 63% of total revenue for the year (see Figure A-1). 5% from charges for services, 31% from operating grants and contributions, and the remaining 1% from capital grants and contributions and other.

Total revenues for fiscal year 2023 were \$7,604,137 higher than the prior year. The main increases were in property taxes and charges for services.

Expenses decreased \$6,793,122 compared to fiscal year 2022 levels, with the largest decrease being in regular instruction.

Total revenues were \$157,155,159 while total expenses were \$130,303,497, increasing net position by \$26,851,662 for fiscal year 2023.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

**Changes in Net Position (Continued)**

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

	Governmental Activities for the Fiscal Year Ended June 30,		Percentage Change
	<u>2023</u>	<u>2022</u>	
<b>REVENUES</b>			
Program Revenues:			
Charges for Services	\$ 7,249,444	\$ 5,277,348	37.37 %
Operating Grants and Contributions	48,950,038	48,915,606	0.07
Capital Grants and Contributions	891,440	990,875	(10.04)
General Revenues:			
Property Taxes	46,064,949	41,565,498	10.82
Unrestricted State Aid	53,135,342	52,457,736	1.29
Investment Earnings	863,946	31,186	2670.30
Other	-	312,773	(100.00)
Total Revenues	<u>157,155,159</u>	<u>149,551,022</u>	5.08
<b>EXPENSES</b>			
Administration	4,475,940	5,021,711	(10.87)
District Support Services	5,739,189	5,009,915	14.56
Regular Instruction	41,574,631	51,258,248	(18.89)
Vocational Education Instruction	1,728,657	1,799,637	(3.94)
Special Education Instruction	20,389,089	22,510,599	(9.42)
Instructional Support Services	9,721,651	9,789,363	(0.69)
Pupil Support Services	14,406,797	11,988,862	20.17
Sites and Buildings	13,633,906	11,074,452	23.11
Fiscal and Other Fixed Cost Programs	572,450	647,713	(11.62)
Food Service	5,070,713	4,839,758	4.77
Community Service	7,473,513	7,062,164	5.82
Interest and Fiscal Charges on Long-Term Liabilities	5,516,961	6,094,197	(9.47)
Total Expenses	<u>130,303,497</u>	<u>137,096,619</u>	(4.95)
<b>CHANGE IN NET POSITION</b>	26,851,662	12,454,403	
Beginning Net Position	(42,665,912)	(55,120,315)	
Prior Period Restatement, See Note 14	(14,273,439)	-	
Beginning Net Position, as Restated	<u>(56,939,351)</u>	<u>(55,120,315)</u>	
<b>ENDING NET POSITION</b>	<u>\$ (30,087,689)</u>	<u>\$ (42,665,912)</u>	(29.48)

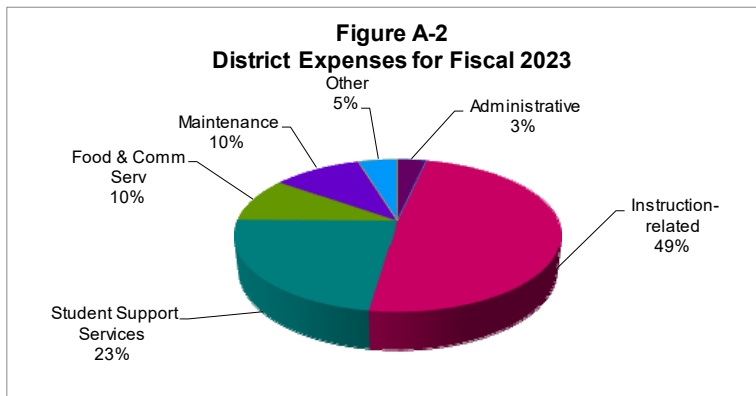
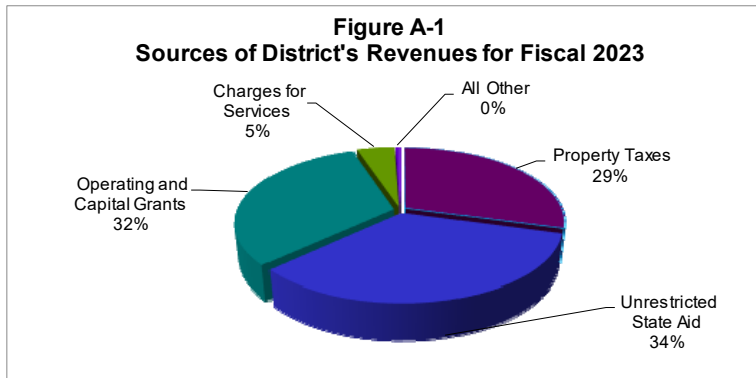
**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

**Changes in Net Position (Continued)**

The cost of all *governmental* activities this year was \$130,303,497.

- Some of the cost was paid by the users of the District's programs (Table A-2, Charges for Services, \$7,249,444). The majority of this category, approximately \$4.79 million, comes from community education class tuition.
- The federal and state governments subsidized specific programs with grants and contributions (\$49,841,478). \$891,440 of these grants were capital related.
- Most of the District's costs (\$100,064,237), however, were paid for by District taxpayers, taxpayers of our state, and other miscellaneous general revenues.
- Of the amount paid for by taxpayers of the District and the state, \$46,064,949 came in the form of property taxes, and \$53,135,342 in the form of unrestricted state aid based primarily on the statewide education aid formula.
- The remaining revenue came from investment earnings and other miscellaneous revenue.



**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

**Changes in Net Position (Continued)**

All governmental activities include not only funds received for the general operation of the District, which are used for classroom instruction, but also includes resources from the special revenue funds of Food Service and Community Education, and from resources for fiscal service transactions. Funding for the general operation of the District is controlled by the state and the District does not have the latitude to allocate money received in Food Service or Community Education or for fiscal services to enhance classroom instruction resources. The District cannot take funds from these restricted areas and use the funds to hire teachers to enhance instruction.

**Table A-3  
Program Expenses and Net Cost of Services**

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2023	2022		2023	2022	
Administration	\$ 4,475,940	\$ 5,021,711	(10.87)%	\$ (5,095,504)	\$ (3,433,958)	48.39 %
District Support Services	5,739,189	5,009,915	14.56	4,627,194	3,865,180	19.71
Regular Instruction	41,574,631	51,258,248	(18.89)	29,941,047	38,236,032	(21.69)
Vocational Education Instruction	1,728,657	1,799,637	(3.94)	1,728,657	1,782,583	(3.03)
Special Education Instruction	20,389,089	22,510,599	(9.42)	(9,775)	5,528,660	(100.18)
Instructional Support Services	9,721,651	9,789,363	(0.69)	9,577,092	9,683,519	(1.10)
Pupil Support Services	14,406,797	11,988,862	20.17	13,463,069	10,639,605	26.54
Sites and Buildings	13,633,906	11,074,452	23.11	13,122,428	10,409,843	26.06
Fiscal and Other Fixed Cost Programs	572,450	647,713	(11.62)	572,450	647,713	(11.62)
Food Service	5,070,713	4,839,758	4.77	(263,949)	(1,688,591)	(84.37)
Community Service	7,473,513	7,062,164	5.82	32,905	148,007	(77.77)
Interest and Fiscal Charges on						
Long-Term Liabilities	5,516,961	6,094,197	(9.47)	5,516,961	6,094,197	(9.47)
Total	<u>\$ 130,303,497</u>	<u>\$ 137,096,619</u>	(4.95)	<u>\$ 73,212,575</u>	<u>\$ 81,912,790</u>	(10.62)

The cost of all governmental activities this year was \$130,303,497, a decrease of \$6,793,122 from the prior year. After applying program specific revenue, the net cost of all governmental activities this year was \$73,212,575, a decrease of \$8,700,215 from the prior year.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a *combined* fund balance of \$30,879,793 which is \$8,536,621 less than last year's ending fund balance of \$39,416,414. This decrease is primarily attributable to the completion of budgeted capital projects during fiscal year 2023.

Revenues for the District's governmental funds were \$157,838,330, an increase of \$7,335,236 compared to fiscal year 2022. Expenditures in all governmental funds totaled \$166,415,505, an increase of \$6,978,363 from the prior year.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**GENERAL FUND**

The General Fund reflects the primary operations of the District that provide educational services to students from Pre-K and kindergarten through grade 12. This includes K-12 educational activities, district instructional support, and student support programs, expenditures for the superintendent, district administration, normal operations and maintenance, pupil transportation, capital outlay projects, and other legal school district expenditures not specifically designated to be accounted for in any other fund.

Approximately 90% of General Fund operational revenue is controlled by a complex set of state funding formulas resulting in the local school board having no meaningful authority to determine the level of resources available to the District. This includes special education state aid that is based upon a cost reimbursement model providing approximately 68% of personnel expenditures. The revenue is later prorated to a lesser amount dependent on the total revenue appropriated by the Legislature for this purpose. Other state formulas then determine what portion of the revenue will be provided by property taxes and what portion will come from state aid. The state further controls the timing of payments made to school districts, which affects the cash balances available to meet ongoing costs.

**ENROLLMENT**

Enrollment is a critical factor in determining revenue with approximately 90% of General Fund revenue being determined by enrollment. The following chart shows that previous years' enrollment growth has slowed, the total enrollment from 2022 to 2023 decreased by 30, or 0.4%. The majority of the decline in enrollment is attributed to more families choosing to homeschool or enroll children in charter schools.

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

<b>Grade</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
ECSE	93	94	102	100	87
Kdgt.	574	594	544	577	564
1-3	1,713	1,706	1,613	1,634	1,656
4-6	1,727	1,694	1,628	1,596	1,593
7-12	3,473	3,492	3,412	3,321	3,298
Total K-12	7,580	7,580	7,299	7,228	7,198
ADM Change	66	-	(281)	(71)	(30)
Percent Change	0.9%	0.0%	-3.7%	-1.0%	-0.4%

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**ENROLLMENT (CONTINUED)**

From the period of 2005 through 2019, the District experienced increased enrollment in average daily membership served. Both resident enrollment and the number of students enrolling from neighboring districts through the options programs increased during this time. In 2022-2023, the District served 1,755 students from other districts, while about 1,325 of the District's residents attended other school districts including public charter schools. The students served, plus resident students served by other districts under tuition agreements, all generate revenue, mostly through the General Education Aid formula. Short-term, it is expected that the District will continue to enroll a reduced number of students at all grade levels, particularly at the elementary grades, with some families opting for home school, non-public, or charter schools or other options. Beyond 2023-2024, the pre-school population is expected to remain steady at a slightly lower rate than pre-pandemic numbers and provide approximately 500 kindergarten students annually, in addition to stable enrollment of students throughout most grade levels.

**GENERAL FUND ACTIVITY**

The following schedule presents a summary of General Fund Revenues.

**Table A-5  
General Fund Revenues**

	Year Ended		Change	
	June 30, 2023	June 30, 2022	Increase (Decrease)	Percent Change
Local Sources:				
Property Taxes	\$ 30,428,557	\$ 24,015,176	\$ 6,413,381	26.7 %
Earnings on Investments	433,667	4,123	429,544	10418.2
Other	3,240,025	2,883,007	357,018	12.4
State Sources	83,532,204	80,276,980	3,255,224	4.1
Federal Sources	12,134,018	11,366,054	767,964	6.8
Total General Fund Revenue	<u>\$ 129,768,471</u>	<u>\$ 118,545,340</u>	<u>\$ 11,223,131</u>	9.5

General Fund Revenue increased by \$11,223,131 or 9.5% from the previous year. Property tax revenue shows an increase of \$6,413,381. Property tax revenue is driven by student enrollment, Minnesota State Legislative approved funding, local voter approved funding, and the final levy is determined by the amount approved by the school board to levy each year. The increase in property tax revenue is mostly attributed to an increase in the General Levy of almost \$4.5 million, which was approved by voters in the fall of 2021, but first had revenue impacts in 2023.

Interest earnings increased by \$429,544. Other revenue increased by \$357,018. State aid increased \$3,255,224, or 4.1%, partially due to a 2% increase in the General Education Revenue formula and partially due to an increase in special ed aid with the increase in program activity.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**GENERAL FUND ACTIVITY (CONTINUED)**

Basic general education revenue is determined by multiple state formulas, largely enrollment driven, and consists of mostly state aid revenue. Other state-authorized revenues, which include the operating levy referendum, operating capital revenue, and the property tax shift involve an equalized mix of property tax and state aid revenue. The mix of property tax and state aid can change significantly from year to year without any net change in total revenue and is dependent on legislative action.

Federal revenue increased \$767,964, or 6.8%, due to additional federal programs and finding in the current year to assist in addressing costs related to the ongoing pandemic.

The following schedule presents a summary of General Fund Expenditures.

**Table A-6  
General Fund Expenditures**

	Year Ended		Amount of Increase (Decrease)	Percent Increase (Decrease)
	June 30, 2023	June 30, 2022		
Salaries	\$ 67,341,152	\$ 65,207,665	\$ 2,133,487	3.3 %
Employee Benefits	25,030,485	24,948,236	82,249	0.3
Purchased Services	20,719,369	16,844,456	3,874,913	23.0
Supplies and Materials	5,387,358	4,876,659	510,699	10.5
Capital Expenditures	3,142,823	2,881,794	261,029	9.1
Debt Service Expenditures	467,750	2,098,927	(1,631,177)	(77.7)
Other Expenditures	524,704	448,483	76,221	17.0
Total General Fund Expenditures	<u>\$ 122,613,641</u>	<u>\$ 117,306,220</u>	<u>\$ 5,307,421</u>	4.5

Total General Fund Expenditures increased by \$5,307,421 or 4.5% over the previous year.

In fiscal year 2023, salaries increased 3.3% and employee benefits increased 0.3%. The increase in salaries and benefits is attributed to employee contract improvements.

Purchased Services expenditures increased by 23.0%. The increase is due largely to costs for contracted services including the cost of contracting for substitute teachers and other staff, transportation services, utility costs, tuition costs for students attending programs off-site.

Supplies and Materials consist of expenditures for diesel and gasoline, natural gas and building fuel oil, maintenance repairs, instructional supplies, and textbooks. Supplies and materials expenditures increased by 10.5% during fiscal year 2023. The increased costs were attributable to the District spending more money on instructional technology devices during fiscal year 2023.

Spending for capital expenditures increased by \$261,029 over the prior year.

In 2022-23, total General Fund revenues and other financing sources exceeded expenditures by \$7,195,384. Therefore, the total fund balance increased from \$5,319,927 at June 30, 2022, to a balance of \$12,515,311 at June 30, 2023. After deducting statutory restrictions and nonspendable balances, the general unassigned fund balance increased from \$3,288,979 at June 30, 2022 to \$9,228,880 at June 30, 2023 – an increase of \$5,939,901.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**GENERAL FUND ACTIVITY (CONTINUED)**

The unassigned fund balance is the single best measure of overall financial health of a school district. The unassigned general fund balance totals \$9,157,247. The Minnesota Department of Education divides this balance by the expenditures related to these balances to calculate the fund balance as a percentage of expenditures. The District's unassigned fund balance at June 30, 2023, represents 7.47% of applicable annual expenditures. The School Board has set a goal to maintain a minimum target fund balance of 3.0 of the annual budget%. The current fund balance of 7.47% meets the target set by the District. The district closely monitors its fund balances.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Following approval of the budget prior to the beginning of the fiscal year, the District revises the annual operating budget in mid-year. These budget adjustments typically fall into two categories:

- Implementing budgets for specially funded projects, which include both federal and state grants and reinstating unexpended funds being carried over.
- Legislation passed subsequent to budget adoption, changes necessitated by collective bargaining agreements, and increases in appropriations for significant unbudgeted costs.

Actual revenues were \$596,777, or 0.46% less than expected. Property tax collections and federal aids coming in under budget were key drivers in the variance.

Actual General Fund expenditures were \$947,091, or 0.77% less than budgeted. Regular instruction, special education instruction, and debt service payments were under budget. This was partially offset by sites and capital outlay costs being over budget.

While the District's final budget for the total General Fund anticipated that revenues and other financing sources would exceed expenditures by \$6,804,516, the actual results for the year show that revenues and other financing sources exceeded expenditures by \$7,154,830, a difference of \$350,314.

**OTHER MAJOR FUNDS**

The Food Service Fund revenue for 2022-2023 totaled \$5,327,031 and expenditures were \$5,242,979. The June 30, 2023, fund balance is \$3,641,126, an increase of \$84,052 from fiscal year 2022. Actual revenues were \$672,281 higher than budgeted due to additional federal aid received for the food service program. Actual expenditures were \$622,084 more than budgeted as a result of additional meals served. These variances resulted in the change in fund balance being \$50,197 higher than expected.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**OTHER MAJOR FUNDS (CONTINUED)**

The Community Service Fund revenue for 2022-2023 totaled \$8,559,595 and expenditures were \$8,004,141. The June 30, 2023 fund balance is \$2,271,534, an increase of \$555,454. Many of the accounts that make up the Community Service Fund are reported under specific reserve accounts.

**CAPITAL PROJECTS AND DEBT SERVICE FUNDS**

The Capital Projects Fund is where most of the District's revenues and expenditures for Long Term Facilities Maintenance and new construction are being tracked. Because of the age of its buildings and their total square footage, the District is eligible to levy for funds to finance specific projects to maintain the structural integrity of the buildings. These projects are submitted to the state Department of Education and must be approved prior to authorizing the levy. This fund is permitted to go into deficit to the extent of approved and anticipated revenues. Ending fund balance of the Capital Projects Fund at June 30, 2023 was \$11,468,962.

The Combined Debt Service Funds are comprised of a regular debt service account and an account for Other Postemployment Benefit Bonds. Combined Debt Service Funds expenditures exceeded revenues by \$1,560,640.

Revenues in the Regular Debt Service Fund Account are used to pay off the principal and interest of bonds issued in past years for building construction and improvements. The total fund balance of the regular debt service account at June 30, 2023 is \$782,376. The Other Postemployment Benefits Bond Fund records the expenditures and revenues related to repayment of the bonded debt issued to create the Other Postemployment Benefits Trust. The OPEB fund balance of \$200,484, combined with revenues generated by levies on future property taxes, will be used to pay the obligation on the debt as it comes due.

**INTERNAL SERVICE FUND**

The District changed to a self-insured plan for dental benefits for District employees effective July 1, 2011, and an Internal Service Fund was created to record related revenues and expenses. The plan is administered by a third party. In 2022-2023, expenses exceeded revenues by \$59,391. Total net position for the plan is now \$581,184 or 58% of total claims and expenses. The efficiency in the administration of this funding model and the positive claims experience has allowed the District to maintain the same monthly dental premium amount for six consecutive years.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

By the end of 2023, the District had invested almost \$314.5 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, administrative offices, and subscription based software (see Table A-7). (More detailed information about capital assets can be found in Note 4 to the financial statements.) Total net depreciation and amortization expense for the year was \$6,470,248.

**Table A-7  
Capital Assets**

	<u>2023</u>	<u>2022</u>	Percentage Change
Land	\$ 1,862,539	\$ 1,862,539	-
Construction in Progress	2,790,039	3,389,024	(17.7)
Land Improvements	14,757,293	14,250,733	3.6
Buildings and Improvements	285,800,807	287,300,656	(0.5)
Equipment	9,186,573	8,681,578	5.8
Subscription Based Information Technology Arrangements	85,420	-	N/A
Less: Accumulated Depreciation and Amortization	<u>(98,492,300)</u>	<u>(92,470,540)</u>	6.5
Total District Capital Assets	<u>\$ 215,990,371</u>	<u>\$ 223,013,990</u>	(3.1)

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

**Long-Term Liabilities**

At year-end, the District had \$165,395,000 in general obligation bonds outstanding – a decrease of \$6,925,000 from last year – as detailed in Note 5 to the financial statements. The District also had \$15,740,000 in certificates of participation outstanding related to the 2021A issuance as well as \$300,835 in total liabilities related to financed purchases, leases, and subscriptions payable. The District also had an estimated \$1,328,765 in vacation payable at June 30, 2023, an increase of \$63,132 from June 30, 2022. Other compensated absences totaled \$358,515 as of June 30, 2023, which is the amount estimated to be paid in severance to current employees in the future, an increase of \$13,502 from June 30, 2022.

**Table A-8  
Long-Term Liabilities**

	2023	2022	Percentage Change
General Obligation Bonds	\$ 165,395,000	\$ 172,320,000	(4.0)%
Net Bond Premium and Discount	12,881,378	14,682,096	(12.3)
Certificates of Participation Payable	15,740,000	16,600,000	(5.2)
Financed Purchases Payable	119,975	414,330	(71.0)
Leases Payable	148,782	216,374	(31.2)
Subscriptions Payable	32,078	-	N/A
Net Pension Liability	86,176,320	46,515,888	85.3
Vacation Payable	1,328,765	1,265,633	5.0
Other Compensated Absences Payable	358,515	344,995	3.9
Total Long-Term Liabilities	<u>\$ 282,180,813</u>	<u>\$ 252,359,316</u>	11.8
Long-Term Liabilities:			
Due Within One Year	\$ 8,549,130	\$ 8,216,421	
Due in More Than One Year	<u>273,631,683</u>	<u>244,142,895</u>	
Total	<u>\$ 282,180,813</u>	<u>\$ 252,359,316</u>	

**FACTORS BEARING ON THE DISTRICT'S FUTURE**

With the exception of voter-approved excess operating referendum, the District is dependent on the State of Minnesota for most of its revenue authority. School districts experienced many years without revenue increases which adequately met instructional program needs and increased costs due to inflation.

Thanks to the generous support of the Roseville Area Schools community, the District renewed an operating levy that was scheduled to sunset as of June 30, 2023. In addition, voters approved an additional operating levy increasing per pupil levy authority by an additional \$915 per pupil unit. These operating levies also have an annual inflationary factor built in. The added funds, over \$7,000,000 annually, will be used to decrease class sizes, increase social/emotional supports for our students, maintain academic programs, and allow the district to grow its fund balance and maintain financial stability.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**FACTORS BEARING ON THE DISTRICT'S FUTURE (CONTINUED)**

The ongoing demands on limited resources continue to present challenges in funding education for Minnesota schools. The Legislature added \$275, or 4.00%, per pupil to the basic general education funding formula for fiscal year 2024. The state currently passed legislation to increase the per-pupil funding formula by 2.00% for fiscal year 2025 with increases tied to inflation at a maximum of 3.00% in following years.

The COVID-19 pandemic has had some lingering impacts on family decisions regarding enrollment. Students choosing to enroll in other school districts, online schools, private school options, homeschool and charter schools has had an impact on the district and resulted in less revenue for the District.

The District will continue to seek all available sources of funding, respond to changes in enrollment, maintain systems that ensure financial stability, and adopt budgets that will allow the District to have adequate fund balance reserves in the various components of the General Fund Balance in the upcoming years.

The District completed work on an updated 10-year facilities plan in the spring of 2017. Goals of the plan are to provide the additional space required to accommodate increasing student enrollment, support the learning environment, safety and security needs, and initiatives for students, staff and community; address backlog of deferred maintenance in buildings; improve energy efficiency, and support strategic plan initiatives. The plan is being funded with a combination of a \$144 million GO Construction Bond approved by our taxpayers on November 7, 2017 and a planned \$12 million annual investment of Long-Term Facilities Maintenance funds over the next ten-year period.

During fiscal year 2023, construction was completed at Brimhall Elementary. The District also completed a pavement project during fiscal year 2023 at the Roseville Area Middle School. Construction on the Falcon Heights Elementary School improvements began during fiscal year 2023, along with the Roseville Area High School field turf project. Both projects are expected to be completed during fiscal year 2024.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our 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 Business Office, Independent School District 623, District Center, 1251 West County Road B-2, Roseville, Minnesota 55113.

**Bond Ratings**

The District's bonds presently carry a Moody's "A3" rating.

**Limitations on Debt**

The state limits the amount of general obligation debt the District can issue to 15% of the assessed value of all taxable property within the District's corporate limits. Our outstanding debt is significantly below this limit – which is currently \$1,086,413,355.

## **BASIC FINANCIAL STATEMENTS**

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 33,978,658
Cash with Fiscal Agent	4,570,029
Receivables:	
Property Taxes	25,538,089
Other Governments	16,537,623
Other	957,558
Prepaid Items	1,204,386
Inventories	124,069
Capital Assets:	
Land and Construction in Progress	4,652,578
Other Capital Assets, Net of Depreciation	211,337,793
Total Assets	298,900,783
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Losses on Debt Refunding	44,913
Deferred Outflows - Pension Related	25,650,378
Deferred Outflows - Other Postemployment Benefits Related	911,003
Total Deferred Outflows	26,606,294
<b>LIABILITIES</b>	
Salaries Payable	412,321
Accounts and Contracts Payable	5,645,908
Accrued Interest	2,806,151
Due to Other Governmental Units	1,547,683
Claims Payable	16,471
Unearned Revenue	303,445
Long-Term Liabilities:	
Net Pension Liability	86,176,320
Net Other Postemployment Benefits Liability	3,119,796
Portion Due Within One Year	8,549,130
Portion Due in More Than One Year	187,455,363
Total Liabilities	296,032,588
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes Levied for Subsequent Year	42,424,484
Gains on Debt Refunding	299,780
Deferred Inflows - Pension Related	16,321,275
Deferred Inflows - Other Postemployment Benefits Related	516,639
Total Deferred Inflows of Resources	59,562,178
<b>NET POSITION</b>	
Net Investment in Capital Assets	38,623,832
Restricted for:	
General Fund Operating Capital Purposes	369,119
Restricted for Student Activities	115,909
Restricted for Long-Term Facilities Maintenance	3,026,714
Food Service	3,508,162
Community Service	2,336,178
Capital Projects - Building Construction	8,050,229
Unrestricted	(86,117,832)
Total Net Position	\$ (30,087,689)

See accompanying Notes to Financial Statements.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

Functions	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Change in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>					
Administration	\$ 4,475,940	\$ -	\$ 9,571,444	\$ -	\$ 5,095,504
District Support Services	5,739,189	21,799	705,411	384,785.00	(4,627,194)
Regular Instruction	41,574,631	791,289	10,464,624	377,671.00	(29,941,047)
Vocational Education Instruction	1,728,657	-	-	-	(1,728,657)
Special Education Instruction	20,389,089	335,410	20,063,454	-	9,775
Instructional Support Services	9,721,651	25,431	-	119,128.00	(9,577,092)
Pupil Support Services	14,406,797	39,546	904,182	-	(13,463,069)
Sites and Buildings	13,633,906	-	501,622	9,856.00	(13,122,428)
Fiscal and Other Fixed Cost Programs	572,450	-	-	-	(572,450)
Food Service	5,070,713	1,246,602	4,088,060	-	263,949
Community Service	7,473,513	4,789,367	2,651,241	-	(32,905)
Interest and Fiscal Charges on Long-Term Liabilities	5,516,961	-	-	-	(5,516,961)
Total School District	<u>\$ 130,303,497</u>	<u>\$ 7,249,444</u>	<u>\$ 48,950,038</u>	<u>\$ 891,440</u>	<u>(73,212,575)</u>
<b>GENERAL REVENUES</b>					
Property Taxes Levied for:					
General Purposes					31,009,126
Community Service					1,103,399
Debt Service					13,952,424
Capital Projects					-
State Aid Not Restricted to Specific Purposes					53,135,342
Earnings on Investments					863,946
Miscellaneous					-
Total General Revenues					<u>100,064,237</u>
<b>CHANGE IN NET POSITION</b>					
					26,851,662
Net Position - Beginning of Year					(42,665,912)
Prior Period Restatement - See Note 14					<u>(14,273,439)</u>
Net Position - Beginning of Year, as Restated					<u>(56,939,351)</u>
<b>NET POSITION - END OF YEAR</b>					
					<u>\$ (30,087,689)</u>

See accompanying Notes to Financial Statements.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	Major Funds					Total	
	General	Food Service	Community Service	Capital Projects	Debt Service	Governmental Funds	
						2023	2022
<b>ASSETS</b>							
Cash and Investments	\$ 9,914,409	\$ 3,373,692	\$ 2,228,149	\$ 10,302,181	\$ 7,518,518	\$ 33,336,949	\$ 39,426,402
Cash with Fiscal Agent	-	-	-	4,570,029	-	4,570,029	5,274,589
Receivables:							
Current Property Taxes	16,264,323	-	605,472	-	7,524,595	24,394,390	24,486,569
Delinquent Property Taxes	764,423	-	27,973	-	351,303	1,143,699	228,136
Accounts and Interest Receivable	109,497	117,308	29,787	15,791	-	272,383	208,820
Due from Other Minnesota School Districts	18,405	23,072	583,169	-	-	624,646	758,038
Due from Minnesota Department of Education	8,710,862	5,829	115,571	-	8,253	8,840,515	7,623,651
Due from Federal through Minnesota Department of Education	6,087,313	131,729	166,641	-	-	6,385,683	10,165,149
Due from Other Governmental Units	620,224	-	66,555	-	-	686,779	920,160
Due from Other Funds	803,643	13,475	17,880	-	-	834,998	1,118,673
Inventory	-	124,069	-	-	-	124,069	84,491
Prepays	1,190,862	8,895	4,629	-	-	1,204,386	406,210
<b>Total Assets</b>	<b>\$ 44,483,961</b>	<b>\$ 3,798,069</b>	<b>\$ 3,845,826</b>	<b>\$ 14,888,001</b>	<b>\$ 15,402,669</b>	<b>\$ 82,418,526</b>	<b>\$ 90,700,888</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>							
<b>Liabilities:</b>							
Salaries and Compensated Absences Payable	\$ 310,551	\$ 16,702	\$ 84,743	\$ -	\$ -	\$ 411,996	\$ 467,033
Payroll Deductions and Employer Contributions Payable	-	62	263	-	-	325	53
Accounts and Contracts Payable	2,180,524	41,538	110,576	3,269,216	-	5,601,854	6,043,412
Due to Other Governmental Units	1,533,863	-	13,820	-	-	1,547,683	1,643,231
Due to Other Funds	-	-	-	149,823	-	149,823	319,029
Unearned Revenue	-	98,641	204,804	-	-	303,445	213,349
<b>Total Liabilities</b>	<b>4,024,938</b>	<b>156,943</b>	<b>414,206</b>	<b>3,419,039</b>	<b>-</b>	<b>8,015,126</b>	<b>8,686,107</b>
<b>Deferred Inflows of Resources:</b>							
Unavailable Revenue - Property Taxes Levied for Subsequent Year	27,208,999	-	1,133,220	-	14,082,265	42,424,484	42,370,231
Unavailable Revenue - Delinquent Property Taxes	734,713	-	26,866	-	337,544	1,099,123	228,136
<b>Total Deferred Inflows of Resources</b>	<b>27,943,712</b>	<b>-</b>	<b>1,160,086</b>	<b>-</b>	<b>14,419,809</b>	<b>43,523,607</b>	<b>42,598,367</b>
<b>Fund Balance:</b>							
<b>Nonspendable:</b>							
Inventory	-	124,069	-	-	-	124,069	84,491
Prepays	1,190,862	8,895	4,629	-	-	1,204,386	406,210
<b>Restricted for:</b>							
Student Activities	136,246	-	-	-	-	136,246	156,621
Operating Capital	370,619	-	-	-	-	370,619	778,506
Community Education	-	-	1,164,094	-	-	1,164,094	832,504
Early Childhood and Family Education	-	-	342,863	-	-	342,863	321,171
School Readiness	-	-	182,263	-	-	182,263	145,355
Adult Basic Education	-	-	620,092	-	-	620,092	411,233
Long Term Facilities Maintenance	908,794	-	-	2,117,920	-	3,026,714	14,059,737
Other Purposes	-	3,508,162	-	9,351,042	982,860	13,842,064	18,314,306
Assigned for Extracurricular Activities	679,910	-	-	-	-	679,910	620,504
Unassigned	9,228,880	-	(42,407)	-	-	9,186,473	3,285,776
<b>Total Fund Balance</b>	<b>12,515,311</b>	<b>3,641,126</b>	<b>2,271,534</b>	<b>11,468,962</b>	<b>982,860</b>	<b>30,879,793</b>	<b>39,416,414</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 44,483,961</b>	<b>\$ 3,798,069</b>	<b>\$ 3,845,826</b>	<b>\$ 14,888,001</b>	<b>\$ 15,402,669</b>	<b>\$ 82,418,526</b>	<b>\$ 90,700,888</b>

See accompanying Notes to Financial Statements.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

<b>Total Fund Balance for Governmental Funds</b>	<b>\$ 30,879,793</b>
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Land	1,862,539
Construction in Progress	2,790,039
Land Improvements, Net of Accumulated Depreciation	6,866,631
Buildings and Improvements, Net of Accumulated Depreciation	201,486,347
Equipment, Net of Accumulated Depreciation	2,791,784
Leased Equipment, Net of Accumulated Amortization	193,031
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the funds.	
	1,099,123
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	
	(2,806,151)
Deferred amounts on refundings are not current financial resources and, therefore, are not reported in the governmental funds.	
Gains on Debt Refunding	(299,780)
Losses on Debt Refunding	44,913
The District's net pension liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:	
Net Pension Liability	(86,176,320)
Deferred Outflows of Resources - Pensions	25,650,378
Deferred Inflows of Resources - Pensions	(16,321,275)
The District's net other postemployment benefits liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:	
Net Other Postemployment Benefits Liability	(3,119,796)
Deferred Outflows of Resources - Other Postemployment Benefits	911,003
Deferred Inflows of Resources - Other Postemployment Benefits	(516,639)
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year-end are:	
Bonds Payable	(165,395,000)
Unamortized Premiums	(12,881,378)
Certificates of Participation Payable	(15,740,000)
Financed Purchases Payable	(119,975)
Leases and Subscriptions Payable	(180,860)
Vacation Payable	(1,328,765)
Other Compensated Absences	(358,515)
Internal service funds are used by management to charge the costs of dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position at year-end is:	
	581,184
<b>Total Net Position of Governmental Activities</b>	<b>\$ (30,087,689)</b>

See accompanying Notes to Financial Statements.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	Major Funds					Total	
	General	Food Service	Community Service	Capital Projects	Debt Service	Governmental Funds	
						2023	2022
<b>REVENUES</b>							
Local Sources:							
Property Taxes	\$ 30,428,557	\$ -	\$ 1,082,775	\$ -	\$ 13,682,630	\$ 45,193,962	\$ 41,954,574
Earnings and Investments	433,667	-	-	430,279	-	863,946	31,186
Other	3,240,025	1,246,602	5,449,351	-	-	9,935,978	8,019,453
State Sources	83,532,204	201,471	1,179,343	-	70,324	84,983,342	81,666,804
Federal Sources	12,134,018	3,878,958	848,126	-	-	16,861,102	18,831,077
Total Revenues	<u>129,768,471</u>	<u>5,327,031</u>	<u>8,559,595</u>	<u>430,279</u>	<u>13,752,954</u>	<u>157,838,330</u>	<u>150,503,094</u>
<b>EXPENDITURES</b>							
Current:							
Administration	5,362,306	-	-	-	-	5,362,306	5,251,721
District Support Services	4,856,676	-	-	-	-	4,856,676	4,730,714
Elementary and Secondary Regular							
Instruction	46,776,118	-	-	-	-	46,776,118	45,539,379
Vocational Education Instruction	2,086,618	-	-	-	-	2,086,618	1,858,296
Special Education Instruction	24,552,863	-	-	-	-	24,552,863	23,576,557
Instructional Support Services	10,976,310	-	-	-	-	10,976,310	10,142,573
Pupil Support Services	14,753,727	-	-	-	-	14,753,727	12,060,245
Sites and Buildings	9,066,000	-	-	306,623	-	9,372,623	10,197,041
Fiscal and Other Fixed Cost Programs	572,450	-	-	-	-	572,450	647,713
Food Service	-	5,046,701	-	-	-	5,046,701	4,844,087
Community Service	-	-	7,948,510	-	-	7,948,510	7,383,968
Capital Outlay	3,142,823	194,552	53,006	14,934,527	-	18,324,908	14,596,958
Debt Service:							
Principal	455,843	1,251	2,079	-	7,785,000	8,244,173	10,662,852
Interest and Fiscal Charges	11,907	475	546	-	7,528,594	7,541,522	7,945,058
Total Expenditures	<u>122,613,641</u>	<u>5,242,979</u>	<u>8,004,141</u>	<u>15,241,150</u>	<u>15,313,594</u>	<u>166,415,505</u>	<u>159,437,162</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	7,154,830	84,052	555,454	(14,810,871)	(1,560,640)	(8,577,175)	(8,934,068)
<b>OTHER FINANCING SOURCES</b>							
Issuance of Bonds	-	-	-	-	-	-	15,675,000
Bond Premium	-	-	-	-	-	-	714,382
Financed Purchase Agreements	40,554	-	-	-	-	40,554	359,925
Total Other Financing Sources	<u>40,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,554</u>	<u>16,749,307</u>
<b>NET CHANGE IN FUND BALANCE</b>	7,195,384	84,052	555,454	(14,810,871)	(1,560,640)	(8,536,621)	7,815,239
<b>FUND BALANCES</b>							
Beginning of Year	<u>5,319,927</u>	<u>3,557,074</u>	<u>1,716,080</u>	<u>26,279,833</u>	<u>2,543,500</u>	<u>39,416,414</u>	<u>31,601,175</u>
End of Year	<u>\$ 12,515,311</u>	<u>\$ 3,641,126</u>	<u>\$ 2,271,534</u>	<u>\$ 11,468,962</u>	<u>\$ 982,860</u>	<u>\$ 30,879,793</u>	<u>\$ 39,416,414</u>

See accompanying Notes to Financial Statements.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

**Net Change in Fund Balance - Total Governmental Funds** \$ (8,536,621)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation and amortization expense. The amount by which capital outlays exceeded depreciation and amortization in the current period is:

Capital Outlays	13,634,648
Depreciation/Amortization Expense	(6,470,248)

Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds.	870,987
--	---------

Some capital asset additions are right-to-use assets through long-term leases. In governmental funds, a long-term lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability. Repayment of lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the statement of net position.

Repayment of Lease Liability	108,146
Repayment of Subscription Liability	53,342

Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expenses on the statement of activities are measured by the change in net pension liability and the related deferred inflows and outflows of resources.	18,316,556
---	------------

Other postemployment benefit (OPEB) expenditures in the governmental funds are measured by current year employer contributions. OPEB expenses on the statement of activities are measured by the change in the net OPEB liability and the related deferred inflows and outflows of resources.	(1,055,797)
---	-------------

In the statement of activities, certain operating expenses - severance benefits and compensated absences - are measured by amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid).	(76,652)
---	----------

The governmental funds report debt issuances as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Financed Purchases Issued	(40,554)
Repayment of Bond Principal	6,925,000
Repayment of Certificates of Participation Payable	860,000
Repayment of Financed Purchases	294,355
Change in Accrued Interest	73,792
Amortization of Bond Premium	1,800,718
Amortization of Deferred Gains on Refunding	161,425
Amortization of Deferred Losses on Refunding	(8,044)

Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The net revenue of the internal service funds is reported with governmental activities.	(59,391)
---	----------

Total	\$ 26,851,662
-------	---------------

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
STATEMENT OF NET POSITION  
INTERNAL SERVICE FUND  
PROPRIETARY FUND  
JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	Governmental Activities Internal Service Funds	
	2023	2022
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 641,709	\$ 710,384
<b>LIABILITIES</b>		
Accounts Payable	44,054	50,047
Claims Payable - Medical	16,471	19,762
Total Liabilities	60,525	69,809
<b>NET POSITION</b>		
Unrestricted	581,184	640,575
Total Net Position	\$ 581,184	\$ 640,575

See accompanying Notes to Financial Statements.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUND  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	Governmental Activities Internal Service Funds	
	2023	2022
<b>OPERATING REVENUES</b>		
Charges for Services:		
Dental Insurance Premiums	\$ 940,251	\$ 972,294
<b>OPERATING EXPENSES</b>		
Dental Insurance Claim Payment	949,380	885,910
General Administrative Fees	50,262	49,364
Total Operating Expenses	999,642	935,274
<b>CHANGE IN NET POSITION</b>	(59,391)	37,020
Net Position - Beginning of Year	640,575	603,555
<b>NET POSITION - END OF YEAR</b>	\$ 581,184	\$ 640,575

See accompanying Notes to Financial Statements.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUND  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	Governmental Activities Internal Service Funds	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Interfund Services Provided	\$ 940,251	\$ 972,294
Payments for Administrative Costs	(56,255)	(68,428)
Payments for Claims	(952,671)	(884,864)
Net Cash Provided (Used) by Operating Activities	(68,675)	19,002
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(68,675)	19,002
Cash and Cash Equivalents - Beginning of Year	710,384	691,382
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 641,709	\$ 710,384
<b>RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Change in Net Position	\$ (59,391)	\$ 37,020
Adjustments to Reconcile Change in Net Position to Net Cash Provided (Used) by Operating Activities:		
Increase (Decrease) in Accounts Payable	(5,993)	(19,064)
Increase (Decrease) in Claims Payable	(3,291)	1,046
Total Adjustments	(9,284)	(18,018)
Net Cash Provided (Used) by Operating Activities	\$ (68,675)	\$ 19,002

See accompanying Notes to Financial Statements.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
STATEMENT OF NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2023**

	Other Postemployment Benefit Trust	Custodial Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ -	\$ 1,018,911
State Board of Investment - Bond Fund	6,158,157	-
Interest Receivable	18,132	-
Due from Other Governments	-	254,704
Total Assets	6,176,289	1,273,615
<b>LIABILITIES</b>		
Accounts and Contracts Payable	-	106,382
Salaries and Compensated Absences Payable	-	376
Due to Other Funds	685,175	-
Due to Other MN School Districts	-	3,506
Due to Other Governments	-	149,072
Total Liabilities	685,175	259,336
<b>NET POSITION</b>		
Restricted for Local Collaborative Time Study	-	1,014,279
Restricted for OPEB/Other Purposes	5,491,114	-
Total Net Position	\$ 5,491,114	\$ 1,014,279

See accompanying Notes to Financial Statements.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUND  
YEAR ENDED JUNE 30, 2023**

	Other Postemployment Benefit Trust	Custodial Fund
<b>ADDITIONS</b>		
Investment Income	\$ (99,069)	\$ -
Contributions	-	851,658
Total Additions	(99,069)	851,658
<b>DEDUCTIONS</b>		
Salaries	-	1,274
Benefits Paid to Participants or Beneficiaries	685,175	201
Purchased Services	-	1,149,602
Supplies and Materials	-	5,054
Total Deductions	685,175	1,156,131
<b>CHANGE IN NET POSITION</b>	(784,244)	(304,473)
Net Position - Beginning of Year	6,275,358	1,318,752
<b>NET POSITION - END OF YEAR</b>	\$ 5,491,114	\$ 1,014,279

See accompanying Notes to Financial Statements.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The financial statements of Independent School District No. 623 (the District) 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.

This financial report has been prepared in conformity with GASB Statement No. 34.

**B. Financial Reporting Entity**

The District is an instrumentality of the state of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

Accounting principles generally accepted in the United States of America (GAAP) require that the District's financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separated from the District. In addition, the District's financial statements are to include all component units - entities for which the District is financially accountable.

Financial accountability includes such aspects as appointing a voting majority of the organization's governing body, significantly influencing the programs, projects, activities, or level of services performed or provided by the organization or receiving specific financial benefits from, or imposing specific financial burden on, the organization. As the District has assumed obligations to contribute to the OPEB Trust, a financial burden exists and the OPEB Trust is considered a component unit of the District. The Trust Fund is also engaged in a fiduciary activity of the District; therefore, the Trust Fund is considered a fiduciary component unit and is being reported in the District's fiduciary fund financial statements.

Student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside school hours. The School Board does have a fiduciary responsibility in establishing broad policies and ensuring that appropriate financial records are maintained for student activities. In accordance with Minnesota state statutes, the District's student activity accounts are included in these financial statements in the District's General Fund.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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, except for the fiduciary funds. The Fiduciary Funds are only reported in the statements of Fiduciary Net Position at the fund financial statement level.

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 purpose for which both restricted and unrestricted net position are available. Depreciation and amortization expense that can be specifically identified by function is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. Generally, the effect of material interfund activity has been removed from the District-wide financial statements.

Separate fund financial statements are provided for governmental and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the District-wide statements.

The Internal Service Fund is presented in the proprietary fund financial statements. Because the principal user of the internal services are the District's governmental activities, the financial statement of the internal service fund are consolidated into the governmental activities column when presented in the government-wide financial statements. The costs of these services are reported in the appropriate functional activity.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting**

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

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

**1. Revenue Recognition**

Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as 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 as long as the school also receives the payment within 6 months of year-end. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.

**2. Recording of Expenditures**

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

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Measurement Focus and Basis of Accounting (Continued)

**Description of Funds**

The existence of the various District funds has been established by the state of Minnesota, Department of Education. The accounts of the district are organized on the basis of funds, each of which is considered a separate accounting entity. A description of the funds included in this report is as follows:

*Major Governmental Funds*

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the district, as well as the capital related activities such as maintenance of facilities equipment purchases, health and safety projects, and disabled accessibility projects.

Food Service Special Revenue Fund

The Food Service Fund is used to account for food service revenues and expenditures. Revenues for the Food Service Fund are generated from user fees, federal reimbursements, and state aids.

Community Service Special Revenue Fund

The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs, K-6 extended day programs or other similar services. Revenues for the Community Service Fund are generated primarily from user fees, local property taxes and state aids.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term obligation bond principal, interest, and related costs.

*Proprietary Funds*

Internal Service Fund

The Internal Service Fund is established to account for the District's self-insured dental insurance plan for its employees.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Measurement Focus and Basis of Accounting (Continued)

**Description of Funds (Continued)**

*Fiduciary Funds*

Other Postemployment Benefit Trust

The Other Postemployment Benefit Trust Fund is used to account for resources set aside and held in an irrevocable trust arrangement for postemployment benefits.

Custodial Fund

The Custodial Fund is established to account for cash and other assets held by the District as the agent for others. This fund is used to account for a local collaborative time study grant.

E. Budgeting

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. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, Capital Projects, and Debt Service Funds. The approved budget is published in summary form in the District's legal newspaper. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board.

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E. Budgeting (Continued)

Budget amounts include mid-year budget amendments as follows:

	Original Budget	Amendments	Amended Budget
<b>REVENUES</b>			
General Fund	\$ 125,964,648	\$ 4,400,600	\$ 130,365,248
Special Revenue Fund:			
Food Service Fund	4,525,113	129,637	4,654,750
Community Service Fund	8,129,981	489,162	8,619,143
Capital Projects Fund	30,000	-	30,000
Debt Service Fund	12,764,581	1,214,245	13,978,826
<b>EXPENDITURES</b>			
General Fund	120,099,751	3,460,981	123,560,732
Special Revenue Funds:			
Food Service Fund	4,491,258	129,637	4,620,895
Community Service Fund	7,883,901	416,772	8,300,673
Capital Projects Fund	12,050,000	-	12,050,000
Debt Service Fund	10,651,858	1,181,663	11,833,521

Budget provisions for the Debt Service Fund are set by state law governing required debt service levels.

At the end of each fiscal year, if the General Fund has a net unassigned deficit fund balance, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts which excludes certain restricted balances specified in Minnesota Statutes, exceeding 2.5% of expenditures, a condition referred to as "statutory operating debt" exists. That debt requires retirement through the accumulation of subsequent operating surpluses in accordance with a "special operating plan" approved by the Commissioner of the Department of Education.

F. Cash and Investments

Cash balances from all funds are combined and invested to the extent available in various securities as authorized by Minnesota Statutes. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

Investments are stated at their fair value as determined by quoted market prices, except for money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

G. Accounts Receivable

Represents amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary.

H. Inventories

Inventories are recorded using the consumption method of accounting and consist of purchased paper supplies, 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, and surplus commodities are stated at standardized cost, as determined by the Department of Agriculture.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Expense is allocated over the periods benefitted.

J. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items in this category, one related to pensions (see Note 7 for details), one related to other postemployment benefits (see Note 8 for details), and one related to deferred losses on debt refunding.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has five types of deferred inflows, two of which are related to revenue recognition. The first is property taxes levied for subsequent year. As an imposed nonexchange revenue transaction, property taxes received or reported as a receivable before the period for which the property taxes are levied are reported as a deferred inflow of resources in the government-wide financial statements and in the governmental fund financial statements. The second type of deferred inflow of resources is delinquent property taxes. Governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's year-end) under the modified accrual basis of accounting. Delinquent taxes not collected within 60 days after the District's year-end are considered unavailable and reported as a deferred inflow of resources in the governmental fund financial statements. The third type of deferred inflow is for deferred gains on debt refunding, which is being amortized over the life of the bonds. The fourth type of deferred inflow is related to pensions (see Note 7 for details) and the fifth type is related to other postemployment benefits (see Note 8 for details).

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Property Taxes**

Property tax levies are established by the School Board in December each year and are certified to the County for collection the following calendar year. In Minnesota, counties act as collection agents for all property taxes and are responsible for spreading all levies over taxable property. Such taxes become a lien on January 1. Taxes are generally due on May 15 and October 15 and counties generally remit taxes to Districts at periodic intervals as they are collected. A portion of property taxes levied is paid through state credits which are included in revenue from state sources in the financial statements.

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 a deferred inflow of resources (property taxes levied for subsequent year). The majority of District revenue in the General Fund (and to a lesser extent in the District's Community Service Special Revenue Fund) is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between taxes and state aids by the Legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift".

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is deferred because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material. Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the state which will be recognized as revenue in the next fiscal year beginning July 1, 2023, are included in Property Taxes Levied for Subsequent Year to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

**L. 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. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

L. Capital Assets (Continued)

Capital assets are recorded in the government-wide financial statement but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

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

The District does not possess any material amounts of infrastructure capital assets. Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.

M. Leases

The District determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

Lease assets represent the District's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the District will exercise that option.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

N. Long-Term Obligations

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

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.

O. Pensions

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

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

PERA has a special funding situation created by direct aid contributions made by the state of Minnesota for the merger of the Minnesota Employees Retirement Fund into GERS in fiscal year 2015.

P. Accrued Employee Benefits

Vacation Pay

The District's 12-month employees are entitled to annual vacations. These benefits are reported as liabilities in the government-wide financial statements and as expenditures when taken in the fund financial statements.

Sick Pay

Substantially all district employees are entitled to sick leave at various rates. For certain employees, unused sick leave is a factor in the calculation of an employee's severance pay upon retirement.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

P. Accrued Employee Benefits (Continued)

Severance and Health Benefits

Severance and health benefits consist of lump sum early retirement incentive payments and postemployment health care benefits. Accounting policies for severance and health benefits are described below.

**1. Early Retirement Incentive and Convertible Sick Leave**

The District maintains various early retirement incentive payment plans for its employee groups. Each employee group plan contains benefit formulas based on years of service and/or minimum age requirements. No employee can receive early retirement incentive payments exceeding one year's salary. For substantially all employees, early retirement incentive benefits are eliminated if employment with the District occurred subsequent to July 1, 1994. In addition, certain bargaining unit members are eligible to be compensated for unused accumulated sick leave upon termination subject to certain conditions. If retirement occurs by year-end, the related benefits are included with salaries and other compensated absences as a current liability. See Note 5 for further information.

**2. Postemployment Health Care Benefits**

Under the terms of certain collectively bargained employment contracts, including the teachers' and administrators' contracts, the District is required to pay the health and dental insurance premiums for retired employees until they reach specified age requirements such as Medicare eligibility. These plans are no longer available to employees hired subsequent to July 1, 1994. The long-term portion of the postemployment health care benefits liability is included as Other Postemployment Benefits of long-term debt. See Note 8 for further information.

Q. Fund Balance

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

*Nonspendable* – portions of fund balance related to prepaids, inventories, long-term receivables, and corpus on any permanent fund.

*Restricted* – funds are constrained from outside parties (statute, grantors, bond agreements, etc.).

*Committed* – funds are established and modified by a resolution approved by the Board of Education.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Q. Fund Balance (Continued)

*Assigned* – consists of internally imposed constraints. The Board of Education passed a resolution authorizing the Superintendent or the Superintendent’s designee to assign fund balances and its intended uses.

*Unassigned* – is the residual classification for the general fund and also reflects negative residual amounts in other funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District’s policy to use restricted first, then unrestricted fund balance.

When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the District’s policy to use committed first, then assigned, and finally unassigned amounts.

The District formally adopted a fund balance policy for the General Fund. The policy established a year-end target unassigned fund balance of 3% of the annual budget.

R. 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. The District is self-insured for dental benefits. See Note 12 for details.

S. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the government-wide, proprietary fund, and fiduciary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position are reported as restricted in the District-wide financial statement when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws or regulations of other governments. Any residual net position/(deficit) is reported as unrestricted.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

T. Adoption of New Accounting Standard

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard requires the recognition of certain right-to-use subscription assets and corresponding subscription liabilities for certain subscription-based information technology arrangements (SBITAs). It establishes a model for SBITA accounting based on the foundational principle that the arrangements are financings of the right to use an underlying intangible asset.

**NOTE 2 STEWARDSHIP AND ACCOUNTABILITY**

**Excess of Expenditures Over Budget**

Expenditures exceeded budgeted amounts in the following funds at June 30, 2023:

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Special Revenue Fund:			
Food Service Fund	\$ 4,620,895	\$ 5,242,979	\$ 622,084
Capital Projects Fund	12,050,000	15,241,150	3,191,150
Debt Service Fund	11,833,521	15,313,594	3,480,073

Food Service expenditures exceeded budgeted amounts due to more students participating in the food service program than had been anticipated, resulting in the need to purchase more food and supplies. Capital Projects Fund expenditures exceeded budgeted amounts due to the Falcon Heights and Brimhall Elementary School Projects incurring more costs than budgeted for. Debt Service Fund expenditures exceeded budgeted amounts as the District only budgeted for certain debt issuances.

**NOTE 3 DEPOSITS AND INVESTMENTS**

A. Deposits

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and the balance sheet as "Cash and Investments." In accordance with Minnesota Statutes, the District maintains deposits at financial institutions which are authorized by the School District's Board.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

A. Deposits (Continued)

*Custodial Credit Risk* – Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District’s deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated “A” or better; revenue obligations of a state or local government rated “AA” or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository.

The bank balance and carrying value of the District’s deposits in banks at June 30, 2023 is \$15,438,522 and \$13,269,121, respectively, and were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

B. Investments

The District may also invest idle funds as authorized by Minnesota Statutes as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less
- General obligations rated “A” or better; revenue obligations rated “AA” or better
- General obligations of the Minnesota Housing Finance Agency rate “A” or better
- Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by United States banks, corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

B. Investments (Continued)

- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories
- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers

In addition, investments held in the Other Postemployment Benefits Irrevocable Trust Fund may be invested as authorized by Minnesota State Statute 356A.06, Subdivision 7.

At June 30, 2023, the District had the following investments:

	Fair Value
MN State Board of Investments Internal Fixed Pool	\$ 6,161,345
	Amortized Cost
U.S. Treasuries with Maturities at Purchase of Less Than 1 Year	\$ 1,006,862
MSDLAF+ Liquid Class	18,454,553
MSDLAF+ MAX Class	1,057,621
Money Market Mutual Funds	5,776,253
Total Investments at Amortized Cost	\$ 26,295,289

MSDLAF’s investments are restricted to securities described in Minnesota Statutes §118.04. MSDLAF’s Term Series portfolios are separate portfolios with a fixed investment term and a designated maturity. A Term Series portfolio consists of investments in certificates of deposit, obligations of the U.S. Government, its agencies and instrumentalities, and municipal obligations. These investments are reported at amortized cost.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

B. Investments (Continued)

The District has established an Other Postemployment Benefits Irrevocable Trust Fund, which is administered by PERA, in accordance with Minnesota Statute 471.6175. In accordance with this statute, funds must be invested with the State Board of Investments (SBI). The District's trust funds are invested in an external investment pool comprised of fixed income securities. The average years to maturity for this investment pool is less than one year. The SBI investments are unrated. The fair value of the position in the pool is the same as the value of pool shares.

***Custodial Credit Risk***

For an investment, custodial risk is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

***Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

***Concentration of Credit Risk***

The District places no limit on the amount that the District may invest in any one issuer. The District does not currently have any investments with issuers that individually comprise more than 5% of the District's investments.

The following table shows the distribution of the District's investments by maturity as well as ratings:

Type	Total	12 Months or Less	13 to 60 Months	More Than 60 Months	Rating
US Treasury Note	\$ 1,006,862	\$ 1,006,862	\$ -	\$ -	N/A
MN SBI Internal Fixed Pool	6,161,345	6,161,345	-	-	Not Rates
MSDLAF+ Liquid Class	18,454,553	18,454,553	-	-	AAAm
MSDLAF+ MAX Class	1,057,621	1,057,621	-	-	Not Rated
Money Market Mutual Fund	5,776,253	5,776,253	-	-	AAA
Total	<u>\$ 32,456,634</u>	<u>\$ 32,456,634</u>	<u>\$ -</u>	<u>\$ -</u>	

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

Cash and Investments - Statement of Net Position	\$ 33,978,658
Cash and Investments Held by Trustee - Statement of Net Position	4,570,029
Cash and Investments - Statement of Fiduciary Net Position	6,158,157
Total Cash and Investments	<u>\$ 44,706,844</u>

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

C. Fair Value Measurements

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The District follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

*Level 2* – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

*Level 3* – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset.

Assets measured at fair valued on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
MN SBI Internal Fixed Pool	\$ 6,161,345	\$ -	\$ -	\$ 6,161,345

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 CAPITAL ASSETS**

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

	Balance, as Restated	Increases	Decreases	Reclassifications	Ending Balance
<b>Governmental Activities</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,862,539	\$ -	\$ -	\$ -	\$ 1,862,539
Construction in Progress	3,389,024	12,288,624	(12,887,609)	-	2,790,039
Total Capital Assets, Not Being Depreciated	5,251,563	12,288,624	(12,887,609)	-	4,652,578
Capital Assets, Being Depreciated:					
Land Improvements	14,250,733	506,560	-	-	14,757,293
Buildings and Improvements	272,585,766	13,211,146	-	3,895	285,800,807
Equipment	8,366,707	475,373	-	(3,895)	8,838,185
Total Capital Assets, Being Depreciated	295,203,206	14,193,079	-	-	309,396,285
Right-to-Use Assets, Being Amortized:					
Equipment	314,871	40,554	(7,037)	-	348,388
Subscription Based Information Technology Arrangements	85,420	-	-	-	85,420
Total Right-to-Use Assets, Being Amortized	400,291	40,554	(7,037)	-	433,808
Accumulated Depreciation for:					
Land Improvements	(7,356,924)	(533,738)	-	-	(7,890,662)
Buildings and Improvements	(79,146,756)	(5,167,704)	-	-	(84,314,460)
Equipment	(5,420,097)	(626,304)	-	-	(6,046,401)
Total Accumulated Depreciation	(91,923,777)	(6,327,746)	-	-	(98,251,523)
Accumulated Amortization for:					
Equipment	(105,312)	(106,953)	7,037	-	(205,228)
Subscription Based Information Technology Arrangements	-	(35,549)	-	-	(35,549)
Total Accumulated Amortization	(105,312)	(142,502)	7,037	-	(240,777)
Total Accumulated Depreciation/Amortization	(92,029,089)	(6,470,248)	7,037	-	(98,492,300)
Total Capital Assets, Being Depreciated or Amortized, Net	203,488,988	7,870,338	(7,037)	-	211,337,793
Governmental Activities Capital Assets, Net	<u>\$ 208,740,551</u>	<u>\$ 20,158,962</u>	<u>\$ (12,894,646)</u>	<u>\$ -</u>	<u>\$ 215,990,371</u>

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

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

**Governmental Activities**

Administration	\$ 865
District Support Services	289,258
Regular Instruction	5,937,942
Vocational Education Instruction	937
Special Education Instruction	1,001
Instructional Support Services	46,049
Sites and Buildings	132,182
Food Service	46,223
Community Service	15,791
Total Depreciation/Amortization Expense Governmental Activities	<u>\$ 6,470,248</u>

**NOTE 5 LONG-TERM LIABILITIES**

**A. Components of Long-Term Debt**

Issue Date	Net Interest Rate	Series Number	Original Issue	Final Maturity	Principal Outstanding	
					Due Within One Year	Total
General Obligation Bonds:						
10/5/2017	1.30-3.125%	2017A	\$ 18,420,000	2/1/2029	\$ 1,245,000	\$ 15,935,000
12/28/2017	4.00%	2017B	9,995,000	2/1/2032	-	9,995,000
2/1/2018	4.00-5.00%	2018A	130,045,000	2/1/2038	4,355,000	115,160,000
11/6/2019	5.00%	2019A	6,610,000	2/1/2025	1,035,000	1,540,000
4/23/2020	2.00-4.00%	2020A	8,185,000	2/1/2040	165,000	7,675,000
11/10/2021	5.00%	2021B	2,425,000	2/1/2026	600,000	1,870,000
4/13/2022	3.125%-4.0%	2022A	13,250,000	2/1/2040	-	13,220,000
Total General Obligation Bonds					7,400,000	165,395,000
Certificates of Participation:						
3/9/2021	3.00-5.00%	2021A	17,510,000	4/1/2036	905,000	15,740,000
Bond Premiums					-	12,881,378
Financed Purchases Payable					119,975	119,975
Leases Payable					78,027	148,782
Subscriptions Payable					32,078	32,078
Accrued Vacation					-	1,328,765
Other Compensated Absences Payable					14,050	358,515
Total					<u>\$ 8,549,130</u>	<u>\$ 196,004,493</u>

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 LONG-TERM LIABILITIES (CONTINUED)**

**B. Minimum Debt Payments**

Minimum annual principal and interest payments required to retire long-term debt, not including severance, health benefits payable, or other compensated absences, are as follows:

Year Ending June 30,	General Obligation Bonds Payable		Certificates of Participation Payable		Financed Purchases Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 7,400,000	\$ 6,575,793	\$ 905,000	\$ 645,700	\$ 119,975	\$ -
2025	7,415,000	6,238,568	950,000	600,450	-	-
2026	8,920,000	5,906,668	1,000,000	552,950	-	-
2027	9,650,000	5,519,118	1,050,000	502,950	-	-
2028	10,120,000	5,127,918	1,100,000	450,450	-	-
2029-2033	52,085,000	19,008,588	6,350,000	1,409,000	-	-
2034-2038	59,945,000	8,786,838	4,385,000	265,650	-	-
2039-2040	9,860,000	405,255	-	-	-	-
Total	<u>\$ 165,395,000</u>	<u>\$ 57,568,746</u>	<u>\$ 15,740,000</u>	<u>\$ 4,427,150</u>	<u>\$ 119,975</u>	<u>\$ -</u>

Year Ending June 30,	Leases Payable		Subscriptions Payable	
	Principal	Interest	Principal	Interest
2024	\$ 78,027	\$ 5,315	\$ 32,078	\$ -
2025	48,672	2,339	-	-
2026	8,696	1,465	-	-
2027	9,200	715	-	-
2028	4,187	120	-	-
Total	<u>\$ 148,782</u>	<u>\$ 9,954</u>	<u>\$ 32,078</u>	<u>\$ -</u>

**C. Description of Long-Term Debt**

General Obligation School Building Bonds

These bonds were issued to finance acquisition, construction, and/or improvement of capital facilities or to refinance (refund) previous bond issues. Assets of the Debt Service Fund, together with scheduled future ad valorem tax levies, are dedicated for the retirement of these bonds. The annual future debt service levies authorized are equal to 105% of the principal and interest due each year. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

On February 1, 2018, the District issued \$130,045,000 of General Obligation School Building Bonds, Series 2018A with interest rates ranging between 4.00% and 5.00%. The proceeds were used to finance the acquisition and betterment of school sites and facilities, as authorized in a referendum on November 7, 2017.

On April 23, 2020, the District issued \$8,185,000 of General Obligation Facilities Maintenance Bonds, Series 2020A with interest rates ranging between 2.00% and 4.00%. The proceeds were used to finance deferred maintenance projects included in the ten-year facility plan of the District.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 LONG-TERM LIABILITIES (CONTINUED)**

C. Description of Long-Term Debt (Continued)

General Obligation Taxable OPEB Bonds

These bonds were issued for funding actuarial liabilities to pay other postemployment benefits. Assets of the OPEB Debt Service Fund, together with scheduled future ad valorem tax levies, are dedicated for the retirement of these bonds. The annual future debt service levies authorized are equal to 105% of the principal and interest due each year. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

On October 5, 2017, the District issued \$18,420,000 of General Obligation Taxable OPEB Refunding Bonds, Series 2017A with interest rates ranging between 1.300% and 3.125%. The District issued the bonds to refund, in advance of their stated maturities, \$16,790,000 of the outstanding series 2009A General Obligation Taxable OPEB Bonds. The proceeds were used to call, in advance of their maturity, the remaining outstanding maturities of the 2009A bonds on their call date of February 1, 2019.

General Obligation Refunding Bonds

On November 6, 2019, the District issued \$6,610,000 of General Obligation School Building Refunding Bonds, Series 2019A. A total of \$7,195,000 of the proceeds was used to refund, in advance of their stated maturities, the remaining outstanding maturities of the District's Series 2010B General Obligation School Building Refunding Bonds.

On November 10, 2021, the District issued \$2,425,000 of General Obligation School Building Refunding Bonds, Series 2021B. The proceeds were used on February 1, 2022 to call and redeem the remaining balance of the District's 2013B bonds.

General Obligation Facilities Maintenance Bonds

On December 28, 2017, the District issued \$9,995,000 of General Obligation Facilities Maintenance Bonds, Series 2017B, bearing interest at a rate of 4.00%. The proceeds of this issuance were used to finance a portion of the costs of deferred maintenance and health and safety projects included in the District's 10-year facility plan approved by the Commissioner of Education.

On April 14, 2022, the District issued 13,250,000 of General Obligation Facilities Maintenance Bonds, Series 2022A, bearing interest rates of 3.125% to 4.000%. The proceeds of this issuance were used to finance deferred maintenance projects at school district facilities included in the District's 10-year facility plan approved by the Commissioner of Education.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 LONG-TERM LIABILITIES (CONTINUED)**

C. Description of Long-Term Debt (Continued)

Certificates of Participation

On March 9, 2021, the District issued \$17,510,000 of Certificates of Participation, Series 2021A, bearing interest at a rate of 4.00%. The proceeds of the issuance were used to finance a portion of the costs of the Fairview Community Center facility replacement and related site costs.

Leases and Subscriptions Payable

The District leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2026 and contain discount rates ranging from 3.95% to 18.20%. The right-to-use lease assets and related accumulated amortization are detailed in Note 3.

The District has also entered into certain Subscription Based Information Technology Arrangements (SBITAs) for the use of various software. The SBITAs expire at various dates through 2028 and all utilized the discount rate of 8.5%. The SBITA assets and related accumulated amortization are detailed in Note 3.

Severance and Other Compensated Absences Benefits Payable

Severance and other compensated absences benefits payable consist of early retirement incentive payments, administrator experience benefits, and other accrued benefit liabilities.

D. Changes in Long-Term Debt

	Beginning Balance	Additions	Retirements	Ending Balance
Bonds Payable	\$ 172,320,000	\$ -	\$ 6,925,000	\$ 165,395,000
Certificates of Participation	16,600,000	-	860,000	15,740,000
Premiums	14,682,096	-	1,800,718	12,881,378
Financed Purchases Payable	414,330	-	294,355	119,975
Leases Payable	216,374	40,554	108,146	148,782
Subscriptions Payable	85,420	-	53,342	32,078
Vacation Payable	1,265,633	63,132	-	1,328,765
Other Compensated Absences	344,995	13,520	-	358,515
Total	<u>\$ 205,928,848</u>	<u>\$ 117,206</u>	<u>\$ 10,041,561</u>	<u>\$ 196,004,493</u>

\* The beginning balance of the subscription payable was revised to record the liability due to the implementation of GASB Statement No. 96.

Governmental compensated absences and retirement benefits are typically liquidated (paid) by the operating funds.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 FUND BALANCES**

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties. A description of deficit balance restrictions is included herein since the District has specific statutory authority to levy taxes for such deficits.

Restricted fund balances at June 30, 2023 are as follows:

- a. Restricted for Student Activities – This fund balance represents the resources available for the extracurricular activity funds raised by students.
- b. Restricted for Operating Capital - The District levies taxes and receives state aid to be used for the purchase of equipment or facilities. The cumulative excess of such revenues over equipment and facilities expenditures is reported as a reservation of fund balance in the General Fund.
- c. Restricted for Community Education Programs - The fund balance restriction represents accumulated resources available to provide general community education programming.
- d. Restricted for Early Childhood and Family Education Programs - This fund balance restricted represents accumulated resources available to provide services for early childhood and family education programming.
- e. Restricted for School Readiness - This fund balance restriction represents accumulated resources available to provide school readiness programming in accordance with funding made available for that purpose.
- f. Restricted for Adult Basic Education - This fund balance restriction represents the balance of carryover monies for all activity involving Adult Basic Education.
- g. Restricted for Long Term Facilities Maintenance - Represents resources available to be used for long-term facilities maintenance projects in accordance with the District's 10-year plan.
- h. Restricted for Other Purposes - This fund balance represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 DEFINED BENEFIT PENSION PLANS**

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. 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) and Teachers Retirement Fund (TRA). PERA's and TRA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 253 and 356. PERA's and TRA's defined benefit pension plans are tax-qualified plans under Section 401(a) of the Internal Revenue Code.

**1. 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.

**2. Teachers Retirement Fund (TRA)**

The Teacher's Retirement Association (TRA) is an administrator of a multiple-employer, cost-sharing, defined benefit retirement fund. TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 356 and 356. TRA is a separate statutory entity and administered by a Board of Trustees. The Board consists of four active members, one retired member, and three statutory officials.

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those employed by St. Paul schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect either TRA coverage or coverage through the Defined Contribution Plan (DCR) administered by Minnesota State.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 DEFINED BENEFITS PENSION PLANS (CONTINUED)**

**B. Benefits Provided**

PERA and TRA provide 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.

**1. General Employees Plan Benefits**

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% of average salary for each of the first 10 years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% of average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

**2. TRA Benefits**

TRA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by Minnesota Statute and vest after three years of service credit. The defined retirement benefits are based on a member's highest average salary for any five consecutive years of allowable service, age, and a formula multiplier based on years of credit at termination of service.

Two methods are used to compute benefits for TRA's Coordinated and Basic Plan members. Members first employed before July 1, 1989, receive the greater of the Tier I or Tier II benefits as described.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 DEFINED BENEFITS PENSION PLANS (CONTINUED)**

B. Benefits Provided (Continued)

**2. TRA Benefits (Continued)**

*Tier 1 Benefits*

Tier 1	Step Rate Formula	Percentage
Basic	First Ten Years of Service	2.2% per Year
	All Years After	2.7% per Year
Coordinated	First Ten Years if Service Years Are up to July 1, 2006	1.2% per Year
	First Ten Years if Service Years Are July 1, 2006 or After	1.4% per Year
	All Other Years of Service if Service Years Are up to July 1, 2006	1.7% per Year
	All Other Years of Service if Service Years Are July 1, 2006 or After	1.9% per Year

With these provisions:

- (a) Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- (b) 3.0% per year early retirement reduction factor for all years under normal retirement age.
- (c) Unreduced benefits for early retirement under a Rule-of-90 (age plus allowable service equals 90 or more).

Or

*Tier II Benefits*

For years of service prior to July 1, 2006, a level formula of 1.7% per year for coordinated members and 2.7% per year for basic members. For years of service July 1, 2006 and after, a level formula of 1.9% per year for Coordinated members and 2.7% for Basic members applies. Beginning July 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 calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 66.

Six different types of annuities are available to members upon retirement. The No Refund Life Plan is a lifetime annuity that ceases upon the death of the retiree - no survivor annuity is payable. A retiring member may also choose to provide survivor benefits to a designated beneficiary(ies) by selecting one of the five plans that have survivorship features. Vested members may also leave their contributions in the TRA Fund upon termination of service in order to qualify for a deferred annuity at retirement age. Any member terminating service is eligible for a refund of their employee contributions plus interest.

The benefit provisions stated apply to active plan participants. Vested, terminated employees who are entitled to benefits but not yet receiving them are bound by the plan provisions in effect at the time they last terminated their public service.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 DEFINED BENEFITS PENSION PLANS (CONTINUED)**

C. Contributions

**1. General Employees Fund Contributions**

*Minnesota Statutes* Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature. Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2023 and the District was required to contribute 7.50% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2023, were \$1,329,151. The District's contributions were equal to the required contributions as set by state statute.

**2. TRA Contributions**

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

	2023		2022		2021	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic	11.00%	12.55%	11.00%	12.34%	11.00%	12.13%
Coordinated	7.50%	8.55%	7.50%	8.34%	7.50%	8.13%

The District's contributions to TRA for the plan's fiscal year ended June 30, 2023 were \$4,656,307. The District's contributions were equal to the required contributions for each year as set by state statute.

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.

	<u><i>in thousands</i></u>
Employer Contributions reported in TRA's ACFR, Statement of Changes in Fiduciary Net Position	\$ 482,679
Add Employer Contributions not Related to Future Contribution Efforts	(2,178)
Deduct 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 Schedule of Employer and Non-Employer Allocations	<u><u>\$ 515,519</u></u>

Amounts reported in the allocations 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.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 DEFINED BENEFITS PENSION PLANS (CONTINUED)**

D. Pension Costs

**1. General Employees Fund Pension Costs**

At June 30, 2023, the District reported a liability of \$18,865,519 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 \$553,118 for a total net pension liability of \$19,418,637 associated with the District. 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 0.2382% at the end of the measurement period and 0.2396% for the beginning of the period.

For the year ended June 30, 2023, the District recognized pension expense of \$2,485,860 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized \$82,649 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 the General Employees Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 157,580	\$ 201,528
Changes in Actuarial Assumptions	4,269,609	76,730
Net Difference Between Projected and Actual		
Earnings on Plan Investments	327,230	-
Changes in Proportion and Differences Between		
District Contributions and Proportionate		
Share of Contributions	165,634	82,712
District Contributions Subsequent to the		
Measurement Date	1,329,151	-
Total	<u>\$ 6,249,204</u>	<u>\$ 360,970</u>

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 DEFINED BENEFITS PENSION PLANS (CONTINUED)**

D. Pension Costs (Continued)

**1. General Employees Fund Pension Costs (Continued)**

A total of \$1,329,151 reported as deferred outflows of resources related to pensions resulting from District contributions to GERP 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 General Employees Plan pensions will be recognized in pension expense as follows:

Year Ending June 30.	Pension Expense Amount
2024	\$ 1,782,880
2025	1,690,764
2026	(620,663)
2027	1,706,102
2028	-
Thereafter	-

**2. TRA Pension Costs**

At June 30, 2023, the District reported a liability of \$67,310,801 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the state of Minnesota, city of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.8406% at the end of the measurement period and 0.8291% for the beginning of the period.

The pension liability amount reflected a reduction due to direct aid provided to TRA. The amount recognized by the District as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the District were as follows:

Description	Amount
District's Proportionate Share of the TRA Net Pension Liability	\$ 67,310,801
State's Proportionate Share of the Net Pension Liability Associated with the District	4,991,692
Total	\$ 72,302,493

For the year ended June 30, 2023, the District recognized a decrease to pension expense of \$14,819,696. It also recognized \$1,415,351 as a decrease to pension expense and grant revenue for the support provided by direct aid.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 DEFINED BENEFITS PENSION PLANS (CONTINUED)**

D. Pension Costs (Continued)

**2. TRS Pension Costs (Continued)**

At June 30, 2023, the District reported its proportionate share of the TRA's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 984,564	\$ 591,372
Changes in Actuarial Assumptions	10,783,019	14,244,337
Net Difference Between Projected and Actual Earnings on Plan Investments	1,880,269	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	1,097,015	1,124,596
District Contributions Subsequent to the Measurement Date	4,656,307	-
Total	<u>\$ 19,401,174</u>	<u>\$ 15,960,305</u>

A total of \$4,656,307 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to TRA will be recognized in pension expense as follows:

Year Ending June 30.	Pension Expense Amount
2024	\$ (12,734,530)
2025	1,628,178
2026	622,790
2027	9,021,405
2028	246,719
Thereafter	-

**3. Aggregate Pension Costs**

	TRA	GERF	Total
Net Pension Liability	\$ 67,310,801	\$ 18,865,519	\$ 86,176,320
Deferred Outflows of Resources	19,401,174	6,249,204	25,650,378
Deferred Inflows of Resources	15,960,305	360,970	16,321,275
Pension Expense	(16,235,047)	2,568,509	(13,666,538)

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 DEFINED BENEFITS PENSION PLANS (CONTINUED)**

E. Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5 %	5.10 %
Private Markets	25.0	5.90
Fixed Income	25.0	0.75
International Equity	16.5	5.30
Totals	<u>100.0 %</u>	

The long-term expected rate of return TRA pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates by the target asset allocation percentage and by adding expected inflation.

The target allocations and best estimates of geometric real rates of return for each major asset class are summarized in the previous table.

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

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 DEFINED BENEFITS PENSION PLANS (CONTINUED)**

F. Actuarial Assumptions

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

Inflation is assumed to be 2.25% for the General Employees Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 29 years of service and 6.0% per year thereafter.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. The tables were adjusted slightly to fit PERA's experience.

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

TRA preretirement mortality rates were based on the 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. Postretirement mortality rates were based on the RP-2014 white collar annuitant table, male and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale. Post disability mortality rates were based on the RP-2014 disabled retiree mortality table, without adjustment.

Inflation is assumed to be 2.5% for TRA. Cost of living adjustments are assumed to be 1.0% for January 2019 through January 2023 then increasing by 0.10% each year up to 1.5% annually.

Salary growth assumptions for TRA range in annual increments from 2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028.

The following changes for PERA occurred in 2022:

Changes in Actuarial Assumptions:

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

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 DEFINED BENEFITS PENSION PLANS (CONTINUED)**

G. Discount Rate

The discount rate used to measure the PERA General Employees Plan liability in 2022 was 6.50%. There was no change since the prior measurement date. 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 positions of the General Employees Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the TRA pension liability was 7.00%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year's 2020 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).

H. Pension Liability Sensitivity

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

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
GERF Discount Rate	5.50%	6.50%	7.50%
District's Proportionate Share of the GERP Net Pension Liability	\$ 29,799,075	\$ 18,865,519	\$ 9,898,315
TRA Discount Rate	6.00%	7.00%	8.00%
District's Proportionate Share of the TRA Net Pension Liability	\$ 106,111,813	\$ 67,310,801	\$ 35,506,070

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 DEFINED BENEFITS PENSION PLANS (CONTINUED)**

I. Pension Plan Fiduciary Net Position

Detailed information about the General Employees 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](http://www.mnpera.org).

Detailed information about TRA's fiduciary net position is available in a separately issued TRA financial report. That report can be obtained at [www.MinnesotaTRA.org](http://www.MinnesotaTRA.org); by writing to TRA at 60 Empire Drive #400, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-2409 or 1-800-652-9026.

**NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN**

A. Plan Description

The District operates a single-employer retiree benefit plan (the Plan) that provides health, dental, and life insurance to eligible employees and their spouses. The plan includes 994 active participants, 254 retired participants, and 114 spouses. Benefit and eligibility provisions are established through negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available financial report.

B. Funding Policy

The District has assets designated for OPEB. These assets are in a qualified irrevocable trust which is included as a fiduciary fund in these financial statements. The District's investment policy is to follow state statutes as listed in Note 3. The District is assumed to make no future contributions to the trust. Benefit payments equal to the annual direct subsidy plus implicit subsidy are assumed to be made from the trust. For fiscal year 2023, the District made no contribution to the plan; the current year benefits were paid from the District's OPEB Trust Fund. For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 1.3%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

C. Net OPEB Liability (Asset) of the District

The components of the net OPEB liability (asset) of the District at June 30, 2023 were as follows:

Total OPEB Liability	\$ 8,610,910
Plan Fiduciary Net Position	5,491,114
District's Net OPEB Liability	<u>\$ 3,119,796</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	64%

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)**

D. Actuarial Methods and Assumptions

The long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that (1) the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and (2) OPEB plan assets are expected to be invested using a strategy to achieve that return, and a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), to the extent that the conditions above are not met.

The District's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation with a valuation date of July 1, 2022. Liabilities in this report were calculated as of the valuation date and rolled forward to the measurement date using the standard actuarial roll-forward techniques.

The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.70%
Inflation	2.50%
Salary Increases	Service Graded Table
Investment Rate of Return	3.10%
20-Year Municipal Bond Yield	3.80%
Health Care Trend Rates	6.50% decreasing to 5.00% over five years and then to 4.00% over the next 48 years

Best estimates of geometric real and nominal rates of return for each major asset class included in the OPEB plan's asset allocation as of the measurement date are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Fixed Income	100.00 %	3.10 %

The discount rate used to measure the total OPEB liability was 3.10%. The projection of cash flows and OPEB trust assets used to determine the discount rate were based on recent employer contribution history and their stated funding policy. The OPEB trust's long-term assumed investment return was used to discount projected benefit payments for as long as projected trust assets are available to fund OPEB payments. Once projected trust assets are exhausted, the municipal bond index rate was applied to the remaining expected benefit payments. The expected employer asset return is based on the long-term expected return on short-term/cash-equivalent assets using our capital market assumption model.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)**

D. Actuarial Methods and Assumptions (Continued)

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

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount Weighted Mortality Tables with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2021 Generational Improvement Scale.
- The salary increase rates for non-teachers were updated to reflect the latest experience study.
- The withdrawal rates were updated to reflect the latest experience study.

E. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022	\$ 8,501,751	\$ 6,275,358	\$ 2,226,393
Changes for the Year:			
Service Cost	494,260	-	494,260
Interest Cost	319,905	-	319,905
Change in Benefit Terms	-	-	-
Assumption Changes	150,792	-	150,792
Differences Between Expected and Actual Experience	(170,623)	-	(170,623)
Contributions-Employer	-	-	-
Net Investment income	-	(99,069)	99,069
Benefit Payments	(685,175)	(685,175)	-
Administrative Expense	-	-	-
Net Changes	<u>109,159</u>	<u>(784,244)</u>	<u>893,403</u>
Balances at June 30, 2023	<u>\$ 8,610,910</u>	<u>\$ 5,491,114</u>	<u>\$ 3,119,796</u>

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (2.70)%	Discount Rate (3.70)%	1% Increase (4.70)%
Net OPEB Liability	\$ 3,645,057	\$ 3,119,796	\$ 2,623,595

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)**

E. Changes in the Net OPEB Liability (Continued)

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower (5.50% decreasing to 4.00%, then 3.00%) or 1% point higher (7.50% decreasing to 6.00%, then 5.00%) than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease (5.50% Decreasing to 4.00%, then 3.00%)	Current Trend Rates (6.50% Decreasing to 5.00%, then 4.00%)	1% Increase (7.50% Decreasing to 6.00%, then 5.00%)
Net OPEB Liability	\$ 2,335,265	\$ 3,119,796	\$ 4,030,708

For the year ended June 30, 2023, the District recognized OPEB expense of \$1,055,798. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 11,334	\$ 136,498
Change of Assumptions	232,024	380,141
Net Difference Between Projected and Actual Investment Earnings	667,645	-
Contributions Between Measurement Date and Reporting Date	N/A	N/A
Total	<u>\$ 911,003</u>	<u>\$ 516,639</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Future Recognition
2024	\$ 99,632
2025	170,112
2026	128,596
2027	(3,976)
2028	-
Thereafter	-
Total	<u>\$ 394,364</u>

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 FLEXIBLE BENEFIT PLAN**

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

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

All assets of the plan are administered by a third-party administrator and held with a trustee according to a trust agreement established between the plan administrator and the trustee. Payments are made by the third-party administrator to participating employees upon submitting a request for reimbursement of eligible expenses incurred by the participant.

**NOTE 10 INTERFUND BALANCES**

The District had the following interfund receivables and payables at June 30, 2023:

	Due from Other Fund	Due to Other Fund
General Fund	\$ 803,643	\$ -
Special Revenue Funds:		
Food Service Fund	13,475	-
Community Service Fund	17,880	-
Capital Projects Fund	-	149,823
Other Postemployment Benefits Trust	-	685,175
Total	\$ 834,998	\$ 834,998

The purpose of these interfund balances is as follows:

The Other Postemployment Benefits Trust owes the General Fund, Food Service Fund, and Community Service Fund for OPEB payments made by those funds. The capital projects fund owes the General Fund for capital project expenditures paid out of the General Fund.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 COMMITMENTS AND CONTINGENCIES**

A. Federal and State Programs

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

B. Contingencies

The District is subject to legal proceedings and claims which arise in the ordinary course of business. Management believes the resolution of these matters will not have a material impact on the District.

C. Commitments

The District has remaining construction contract commitments at June 30, 2023 on ongoing projects of \$11,256,804

**NOTE 12 DENTAL SELF-INSURANCE PLAN**

The District established a self-insured plan for dental benefits for District employees effective July 1, 2011, and an Internal Service Fund was created to record related revenues and expenditures. The plan is administered by a third party. Total premiums paid in the year ended June 30, 2023 were \$940,251 while total claims payments and administration fees were \$949,380 and \$50,262, respectively.

Participants in the program make premium payments to the fund based on the insurance premium. The excess amount received above current year claims is used to establish a reserve for future claims. At June 30, 2023, there is a reserve of \$581,184.

District liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing a claim liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 DENTAL SELF-INSURANCE PLAN (CONTINUED)**

There were no liabilities in excess of claims paid at June 30, 2023. There is a possibility for loss if claims are in excess of the premiums collected. The District does not believe this occurrence would have a material financial effect on the District. The District held \$641,709 in cash and investments at June 30, 2023 for payment of claims. Schedule of changes in claims liability is as follows:

	2023	2022
Beginning of Fiscal Year Liability - July 1	\$ 19,762	\$ 18,716
Current Year Claims, Changes in Estimates, and Other Charges	949,380	885,910
Payments on Claims	(952,671)	(884,864)
End of Fiscal Year Liability - June 30	\$ 16,471	\$ 19,762

**NOTE 13 GYMNASTICS GYMNASIUM AGREEMENT**

In 1996, the City of Roseville paid \$920,000 to the District to construct a gymnastics gymnasium. Under the terms of the agreement, the City will allow the District to utilize the gymnasium in turn for the City's ability to use the High School. The agreement is cancelable by either party with 90 days' written notice. In the event of termination, the City will be entitled to the depreciated value of its investment, based on a 50-year life depreciated on a straight-line basis.

**NOTE 14 PRIOR PERIOD RESTATEMENT**

In 2023, the District restated beginning net position to correct for construction in progress balances which had previously been overstated. The effects of this restatement on net position are as follows:

	Governmental Activities
Beginning Net Position	\$ (42,665,912)
Prior Period Restatement to Adjust Capital Assets and Related Accumulated Depreciation	(14,273,439)
Beginning Net Position, as Restated	\$ (56,939,351)

**REQUIRED SUPPLEMENTARY INFORMATION**

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
MAJOR GENERAL FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 31,624,949	\$ 31,624,949	\$ 30,428,557	\$ (1,196,392)
Earnings and Investments	10,000	10,000	433,667	423,667
Other	1,165,510	1,346,810	3,240,025	1,893,215
State Sources	80,953,582	82,712,921	83,532,204	819,283
Federal Sources	12,210,607	14,670,568	12,134,018	(2,536,550)
Total Revenues	<u>125,964,648</u>	<u>130,365,248</u>	<u>129,768,471</u>	<u>(596,777)</u>
<b>EXPENDITURES</b>				
Current:				
Administration	5,540,379	5,484,506	5,362,306	(122,200)
District Support Services	4,445,497	4,586,148	4,856,676	270,528
Elementary and Secondary Regular Instruction	48,175,473	48,077,764	46,776,118	(1,301,646)
Vocational Education Instruction	2,064,376	2,088,926	2,086,618	(2,308)
Special Education Instruction	26,130,850	25,718,264	24,552,863	(1,165,401)
Community Education and Services	13,200	13,200	-	(13,200)
Instructional Support Services	10,217,972	11,725,662	10,976,310	(749,352)
Pupil Support Services	12,762,062	14,258,827	14,753,727	494,900
Sites and Buildings	7,120,890	7,871,085	9,066,000	1,194,915
Fiscal and Other Fixed Cost Programs	515,000	515,000	572,450	57,450
Capital Outlay	1,565,352	1,672,650	3,142,823	1,470,173
Debt Service:				
Principal	860,000	860,000	455,843	(404,157)
Interest and Fiscal Charges	688,700	688,700	11,907	(676,793)
Total Expenditures	<u>120,099,751</u>	<u>123,560,732</u>	<u>122,613,641</u>	<u>(947,091)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	5,864,897	6,804,516	7,154,830	350,314
<b>OTHER FINANCING SOURCES</b>				
Financed Purchases	-	-	40,554	40,554
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 5,864,897</u>	<u>\$ 6,804,516</u>	7,195,384	<u>\$ 390,868</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>5,319,927</u>	
End of Year			<u>\$ 12,515,311</u>	

See accompanying Notes to Required Supplementary Information.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
MAJOR FOOD SERVICE FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Other - Primarily Meal Sales	\$ 1,180,114	\$ 1,180,114	\$ 1,246,602	\$ 66,488
State Sources	178,230	178,230	201,471	23,241
Federal Sources	3,166,769	3,296,406	3,878,958	582,552
Total Revenues	<u>4,525,113</u>	<u>4,654,750</u>	<u>5,327,031</u>	<u>672,281</u>
<b>EXPENDITURES</b>				
Current:				
Food Service	4,353,012	4,482,649	5,046,701	564,052
Capital Outlay	138,246	138,246	194,552	56,306
Debt Service:				
Principal	-	-	1,251	1,251
Interest	-	-	475	475
Total Expenditures	<u>4,491,258</u>	<u>4,620,895</u>	<u>5,242,979</u>	<u>622,084</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ 33,855</u></u>	<u><u>\$ 33,855</u></u>	84,052	<u><u>\$ 50,197</u></u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>3,557,074</u>	
End of Year			<u><u>\$ 3,641,126</u></u>	

See accompanying Notes to Required Supplementary Information.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
MAJOR COMMUNITY SERVICE FUND  
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 1,104,707	\$ 1,105,926	\$ 1,082,775	\$ (23,151)
Other - Primarily Tuition and Fees	5,069,197	5,513,278	5,449,351	(63,927)
State Sources	1,204,193	1,243,601	1,179,343	(64,258)
Federal Sources	751,884	756,338	848,126	91,788
Total Revenues	<u>8,129,981</u>	<u>8,619,143</u>	<u>8,559,595</u>	<u>(59,548)</u>
<b>EXPENDITURES</b>				
Current:				
Community Service	7,837,351	8,210,322	7,948,510	(261,812)
Capital Outlay	46,550	90,351	53,006	(37,345)
Debt Service:				
Principal	-	-	2,079	2,079
Interest	-	-	546	546
Total Expenditures	<u>7,883,901</u>	<u>8,300,673</u>	<u>8,004,141</u>	<u>(296,532)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 246,080</u>	<u>\$ 318,470</u>	555,454	<u>\$ 236,984</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>1,716,080</u>	
End of Year			<u>\$ 2,271,534</u>	

See accompanying Notes to Required Supplementary Information.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS  
LAST SEVEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>							
Service Cost	\$ 494,260	\$ 500,722	\$ 585,700	\$ 543,390	\$ 491,646	\$ 350,169	\$ 305,193
Interest	319,905	214,430	278,055	312,793	366,477	407,579	415,532
Changes of Benefit Terms	-	-	-	-	23,877	-	-
Differences Between Expected and Actual Experience	(170,623)	-	28,341	-	379,117	-	-
Changes of Assumptions	150,792	(633,572)	26,147	235,612	(69,751)	313,178	-
Benefit Payments	(685,175)	(811,138)	(734,023)	(869,053)	(787,884)	(892,054)	(956,705)
<b>Net Change in Total OPEB Liability</b>	<u>109,159</u>	<u>(729,558)</u>	<u>184,220</u>	<u>222,742</u>	<u>403,482</u>	<u>178,872</u>	<u>(235,980)</u>
Total OPEB Liability - Beginning	8,501,751	9,231,309	9,047,089	8,824,347	8,420,865	8,241,993	8,477,973
<b>Total OPEB Liability - Ending (a)</b>	<u>\$ 8,610,910</u>	<u>\$ 8,501,751</u>	<u>\$ 9,231,309</u>	<u>\$ 9,047,089</u>	<u>\$ 8,824,347</u>	<u>\$ 8,420,865</u>	<u>\$ 8,241,993</u>
<b>Plan Fiduciary Net Position</b>							
Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Member Contributions	-	-	-	-	-	-	-
Net Investment Income	(99,069)	(881,134)	113,102	792,417	730,983	(35,777)	91,284
Benefits Paid	(685,175)	(811,138)	(734,023)	(869,053)	(787,884)	(892,054)	(956,705)
Administrative Expense	-	-	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<u>(784,244)</u>	<u>(1,692,272)</u>	<u>(620,921)</u>	<u>(76,636)</u>	<u>(56,901)</u>	<u>(927,831)</u>	<u>(865,421)</u>
Plan Fiduciary Net Position - Beginning	6,275,358	7,967,630	8,588,551	8,665,187	8,722,088	9,649,919	10,515,340
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 5,491,114</u>	<u>\$ 6,275,358</u>	<u>\$ 7,967,630</u>	<u>\$ 8,588,551</u>	<u>\$ 8,665,187</u>	<u>\$ 8,722,088</u>	<u>\$ 9,649,919</u>
<b>District's Net OPEB Liability (Asset) - Ending (a) - (b)</b>	<u>\$ 3,119,796</u>	<u>\$ 2,226,393</u>	<u>\$ 1,263,679</u>	<u>\$ 458,538</u>	<u>\$ 159,160</u>	<u>\$ (301,223)</u>	<u>\$ (1,407,926)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	63.77%	73.81%	86.31%	94.93%	98.20%	103.58%	117.08%
Covered-Employee Payroll	\$ 67,628,152	\$ 65,063,201	\$ 63,168,156	\$ 61,218,059	\$ 59,435,009	\$ 52,665,303	\$ 51,131,362
District's Net OPEB Liability as a Percentage of Covered-Employee Payroll	4.61%	3.42%	2.00%	0.75%	0.27%	-0.57%	-2.75%

\*The District implemented GASB Statement Nos. 74 and 75 in the fiscal year 2017, and the above tables will be expanded to 10 years of information as the information becomes available.

See accompanying Notes to Required Supplementary Information.

**ROSEVILLE AREA SCHOOLS  
 INDEPENDENT SCHOOL DISTRICT NO. 623  
 SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN ON PLAN ASSETS – OPEB  
 YEAR ENDED JUNE 30, 2023**

Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2017	5.60%
2018	5.00%
2019	8.40%
2020	8.40%
2021	1.30%
2022	1.30%
2023	1.30%

\*The District implemented GASB Statement Nos. 74 and 75 in the fiscal year 2017, and the above tables will be expanded to 10 years of information as the information becomes available.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST NINE MEASUREMENT DATES**

**PERA Schedule of the District's  
Proportionate Share of the  
Net Pension Liability**

	Measurement Date June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.2382%	0.2396%	0.2404%	0.2300%	0.2385%	0.2451%	0.2488%	0.2535%	0.2717%
District's Proportionate Share of the Net Pension Liability	\$ 18,865,519	\$ 10,231,993	\$ 14,413,079	\$ 12,716,185	\$ 13,231,002	\$ 15,647,022	\$ 20,201,326	\$ 13,137,686	\$ 12,763,105
State's Proportionate Share of the Net Pension Liability Associated with District	553,118	312,443	444,425	395,231	433,960	196,782	263,785	-	-
Total	<u>\$ 19,418,637</u>	<u>\$ 10,544,436</u>	<u>\$ 14,857,504</u>	<u>\$ 13,111,416</u>	<u>\$ 13,664,962</u>	<u>\$ 15,843,804</u>	<u>\$ 20,465,111</u>	<u>\$ 13,137,686</u>	<u>\$ 12,763,105</u>
District's Covered Payroll	\$ 17,857,667	\$ 17,292,720	\$ 17,144,333	\$ 16,012,200	\$ 16,000,773	\$ 15,790,987	\$ 15,459,267	\$ 14,916,610	\$ 14,186,372
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	108.74%	60.98%	86.66%	81.88%	85.40%	100.33%	132.38%	88.07%	89.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.67%	87.00%	79.10%	80.23%	79.50%	75.90%	68.90%	78.20%	78.70%

**TRA Schedule of the District's  
Proportionate Share of the  
Net Pension Liability**

	Measurement Date June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.8406%	0.8291%	0.8277%	0.8408%	0.8493%	0.8589%	0.8565%	0.8650%	0.8650%
District's Proportionate Share of the Net Pension Liability	\$ 67,310,801	\$ 36,283,895	\$ 61,151,585	\$ 53,592,769	\$ 53,344,444	\$ 171,452,020	\$ 204,295,686	\$ 53,508,805	\$ 41,287,030
State's Proportionate Share of the Net Pension Liability Associated with District	4,991,692	3,060,054	5,124,887	4,742,755	5,011,862	16,573,240	20,506,603	6,563,362	2,904,390
Total	<u>\$ 72,302,493</u>	<u>\$ 39,343,949</u>	<u>\$ 66,276,472</u>	<u>\$ 58,335,524</u>	<u>\$ 58,356,306</u>	<u>\$ 188,025,260</u>	<u>\$ 224,802,289</u>	<u>\$ 60,072,167</u>	<u>\$ 44,191,420</u>
District's Covered Payroll	\$ 52,270,480	\$ 49,878,868	\$ 48,154,646	\$ 46,366,263	\$ 45,589,624	\$ 46,142,533	\$ 44,692,867	\$ 44,031,293	\$ 44,031,293
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	128.77%	72.74%	126.99%	115.59%	117.01%	371.57%	457.11%	121.52%	93.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.17%	86.63%	75.48%	78.21%	78.07%	51.57%	44.88%	76.80%	81.50%

\*The District implemented GASB Statement Nos. 68 in the fiscal year 2015, and the above tables will be expanded to 10 years of information as the information becomes available.

See accompanying Notes to Required Supplementary Information.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS  
LAST NINE FISCAL YEARS**

**PERA Schedule of District Contributions**

	Fiscal Year Ended June 30,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 1,329,151	\$ 1,339,325	\$ 1,296,954	\$ 1,285,825	\$ 1,200,915	\$ 1,200,058	\$ 1,184,324	\$ 1,159,445	\$ 1,100,100
Contributions in Relation to the Statutorily Required Contribution	(1,329,151)	(1,339,325)	(1,296,954)	(1,285,825)	(1,200,915)	(1,200,058)	(1,184,324)	(1,159,445)	(1,100,100)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 17,722,013	\$ 17,857,667	\$ 17,292,720	\$ 17,144,333	\$ 16,012,200	\$ 16,000,773	\$ 15,790,987	\$ 15,459,267	\$ 14,916,610
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.375%

**TRA Schedule of District Contributions**

	Fiscal Year Ended June 30,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 4,656,307	\$ 4,359,358	\$ 4,055,152	\$ 3,813,848	\$ 3,672,208	\$ 3,514,960	\$ 3,460,690	\$ 3,351,965	\$ 3,302,347
Contributions in Relation to the Statutorily Required Contribution	(4,656,307)	(4,359,358)	(4,055,152)	(3,813,848)	(3,672,208)	(3,514,960)	(3,460,690)	(3,351,965)	(3,302,347)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 54,459,731	\$ 52,270,480	\$ 49,878,868	\$ 48,154,646	\$ 46,366,263	\$ 45,589,624	\$ 46,142,533	\$ 44,692,867	\$ 44,031,293
Contributions as a Percentage of Covered Payroll	8.55%	8.34%	8.13%	7.92%	7.92%	7.71%	7.50%	7.50%	7.50%

\*The District implemented GASB Statement Nos. 68 in the fiscal year 2015, and the above tables will be expanded to 10 years of information as the information becomes available.

See accompanying Notes to Required Supplementary Information.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS**

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

**General Employees Fund**

**2022**

Changes in Actuarial Assumptions

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

**2021**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

**2020**

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

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

**General Employees Fund (Continued)**

2020 (Continued)

- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.
- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019

- The mortality projection scale was changed from MP-2017 to MP-2018.
- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed postretirement benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

2017

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

2016

- The assumed postretirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

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

**Coordinated Plan**

**2022**

No changes.

**2021**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020**

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses MP-2015 scale.
- Generational projection uses the MP-2015 scale. Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

**2019**

No changes.

**2018**

- The cost of living adjustment (COLA) was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to 0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

**Coordinated Plan (Continued)**

**2018 (Continued)**

- The employer contribution rate is increased each July 1 over the next four years, (7.92% in 2019, 8.13% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.
- The single discount rate was changed from 5.12% to 7.5%

**2017**

- The COLA was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5%, but remain at 2.0% for all future years.
- The investment return assumption was changed from 8.0% to 7.5%.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.
- The single discount rate was changed from 4.66% to 5.12%

**2016**

- There was a change in actuarial assumptions that affected the measurement of the total liability since the prior measurement date.
- Post-retirement benefit adjustments are now assumed to stay level at 2.0% annually.
- The single discount rate was changed from 8.0% to 4.66%.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

The following changes were reflected in the valuation performed on behalf of the District's Postemployment Benefits Plan for the year ended June 30:

2022

- The discount rate was changed from 2.30% to 3.70%.

2021

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.
- The expected long-term investment return was changed from 4.30% to 3.10%.
  
- The discount rate was changed from 3.00% to 2.30%.

2020

- The discount rate was changed from 3.50% to 3.00%.

2019

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- Pre-age 55 employees on long-term disability (LTD) are assumed to continue on one of the District's medical plans for five years. Previously, they were assumed to continue until age 65.
- The expected long-term investment return was changed from 5.00% to 4.30%.
- The discount rate was changed from 4.30% to 3.50%.

2018

- The expected long-term investment return was changed from 5.60% to 5.00%.
- The discount rate was changed from 5.00% to 4.30%.

## **SUPPLEMENTARY INFORMATION**

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
BALANCE SHEET  
GENERAL FUND  
JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	2023	2022
<b>ASSETS</b>		
Cash and Investments	\$ 9,914,409	\$ 871,967
Receivables:		
Current Taxes	16,264,323	16,442,051
Delinquent Taxes	764,423	154,144
Accounts and Interest Receivable	109,497	142,393
Due from Other Minnesota School Districts	18,405	75,255
Due from Minnesota Department of Education	8,710,862	7,491,895
Due from Federal Through the Minnesota Department of Education	6,087,313	9,771,395
Due from Other Governmental Units	620,224	783,959
Due from Other Funds	803,643	1,037,915
Prepays	1,190,862	395,436
Total Assets	\$ 44,483,961	\$ 37,166,410
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 310,551	\$ 348,879
Accounts and Contracts Payable	2,180,524	2,412,846
Due to Other Minnesota School Districts	1,452,371	1,565,392
Due to Other Governmental Units	81,492	30,516
Unearned Revenue	-	51,350
Total Liabilities	4,024,938	4,408,983
Deferred Inflows of Resources:		
Unavailable Revenue - Property Taxes Levied for Subsequent Year	27,208,999	27,283,356
Unavailable Revenue - Delinquent Taxes	734,713	154,144
Total Deferred Inflows of Resources	27,943,712	27,437,500
Fund Balance:		
Nonspendable:		
Prepays	1,190,862	395,436
Restricted for:		
Student Activities	136,246	156,621
Operating Capital	370,619	778,506
Long Term Facilities Maintenance	908,794	-
Other Purposes	-	79,881
Assigned for Extracurricular Activities	679,910	620,504
Unassigned	9,228,880	3,288,979
Total Fund Balance	12,515,311	5,319,927
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 44,483,961	\$ 37,166,410

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	2023		2022	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 31,624,949	\$ 30,428,557	\$ (1,196,392)	\$ 24,015,176
Earnings and Investments	10,000	433,667	423,667	4,123
Other	1,346,810	3,240,025	1,893,215	2,883,007
State Sources	82,712,921	83,532,204	819,283	80,276,980
Federal Sources	14,670,568	12,134,018	(2,536,550)	11,366,054
Total Revenues	<u>130,365,248</u>	<u>129,768,471</u>	<u>(596,777)</u>	<u>118,545,340</u>
<b>EXPENDITURES</b>				
Current:				
Administration:				
Salaries	3,901,355	3,899,123	(2,232)	3,781,009
Employee Benefits	1,349,327	1,355,306	5,979	1,338,986
Purchased Services	128,174	38,822	(89,352)	60,168
Supplies and Materials	7,750	10,510	2,760	6,734
Other Expenditures	97,900	58,545	(39,355)	64,824
Total Administration	<u>5,484,506</u>	<u>5,362,306</u>	<u>(122,200)</u>	<u>5,251,721</u>
District Support Services:				
Salaries	1,977,081	2,441,873	464,792	2,248,354
Employee Benefits	813,663	896,730	83,067	842,948
Purchased Services	352,312	368,227	15,915	338,858
Supplies and Materials	1,463,592	1,107,883	(355,709)	1,400,488
Other Expenditures	(20,500)	41,963	62,463	(99,934)
Total District Support Services	<u>4,586,148</u>	<u>4,856,676</u>	<u>270,528</u>	<u>4,730,714</u>
Elementary and Secondary Regular Instruction:				
Salaries	33,332,912	31,174,449	(2,158,463)	30,831,868
Employee Benefits	11,521,801	10,920,772	(601,029)	10,948,579
Purchased Services	2,220,291	2,885,414	665,123	2,021,134
Supplies and Materials	954,188	1,478,861	524,673	1,373,058
Other Expenditures	48,572	316,622	268,050	364,740
Total Elementary and Secondary Regular Instruction	<u>48,077,764</u>	<u>46,776,118</u>	<u>(1,301,646)</u>	<u>45,539,379</u>

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL (CONTINUED)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	2023			2022
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (CONTINUED)</b>				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 1,133,385	\$ 1,193,504	\$ 60,119	\$ 1,038,536
Employee Benefits	458,746	471,914	13,168	409,081
Purchased Services	485,620	381,746	(103,874)	381,430
Supplies and Materials	11,175	33,821	22,646	23,817
Other Expenditures	-	5,633	5,633	5,432
Total Vocational Education Instruction	<u>2,088,926</u>	<u>2,086,618</u>	<u>(2,308)</u>	<u>1,858,296</u>
Special Education Instruction:				
Salaries	15,944,095	15,554,042	(390,053)	14,902,495
Employee Benefits	6,576,091	6,291,013	(285,078)	6,266,757
Purchased Services	2,987,769	2,533,791	(453,978)	2,295,170
Supplies and Materials	203,009	170,025	(32,984)	105,265
Other Expenditures	7,300	3,992	(3,308)	6,870
Total Special Education Instruction	<u>25,718,264</u>	<u>24,552,863</u>	<u>(1,165,401)</u>	<u>23,576,557</u>
Community Education and Services:				
Purchased Services	13,200	-	(13,200)	-
Instructional Support Services:				
Salaries	7,669,558	7,037,803	(631,755)	6,763,565
Employee Benefits	2,696,125	2,616,690	(79,435)	2,584,551
Purchased Services	350,569	209,389	(141,180)	237,657
Supplies and Materials	979,810	1,033,191	53,381	469,031
Other Expenditures	29,600	79,237	49,637	87,769
Total Instructional Support Services	<u>11,725,662</u>	<u>10,976,310</u>	<u>(749,352)</u>	<u>10,142,573</u>
Pupil Support Services:				
Salaries	2,743,112	2,802,311	59,199	2,602,895
Employee Benefits	1,099,654	1,067,091	(32,563)	1,016,920
Purchased Services	1,095,640	942,991	(152,649)	553,855
Supplies and Materials	36,185	44,614	8,429	75,361
Other Expenditures	175	12,309	12,134	11,704
Total Pupil Support Services	<u>4,974,766</u>	<u>4,869,316</u>	<u>(105,450)</u>	<u>4,260,735</u>

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL (CONTINUED)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	2023			2022
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (CONTINUED)</b>				
Current (Continued):				
Sites and Buildings:				
Salaries	\$ 3,147,677	\$ 3,165,967	\$ 18,290	\$ 2,957,680
Employee Benefits	1,421,946	1,395,129	(26,817)	1,357,864
Purchased Services	1,959,162	3,031,909	1,072,747	2,773,675
Supplies and Materials	1,339,500	1,466,592	127,092	1,422,500
Other Expenditures	2,800	6,403	3,603	6,582
Total Sites and Buildings	<u>7,871,085</u>	<u>9,066,000</u>	<u>1,194,915</u>	<u>8,518,301</u>
Fiscal and Other Fixed Costs:				
Employee Benefits	40,000	-	(40,000)	143,236
Purchased Services	475,000	572,450	97,450	504,477
Total Fiscal and Other Fixed Costs	<u>515,000</u>	<u>572,450</u>	<u>57,450</u>	<u>647,713</u>
Transportation:				
Salaries	104,322	72,080	(32,242)	81,263
Employee Benefits	42,939	15,840	(27,099)	39,314
Purchased Services	9,135,300	9,754,630	619,330	7,678,032
Supplies and Materials	1,000	41,861	40,861	405
Other Expenditures	500	-	(500)	496
Total Transportation	<u>9,284,061</u>	<u>9,884,411</u>	<u>600,350</u>	<u>7,799,510</u>
Capital Outlay:				
Administration	5,000	-	(5,000)	15,468
District Support Services	270,758	455,473	184,715	576,120
Regular Instruction	186,722	187,798	1,076	91,742
Vocational Education Instruction	3,000	-	(3,000)	16,486
Special Education Instruction	17,000	-	(17,000)	6,206
Instructional Support Services	118,000	172,270	54,270	236,471
Pupil Support Services	157,170	30,057	(127,113)	38,833
Sites and Buildings	915,000	2,297,225	1,382,225	1,900,468
Total Capital Outlay	<u>1,672,650</u>	<u>3,142,823</u>	<u>1,470,173</u>	<u>2,881,794</u>

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL (CONTINUED)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	2023		2022	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (CONTINUED)</b>				
Debt Service:				
Principal	\$ 860,000	\$ 455,843	\$ (404,157)	\$ 1,299,876
Interest and Fiscal Charges	688,700	11,907	(676,793)	799,051
Total Debt Service	<u>1,548,700</u>	<u>467,750</u>	<u>(1,080,950)</u>	<u>2,098,927</u>
 Total Expenditures	 <u>123,547,532</u>	 <u>122,613,641</u>	 <u>(947,091)</u>	 <u>117,306,220</u>
 <b>EXCESS OF REVENUES OVER EXPENDITURES</b>	 6,817,716	 7,154,830	 350,314	 1,239,120
 <b>OTHER FINANCING SOURCES</b>				
Financed Purchases	<u>-</u>	<u>40,554</u>	<u>40,554</u>	<u>359,925</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 <u>\$ 6,817,716</u>	 7,195,384	 <u>\$ 390,868</u>	 1,599,045
 <b>FUND BALANCE</b>				
Beginning of Year		<u>5,319,927</u>		<u>3,720,882</u>
End of Year		<u>\$ 12,515,311</u>		<u>\$ 5,319,927</u>

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
BALANCE SHEET  
FOOD SERVICE SPECIAL REVENUE FUND  
JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and Investments	\$ 3,373,692	\$ 3,633,913
Receivables:		
Accounts and Interest Receivable	117,308	754
Due from Other Minnesota School Districts	23,072	24,922
Due from Minnesota Department of Education	5,829	471
Due from Federal Through the Minnesota Department of Education	131,729	103,698
Due from Other Governmental Units	-	20,604
Due from Other Funds	13,475	12,968
Inventory	124,069	84,491
Prepays	<u>8,895</u>	<u>1,754</u>
 Total Assets	 <u><u>\$ 3,798,069</u></u>	 <u><u>\$ 3,883,575</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 16,702	\$ 12,994
Payroll Deductions and Employer Contributions Payable	62	53
Accounts and Contracts Payable	41,538	203,616
Unearned Revenue	<u>98,641</u>	<u>109,838</u>
Total Liabilities	156,943	326,501
 Fund Balance:		
Nonspendable:		
Inventory	124,069	84,491
Prepays	8,895	1,754
Restricted for:		
Other Purposes	<u>3,508,162</u>	<u>3,470,829</u>
Total Fund Balance	<u>3,641,126</u>	<u>3,557,074</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 3,798,069</u></u>	 <u><u>\$ 3,883,575</u></u>

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
FOOD SERVICE SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	2023		2022	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Other - Primarily Meal Sales	\$ 1,180,114	\$ 1,246,602	\$ 66,488	\$ 127,898
State Sources	178,230	201,471	23,241	205,560
Federal Sources	3,296,406	3,878,958	582,552	6,264,845
Total Revenues	<u>4,654,750</u>	<u>5,327,031</u>	<u>672,281</u>	<u>6,598,303</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	1,516,587	1,730,704	214,117	1,649,366
Employee Benefits	721,075	717,503	(3,572)	729,709
Purchased Services	107,782	85,943	(21,839)	72,380
Supplies and Materials	2,129,345	2,503,749	374,404	2,385,296
Other Expenditures	7,860	8,802	942	7,336
Capital Outlay	138,246	194,552	56,306	744
Debt Service:				
Principal	-	1,251	1,251	732
Interest	-	475	475	251
Total Expenditures	<u>4,620,895</u>	<u>5,242,979</u>	<u>622,084</u>	<u>4,845,814</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 33,855</u>	84,052	<u>\$ 50,197</u>	1,752,489
<b>FUND BALANCE</b>				
Beginning of Year		<u>3,557,074</u>		<u>1,804,585</u>
End of Year		<u>\$ 3,641,126</u>		<u>\$ 3,557,074</u>

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
BALANCE SHEET  
COMMUNITY SERVICE SPECIAL REVENUE FUND  
JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	2023	2022
<b>ASSETS</b>		
Cash and Investments	\$ 2,228,149	\$ 1,304,168
Receivables:		
Current Taxes	605,472	590,726
Delinquent Taxes	27,973	6,242
Accounts and Interest Receivable	29,787	43,373
Due from Other Minnesota School Districts	583,169	657,861
Due from Minnesota Department of Education	115,571	121,245
Due from Federal Through the Minnesota Department of Education	166,641	290,056
Due from Other Governmental Units	66,555	73,300
Due from Other Funds	17,880	67,790
Prepays	4,629	9,020
Total Assets	\$ 3,845,826	\$ 3,163,781
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 84,743	\$ 105,160
Payroll Deductions and Employer Contributions Payable	263	-
Accounts and Contracts Payable	110,576	128,943
Due to Other Minnesota School Districts	13,820	42,249
Due to Other Governmental Units	-	5,074
Unearned Revenue	204,804	52,161
Total Liabilities	414,206	333,587
Deferred Inflows of Resources:		
Property Taxes Levied for Subsequent Year	1,133,220	1,107,872
Unavailable Revenue - Delinquent Taxes	26,866	6,242
Total Deferred Inflows of Resources	1,160,086	1,114,114
Fund Balance:		
Nonspendable:		
Prepays	4,629	9,020
Restricted for:		
Community Education	1,164,094	832,504
Early Childhood and Family Education	342,863	321,171
School Readiness	182,263	145,355
Adult Basic Education	620,092	411,233
Committed for:		
Unassigned	(42,407)	(3,203)
Total Fund Balance	2,271,534	1,716,080
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 3,845,826	\$ 3,163,781

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
COMMUNITY SERVICE SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	2023		Over (Under) Final Budget	2022
	Final Budget	Actual Amounts		Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 1,105,926	\$ 1,082,775	\$ (23,151)	\$ 1,015,770
Other - Primarily Tuition and Fees	5,513,278	5,449,351	(63,927)	4,695,775
State Sources	1,243,601	1,179,343	(64,258)	1,083,709
Federal Sources	756,338	848,126	91,788	1,200,178
Total Revenues	<u>8,619,143</u>	<u>8,559,595</u>	<u>(59,548)</u>	<u>7,995,432</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	4,880,037	4,656,766	(223,271)	4,465,974
Employee Benefits	1,564,914	1,550,610	(14,304)	1,466,830
Purchased Services	1,367,392	1,399,905	32,513	1,116,007
Supplies and Materials	366,843	325,555	(41,288)	322,432
Other Expenditures	31,136	15,674	(15,462)	12,725
Capital Outlay	90,351	53,006	(37,345)	137,371
Debt Service:				
Principal	-	2,079	2,079	2,244
Interest	-	546	546	549
Total Expenditures	<u>8,300,673</u>	<u>8,004,141</u>	<u>(296,532)</u>	<u>7,524,132</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 318,470</u>	555,454	<u>\$ 236,984</u>	471,300
<b>FUND BALANCE</b>				
Beginning of Year		<u>1,716,080</u>		<u>1,244,780</u>
End of Year		<u>\$ 2,271,534</u>		<u>\$ 1,716,080</u>

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
BALANCE SHEET  
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND  
JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	2023	2022
<b>ASSETS</b>		
Cash and Investments	\$ 10,302,181	\$ 24,596,180
Cash with Fiscal Agent	4,570,029	5,274,589
Receivables:		
Accounts and Interest Receivable	15,791	22,300
Total Assets	\$ 14,888,001	\$ 29,893,069
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts and Contracts Payable	\$ 3,269,216	\$ 3,294,207
Due to Other Funds	149,823	319,029
Total Liabilities	3,419,039	3,613,236
Fund Balance:		
Restricted for:		
Long Term Facilities Maintenance	2,117,920	14,059,737
Restricted for Other Purposes	9,351,042	12,220,096
Total Fund Balance	11,468,962	26,279,833
Total Liabilities and Fund Balance	\$ 14,888,001	\$ 29,893,069

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	2023		2022	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ -	\$ -	\$ -	\$ 3,208,558
Earnings and Investments	30,000	430,279	400,279	27,063
Other	-	-	-	312,773
Total Revenues	<u>30,000</u>	<u>430,279</u>	<u>400,279</u>	<u>3,548,394</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	-	105,000	105,000	99,021
Employee Benefits	-	44,823	44,823	42,214
Purchased Services	1,000,000	156,800	(843,200)	1,520,198
Supplies and Materials	-	-	-	17,307
Capital Outlay	11,050,000	14,934,527	3,884,527	11,577,049
Debt Service:				
Interest and Fiscal Charges	-	-	-	347,274
Total Expenditures	<u>12,050,000</u>	<u>15,241,150</u>	<u>3,191,150</u>	<u>13,603,063</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(12,020,000)	(14,810,871)	(2,790,871)	(10,054,669)
<b>OTHER FINANCING SOURCES</b>				
Issuance of Bonds	-	-	-	13,250,000
Bond Premium	-	-	-	409,079
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,659,079</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (12,020,000)</u>	(14,810,871)	<u>\$ (2,790,871)</u>	3,604,410
<b>FUND BALANCE</b>				
Beginning of Year		<u>26,279,833</u>		<u>22,675,423</u>
End of Year		<u>\$ 11,468,962</u>		<u>\$ 26,279,833</u>

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
BALANCE SHEET  
DEBT SERVICE FUND  
JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	Regular Debt Service	OPEB Debt Service	Totals	
			2023	2022
<b>ASSETS</b>				
Cash and Investments	\$ 6,490,780	\$ 1,027,738	\$ 7,518,518	\$ 9,020,174
Receivables:				
Current Taxes	6,573,514	951,081	7,524,595	7,453,792
Delinquent Taxes	321,817	29,486	351,303	67,750
Due from Minnesota Department of Education	8,253	-	8,253	10,040
Due from Other Governmental Units	-	-	-	42,297
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 13,394,364</u>	<u>\$ 2,008,305</u>	<u>\$ 15,402,669</u>	<u>\$ 16,594,053</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
Liabilities:				
Accounts and Contracts Payable	\$ -	\$ -	\$ -	\$ 3,800
Deferred Inflows of Resources:				
Property Taxes Levied for Subsequent Year	12,302,191	1,780,074	14,082,265	13,979,003
Unavailable Revenue - Delinquent Taxes	309,797	27,747	337,544	67,750
Total Deferred Inflows of Resources	<u>12,611,988</u>	<u>1,807,821</u>	<u>14,419,809</u>	<u>14,046,753</u>
Fund Balance:				
Restricted for:				
Debt Service	<u>782,376</u>	<u>200,484</u>	<u>982,860</u>	<u>2,543,500</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 13,394,364</u>	<u>\$ 2,008,305</u>	<u>\$ 15,402,669</u>	<u>\$ 16,594,053</u>

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
DEBT SERVICE FUND  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	2023				2022	
	Final Budgeted Amounts	Regular Debt Service	Actual OPEB Debt Service	Total Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>						
Local Sources:						
Property Taxes	\$ 13,978,826	\$ 12,495,033	\$ 1,187,597	\$ 13,682,630	\$ (296,196)	\$ 13,715,070
State Sources	-	70,324	-	70,324	70,324	100,555
Total Revenues	<u>13,978,826</u>	<u>12,565,357</u>	<u>1,187,597</u>	<u>13,752,954</u>	<u>(225,872)</u>	<u>13,815,625</u>
<b>EXPENDITURES</b>						
Debt Service:						
Bond Principal	5,390,000	7,095,000	690,000	7,785,000	2,395,000	9,360,000
Bond Interest	6,433,021	7,034,106	491,163	7,525,269	1,092,248	6,735,929
Paying Agent Fees and Other	10,500	2,851	474	3,325	-	62,004
Total Expenditures	<u>11,833,521</u>	<u>14,131,957</u>	<u>1,181,637</u>	<u>15,313,594</u>	<u>3,487,248</u>	<u>16,157,933</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	2,145,305	(1,566,600)	5,960	(1,560,640)	(3,713,120)	(2,342,308)
<b>OTHER FINANCING SOURCES</b>						
Sale of Bonds	-	-	-	-	-	2,425,000
Bond Premium	-	-	-	-	-	305,303
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,730,303</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 2,145,305</u>	<u>(1,566,600)</u>	<u>5,960</u>	<u>(1,560,640)</u>	<u>\$ (3,713,120)</u>	<u>387,995</u>
<b>FUND BALANCE</b>						
Beginning of Year		<u>2,348,976</u>	<u>194,524</u>	<u>2,543,500</u>		<u>2,155,505</u>
End of Year		<u>\$ 782,376</u>	<u>\$ 200,484</u>	<u>\$ 982,860</u>		<u>\$ 2,543,500</u>

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
UNIFORM FINANCIAL ACCOUNTING AND  
REPORTING STANDARDS COMPLIANCE TABLE  
JUNE 30, 2023**

	AUDIT	UFARS	DIFFERENCE
<b>01 GENERAL FUND</b>			
Total Revenue	\$ 129,768,471	\$ 128,384,913	\$ 1,383,558
Total Expenditures	122,613,641	122,603,245	10,396
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	1,190,862	1,188,378	2,484
<i>Restricted:</i>			
401 Student Activities	136,246	136,246	-
402 Scholarships	-	-	-
403 Staff Development	-	-	-
407 Capital Project Levy	-	-	-
408 Cooperative Programs	-	-	-
413 Projects Funded by COP	-	-	-
414 Operating Debt	-	-	-
416 Levy Reduction	-	-	-
417 Taconite Building Maintenance	-	-	-
424 Operating Capital	370,619	370,600	19
426 \$25 Taconite	-	-	-
427 Disabled Accessibility	-	-	-
428 Learning and Development	-	-	-
434 Area Learning Center	-	-	-
435 Contracted Alternative Programs	-	-	-
436 State-Approved Alternative Programs	-	-	-
438 Gifted and Talented	-	-	-
440 Teacher Development and Evaluations	-	-	-
441 Basic Skills Programs	-	-	-
448 Achievement and Integration	-	-	-
449 Safe Schools Crime Levy	-	-	-
451 QZAB Payments	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
453 Unfunded Severance & Retirement Levy	-	-	-
459 Basic Skills Extended Time	-	-	-
467 Long Term Facilities Maintenance	908,794	908,794	-
472 Medical Assistance	-	-	-
464 Restricted Fund Balance	-	35,939	(35,939)
475 Title VII Impact Aid	-	-	-
476 Payments in Lieu of Taxes	-	-	-
<i>Committed:</i>			
418 Committed for Separation	-	-	-
461 Committed Fund Balance	-	-	-
<i>Assigned:</i>			
462 Assigned Fund Balance	679,910	679,910	-
<i>Unassigned:</i>			
422 Unassigned Fund Balance	9,228,880	7,823,792	1,405,088
<b>02 FOOD SERVICE</b>			
Total Revenue	5,327,031	5,363,166	(36,135)
Total Expenditures	5,242,979	5,209,143	33,836
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	132,964	132,964	-
<i>Restricted:</i>			
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	3,508,162	3,544,771	(36,609)
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
<b>04 COMMUNITY SERVICE</b>			
Total Revenue	8,559,595	8,537,950	21,645
Total Expenditures	8,004,141	7,978,996	25,145
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	4,629	237	4,392
<i>Restricted:</i>			
426 \$25 Taconite	-	-	-
431 Community Education	1,164,094	1,093,713	70,381
432 E.C.F.E.	342,863	342,861	2
440 Teacher Development and Evaluations	-	-	-
444 School Readiness	182,263	151,177	31,086
447 Adult Basic Education	620,092	405,353	214,739
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	(42,407)	281,687	(324,094)
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

\*Adjustments were posted after the UFARS compliance deadline.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
UNIFORM FINANCIAL ACCOUNTING AND  
REPORTING STANDARDS COMPLIANCE TABLE (CONTINUED)  
JUNE 30, 2023**

	AUDIT	UFARS	DIFFERENCE
<b>06 BUILDING CONSTRUCTION</b>			
Total Revenue	\$ 430,279	\$ 430,279	\$ -
Total Expenditures	15,241,150	15,241,151	(1)
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
407 Capital Projects Levy	-	-	-
409 Alternative Facility Program	-	-	-
413 Projects Funded by COP	-	-	-
467 Long Term Facilities Maintenance	2,117,920	2,209,879	(91,959)
464 Restricted Fund Balance	9,351,042	9,259,083	91,959
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
<b>07 DEBT SERVICE</b>			
Total Revenue	12,565,357	12,674,185	(108,828)
Total Expenditures	14,131,957	14,131,956	1
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
425 Bond Refunding	-	-	-
451 QZAB and QSCB Payments	-	-	-
464 Restricted Fund Balance	782,376	891,204	(108,828)
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
<b>08 TRUST</b>			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Net Position:</i>			
422 Net Position	-	-	-
<b>18 CUSTODIAL</b>			
Total Revenue	851,658	851,657	1
Total Expenditures	1,156,131	1,156,131	-
<i>Restricted/Reserved:</i>			
401 Student Activities	-	-	-
402 Scholarships	-	-	-
448 Achievement and Integration	1,014,279	1,014,279	-
<b>20 INTERNAL SERVICE</b>			
Total Revenue	940,251	940,251	-
Total Expenditures	999,642	999,641	1
<i>Net Position:</i>			
422 Net Position	581,184	581,184	-
<b>25 OPEB REVOCABLE TRUST</b>			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Net Position:</i>			
422 Net Position	-	-	-
<b>45 OPEB IRREVOCABLE TRUST</b>			
Total Revenue	(99,069)	(66,251)	(32,818)
Total Expenditures	685,175	696,675	(11,500)
<i>Net Position:</i>			
422 Net Position	5,491,114	5,512,433	(21,319)
<b>47 OPEB DEBT SERVICE</b>			
Total Revenue	1,187,597	1,200,360	(12,763)
Total Expenditures	1,181,637	1,181,638	(1)
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
425 Bond Refunding	-	-	-
464 Restricted Fund Balance	200,484	213,246	(12,762)
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

\*Adjustments were posted after the UFARS compliance deadline.

**STATISTICAL SECTION (UNAUDITED)**

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
STATISTICAL SECTION  
(UNAUDITED)**

This part of Roseville Area Schools' Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	113
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	119
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	123
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	127
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report related to services The District provides and the activities it performs.	128

Source: Unless otherwise note, the information in these tables is derived from the comprehensive financial reports for the relevant year.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 26,165,652	\$ 29,454,388	\$ 29,788,218	\$ 31,082,118	\$ 20,772,076	\$ 24,551,012	\$ 35,487,015	\$ 46,807,538	\$ 39,991,157	\$ 38,623,832
Restricted	1,497,091	12,897,412	14,755,133	4,595,020	154,103,599	8,718,947	6,099,942	15,202,918	27,454,489	17,406,311
Unrestricted	(3,729,980)	(74,933,447)	(73,654,824)	(101,604,940)	(272,898,615)	(100,347,122)	(91,611,628)	(117,130,771)	(110,111,558)	(86,117,832)
Total Governmental										
Activities Net Position	<u>\$ 23,932,763</u>	<u>\$ (32,581,647)</u>	<u>\$ (29,111,473)</u>	<u>\$ (65,927,802)</u>	<u>\$ (98,022,940)</u>	<u>\$ (67,077,163)</u>	<u>\$ (50,024,671)</u>	<u>\$ (55,120,315)</u>	<u>\$ (42,665,912)</u>	<u>\$ (30,087,689)</u>

Source: District's financial records.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>EXPENSES</b>										
Governmental Activities:										
Administration	\$ 4,331,253	\$ 4,926,467	\$ 5,302,720	\$ 6,722,609	\$ 6,220,212	\$ 3,482,502	\$ 5,948,248	\$ 5,280,207	\$ 5,021,711	\$ 4,475,940
District Support Services	2,817,125	3,537,993	3,101,677	3,353,697	3,775,704	4,208,383	4,347,348	4,681,295	5,009,915	5,739,189
Regular Instruction	43,259,223	44,469,287	46,210,131	62,326,785	61,376,632	31,908,065	48,407,934	50,300,028	51,258,248	41,574,631
Vocational Education Instruction	1,388,308	1,157,265	1,229,949	2,159,314	2,314,266	1,339,143	2,187,037	2,015,161	1,799,637	1,728,657
Special Education Instruction	17,297,056	18,486,701	18,513,528	25,951,953	25,045,146	14,632,985	21,823,100	22,434,079	22,510,599	20,389,089
Instructional Support Services	6,550,718	8,453,869	9,216,623	12,155,864	11,859,599	6,820,861	9,723,062	10,994,308	9,789,363	9,721,651
Pupil Support Services	8,676,305	9,076,026	8,943,604	10,843,988	11,099,498	9,546,883	10,808,725	9,583,128	11,988,862	14,406,797
Sites and Buildings	7,871,563	7,058,049	7,458,334	9,700,258	12,288,900	14,613,380	263,203	16,073,597	11,074,452	13,633,906
Fiscal and Other Fixed										
Cost Programs	213,642	227,700	231,433	131,630	246,882	270,532	288,494	453,063	647,713	572,450
Food Service	3,759,035	4,362,884	4,937,762	4,593,511	4,500,950	4,595,988	4,156,549	4,783,454	4,839,758	5,070,713
Community Service	6,552,021	6,598,502	7,064,253	8,388,465	8,625,757	7,002,228	7,534,582	6,878,034	7,062,164	7,473,513
Interest on Long-Term Debt	1,835,857	1,964,096	1,960,336	1,833,746	5,440,437	6,907,002	6,440,655	4,928,594	6,094,197	5,516,961
Total Governmental Activities Expenses	<u>\$ 104,552,106</u>	<u>\$ 110,318,839</u>	<u>\$ 114,170,350</u>	<u>\$ 148,161,820</u>	<u>\$ 152,793,983</u>	<u>\$ 105,327,952</u>	<u>\$ 121,928,937</u>	<u>\$ 138,404,948</u>	<u>\$ 137,096,619</u>	<u>\$ 130,303,497</u>
<b>PROGRAM REVENUES</b>										
Governmental Activities:										
Charges for Services:										
Administration	\$ -	\$ -	\$ -	\$ 15,783	\$ 15,215	\$ 15,512	\$ -	\$ -	\$ 250	\$ -
District Support Services	1,207	205	75	25,356	29,533	76,847	47,113	10,734	24,080	21,799
Regular Instruction	4,051,031	969,210	1,004,708	984,464	989,088	922,188	644,160	601,190	745,999	791,289
Vocational Education Instruction	1,110	-	-	-	-	-	-	-	-	-
Special Education Instruction	1,104,224	643,797	651,906	676,517	744,332	726,628	376,011	261,323	330,259	335,410
Instructional Support Services	17,284	20,513	3,803	9,759	12,087	10,768	2,734	7,428	32,295	25,431
Pupil Support Services	61,775	49,199	54,892	47,477	47,520	45,864	23,451	6,537	41,880	39,546
Sites and Buildings	137,281	171,413	7,724	63,825	57,390	27,197	5,559	-	2,786	-
Food Service	1,566,787	1,483,473	1,401,588	1,344,572	1,318,093	1,407,903	1,113,318	195,381	127,898	1,246,602
Community Service	4,187,507	3,996,088	4,250,797	4,418,110	4,732,671	4,942,040	3,971,509	2,727,655	3,971,901	4,789,367
Operating Grants and Contributions	16,867,030	18,621,151	21,306,839	31,494,304	33,432,300	34,386,287	35,629,136	43,545,473	48,915,606	48,950,038
Capital Grants and Contributions	1,806,308	1,806,308	1,931,813	995,835	1,225,343	1,291,198	1,184,933	1,132,180	990,875	891,440
Total Governmental Activities Program Revenue	<u>\$ 29,801,544</u>	<u>\$ 27,761,357</u>	<u>\$ 30,614,145</u>	<u>\$ 40,076,002</u>	<u>\$ 42,603,572</u>	<u>\$ 43,852,432</u>	<u>\$ 42,997,924</u>	<u>\$ 48,487,901</u>	<u>\$ 55,183,829</u>	<u>\$ 57,090,922</u>

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>NET EXPENSE</b>										
Governmental Activities	<u>\$ (74,750,562)</u>	<u>\$ (82,557,482)</u>	<u>\$ (83,556,205)</u>	<u>\$ (108,085,818)</u>	<u>\$ (110,190,411)</u>	<u>\$ (61,475,520)</u>	<u>\$ (78,931,013)</u>	<u>\$ (89,917,047)</u>	<u>\$ (81,912,790)</u>	<u>\$ (73,212,575)</u>
<b>GENERAL REVENUES AND OTHER</b>										
Governmental Activities:										
Property Taxes:										
General Purposes and Capital Projects	\$ 11,749,696	\$ 18,359,024	\$ 20,648,918	\$ 20,492,568	\$ 19,987,128	\$ 24,839,630	\$ 26,827,077	\$ 26,355,031	\$ 26,967,041	\$ 31,009,126
Community Service	420,050	907,044	958,531	966,329	927,889	933,720	1,068,872	961,380	1,005,917	1,103,399
Debt Service	4,337,948	4,341,458	4,161,665	4,427,647	4,313,325	12,433,541	12,493,115	12,857,016	13,592,540	13,952,424
Unrestricted Grants and Contributions	55,742,398	57,049,466	57,322,680	53,320,699	52,091,085	49,254,050	53,533,726	52,498,407	52,457,736	53,135,342
Unrestricted Investment Earnings	7,150	4,052	6,310	7,375	587,862	4,860,105	2,015,558	288,861	31,186	863,946
Miscellaneous	1,449,359	3,528,872	3,928,275	571,429	187,984	99,935	45,157	59,152	312,773	-
Gain on Sale of Capital Assets	-	-	-	-	-	316	-	31,347	-	-
Total Governmental Activities	<u>\$ 73,706,601</u>	<u>\$ 84,189,916</u>	<u>\$ 87,026,379</u>	<u>\$ 79,786,047</u>	<u>\$ 78,095,273</u>	<u>\$ 92,421,297</u>	<u>\$ 95,983,505</u>	<u>\$ 93,051,194</u>	<u>\$ 94,367,193</u>	<u>\$ 100,064,237</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ (1,043,961)</u>	<u>\$ 1,632,434</u>	<u>\$ 3,470,174</u>	<u>\$ (28,299,771)</u>	<u>\$ (32,095,138)</u>	<u>\$ 30,945,777</u>	<u>\$ 17,052,492</u>	<u>\$ 3,134,147</u>	<u>\$ 12,454,403</u>	<u>\$ 26,851,662</u>
Net Position - Beginning of Year	24,976,724	23,932,763	(32,581,647)	(29,111,473)	(65,927,802)	(98,022,940)	(67,077,163)	(50,024,671)	(55,120,315)	(42,665,912)
Change in Accounting Principle	-	(58,146,844)	-	(8,516,558)	-	-	-	-	-	-
Prior Period Restatement	-	-	-	-	-	-	-	(8,229,791)	-	(14,273,439)
<b>NET POSITION - END OF YEAR</b>	<u>\$ 23,932,763</u>	<u>\$ (32,581,647)</u>	<u>\$ (29,111,473)</u>	<u>\$ (65,927,802)</u>	<u>\$ (98,022,940)</u>	<u>\$ (67,077,163)</u>	<u>\$ (50,024,671)</u>	<u>\$ (55,120,315)</u>	<u>\$ (42,665,912)</u>	<u>\$ (30,087,689)</u>

Source: District's financial records.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>GENERAL FUND</b>										
Nonspendable	\$ 231,631	\$ 541,338	\$ 734,087	\$ 869,406	\$ 792,020	\$ 749,779	\$ 655,323	\$ 591,417	\$ 395,436	\$ 1,190,862
Restricted	(7,362)	(881,704)	2,472,900	1,645,357	1,199,824	1,146,771	1,571,140	1,894,878	1,015,008	1,415,659
Assigned	-	-	-	-	-	-	-	-	620,504	679,910
Unassigned	2,704,376	1,051,272	2,055,938	2,285,861	2,225,462	2,853,523	6,624,473	1,234,587	3,288,979	9,228,880
Total General Fund	2,928,645	710,906	5,262,925	4,800,624	4,217,306	4,750,073	8,850,936	3,720,882	5,319,927	12,515,311
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Nonspendable	59,343	86,394	68,270	54,514	68,904	489,947	59,408	71,423	95,265	137,593
Restricted, Reported in:										
Food Service Fund	560,849	475,029	362,728	266,283	165,934	279,768	321,823	1,746,032	3,470,829	3,508,162
Community Service Fund	1,012,157	1,098,652	1,281,314	1,218,168	851,698	981,048	739,233	1,231,910	1,710,263	2,309,312
Capital Projects Fund	123,970	120,057	115,743	115,743	151,504,112	127,096,599	61,051,083	22,675,423	26,279,833	11,468,962
Debt Service Funds	687,524	760,474	714,080	936,447	18,638,594	1,432,542	1,729,188	2,155,505	2,543,500	982,860
Unassigned, Reported in:										
Community Service Fund	-	-	-	-	-	-	-	-	(3,203)	(42,407)
All Other Governmental Funds	2,443,843	2,540,606	2,542,135	2,591,155	171,229,242	130,279,904	63,900,735	27,880,293	34,096,487	18,364,482
Total All Funds	\$ 5,372,488	\$ 3,251,512	\$ 7,805,060	\$ 7,391,779	\$ 175,446,548	\$ 135,029,977	\$ 72,751,671	\$ 31,601,175	\$ 39,416,414	\$ 30,879,793

Source: District's financial records

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>REVENUES</b>										
Local Sources:										
Property Taxes	\$ 16,518,719	\$ 23,424,439	\$ 25,958,825	\$ 26,014,153	\$ 25,198,641	\$ 38,038,250	\$ 40,378,926	\$ 40,051,675	\$ 41,954,574	\$ 45,193,962
Earnings on Investments	7,150	4,052	6,310	7,375	587,862	4,860,105	2,015,558	288,861	31,186	863,946
Other	12,585,990	8,921,401	8,893,649	9,042,739	9,656,164	9,503,264	8,356,860	6,156,762	8,019,453	9,935,978
State Sources	69,163,769	71,227,671	74,731,949	74,631,015	77,762,409	79,415,571	80,591,905	80,537,973	81,666,804	84,983,342
Federal Sources	5,251,967	6,249,254	5,829,383	6,780,960	6,952,531	7,584,384	7,192,776	14,205,588	18,831,077	16,861,102
Total Revenues	103,527,595	109,826,817	115,420,116	116,476,242	120,157,607	139,401,574	138,536,025	141,240,859	150,503,094	157,838,330
<b>EXPENDITURES</b>										
Current:										
Administration	4,491,136	4,876,865	5,176,243	5,046,403	4,877,844	4,733,506	5,545,225	5,224,686	5,251,721	5,362,306
District Support Services	2,609,928	3,034,400	3,048,934	3,013,071	3,406,152	4,149,811	4,351,885	4,651,153	4,730,714	4,856,676
Regular Instruction	41,102,939	42,288,193	42,727,091	43,190,679	42,655,871	44,047,533	42,565,307	43,592,426	45,539,379	46,776,118
Vocational Education Instruction	1,362,393	1,116,633	1,214,382	1,646,034	1,782,455	1,822,857	2,039,215	1,897,445	1,858,296	2,086,618
Special Education Instruction	16,997,532	18,414,938	18,397,284	19,390,490	19,470,686	19,933,088	20,359,525	21,372,548	23,576,557	24,552,863
Instructional Support Services	6,050,378	8,159,483	8,501,344	8,746,361	8,745,629	9,002,818	9,392,968	10,540,032	10,142,573	10,976,310
Pupil Support Services	8,553,768	8,939,811	8,897,544	9,457,968	10,007,799	10,151,062	10,424,327	9,338,604	12,060,245	14,753,727
Sites and Buildings	6,708,539	6,678,180	6,686,092	7,426,505	11,342,637	19,863,670	19,740,705	16,826,839	10,197,041	9,372,623
Fiscal and Other Fixed										
Cost Programs	213,642	227,700	231,433	131,630	246,882	270,532	288,494	453,063	647,713	572,450
Food Service	4,015,452	4,366,088	4,564,590	4,589,410	4,498,018	4,535,517	4,106,629	4,694,952	4,844,087	5,046,701
Community Service Fund	6,463,018	6,392,397	6,933,921	7,413,838	7,997,568	7,871,819	7,436,971	6,937,502	7,383,968	7,948,510
Capital Outlay	2,180,649	3,225,049	2,588,834	3,175,365	5,618,572	23,530,946	70,386,757	65,134,479	14,596,958	18,324,908
Debt Service:										
Principal	2,095,000	2,115,000	2,215,000	2,275,000	2,760,000	4,790,000	5,245,000	5,450,000	10,662,852	8,244,173
Interest and Fiscal Charges	2,254,784	2,118,759	2,096,785	1,958,198	3,164,107	8,425,237	7,327,353	7,157,142	7,945,058	7,541,522
Total Expenditures	105,099,158	111,953,496	113,279,477	117,460,952	126,574,220	163,128,396	209,210,361	203,270,871	159,437,162	166,415,505
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,571,563)	(2,126,679)	2,140,639	(984,710)	(6,416,613)	(23,726,822)	(70,674,336)	(62,030,012)	(8,934,068)	(8,577,175)

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

<b>OTHER FINANCING SOURCES (USES)</b>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Proceeds from Sale of Equipment	\$ -	\$ -	\$ 2,790	\$ -	\$ -	\$ 316	\$ -	\$ 7,495	\$ -	\$ -
Proceeds from Sale of Real Property	-	-	2,393,240	-	-	-	-	23,852	-	-
Insurance Recovery	2,303	5,703	16,879	571,429	187,984	99,935	45,157	59,152	-	-
Bonds/COPs Issued	6,850,000	-	-	-	158,460,000	-	14,795,000	17,510,000	15,675,000	-
Bond/COP Premium (Discount)	381,104	-	-	-	15,823,398	-	750,873	-	714,382	-
Payment to Refunded Bond Escrow	(7,185,000)	-	-	-	-	(16,790,000)	(7,195,000)	3,279,017	359,925	40,554
Transfers In	-	-	-	-	-	-	-	5,918,000	-	-
Transfers Out	-	-	-	-	-	-	-	(5,918,000)	-	-
Total Other Financing Sources (Uses)	<u>48,407</u>	<u>5,703</u>	<u>2,412,909</u>	<u>571,429</u>	<u>174,471,382</u>	<u>(16,689,749)</u>	<u>8,396,030</u>	<u>20,879,516</u>	<u>16,749,307</u>	<u>40,554</u>
<b>NET CHANGES IN FUND BALANCES</b>	(1,523,156)	(2,120,976)	4,553,548	(413,281)	168,054,769	(40,416,571)	(62,278,306)	(41,150,496)	7,815,239	(8,536,621)
Fund Balance - Beginning of Year	6,895,644	5,372,488	3,251,512	7,805,060	7,391,779	175,446,548	135,029,977	72,751,671	31,601,175	39,416,414
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 5,372,488</u>	<u>\$ 3,251,512</u>	<u>\$ 7,805,060</u>	<u>\$ 7,391,779</u>	<u>\$ 175,446,548</u>	<u>\$ 135,029,977</u>	<u>\$ 72,751,671</u>	<u>\$ 31,601,175</u>	<u>\$ 39,416,414</u>	<u>\$ 30,879,793</u>
Debt Service as a Percentage of Noncapital Expenditures	10.00%	12.40%	10.10%	8.20%	4.82%	4.82%	10.60%	9.17%	12.74%	10.33%

Sources: District's financial records

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Tax Capacity Valuation									
For Taxes Collectible			Fiscal Disparities		Tax Increment	Total Taxable	Taxable Market Value	Tax Capacity as a Percentage of Market Value	
	Agricultural	Nonagricultural	Contribution	Distribution					
2014	\$	2,219	\$ 60,319,379	\$ (8,056,622)	\$ 6,513,595	\$ (1,628,353)	\$ 57,150,218	\$ 5,013,905,800	1.14%
2015		1,456	63,716,481	(8,141,263)	6,569,476	(1,720,772)	60,425,378	5,333,812,300	1.13
2016		1,456	64,655,443	(7,894,090)	6,670,314	(1,413,807)	62,019,316	5,423,990,600	1.14
2017		2,716	67,191,992	(7,954,475)	7,349,115	(1,430,888)	65,158,460	5,705,909,900	1.14
2018		2,903	72,611,117	(8,649,546)	8,032,789	(1,027,494)	70,969,769	6,033,507,500	1.18
2019		2,995	77,362,316	(9,168,590)	8,319,736	(1,004,278)	75,512,179	6,431,234,700	1.17
2020		3,191	81,645,627	(9,729,174)	8,886,632	(1,072,923)	79,733,353	6,800,952,800	1.17
2021		3,287	88,362,570	(9,818,134)	9,446,851	(1,344,635)	86,649,939	7,279,489,500	1.19
2022		1,768	90,218,020	(11,018,513)	10,299,114	(1,346,783)	88,153,606	7,466,211,400	1.18
2023		13,133	100,957,224	(10,895,823)	9,800,455	(1,665,188)	98,209,801	8,369,964,518	1.17

Source: School Tax Report issued by the Minnesota Department of Education and Ramsey County

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Rate	Tax Collection Calendar Fiscal Year	ISD No. 623	Overlapping Rates					Overlapping Rates					Total Roseville Resident		
			Municipalities					Municipalities						County	Misc
			Roseville	Maplewood	Shoreview	Little Canada	Arden Hills	Falcon Heights	Lauderdale	Ramsey	Other (1)				
Tax Capacity Rate	2014	0.16251	0.41743	0.48378	0.37835	0.31407	0.27950	0.24819	0.63735	0.63735	0.11447	1.33176			
Market Value Rate	2014	0.00258	0.00022	0.00020								0.00280			
Tax Capacity Rate	2015	0.17180	0.40471	0.46353	0.35196	0.30696	0.27294	0.23470	0.28856	0.58922	0.10742	1.27315			
Market Value Rate	2015	0.00259	0.00019	0.00009								0.00278			
Tax Capacity Rate	2016	0.20958	0.39324	0.48507	0.35689	0.30331	0.26539	0.25866	0.29042	0.58885	0.09052	1.28219			
Market Value Rate	2016	0.00210	0.00019	0.00009								0.00229			
Tax Capacity Rate	2017	0.18894	0.38552	0.47248	0.34627	0.28903	0.27211	0.26342	0.28678	0.55850	0.08669	1.21965			
Market Value Rate	2017	0.00193	0.00018	0.00008								0.00211			
Tax Capacity Rate	2018	0.34396	0.38177	0.45911	0.33935	0.26664	0.25532	0.31780	0.29919	0.53962	0.09086	1.35621			
Market Value Rate	2018	0.00220	0.00017	0.00007								0.00236			
Tax Capacity Rate	2019	0.31687	0.37422	0.44693	0.32960	0.26131	0.25555	0.37356	0.29347	0.48565	0.25210	1.42884			
Market Value Rate	2019	0.00253	0.01574	0.00657								0.01827			
Tax Capacity Rate	2020	0.30668	0.39201	0.44646	0.32626	0.25773	0.25414	0.35635	0.29330	0.52302	0.09270	1.31441			
Market Value Rate	2020	0.00198	0.09531	0.00633								0.09729			
Tax Capacity Rate	2021	0.31250	0.37071	0.41953	0.32331	0.23983	0.25089	0.36348	0.27733	0.47760	0.08938	1.25019			
Market Value Rate	2021	0.00169	0.00000	0.00000								0.00169			
Tax Capacity Rate	2022	0.26914	0.38483	0.43662	0.32961	0.25555	0.26543	0.38800	0.29596	0.48067	0.10919	1.24381			
Market Value Rate	2022	0.00269	0.00000	0.00000								0.00269			
Tax Capacity Rate	2023	0.25533	0.36083	0.40548	0.30258	0.25486	0.23632	0.35174	0.28159	0.44901	0.10347	1.16864			
Market Value Rate	2023	0.00214	0.00000	0.00000								0.00214			

Source: Ramsey County Department of Property Tax and Public Records

(1) The miscellaneous other levy includes Metropolitan Council, mosquito control, watershed district, and other metro services. These miscellaneous levies vary slightly between municipalities.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

Taxpayer	2023			2014		
	Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
PPF RTL Rosedale Shopping Ctr LLC	\$ 2,598,942	1	2.94%	\$ 2,349,250	1	3.45%
Xcel Energy	1,299,879	2	1.47	1,187,502	2	1.74
St. Jude Medical Inc.	886,166	3	1.00	423,714	6	0.62
Gateway Washington Inc & Co	789,250	4	0.89	807,026	3	1.18
Wilcal Crossroads LLC	679,864	5	0.77	616,788	5	0.90
Arrow Lexington Apartments, LLC	615,473	6	0.70	-	N/A	-
PPF RTL Rosedale Shopping Ctr & C/O Morgan Stanley Re Advisor	561,412	7	0.64	699,250	4	3.45
Rosedale Commons LP	497,188	8	0.56	406,280	7	0.66
Rosedale Marketplace Associate & C/O Tanurb Developments Inc.	440,248	9	0.50	362,452	8	1.04
Roseville Properties	<u>387,534</u>	10	0.44	<u>347,202</u>	9	<u>0.66</u>
Total	<u>\$ 8,755,956</u>		<u>9.91%</u>	<u>\$ 7,199,464</u>		<u>13.70%</u>

Source: Current Property Valuations, Net Tax Capacity by Classification. Trend Valuations and Larger Taxpayers have been furnished by Ramsey County

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

For Taxes Collectible	Original Levy				First Year Levy Recognized		Collections Received in Subsequent Years	Total Collections to Date		Uncollected Taxes Receivable as of June 30, 2023	
	Local Spread	Fiscal Disparities	Property Tax Credits	Total Spread	Amount	Percentage of Levy		Percentage of		Delinquent	
								Amount	Levy	Amount	Percent
2014	\$ 21,177,786	\$ 2,601,943	\$ 270,074	\$ 24,049,803	\$ 23,220,186	96.6%	\$ 829,617	\$ 24,049,803	100.0%	\$ -	0.0%
2015	23,082,763	2,747,542	262,018	26,092,323	25,961,837	99.5	130,486	26,092,323	100.0	-	-
2016	23,014,487	2,858,884	243,935	26,117,306	26,013,744	99.6	103,562	26,117,306	100.0	-	-
2017	22,147,148	3,055,799	218,646	25,421,593	25,198,644	99.1	207,719	25,406,363	99.9	15,230	0.1
2018	34,891,855	3,026,465	200,048	38,118,368	38,127,149	100.0	(22,061)	38,105,088	100.0	13,280	0.0
2019	35,779,776	4,612,447	197,120	40,589,343	39,894,491	98.3	650,201	40,106,853	98.8	44,651	0.1
2020	35,204,430	4,732,099	213,160	40,149,689	39,821,716	99.2	277,776	40,099,492	99.9	50,197	0.1
2021	36,410,633	4,694,269	-	41,104,902	40,004,638	97.3	982,025	40,986,663	99.7	118,239	0.3
2022	41,065,541	4,857,279	176	45,922,996	45,020,894	98.0	-	45,020,894	98.0	902,102	2.0
2023	40,448,425	5,169,304	1,161	45,618,890	21,244,500	46.6	In process of collection	-	-	-	-
Total										<u>\$ 1,143,699</u>	

Note 1: A portion of the total spread levy is paid through various property tax credits which are paid through state aids and have been included in collections.

Note 2: Only a portion of calendar year 2023 taxes are collectible by June 30, 2023. A total of \$21,244,500 of 2023 taxes were collected by June 30, 2023.

Note 3: Delinquent taxes receivable are written off after seven years. The amount of collections has been adjusted to reflect the write off of delinquent taxes receivable.

Source: State of Minnesota School Tax Report

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Long-Term Leases and Subscriptions	Certificates of Participation	Financed Purchases				
2014	\$ 42,698,583	\$ -	\$ -	\$ -	\$ -	\$ 42,698,583	0.02%	\$ 748
2015	40,487,320	-	-	-	-	40,487,320	0.01	701
2016	38,176,006	-	-	-	-	38,176,006	0.01	643
2017	35,804,694	-	-	-	-	35,804,694	0.01	597
2018	206,883,978	-	-	-	-	206,883,978	0.07	654
2019	183,686,615	-	-	-	-	183,686,615	0.06	3,602
2020	164,845,000	-	-	-	-	164,845,000	0.05	3,204
2021	178,604,247	314,871	20,789,017	348,760		200,056,895	0.07	2,830
2022	184,156,431	216,374	19,445,665	414,330		204,232,800	0.07	3,435
2023	178,101,497	180,860	15,914,881	119,975		194,317,213	N/A	3,507

N/A - Not Available

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Note: Details regarding the District's outstanding debt can be found in the notes to basic financial statements.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
JUNE 30, 2023  
(UNAUDITED)**

Governmental Unit	2022/2023 Taxable Net Tax Capacity	Bonded Debt	Percent Allocable to ISD No. 623	Portion Allocable to ISD No. 623
Independent School District No. 623	\$ 86,649,939	\$ 184,156,431	100.00%	\$ 184,156,431
Overlapping Debt				
Ramsey County	718,083,757	219,798,850	12.0668	26,522,688
Arden Hills	15,412,509	2,415,000	3.6864	89,028
Falcon Heights	6,209,209	1,345,000	100.0000	1,345,000
Lauderdale	3,215,504	2,265,000	100.0000	2,265,000
Little Canada	14,797,744	3,380,000	90.3656	3,054,357
Maplewood	54,845,981	56,197,811	27.7930	15,619,058
Roseville	64,854,004	16,265,000	81.0795	13,187,581
Shoreview	41,617,039	18,775,000	7.4768	1,403,769
Metropolita Council	4,884,505,255	2,798,961,013	1.7740	49,653,568
Total Overlapping Debt				<u>113,140,049</u>
Total Direct and Overlapping Debt				<u><u>\$ 297,296,480</u></u>

Note (1): The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue, and radio revenue bonds and lease obligations outstanding all of which are supported entirely by revenues and have not been included in the Overlapping Debt or Debt Ratios.

Source: Ramsey County

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
RATIO OF NET GENERAL OBLIGATIONS BONDED DEBT TO TAX CAPACITY  
AND NET OBLIGATION BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand	Net Bonded Debt	Tax Capacity	Percent Net Debt to Tax Capacity	Percent of Estimated Actual Market Value of Property (1)	Estimated Population	Net Bonded Debt per Capita
2014	\$ 42,698,583	\$ 2,557,059	\$ 40,141,524	\$ 56,704,132	70.79%	0.80%	54,723	\$ 734
2015	40,487,320	2,738,124	37,749,196	57,150,218	66.05	0.71	54,723	690
2016	38,176,006	2,892,601	35,283,405	60,425,378	58.39	0.65	54,723	645
2017	35,804,694	2,892,697	32,911,997	62,019,316	53.07	0.58	54,723	601
2018	206,883,978	24,629,902	182,254,076	65,158,460	279.71	3.02	54,723	3,330
2019	169,100,000	7,229,222	161,870,778	70,969,769	228.08	2.52	57,443	2,818
2020	164,845,000	7,339,239	157,505,761	75,512,179	208.58	2.32	57,325	2,748
2021	161,090,000	8,424,043	152,665,957	79,733,353	191.47	2.10	58,239	2,621
2022	184,156,431	9,020,174	175,136,257	86,649,939	202.12	2.35	58,239	3,007
2023	178,101,497	7,518,518	170,582,979	88,153,606	193.51	2.04	58,239	2,929

(1) - See the Schedule of Tax Capacities and Market Value for information on the market value of the District's property.

Source: Annual school district census and U.S. census

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 752,085,870	\$ 800,071,845	\$ 814,498,590	\$ 855,886,485	\$ 905,026,125	\$ 964,685,205	\$ 1,020,142,920	\$ 1,091,923,425	\$ 950,347,636	\$ 1,086,413,355
Total Net Debt										
Applicable to Limit	40,141,524	37,749,196	35,283,405	32,911,997	182,254,076	182,254,076	176,457,393	178,604,247	169,584,074	169,081,323
Legal Debt Margin	<u>\$ 711,944,346</u>	<u>\$ 762,322,649</u>	<u>\$ 779,215,185</u>	<u>\$ 822,974,488</u>	<u>\$ 722,772,049</u>	<u>\$ 782,431,129</u>	<u>\$ 843,685,527</u>	<u>\$ 913,319,178</u>	<u>\$ 780,763,562</u>	<u>\$ 917,332,032</u>
Total Net Debt										
Applicable to the Limit										
as a Percentage										
of Debt Limit	5.34%	4.72%	4.33%	3.85%	20.14%	18.89%	17.30%	16.36%	17.84%	15.56%

Legal Debt Margin Calculation for Fiscal Year 2023

Market Value (1)	(1)	\$ 8,369,964,518
Debt Limit (15% of Market Value)		1,255,494,678
Debt Applicable to Limit:		
General Obligation Bonds		178,101,497
Less: Amount Set Aside for Repayment of		
General Obligation Debt		<u>(9,020,174)</u>
Total Net Debt Applicable to Limit		<u>169,081,323</u>
Legal Debt Margin		<u>\$ 1,086,413,355</u>

(1) Economic Market Value for School Districts. Assessment Year 2022 for taxes payable in 2023. Minnesota Department of Revenue.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Calendar Year	Population (1)	Estimated Personal Income (2)	Per Capita Personal Income (2)	Median Age	School Enrollment (3)	City of Roseville Unemployment Rate (4)
2014	54,723	\$ 2,546,206,467	\$ 46,529	41	7,271	3.2%
2015	54,723	2,573,020,737	47,019	41	7,500	3.0
2016	54,723	2,651,712,411	48,457	40	7,550	3.0
2017	54,723	2,723,384,555	49,767	40	7,615	3.0
2018	54,723	2,861,520,393	52,291	40	7,664	2.9
2019	57,443	2,937,060,590	51,130	38	7,580	3.0
2020	57,325	3,000,505,150	52,342	43	7,580	3.0
2021	58,239	2,968,849,503	50,977	44	7,299	2.3
2022	58,239	3,065,060,331	52,629	42	7,228	2.1
2023	58,239	N/A	N/A	N/A	N/A	N/A

Note 1: Student enrollment numbers are estimated for the most recent fiscal year.

Note 2: Annual average unemployment rates compiled by the Minnesota Department of Employment and Economic Development.

Sources:

- (1) MDE's Levy Limitation Reports
- (2) Estimated personal income is calculated by multiplying the per capital personal income by the estimated population per census
- (3) MDE's Levy Limitation Reports
- (4) United States Department of Agriculture/Economic Research Service

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

Employer	2023		2014	
	Employees	Rank	Employees	Rank
University of Minnesota (St. Paul Campus)	3,410	1	4,691	1
Minnesota State Fair (1)	2,594	2	2,670	2
Abbott-St. Jude Medical	1,159	3	1,126	3
ISD No 623 (Roseville Area Schools)	1,257	4	1,113	4
Minnesota Department of Transportation	800	5	700	5
Old Dutch Foods	600	6	400	7
Presbyterian Homes Housing	546	7	N/A	
TSI	400	8	N/A	
Lunds & Byerlys	377	9	N/A	
Hypro	375	10	N/A	
Pediatric Home Respiratory	339		N/A	
Minnesota Department of Education	N/A		500	6
<b>Total</b>	<b>11,857</b>		<b>11,200</b>	

Source: ReferenceUSA, written and telephone survey February 2023, and the Minnesota Department of Employment and Economic Development.

Note: Information regarding the percentage of total employment for each employer was not available.

(1) Includes Seasonal Employees

**ROSEVILLE AREA SCHOOLS  
 INDEPENDENT SCHOOL DISTRICT NO. 623  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEE BY TYPE  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Administrative Staff	19	22	23	22	26	27	28	28	29	29
Support Service Staff	79.85	91.78	90.76	85.05	85.20	86.10	86.30	71.30	88.10	96.00
Classroom Teachers	385.50	406.61	388.73	401.64	405.28	401.40	406.80	402.50	407.90	412.40
Special Education Teachers	70.60	75.84	74.49	78.41	72.09	73.60	70.80	68.80	76.30	84.70

Source: STAR reports

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHOOL BUILDING INFORMATION  
(UNAUDITED)**

Facility	Use	Constructed	Acres	Additions	Square Footage	Enrollment <sup>(1)</sup>
Brimhall Elementary	School	1957	16.8	1957, 1958, 1959, 1972 1994, 2019 2023	101,342	565
Central Park Elementary	School	1966	9.4	1968, 1996, 2019	88,801	394
District Center	Administration	1968	5.0		16,952	
Edgerton Elementary	School	1952	13.0	1955, 1961 1967, 1969, 1996, 2004, 2019	86,880	446
Anpétu Téča Education Center	Community	2021	21.7		109,190	N/A
Falcon Heights Elementary	School	1951	8.8	1951, 1961, 1969, 1995, 1998, 2015 2020	74,081	491
Harambee Elementary	School	1996	27.3	2020	85,266	271
Little Canada Elementary	School	1968	16.0	1989, 1995, 2019	88,796	636
Williams Elementary	School	1963	13.6	1966, 1969, 1997, 2020	76,423	438
Parkview Center School	School	1967	26.3	1969, 1975, Renovated in 1997 2020	168,594	720
Roseville Area Middle School	School	1963	41.0	1963, 1966, 1970, 1972 1975, 1990 2004, 2020	260,232	832
Roseville Area High School	School	1952	40.0	1962, 1969, 1970, 1975, 1985, 1993-1996 2003, 2005, 2019-2023	527,990	2,185

N/A - Not Available

(1) Source: 2022-23 MN Department of Education School ADM Served Report

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
STANDARDIZED TESTING  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>STANDARDIZED TESTS</b>										
MCA Reading (See Note 1)										
Grade 3	58.4%	57.3%	52.9%	51.4%	53.1%	47.8%	N/A	41.9%	48.0%	42.3%
Grade 5	65.1%	66.3%	64.1%	63.2%	61.6%	60.1%	N/A	55.6%	54.4%	54.7%
Grade 7	56.5%	46.2%	48.3%	51.2%	58.3%	60.6%	N/A	46.5%	50.5%	44.4%
Grade 10	59.8%	57.3%	54.8%	57.8%	53.1%	55.4%	N/A	69.1%	60.8%	52.4%
MCA Math (See Note 1)										
Grade 3	64.1%	66.1%	62.7%	62.6%	61.7%	57.1%	N/A	48.0%	53.3%	50.0%
Grade 5	61.2%	60.0%	50.8%	48.7%	48.0%	46.3%	N/A	28.4%	32.2%	33.7%
Grade 7	58.3%	46.5%	49.6%	47.3%	44.5%	52.8%	N/A	25.1%	34.4%	27.3%
Grade 11	47.1%	439.0%	38.8%	45.2%	45.1%	35.6%	N/A	39.6%	36.6%	39.1%
ACT										
Independent School District No. 623 Average Composite Score										
	23.3%	23.1%	20.6%	21.1%	20.8%	20.2%	N/A	24.3%	19.7%	19.0%
State Average Composite Score										
	22.9%	22.7%	21.1%	21.5%	21.3%	21.4%	N/A	21.6%	21.0%	20.8%

N/A - Not Available

Note 1: Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessment Test.

Note 2: MCAs were not administered in the 2019-2020 school year due to COVID-19 Pandemic

Note 3: Student participation in MCAs during the 2020-2021 school year was severely impacted due to the COVID-19 Pandemic

Note 4: Student participation in ACT during the 2020-21 school year was severely impacted due to the COVID-19 Pandemic

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SUMMARY OF MEALS SERVED  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Average Daily Attendance (1)	Total Lunches Served	Days	Average Daily Participation	Participation as a Percent of Average Daily Attendance	Free Lunch		Reduced Lunch	
						Number Served	Percent of Total	Number Served	Percent of Total
2014	6,798	792,227	173.0	4,579	67.36%	404,177	51.02%	75,399	9.52%
2015	7,012	854,397	173.0	4,939	70.43	430,054	50.33	69,909	8.18
2016	7,059	869,259	173.0	5,025	71.18	440,887	50.72	81,054	9.32
2017	7,120	868,930	173.0	5,023	70.54	430,019	49.49	84,893	9.77
2018	7,166	844,827	173.0	4,883	68.14	405,578	48.01	85,311	10.10
2019	7,087	820,170	170.0	4,825	68.07	374,353	45.64	102,462	12.49
2020	7,087	583,066	116.0	5,026	70.92	248,842	42.68	69,867	11.98
2021	N/A - All students fed through Summer Nutrition Program and/or CACFP per USDA guidance								
2022	N/A - All students fed through Summer Nutrition Program and/or CACFP per USDA guidance								
2023	6,730	735,651	168.0	4,379	65.07	374,743	50.94	67,311	9.15

(1) Based on State Food and Nutrition Department guidelines, attendance is deemed to be 93.5% of enrollment.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF INSURANCE COVERAGE  
JUNE 30, 2023  
(UNAUDITED)**

Type of Coverage	Amount of Coverage
<b>PROPERTY COVERAGE</b>	
Real and Personal Property (Blanketed)	\$ 349,374,486
Unscheduled Locations- Property in Open	Included in Blanket
Blanket Business Income	\$ 2,000,000
Blanket Extra Expense Including Equipment Breakdown	2,000,000
Blanket Flood Coverage	1,000,000
Interruption of Services Coverage	100,000
Course of Construction Specific Projects	100,000
Land Improvements	100,000
Mobile Equipment and Tools	4,828,500
<b>PROPERTY EXTENSIONS</b>	
Accounts Receivable	100,000
Arson Reward	25,000
Computer Virus and Denial of Access	25,000
Debris Removal Expense	500,000
Except for windblown debris	25,000
Deferred Payments	25,000
Fine Arts	100,000
Fungus Cleanup Expense	250,000
Installation of Personal Property or Property of Others	250,000
Lock and Key Replacement	25,000
Plants, Trees or Shrubs	100,000
Pollution Cleanup Expense	Applicable Limit of Liability
Professional Fees	\$ 50,000
<b>EQUIPMENT BREAKDOWN EXTENSIONS</b>	
Expediting Expenses Coverage	250,000
Hazardous Substances Coverage	250,000
Perishable Goods Coverage	250,000
Data Restoration	250,000
Water Damage Coverage	included
CFC Refrigerants	included
<b>LIABILITY COVERAGES</b>	
General:	
Each Occurrence	1,000,000
General Aggregate	2,000,000
Products/Completed Operations Aggregate	2,000,000
Personal/Advertising Injury Limit	1,000,000
Damage to Rented Premises	1,000,000
Medical Expense Limit - Excluding Students	15,000

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF INSURANCE COVERAGE (CONTINUED)  
JUNE 30, 2023  
(UNAUDITED)**

Type of Coverage	Amount of Coverage
<b>LIABILITY COVERAGES (CONTINUED)</b>	
Custom Select Educational Institutions:	
Animals	\$ 25,000
Classroom Chemical Spills, Per Occurrence	10,000
Crisis Event, Per Occurrence	50,000
Employee Dishonesty, Per Occurrence	25,000
Forgery or Alteration, Per Occurrence	25,000
Misc. School Property at School Sponsored Events	
Away from a Covered Location	50,000
Money and Securities, Per Occurrence	25,000
Money Orders and Counterfeit Currency, Per Occurrence	25,000
Personal Effects of Your Students, Per Occurrence	100,000
Employee Benefit Liability:	
Each Employee	1,000,000
Aggregate	3,000,000
Sexual Misconduct Liability	1,000,000
Aggregate	3,000,000
Umbrella Liability:	
Each Occurrence	2,000,000
Aggregate	2,000,000
Crime Coverage:	
Employee Dishonesty	500,000
Forgery or Alteration	50,000
Computer Fraud and Funds Transfer Fraud	250,000
Theft, Disappearance, and Destruction	100,000
Money Orders and Counterfeit Money	50,000
False Pretenses Coverage	25,000
Cyber Suite Annual Aggregate Limit	1,000,000
Business Automobile Coverage:	
Liability	1,000,000
Personal Injury Protection	Statutory
Uninsured Motorists	1,000,000
Underinsured Motorists	1,000,000
Hired and Non-Owned Liability	1,000,000
School Leaders Errors and Omissions	1,000,000
Aggregate Limit	1,000,000
Aggregate Defense Expense	500,000
Workers Compensation Coverage:	
Employers Liability:	
Each Accident	500,000
Disease - Policy Limit	500,000
Disease - Each Employee	500,000

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND OTHER REQUIRED REPORTS**

**JUNE 30, 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://www.CLAconnect.com)

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
TABLE OF CONTENTS  
JUNE 30, 2023**

**SINGLE AUDIT AND OTHER REQUIRED REPORTS**

<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>1</b>
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE</b>	<b>3</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>7</b>
<b>NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>8</b>
<b>INDEPENDENT AUDITORS' REPORT ON <i>MINNESOTA LEGAL COMPLIANCE</i></b>	<b>9</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>11</b>

## **SINGLE AUDIT AND OTHER REQUIRED REPORTS**



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

School Board  
Independent School District No. 623  
Roseville Area Schools  
Roseville, 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 Roseville Area Schools, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Roseville Area Schools' basic financial statements, and have issued our report thereon dated April 1, 2024.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Roseville Area Schools' 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 Roseville Area Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Roseville Area Schools' 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.

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, and 2023-003, that we consider to be material weaknesses.

***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*.

***Roseville Area Schools' Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Roseville Area Schools' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Roseville Area Schools' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

***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.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
April 1, 2024



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

School Board  
Independent School District No. 623  
Roseville Area Schools  
Roseville, Minnesota

**Report on Compliance for Each Major Federal Program**

***Qualified and Unmodified Opinions***

We have audited Roseville Area Schools' 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 Roseville Area Schools' major federal programs for the year ended June 30, 2023. Roseville Area Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Qualified Opinion on Special Education Cluster***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Roseville Area Schools complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Special Education Cluster for the year ended June 30, 2023.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, Roseville Area Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

***Basis for Qualified and Unmodified Opinions***

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

We are required to be independent of Roseville Area Schools and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Roseville Area Schools' compliance with the compliance requirements referred to above.

***Matters Giving Rise to Qualified Opinion on the Special Education Cluster***

As described in the accompanying schedule of findings and questioned costs, Roseville Area Schools did not comply with requirements regarding Assistance Listing Numbers 84.027 and 84.173 Special Education Cluster as described in finding numbers 2023-004 and 2023-005 for Procurement and Suspension and Debarment.

Compliance with such requirements is necessary, in our opinion, for Roseville Area Schools to comply with the requirements applicable to that program.

***Responsibilities of Management for Compliance***

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

***Auditors' Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Roseville Area Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Roseville Area Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Roseville Area Schools' 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.

### ***Other Matters***

*Government Auditing Standards* requires the auditor to perform limited procedures on Roseville Area Schools' response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Roseville Area Schools' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance 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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-004 and 2023-005 to be material weaknesses.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our 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.

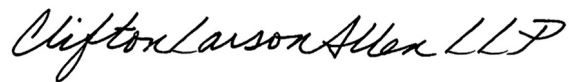
School Board  
Independent School District No. 623  
Roseville Area Schools

*Government Auditing Standards* requires the auditor to perform limited procedures on Roseville Area Schools' response to internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Roseville Area Schools' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 Roseville Area Schools as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Roseville Area Schools' basic financial statements. We have issued our report thereon, dated April 1, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
April 1, 2024

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures	Passed Through to Payments
<b>U.S. Department of Agriculture</b>				
Passed Through Minnesota Department of Education				
Noncash Assistance (Commodities):				
National School Lunch Program	1-0882-000	10.555	* \$ 398,739	\$ -
Cash Assistance:				
School Breakfast Program	1-0882-000	10.553	* 576,642	-
National School Lunch Program	1-0882-000	10.555	* 2,168,896	-
COVID-19 Supply Chain Assistance	1-0882-000	10.555	* 199,785	-
Cash in Lieu of Commodities	Unknown	10.558	26,552	-
Total ALN 10.555			<u>2,793,972</u>	-
Child and Adult Care Food Program	202020N109942	10.558	357,543	-
Summer Food Program	1-0882-000	10.559	* 90,184	-
Fresh Fruit and Vegetable Grant Program	202020L160342	10.582	* 83,409	-
Total Cash Assistance			<u>3,503,011</u>	-
Total U.S. Department of Agriculture			3,901,750	-
<b>U.S. Department of the Treasury</b>				
Passed Through Minnesota Department of Education:				
COVID-19 Summer Preschool Program	Unknown	21.027	34,084	-
COVID-19 Summer Academic Enrichment and Mental Health	Unknown	21.027	269,464	-
COVID-19 Pandemic Enrollment Loss	Unknown	21.027	328,279	-
Total U.S. Department of the Treasury (Total ALN 21.027)			<u>631,827</u>	-
<b>U.S. Federal Communications Commission</b>				
COVID-19 Emergency Connectivity Program	Direct Payment	32.009	240,780	-
Total U.S. Federal Communications Commission:			<u>240,780</u>	-
<b>U.S. Department of Education</b>				
Passed Through Minnesota Department of Education:				
Adult Basic Education	Unknown	84.002	111,402	-
Title I, Part A Grants to Local Educational Agencies	S010A190023	84.010	1,399,158	-
IDEA, Part B - Special Education Grants to States	H027A190087	84.027	** 1,674,991	-
Non-Exclusionary Discipline (NED) Training and Support Grant	H027A190087	84.027	** 63,430	-
COVID-19 IDEA, Part B - Special Education Grants to States	H027A190087	84.027	** 197,842	-
Total ALN 84.027			<u>1,936,263</u>	-
IDEA, Preschool Grants	H173A220086	84.173	** 29,740	-
COVID-19 IDEA, Part B - Preschool Grants	H173X210086	84.173	** 37,324	-
Total ALN 84.173			<u>67,064</u>	-
Special Education Grants for Infants and Families	H181A190029	84.181	29,045	-
Title IV, Part B - Twenty-First Century				
Community Learning Centers	Unknown	84.287	544,267	-
Title III, Part A - English Language				
Acquisition Grants	S365A220023A	84.365	174,904	-
Title II, Part A - Supporting Effective Instruction	S367A220022	84.367	244,523	-
Title IV, Part A - Student Support and Academic Enrichment	S424A220024	84.424	120,849	-
COVID-19 - ARP Elementary and Secondary School				
Emergency Relief Fund (ESSER II)	Unknown	84.425D	*** 158,182	-
COVID-19 - ARP Elementary and Secondary School				
Emergency Relief Fund (ESSER III)	Unknown	84.425U	*** 7,173,929	-
COVID-19 - ARP Homeless Children and Youth	S425W210024-21A	84.425W	*** 17,279	-
Total ALN 84.425			<u>7,349,390</u>	-
Total Passed Through Minnesota Department of Education:			<u>11,976,865</u>	-
Pass-Through Intermediate School District No. 916:				
Cash Assistance:				
Career and Technical Education	Unknown	84.048	15,172	-
Total U.S. Department of Education			<u>11,992,037</u>	-
<b>U.S. Department of Health and Human Services</b>				
Passed Through Minnesota Department of Education:				
COVID-19 Epidemiology and Laboratory Capacity				
for Infectious Diseases	Unknown	93.323	44,415	-
COVID-19 Child Care Stabilization Grants	Unknown	93.575	180,634	-
			<u>225,049</u>	-
Total Federal Awards Expended			<u>\$ 16,991,443</u>	<u>\$ -</u>

\* Total Child Nutrition Cluster = \$3,517,655  
\*\* Total Special Education Cluster (IDEA) = \$2,003,327  
\*\*\* Total Education Stabilization Fund = \$7,349,390

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2023**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Roseville Area Schools (the District) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of 2 CFR 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 the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 INDIRECT COST RATE**

Independent School District No. 623 has not elected to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.



## **INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE**

School Board  
Independent School District No. 623  
Roseville Area Schools  
Roseville, Minnesota

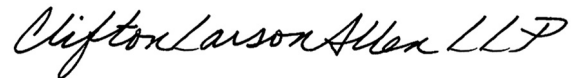
We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Roseville Area Schools (the District) as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 1, 2024.

In connection with our audit, we noted that Roseville Area Schools failed to comply with provisions of the Claims and Disbursements and Public Indebtedness sections of *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, in so far as they relate to accounting matters as described in the Schedule of Findings and Questioned Costs as items 2023-006 and 2023-007. Also, in connection with our audit, nothing came to our attention that caused us to believe that Roseville Area Schools failed to comply with the provisions of the deposits and investments, conflicts of interest, contracting and bidding, 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.

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

School Board  
Independent School District No. 623  
Roseville Area Schools

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



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
April 1, 2024

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023**

***Section I – Summary of Auditors’ Results***

***Financial Statements***

Type of auditors’ report issued: Unmodified

1. Internal control over financial reporting:

- Material weakness(es) identified?     x     yes            no
- Significant deficiency(ies) identified?            yes     x     none reported

2. Noncompliance material to financial statements noted?            yes     x     no

***Federal Awards***

Internal control over major federal programs:

- Material weakness(es) identified?     x     yes            no
- Significant deficiency(ies) identified?            yes     x     none reported

1. Type of auditors’ report issued on compliance for major federal programs: Qualified opinion on Special Education Cluster (IDEA)  
Unmodified opinion on the Education Stabilization Fund, Child Nutrition Cluster, and Title I.

2. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?     x     yes            no

***Identification of Major Federal Programs***

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.027 and 84.173	Special Education Cluster (IDEA)
84.425D, 84.425U, 84.425W	COVID-19 Education Stabilization Fund
10.553, 10.555, 10.558, 10.582, 10.559	Child Nutrition Cluster
84.010	Title I

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

Auditee qualified as low risk auditee?            yes     x     no

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

---

***Section II – Financial Statement Findings***

---

**2023 – 001 – Prior Period Adjustment**

Type of Finding: Material Weakness in Internal Control over Financial Reporting

**Condition:** During our audit procedures performed over capital assets it was noted that one of the projects that transferred out of CIP during fiscal year 2023 as the project was finished had more assets capitalized in relation to the project then costs that were actually identifiable for the project. This was due to the District doubling up the CIP amounts during fiscal year 2020. This resulted in the building cost for fixed assets to be overstated by \$14,714,890 and the related accumulated depreciation to be overstated by \$441,451 at the end of the prior period which required a prior period restatement. The offset to this entry was both capital outlay expenditures for capitalizing the asset and depreciation expense for the Accumulated depreciation. Capital Outlay Expenditures were understated by \$14,714,890 on the government wide statements and depreciation expense was overstated by \$441,451 on the government wide statements.

**Criteria or specific requirement:** The District should have sufficient procedures and controls in place to properly reconcile capital assets at year-end and identify as projects complete if there were too many costs capitalized within the software in relation to actual project costs.

**Effect:** The District overstated capital assets and related accumulated depreciation.

**Repeat Finding:** No

**Cause:** The District has in place good controls now to ensure that costs are not doubled up within the capital asset software, however, does not have sufficient controls to identify if projects being completed were over-capitalized in the past.

**Recommendation:** We recommend that the Roseville Area Schools review its procedures and controls over capital asset additions and ensure when transferring CIP to another asset category, that the project is reviewed in total for reasonableness to ensure nothing has been booked twice or missed.

**Views of responsible officials:** Management does not disagree with the finding.

ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

---

***Section II – Financial Statement Findings (Continued)***

---

**2023 – 002 – Unearned Revenue**

Type of Finding: Material Weakness in Internal Control over Financial Reporting

**Condition:** During the audit of unearned revenue, it was noted that \$156,721 of unspent funds from student activity funds were still booked as unearned revenue, even though the revenue should be recognized, and restricted for use.

**Criteria or specific requirement:** The District should have procedures and controls in place to ensure all unearned revenues at year-end meet the definition of unearned revenues and are properly reconciled at year-end.

**Effect:** Unearned Revenue for the General Fund was overstated by \$156,721 and Revenues for the General Fund were understated by the same amount.

**Repeat Finding:** No.

**Cause:** The School tracks the student activity accounts in an unearned revenue account to more easily see what each group has to spend. This has to be monitored as its not the proper accounting classification for the funds. The journal entry to recognize the revenue was not made.

**Recommendation:** We recommend that the District review its procedures and controls to ensure that unearned revenue is properly reconciled each year. The District could set up fund balance restrictions to track the spending of the student activity funds instead of tracking through unearned revenue to avoid the reconciliation process at year-end.

**Views of responsible officials:** Management does not disagree with the finding.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

---

***Section II – Financial Statement Findings (Continued)***

---

**2023 – 003 – Food Service Fund Federal Revenues**

Type of Finding: Material Weakness in Internal Control over Financial Reporting

**Condition:** During our audit of federal revenues and receivables, it was noted that the Food Service Fund revenue and receivable was overstated by \$410,258.

**Criteria or specific requirement:** The District should have procedures and controls in place to ensure all federal revenues and receivables and properly reconciled at year-end.

**Effect:** The Food Service Fund federal revenue and receivables was overstated by \$410,258.

**Repeat Finding:** No.

**Cause:** The District did not compare the federal revenues and receivables to the claims reports available to reconcile against to ensure everything tied out.

**Recommendation:** We recommend that the District review its procedures and controls to ensure that each year at year end the federal revenue and receivables for fund 02 be reconciled against the claims reports so that they are properly stated at year-end.

**Views of responsible official:** Management does not disagree with the finding.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

---

***Section III – Findings and Questioned Costs – Major Federal Programs***

---

**Finding 2023-004 – Suspension and Debarment**

**Federal agency:** U.S. Department of Education

**Federal program name:** Special Education Cluster

**Assistance Listing Number:** 84.027 and 84.173

**Federal Award Identification Number and Year:** H027A220087, 2023

**Pass-Through Agency:** Minnesota Department of Education

**Pass-Through Number:** H027A190087

**Award Period:** Fiscal year 2023

**Type of Finding:** Material Weakness in Internal Control over Compliance and Material Noncompliance (Modified Opinion)

**Criteria or specific requirement:** 2 CFR § 180.300 requires that before the District enters into a covered transaction with an entity at a lower tier, the District must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. 2 CFR 200.303 requires that the entity have sufficient controls over compliance related to federal awards.

**Condition:** In our testing for the Special Education Cluster, we noted instances where there was no documentation of this verification being performed.

**Questioned Costs:** None

**Context:** During testing of the program, it was noted that four of five contracts that were tested were entered into without the District verifying and retaining documentation of said verification that the vendors were not suspended or debarred by the federal government.

**Cause:** The District's practice of ensuring sam.gov was checked for all contracts entered into and documentation retained was not performed as expected during the pandemic, and thereafter during fiscal year 2023 within the special education program.

**Effect:** The District was not in compliance with federal suspension and debarment requirements.

**Repeat Finding:** Yes, 2022-003.

**Recommendation:** We recommend the District ensure that this suspension and debarment verification occurs before entering covered transactions and that supporting documentation of this internal control is retained.

**Views of responsible officials:** There is no disagreement with the audit finding.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

---

***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

---

**Finding 2023-005 - Procurement**

**Federal agency:** U.S. Department of Education

**Federal program name:** Special Education Cluster

**Assistance Listing Number:** 84.027 and 84.173

**Federal Award Identification Number and Year:** H027A220087, 2023

**Pass-Through Agency:** Minnesota Department of Education

**Pass-Through Number:** H027A190087

**Award Period:** Fiscal year 2023

**Type of Finding:** Material Weakness in Internal Control over Compliance and Material Noncompliance (Modified Opinion)

**Criteria or specific requirement:** Non-federal entities other than states must follow the procurement standards set out at CFR sections 200.318 through 200.326. This includes utilizing one of the five allowable procurement methods, including small purchase guidelines for items over the micro-purchase threshold and sealed bids, competitive proposals, or noncompetitive proposals when items exceed the simplified acquisition threshold. In addition, the Uniform Guidance requires that the entity maintain records sufficient to detail the history of the procurement. 2 CFR 200.303 requires that the entity have sufficient controls over compliance related to federal awards.

**Condition:** During our testing of the District's procurements within the Special Education program, it was noted that not all procurements followed the appropriate method and history of the transaction was not sufficiently documented.

**Questioned Costs:** ALN 84.027 - \$38,869

**Context:** Out of five procurement which were tested, we noted two of them for which the District did not retain documentation detailing the history of the procurement, including the rationale for choosing the particular vendor.

**Cause:** The District during the pandemic and thereafter, was not able to properly ensure all contracts has procurement documentation retained and performed as required by the Uniform Guidance.

**Effect:** The District was not in compliance with Uniform Guidance requirements for the proper documentation of all procurement transactions.

**Repeat Finding:** Yes, 2022-004.

**Recommendation:** We recommend the District reviews its procedures and controls over procurement to ensure that all procurements are documented such that a third party can clearly see and understand the detailed history of the procurement.

**Views of responsible officials:** There is no disagreement with the audit finding.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

---

***Section IV – MN Legal Compliance Findings***

---

**Finding 2023-006 – Prompt Payment of Bills**

**Criteria or specific requirement:** Minnesota Statute §471.425 requires municipalities to pay each vendor obligation according to the terms of the contract, or if no contract terms apply, within the standard payment period, which is defined as within 35 days from the date of receipt for municipalities which have regularly scheduled board meetings at least once a month.

**Condition:** We noted invoices in our testing sample that were not paid by the District within the standard payment period, as defined by Minnesota Statutes.

**Context:** One of the twenty-two disbursements we selected for testing were not in compliance with Minnesota Statutes 471.425.

**Cause:** Invoices were not processed and paid within the required period.

**Effect:** The District was not in compliance with state statutes related to payment of local government bills.

**Repeat Finding:** Yes, 2022-006.

**Recommendation:** We recommend the District make every effort possible to ensure that invoices are routed to the District's Business Services Department so that they can be processed in a timely manner. Additionally, we recommend the District stamp each invoice received with a "received date", so that it has documentation of when an invoice was actually received by the District.

**Views of responsible officials:** There is no disagreement with the audit finding.

**CORRECTIVE ACTION PLAN (CAP):**

**Explanation of Disagreement with Audit Finding:**

There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:**

The District will immediately implement the recommendation.

**Officials Responsible for Ensuring CAP:**

The District's Director of Finance and Operations is the school official responsible for carrying out the corrective action plan.

**Planned Completion Date for CAP:**

The planned completion date for the CAP is June 30, 2024.

**Plan to Monitor Completion of CAP:**

The Board of Education and administration will be monitoring this corrective action plan.

**ROSEVILLE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 623  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

---

***Section IV – MN Legal Compliance Findings (Continued)***

---

**Finding 2023-007 – Public Indebtedness Form**

**Criteria or specific requirement:** Minnesota Statute §471.70 requires that the Outstanding Indebtedness Report be filed which totals the amount of outstanding obligations and their purpose to the county on or before February 1<sup>st</sup> of the year.

**Condition:** During our testing it was noted that the report was submitted after the required date.

**Context:** The report was due on 2/1/2023 but was not submitted until 3/2/2023.

**Cause:** The District did not file the report in a timely manner.

**Effect:** The District was not in compliance with state statutes related to public indebtedness.

**Recommendation:** We recommend the District review its procedures over filing the Outstanding Indebtedness Report to ensure it will be filed timely going forward.

**Views of responsible officials:** There is no disagreement with the audit finding.

**CORRECTIVE ACTION PLAN (CAP):**

**Explanation of Disagreement with Audit Finding:**

There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:**

The District will immediately implement the recommendation.

**Officials Responsible for Ensuring CAP:**

The District's Director of Finance and Operations is the school official responsible for carrying out the corrective action plan.

**Planned Completion Date for CAP:**

The planned completion date for the CAP is June 30, 2024.

**Plan to Monitor Completion of CAP:**

The Board of Education and administration will be monitoring this corrective action plan.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

Agenda Topic: Set Closed Sessions for Superintendent's Evaluation  
Meeting Date: April 9, 2024  
Contact Person: Chair Todd Anderson

---

Background:

The school board will hold a closed session immediately following the work study sessions on May 14, 2024, and June 11, 2024. The purpose of the sessions will be to evaluate the performance of the superintendent as permitted by MN Statute, section 13D.05, subdivision 3(a).

The closed sessions will be held in the board's regular meeting location, the Fairview Room at Anpétu Téča Education Center.

---

Recommendation:

It is recommended that the school board set a closed session on May 14, 2024, and June 11, 2024, immediately following the work study session for the purpose of evaluating the performance of Superintendent Jenny Loeck, pursuant to MN Statute, section 13D.05, subdivision 3(a).

Action Required

Informational – No Board Action Requested