

## Regular Meeting

Monday, December 18, 2023 6:30 PM

Wrenshall School Library Media Center, 207 Pioneer Drive, Wrenshall, MN 55797

1. <b>Call to Order</b>	<b>Speaker (s) :</b> Chairperson
2. <b>Pledge of Allegiance</b>	<b>Speaker (s) :</b> Chairperson
3. <b>Roll Call</b>	<b>Speaker (s) :</b> Chairperson
4. <b>Adoption of Agenda</b>	<b>Speaker (s) :</b> Chairperson
5. <b>Recognition of Visitors</b>	<b>Speaker (s) :</b> Chairperson
5.a. Public Comment	<b>Speaker (s) :</b> Chairperson
6. <b>Regular Business</b>	<b>Speaker (s) :</b> Chairperson
6.a. Approval of Minutes	<b>Speaker (s) :</b> Chairperson
6.b. Accept Business Office Report	<b>Speaker (s) :</b> Jeff Pesta
6.c. Approval of Consent Agenda	<b>Speaker (s) :</b> Jeff Pesta
7. <b>Informational Items</b>	<b>Speaker (s) :</b> Chairperson
7.a. Principal's Report	<b>Speaker (s) :</b> Michelle Blanchard
7.b. Activities Director's Report	<b>Speaker (s) :</b> Luke Wargin
7.c. Community Education Report	<b>Speaker (s) :</b> Ashley Laveau
7.d. Enrollment Report	<b>Speaker (s) :</b> Jeff Pesta
7.e. Superintendent's Report	<b>Speaker (s) :</b> Jeff Pesta
7.f. Board Director or Committee Reports	<b>Speaker (s) :</b> Chairperson
8. <b>Action Items</b>	<b>Speaker (s) :</b> Chairperson
8.a. Fiscal Year 2023 Audit Report	<b>Speaker (s) :</b> Jeff Pesta
8.b. Aid Anticipation Borrowing	<b>Speaker (s) :</b> Jeff Pesta
8.c. Certify Final Levy Pay 2024	<b>Speaker (s) :</b> Jeff Pesta
8.d. Resolution Establishing Combined Polling Place for School District Elections	<b>Speaker (s) :</b> Jeff Pesta
8.e. Policy Review Cycle	<b>Speaker (s) :</b> Mary Carlson
8.f. Acceptance of Donations	<b>Speaker (s) :</b> Chairperson
8.g. Hiring Requests	<b>Speaker (s) :</b> Jeff Pesta
8.h. Superintendent Evaluation	<b>Speaker (s) :</b> Chairperson

8.i. Resolution to Apply for Minnesota State High School League Grants

**Speaker (s) :** Chair

9. **Future Meetings**

**Speaker (s) :**  
Chairperson

10. **Adjournment**

**Speaker (s) :**  
Chairperson

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1. **Call to Order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Adoption of Agenda**
5. **Recognition of Visitors**
  - a. Public Comment
6. **Regular Business**
  - a. Approval of Minutes
  - b. Accept Business Office Report
  - c. Approval of Consent Agenda
7. **Informational Items**
  - a. Principal's Report
  - b. Activities Director's Report
  - c. Community Education Report
  - d. Enrollment Report
  - e. Superintendent's Report
  - f. Board Director or Committee Reports
8. **Action Items**
  - a. Fiscal Year 2023 Audit Report
  - b. Aid Anticipation Borrowing
  - c. Certify Final Levy Pay 2024
  - d. Resolution Establishing Combined Polling Place for School District Elections
  - e. Policy Review Cycle
  - f. Acceptance of Donations
  - g. Hiring Requests
  - h. Superintendent Evaluation
9. **Future Meetings**
10. **Adjournment**

## Regular Meeting

Wednesday, November 8, 2023 6:00 PM

Wrenshall School Library Media Center, 207 Pioneer Drive, Wrenshall, MN 55797

1. <b>Call to Order</b>	<b>Speaker (s) :</b> Chairperson
<b>Discussion:</b> Meeting was called to order by Chair Krisak at 6:00 p.m.	
2. <b>Pledge of Allegiance</b>	<b>Speaker (s) :</b> Chairperson
3. <b>Roll Call</b>	<b>Speaker (s) :</b> Chairperson
<b>Discussion:</b> Chair Krisak and Directors Ankrum, Bergman, Carlson, and Kloepfer were in person. Director Johnson participated remotely via videoconference from his Duluth Fire Station.	
4. <b>Adoption of Agenda</b>	<b>Speaker (s) :</b> Chairperson
<b>Action(s) :</b> Motion to approve. This motion, made by Misty Bergman and seconded by Mary Carlson, Carried.	
<b>Voting Detail:</b> Eric Ankrum: Yea Misty Bergman: Yea  Mary Carlson: Yea  Ben Johnson: Yea Alice Kloepfer: Yea Nicole Krisak: Yea	
<b>Voting Summary:</b> Yea: 6, Nay: 0	
5. <b>Recognition of Visitors</b>	<b>Speaker (s) :</b> Chairperson
5.a. Public Comment	<b>Speaker (s) :</b> Chairperson
<b>Discussion:</b> Resident Tony Sheda addressed the Board.	
6. <b>Regular Business</b>	<b>Speaker (s) :</b> Chairperson
6.a. Approval of Minutes	<b>Speaker (s) :</b> Chairperson
<b>Action(s) :</b> Motion to approve. This motion, made by Mary Carlson and seconded by Misty Bergman, Carried.	
<b>Voting Detail:</b> Eric Ankrum: Yea Misty Bergman: Yea  Mary Carlson: Yea  Ben Johnson: Yea Alice Kloepfer: Yea Nicole Krisak: Yea	

**Voting Summary:** Yea: 6, Nay: 0

6.b. Accept Business Office Report

**Speaker (s):** Jeff  
Pesta

6.c. Approval of Consent Agenda

**Speaker (s):** Jeff  
Pesta

**Action(s):**

Motion to approve. This motion, made by Mary Carlson and seconded by Alice Kloepfer, Carried.

**Voting Detail:**

Eric Ankrum: Yea

Misty Bergman: Yea

Mary Carlson: Yea

Ben Johnson: Yea

Alice Kloepfer: Yea

Nicole Krisak: Yea

**Voting Summary:** Yea: 6, Nay: 0

7. **Informational Items**

**Speaker (s):**  
Chairperson

7.a. Principal's Report

**Discussion:** No report was submitted this month.

**Speaker (s):** Michelle  
Blanchard

7.b. Activities Director's Report

**Speaker (s):** Luke  
Wargin

**Action(s):**

Motion to move Raptor Sports Cooperative recommendation for purchase of Hudl video service to an action item. This motion, made by Mary Carlson and seconded by Alice Kloepfer, Carried.

**Voting Detail:**

Eric Ankrum: Yea

Misty Bergman: Yea

Mary Carlson: Yea

Ben Johnson: Yea

Alice Kloepfer: Yea

Nicole Krisak: Yea

**Voting Summary:** Yea: 6, Nay: 0

**Discussion:** The Raptor Sports Cooperative recommended approval of committing to a three-year contract with Hudl. It was moved to Action Item 8.h.

Activities Director Wargin provided a summary of the Fall season activities. He also notified the board that he is seeking a MSHSL sports cooperative opportunity for Nordic Skiing. The board consensus was favorable and willing to call a special session if necessary to approve.

7.c. Community Education Report

**Speaker (s):** Ashley

**Discussion:** No report was provided this month.

Laveau

7.d. Enrollment Report

**Speaker (s):** Jeff  
Pesta

**Discussion:** Current enrollment data was reviewed. Several students are in the process of open enrollment to attend Wrenshall School in the coming week.

7.e. Superintendent's Report

**Speaker (s):** Jeff  
Pesta

**Discussion:** Communication regarding the agenda for the November 13 joint session with Carlton was shared. Former Board Director Janaki Fisher-Merritt will assist the Wrenshall Board during their tour and share the history of the school buildings. Jessica Cook, Director of the Northern Lights Special Education Cooperative, has also confirmed her attendance for the tour.

The Superintendent's evaluation has been completed and will be reviewed at the December work session. The December meeting will focus on district finances. The final district levy will seek approval, the audit report will be received, and a recommendation for action upon reduced anticipation aid financing will follow a presentation on the topic.

7.f. Board Director or Committee Reports

**Speaker (s):**  
Chairperson

**Discussion:** Negotiations Committee Chair Kloepfer provided an update following the first session with licensed staff. She reported that Education Minnesota - Wrenshall membership has endorsed proceeding with an interest-based format. The committee has also completed negotiations for a termed individual contract with the Assistant Business Manager. The Committee is in the process of scheduling with the ESP group.

8. **Action Items**

**Speaker (s):**  
Chairperson

8.a. Approve Snow Removal Contract

**Speaker (s):** Jeff  
Pesta

**Action(s):**

Motion to approve. This motion, made by Mary Carlson and seconded by Eric Ankrum, Carried.

**Voting Detail:**

Eric Ankrum: Yea

Misty Bergman: Yea

Mary Carlson: Yea

Ben Johnson: Yea

Alice  
Kloepfer: Yea

Nicole Krisak: Yea

**Voting Summary:** Yea: 6, Nay: 0

**Discussion:** The board has been provided with the details of the contractor's insurance coverage levels.

8.b. Approval of Memorandum of Understanding with

**Speaker (s):** Jeff

AFSCME, AFL-CIO, Local Union No. 545

Pesta

**Action(s):**

Motion to approve. This motion, made by Eric Ankrum and seconded by Misty Bergman, Carried.

**Voting Detail:**

Eric Ankrum: Yea

Misty Bergman: Yea

Mary Carlson: Yea

Ben Johnson: Yea

Alice  
Kloepfer: Yea

Nicole Krisak: Yea

**Voting Summary:** Yea: 6, Nay: 0

8.c. Approve Wrenshall District Identity Guide

**Speaker(s):** Mary Carlson

**Action(s):**

Motion to approve as part of the district's branding strategy. This motion, made by Alice Kloepfer and seconded by Eric Ankrum, Carried.

**Voting Detail:**

Eric Ankrum: Yea

Misty Bergman: Yea

Mary Carlson: Yea

Ben Johnson: Yea

Alice  
Kloepfer: Yea

Nicole Krisak: Yea

**Voting Summary:** Yea: 6, Nay: 0

**Discussion:** The Board expressed their appreciation for Director Carlson's efforts in developing the District Identity Guide.

8.d. Approve Contract for Assistant Business Manager

**Speaker(s):** Alice Kloepfer

**Action(s):**

Motion to approve. This motion, made by Misty Bergman and seconded by Mary Carlson, Carried.

**Voting Detail:**

Eric Ankrum: Yea

Misty Bergman: Yea

Mary Carlson: Yea

Ben Johnson: Yea

Alice  
Kloepfer: Yea

Nicole Krisak: Yea

**Voting Summary:** Yea: 6, Nay: 0

**Discussion:** The creation of this position is part of the district's strategic planning for administrative organization.

8.e. Policy Review Cycle

**Speaker (s) :** Mary Carlson

**Action (s) :**

Motion to approve policies following first readings. This motion, made by Mary Carlson and seconded by Misty Bergman, Carried.

**Voting Detail:**

Eric Ankrum: Yea

Misty Bergman: Yea

Mary Carlson: Yea

Ben Johnson: Yea

Alice Kloepfer: Yea

Nicole Krisak: Yea

**Voting Summary:** Yea: 6, Nay: 0

8.f. Acceptance of Donations

**Speaker (s) :** Chairperson

**Discussion:** No donations received this month.

8.g. Hiring Requests

**Speaker (s) :** Jeff Pesta

**Action (s) :**

Motion to approve. This motion, made by Eric Ankrum and seconded by Misty Bergman, Carried.

**Voting Detail:**

Eric Ankrum: Yea

Misty Bergman: Yea

Mary Carlson: Yea

Ben Johnson: Yea

Alice Kloepfer: Yea

Nicole Krisak: Yea

**Voting Summary:** Yea: 6, Nay: 0

**Discussion:** The Board expressed appreciation to Linda Wyman for filling in as a substitute cook and to Doreen Laveau for her many years of service to the district as a bus driver.

8.h. Raptor Sports Cooperative Hudl Video Services Subscription

**Speaker (s) :** Mary Carlson

**Action (s) :**

Motion to approve as presented in the Activities Director's report. This motion, made by Mary Carlson and seconded by Alice Kloepfer, Carried.

**Voting Detail:**

Eric Ankrum: Yea

Misty Bergman: Yea

Mary Carlson: Yea  
 Ben Johnson: Yea  
 Alice  
 Kloepfer: Yea  
 Nicole Krisak: Yea

**Voting Summary:** Yea: 6, Nay: 0

<p>9. <b>Future Meetings</b></p>	<p><b>Speaker (s) :</b> Chairperson</p>
<p>9.a. Confirm Negotiations Committee Meeting</p>	<p><b>Speaker (s) :</b> Chairperson</p>
<p>9.b. Confirm December Work Session  <b>Discussion:</b> Due to conflicts in the directors' schedules, the December work session will be moved to December 5 at 5:30 p.m. in the Media Center.</p>	<p><b>Speaker (s) :</b> Chairperson</p>
<p>9.c. Confirm Shift in Public Comment Period  <b>Discussion:</b> The consensus of the Board was to have Policy 206A take effect at the regular business meeting on January 8, 2024. The public comment period will take place at 5:45 prior to the regular meetings being called to order at 6:00 p.m. Policy 206 has not changed, the addendum provides the protocol for the early public comment periods.</p>	<p><b>Speaker (s) :</b> Chairperson</p>
<p>10. <b>Adjournment</b>  <b>Action(s) :</b>          Motion to adjourn. This motion, made by Mary Carlson and seconded by Misty Bergman, Carried.  <b>Voting Detail:</b>          Eric Ankrum: Yea          Misty Bergman: Yea           Mary Carlson: Yea           Ben Johnson: Yea          Alice          Kloepfer: Yea          Nicole Krisak: Yea   <b>Voting Summary:</b> Yea: 6, Nay: 0  <b>Discussion:</b> The meeting was adjourned at 7:50 p.m.</p>	<p><b>Speaker (s) :</b> Chairperson</p>
<p>11. <b>Call to Order</b>  <b>Discussion:</b> The meeting was called to order for the second time to take action on added Item 8.h.</p>	<p><b>Speaker (s) :</b> Chairperson</p>
<p>12. <b>Adjournment</b>  <b>Action(s) :</b>          Motion to adjourn. This motion, made by Mary Carlson and seconded by Misty Bergman, Carried.  <b>Voting Detail:</b>          Eric Ankrum: Yea</p>	<p><b>Speaker (s) :</b> Chairperson</p>

Misty Bergman: Yea

Mary Carlson: Yea

Ben Johnson: Yea

Alice  
Kloepfer: Yea

Nicole Krisak: Yea

**Voting Summary:** Yea: 6, Nay: 0

**Discussion:** Following approval of the added  
Action Item 8.h., the meeting was adjourned for  
the second and final time at 7:53 p.m.

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Board Secretary

Joint Session with Carlton Board of  
Education  
Monday, November 13, 2023 5:00 PM Central

Carlton Secondary School  
405  
School Avenue  
Carlton, MN 55718

1. Tour of Carlton Secondary School

The joint session was called to order at the media center of Carlton Secondary School at 5:00 p.m. All six Wrenshall School Board Directors (Ankrum, Bergman, Carlson, Johnson, Kloepfer and Krisak) were present. The tour of Carlton facilities was led by Scott Bodin and hosted by the Carlton School Board.

2. Tour of South Terrace Elementary School

Following the conclusion of the first leg of the tour at Southlake Terrace Elementary School, both school boards traveled to Wrenshall School.

3. Tour of Wrenshall School

Former Wrenshall School Board Director Janaki Fisher-Merritt led the tour of the two Wrenshall school buildings. All six Wrenshall board directors were once again present for the second round of the tour.

4. Tour of Wrenshall Career and Technical Education Building

At the conclusion of the tour of the Wrenshall Career and Technical Education building, the joint session of the school boards was adjourned at 6:48 p.m. The Wrenshall Board reconvened at 7:00 p.m. in the Wrenshall School Media Center for a special session to consider approval of a negotiation item.

Licensed Staff Negotiations Update  
Monday, November 13, 2023 7:15 PM Central

Wrenshall School Library Media Center  
207 Pioneer Drive  
Wrenshall, MN 55797

Eric Ankrum: Present  
Misty Bergman: Present  
Mary Carlson: Present  
Ben Johnson: Present  
Alice Kloepfer: Present  
Nicole Krisak: Present  
Present: 6.

### 1. Call to Order

The special session was called to order by Chair Krisak at 7:00 p.m. The five other Wrenshall School Board Directors (Ankrum, Bergman, Carlson, Johnson, and Kloepfer) were present.

### 2. Negotiations Committee Recommendation to Advance Experience Salary Steps for Licensed Staff

Motion to accept the committee's recommendation and approve salary step advances retroactive to July 1, 2023. This motion, made by Alice Kloepfer and seconded by Mary Carlson, Carried.

Eric Ankrum: Yea, Misty Bergman: Yea, Mary Carlson: Yea, Ben Johnson: Yea, Alice Kloepfer: Yea, Nicole Krisak: Yea

Yea: 6, Nay: 0

The Chair of the Licensed Staff Negotiation Committee (Alice Kloepfer) described the committee's recommendation to approve the request from Education Minnesota - Wrenshall to enable experience step advances to occur as soon as practical while negotiations actively continued.

### 3. Adjournment

Motion to adjourn. This motion, made by Eric Ankrum and seconded by Mary Carlson, Carried.

Eric Ankrum: Yea, Misty Bergman: Yea, Mary Carlson: Yea, Ben Johnson: Yea, Alice Kloepfer: Yea, Nicole Krisak: Yea

Yea: 6, Nay: 0

The meeting was adjourned at 7:03 p.m.

## Wrenshall Board of Education Work Session

Tuesday, December 5, 2023 5:30 PM

Wrenshall School Library Media Center, 207 Pioneer Drive, Wrenshall, MN 55797

Eric Ankrum: Present

Misty Bergman: Present

Mary Carlson: Present

Ben Johnson: Present

Alice Kloepfer: Present

Nicole Krisak: Present

All board directors present. Meeting called to order by Chair Krisak at 5:30 p.m.

### 1. Call to Order

**Discussion:** Steve Pumper from PMA was in attendance as a resource and presenter.

**Speaker(s):** Nicole Krisak

### 2. Presentation of Aid Anticipation Borrowing Recommendation

**Speaker(s):** Jeff Festa

### 3. Preview of December 18 Regular Meeting Agenda

**Discussion:** The board consensus was in support of the tentative agenda for the December 18 regular meeting.

**Speaker(s):** Jeff Festa

### 4. Strategic Planning

**Discussion:** The Board reviewed district administration organization recommendations and has directed the superintendent to prepare a Request For Proposals (RFP) draft for executive search services.

**Speaker(s):** Jeff Festa

### 5. Adjournment

**Discussion:** The meeting was adjourned by Chair Krisak at 8:18 p.m.

**Speaker(s):** Nicole Krisak

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Board Secretary

# McGregor ISD #4

# INVOICE

V4297

148 South 2nd Street  
 McGregor, MN 55760  
 Phone (218)768-2111 Fax (218)768-3901

**DATE:** December 1, 2023  
**INVOICE #** 2023-15  
**DUE:**

**Bill To:**  
 Wrenshall ISD 100

DESCRIPTION	AMOUNT
Shauna Dalchow, Business Manager services	
November 16 hours	640.00
FICA (7.65%)	48.96
PERA (7.5%)	48.00
<b>TOTAL</b>	
	<b>\$ 736.96</b>

E-01-005-110-000-000-391

Make all checks payable to McGregor ISD #4. Payment due upon receipt.  
 If you have any questions concerning this invoice, contact Shauna Dalchow, at (218)768-5123  
 or email [sdalchow@isd4.org](mailto:sdalchow@isd4.org).

**THANK YOU FOR YOUR BUSINESS!**

(E)



**Wrenshall School ISD #100**  
**Receipt Listing Report with Detail by Deposit**  
**Fund Summary**

<b>Fund</b>	<b>Total</b>
01	\$477,612.95
02	\$36,741.80
04	\$8,339.09
07	\$15,606.69
21	\$6,174.00
<b>Report Total</b>	<b>\$544,474.53</b>

**Wrenshall School ISD #100**  
**Detail Payment Register By Check**  
**Fund Summary**

<b>Fund</b>	<b>Description</b>	<b>Total</b>
01	General Fund	\$196,025.41
02	Food Services Fund	\$12,802.95
03	Transportation (Sub of 01)	\$10,687.09
04	Community Service	\$766.28
05	Capital Outlay (Sub of 01)	\$51,426.48
21	Student Activities	\$3,591.48
<b>Report Total</b>		<b>\$275,299.69</b>

**Wrenshall School ISD #100**  
**Exp/Rev Summary - Fd**  
**Period Ending November 30, 2023**

Sequence: L, Fd

Description		Revised24 Annual Budget	Period 202405	Year To Date	% YTD	Encumbrances	% YTD + Enc	Remaining Balance
E	Expenditure							
01	General Fund	4,570,612.45	383,629.90	1,291,087.49	28%	3,559.91	28%	3,275,965.05
02	Food Services Fund	214,235.02	22,028.77	67,196.34	31%	0.00	31%	147,038.68
03	Transportation (Sub of 01)	424,179.00	34,270.14	119,922.89	28%	520.00	28%	303,736.11
04	Community Service	149,245.00	12,936.48	46,744.05	31%	0.00	31%	102,500.95
05	Capital Outlay (Sub of 01)	199,929.00	51,426.48	158,789.54	79%	2,040.00	80%	39,099.46
06	Building Fund	0.00	0.00	824.85	0%	0.00	0%	(824.85)
07	Debt Redemption Fund	945,120.00	0.00	686,819.03	73%	0.00	73%	258,300.97
18	Custodial	0.00	0.00	50.13	0%	0.00	0%	(50.13)
21	Student Activities	0.00	3,591.48	17,860.21	0%	0.00	0%	(17,860.21)
E	Expenditure	6,503,320.47	507,883.25	2,389,294.53	37%	6,119.91	37%	4,107,906.03
R	Revenue							
01	General Fund	(4,913,475.35)	(482,066.27)	(1,791,895.86)	36%	0.00	36%	(3,121,579.49)
02	Food Services Fund	(204,147.02)	(36,741.80)	(50,709.43)	25%	0.00	25%	(153,437.59)
03	Transportation (Sub of 01)	(248,597.75)	0.00	0.00	0%	0.00	0%	(248,597.75)
04	Community Service	(138,156.14)	(8,339.09)	(49,648.15)	36%	0.00	36%	(88,507.99)
05	Capital Outlay (Sub of 01)	(150,979.99)	0.00	0.00	0%	0.00	0%	(150,979.99)
07	Debt Redemption Fund	(979,145.60)	(15,606.69)	(69,276.72)	7%	0.00	7%	(909,868.88)
21	Student Activities	0.00	(6,174.00)	(21,140.31)	0%	0.00	0%	21,140.31
R	Revenue	(6,634,501.85)	(548,927.85)	(1,982,670.47)	30%	0.00	30%	(4,651,831.38)
	<b>Report Totals:</b>	<b>(131,181.38)</b>	<b>(41,044.60)</b>	<b>406,624.06</b>	<b>(310%)</b>	<b>6,119.91</b>	<b>(315%)</b>	<b>(543,925.35)</b>

## Wrenshall School ISD #100 Receipt Listing Report

Deposit Ctrl No	Batch	Co	Receipt No	Receipt Type	Bank	Check No	Date	Pmt Type	Grp	Code	Customer	Status	Amount
3501	0100		11850	Credit	1		11/20/23	Check	1	1042	LATCH KEY	Applied	1,318.83
	0100		11851	Credit	1	11474	11/20/23	Check	1	1007	ISD 093 - Carlton	Applied	10,746.64
	0100		11852	Credit	1		11/20/23	Check	1	1110	Lunch Program	Applied	195.00
	0100		11853	Credit	1		11/20/23	Check	1	1500	Miscellaneous	Applied	1,402.89
	0100		11854	Credit	1		11/20/23	Check	1	1042	LATCH KEY	Applied	397.85
<b>Deposit Control Total:</b>												<b>14,061.21</b>	
3502	0100		11855	Credit	1	8432090	11/07/23	Check	1	1002	State of MN	Applied	1,526.46
<b>Deposit Control Total:</b>												<b>1,526.46</b>	
3503	0100		11856	Credit	1	8442456	11/08/23	Check	1	1002	State of MN	Applied	55,674.01
<b>Deposit Control Total:</b>												<b>55,674.01</b>	
3504	0100		11857	Credit	1	8451125	11/09/23	Check	1	1002	State of MN	Applied	11,881.87
<b>Deposit Control Total:</b>												<b>11,881.87</b>	
3505	0100		11858	Credit	1	8453830	11/13/23	Check	1	1002	State of MN	Applied	338.88
<b>Deposit Control Total:</b>												<b>338.88</b>	
3506	0100		11859	Credit	1	8465555	11/21/23	Check	1	1002	State of MN	Applied	2,186.21
<b>Deposit Control Total:</b>												<b>2,186.21</b>	
3507	0100		11860	Credit	1		11/30/23	Check	1	1002	State of MN	Applied	210,546.81
<b>Deposit Control Total:</b>												<b>210,546.81</b>	
3508	0100		11861	Credit	1	2ndADV	11/03/23	Check	1	1001	Carlton County	Applied	186,440.65
<b>Deposit Control Total:</b>												<b>186,440.65</b>	
3509	0100		11862	Credit	1	LevyBalance	11/30/23	Check	1	1001	Carlton County	Applied	42,027.13
<b>Deposit Control Total:</b>												<b>42,027.13</b>	
3510	0100		11863	Credit	1	8483456	11/30/23	Check	1	1002	State of MN	Applied	7,919.67
<b>Deposit Control Total:</b>												<b>7,919.67</b>	
3511	0100		11864	Credit	1		11/30/23	Check	1	1037	Infinite Campus	Applied	68.61
<b>Deposit Control Total:</b>												<b>68.61</b>	
3512	0100		11865	Credit	1		11/30/23	Check	1	1042	LATCH KEY	Applied	2,696.31
	0100		11866	Credit	1		11/30/23	Check	1	1110	Lunch Program	Applied	254.48
	0100		11867	Credit	1		11/30/23	Check	1	1018	ISD 700 - Hermantown	Applied	602.94
	0100		11868	Credit	1		11/30/23	Check	1	1026	Lake Superior College	Applied	612.51

### Wrenshall School ISD #100 Receipt Listing Report

Deposit Ctrl No	Batch	Co	Receipt No	Receipt Type	Bank	Check No	Date	Pmt Type	Grp	Code	Customer	Status	Amount
3512		0100	11869	Credit	1		11/30/23	Check	1	1500	Miscellaneous	Applied	7,636.78
<b>Deposit Control Total:</b>												<b>11,803.02</b>	
Report Total:												544,474.53	

# November 2023 EXPENSE SUMMARY

Check No.	Vendor	Amount	Date	Description
55455	ACP CREATIVIT LLC	\$4,632.50	11/2/2023 0:00	Consulting Fees/Serv-Tech Admin
55456	CENTURY LINK	\$310.06	11/2/2023 0:00	Communication Srvc-Telephone
55457	COMO OIL AND PROPANE	\$531.10	11/2/2023 0:00	Fuel For Vehicles
55458	DALCO	\$805.18	11/2/2023 0:00	Maintenance Supplies
55459	DSC COMMUNICATIONS	\$447.22	11/2/2023 0:00	Bus Equip-Purchased
55460	DUSTIN MCLEOD	\$11.79	11/2/2023 0:00	Travel-Bldgs & Grounds
55461	FOOD FARM	\$72.27	11/2/2023 0:00	First Bite Food purchases
55462	HILLYARD MINNEAPOLIS	\$77.84	11/2/2023 0:00	Maintenance Supplies
55463	HILLYARD MINNEAPOLIS	\$4,600.00	11/2/2023 0:00	Maintenance Supplies
55464	ISD #0093 CARLTON	\$295.46	11/2/2023 0:00	Reimb to MN Dist
55465	KARLSBURGER FOODS INC	\$96.00	11/2/2023 0:00	Food-Lunch
55466	KAYLEE KROGSTAD	\$117.33	11/2/2023 0:00	Instru Supplies-Science
55467	LAKE SUPERIOR COLLEGE	\$9,000.00	11/2/2023 0:00	Pay For Edu Pur MN S
55468	MN DEPT OF HEALTH	\$700.00	11/2/2023 0:00	Dues/License-Food Svc
55469	MN PEIP	\$27,707.28	11/2/2023 0:00	Health Insurance
55470	MN PEIP	\$33,592.83	11/2/2023 0:00	Health Insurance
55471	MN TELECOMMUNICATIONS	\$403.00	11/2/2023 0:00	Svc Purch from MN Joint-Powers
55472	NORTHSTAR MEDIA INC	\$395.88	11/2/2023 0:00	Postage/Printing-Images
55473	NUMERACY CONSULTANTS	\$300.00	11/2/2023 0:00	K-5 FULL E-LIBRARY BUNDLE
55474	PETERSEN'S DOOR SERVICE	\$1,400.00	11/2/2023 0:00	Repairs & Maint - BLDG ENVELOPE
55475	PETERSEN'S DOOR SERVICE	\$3,400.00	11/2/2023 0:00	Repairs & Maint - BLDG ENVELOPE
55476	POSTMASTER	\$310.00	11/2/2023 0:00	Postage/Printing-Images
55477	SFM	\$1,093.00	11/2/2023 0:00	Payroll Taxes-Workers Comp
55478	SYSCO MINNESOTA INC	\$808.41	11/2/2023 0:00	Food-Lunch
55479	T MOBILE	\$120.63	11/2/2023 0:00	Communications Serv
55480	THELEN HEATING AND ROOFING INC	\$27,600.00	11/2/2023 0:00	Ductwork replacement/structure
55481	TINA KAUMA	\$39.95	11/2/2023 0:00	Meetings/Travel-Elem SD
55482	UNITED TRUCK BODY CO INC	\$191.48	11/2/2023 0:00	Repairs & Maint Serv
55483	UPPER LAKES FOODS INC	\$5,355.33	11/2/2023 0:00	Food
55484	VALCOM INC	\$139.20	11/2/2023 0:00	Repairs & Maint-Computer/Tech
55485	WALMART / CAPITAL ONE	\$180.13	11/2/2023 0:00	Supplies
55486	218 SUPPLY LLC	\$176.80	11/10/2023 0:00	General Supplies-Food Svc
55487	ARCC	\$100.00	11/10/2023 0:00	Consulting Fees/Serv-Bus Office
55488	ARCHITECTURAL RESOURCES INC	\$42,249.49	11/10/2023 0:00	Building Construction
55489	BEST OIL COMPANY	\$1,718.08	11/10/2023 0:00	Fuel For Vehicles
55490	BEST OIL COMPANY	\$360.81	11/10/2023 0:00	Fuel For Vehicles
55491	BETH PETERSON	\$230.00	11/10/2023 0:00	Travel-Admin Staff Development
55492	BLACK BEAR CASINO AND RESORT	\$350.00	11/10/2023 0:00	Father/Daughter Ball General Supplies
55493	CEDAR ISLAND COMMUNICATIONS	\$467.50	11/10/2023 0:00	Repairs & Maint-Computer/Tech
55494	CLOQUET AUTOMOTIVE	\$1,015.40	11/10/2023 0:00	Repairs & Maint Serv
55495	CLOQUET SANITARY SERVICE	\$826.08	11/10/2023 0:00	Contr Svc-Maintenance
55496	CMH RAITER FAMILY CLINIC	\$297.00	11/10/2023 0:00	Physicals/Drug Testing
55497	CMH RAITER FAMILY CLINIC	\$297.00	11/10/2023 0:00	Physicals/Drug Testing
55498	COMO OIL AND PROPANE	\$469.76	11/10/2023 0:00	Fuel For Vehicles
55499	COMO OIL AND PROPANE	\$359.20	11/10/2023 0:00	Fuel For Vehicles
55500	FOOD FARM	\$33.75	11/10/2023 0:00	First Bite Food purchases
55501	JODI CHRISTENSEN	\$169.00	11/10/2023 0:00	Local Grant Expense-District
55502	KAROLA DALEN	\$253.17	11/10/2023 0:00	Local Grant Expense-District
55503	MEDTOX	\$175.88	11/10/2023 0:00	Physicals/Drug Testing
55504	MENARDS - WEST DULUTH	\$252.26	11/10/2023 0:00	Instru Supplies-Industrial Ed
55505	MN ENERGY RESOURCES	\$83.90	11/10/2023 0:00	Fuel For Bldgs
55506	MN ENERGY RESOURCES	\$359.02	11/10/2023 0:00	Fuel For Bldgs
55507	MN PEIP	\$40,643.28	11/10/2023 0:00	Health Insurance
55508	MRI SOFTWARE	\$10.00	11/10/2023 0:00	Legal Fees
55509	NATIVE WISE LLC	\$753.00	11/10/2023 0:00	First Bite Food purchases
55511	NORTHLAND FIRE & SAFETY	\$65.00	11/10/2023 0:00	Prof & Tech Services-FIRE SAFETY
55512	ON SITE COMPANIES - AARDVARK	\$141.75	11/10/2023 0:00	Supplies-Football
55513	ON SITE COMPANIES - AARDVARK	\$143.46	11/10/2023 0:00	Supplies-Football

55514 PER MAR SECURITY SERVICES	\$21.62	11/10/2023 0:00 Security System Fees
55515 PER MAR SECURITY SERVICES	\$21.62	11/10/2023 0:00 Security System Fees
55516 POMP'S TIRE SERVICE INC	\$71.00	11/10/2023 0:00 Repairs & Maint Serv
55517 TK ELEVATOR CORP	\$608.98	11/10/2023 0:00 Prof & Tech Services-PHYS HAZ
55518 TRISH BERGER	\$38.75	11/10/2023 0:00 Instru Supplies-5th Grade
55519 WIEDIGER SPEECH & LANGUAGE SVCS	\$11,132.00	11/10/2023 0:00 To Non-Ed Agency
55520 218 SUPPLY LLC	\$205.21	11/17/2023 0:00 General Supplies-Food Svc
55521 BRENT POKORNOWSKI	\$203.54	11/17/2023 0:00 Football - Expense
55522 CARLTON COUNTY HUMAN SERVICES	\$50.00	11/17/2023 0:00 Communication Svc-Telephone
55523 CHLOE SWANSON	\$212.30	11/17/2023 0:00 Annual Yearbook-Supplies
55524 CHRIS GUSTAFSON	\$112.66	11/17/2023 0:00 Travel-PERKINS Staff Dev
55525 COMO OIL AND PROPANE	\$511.17	11/17/2023 0:00 Fuel For Vehicles
55526 CONSTELLATION NEW ENERGY GAS DIV	\$1,437.80	11/17/2023 0:00 Fuel For Bldgs
55527 DALCO	\$2,905.30	11/17/2023 0:00 Maintenance Supplies
55528 EMC INSURANCE COMPANIES	\$5,329.67	11/17/2023 0:00 Insurance - COBRA
55529 GUARDIAN PEST SOLUTIONS, INC	\$60.91	11/17/2023 0:00 Fees for Svc-Food Svc
55530 HALLBERG ENGINEERING	\$660.00	11/17/2023 0:00 Purchased Services-Bldgs & Grounds
55531 ISD #709 DULUTH	\$2,376.00	11/17/2023 0:00 Pay For Edu Pur MN S
55532 JUNCTION TIRE SERVICE	\$2,028.10	11/17/2023 0:00 Repairs & Maint Serv
55533 MINNESOTA POWER	\$5,623.62	11/17/2023 0:00 Electricity
55534 NORTHERN DOOR & HARDWARE INC	\$2,969.00	11/17/2023 0:00 Prof & Tech Services-ENVIR MGMT
55535 NORTHERN DOOR & HARDWARE INC	\$275.00	11/17/2023 0:00 Supplies-Operations & Maintenance
55536 PAN-O-GOLD BAKING	\$338.02	11/17/2023 0:00 Food-Lunch
55537 PINE KNOT LLC	\$363.00	11/17/2023 0:00 Communication / Marketing-Board
55538 RIVERSIDE INSIGHTS	\$180.00	11/17/2023 0:00 2001258 RIVERSIDE SCORE
55539 SPEECH PARTNERS LLC	\$1,593.90	11/17/2023 0:00 To Non-Ed Agency
55540 UPPER LAKES FOODS INC	\$3,714.20	11/17/2023 0:00 Food/Supplies
55541 BRIDGET STENSAAS	\$342.78	11/30/2023 0:00 Meetings/Travel/Tuition-HS Staff Dev
55542 CARDMEMBER SERVICE	\$469.73	11/30/2023 0:00 Supplies/Textbooks/Maint/StaffDev
55543 CITY OF WRENSHALL	\$562.02	11/30/2023 0:00 Water & Sewage
55544 COMO OIL AND PROPANE	\$611.95	11/30/2023 0:00 Fuel For Vehicles
55545 DALCO	\$40.38	11/30/2023 0:00 Maintenance Supplies
55546 DALCO	\$195.70	11/30/2023 0:00 Maintenance Supplies
55547 DELTA DENTAL OF MINNESOTA	\$3,192.95	11/30/2023 0:00 Dental Insurance
55548 DUSTIN MCLEOD	\$11.79	11/30/2023 0:00 Travel-Bldgs & Grounds
55549 EDUCATORS BENEFIT CONSULTANTS LLC	\$54.00	11/30/2023 0:00 Consulting Fees/Serv-Bus Office
55550 INTEGRATED FOOD SERVICE	\$852.95	11/30/2023 0:00 Food
55551 JOANNE LATTU	\$68.78	11/30/2023 0:00 Class of 2024 - Expense
55552 JOSEPH G FRENCH	\$40.00	11/30/2023 0:00 Postage/Printing-Images
55553 KETTLE RIVER PIZZA INC	\$2,536.00	11/30/2023 0:00 Class of 2024 - Expense
55554 KIRK HILL	\$22.12	11/30/2023 0:00 Repairs & Maint Serv
55555 MCGREGOR ISD 004	\$4,053.28	11/30/2023 0:00 Bus Mgr Svcs Sept-Oct
55556 MENARDS - WEST DULUTH	\$45.69	11/30/2023 0:00 Instru Supplies-Industrial Ed
55557 MENARDS - WEST DULUTH	\$320.31	11/30/2023 0:00 Instru Supplies-Industrial Ed
55558 METRO SALES INC	\$482.00	11/30/2023 0:00 Lease Principal
55559 MOLLY KIDD	\$63.16	11/30/2023 0:00 Art Activities-Expense
55560 NATL INSURANCE SVCS OF WI INC	\$777.45	11/30/2023 0:00 Life Insurance
55561 PREMIERE THEATERS INC	\$720.00	11/30/2023 0:00 Student Assistance
55562 TASC	\$58.82	11/30/2023 0:00 Consulting Fees/Serv-Admin
<b>Total</b>	<b>\$275,299.69</b>	

**Debt Service Statement**

**WIRES** due by [January 29, 2024](#)  
**CHECKS** due by [January 25, 2024](#)

**Independent School District No. 100 (Wrenshall Public Schools)**

207 Pioneer Dr  
 Wrenshall, MN 55797

Statement #: 84745  
 Statement Date: December 12, 2023

**RE: \$9,240,000.00 General Obligation Facilities Maintenance Bonds, Series 2020A**

<u>Debt Service Date</u>	<u>CUSIP</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u>
02-01-2024	982186FQ6	\$395,000.00	\$123,273.75	\$518,273.75

**Payment Instructions**

**WIRES** due by [January 29, 2024](#)

Wells Fargo Bank, San Francisco, CA  
 ABA #: 121000248  
 BNF: BTSC Paying Agent Account  
 Account #: 4126695238  
 Ref: 334977

**CHECKS** due by [January 25, 2024](#)

Make check payable to:  
 Bond Trust Services Corporation  
 Ref: 334977  
 Send to:  
 Bond Trust Services Corporation  
 Attn: Accounts Receivable  
 3060 Centre Pointe Drive, Suite 110  
 Roseville, MN 55113-1105

Please direct any questions to:  
 Accounts Receivable, (651) 209-1010

**MN State Credit Enhancement** requires payments be received by the  
 Paying Agent at least 3 business days prior to the due date.

**For your convenience, multiple Statements/Invoices may be combined in one payment.  
 Thank you for your business!**



**Debt Service Statement**

**WIRES** due by January 29, 2024  
**CHECKS** due by January 25, 2024

**Independent School District No. 100 (Wrenshall Public Schools)**  
207 Pioneer Dr  
Wrenshall, MN 55797

Statement #: 84746  
Statement Date: December 12, 2023

**RE: \$965,000.00 General Obligation Facilities Maintenance Bonds, Series 2021A**

<u>Debt Service Date</u>	<u>CUSIP</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u>
02-01-2024	982186GJ1	\$60,000.00	\$7,336.25	\$67,336.25

**Payment Instructions**

**WIRES** due by January 29, 2024  
Wells Fargo Bank, San Francisco, CA  
ABA #: 121000248  
BNF: BTSC Paying Agent Account  
Account #: 4126695238  
Ref: 339436

**CHECKS** due by January 25, 2024  
Make check payable to:  
Bond Trust Services Corporation  
Ref: 339436  
Send to:  
Bond Trust Services Corporation  
Attn: Accounts Receivable  
3060 Centre Pointe Drive, Suite 110  
Roseville, MN 55113-1105

Please direct any questions to:  
Accounts Receivable, (651) 209-1010

**MN State Credit Enhancement** requires payments be received by the  
Paying Agent at least 3 business days prior to the due date.

**For your convenience, multiple Statements/Invoices may be combined in one payment.  
Thank you for your business!**

**Debt Service Statement**

**WIRES** due by January 29, 2024  
**CHECKS** due by January 25, 2024

**Independent School District No. 100 (Wrenshall Public Schools)**  
 207 Pioneer Dr  
 Wrenshall, MN 55797

Statement #: 84747  
 Statement Date: December 12, 2023

**RE: \$3,670,000.00 General Obligation Facilities Maintenance and Tax Abatement Bonds, Series 2021B**

<u>Debt Service Date</u>	<u>CUSIP</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u>
02-01-2024	982186GZ5	\$145,000.00	\$39,450.00	\$184,450.00

**Payment Instructions**

**WIRES** due by January 29, 2024

Wells Fargo Bank, San Francisco, CA  
 ABA #: 121000248  
 BNF: BTSC Paying Agent Account  
 Account #: 4126695238  
 Ref: 340176

**CHECKS** due by January 25, 2024

Make check payable to:  
 Bond Trust Services Corporation  
 Ref: 340176  
 Send to:  
 Bond Trust Services Corporation  
 Attn: Accounts Receivable  
 3060 Centre Pointe Drive, Suite 110  
 Roseville, MN 55113-1105

Please direct any questions to:  
 Accounts Receivable, (651) 209-1010

**MN State Credit Enhancement** requires payments be received by the  
 Paying Agent at least 3 business days prior to the due date.

**For your convenience, multiple Statements/Invoices may be combined in one payment.  
 Thank you for your business!**



# Wrenshull Public Schools

Superintendent- Jeff Pesta  
Principal- Michelle Blanchard

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December 18, 2023

## Consent Agenda

- *Any Director may request to remove any item from this consent agenda and place it on the regular meeting agenda for individual consideration.*

### At-Will Agreements:

#### Appointments:

1. Allison Dillon – Special Education Teacher, add sixth teaching assignment  
- effective November 6, 2023
2. Jessica Jeche – Wren’s Club Coordinator,  
- effective November 30, 2023
3. Glen Anderson – Bus Driver,  
- effective for training schedule November 29, 2023
4. Ben Nyberg – Assistant Cook, Grade 3, 6 hours per day  
- effective January 3, 2024

#### Leave Requests:

1. Lauren Borg – Paraprofessional,  
- Unpaid leave of absence February 6-9, 2024

#### Resignations:

1. Ashley Laveau – Community Education Coordinator,  
- effective December 22, 2023.
2. Ashley Laveau – Van Driver,  
- effective December 22, 2023
3. Ashley Laveau – Wren’s Club Coordinator,  
- effective December 8, 2023

#### Terminations:

Independent School District #100  
207 Pioneer Drive  
Wrenshall, MN 55797-9000  
Telephone: 218-384-4274  
FAX: 218-384-4293



# WRENSHALL PUBLIC SCHOOLS

Superintendent-Jeff Pesta, Ed.D  
Principal-Michelle Blanchard

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12-12-23

## Principal December Report

12-12-23

- Upward Bound Presentation
- 7th Grade split teachers update
- 1st Grade split teachers update
- Utilizing ESSR funds: Tutors, High School and Elementary & Academic Book Club
- Safety Drill updates
- Safety committee will meet this Wednesday at 7:30 am. This is the first meeting of the school year.
- Youth Speaker: Mr. Holter and I are coordinating to find an outside speaker to come visit in January to speak to our 7-12th grade.
- Curriculum committee: We have met twice now as a group to discuss next steps and I will present information to the board in January. As a committee it was agreed upon that we must invest in math materials.

*A small school where WE cultivate big futures.*

# FORM A

## RESOLUTION OF GOVERNING BOARD SUPPORTING FORM A APPLICATION TO MINNESOTA STATE HIGH SCHOOL LEAGUE FOUNDATION

WHEREAS, the Minnesota State High School League Foundation was formed to provide support for Minnesota's high school youth to participate in athletics and fine arts;

WHEREAS, the Governing Board of [Name of School/District] recognizes the value of student participation in extracurricular activities; and

WHEREAS, the MSHSL Foundation is offering grants and funding to assist schools in recognizing, promoting and funding extracurricular participation by high school students in athletic and fine arts programs.

THEREFORE, BE IT RESOLVED, that the Governing Board of [Name of School/District] supports the school's application to the Minnesota State High School League Foundation for a FORM A grant to offset student activity fees.

Date

\_\_\_\_\_

Board Chair/Head of School

Date

\_\_\_\_\_

Board Clerk – Treasurer/ Finance

Director

## FORM B

### RESOLUTION OF SCHOOL BOARD/GOVERNING BOARD SUPPORTING FORM B APPLICATION TO MINNESOTA STATE HIGH SCHOOL LEAGUE FOUNDATION

WHEREAS, the Minnesota State High School League Foundation was formed to provide support for Minnesota's high school youth to participate in athletics and fine arts;

WHEREAS, the Governing Board of [Name of School] recognizes the value of student participation in extracurricular activities; and

WHEREAS, the MSHSL Foundation is offering grants and funding to assist schools to provide seminars/training opportunities or support for specific school functions for students/faculty members/officials and others who are involved in athletic and fine arts programs.

THEREFORE, BE IT RESOLVED, that the Governing Board of [Name of School] supports the school's application to the Minnesota State High School League Foundation for a **FORM B** grant.

Date

\_\_\_\_\_

Board Chair/Head of School

Date

\_\_\_\_\_

Board Clerk - Treasurer

**A RESOLUTION submitted by an Activity Conference or Region Committee must**

**0100 WRENSHALL District**207 PIONEER DRIVE, WRENSHALL, MN 55797-0068  
Generated on 12/18/2023 12:29:06 PM Page 1 of 1**Student Enrollment Summary Report**

Effective Date: 12/15/2023 Enrollment Types: P, S, N

Total Race/Ethnicities: 5 of 7 Total Schools: 2

Race/Ethnicity Source: Federal Male/Female/Total: 180/159/339

**Student Population by Race/Ethnicity and Grade Level (Male/Female/Total)****Wrenshall Elementary**

Grade	1:Hispanic/Latino	2:American Indian or Alaska Native	3:Asian	4:Black or African American	5:Native Hawaiian or Other Pacific Islander	6:White	7:Two or more races	Total
01	1/0/1	-	-	-	-	13/9/22	0/2/2	14/11/25
02	-	-	-	-	-	5/9/14	2/1/3	7/10/17
03	-	-	-	-	-	13/12/25	-	13/12/25
04	0/1/1	-	-	-	-	9/14/23	-	9/15/24
05	-	-	-	-	-	9/10/19	1/1/2	10/11/21
06	-	1/1/2	-	-	-	13/8/21	0/1/1	14/10/24
EC	0/1/1	-	-	-	-	3/3/6	-	3/4/7
KA	1/0/1	-	-	-	-	7/11/18	1/1/2	9/12/21
All Grades	2/2/4	1/1/2	-	-	-	72/76/148	4/6/10	79/85/164

**Wrenshall High School**

Grade	1:Hispanic/Latino	2:American Indian or Alaska Native	3:Asian	4:Black or African American	5:Native Hawaiian or Other Pacific Islander	6:White	7:Two or more races	Total
07	-	0/1/1	-	0/1/1	-	15/10/25	0/3/3	15/15/30
08	-	-	-	-	-	12/9/21	1/1/2	13/10/23
09	1/0/1	0/1/1	-	-	-	16/11/27	0/1/1	17/13/30
10	1/1/2	1/0/1	-	-	-	12/13/25	2/0/2	16/14/30
11	-	1/0/1	-	-	-	10/7/17	3/1/4	14/8/22
12	1/0/1	0/1/1	-	-	-	24/11/35	1/2/3	26/14/40
All Grades	3/1/4	2/3/5	-	0/1/1	-	89/61/150	7/8/15	101/74/175

**Student Population Excluding White not of Hispanic Origin**

School	Total	Percentage
Wrenshall Elementary	16	9.76%
Wrenshall High School	25	14.29%
Total	41	12.09%



# Wrenshall Public Schools

Superintendent- Jeff Pesta  
Principal- Michelle Blanchard

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December 18, 2023

## **Request For Proposals: Executive Search**

Independent School District 100 is requesting proposals for an executive search that will commence in January 2024. Proposals should include past experience in conducting executive searches, references, proposed timeline, and fee structure

Proposals will be considered if received before 12:00 p.m., (TBD) and will be presented during the Wrenshall Board of Education work session (TBD). Questions regarding the specifications should be directed to Misty Bergman, Search Committee Chair, [mbergman@isd100](mailto:mbergman@isd100)

Please address proposals to:  
Executive Search  
Wrenshall Public School  
207 Pioneer Road  
Wrenshall, MN. 55797-9000



# Wrenshall Public Schools

Superintendent- Jeff Pesta  
Principal- Michelle Blanchard

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December 18, 2023

## Shadow Website

Here is the link to the draft of the Wrenshall website. <https://annawritesmart.wixsite.com/wrenshall/home>

1. The goal is to strip away the layers and rebuild from a branded, simple framework with only relevant links accessible with mostly one click.
2. We will change the URL to a custom domain once we are ready to make the transition.
3. The current domain host contract expires on December 31, 2023.
4. All mission critical links can be live to transition on January 2, 2024 or we can renew the current hosting contract until the Board approves a full transition later.



Wipfli LLP  
1502 London Road  
Suite 200  
Duluth, MN 55812  
218.722.4705  
fax 218.722.8589  
www.wipfli.com

December 5, 2023

To the School Board  
Independent School Board No. 100  
Wrenshall, MN

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 100 (the "District") for the year ended June 30, 2023, and have issued our report thereon dated December 5, 2023. Professional standards require that we provide you with the following information related to our audit:

**Our Responsibility Under Auditing Standards Generally Accepted in the United States and *Government Auditing Standards***

As stated in our engagement letter dated December 5, 2023, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we also performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

**Required Supplementary Information Accompanying Audited Financial Statements**

We applied certain limited procedures to the management's discussion and analysis, information about the District's other postemployment health care plan, and the information about the District's net pension liability, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### **Supplementary Information Accompanying Audited Financial Statements**

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

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to your representative, Kim Belcastro, in our meeting about planning matters, in addition to our engagement letter dated December 5, 2023 accepted by Jeff Pesta.

### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. The District adopted Statement No. 96 of the Government Accounting Standards Board *SBITAS* during the year ended June 30, 2023.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the assumptions related to the total other postemployment benefit liability and the District's proportionate share of pension liabilities.

The disclosures in the financial statements are neutral, consistent, and clear.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

### **Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated December 5, 2023, a copy of which accompanies this letter.

### **Management Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves the application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all of the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors for the preceding year. However, these discussions occurred in the normal course of our professional relationship and our responses were not, in our judgment, a condition of our retention.

### **Internal Control Matters**

In planning and performing our audit of the financial statements of the District, in accordance with auditing standards generally accepted in the United States, we considered the District’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, significant deficiencies and material weaknesses may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

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 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. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

We consider the following deficiency in internal control to be a significant deficiency:

### **Financial Statement Presentation and Disclosures**

**Condition** - The District’s internal control over financial reporting does not end at the general ledger, but extends to the financial statements and related notes. As part of our professional services for the year ended June 30, 2023, Wipfli assisted in drafting the financial statements and related notes. While the District does have an internal control process to review the financial statements prepared by the auditors, the District does not have sufficient expertise to completely prepare its own financial statements and related notes, and relies on the auditors to provide necessary understanding of current accounting and disclosure principles in the preparation of the financial statements and related notes.

To the School Board  
Independent School District No. 100  
Page 4  
December 5, 2023

**Effect** - The completeness of the related note disclosures and the accuracy of the overall financial presentation is negatively impacted as outside auditors do not have the same comprehensive understanding of the District and its staff. The potential exists that a misstatement of the financial statements and related notes could occur and not be prevented or detected by the District.

**OTHER COMMENTS AND SUGGESTIONS**

Old Outstanding Items on Bank Reconciliations

During our audit we noted there were old reconciling items on the June 2023 bank reconciliation that should be cleared out. We recommend all bank account reconciliations be cleaned up to include only true reconciling items.

During our audit we selected five adjusting journal entries for testing. We did not note any approval for any of the five entries.

We appreciate the opportunity to be of service to Independent School District No. 100.

This communication is intended solely for the information and use of management, the School Board, others within the organization, and the Minnesota Department of Education and includes a description of the scope of our testing of internal control over financial reporting and the results of that testing. The communication related to considering the District's internal control over financial reporting is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting. Accordingly, this communication is not suitable for any other purpose.

Sincerely,



Wipfli LLP

Enc.

December 5, 2023  
Duluth, Minnesota

**Independent School District No. 100  
207 Pioneer Drive  
Wrenshall, MN 55797**

December 5, 2023

Wipfli LLP  
1502 London Road, Suite 200  
Duluth, Minnesota 55812

This representation letter is provided in connection with your audit of the financial statements of Independent School District No. 100 which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of June 30, 2023, and the respective changes in financial position for the year then ended, and the related notes to financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 5, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with GAAP and include all properly classified funds and other financial information of the primary government and all component units required by GAAP to be included in the financial reporting entity.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of GAAP.

7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements. We agree with the adjusting journal entries proposed by you and which are given effect to in the financial statements.
8. We agree with the adjusting journal entries proposed by you and which are given effect to in the financial statements.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with GAAP.
10. Significant estimates and material concentrations, if any, have been properly disclosed in accordance with GAAP.
11. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

**Information Provided**

12. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters, and all audit or relevant monitoring report, if any, received from funding sources.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the School Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
13. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
15. We have no knowledge of any fraud or suspected fraud affecting the District involving:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
16. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.
17. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
18. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or

assessments that are required to be accrued or disclosed in the financial statements in accordance with GAAP.

19. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
20. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
21. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions for which we are aware.
22. We believe that the actuarial assumptions and methods used to measure OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
23. We have made available to you all financial records and related data.
24. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
25. We have a process to track the status of audit findings and recommendations.
26. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
27. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
28. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
29. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provision for reporting specific activities in separate funds.
30. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
31. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determinations of financial statement amounts or other financial data significant to the audit objectives.
32. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
33. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
34. As a part of your audit, you assisted with preparation of the financial statements and related notes. We

acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

35. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
36. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related Districts.
37. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
38. All funds that meet the criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
39. Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (non-spendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved. Provisions for uncollectible receivables have been properly identified and recorded.
40. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
41. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
42. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
43. Deposits and investment securities and are properly classified as to risk, and investments are properly valued and disclosed.
44. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
45. We have appropriately disclosed Independent School District No. 100's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
46. The District has identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
47. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Independent School District No. 100 vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
48. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

49. We acknowledge our responsibility for presenting the combining nonmajor governmental funds financial statements and fiscal compliance table in accordance with GAAP, and we believe the combining nonmajor governmental funds financial statements and fiscal compliance table, including its form and content, is fairly presented in accordance with GAAP. The methods of measurement and presentation of the combining nonmajor governmental funds financial statements and fiscal compliance table has not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the combining nonmajor governmental funds financial statements and fiscal compliance table is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Sincerely,



Jeff Pesta

Signature

Interim Superintendent

Title



# Independent School District No. 100 Wrenshall, Minnesota

Financial Statements and  
Supplementary Information

Year Ended June 30, 2023



**WIPFLI**

# Independent School District No. 100

Year Ended June 30, 2023

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# Independent School District No. 100

Year Ended June 30, 2023

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## School Officials

<u>Elective</u>	<u>Office</u>	<u>Term Expires</u>
Misty Bergman	Member	1/1/25
Mary Carlson	Vice-Chair	1/1/27
Erif Ankrum	Treasurer	1/1/27
Alice Kloepfer	Member	1/1/25
Nicole Krisak	Chair	1/1/25
Ben Johnson	Clerk	1/1/27
<u>Appointive</u>		
Jeff Pesta	Superintendent	

## Independent Auditor's Report

To the School Board  
Independent School District No. 100  
Wrenshall, Minnesota

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 100 (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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 District, as of June 30, 2023, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States.

### 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*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### *Auditor's Responsibility*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States require that the management's discussion and analysis, pages 5 through 9, the information about the District's other postemployment health care plan, page 47, and the information about the District's net pension liability, pages 48 and 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor governmental funds financial statements, and the fiscal compliance table, pages 50 through 52, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining nonmajor governmental funds financial statements and fiscal compliance table are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 audit procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Wipfli LLP*

Wipfli LLP

December 5, 2023  
Duluth, Minnesota

## Management's Discussion and Analysis

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# Independent School District No. 100

## Management's Discussion and Analysis Year Ended June 30, 2023

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As management of Independent School District No. 100 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023.

### Financial Highlights

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

- Total net position (deficit) was \$662,128 at June 30, 2023, an increase of \$687,487 over the prior year.
- Overall actual revenues in the Statement of Activities were \$6,542,470 and expenses were \$5,854,983.
- General Fund total fund balance decreased \$294,460 during fiscal year ended June 30, 2023.

### Overview of the Financial Statements

The financial section of the annual report consists of four parts - Independent Auditor's Report, required supplementary information which includes the Management's Discussion and Analysis (this section), the basic financial statements and supplemental information. The basic financial statements include two kinds of statements that present different views of the District.

### 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 and deferred outflows of resources, and 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.

The two district-wide statements report the District's net position and how it has changed.

The statement of net position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

The statement of activities presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (i.e., uncollected taxes and earned but unused compensated absences).

The district-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation, and operation of non-instructional services.

# Independent School District No. 100

## Management’s Discussion and Analysis (Continued) Year Ended June 30, 2023

### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, state statutes, and to control and manage money for particular purposes. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds - Most of the District’s basic services are included in governmental funds. Governmental fund financial statements focus on near-term inflows of cash and other financial assets that can readily be converted to cash, as well as the balances at year-end that are available for spending. Consequently, the government 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, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. A reconciliation is provided to facilitate a comparison between government funds financial statements and district-wide financial statements.

Fiduciary funds - The District is the trustee, or fiduciary, for assets that belong to others, such as the private purpose trust fund. 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 operation.

### Financial Analysis of the District as a Whole

Net position may serve over time as a useful indicator of a district’s financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$662,128 as of June 30, 2023.

#### Statement of Net Position (Deficit) June 30,

	2023	2022
Capital assets	\$ 17,471,077	\$ 16,674,872
Current and other assets	2,996,026	4,587,551
<b>Total assets</b>	<b>20,467,103</b>	<b>21,262,423</b>
Deferred outflows of resources	1,330,761	1,588,610
Long-term liabilities	17,682,612	16,428,278
Other liabilities	1,351,767	1,668,105
<b>Total liabilities</b>	<b>19,034,379</b>	<b>18,096,383</b>
Deferred inflows of resources	2,101,357	4,780,009
Net position		
Net investment in capital assets	3,920,733	3,509,587
Restricted	253,996	361,559
Unrestricted (deficit)	(3,512,601)	(3,896,505)
<b>Total net position (deficit)</b>	<b>\$ 662,128</b>	<b>\$ (25,359)</b>

# Independent School District No. 100

## Management's Discussion and Analysis (Continued) Year Ended June 30, 2023

	Change in Net Position For the years ended June 30,	
	2023	2022
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 264,487	\$ 209,853
Operating grants and contributions	1,370,586	1,613,838
General revenues		
Property taxes	1,524,283	1,167,166
State aids	3,341,870	3,386,249
Other	41,244	9,161
<b>Total revenues</b>	<b>6,542,470</b>	<b>6,386,267</b>
<b>Expenses</b>		
District and school administration	378,521	352,988
District support services	328,435	333,414
Regular instruction	1,728,251	2,179,387
Vocational instruction	84,211	61,575
Exceptional instruction	913,118	949,351
Instructional support services	99,031	253,348
Pupil support services	551,131	492,110
Sites, building and equipment	699,878	510,646
Fiscal and other fixed cost programs	34,411	27,788
Food service	240,838	279,763
Community service	152,806	144,324
Interest and fiscal charges on long-term debt	496,427	329,081
Unallocated depreciation	147,925	148,285
<b>Total expenses</b>	<b>5,854,983</b>	<b>6,062,060</b>
Change in net position	687,487	324,207
Net position, beginning of year	(25,359)	(349,566)
<b>Net position, end of year (deficit)</b>	<b>\$ 662,128</b>	<b>\$ (25,359)</b>

### Financial Analysis of the District's Funds

While the government-wide presentations are designed to present users with a more complete picture of the District's financial position and results of operation, the traditional fund accounting basis provides users with information that can be used by the District to make decisions in the near-term.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$327,998, a decrease of \$1,242,574 from the prior year. This total consists of: General Fund, \$156,360; Debt Service Fund, \$122,904; Building Construction Fund, \$0; Food Service Fund, \$30,170; and Community Service Fund, \$18,564.

# Independent School District No. 100

## Management's Discussion and Analysis (Continued) Year Ended June 30, 2023

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At the end of the current fiscal year, the unassigned fund balance (deficit) of the General Fund was (\$63,149). As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund budget. Unassigned fund balance represents -1.21% of the total General Fund's final budgeted expenditures of \$5,222,696 at June 30, 2023. The School Board has adopted a Fund Balance Policy, establishing a goal of having a minimum General Fund unassigned fund balance equal to 8-10% of the annual budget.

The Building Construction Fund balance decreased \$995,818 during the year due to the expenditure of funds on capital outlay items and maintenance projects. The Debt Service fund balance increased by \$42,574 and the Community Service Fund balance increased \$14,884.

### General Fund Budgetary Highlights

The board of each school district must approve and adopt its revenue and expenditure budgets for the next school year prior to July 1 of each year. The budget document adopted is an expenditure-authorizing or appropriations document. No funds shall be expended by any board or district for any purpose in any school year prior to the adoption of the budget document which authorizes the expenditure or prior to an amendment to the budget document by the board to authorize the expenditure.

The originally adopted General Fund revenue and other financing sources budget was \$4,952,849. Budgeted revenues and other financing sources were revised during the year to \$4,886,356, a decrease of \$66,493.

The originally adopted General Fund expenditure budget was \$5,095,242. Budgeted expenditures were revised during the year to \$5,222,696, an increase of \$127,454.

Actual revenues were \$282,798 more than anticipated primarily due to an increase in state and federal aid.

Actual expenditures and other financing uses were \$241,717 more than anticipated due to additional capital outlay items and exceptional support costs.

### Capital Asset and Debt Administration

#### Capital Asset

By the end of fiscal year 2023, the District had invested \$23,659,032 in a broad range of capital assets, including land, school buildings, athletic facilities, buses and computer equipment. Total depreciation expense for the year was \$372,778. More detailed information about the District's capital assets is presented in Note 3 to the financial statements.

#### Debt Administration

At June 30, 2023, the District had \$13,155,000 in general obligation bonds payable. Under current state statutes, the District's general obligation bonded debt issuances are subject to a legal limitation of 10 percent of the fair market value of property in the District. The District is within its legal authority for bonded debt.

The District also had \$38,664 in notes payable, \$4,055,817 in net pension liability, \$35,900 in total OPEB liability, and \$40,551 in compensated absence liabilities at June 30, 2023.

More detailed information about the District's long-term liabilities is presented in Note 4 to the financial statements.

# Independent School District No. 100

## Management's Discussion and Analysis (Continued)

Year Ended June 30, 2023

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### Factors Bearing on the District's Future

Wrenshall School District continues to promote and maintain a comprehensive PK-12 educational system for Wrenshall resident students and open enrolled students from area school districts. The educational staff is now in the ninth school year of the Quality Compensation Program which has allowed for focused-systemic staff development. Under the Quality Compensation Program the educators are evaluated every year under the Charlotte Danielson Model which has been very helpful. In addition, the professional learning communities are led by teacher leaders who do informal observations of all of the teaching staff. This has proved to be valuable and a collegial effort towards effective school improvement.

### 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, 207 Pioneer Drive Wrenshall, MN 55797 or call the Business Manager, (218) 384-4274.

## Government-Wide Financial Statements

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# Independent School District No. 100

## Statement of Activities

For the Year Ended June 30, 2023

	Governmental Activities
<b>Assets and Deferred Outflows of Resources</b>	
Current assets	
Cash and temporary cash investments	\$ 1,778,273
Current property taxes receivable	507,191
Delinquent property taxes receivable	18,932
Accounts receivable	11,795
Due from other Minnesota school districts	24,632
Due from Minnesota Department of Education	315,294
Due from federal government through the Minnesota Department of Education	300,227
Due from other governmental units	34,748
Inventory	4,934
<b>Total current assets</b>	<b>2,996,026</b>
Capital assets, net of depreciation	
Assets not being depreciated	22,760
Assets being depreciated, net	17,448,317
<b>Total capital assets, net of depreciation</b>	<b>17,471,077</b>
Deferred outflows of resources	
Items related to pensions plans	1,330,761
<b>Total assets and deferred outflow of resources</b>	<b>\$ 21,797,864</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position (Deficit)</b>	
Current liabilities	
Salaries payable	\$ 424,153
Accounts payable	34,104
Accrued payroll taxes	108,344
Due to other Minnesota school districts	129,137
Due to other governments	12,586
Interest payable	142,954
Unearned revenue	489
Short term indebtedness	500,000
Current portion of long-term liabilities	619,026
<b>Total current liabilities</b>	<b>1,970,793</b>
Long-term liabilities	
<b>Total liabilities</b>	<b>19,034,379</b>
Deferred inflows of resources	
Property taxes levied for subsequent year's expenditures	1,440,283
Items related to pension plans	661,074
<b>Total deferred inflows of resources</b>	<b>2,101,357</b>
Net position (deficit)	
Net investment in capital assets	3,920,733
Restricted	253,996
Unrestricted (deficit)	(3,512,601)
<b>Total net position (deficit)</b>	<b>662,128</b>
<b>Total liabilities, deferred inflows of resources, and net position (deficit)</b>	<b>\$ 21,797,864</b>

See accompanying notes to financial statements.

# Independent School District No. 100

## Statement of Activities

For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
District and school administration	\$ 378,521	\$	\$	\$	\$ (378,521)
District support services	328,435	799			(327,636)
Regular instruction	1,728,251	159,062	280,382		(1,288,807)
Vocational instruction	84,211		2,342		(81,869)
Exceptional instruction	913,118	(8,004)	826,990		(94,132)
Instructional support services	99,031				(99,031)
Pupil support services	551,131				(551,131)
Sites, buildings and equipment	699,878				(699,878)
Fiscal and other fixed program costs	34,411				(34,411)
Food service	240,838	53,019	178,065		(9,754)
Community service	152,806	59,611	82,807		(10,388)
Interest and fiscal charges on long-term debt	496,427				(496,427)
Unallocated depreciation	147,925				(147,925)
<b>Total governmental activities</b>	<b>\$ 5,854,983</b>	<b>\$ 264,487</b>	<b>\$ 1,370,586</b>	<b>\$</b>	<b>(4,219,910)</b>
General revenues					
Taxes					
Property taxes, levied for general purposes 637,550					
Property taxes, levied for community service 24,777					
Property taxes, levied for debt service 861,956					
State aid-formula grants 3,341,870					
Investment earnings 41,244					
<b>Total general revenues 4,907,397</b>					
Change in net position 687,487					
<b>Net position (deficit), beginning of the year (25,359)</b>					
<b>Net position (deficit), end of the year \$ 662,128</b>					

See accompanying notes to financial statements.

# Independent School District No. 100

## Governmental Funds – Balance Sheet

June 30, 2023

	General Fund	Debt Service Fund	Building Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and temporary cash investments	\$ 969,438	\$ 736,732	\$	\$ 72,103	\$ 1,778,273
Current property taxes receivable	178,835	320,692		7,664	507,191
Delinquent property taxes receivable	7,815	10,770		347	18,932
Accounts receivable	2,388			9,407	11,795
Due from other Minnesota school districts	24,632				24,632
Due from the Minnesota Department of Education	301,773	10,479		3,042	315,294
Due from the federal government through the Minnesota Department of Education	299,496			731	300,227
Due from other governmental units	34,748				34,748
Inventory	4,100			834	4,934
<b>Total assets</b>	<b>1,823,225</b>	<b>1,078,673</b>	<b>-</b>	<b>94,128</b>	<b>2,996,026</b>
<b>Liabilities</b>					
Salaries payable	\$ 405,840	\$	\$	\$ 18,313	\$ 424,153
Accounts payable	33,491	475		138	34,104
Accrued payroll taxes	108,344				108,344
Due to other Minnesota school districts	129,137				129,137
Due to other governments	12,586				12,586
Short term indebtedness	500,000				500,000
Unearned revenue				489	489
<b>Total liabilities</b>	<b>1,189,398</b>	<b>475</b>		<b>18,940</b>	<b>1,208,813</b>
<b>Deferred inflows of resources</b>					
Delinquent property taxes	7,815	10,770		347	18,932
Property taxes levied for subsequent year's expenditures	469,652	944,524		26,107	1,440,283
<b>Total deferred inflows of resources</b>	<b>477,467</b>	<b>955,294</b>		<b>26,454</b>	<b>1,459,215</b>
<b>Fund balances</b>					
Nonspendable	4,100			834	4,934
Assigned	21,271				21,271
Restricted	194,138	122,904		59,511	376,553
Unassigned	(63,149)			(11,611)	(74,760)
<b>Total fund balances</b>	<b>156,360</b>	<b>122,904</b>		<b>48,734</b>	<b>327,998</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,823,225</b>	<b>\$ 1,078,673</b>	<b>\$</b>	<b>\$ 94,128</b>	<b>\$ 2,996,026</b>

See accompanying notes to financial statements.

# Independent School District No. 100

## Governmental Funds – Reconciliation of the Balance Sheet to the Statement of Net Position (Deficit)

June 30, 2023

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Total fund balances - governmental funds \$ 327,998

Amounts reported for governmental activities in the statement of net position (deficit) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Cost of capital assets	23,659,032
Less accumulated depreciation	(6,187,955)

Long-term liabilities, including bonds payable, capital leases payable, other postemployment benefits, and compensated absences payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

General obligation bonds	(13,155,000)
Notes payable	(38,664)
Unamortized bond premium	(356,680)
Compensated absences	(40,551)
Total OPEB obligation	(35,900)

The net pension liability and the deferred outflows of resources and inflow of resources related to pensions are only reported in the statement of net position

Net pension liability	(4,055,817)
Deferred inflows of resources related to pensions	(661,074)
Deferred outflows related to pensions	1,330,761

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 funds.

18,932

Governmental funds do not report a liability for accrued interest until due and payable.

(142,954)

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Total net position (deficit) - governmental activities	\$ 662,128
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See accompanying notes to financial statements.

# Independent School District No. 100

## Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended June 30, 2023

	General Fund	Debt Service Fund	Building Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Local property tax levies	\$ 638,486	\$ 859,921	\$	\$ 24,800	\$ 1,523,207
Other local and county revenues	175,453			59,611	235,064
Revenue from state sources	3,974,624	103,589		93,623	4,171,836
Revenue from federal sources	348,454			167,721	516,175
Interest income	32,087		9,157		41,244
Sales and other conversion of assets	50			53,019	53,069
<b>Total revenues</b>	<b>5,169,154</b>	<b>963,510</b>	<b>9,157</b>	<b>398,774</b>	<b>6,540,595</b>
<b>Expenditures</b>					
<b>Current</b>					
District and school administration	376,934				376,934
District support services	319,806				319,806
Regular instruction	2,264,265				2,264,265
Vocational instruction	84,211				84,211
Exceptional instruction	909,102				909,102
Community education and services				152,806	152,806
Instructional support services	95,771				95,771
Pupil support services	595,898			240,838	836,736
Site, buildings, and equipment	531,978		(14,320)		517,658
Fiscal and other fixed cost programs	34,411				34,411
<b>Debt service</b>					
Principal	94,468	535,000			629,468
Interest and other fiscal costs	11,601	385,936			397,537
Capital outlay	145,968		1,019,295		1,165,263
<b>Total expenditures</b>	<b>5,464,413</b>	<b>920,936</b>	<b>1,004,975</b>	<b>393,644</b>	<b>7,783,968</b>
Excess (deficiency) of revenues over expenditures	(295,259)	42,574	(995,818)	5,130	(1,243,373)
<b>Other financing sources</b>					
Insurance recovery	799				799
<b>Total other financing sources</b>	<b>799</b>				<b>799</b>
Net change in fund balances	(294,460)	42,574	(995,818)	5,130	(1,242,574)
Fund balances, beginning	450,820	80,330	995,818	43,604	1,570,572
Fund balances, ending	\$ 156,360	\$ 122,904	\$	\$ 48,734	\$ 327,998

See accompanying notes to financial statements.

# Independent School District No. 100

## Governmental Funds – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2023

Total net changes in fund balances - governmental funds \$ (1,242,574)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the costs of those assets is allocated over the estimated useful lives as depreciation expense. This amount is the net effect of capital outlays, depreciation expenses and the effect of various transactions involving capital assets.

Capital outlays	1,168,983
Depreciation expense	(372,778)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal payments on general obligation bonds	535,000
Principal payments on notes	54,498
Amortization of bond premium	21,260

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, However, in the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due.

(25,682)

Vested employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.

Change in total OPEB liability	1,627
Change in compensated absences	15,344
Change in deferred outflows of resources related to pensions	(257,849)
Change in deferred inflows of resources related to pensions	2,670,645
Change in pension liability	(1,882,063)

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

1,076

Change in net position - governmental activities	\$ 687,487
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See accompanying notes to financial statements.

# Independent School District No. 100

## General Fund – Statement of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual

For the Year Ended June 30, 2023

	Final Budget	Actual	Variance Over (Under)
<b>Revenues</b>			
Local property tax levies	\$ 590,838	\$ 638,486	\$ 47,648
Other local and county revenues	113,818	175,453	61,635
Revenue from state sources	3,878,828	3,974,624	95,796
Revenue from federal sources	302,672	348,454	45,782
Sales and conversion of assets		50	50
Interest income	200	32,087	31,887
<b>Total revenues</b>	<b>4,886,356</b>	<b>5,169,154</b>	<b>282,798</b>
<b>Expenditures</b>			
<b>Current</b>			
District and school administration	428,692	376,934	(51,758)
District support services	303,591	319,806	16,215
Regular instruction	2,224,794	2,264,265	39,471
Vocational instruction	82,778	84,211	1,433
Exceptional instruction	864,157	909,102	44,945
Instructional support services	91,978	95,771	3,793
Pupil support services	566,151	595,898	29,747
Site, buildings, and equipment	529,523	531,978	2,455
Fiscal and other fixed cost programs	37,500	34,411	(3,089)
Capital outlay	26,548	145,968	119,420
<b>Debt service</b>			
Principal	63,984	94,468	30,484
Interest	3,000	11,601	8,601
<b>Total expenditures</b>	<b>5,222,696</b>	<b>5,464,413</b>	<b>241,717</b>
Deficiency of revenues over expenditures	(336,340)	(295,259)	41,081
<b>Other financing sources</b>			
Insurance recovery		799	799
<b>Total other financing sources (uses)</b>		<b>799</b>	<b>799</b>
Net change in fund balance	(336,340)	(294,460)	41,880
Fund balance, beginning	450,820	450,820	
<b>Fund balance, ending</b>	<b>\$ 114,480</b>	<b>\$ 156,360</b>	<b>\$ 41,880</b>

See accompanying notes to financial statements.

# Independent School District No. 100

## Fiduciary Fund – Statement of Fiduciary Net Position

June 30, 2023

	Private Purpose Trust Fund
Assets	
Cash and cash equivalents	\$ 48,233
Liabilities	
Accounts payable	\$ -
Net position	
Held in trust for scholarships	48,233
Total liabilities and net position	\$ 48,233
See accompanying notes to financial statements.	-

# Independent School District No. 100

## Fiduciary Fund – Statement of Change in Fiduciary Net Position

For the Year Ended June 30, 2023

	Private Purpose Trust Fund
Additions	
Donations	\$ 1,800
Investment gain	1,341
<b>Total additions</b>	<b>3,141</b>
Deductions	
Scholarships paid	2,549
<b>Total deductions</b>	<b>2,549</b>
Change in net position	592
Net position, beginning of the year	47,641
<b>Net position, end of the year</b>	<b>\$ 48,233</b>

See accompanying notes to financial statements.

# Independent School District No. 100

## Notes to Financial Statements

Year Ended June 30, 2023

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### Note 1 Summary of Significant Accounting Policies

Independent School District No. 100 (District) was formed and operates pursuant to applicable Minnesota laws and statutes. The Governing Body consists of a six-member Board elected by voters of the District. Members are elected for four-year terms. The accounting policies of the District conform to accounting principles generally accepted in the United States as applied to government units. The Governmental Accounting Standards Board is the accepted standard setting board for establishing governmental accounting and financial reporting principles.

#### Reporting Entity

The District's financial statements include all funds, departments, agencies, boards, commissions, and other component units for which the District is considered to be financially accountable or for which the exclusion of would render the financial statements misleading. The District has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. Based on these criteria established by the Governmental Accounting Standards Board, there are no organizations considered to be component units of the District.

The student activity accounts of the District are under School Board control. The activity is accounted for in the General Fund.

#### Basic Financial Statement Presentation

The government-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 separate financial statements 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 the purpose for which both restricted and unrestricted resources are available. Depreciation expense can be specifically identified by function and 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 government-wide financial statements.

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

The fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### 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 in which it applies according to Minnesota Statutes. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within one year.
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.

A general summary of the nature and purpose of each of the funds maintained by the District follows:

#### **Major Governmental Funds**

**General Fund** - This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund accounts for: administration, kindergarten through 12<sup>th</sup> grade instruction, transporting students to and from school, maintenance of facilities, equipment purchases, health and safety projects, and disabled accessibility projects.

**Debt Service Fund** - This fund accounts for the accumulation of resources for the retirement of principal and interest on all general obligation bond indebtedness. Assets of the Debt Service Fund are restricted to the payment of bond principal and interest.

**Building Construction Fund** - This fund accounts for the accumulation of resources and the related expenditures for the construction and maintenance of District buildings and sites.

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Nonmajor Governmental Funds

**Special Revenue Funds** - These funds are used to account for proceeds of specific revenue sources that are restricted by law or administrative action to expense for specified purposes. The District has two special revenue funds:

Food Service Fund - is used to account for food service revenues and expenditures. Revenues consist of state and federal aids and sales to students and employees.

Community Service Fund - is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, adult or early childhood programs, K-6 extended day programs, or other similar services. Revenues consist of state and federal aids and grants and fees from program participants.

#### Fiduciary Funds

**Private Purpose Trust Fund** - The Scholarship Trust Fund is used to account for resources received and held by the District in a trustee capacity to be used in making scholarship awards.

#### Budgeting

Formal budgetary accounting is employed as a management control for all funds of the District. For each fund for which a formal budget is adopted, the budget is prepared on the same basis of accounting as the financial statements. The budget is adopted through passage of a resolution. The School Board must approve revisions. Legal budgetary control is at the fund account level.

#### Cash and Investments

Cash and investments of the individual funds are combined to form a pool and are invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds on the basis of average cash balance participation by each fund.

Investments are stated at fair value or amortized cost.

#### Receivables

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

#### Inventory

The District maintains no central stores and, therefore, expenses supply items as purchased. However, inventories for food items have been recorded in the proper funds. The District values its inventories at cost, on a first-in, first-out basis.

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

**Note 1      Summary of Significant Accounting Policies (Continued)**

**Property Taxes**

Property taxes are set by the school board and certified to the county auditor who acts as collecting agent, in December, of the year prior to collection. Taxes become a lien on property on the following January 1. Minnesota school districts operate under a levy limitation law that generally limits annual increases in taxes per capita. This law does not cover levies for bonded indebtedness.

Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes may be paid on February 28 and June 30. The county provides tax settlements to school districts and other taxing districts in January, March, June, and November or December. Portions of the tax levy paid by the state in the form of credits are included in revenue from state sources.

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). General fund revenue is determined annually by statutory funding formulas. These formulas allocate revenue between property taxes and state aids based on education funding priorities set by the Minnesota State Legislature. Changes in this allocation result in an annual change in property tax revenue recognition referred to as the "tax shift". In prior years, the amount of shift has varied between 0 and 50 percent.

The following is a summary of tax shift transactions by fund:

	(0.0%) Total Shift <u>June 30, 2022</u>	State Aid Adjustment	Revenue Adjustment	(0.0%) Total Shift <u>June 30, 2023</u>
General Fund	<u>\$ 45,769</u>		<u>\$ 31,619</u>	<u>\$ 77,388</u>

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 reported as a deferred inflow of resources in the fund based financial statements because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes is considered necessary.

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Capital Assets

Capital assets are reported at historical cost or estimated historical costs for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair 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.

Capital assets are reported in the district-wide financial statements but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives, ranging from five to fifty years.

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.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has reported deferred outflows of resources related to pensions for its proportionate share of collective deferred outflows of resources related to pensions and the District's contributions to pension plans subsequent to the measurement date of the collective net pension liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has reported unavailable revenue from delinquent property taxes, which arises only under a modified accrual basis of accounting, in the governmental funds balance sheet. The District has also reported property taxes levied for subsequent years expenditures as a deferred inflow of resources in both the governmental funds balance sheet and the statement of net position. The District has also reported deferred inflows of resources for its proportionate share of the collective deferred inflows of resources related to pensions.

#### Long-term Obligations

In the governmental-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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### GASB 87 Leases

The District is a lessee in a noncancelable lease. If the contract provides the District the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The discount rate used is the implicit rate in the lease contract, if it is readily determinable, or the District's incremental borrowing rate. The District uses the incremental borrowing rate based on the information available at the commencement date for all leases. The District's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment.

The ROU asset for leases is amortized on a straight-line basis over the lease term.

#### Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of the Teachers Retirement Association (TRA) and Public Employees Retirement Association (PERA) and additions to/deductions from TRA and PERA's fiduciary net position have been determined on the same basis as they are reported by TRA and PERA. 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 merger into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015. Additional information can be found in Note 8.

#### Compensated Absences

Vacation granted and sick pay earned are based on length of service and various bargaining unit contracts. In the fund financial statements, vacation pay is recorded when paid. In the district-wide financial statements, a liability is recorded for vacation pay when it is earned. Unused sick leave enters into the calculation of early retirement incentive payments for some employees upon termination.

#### Other Postemployment Benefits (OPEB)

The District provides postemployment health insurance benefits to some retired employees as established by contracts with bargaining units or other employment contracts. These contracts state the years, age and retiring dates needed to qualify for these postemployment benefits. The contracts also establish the amount the District will contribute towards the purchase of health insurance.

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### **Fund Balance**

In the fund financial statements, governmental funds report fund balance amounts within one of the following categories: nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balance is either (a) not in spendable form, or (b) legally or contractually required to remain intact. Restricted fund balance includes amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Committed fund balance includes amounts that can be used only for specific purposes determined by a formal action of the School Board. Assigned fund balance includes amounts intended to be used for specific purposes, but do not meet the criteria to be classified as restricted or committed. In accordance with the District's fund balance policy, a majority vote of the School Board is required to commit a fund balance to a specific purpose and subsequently remove or change any commitment and the District's superintendent is authorized to assign fund balance to a specific purpose.

At June 30, 2023, the District had no committed fund balances. The portion of the fund balance not nonspendable, restricted, committed, or assigned, is reported as unassigned. If resources from one fund balance classification could be spent, the District will strive to spend resources in the following order: restricted, committed, assigned, and unassigned. The District applies restricted resources first when an expense is incurred for the purpose for which both restricted and unrestricted fund balance is available.

The District strives to maintain a minimum unassigned general fund balance of 8 – 10 percent of the general fund operating budget. At June 30, 2023, the District had not met the minimum general fund balance goal.

#### **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 and fiduciary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

#### **Subsequent Events**

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through December 5, 2023, the date the financial statements were available to be issued. There were no subsequent events identified by the District that are required to be disclosed.

#### **Change in Accounting Policy**

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, SBITAs. The statement enhances the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The District adopted this guidance for the year ended June 30, 2023. The District did not have any SBITAs that were significant at June 30, 2023.

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

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### Note 2 Deposits and Investments

#### Deposits

In accordance with Minnesota Statutes, the School District maintains deposits at those depository banks authorized by the School Board.

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

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to it. The District requires collateral for deposits over FDIC insurance amounts. At June 30, 2023, the District's deposits were not exposed to custodial credit risk.

#### 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 receives 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 rated "A" or better; bankers' acceptances of United States' bank eligible for purchase by the Federal Reserve System; commercial paper issued by United States' corporations or their Canadian subsidiaries, of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with 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.

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

### Note 2 Deposits and Investments (Continued)

The Minnesota School District Liquid Asset Fund (MSDLAF) is regulated by the Minnesota Statutes and is an external investment pool not registered with the Securities and Exchange Commission (SEC). The District's investment in MSDLAF is measured at net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. The fund is a short-term money market portfolio, a cash-management vehicle created exclusively for Minnesota school districts. The Portfolio is managed to maintain a dollar-weighted average portfolio maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1.00.

Interest rate risk - Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

State law limits investments as discussed above. The District has no investment policy that would further limit its investment choices.

At June 30, 2023, investments consisted of the following:

Investment	Maturities		
	Less Than One Year	1 - 3 Years	Over 3 Years
External investment pools	\$ 1,168,398	\$ 1,168,398	\$
Money market	111,007	111,007	
<b>Total</b>	<b>\$ 1,279,405</b>	<b>\$ 1,279,405</b>	<b>\$</b>

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. It is the District's policy to invest only in securities that meet the ratings requirements set by state statute.

#### S & P or Moody's

AAAm	\$ 306
AA+	-
Not rated	1,279,099
<b>Total</b>	<b>\$ 1,279,405</b>

Custodial credit risk - The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At June 30, 2023, none of the District's investments were subject to custodial credit risk.

Concentration of credit risk - The concentration of credit risk is the risk of loss that may be caused by the District's investment in a single issuer. The District has no policy that would limit its investment in a single issuer.

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

### Note 2 Deposits and Investments (Continued)

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

The District had the following investments valued at recurring measurements at June 30, 2023:

Investments by fair value level	Total	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities				
Negotiable certificates of deposit	\$ -	\$ -	\$ -	\$ -
Money market	111,007		111,007	
Government securities	-		-	
<b>Total debt securities/investments by fair value level</b>	<b>\$ 111,007</b>	<b>\$ -</b>	<b>\$ 111,007</b>	<b>\$ -</b>
<b>Investments measured at the net asset value (NAV)</b>				
External investment pools	1,168,398			
<b>Total investments</b>	<b>\$ 1,279,405</b>			

The following table sets forth additional disclosures about the District's investments whose value are estimated using net asset value (NAV) as of June 30, 2023:

	Total	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
External Investment Pool - MSDLAF Liquid Class	\$ 194	\$ 0	On Demand 14 days, with the exception of direct investments of funds distributed by the State of Minnesota	2 P.M. Eastern Time transaction deadline.
External Investment Pool - MSDLAF MAX Class	113	\$0		24-hour notice
External Investment Pool - MN Trust	1,168,092	\$0	None	None
<b>Total External Pool Investments</b>	<b>\$ 1,168,398</b>			

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

### Note 2 Deposits and Investments (Continued)

The District's total deposits and investments are as follows:

Petty cash	\$	1,025
Deposits		546,076
Investments		1,279,405
<hr/>		
Total	\$	1,826,506

Presented in the basic financial statements as follows:

Statement of Net Position		
Cash and cash equivalents	\$	1,778,273
Statement of Fiduciary Net Position		
Private Purpose Trust Fund		
Cash and cash equivalents		48,233
<hr/>		
Total deposits and investments	\$	1,826,506

### Note 3 Capital Assets

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

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets not being depreciated				
Land	\$ 22,760			\$ 22,760
Construction in progress	13,047,429	1,118,656	(14,166,085)	
<hr/>				
Total capital assets not being depreciated	13,070,189	1,118,656	(14,166,085)	22,760
Capital assets being depreciated				
Land improvements	142,880			142,880
Buildings	7,972,511	14,116,086		22,088,597
Equipment	1,304,469	100,326		1,404,795
<hr/>				
Total capital assets being depreciated	9,419,860	14,216,412		23,636,272
Less accumulated depreciation				
Land improvements	131,371	1,141		132,512
Buildings	4,802,601	293,208		5,095,809
Equipment	881,205	78,429		959,634
<hr/>				
Total accumulated depreciation	5,815,177	372,778		6,187,955
<hr/>				
Total capital assets being depreciated, net	3,604,683	13,843,634		17,448,317
<hr/>				
Capital assets, net	\$ 16,674,872	\$ 14,962,290	\$ (14,166,085)	\$ 17,471,077

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

### Note 3 Capital Assets (continued)

Depreciation is charged to governmental functions as follows:

District and school administration	\$ 572
District support services	5,074
Regular instruction	7,814
Instructional support services	3,260
Pupil support services	57,937
Sites, building and equipment	150,196
Unallocated	147,926
<hr/>	
Total	\$ 372,778

### Note 4 Long-Term Obligations

The following is a summary of change in long-term obligations:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
<b>General Obligation Bonds</b>					
\$9,240,000 General Obligation Facilities Maintenance Bonds, Series 2020A, due in annual installments of \$35,000 to \$625,000 plus interest of 2.0% to 4.0% through February 2040.	9,055,000		355,000	8,700,000	395,000
\$965,000 General Obligation Facilities Maintenance Bonds, Series 2021A, due in annual installments of \$60,000 to \$70,000 plus interest of 1.1% to 2.0% through February 2037.	965,000		60,000	905,000	60,000
\$3,670,000 General Obligation Facilities Maintenance Bonds, Series 2021B, due in annual installments of \$120,000 to \$780,000 plus interest of 2% to 3% through February 2041.	3,670,000		120,000	3,550,000	145,000
Unamortized bond premium	377,940		21,260	356,680	
<hr/>					
Total general obligation bonds	14,067,940	-	556,260	13,511,680	600,000
<hr/>					
Notes payable	93,162		54,498	38,664	19,026
Pension liability	2,173,754	2,151,375	269,312	4,055,817	
Compensated absences	55,895		15,344	40,551	
Total OPEB obligation	37,527	5,017	6,644	35,900	
<hr/>					
Total	\$ 16,428,278	\$ 2,156,392	\$ 902,058	\$ 17,682,612	\$ 619,026

General Obligation School Building Refunding Bonds are paid from the Debt Service Fund. The notes payable, leases payable, pension liability, OPEB obligation and compensated absences are paid from the General, Food Service, or Community Service Funds.

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

### Note 4 Long-Term Obligations (Continued)

Annual amounts required to service outstanding general obligation bonds:

	General Obligation Bonds		
	Principal	Interest	Total
2023	\$ 535,000	\$ 383,641	\$ 918,641
2024	600,000	340,120	940,120
2025	620,000	318,770	938,770
2026	645,000	297,210	942,210
2027	670,000	274,750	944,750
2028-2032	3,665,000	1,071,320	4,736,320
2033-2037	3,850,000	643,620	4,493,620
2038-2041	3,105,000	179,262	3,284,262
<b>Total</b>	<b>\$ 13,690,000</b>	<b>\$ 3,508,693</b>	<b>\$ 17,198,693</b>

The District has issued notes for the purchase of a buses. Annual amounts required to service outstanding notes payable are as follows:

	Notes Payable		
	Principal	Interest	Total
2024	19,026	1,237	20,263
2025	19,638	628	20,266
<b>Total</b>	<b>\$ 38,664</b>	<b>\$ 1,865</b>	<b>\$ 40,529</b>

The District has entered into a lease for copiers. The right of use asset and related lease liability have not been recorded in the government-wide financial statements due to the insignificance of the remaining balance.

### Note 5 Interfund Transactions

There were no interfund receivable/payables at June 30, 2023. The District also did not record any interfund transfers during 2022-23.

### Note 6 Net Position/Fund Balances

Fund balances were non-spendable for the following purposes at June 30, 2023:

Nonspendable	
General Fund - Inventory	\$ 4,100
Food Service Fund - Inventory	834
<b>Total nonspendable</b>	<b>\$ 4,934</b>

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

### Note 6 Net Position/Fund Balances (Continued)

Fund balances were assigned for the following purposes at June 30, 2023:

Assigned

General Fund - Kindergarten	\$	100
General Fund - Gym Scoreboard		21,171
	\$	<u>21,271</u>

Net position and fund balance were restricted for the following purposes at June 30, 2023:

Restricted	Net Position	Fund Balance
General Fund		
Student activities	\$ 40,870	\$ 40,870
Basic skills	52	52
LTFM	73,832	73,832
Operating capital	6,064	6,064
Medical assistance	38,512	38,512
Staff development	34,808	34,808
Total general fund	<u>194,138</u>	<u>194,138</u>
Debt service		<u>122,904</u>
Other nonmajor governmental funds		
Food service	29,336	29,336
ECFE	198	198
Community service	3,480	3,133
School readiness	26,844	26,844
Total restricted	<u>\$ 253,996</u>	<u>\$ 376,553</u>

The following funds had fund balance deficits at June 30, 2023:

Deficit Fund balances

General Fund		
Unassigned		
Safe Schools	\$	(189)
Community Service Fund		
Unassigned		
Community education	\$	(11,610)

The deficit in community service is allowable by the Minnesota Department of Education and will be eliminated through revenues in future years. The deficits are included in unassigned fund balance.

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

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### Note 7 Defined Benefit Pension Plans

The District participates in the following cost-sharing multiple-employer defined benefit pension plans administered by Teachers Retirement Association (TRA) and Public Employees Retirement Association (PERA). TRA and PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, TRA and PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

#### A. Teachers Retirement Fund (TRA)

##### 1. Plan Description

TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 354 and 356. TRA is a separate statutory entity and administered by a Board of Trustees. The Board consists of four active members, one retired member and three statutory officials.

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

##### 2. Benefits Provided

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

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

##### *Tier I Benefits*

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

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

### Note 7 Defined Benefit Pension Plans (Continued)

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% per year early retirement reduction factors for all years under normal retirement age.
- (c) Unreduced benefits for early retirement under a Rule-of-90 (age plus allowable service equals 90 or more).

or

#### **Tier II Benefits**

For years of service prior to July 1, 2006, a level formula of 1.7 percent per year for coordinated members and 2.7 percent per year for basic members is applied. For years of service July 1, 2006 and after, a level formula of 1.9 percent per year for Coordinated members and 2.7 percent for Basic members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statute. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

Members first employed after June 30, 1989 receive only the Tier II 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 which 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 members terminating service are 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.

### 3. Contribution Rate

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

	June 30, 2021		June 30, 2022		June 30, 2023	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic	11.00%	12.13%	11.00%	12.34%	11.00%	12.55%
Coordinated	7.50%	8.13%	7.50%	8.34%	7.50%	8.55%

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

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### Note 7 Defined Benefit Pension Plans (Continued)

The following is a reconciliation of employer contributions in TRA's CAFR "Statement of Changes in Fiduciary Net Position" to the employer contributions used in Schedule of Employer and Non-Employer Pension Allocations.

Employer contributions reported in TRA's CAFR		
Statement of Changes in Fiduciary Net Position	\$	482,679,000
Employer contributions not related to future contribution efforts		(2,178,000)
Deduct TRA's contributions not included in allocation		(572,000)
Total employer contributions		479,929,000
Total nonemployer contributions		35,590,000
Total contributions reported in Schedule of Employer and Non-Employer Allocations	\$	515,519,000

Amounts reported in the allocation schedule 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.

#### 4. Actuarial Assumptions

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

##### Key Methods and Assumptions Used in Valuation of Total Pension Liability

##### Actuarial Information:

Valuation Date	July 1, 2022
Measurement Date	June 30, 2022
Experience Study	June 28, 2019 (demographic assumptions) June 28, 2019 (economic assumptions)
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00%
Price Inflation	2.50%
Wage growth rate	2.85% before July 1, 2028 and 3.25%, thereafter
Projected Salary Increase	2.85 to 8.85% before July 1, 2028 and 3.25 to 9.25% thereafter
Cost of living adjustment	1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

**Note 7**                      **Defined Benefit Pension Plans (Continued)**

**Mortality Assumption:**

Pre-retirement	RP- 2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP-2015 scale.
Post-retirement	RP-2014 white collar annuitant table, male rates set back 3 years and female rates set back 3 years, with further adjustments of rates. Generational projection uses MP-2015 scale.
Post-disability	RP-2014 disabled retiree mortality table, without adjustment.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future 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 an expected long-term rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	33.5%	5.10%
International Stocks	16.5%	5.30%
Private Markets	25.0%	5.90%
Fixed Income	25.0%	0.75%
Total	100%	

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

Changes in actuarial assumptions since the 2021 valuation:

- None

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

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### Note 7 Defined Benefit Pension Plans (Continued)

#### 5. Discount Rate

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

#### 6. Net Pension Liability

At June 30, 2023, the District reported a liability of \$2,970,772 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 0.0371% at the end of the measurement period and 0.0364% 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:

District's proportional share of net pension liability	\$	2,970,772
State's proportional share of net pension liability associated with the District	\$	220,578

For the year ended June 30, 2023, the District recognized pension expense of \$447,853. It also recognized \$30,330 as an increase to pension expense for the support provided by direct aid.

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

### Note 7 Defined Benefit Pension Plans (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 42,831	\$ 25,433
Changes in actuarial assumptions	466,930	611,579
Net difference between projected and actual investment earnings on pension plan investments	101,834	
Changes in proportion	154,300	8,375
Contributions paid to TRA subsequent to the measurement date	191,132	
<b>Total</b>	<b>\$ 957,027</b>	<b>\$ 645,387</b>

\$191,132 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Pension Expense Amount
2024	\$ (412,200)
2025	89,765
2026	44,549
2027	391,196
2028	7,198
<b>Total</b>	<b>\$ 120,508</b>

### 7. Pension Liability Sensitivity

The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the liability measured using a discount rate 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate:

Discount Rate	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	\$ 4,683,260	\$ 2,970,772	\$ 1,567,065

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

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

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### Note 7 Defined Benefit Pension Plans (Continued)

#### 8. Pension Plan Fiduciary Net Position

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, Suite 400, St. Paul, Minnesota, 55103-4000; or by calling (651)296-2409 or 1-800-657-3669.

#### B. Public Employee Retirement Association (PERA)

##### 1. Plan Description

All full-time and certain part-time employees of the District other than teachers, covered by the General Employees Plan, participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

##### 2. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

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

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

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

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### Note 7 Defined Benefit Pension Plans (Continued)

#### 3. 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 6.5% of their annual covered salary in fiscal year 2023; the District was required to contribute 7.5% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2023 were \$67,493. The District's contribution was equal to the required contributions as set by state statute.

#### 4. Pension Costs

At June 30, 2023, the District reported a liability of \$1,085,045 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's totaled \$31,807.

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 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 proportion was 0.0137% at the end of the measurement period and 0.0136% for the beginning of the period.

District's proportional share of net pension liability	\$	1,085,045
State's proportional share of net pension liability associated with the District		31,807
Total	\$	<u>1,116,852</u>

For the year ended June 30, 2023 the District recognized pension expense of \$169,109 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized an additional \$4,753 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

### Note 7 Defined Benefit Pension Plans (Continued)

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,063	\$ 11,468
Changes in actuarial assumptions	243,827	4,219
Net difference between projected and actual earnings on plan investments	19,955	
Changes in proportion	33,396	
Contributions made to PERA subsequent to the measurement date	67,493	
<b>Total</b>	<b>\$ 373,734</b>	<b>\$ 15,687</b>

\$67,493 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Pension Expense Amount
2023	\$ 117,999
2024	106,935
2025	(32,506)
2026	98,126
<b>Total</b>	<b>\$ 290,554</b>

### 5. Actuarial Methods and Assumptions

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

Inflation is assumed to be 2.25 percent for the General Employees Plan.

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

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

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### Note 7 Defined Benefit Pension Plans (Continued)

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality. The tables are 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.

The following changes in actuarial assumptions occurred in 2022:

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

The following changes in plan provisions occurred in 2022:

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

### 6. Long-term Expected Return on Investment

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

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

### 7. Discount Rate

The discount rate used to measure the total pension liability in 2022 was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that the contributions from plan members and employers will be made at the rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was 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.

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

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### Note 7 Defined Benefit Pension Plans (Continued)

#### 8. Pension Liability Sensitivity

The following table presents the District's proportionate share of the net pension liability calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Discount Rate	5.50%	6.50%	7.50%
District's proportionate share of the PERA net pension liability	\$ 1,713,885	\$ 1,085,045	\$ 569,299

#### 8. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report can be obtained at [www.mnpera.org](http://www.mnpera.org).

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

### Note 8 Postemployment Healthcare Plan

*Plan Description* – The District administers a single-employer defined benefit OPEB plan which provides medical benefits to eligible retired employees and their dependents in accordance with the terms of the plan. The District has not established a trust fund to account for the plan and there is not a stand-alone report for the plan.

#### Total Other Postemployment Benefit Liability

The District’s total OPEB liability of \$35,900 was measured as of June 30, 2022 and was determined by an update to the actuarial valuation dated June 30, 2022.

#### Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.25%
Discount rate	3.69%
Healthcare trend rates	6.70% for FY2022, gradually decreasing over several decades to an ultimate rate of 3.70% in FY2075 and later years.

The discount rate was determined using the Municipal GO AA index rate for 20-Year, tax-exempt municipal bonds.

Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2015 for teachers and Pub-2010 for non-teachers based on scale MP-2020 and other adjustments.

#### Change in the Total OPEB Liability

Balance at 6/30/2022	\$ 37,527
Changes for the year:	
Service Cost	4,223
Interest	794
Changes of assumptions	(5,833)
Difference between expected and actual experience	-
Benefit payments	(811)
Net change	(1,627)
Balance at 6/30/2023	\$ 35,900

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

### Note 8 Postemployment Healthcare Plan (Continued)

#### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.69 percent) or 1-percentage point higher (4.69 percent) than the current discount rate:

	1% Decrease 2.69%	Discount Rate 3.69%	1% Increase 4.69%
Total OPEB Liability	\$ 39,097	\$ 35,900	\$ 32,957

#### Sensitivity of the Total OPEB Liability to Changes in the Health Care Trend Rates

The following presents the total OPEB Liability of the District, as well as what the District’s total OPEB liability would be if calculated using healthcare trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Total OPEB Liability	\$ 31,347	\$ 35,900	\$ 41,412

#### OPEB Expense

For the year ended June 30, 2023 the District recognized OPEB expense of (\$816).

### Note 9 Commitments and Contingencies

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

# Independent School District No. 100

## Notes to Financial Statements (Continued)

Year Ended June 30, 2023

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### Note 10 Temporary Notes Payable

The District issued General Obligation Aid Anticipation Certificate of Indebtedness, Series 2023A during fiscal year 2023. The note matures on September 30, 2023, and the interest rate is 3.97%. The following is a summary of the temporary note activity during fiscal year 2023.

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
G.O. Aid Certificate of Indebtedness, Series 2023	-	500,000	-	500,000
	-	500,000	-	500,000

### Note 11 Risk Management

The District's property and liability premiums and reemployment claims are paid by the General Fund. The General, Food Service and Community Service Funds pay workers' compensation premiums based on salaries. There were no significant reductions in insurance coverage from coverage in prior years and insurance settlements have not exceeded insurance coverage in any of the past three years.

The District purchases commercial insurance for property and liability, transferring the risk of loss to the insurance carrier.

The District participates in a risk pool for workers' compensation insurance. The pool in turn contracts with an insurance carrier, thereby transferring the risk from the pool members to the insurance carrier. The workers' compensation policy is retrospectively rated in that the initial premium is adjusted based on the actual experience during coverage period of the group of entities that participate in the pool.

The District handles reemployment costs through a self-insurance plan. The District retains the risks associated with reemployment claims.

## Required Supplementary Information

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# Independent School District No. 100

## Information about the District's Other Postemployment Health Care Plan Year Ended June 30, 2023

Measurement date	2023		2022		2021		2020		2019	
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
<b>Total OPEB Liability</b>										
Service Cost	\$ 4,223	\$ 5,553	\$ 4,899	\$ 3,018	\$ 2,840					
Interest	794	1,333	1,421	1,142	985					
Changes of assumptions	(5,833)	(174)	2,576	3,626	(134)					
Differences between expected and actual experience	-	(17,710)	-	4,352						
Benefit payments	(811)	(682)	(349)							
Net change in total OPEB liability	(1,627)	(11,680)	8,547	12,138	3,691					
Total OPEB Liability - beginning of year, as restated	37,527	49,207	40,660	28,522	24,831					
Total OPEB liability - end of year	\$ 35,900	\$ 37,527	\$ 49,207	\$ 40,660	\$ 28,522					
Covered payroll	2,846,978	3,020,185	2,933,720	2,808,572	2,755,952					
Total OPEB liability as a percentage of covered payroll	1.3%	1.2%	1.7%	1.4%	1.0%					

### Notes to Schedule

Funding: There are no assets accumulated in a trust that meets the criteria of GASB No 75, paragraph 4, to pay related benefits.

#### Changes of Assumptions:

The discount rate was changed from 1.92% to 3.69% based on updated 20-year municipal bond rates. Healthcare trend rates were reset to reflect updated recent experience and new plan offerings. Medical per capita claims costs were updated to reflect recent experience and new plan offerings. Withdrawal, mortality, and salary increase rates were updated from the rates used in the 7/1/2021 PERA General Employees Plan and 7/1/2021 Teachers Retirement Association valuations to the rates used in the 7/1/2021 valuations.

The inflation assumption stayed at 2.25% based on an updated historical analysis of inflation rates and forward-looking market expectations.

\*This schedule is intended to present information for the last 10 years. Additional information will be added as it becomes available.

# Independent School District No. 100

## Information about the District's Net Pension Liability

Year Ended June 30, 2023 \*

### Schedule of Employer's Contributions

#### Teacher's Retirement Association (TRA)

Fiscal Year Ending	Contributions in Relation to the		Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
	Statutorily Required Contribution (a)	Statutorily Required Contribution (b)			
June 30, 2023	\$191,132	\$191,132	\$0	\$2,235,467	8.55%
June 30, 2022	\$191,378	\$191,378	\$0	\$2,294,698	8.34%
June 30, 2021	\$176,971	\$176,971	\$0	\$2,176,751	8.13%
June 30, 2020	\$167,529	\$167,529	\$0	\$2,115,259	7.92%
June 30, 2019	\$156,084	\$156,084	\$0	\$2,024,431	7.71%
June 30, 2018	\$149,550	\$149,550	\$0	\$1,994,004	7.50%
June 30, 2017	\$132,702	\$132,702	\$0	\$1,769,357	7.50%
June 30, 2016	\$125,327	\$125,327	\$0	\$1,671,027	7.50%
June 30, 2015	\$121,217	\$121,217	\$0	\$1,616,225	7.50%

#### Public Employees Retirement Association (PERA)

Fiscal Year Ending	Contributions in Relation to the		Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
	Statutorily Required Contribution (a)	Statutorily Required Contribution (b)			
June 30, 2023	\$67,493	\$67,493	\$0	\$899,905	7.50%
June 30, 2022	\$76,874	\$76,874	\$0	\$1,024,977	7.50%
June 30, 2021	\$72,448	\$72,448	\$0	\$965,968	7.50%
June 30, 2020	\$70,264	\$70,264	\$0	\$936,853	7.50%
June 30, 2019	\$63,878	\$63,878	\$0	\$851,704	7.50%
June 30, 2018	\$57,567	\$57,567	\$0	\$767,561	7.50%
June 30, 2017	\$54,108	\$54,108	\$0	\$721,292	7.50%
June 30, 2016	\$48,936	\$48,936	\$0	\$652,479	7.50%
June 30, 2015	\$48,834	\$48,834	\$0	\$661,441	7.38%

\* This schedule is intended to present information for the last 10 years. Additional information will be added as it becomes available.

# Independent School District No. 100

## Information about the District's Net Pension Liability (Continued)

Year Ended June 30, 2023 \*

### Schedule of Employer's Share of Net Pension Liability

#### Teacher's Retirement Association (TRA)

Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability associated with the District	Total	Employer's Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2022	0.0371%	\$2,970,772	\$220,578	\$3,191,350	\$2,294,698	129.5%	76.2%
June 30, 2021	0.0364%	\$1,592,973	\$134,452	\$1,727,425	\$2,176,751	73.2%	86.6%
June 30, 2020	0.0364%	\$2,689,281	\$225,653	\$2,914,934	\$2,115,259	127.1%	75.5%
June 30, 2019	0.0357%	\$2,275,525	\$201,588	\$2,477,113	\$2,024,431	112.4%	78.1%
June 30, 2018	0.0361%	\$2,266,863	\$213,075	\$2,479,938	\$1,994,004	113.7%	78.1%
June 30, 2017	0.0329%	\$6,567,437	\$635,199	\$7,202,636	\$1,769,357	371.2%	51.6%
June 30, 2016	0.0321%	\$7,656,616	\$768,046	\$8,424,662	\$1,671,027	458.2%	44.9%
June 30, 2015	0.0318%	\$1,967,145	\$241,285	\$2,208,430	\$1,616,225	121.7%	76.8%
June 30, 2014	0.0329%	\$1,622,613	\$106,605	\$1,729,218	\$1,502,810	108.0%	81.5%

#### Public Employees Retirement Association (PERA)

Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability associated with the District	Total	Employer's Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2022	0.0137%	\$1,085,045	\$31,807	\$1,116,852	\$1,024,977	105.9%	76.7%
June 30, 2021	0.0136%	\$580,781	\$17,716	\$598,497	\$965,968	60.1%	87.0%
June 30, 2020	0.0131%	\$785,405	\$24,212	\$809,617	\$936,853	83.8%	79.1%
June 30, 2019	0.0120%	\$663,463	\$20,666	\$684,129	\$851,704	77.9%	80.2%
June 30, 2018	0.0114%	\$632,425	\$20,791	\$653,216	\$767,561	82.4%	79.5%
June 30, 2017	0.0112%	\$715,001	\$9,025	\$724,026	\$721,292	99.1%	75.9%
June 30, 2016	0.0105%	\$852,548	\$11,200	\$863,748	\$652,479	130.7%	68.9%
June 30, 2015	0.0113%	\$585,625	0	\$585,625	\$661,441	88.5%	78.2%
June 30, 2014	0.0122%	\$573,095	0	\$573,095	\$642,881	89.1%	78.7%

\* This schedule is intended to present information for the last 10 years. Additional information will be added as it becomes available.

Supplementary Financial Information

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# Independent School District No. 100

## Nonmajor Governmental Funds – Combining Balance Sheet

June 30, 2023

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Food Service Fund	Community Service Fund	
<b>Assets</b>			
Cash and temporary cash investments	\$ 35,911	\$ 36,192	\$ 72,103
Accounts receivable	9,407		9,407
Current property taxes receivable		7,664	7,664
Delinquent property taxes receivable		347	347
Due from the Minnesota Department of Education	55	2,987	3,042
Due from the federal government through the Minnesota Department of Education	731		731
Inventory	834		834
<b>Total assets</b>	<b>\$ 46,938</b>	<b>\$ 47,190</b>	<b>\$ 94,128</b>
<b>Liabilities</b>			
Salaries payable	\$ 16,218	\$ 2,095	\$ 18,313
Accounts payable	61	77	138
Unearned revenue	489		489
<b>Total liabilities</b>	<b>16,768</b>	<b>2,172</b>	<b>18,940</b>
<b>Deferred inflows of resources</b>			
Delinquent property taxes		347	347
Property taxes levied for subsequent year's expenditures		26,107	26,107
<b>Total deferred inflows of resources</b>		<b>26,454</b>	<b>26,454</b>
<b>Fund balances</b>			
Nonspendable	834		834
Restricted	29,336	30,175	59,511
Unassigned		(11,611)	(11,611)
<b>Total fund balances</b>	<b>30,170</b>	<b>18,564</b>	<b>48,734</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 46,938</b>	<b>\$ 47,190</b>	<b>\$ 94,128</b>

# Independent School District No. 100

## Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2023

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Food Service Fund	Community Service Fund	
<b>Revenues</b>			
Local property tax levies	\$	\$ 24,800	\$ 24,800
Other local and county revenues		59,611	59,611
Revenue from state sources	10,344	83,279	93,623
Revenue from federal sources	167,721		167,721
Sales and other conversion of assets	53,019		53,019
<b>Total revenues</b>	<b>231,084</b>	<b>167,690</b>	<b>398,774</b>
<b>Expenditures</b>			
Current			
Community education and services		152,806	152,806
Pupil support services	240,838		240,838
Capital outlay			
<b>Total expenditures</b>	<b>240,838</b>	<b>152,806</b>	<b>393,644</b>
Net change in fund balances	(9,754)	14,884	5,130
Fund balances, beginning	39,924	3,680	43,604
<b>Fund balances, ending</b>	<b>\$ 30,170</b>	<b>\$ 18,564</b>	<b>\$ 48,734</b>

# Independent School District No. 100

## Fiscal Compliance Table

For the Year Ended June 30, 2023

	Audit	UFARS	Audit - UFARS		Audit	UFARS	Audit - UFARS
<b>01 GENERAL FUND</b>				<b>06 BUILDING CONSTRUCTION</b>			
Total revenues	\$ 5,169,154	\$ 5,169,153	\$ 1	Total revenues	\$ 9,157	\$ 9,157	\$
Total expenditures	5,464,413	5,464,415	(2)	Total expenditures	1,004,975	1,004,976	(1)
<i>Non spendable</i>				<i>Non spendable</i>			
460 Non spendable fund balance	4,100	4,100		460 Non spendable fund balance			
<i>Restricted/Reserve</i>				<i>Restricted/Reserve</i>			
401 Student activities	40,870	40,870		467 LTFM			-
403 Staff development	34,808	34,808		407 Down payment levy			
405 Deferred maintenance				409 Alternative facility program			
406 Health and safety				413 Projects funded by COP			
407 Capital Projects Levy				<i>Restricted</i>			
408 Cooperative revenue				464 Restricted fund balance			-
411 Severance pay				<i>Unassigned</i>			
413 Project funded by COP				463 Unassigned fund balance			
414 Operating debt							
416 Levy reduction				<b>07 DEBT SERVICE</b>			
417 Taconite building maintenance				Total revenues	963,510	963,510	
423 Certain teacher programs				Total expenditures	920,936	920,936	
424 Operating capital	6,064	6,064		<i>Non spendable</i>			
426 \$25 Taconite				460 Non spendable fund balance			
427 Disabled accessibility				<i>Restricted/Reserve</i>			
428 Learning and development				425 Bond refundings			
434 Area learning center				451 QZAB payments			
435 Contracted alt. Programs				<i>Restricted</i>			
436 St. approved alt. Program				464 Restricted fund balance	122,904	122,904	
438 Gifted & talented				<i>Unassigned</i>			
441 Basic skills program	52	52		463 Unassigned fund balance			
445 Career and technical Programs							
446 First Grade Preparedness				<b>08 TRUST</b>			
449 Safe schools levy	(189)	(189)		Total revenues			
450 Prekindergarten				Total expenditures			
451 QZAB payments				422 Net position			
452 OPEB liability not in trust							
453 Unfunded sev & retirement levy				<b>18 CUSTODIAL FUND</b>			
467 LTFM	73,832	73,832		Total revenues	3,141	3,141	-
472 Medical Assistance	38,512	38,512		Total expenditures	2,549	2,549	-
<i>Restricted</i>				402 Scholarships	48,233	48,233	-
464 Restricted fund balance							
<i>Committed</i>				<b>20 INTERNAL SERVICE</b>			
418 Committed for separation				Total revenues			
461 Committed fund balance				Total expenditures			
<i>Assigned</i>				422 Net position			
462 Assigned fund balance	21,271	21,271					
<i>Unassigned</i>				<b>25 OPEB REVOCABLE TRUST FUND</b>			
422 Unassigned fund balance	(62,960)	(62,960)		Total revenues			
				Total expenditures			
<b>02 FOOD SERVICE</b>				422 Net position			
Total revenues	231,084	231,084					
Total expenditures	240,838	240,838		<b>45 OPEB IRREVOCABLE TRUST FUND</b>			
<i>Non spendable</i>				Total revenues			
460 Non spendable fund balance	834	834		Total expenditures			
<i>Restricted</i>				422 Net position			
452 OPEB liability not in trust							
464 Restricted fund balance	29,336	29,337	(1)	<b>47 OPEB DEBT SERVICE FUND</b>			
<i>Unassigned</i>				Total revenues			
463 Unassigned fund balance	-	-		Total expenditures			
				<i>Non spendable</i>			
<b>04 COMMUNITY SERVICE</b>				460 Non spendable fund balance			
Total revenues	167,690	167,691	(1)	<i>Restricted</i>			
Total expenditures	152,806	152,806		425 Bond refundings			
<i>Non spendable</i>				464 Restricted fund balance			
460 Non spendable fund balance				<i>Unassigned</i>			
<i>Restricted/Reserve</i>				463 Unassigned fund balance			
426 \$25 taconite							
431 Community education	(11,610)	(11,610)					
432 ECFE	198	198					
444 School readiness	26,844	26,844					
447 Adult Basic Education							
452 OPEB liability not in trust							
<i>Restricted</i>							
464 Restricted fund balance	3,133	3,133					
<i>Unassigned</i>							
463 Unassigned fund balance							

Reports Required by *Government Auditing Standards*  
and the State of Minnesota

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## **Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance with Government Auditing Standards**

To the School Board  
Independent School District No. 100  
Wrenshall, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 100, Wrenshall, Minnesota (District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated December 5, 2023.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention of 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control that we consider to be a significant deficiency, which is described in the accompanying schedule of findings and responses as item 2023-001.

### **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*.

### **District's Response to Finding**

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

December 5, 2023  
Duluth, Minnesota

## **Independent Auditor's Report on Legal Compliance for the State of Minnesota**

To the School Board  
Independent School District No. 100  
Wrenshall, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 100, (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 5, 2023.

The *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minnesota Statute §6.65 contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, uniform financial accounting and reporting standards for school districts, and miscellaneous provisions. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for School Districts*. 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.

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

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

December 5, 2023  
Duluth, Minnesota

# Independent School District No. 100

## Schedule of Findings and Responses (Continued)

For the Year Ended June 30, 2023

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### Financial Statement Findings

#### Item 2023-001 - Financial Statement Presentation and Disclosures (Significant Deficiency)

**Criteria** - The District is responsible for having controls in place to prepare the financial statements in accordance with accounting principles generally accepted in the United States (GAAP).

**Condition** - The District's internal control over financial reporting does not end at the general ledger, but extends to the financial statements and related notes. As part of our professional services for the year ended June 30, 2023, Wipfli assisted in drafting the financial statements and related notes. While the District does have an internal control process to review the financial statements prepared by the auditors, the District does not have sufficient expertise to completely prepare its own financial statements and related notes, and relies on the auditors to provide necessary understanding of current accounting and disclosure principles in the preparation of the financial statements and related notes.

**Cause** - The District does not expect, nor does it require, its financial staff to have the ability to prepare GAAP statements.

**Effect** - The completeness of the related note disclosures and the accuracy of the overall financial presentation is negatively impacted as outside auditors do not have the same comprehensive understanding of the District and its staff. The potential exists that a misstatement of the financial statements and related notes could occur and not be prevented or detected by the District.

**Recommendation** - We recommend that management and those charged with governance continue to evaluate whether to accept the degree of risk associated with this condition because of cost or other considerations.

#### **DISTRICT'S CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement

The District does not disagree with the audit finding.

2. Action Planned

The District will continue to rely upon the auditors to prepare the financial statements and related notes. Management will review and approve the annual financial statements and related notes.

3. Official Responsible

The Superintendent is the official responsible for ensuring corrective action for the deficiency.

4. Planned Completion Date

Ongoing.

5. Plan to Monitor

The School Board will monitor compliance with the corrective action plan.

### Minnesota Legal Compliance Findings

None

# Independent School District No. 100

## Schedule of Prior Year Findings and Responses

For the Year Ended June 30, 2023

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### Financial Statement Findings

#### Item 2022-001 –Financial Statement Presentation and Disclosure

Resolution: This finding was repeated for fiscal year 2023 as item 2023-001.



**PMA**<sup>TM</sup>  
SECURITIES

December 13, 2023

ISD 100 Wrenshall Public Schools

FY 24 Aid Anticipation Certificates

**Michael Hart**

Director, Public Finance

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**Steve Pumper**

Vice President

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612-509-2565



## Cash Flow Projection Summary

- ▶ Date of First Negative Cash Position = 1/27/2023
- ▶ Minimum Cash Position = **Negative \$23,830** in April 2024
- ▶ Maximum Allowable Amount of Borrowing = \$312,205



## Recommended Borrowing Vehicle

- ▶ Type: Aid Anticipation Certificates
  - ▶ State Statute 126C.50 & 126C.56
  - ▶ Borrowing against future State Aid
  - ▶ Limited to 75% of future State Aid in current Fiscal Year
  - ▶ Must be paid back by September 30<sup>th</sup> of next Fiscal Year



## Recommended Borrowing Terms

- ▶ Type: Aid Anticipation Certificates
- ▶ Size: \$300,000
- ▶ Dated Date: January 25, 2024
- ▶ Maturity Date: September 30, 2024
- ▶ Type of Sale: Direct Placement
- ▶ Costs
  - ▶ Estimated Costs of Issuance = \$8,700
  - ▶ Estimated Interest Cost @ 5.50% = \$11,230\*

\*Interest earned on funds when not needed for cash flow may offset a portion of the interest costs



# Board Resolution

Prepared by Kennedy and Graven

## Authorizes the Following:

- ▶ Authority given to the Superintendent AND a School Board Officer to execute the documents to complete the bond sale if:
  - ▶ The True Interest Cost does not exceed 6.50%
  - ▶ Maximum amount of \$550,000
  - ▶ Is executed prior to January 31, 2023



# Calendar of Events

November 2023						
S	M	T	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

December 2023						
S	M	T	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

January 2024						
S	M	T	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February 2024						
S	M	T	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29		

Board Action Dates

Est. Bond Pricing Date

Bond Closing

Date	Action Item
December 13, 2023	Board Work Session - Board Resolution Provided to District
December 18, 2023	Board Considers Resolution
December 27, 2023	Term Sheet Distributed to potential bank buyers
January 10, 2024	Proposals due from banks
January 10, 2024	Bank selected and District awards sale
January 25, 2024	Bond Closing



# Contact Us



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# Disclosure

The information contained herein is solely intended to suggest/discuss potentially applicable financing applications and is not intended to be a specific buy/sell recommendation, nor is it an official confirmation of terms. Any terms discussed herein are preliminary until confirmed in a definitive written agreement.

The analysis or information presented herein is based upon hypothetical projections and/or past performance that have certain limitations. No representation is made that it is accurate or complete or that any results indicated will be achieved. In no way is past performance indicative of future results. Changes to any prices, levels, or assumptions contained herein may have a material impact on results. Any estimates or assumptions contained herein represent our best judgment as of the date indicated and are subject to change without notice. Examples are merely representative and are not meant to be all-inclusive. The information set forth herein was gathered from sources which we believe, but do not guarantee, to be accurate. Neither the information, nor any options expressed, constitute a solicitation by us for purposes of sale or purchase of any securities or commodities. Investment/financing decisions by market participants should not be based on this information.

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**Wrenshall ISD 100**

Projections as of: *October 26, 2023*

<b>Operating Cash Flow Schedule (Including Debt Service Funds)</b>						
Date	Revenue	Payable	Payroll	Maturities	Investments	End-Balance
<b>July 2023</b>						
03-Jul-23						\$1,436,048.21
04-Jul-23						\$1,436,048.21
05-Jul-23	\$8,459.93					\$1,444,508.14
06-Jul-23	County Taxes	\$33,778.64				\$1,410,729.50
07-Jul-23						\$1,410,729.50
10-Jul-23						\$1,410,729.50
11-Jul-23	\$49,886.11	Fin 155, 171				\$1,460,615.61
12-Jul-23		\$36,097.04	<--Health Ins. (for June)			\$1,424,518.57
13-Jul-23		\$33,778.64	\$97,181.99			\$1,293,557.94
14-Jul-23	\$27,642.19					\$1,321,200.13
14-Jul-23	\$29,271.55		\$41,649.42			\$1,308,822.26
17-Jul-23						\$1,308,822.26
18-Jul-23						\$1,308,822.26
19-Jul-23						\$1,308,822.26
20-Jul-23		\$33,778.64				\$1,275,043.62
21-Jul-23	\$59,353.92	Fin 160, 169				\$1,334,397.54
24-Jul-23						\$1,334,397.54
25-Jul-23		\$36,097.04	<--Health Ins.			\$1,298,300.50
26-Jul-23	\$608.58	Fin 150				\$1,298,909.08
27-Jul-23		\$123,273.75	Int. on '20A Fac. Maint.			\$1,175,635.33
27-Jul-23		\$7,336.25	Int. on '21A Fac. Maint.			\$1,168,299.08
27-Jul-23		\$39,450.00	Int. on '21B Fac. Maint. & Abate. + \$475 PA Fee			\$1,128,849.08
27-Jul-23		\$33,778.64				\$1,095,070.44
27-Jul-23			\$80,769.08			\$1,014,301.36
28-Jul-23	\$123,294.91		\$34,615.32			\$1,102,980.95
31-Jul-23	\$43,907.33					\$1,146,888.28



**Wrenshall ISD 100**

Projections as of: *October 26, 2023*

<b>Operating Cash Flow Schedule (Including Debt Service Funds)</b>						
Date	Revenue	Payable	Payroll	Maturities	Investments	End-Balance
<b>August 2023</b>						
01-Aug-23						\$1,146,888.28
02-Aug-23						\$1,146,888.28
03-Aug-23		\$37,085.88				\$1,109,802.40
04-Aug-23						\$1,109,802.40
07-Aug-23						\$1,109,802.40
08-Aug-23						\$1,109,802.40
09-Aug-23						\$1,109,802.40
10-Aug-23		\$37,085.88				\$1,072,716.52
11-Aug-23						\$1,072,716.52
14-Aug-23			\$85,638.57			\$987,077.95
15-Aug-23	<b>\$412,223.64</b>					\$1,399,301.59
15-Aug-23	\$62,641.42		\$36,702.25			\$1,425,240.76
16-Aug-23						\$1,425,240.76
17-Aug-23		\$37,085.88				\$1,388,154.89
18-Aug-23	\$39,238.00	Fin 170				\$1,427,392.89
21-Aug-23						\$1,427,392.89
22-Aug-23						\$1,427,392.89
23-Aug-23						\$1,427,392.89
24-Aug-23		\$37,085.88				\$1,390,307.01
25-Aug-23		\$35,038.67	<--Health Ins.			\$1,355,268.34
28-Aug-23						\$1,355,268.34
29-Aug-23			\$91,444.35			\$1,263,823.99
30-Aug-23	<b>\$199,996.68</b>		\$39,190.44			\$1,424,630.23
31-Aug-23	\$93,962.13	\$37,085.88				\$1,481,506.48



**Wrenshall ISD 100**

Projections as of: *October 26, 2023*

<b>Operating Cash Flow Schedule (Including Debt Service Funds)</b>						
Date	Revenue	Payable	Payroll	Maturities	Investments	End-Balance
<b>September 2023</b>						
01-Sep-23						\$1,481,506.48
04-Sep-23						\$1,481,506.48
05-Sep-23						\$1,481,506.48
06-Sep-23						\$1,481,506.48
07-Sep-23		\$17,618.97				\$1,463,887.51
08-Sep-23						\$1,463,887.51
11-Sep-23						\$1,463,887.51
12-Sep-23						\$1,463,887.51
13-Sep-23						\$1,463,887.51
14-Sep-23		\$17,618.97	\$91,661.55			\$1,354,606.99
15-Sep-23	<b>\$165,841.10</b>					\$1,520,448.09
15-Sep-23	\$44,361.64		\$39,283.52			\$1,525,526.21
18-Sep-23						\$1,525,526.21
19-Sep-23						\$1,525,526.21
20-Sep-23						\$1,525,526.21
21-Sep-23		\$17,618.97				\$1,507,907.24
22-Sep-23	\$14.25	Fin 155				\$1,507,921.49
25-Sep-23		\$32,430.46	<--Health Ins.			\$1,475,491.02
26-Sep-23						\$1,475,491.02
27-Sep-23		\$513,509.03	Repay of AAC Borrowing	\$300,000.00	#flexvnb	\$1,261,981.99
28-Sep-23		\$17,618.97	\$94,332.43			\$1,150,030.59
29-Sep-23	<b>\$227,897.42</b>				(Per DTB Report)	\$1,377,928.01
29-Sep-23	\$66,542.46		\$40,428.18		Adjusted Balance	<b>\$1,399,623.26</b>



**Wrenshall ISD 100**

Projections as of: *October 26, 2023*

<b>Operating Cash Flow Schedule (Including Debt Service Funds)</b>						
Date	Revenue	Payable	Payroll	Maturities	Investments	End-Balance
<b>October 2023</b>						
02-Oct-23						\$1,399,623.26
03-Oct-23						\$1,399,623.26
04-Oct-23						\$1,399,623.26
05-Oct-23		\$40,900.54				\$1,358,722.72
06-Oct-23						\$1,358,722.72
09-Oct-23						\$1,358,722.72
10-Oct-23						\$1,358,722.72
11-Oct-23						\$1,358,722.72
12-Oct-23		\$40,900.54	\$114,380.74			\$1,203,441.44
13-Oct-23	<b>\$79,197.04</b>					\$1,282,638.48
13-Oct-23	\$21,016.90		\$49,020.32			\$1,254,635.06
16-Oct-23						\$1,254,635.06
17-Oct-23						\$1,254,635.06
18-Oct-23						\$1,254,635.06
19-Oct-23		\$40,900.54				\$1,213,734.52
20-Oct-23						\$1,213,734.52
23-Oct-23						\$1,213,734.52
24-Oct-23	County Taxes					\$1,213,734.52
25-Oct-23	\$215,322.03	\$37,311.40	<--Health Ins.			\$1,391,745.14
26-Oct-23		\$40,900.54				\$1,350,844.61
27-Oct-23			\$117,357.39			\$1,233,487.22
30-Oct-23	<b>\$121,595.87</b>		\$50,296.02			\$1,304,787.06
31-Oct-23	\$31,525.34					\$1,336,312.41



**Wrenshall ISD 100**

Projections as of: *October 26, 2023*

<b>Operating Cash Flow Schedule (Including Debt Service Funds)</b>						
Date	Revenue	Payable	Payroll	Maturities	Investments	End-Balance
<b>November 2023</b>						
01-Nov-23						\$1,336,312.41
02-Nov-23	County Taxes	\$20,101.52				\$1,316,210.89
03-Nov-23	\$197,809.73					\$1,514,020.62
06-Nov-23						\$1,514,020.62
07-Nov-23						\$1,514,020.62
08-Nov-23						\$1,514,020.62
09-Nov-23		\$20,101.52				\$1,493,919.10
10-Nov-23						\$1,493,919.10
13-Nov-23						\$1,493,919.10
14-Nov-23			\$123,428.08			\$1,370,491.02
15-Nov-23	\$0.00					\$1,370,491.02
15-Nov-23	\$23,337.35		\$52,897.75			\$1,340,930.62
16-Nov-23		\$20,101.52				\$1,320,829.11
17-Nov-23						\$1,320,829.11
20-Nov-23						\$1,320,829.11
21-Nov-23						\$1,320,829.11
22-Nov-23		\$20,101.52				\$1,300,727.59
23-Nov-23						\$1,300,727.59
24-Nov-23		\$35,604.95	<--Health Ins.			\$1,265,122.64
27-Nov-23						\$1,265,122.64
28-Nov-23						\$1,265,122.64
29-Nov-23			\$115,791.88			\$1,149,330.76
30-Nov-23	\$130,738.28					\$1,280,069.04
30-Nov-23	\$35,006.03	\$20,101.52	\$49,625.09			\$1,245,348.46



**Wrenshall ISD 100**

Projections as of: *October 26, 2023*

<b>Operating Cash Flow Schedule (Including Debt Service Funds)</b>						
Date	Revenue	Payable	Payroll	Maturities	Investments	End-Balance
<b>December 2023</b>						
01-Dec-23	\$29,547.94					\$1,274,896.40
04-Dec-23	County Taxes					\$1,274,896.40
05-Dec-23						\$1,274,896.40
06-Dec-23						\$1,274,896.40
07-Dec-23		\$28,085.94				\$1,246,810.47
08-Dec-23						\$1,246,810.47
11-Dec-23						\$1,246,810.47
12-Dec-23						\$1,246,810.47
13-Dec-23						\$1,246,810.47
14-Dec-23		\$28,085.94	\$111,636.13			\$1,107,088.39
15-Dec-23	<b>\$243,121.96</b>	Potential Retro Pay?	<b>\$28,000.00</b>			\$1,322,210.35
15-Dec-23	\$23,358.71		\$47,844.06			\$1,297,725.00
18-Dec-23						\$1,297,725.00
19-Dec-23						\$1,297,725.00
20-Dec-23						\$1,297,725.00
21-Dec-23		\$28,085.94				\$1,269,639.07
22-Dec-23		\$43,776.97	<--Health Ins.			\$1,225,862.10
25-Dec-23						\$1,225,862.10
26-Dec-23						\$1,225,862.10
27-Dec-23						\$1,225,862.10
28-Dec-23		\$28,085.94	\$115,558.99			\$1,082,217.16
29-Dec-23	<b>\$148,649.24</b>					\$1,230,866.40
29-Dec-23	\$35,038.06		\$49,525.28			\$1,216,379.19



**Wrenshall ISD 100**

Projections as of: *October 26, 2023*

<b>Operating Cash Flow Schedule (Including Debt Service Funds)</b>						
Date	Revenue	Payable	Payroll	Maturities	Investments	End-Balance
<b>January 2024</b>						
01-Jan-24						\$1,216,379.19
02-Jan-24						\$1,216,379.19
03-Jan-24						\$1,216,379.19
04-Jan-24		\$31,334.05				\$1,185,045.14
05-Jan-24						\$1,185,045.14
08-Jan-24						\$1,185,045.14
09-Jan-24						\$1,185,045.14
10-Jan-24						\$1,185,045.14
11-Jan-24		\$31,334.05	\$118,271.77			\$1,035,439.32
12-Jan-24	<b>\$221,019.96</b>					\$1,256,459.28
12-Jan-24	\$18,200.95		\$50,687.90			\$1,223,972.33
15-Jan-24						\$1,223,972.33
16-Jan-24						\$1,223,972.33
17-Jan-24						\$1,223,972.33
18-Jan-24		\$31,334.05				\$1,192,638.29
19-Jan-24						\$1,192,638.29
22-Jan-24						\$1,192,638.29
23-Jan-24						\$1,192,638.29
24-Jan-24	County Taxes	\$36,702.55	<--Health Ins.	\$6,300.00	#flexvnb	\$1,162,235.74
25-Jan-24	\$12,256.74	\$31,334.05				\$1,143,158.43
26-Jan-24						\$1,143,158.43
29-Jan-24		\$518,273.75	P&I on '20A Fac. Maint.			\$624,884.68
29-Jan-24		\$67,336.25	P&I on '21A Fac. Maint.			\$557,548.43
29-Jan-24		\$184,450.00	P&I on '21B Fac. Maint. & Abate.			\$373,098.43
29-Jan-24			\$108,216.26			\$264,882.17
30-Jan-24	<b>\$178,177.82</b>		\$46,378.40			\$396,681.59
31-Jan-24	\$27,301.43					\$423,983.02



**Wrenshall ISD 100**

Projections as of: *October 26, 2023*

<b>Operating Cash Flow Schedule (Including Debt Service Funds)</b>						
<b>Date</b>	<b>Revenue</b>	<b>Payable</b>	<b>Payroll</b>	<b>Maturities</b>	<b>Investments</b>	<b>End-Balance</b>
<b>February 2024</b>						
01-Feb-24		\$23,246.82				\$400,736.20
02-Feb-24						\$400,736.20
05-Feb-24						\$400,736.20
06-Feb-24						\$400,736.20
07-Feb-24						\$400,736.20
08-Feb-24		\$23,246.82				\$377,489.38
09-Feb-24						\$377,489.38
12-Feb-24						\$377,489.38
13-Feb-24						\$377,489.38
14-Feb-24			\$112,142.67			\$265,346.71
15-Feb-24	<b>\$179,414.29</b>					\$444,761.00
15-Feb-24	\$16,545.20	\$23,246.82	\$48,061.14			\$389,998.24
16-Feb-24						\$389,998.24
19-Feb-24						\$389,998.24
20-Feb-24						\$389,998.24
21-Feb-24						\$389,998.24
22-Feb-24		\$23,246.82				\$366,751.42
23-Feb-24		\$34,191.09 <--Health Ins.				\$332,560.33
26-Feb-24						\$332,560.33
27-Feb-24						\$332,560.33
28-Feb-24	<b>\$221,019.96</b>		\$105,190.49			\$448,389.80
29-Feb-24	\$24,817.80	\$23,246.82	\$45,081.64			\$404,879.13



**Wrenshall ISD 100**

Projections as of: *October 26, 2023*

<b>Operating Cash Flow Schedule (Including Debt Service Funds)</b>						
Date	Revenue	Payable	Payroll	Maturities	Investments	End-Balance
<b>March 2024</b>						
01-Mar-24						\$404,879.13
04-Mar-24						\$404,879.13
05-Mar-24						\$404,879.13
06-Mar-24						\$404,879.13
07-Mar-24		\$54,078.92				\$350,800.21
08-Mar-24						\$350,800.21
11-Mar-24						\$350,800.21
12-Mar-24						\$350,800.21
13-Mar-24						\$350,800.21
14-Mar-24		\$54,078.92	\$105,050.85			\$191,670.44
15-Mar-24	<b>\$230,887.71</b>					\$422,558.15
15-Mar-24	\$22,914.04		\$45,021.79			\$400,450.40
18-Mar-24						\$400,450.40
19-Mar-24						\$400,450.40
20-Mar-24						\$400,450.40
21-Mar-24		\$54,078.92				\$346,371.48
22-Mar-24						\$346,371.48
25-Mar-24		\$38,658.90	<--Health Ins.			\$307,712.57
26-Mar-24						\$307,712.57
27-Mar-24						\$307,712.57
28-Mar-24		\$54,078.92	\$112,391.33			\$141,242.33
29-Mar-24	<b>\$265,223.95</b>					\$406,466.28
29-Mar-24	\$34,371.05		\$48,167.71			\$392,669.62



**Wrenshall ISD 100**

Projections as of: *October 26, 2023*

<b>Operating Cash Flow Schedule (Including Debt Service Funds)</b>						
<b>Date</b>	<b>Revenue</b>	<b>Payable</b>	<b>Payroll</b>	<b>Maturities</b>	<b>Investments</b>	<b>End-Balance</b>
<b>April 2024</b>						
01-Apr-24						\$392,669.62
02-Apr-24						\$392,669.62
03-Apr-24						\$392,669.62
04-Apr-24		\$27,535.20				\$365,134.42
05-Apr-24						\$365,134.42
08-Apr-24						\$365,134.42
09-Apr-24						\$365,134.42
10-Apr-24						\$365,134.42
11-Apr-24		\$27,535.20				\$337,599.22
12-Apr-24			\$111,936.51			\$225,662.70
15-Apr-24	<b>\$176,815.97</b>					\$402,478.67
15-Apr-24	\$21,361.87		\$47,972.79			\$375,867.75
16-Apr-24						\$375,867.75
17-Apr-24						\$375,867.75
18-Apr-24		\$27,535.20				\$348,332.55
19-Apr-24						\$348,332.55
22-Apr-24						\$348,332.55
23-Apr-24						\$348,332.55
24-Apr-24		\$39,580.82	<--Health Ins.			\$308,751.73
25-Apr-24		\$27,535.20				\$281,216.53
26-Apr-24						\$281,216.53
29-Apr-24			\$106,018.98			\$175,197.55
30-Apr-24	<b>\$322,296.24</b>					\$497,493.79
30-Apr-24	\$32,042.81		\$45,436.71			\$484,099.89



**Wrenshall ISD 100**

Projections as of: *October 26, 2023*

<b>Operating Cash Flow Schedule (Including Debt Service Funds)</b>						
<b>Date</b>	<b>Revenue</b>	<b>Payable</b>	<b>Payroll</b>	<b>Maturities</b>	<b>Investments</b>	<b>End-Balance</b>
<b>May 2024</b>						
01-May-24						\$484,099.89
02-May-24		\$18,900.76				\$465,199.13
03-May-24						\$465,199.13
06-May-24						\$465,199.13
07-May-24						\$465,199.13
08-May-24						\$465,199.13
09-May-24		\$18,900.76				\$446,298.37
10-May-24						\$446,298.37
13-May-24						\$446,298.37
14-May-24			\$109,276.87			\$337,021.50
15-May-24	<b>\$221,019.96</b>					\$558,041.46
15-May-24	\$18,643.65		\$46,832.95			\$529,852.17
16-May-24		\$18,900.76				\$510,951.41
17-May-24						\$510,951.41
20-May-24						\$510,951.41
21-May-24						\$510,951.41
22-May-24						\$510,951.41
23-May-24	County Taxes	\$18,900.76				\$492,050.65
24-May-24	\$533,943.40	\$38,230.49	<--Health Ins.			\$987,763.56
27-May-24						\$987,763.56
28-May-24						\$987,763.56
29-May-24			\$173,895.64			\$813,867.92
30-May-24	<b>\$166,053.47</b>	\$18,900.76	\$74,526.70			\$886,493.93
31-May-24	\$27,965.48					\$914,459.41



**PMA**<sup>™</sup>  
SECURITIES

December 4, 2023

Pre-Sale Finance Plan

## ISD 110, Wrenshall School District

\$300,000 General Obligation Aid Anticipation Certificates,  
Series 2024A

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*Financial Strategies for Stronger Communities.*

# Financing Overview

## Title

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\$300,000 General Obligation Aid Anticipation Certificates, Series 2024A (the "Series 2024A Certificates" or "the Certificates")

## Purposes

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The Series 2024A Certificates will be used to provide operating funds to cover a cash flow deficit in anticipation of aids to be received from the state of Minnesota.

## Security

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The Series 2024A Certificates are valid and binding general obligations of the District. The full faith and credit of the District is pledged to their repayment and the District has validly obligated itself to levy ad valorem taxes to pay all principal and interest payments on the certificates.

## Authority

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The Series 2024A Certificates are being issued pursuant Minnesota Statutes, Chapter 475 and sections 126C.50 through 126C.56. The Certificates must comply with two key provisions. The first is that the borrowing amount cannot exceed 75% of the state aids receivable in the current fiscal year. The District will receive a certificate from the Minnesota Department of Education verifying that we are within this threshold based on the borrowing amount. The second key provision is an IRS regulation that limits cash flow borrowing to no more than the maximum projected cumulative deficit plus 5% of the previous fiscal year's expenditures reduced by investment earnings. The analysis proving that the District is in compliance with this provision is illustrated in the attachments.

## Repayment Term

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The Series 2024A Certificates will be due September 30, 2024.

## Call Feature

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The Certificates are not subject to redemption prior to maturity.

## Rating

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An underlying or credit enhanced rating will not be requested for this issue. The private placement sale method provides for reducing the total costs of issuance including eliminating the fee associated with a rating agency. In our evaluation, this will lead to a more efficient financing for the District.



## State Credit Enhancement

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The District will participate in the State Credit Enhancement Program but due to the method of sale will not apply for the rating or incur the related cost.

## Tax Status

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The Series 2024A Certificates will be issued as bank qualified tax-exempt certificates.

## Plan Rationale

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The Series 2024A Certificates will provide operating funds to cover projected cash flow deficits. The size is based upon the analysis shown in Attachment 3 and Attachment 4. It is sized to cover all deficits throughout the current fiscal year and provide a modest amount of cushion in the event that cash flow projections differ from actual cash flow results.

## Method of Sale

---

PMA is recommending that the District sell the Certificates through a direct private placement process. This recommendation is based on the success of a similar process that was used for recent General Obligation Aid Anticipation Certificates sold for Minnesota school districts.

A placement is a private sale of securities offered to a limited number of investors. A placement generally leads to a lower cost of issuance than a public offering due to the absence of an underwriter, rating, certain legal fees and official statement preparation. However, the absence of a public sale may lead to higher interest rates. PMA has assessed that the issuer may potentially benefit from a placement in lieu of a public offering.

Investors for a placement are identified by either the issuer or a placement agent engaged by the issuer. A placement agent can assist the issuer in identifying known, potential investors and negotiating deal terms with investors. Please note that as the issuer's Financial Advisor, PMA represents the issuer solely and is prohibited from directly brokering a placement or identifying potential investors.

Potential investors typically include banks (local or large institutions). If more than one potential investor is identified, the preliminary offering document is distributed to the list of investors and bids are requested. After the expiration of the bidding period, the securities are awarded to the bidder with the lowest true interest cost ("TIC").



## Post Issuance Compliance

### Investment of Bond Proceeds | Arbitrage

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The District can enhance the available funds from the certificates issued by investing the bond proceeds. The Series 2024A Certificates will be subject to IRS rules related to arbitrage due to the tax-exempt nature of the interest. The District should review legal documents related to this issue to become familiar with the requirements specific to this bond issue.

### Continuing Disclosure

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The District will not need to provide ongoing financial disclosure to the investor due to the private placement method of sale. It is possible that the most favorable proposal will request certain information to be provide on a regular basis. PMA will assess any such request along with the District after receipt of the final proposals.

### Debt Management

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PMA has reviewed the current outstanding debt of the District in conjunction with the overall financing profile of the District. We believe that the financing structure recommended here is suitable given the District's current financial situation and objectives. PMA also regularly reviews the District's outstanding debt to identify potential modifications including refunding current debt issues.

## Financing Team

<b>DISTRIBUTION LIST</b>			
<b>PARTY</b>	<b>CONTACT PERSON(S)</b>	<b>PHONE</b>	<b>EMAIL</b>
<b><u>Issuer</u></b>			
ISD 100, Wrenshall Public Schools 207 Pioneer Drive Wrenshall, MN 55797	Jeff Pesta	218-384-4274 ext. 2003	<a href="mailto:jpesta@isd100.org">jpesta@isd100.org</a>
	Shauna Dalchow	218-768-2111	<a href="mailto:sdalchow@isd4.org">sdalchow@isd4.org</a>
<b><u>Bond Counsel</u></b>			
Kennedy & Graven, Chartered 150 South Fifth St, Suite 700 Minneapolis, MN 55402	Peter Martin	612-337-9220	<a href="mailto:pmartin@kennedy-graven.com">pmartin@kennedy-graven.com</a>
	Terry Berg	612-337-9249	<a href="mailto:tberg@kennedy-graven.com">tberg@kennedy-graven.com</a>
<b><u>Municipal Advisor</u></b>			
PMA Securities, LLC 5298 Kyler Avenue NE Albertville, MN 55301	Michael Hart	612-509-2569	<a href="mailto:mhart@pmanetwork.com">mhart@pmanetwork.com</a>
	Steve Pumper	612-509-2565	<a href="mailto:spumper@pmanetwork.com">spumper@pmanetwork.com</a>
	Joel Hanson	612-509-2566	<a href="mailto:jhanson@pmanetwork.com">jhanson@pmanetwork.com</a>
	Jenna Rausch	612-509-2568	<a href="mailto:jrausch@pmanetwork.com">jrausch@pmanetwork.com</a>
<b><u>Purchaser</u></b>			
	TBD		
<b><u>Bond Registrar/Paying Agent</u></b>			
Northland Trust Services, Inc. 150 South Fifth Street, Suite 3300 Minneapolis, MN 55402	Scott Miles	612-851-5914	<a href="mailto:smiles@northlandtrust.com">smiles@northlandtrust.com</a>
	Priscilla Sullivan	612-851-4951	<a href="mailto:psullivan@northlandtrust.com">psullivan@northlandtrust.com</a>



## Risk Factors

### Interest Rate Risk:

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The Certificates are issued at a fixed rate(s). If market interest rates decline after the sale of the Certificates, the District will not be able to take advantage of lower market interest rates for the Certificates unless and until the Certificates can be prepaid or refinanced.

### Prepayment Risk:

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To the extent the Certificates, or a portion of the Certificates, are not subject to a prepayment provision, the District cannot prepay the Certificates prior to their maturity date(s).

### Tax Risk:

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If the opinion of bond counsel for the Certificates identifies the Certificates as tax-exempt or tax advantaged, and the IRS subsequently determines the Certificates are taxable or ineligible for a tax credit, this determination could cause the IRS to change the designation of the Certificates to taxable or to revoke the tax credits, resulting in potential adverse publicity, impairment of the District's ability to issue municipal securities in the future, litigation from bondholders and others or a settlement agreement between the IRS and the District resulting in a payment from the District to the IRS to maintain the tax-exempt or tax advantaged status of the Certificates. Potential causes of such a determination may include, but are not limited to the following: the District does not spend the proceeds of the Certificates in a timely manner, change in use of the project financed by the Certificates and any other determination by the IRS that rules governing the issuance of tax-exempt obligations were violated.

### Closing Risk:

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If the Certificates fail to attract an appropriate purchaser, or fail to be delivered at closing, the District will not receive proceeds from the Certificates.

### Default Risk:

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If the District fails to make the scheduled principal and/or interest payment(s) on the Certificates in a timely manner, a default will occur, which negatively affects the District's ability to get financing for other needs.

## Calendar of Events

November 2023						
S	M	T	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

December 2023						
S	M	T	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

January 2024						
S	M	T	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February 2024						
S	M	T	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29		

Board Action Dates

Est. Bond Pricing Date

Bond Closing

Date	Action Item
December 5, 2023	Board Work Session - Board Resolution Provided to District
December 18, 2023	Board Considers Resolution
December 27, 2023	Term Sheet Distributed to potential bank buyers
January 10, 2024	Proposals due from banks
January 10, 2024	Bank selected and District awards sale
January 25, 2024	Bond Closing



## Attachments

Attachment 1 – Sources and Uses of Funds

Attachment 2 – Estimated Debt Service Schedule

Attachment 3 – Cash Flow Pre-Issuance

Attachment 4 – Cash Flow Post Issuance



## Attachment 1

### Series 2024A Sources and Uses

#### Sources Of Funds

Par Amount of Bonds	\$300,000.00
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<b>Total Sources</b>	<b>\$300,000.00</b>
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#### Uses Of Funds

Deposit to Operating Fund	291,375.00
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Cost of Issuance	8,625.00
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<b>Total Uses</b>	<b>\$300,000.00</b>
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## Attachment 2

### Estimated Debt Service Schedule for Series 2024A

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
01/25/2024	-	-	-	-	-
09/30/2024	300,000.00	5.500%	11,229.17	311,229.17	311,229.17
<b>Total</b>	<b>\$300,000.00</b>	<b>-</b>	<b>\$11,229.17</b>	<b>\$311,229.17</b>	<b>-</b>

#### Yield Statistics

Bond Year Dollars	\$204.17
Average Life	0.681 Years
Average Coupon	5.5000016%
Net Interest Cost (NIC)	5.5000016%
True Interest Cost (TIC)	5.4731148%
Bond Yield for Arbitrage Purposes	5.4731148%
All Inclusive Cost (AIC)	9.9243504%



## Attachment 3

### Pre-Issuance Cash Flow

Wrenshall ISD 100 Cash Flow (Funds 1-4) Without Anticipation Borrowing											
Mo/Yr	Beg. Balance	State Aid	Taxes	Misc. Rev.	Cert. proceeds	Total Rev.	A/P	Payroll	Cert. payments	Total Exp.	End Balance
Jul-2023	\$1,000,731.69	\$134,899.83	\$3,104.25	\$183,027.49	\$0.00	\$321,031.57	\$207,308.64	\$296,950.47	\$0.00	\$504,259.11	\$817,504.15
Aug-2023	\$817,504.15	\$405,206.70	\$0.00	\$195,841.55	\$0.00	\$601,048.25	\$183,382.18	\$213,785.17	\$0.00	\$397,167.35	\$1,021,385.05
Sep-2023	\$1,021,385.05	\$559,237.19	\$0.00	\$110,918.35	\$0.00	\$670,155.54	\$139,992.23	\$304,896.12	\$513,509.03	\$958,397.38	\$733,143.21
Oct-2023	\$733,143.21	\$79,197.04	\$79,009.31	\$52,542.24	\$0.00	\$210,748.59	\$200,913.56	\$280,758.45	\$0.00	\$481,672.01	\$462,219.79
Nov-2023	\$462,219.79	\$114,016.88	\$72,583.42	\$58,343.38	\$0.00	\$244,943.68	\$116,011.01	\$342,413.73	\$0.00	\$458,424.74	\$248,738.73
Dec-2023	\$248,738.73	\$490,435.11	\$10,842.19	\$58,396.77	\$0.00	\$559,674.07	\$176,222.24	\$402,189.56	\$0.00	\$578,411.80	\$230,001.00
Jan-2024	\$230,001.00	\$221,020.02	\$4,497.43	\$45,502.38	\$0.00	\$271,019.83	\$162,038.73	\$277,175.94	\$0.00	\$439,214.67	\$61,806.16
Feb-2024	\$61,806.16	\$577,918.84	\$0.00	\$41,362.99	\$0.00	\$619,281.83	\$150,425.19	\$356,854.34	\$0.00	\$507,279.53	\$173,808.46
Mar-2024	\$173,808.46	\$496,111.79	\$0.00	\$57,285.09	\$0.00	\$553,396.88	\$254,974.58	\$310,631.68	\$0.00	\$565,606.26	\$161,599.08
Apr-2024	\$161,599.08	\$176,816.01	\$0.00	\$53,404.68	\$0.00	\$230,220.69	\$149,721.62	\$265,928.29	\$0.00	\$415,649.91	(\$23,830.14)
May-2024	(\$23,830.14)	\$543,620.81	\$187,508.30	\$46,609.14	\$0.00	\$777,738.25	\$113,833.53	\$375,442.16	\$0.00	\$489,275.69	\$264,632.42
Jun-2024	\$264,632.42	\$348,379.51	\$180,913.13	\$72,719.84	\$0.00	\$602,012.48	\$137,102.62	\$373,115.16	\$0.00	\$510,217.78	\$356,427.12
Jul-2024	\$356,427.12	\$29,159.26	\$3,000.64	\$73,910.67	\$0.00	\$106,070.57	\$212,223.12	\$226,188.50	\$0.00	\$438,411.62	\$24,086.07
Aug-2024	\$24,086.07	\$541,283.74	\$0.00	\$158,169.59	\$0.00	\$699,453.33	\$224,651.05	\$255,852.51	\$0.00	\$480,503.56	\$243,035.84
Sep-2024	\$243,035.84	\$369,678.56	\$0.00	\$112,013.14	\$0.00	\$481,691.70	\$105,260.71	\$272,401.97	\$0.00	\$377,662.68	\$347,064.86
<b>The Results</b>											
Prior Year's Expense total: (Debt Not Included)		\$5,767,498.41								Low Point During Borrowing Term:	(\$23,830.14)
Note: In this cash flow, each month ends on the 29th day and begins on the 30th day of the month prior.										5% of prior year's expenses:	(\$288,374.92)
										Potential Borrowing:	\$312,205.06



## Attachment 4

### Post Issuance Cash Flow

Wrenshall ISD 100 Cash Flow (Funds 1-4) With Anticipation Borrowing												
Mo/Yr	Beg. Balance	State Aid	Taxes	Misc. Rev.	Cert. proceeds	Earnings on Proceeds	Total Rev.	AP	Payroll	Cert. payments	Total Exp.	End Balance
Jul-2023	\$1,000,731.69	\$134,899.83	\$3,104.25	\$183,027.49	\$0.00	\$0.00	\$321,031.57	\$207,308.64	\$296,950.47	\$0.00	\$504,259.11	\$817,504.15
Aug-2023	\$817,504.15	\$405,206.70	\$0.00	\$195,841.55	\$0.00	\$0.00	\$601,048.25	\$183,382.18	\$213,785.17	\$0.00	\$397,167.35	\$1,021,385.05
Sep-2023	\$1,021,385.05	\$559,237.19	\$0.00	\$110,918.35	\$0.00	\$0.00	\$670,155.54	\$139,992.23	\$304,896.12	\$513,509.03	\$958,397.38	\$733,143.21
Oct-2023	\$733,143.21	\$79,197.04	\$79,009.31	\$52,542.24	\$0.00	\$0.00	\$210,748.59	\$200,913.56	\$280,758.45	\$0.00	\$481,672.01	\$462,219.79
Nov-2023	\$462,219.79	\$114,016.88	\$72,583.42	\$58,343.38	\$0.00	\$0.00	\$244,943.68	\$116,011.01	\$342,413.73	\$0.00	\$458,424.74	\$248,738.73
Dec-2023	\$248,738.73	\$490,435.11	\$10,842.19	\$58,396.77	\$0.00	\$0.00	\$559,674.07	\$176,222.24	\$402,189.56	\$0.00	\$578,411.80	\$230,001.00
Jan-2024	\$230,001.00	\$221,020.02	\$4,497.43	\$45,502.38	\$291,375.00	\$159.66	\$562,554.49	\$162,038.73	\$277,175.94	\$0.00	\$439,214.67	\$353,340.81
Feb-2024	\$353,340.81	\$577,918.84	\$0.00	\$41,362.99	\$0.00	\$1,237.35	\$620,519.18	\$150,425.19	\$356,854.34	\$0.00	\$507,279.53	\$466,580.46
Mar-2024	\$466,580.46	\$496,111.79	\$0.00	\$57,285.09	\$0.00	\$1,157.52	\$554,554.40	\$254,974.58	\$310,631.68	\$0.00	\$565,606.26	\$455,528.60
Apr-2024	\$455,528.60	\$176,816.01	\$0.00	\$53,404.68	\$0.00	\$1,136.15	\$231,356.84	\$149,721.62	\$265,928.29	\$0.00	\$415,649.91	\$271,235.53
May-2024	\$271,235.53	\$543,620.81	\$187,508.30	\$46,609.14	\$0.00	\$1,197.43	\$778,935.68	\$113,833.53	\$375,442.16	\$0.00	\$489,275.69	\$560,895.52
Jun-2024	\$560,895.52	\$348,379.51	\$180,913.13	\$72,719.84	\$0.00	\$1,197.43	\$603,209.91	\$137,102.62	\$373,115.16	\$0.00	\$510,217.78	\$653,887.65
Jul-2024	\$653,887.65	\$29,159.26	\$3,000.64	\$73,910.67	\$0.00	\$1,237.35	\$107,307.92	\$212,223.12	\$226,188.50	\$0.00	\$438,411.62	\$322,783.95
Aug-2024	\$322,783.95	\$541,283.74	\$0.00	\$158,169.59	\$0.00	\$1,237.35	\$700,690.68	\$224,651.05	\$255,852.51	\$0.00	\$480,503.56	\$542,971.06
Sep-2024	\$542,971.06	\$369,678.56	\$0.00	\$112,013.14	\$0.00	\$1,117.60	\$482,809.30	\$105,260.71	\$272,401.97	\$311,075.34	\$688,738.02	\$337,042.34





November 29, 2023

Jeff Pesta  
Wrenshall Public School District, ISD #0100-01  
207 Pioneer Drive  
Wrenshall, MN 55797

Dear Mr. Pesta:

Enclosed is the Commissioner's certificate of Estimated School Aid for Fiscal Year 2024. A copy of your certificate has been forwarded to PMA Securities, LLC.

Sincerely,

A handwritten signature in cursive script that reads 'Tracy Gann-Olehy'.

Tracy Gann-Olehy, Budgeting and Payments Specialist  
Division of School Finance

Enclosure

cc: Michael Hart, PMA Securities, LLC

COMMISSIONER'S CERTIFICATE OF ESTIMATED  
SCHOOL AIDS FOR THE PUBLIC SCHOOL OF

Wrenshall

Independent School District #0100

I, the undersigned, Commissioner of the Minnesota Department of Education of the State of Minnesota, hereby certify that I estimate the amounts, dates of receipt, and purposes of school aids (as defined in Minnesota Statutes) to be distributed by or through the Minnesota Department of Education which will be received during the period from December 15, 2023 to June 15, 2024 by Independent School District #0100 will be not less than the amounts as follows:

<u>Type of Aid</u>	<u>Date of Payment</u>	<u>Amount</u>
School District Aids 1, 2 & 4	December 15, 2023 - June 15, 2024	\$2,835,679
Total		\$2,835,679

In accordance with the authority in Minnesota Statutes, Section 126C.52, the board of Independent School District #0100 may approve the issuance of the School Aid Anticipation Certificates of Indebtedness in an amount, in the aggregate, that does not exceed \$2,126,759 which is seventy-five percent (75%) of the school aids herein certified.



\_\_\_\_\_  
Commissioner of Education  
State of Minnesota

Witness my hand on November 29 2023

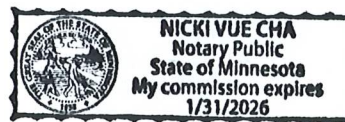
STATE OF MINNESOTA                      ss.  
COUNTY OF RAMSEY

The foregoing instrument was acknowledged before me on November 29 2023 by  
Willie L. Jett II, the Commissioner of Education.

Nicki Vue Cha

Signature

Notarial Seal





## MUNICIPAL ADVISORY AGREEMENT

This Municipal Advisory Agreement (the "Agreement") is made and entered into by and between the Independent School District No. 100 (Wrenshall Public Schools), Carlton County, Minnesota ("Issuer") and PMA Securities, LLC ("PMA") effective as of November 7, 2023 (the "Effective Date"). The Issuer and PMA collectively constitute the "Parties" hereunder.

### WITNESSETH:

WHEREAS, the Issuer intends to issue \$300,000\* General Obligation Aid Anticipation Certificates of Indebtedness, Series 2024A (the "Securities") for short term cash flow needs and in connection with the authorization, sale, issuance and delivery of such indebtedness, the Issuer desires to retain a Municipal Advisor to advise the Issuer regarding the issuance of the Securities;

WHEREAS, PMA is willing to provide its professional services and its facilities as Municipal Advisor in connection with the Securities as may be considered and authorized by the Issuer during the period in which this Agreement shall be effective;

WHEREAS, the Issuer is a municipal entity and the Securities are municipal securities as defined by the Securities Exchange Act of 1934 and the rules of the Municipal Securities Rulemaking Board ("MSRB");

WHEREAS, PMA is registered as a municipal advisor with the U.S. Securities Exchange Commission ("SEC") and the MSRB and thus, may provide municipal advisor services to a municipal entity such as the Issuer, including advice with respect to the issuance of municipal securities; and

WHEREAS, the Municipal Advisory services described herein are provided by PMA exclusively as a Municipal Advisor as described under MSRB Rule G-3(d).

NOW, THEREFORE, the Issuer and PMA, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, do hereby agree as follows:

### SECTION I SCOPE OF SERVICES

Upon the request of an authorized representative of the Issuer, PMA agrees to perform the Municipal Advisory services (hereinafter "Services" or "Scope of Services") stated in the following provisions of this Section I; and for having rendered such services, the Issuer agrees to pay PMA the compensation as provided in Section VI hereof. The Scope of Services to be performed in connection with the issuance of the Securities are only those listed below.

A. Financial Planning. At the direction of the Issuer, PMA shall:

1. Analysis. Conduct an analysis of the financial resources of the Issuer to determine the extent of its capacity to issue and service the Securities contemplated. This analysis will include reviews of initial cash flows as compared with the estimated receipts of revenues which are pledged to secure payment of debt service.
2. Terms. Advise the Issuer on recommendations regarding the Securities under consideration, including the date of issue, maturity date(s), options of prior payment, security provisions, and such other provisions as may be appropriate in order to make the issue attractive to investors while

\*Preliminary, subject to change, and reflects the current estimated par amount.

achieving the objectives of the Issuer. All recommendations will be consistent with the goal of designing the Securities to be sold on terms that are advantageous to the Issuer, including the lowest interest cost consistent with all other considerations.

3. Market Conditions. Advise the Issuer of current bond market conditions, other related forthcoming bond issues and general information, with economic data, which might normally be expected to influence interest rates or bidding conditions so that the date of sale of the Securities may be set at a favorable time.

B. Debt Management and Financial Implementation. At the direction of the Issuer, PMA shall:

1. Method of Sale. Evaluate the particular financing of Securities being contemplated, giving consideration to the complexity, market acceptance, rating, size and structure in order to make a recommendation as to an appropriate method of sale, and:
  - a. If the Securities are to be sold by an advertised competitive sale, PMA will:
    - (1) Oversee the sale of the Securities;
    - (2) Disseminate information to prospective bidders, organize such informational meetings as may be necessary, and facilitate prospective bidders' efforts in making timely submission of proper bids which may include the use of a third party auction platform;
    - (3) Assist the staff of the Issuer in coordinating the receipt of bids, the safekeeping of good faith checks and the tabulation and comparison of submitted bids; and
    - (4) Advise the Issuer regarding the best bid and provide advice regarding acceptance or rejection of the bids.
  - b. If the Securities are to be sold by negotiated sale, PMA will:
    - (1) Recommend, for the Issuer's formal approval and acceptance, one or more investment banking firms as managers of an underwriting syndicate to negotiate the purchase of the Securities. This may include a request for proposal for underwriting services. A recommendation will be based upon but not limited to the following: proposed underwriter fees, indicative interest rates and yields, recent comparable bond sales that support the indicative rates and yields, quality of structuring ideas proposed, experience of the underwriter and its personnel, and willingness to commit capital. In keeping with the provisions of Rule G-23 of the MSRB, PMA will not participate in an underwriting syndicate in connection with the negotiated purchase of the Securities.
    - (2) Cooperate with and assist the underwriter(s) in the review of a bond purchase contract and other related documents. The costs incurred in such efforts, including the printing of the documents, will be paid in accordance with the terms of the Issuer's agreement with the underwriter(s), but shall not be or become an obligation of PMA, except to the extent specifically provided otherwise in this Agreement or assumed in writing by PMA.
    - (3) Assist the staff of the Issuer in the safekeeping of any good faith checks, to the extent there are any, and provide a cost comparison for both expenses and interest, which are suggested by the underwriter(s), to the then current market.
    - (4) Advise the Issuer as to the fairness of the prices/yields offered by the underwriter(s).

- c. If the Securities are to be sold as a placement:
- (1) Direct Sale. The Issuer shall identify the potential purchasers and provide the information to PMA in a direct sale. At the request of the Issuer, PMA will disseminate information, including any offering documents, to prospective purchasers and collect prospective purchasers' timely submission of offers to purchase. PMA will analyze such offers to purchase and make a recommendation to the Issuer regarding the acceptance of one or more offers to purchase the Securities according to parameters set out by the Issuer or based on the Issuer's best interest.
  - (2) Private Placement. PMA may recommend that the Issuer engage a placement agent for a private placement of the Securities, under certain circumstances. The recommendation to engage a placement agent will be based upon, but not limited to, the following factors: the size and complexity of the Securities, the credit of the Issuer, the amortization length of the Securities and whether DTC eligibility is appropriate for the issuance. If PMA recommends the use of a placement agent, PMA will then recommend, for the Issuer's formal approval and acceptance, an investment banking firm as placement agent for the Securities. This may include a request for proposal for placement agent services. A recommendation will be based upon, but not limited to the following: proposed fee, indicative interest rates, recent comparable bond sales that support the rates, quality of structuring ideas proposed and experience of the placement agent and its personnel.
2. Issuer Meetings. Attend meetings of the governing body of the Issuer, its staff, representatives or committees as requested and at all times when PMA may be of assistance or service and the subject matter is related to the Securities.
  3. Review of Third Party Recommendations. Review of a recommendation of another party if requested by the Issuer and the request is within the Scope of Services. PMA will determine, based on the information obtained through reasonable diligence, whether the municipal securities transaction or municipal financial product is or is not suitable for the Issuer. In addition, PMA will inform the Issuer of:
    - (1) PMA's evaluation of the material risks, potential benefits, structure and other characteristics of the recommended municipal securities transaction or municipal financial product;
    - (2) The basis upon which PMA reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the Issuer; and
    - (3) Whether PMA has investigated or considered other reasonably feasible alternatives to the recommended municipal securities transaction or municipal financial product that might also or alternatively serve the Issuer's objectives.
  4. Offering Documents. Draft the preliminary and final Official Statements, Offering Memoranda or Term Sheets ("Offering Documents") based on information provided by the Issuer as well as information derived from other sources. The information contained in the Offering Documents will be derived from the sources stated or, if not otherwise sourced, from the Issuer. PMA makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in the Offering Document, and its assistance in preparing the Offering Document should not be construed as a representation that it has independently verified such information. The Issuer will be expected to examine, approve and make certifications with respect to the information in the Offering Documents in accordance with its obligations under the federal securities laws.

- (1) In a competitive sale, PMA will coordinate the preparation of the notice of sale and bidding instructions, official bid form and such other documents as may be required and submit all such documents to the Issuer for examination, approval and certification.
  - (2) PMA will electronically distribute the Offering Documents.
  - (3) Some of the data collected may require a fee, such as overlapping debt or an auditor's certificate. Upon the request of an authorized representative of the Issuer, any fees for data will be sent to the Issuer for prior approval.
  - (4) As needed for Offering Documents disclosure purposes, PMA will file reportable event notices and other information to the MSRB's Electronic Municipal Market Access ("EMMA") as directed by the Issuer.
5. Credit Ratings and Insurance. Make recommendations to the Issuer as to the advisability of obtaining a credit rating and/or insurance for the Securities. Where insurance for the Securities is advised, PMA will request bids from insurance agencies. When directed by the Issuer, coordinate the preparation of such information as may be appropriate for submission to the rating agency and/or insurance agencies. If PMA's advice includes personal presentation of information to the rating agency and/or insurance agencies, PMA will arrange for such personal presentations by the Issuer's representatives.
  6. Trustee, Paying Agent, Registrar. Assist the Issuer in the selection of a trustee and/or paying agent/registrar for the Securities and assist in the negotiation of agreements pertinent to these services and the fees incident thereto.
  7. Escrow Bidding Agent, Escrow Agent, Verification Agent. Assist the Issuer in the selection of an escrow bidding agent, an escrow agent and/or a verification agent for the Securities and assist in the negotiation of agreements pertinent to those services and the fees incident thereto, if needed.
  8. Financial Publications. Advise financial publications of the forthcoming sale of the Securities and provide them with all pertinent information, when appropriate. Upon request, PMA will coordinate the publication of legal notices when required by law for the issuance of the Securities.
  9. Consultants. Arrange for reports and opinions of recognized independent consultants as may be appropriate for the successful marketing of the Securities and assist in the negotiation of agreements pertinent to those services and the fees incident thereto.
  10. Legal Counsel. Maintain liaison with bond counsel, disclosure counsel and local counsel, if any, in the preparation of legal documents pertaining to the authorization, sale and issuance of the Securities.
  11. Delivery of the Securities. Coordinate the efforts of the working group for the Securities, which typically includes the Issuer, underwriter, bond counsel, and other counsel, as applicable, rating agency, bond registrar, paying agent, and any other third party engaged by the Issuer, as soon as a bid for the Securities is accepted by the Issuer, so that the Securities may be delivered and paid for as expeditiously as possible. Assist the Issuer in the preparation or verification of final closing figures incident to the delivery of the Securities.
- C. Services Not Related to an Issuance of Municipal Securities. If requested by the Issuer, PMA will perform the services following this paragraph for the Issuer, with respect to the Securities, with no additional

compensation required. This Agreement hereby terminates any prior Municipal Advisory Agreement or Municipal Advisory Engagement Letter for the provision of the following services:

1. Rating surveillance preparation;
2. Debt summary and debt book updates;
3. Educational presentations to the Issuer's governing body, community and/or staff;
4. Review paying agent/DTC invoices for accuracy;
5. Review and provide advice related to a bond levy;
6. Advise the Issuer of filings related to tax credit bonds and the need to approve abatement resolutions and debt service extension base modification resolutions;
7. Assist with filing debt-related documents with other government entities, such as the state;
8. Assist with FOIA-related documentation and questions; and
9. Assist with post-issuance compliance per the rules of the Internal Revenue Service ("IRS").

D. Limitations on Services. The Services are subject to the following limitations:

1. The Services are limited solely to the services described herein and are subject to any limitations set forth within the Scope of Services.
2. PMA is not responsible for certifying as to the accuracy or completeness (including the accuracy or completeness of any description of the Issuer's compliance with its continuing disclosure obligations) of any preliminary or final Offering Documents, other than with respect to any information about PMA provided by PMA for inclusion in such documents.
3. The Services do not include tax, legal, accounting or engineering advice with respect to the Securities, services not related to an issuance of municipal securities (except as provided in Section I.C. above) or in connection with any opinion or certificate rendered by bond counsel or any other person at closing, and does not include review or advice on any feasibility study.
4. Unless requested by the Issuer, PMA will not negotiate fees or send out a request for proposal for legal services including issuer counsel, bond counsel or disclosure counsel.
5. Dissemination Agent services for continuing disclosure are not included under this Agreement except as provided under Section I.B.4.(4). Dissemination Agent services include, for example, annual financial information and annual financial statement filings to EMMA.

E. Amendment to Scope of Services. The Scope of Services may be amended as set forth in Section VIII.D. The Parties agree to amend or supplement the Scope of Services described herein promptly to reflect any material changes or additions to the Scope of Services. Changes to the Scope of Services may result in an increased fee.

**SECTION II**  
**POTENTIAL BENEFITS & RISKS OF ISSUING THE SECURITIES**

A. The potential benefits involved with issuing the Securities include, among other things:

1. Meeting the Issuer's Funding Needs. The Securities are being issued to meet the Issuer's stated funding needs.
2. Relative Low Cost of Financing. Municipal obligations, such as the Securities, generally offer a lower cost of financing than other available alternatives.
3. Ability to Lower Cost of Financing in the Future. To the extent the Securities, or a portion of the Securities, are subject to a prepayment provision, the Issuer may be able to lower the cost of financing with a future refinancing of the Securities.
4. Ability to Restructure Payments in the Future. To the extent the Securities, or a portion of the Securities, are subject to a prepayment provision, the Issuer may be able to restructure the repayment schedule with a future refinancing or defeasance of the Securities.

B. The potential risks involved with issuing the Securities include, among other things:

1. Interest Rate Risk. The Securities are issued at a fixed rate(s). If market interest rates decline subsequent to the sale of the Securities, the Issuer will not be able to take advantage of lower market interest rates for the Securities unless and until the Securities can be prepaid or refinanced.
2. Prepayment Risk. To the extent the Securities, or a portion of the Securities, are not subject to a prepayment provision, the Issuer cannot prepay the Securities prior to their maturity date(s).
3. Closing Risk. If the Securities fail to attract an appropriate purchaser, or fail to be delivered at closing, the Issuer will not receive proceeds from the Securities.
4. Default Risk. If the Issuer fails to make the scheduled principal and/or interest payment(s) on the Securities in a timely manner, a default will occur, which negatively affects the Issuer's ability to get financing for other needs.
5. Tax Risk. If the opinion of bond counsel for the Securities identifies the Securities as tax-exempt or tax advantaged, and the IRS subsequently determines the Securities are taxable or ineligible for a tax credit, this determination could cause the IRS to change the designation of the Securities to taxable or to revoke the tax credits, resulting in potential adverse publicity, impairment of the Issuer's ability to issue municipal securities in the future, litigation from bondholders and others or a settlement agreement between the IRS and the Issuer resulting in a payment from the Issuer to the IRS to maintain the tax-exempt or tax advantaged status of the Securities. Potential causes of such a determination may include, but are not limited to the following: the Issuer does not spend the proceeds of the Securities in a timely manner, change in use of the project financed by the Securities and any other determination by the IRS that rules governing the issuance of tax-exempt obligations were violated.
6. Disclosure Risk. To the extent the SEC determines that a material fact was omitted from the Offering Documents or a material misstatement was made in the Offering Documents, the SEC could determine that the Issuer violated federal securities laws.

**SECTION III  
COOPERATION IN MEETING REGULATORY REQUIREMENTS**

The Issuer acknowledges that PMA has regulatory duties as municipal advisor to the Issuer, and the Issuer agrees to cooperate, and to cause its agents to cooperate, in carrying out these regulatory duties, including providing complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, the Issuer agrees that, to the extent the Issuer seeks to have PMA provide advice with regard to any recommendation made by a third party in accordance with Section I.B.3, the Issuer will provide to PMA written direction to do so and any information it has received from such third party relating to its recommendation.

**SECTION IV  
TERM OF AGREEMENT**

The terms of this Agreement are effective as of the Effective Date and shall remain in effect, unless earlier terminated by PMA or at the direction of the Issuer pursuant to the following section, until the closing of the Securities. For only the services (i.e. continuing services) set forth in Section I.C., this Agreement may be renewed for a maximum of three (3) years beyond the Effective Date of this Agreement or any amendment to this Agreement as set forth in Section VIII.D at the Issuer's request for PMA to perform such services.

**SECTION V  
TERMINATION**

This Agreement may be terminated with or without cause by the Issuer upon prior written notice to PMA or by PMA upon at least thirty (30) days' prior written notice to the Issuer of the Party's intention to terminate, specifying in such notice the effective date of such termination. In the event the termination occurs before the Securities close, it is understood and agreed that no amounts are due to PMA for services provided or expenses incurred, unless otherwise stated in Section VI below. No penalty will be assessed for termination of this Agreement. The provisions of Section VII.B. shall survive any termination of this Agreement pursuant to this Section V or the expiration of the term of this Agreement pursuant to Section IV.

**SECTION VI  
COMPENSATION AND EXPENSE REIMBURSEMENT**

A. Compensation. The fees due to PMA for the Scope of Services set forth and described in Section I of this Agreement shall be \$6,000.00. Such fees, for which PMA is entitled to reimbursement, shall become due and payable concurrently with the delivery of the Securities to the purchaser. No fee shall be due from the Issuer to PMA unless the Securities close.

As set forth in PMA's *Municipal Advisor Disclosure Statement*, PMA notes that this Agreement may involve contingent based compensation subject to compensation based conflict. Also, we note how it relates to different structures or scenarios. For example, recommending a multi-issuance strategy versus a single issuance strategy could result in additional compensation for PMA and the application of minimum fees, if any. However, this recommendation would be made only if the benefits exceed the costs. Such benefits could include bank qualification, reduced negative arbitrage in the investment of bond proceeds and meeting the financial goals of the Issuer. Also, the additional compensation would be paid over time, subject to the retention of PMA for subsequent issuances.

B. Issuer Expenses.

1. Customary fees and expenses incident to a sale are payable by the Issuer. These fees and expenses, depending upon the final structure, can include fees for underwriter(s), bond counsel, local counsel,

disclosure counsel, rating agency, insurance premium, trustee/paying agency, competitive sale auction platform, escrow bidding agent and verification agent.

2. Customary fees and expenses incident to the preparation of the Offering Documents, such as overlapping debt and auditor's certificates, are payable by the Issuer. In the event PMA must pay these fees and expenses before the Securities close, the Issuer will be responsible for reimbursing PMA for the pre-paid fees and expenses.

## **SECTION VII DISCLOSURES**

A. Disclosures. The *Municipal Advisor Disclosure Statement*, and each delivery thereof, as provided from time to time, shall be incorporated by reference into this Agreement as of the date thereof to the same extent as if set forth herein. As set forth in the *Municipal Advisor Disclosure Statement*, PMA Securities, LLC is a broker-dealer and municipal advisor registered with the SEC and MSRB and is a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In these roles, PMA generally provides fixed income brokerage services and public finance services to institutional clients, including Municipal Advisory services and advice with respect to the investment of proceeds of municipal securities. PMA is affiliated with PMA Financial Network, LLC, a financial services provider, and PMA Asset Management, LLC, an investment adviser registered with the SEC (the "Advisory Affiliate"). These entities operate under common ownership with the Firm and are referred to in this disclosure as the "Affiliates." Each of these Affiliates also provides services to municipal entity clients. Unless otherwise stated, separate fees are charged for each of these products and services and referrals to its Affiliates result in an increase in revenue to the overall Affiliated companies.

PMA's duties, responsibilities, and fees arise from that as a municipal advisor to the Issuer in connection with the issuance of the Securities. PMA receives additional fees for the services used by the Issuer, if any, described in the paragraph above. The fees for these services arise from separate agreements with the Issuer and with institutions of which the Issuer may be a member.

Additional disclosures are required with the implementation of MSRB Rule G-42. PMA is required to provide the Issuer with disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history. By signing this Agreement, the Issuer acknowledges that PMA has provided the Issuer with the *Municipal Advisor Disclosure Statement*, which contains important disclosures on matters such as all material conflicts of interest and all legal and disciplinary events that are material to a client's evaluation of us relevant to our provision of municipal advisory services. This disclosure document will also specify the date of the last material change or addition to the legal or disciplinary event disclosures, if any, on any Form MA or Form MA-I that PMA files with the SEC and a brief explanation regarding the materiality of the change or addition.

B. Scope of Liability. PMA, at all times, will act in good faith with respect to its Services under this Agreement. The Issuer agrees that PMA shall not be liable to the Issuer for any act or omission in connection with the performance of PMA's services hereunder, other than as a result of PMA's negligent acts or omissions, reckless conduct, intentional misconduct, bad faith, violation of applicable law or material breach of any of the material terms of this Agreement. PMA will have no duty, responsibility or liability under this Agreement as to any services identified in Section I.D. of this Agreement, relating to the services included in the Limitations on Services section. PMA shall not be responsible for any loss incurred by reason of any act or omission of the Issuer, or any member of the working group for the Securities. No recourse may be had against PMA for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of the Issuer arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action or other proceeding brought by or received from the IRS in connection with the Securities

or otherwise relating to the tax treatment of the Securities, or in connection with any opinion or certificate rendered by counsel or any other party.

It is understood that nothing herein shall in any way constitute a waiver or limitation of any of the obligations which PMA may have under federal securities laws or under applicable state law.

### **SECTION VIII MISCELLANEOUS**

A. Choice of Law. This Agreement shall be construed and given effect in accordance with the laws of the state in which the Issuer is located without regard to conflict of law principles.

B. Binding Effect: Assignment. This Agreement shall be binding upon and inure to the benefit of the Issuer and PMA, their respective successors and assigns; provided however, neither Party hereto may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other Party.

C. Prior Agreement or Documentation. Each Party acknowledges and agrees that the provisions of this Agreement modify and supersede any prior agreement or documentation with regards to the issuance of the Securities ("Prior Documentation"). The provision(s) set forth in this Agreement shall control in the event that any provision(s) of this Agreement conflict with any provision(s) contained in any Prior Documentation.

D. Entire Agreement. This instrument contains the entire agreement between the Parties relating to the rights herein granted and obligations herein assumed. Any oral or written representations or modifications concerning this Agreement shall be of no force or effect except for a subsequent modification in writing signed or acknowledged by each Party hereto. The form of this modification may include an email acknowledged by each Party. The Parties agree to amend or supplement this Agreement promptly to reflect any material changes or additions to the Agreement.

*[The remainder of this page is intentionally left blank.]*

PMA Securities, LLC

Independent School District No. 100  
(Wrenshall Public Schools)  
Carlton County, Minnesota

By: Michael Hart

Michael Hart  
Director, Public Finance

By<sup>(1)</sup>: J. Posta

JEFF POSTA  
Print Name

Date: 11/7/23

Title: Interim Superintendent

Date: 12/5/23

By: J. Davis  
Jim Davis (Dec 6, 2023 15:55 CST)

James O. Davis  
Chief Executive Officer

Date: Dec 6, 2023

- (1) By signing this Agreement, as representative of the Issuer, the representative acknowledges that he or she has the ability to bind the Issuer by contract with PMA and that he or she is not a party to a disclosed conflict.

**PMA Use Only:**

Reviewed: \_\_\_\_\_ Date: \_\_\_\_\_

Revised 3/2023

Bob Lewis  
Bob Lewis (Dec 6, 2023 16:07 CST)

Dec 6, 2023









# Wrenshall ISD 100 MA Agreement GO AAC 2024A district signed

Final Audit Report

2023-12-06

Created:	2023-12-06
By:	Public Finance (pfagreements@pmanetwork.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAOyz-lf79QQT67nyb2e7qHe3RTMqdMArM

## "Wrenshall ISD 100 MA Agreement GO AAC 2024A district signed" History

-  Document created by Public Finance (pfagreements@pmanetwork.com)  
2023-12-06 - 7:04:02 PM GMT- IP address: 208.176.43.170
-  Document emailed to Jim Davis (jdavis@pmanetwork.com) for signature  
2023-12-06 - 7:04:41 PM GMT
-  Email viewed by Jim Davis (jdavis@pmanetwork.com)  
2023-12-06 - 9:54:58 PM GMT- IP address: 104.47.58.126
-  Document e-signed by Jim Davis (jdavis@pmanetwork.com)  
Signature Date: 2023-12-06 - 9:55:09 PM GMT - Time Source: server- IP address: 73.22.202.40
-  Document emailed to Bob Lewis (rlewis@pmanetwork.com) for signature  
2023-12-06 - 9:55:11 PM GMT
-  Email viewed by Bob Lewis (rlewis@pmanetwork.com)  
2023-12-06 - 10:07:18 PM GMT- IP address: 104.47.58.126
-  Document e-signed by Bob Lewis (rlewis@pmanetwork.com)  
Signature Date: 2023-12-06 - 10:07:25 PM GMT - Time Source: server- IP address: 208.176.43.170
-  Agreement completed.  
2023-12-06 - 10:07:25 PM GMT

**Preliminary Term Sheet**

**\$300,000\***

**INDEPENDENT SCHOOL DISTRICT NO. 100**

**CARLTON COUNTY, MINNESOTA**

**(WRENSHALL PUBLIC SCHOOLS)**

**GENERAL OBLIGATION AID ANTICIPATION CERTIFICATES OF INDEBTEDNESS, SERIES 2024A  
(THE “CERTIFICATES”)**

**Issuer:** Independent School District No. 100 (Wrenshall Public Schools) Carlton County, Minnesota (the “District”)

**Expected Award Date:** January 10, 2024

**Dated Date:** Date of Delivery

**Method of Sale:** Direct Placement

**Expected Delivery Date:** January 25, 2024

**Interest Payment Date:** The Certificates will pay interest at maturity. Interest is calculated on the basis of a 360-day year of twelve 30-day months.

**MATURITY SCHEDULE, AMOUNT, INTEREST RATE AND YIELD**

<u>Maturity</u> <u>(September 30)</u>	<u>Amount (\$)*</u>	<u>Rate (%)</u>	<u>Yield (%)</u>
2024	300,000		

**Purchaser:** \_\_\_\_\_

**Purchase Price:** \_\_\_\_\_

(Purchase price cannot be less than the par amount set forth above)

**Legal Opinion:** In the opinion of Kennedy and Graven, Chartered, Bond Counsel, based on existing law and assuming the accuracy of certain representations and compliance with certain covenants (the “Tax Covenants”), interest on the Certificates (i) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code, (iii) is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and (iv) is not an item of tax preference for Minnesota alternative minimum tax purposes. Interest on the Certificates may, however, be taken into account in determining adjusted financial statement

\*Preliminary, subject to change.

income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code) for tax years beginning after December 31, 2022, and is included, in net income for purposes of the Minnesota franchise tax imposed on corporations and financial institutions.

The Certificates are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

The Code establishes certain requirements that must be met after the issuance of the Certificates in order that interest on the Certificates be excluded from federal gross income and from Minnesota taxable net income of individuals, estates, and trusts. Noncompliance with these requirements could result in the inclusion of interest on the Certificates in gross income for federal income tax purposes and taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, or the Certificates failing to be qualified tax-exempt obligations, retroactive to the date of issuance of the Certificates. Compliance with the Tax Covenants will satisfy the current requirements of the Code with respect to exclusion of interest on the Certificates from federal gross income and from Minnesota taxable net income of individuals, estates, and trusts. No provision has been made for redemption of or for an increase in the interest rate on the Certificates in the event that interest on the Certificates is included in federal gross income or in Minnesota taxable net income.

Reference is made to Appendix A for the Proposed Form of Bond Counsel Opinion.

**Authority and Security:**

The Certificates are being issued pursuant to Minnesota Statutes, Chapter 475, as amended and Minnesota Statutes, Sections 126C.50 through 126C.56, as amended and a resolution approving (subject to satisfying certain parameters) the sale of the Certificates adopted by the School Board (the “Board”) of the District on December 18, 2023 (the “Certificate Resolution”). The proceeds will be used to provide funds (the “Funds”) to meet current cash flow obligations of the District and to cover a cash flow deficit in anticipation of receipt of state and federal aids to be distributed by or through the Minnesota Department of Education (the “Department”) during the July 1, 2023 to June 30, 2024 fiscal year (the “State Aids”), which are necessary for timely payment of

anticipated expenditures from the Funds. Such amount does not exceed 75% of the State Aids which are receivable by the District in such fiscal year as estimated by the Minnesota Commissioner of the Education. Federal arbitrage regulations allow the issuance of aid anticipation certificates up to a maximum projected cumulative one-month deficit plus 5% of the previous fiscal year's expenditures reduced by investment earnings after borrowing. See "Appendix C – Cash Flow Analysis" for detailed cash flows.

At closing, Bond Counsel will render an opinion that the Certificates are valid and binding general obligations of the District. The Certificates will be payable from the State Aids in the sum necessary to pay the principal and interest due on the Certificates at maturity. The District will create a debt service fund into which the aforementioned portion of the State Aids shall be placed for the payment of principal and interest on the Certificates, together with other school funds made available for such purpose. If the amount of the State Aids pledged is insufficient to pay principal and interest on the Certificates as they become due, the District is required to levy an ad valorem tax upon all the taxable property in the District without limitation as to rate or amount sufficient to make up any deficiency.

**Minnesota School District**

**Credit Enhancement Program:**

The District has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55, as amended ("Minnesota School District Credit Enhancement Program"), which, in general, provides for payment by the State of Minnesota (the "State") of the principal and interest on the Certificates when due in the event of a potential default by the School District.

**Bank Qualification:**

Yes

**Registrar/Paying Agent:**

Northland Trust Services, Inc. Minneapolis, Minnesota

**Registration:**

Physical registered certificates to be held in safe-keeping by the Purchaser.

**Purpose:**

Proceeds of the Certificates will be used to (i) provide moneys to meet the current operating expenses of the District and to cover a cash flow deficit in anticipation of aids to be received from or through the Department

for the current fiscal year, and (ii) pay certain costs associated with the issuance of the Certificates.

**Denomination:**

\$5,000 each or any integral multiples thereof.

**Municipal Advisor:**

PMA Securities, LLC of Albertville, Minnesota has been retained as municipal advisor (the “Municipal Advisor” or “PMA”) in connection with the issuance of the Certificates. In preparing this Term Sheet, the Municipal Advisor has relied upon the District, and other sources, having access to relevant data to provide accurate information for this Term Sheet. To the best of the Municipal Advisor’s knowledge, the information contained in this Term Sheet is true and accurate. However, the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

PMA is a broker-dealer and municipal advisor registered with the U.S. Securities and Exchange Commission (“Commission”) and Municipal Securities Rulemaking Board and is a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In these roles, PMA generally provides fixed income brokerage services and public finance services to municipal entity clients, including municipal advisory services and advice with respect to the investment of proceeds of municipal securities. PMA is affiliated with PMA Financial Network, LLC, a financial services provider, and PMA Asset Management, LLC, an investment adviser registered with the Commission. These entities operate under common ownership with PMA and are collectively referred to in this disclosure as the “Affiliates.” Each of these Affiliates also provides services to municipal entity clients and PMA and Affiliates market the services of the other Affiliates. Unless otherwise stated, separate fees are charged for each of these products and services and referrals to its Affiliates result in an increase in revenue to the overall Affiliated companies.

The Municipal Advisor’s duties, responsibilities, and fees in connection with this issuance arise solely from the services for which it is engaged to perform as municipal advisor on the Certificates. PMA’s compensation for serving as municipal advisor on the Certificates is conditional on successful closing of the Certificates. PMA receives additional fees for the services used by the District, if any, described in the paragraph above. The fees for these services arise from

separate agreements with the District and with institutions of which the District may be a member.

**Expenses:**

The District will pay for the Bond Counsel fee, Paying Agent fee, Municipal Advisor fee and County Auditor Certificate fee.

**Credit Rating:**

A credit rating will not be requested for the Certificates.

**Secondary Market Disclosure:**

The continuing disclosure requirements of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule") are not applicable to the Certificates because the aggregate principal amount of the Certificates is under \$1,000,000. Accordingly, no preliminary official statement or final official statement (within the meaning of the Rule) is being prepared, and the District has not undertaken to provide continuing disclosure with respect to the Certificates pursuant to the Rule.

**CERTIFICATION**

The winning proposer certifies to the District that it has knowledge and experience in financial and business matters, including the acquisition and holding of tax-exempt obligations, that it is capable of evaluating the merits and risks of purchasing the Certificates and is able to bear such risks and that it is buying the Certificates for its own account and not with a view to distribution of the Certificates.

By submitting a proposal, any proposer makes the representation that it understands Bond Counsel represents the District in the transaction and, if such proposer has retained Bond Counsel in an unrelated matter, such proposer represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such proposer any conflict of interest of Bond Counsel arising from any adverse position to the District in this matter. Such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the proposer and Bond Counsel.

This Official Term Sheet may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The proposer may also submit its proposal and terms on its own document.

**Authorized Party**

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Firm Name: \_\_\_\_\_

Phone #: \_\_\_\_\_

E-mail address: \_\_\_\_\_

The foregoing offer is hereby accepted this 10th day of January 2024 by the School Board of Independent School District No. 100 (Wrenshall Public Schools) Carlton County, Minnesota, and in recognition therefore is signed by the officials of the District empowered and authorized to make such acceptance.

Accepted on behalf of

INDEPENDENT SCHOOL DISTRICT NO. 100  
(WRENSHALL PUBLIC SCHOOLS) CARLTON COUNTY, MINNESOTA

By: \_\_\_\_\_  
School Board Officer

By: \_\_\_\_\_  
Superintendent

## FINANCIAL INFORMATION

The table below reflects the Assessors Estimated Market Value (“AEMV”) for real and personal property for 2022/2023.

	<u>Carlton County</u>	<u>Percentage</u>
Real Property.....	\$ 324,473,300	78.88%
Personal Property.....	86,855,800	21.12%
Total Valuation.....	\$ 411,329,100	100.00%

Source: Carlton County.

### **Breakdown of Valuations**

The table below reflects the Adjusted Taxable Net Tax Capacity for real and personal property for 2022/2023.

<u>Real Property</u>	<u>Carlton County</u>	<u>Percent of Net Tax Capacity</u>
Residential Homestead .....	\$ 1,340,703	25.93%
Agricultural .....	746,074	14.43
Commercial & Industrial.....	108,537	2.10
Public Utility .....	780,449	15.10
Railroad .....	127,356	2.46
Non-Homestead Residential .....	126,879	2.45
Commercial & Residential Seasonal / Recreational....	204,184	3.95
Personal Property .....	1,735,383	33.57
Subtotal .....	\$ 5,169,565	100.00%
Less:.....		
Captured Tax Increment Tax Capacity <sup>(1)</sup> .....	-	
Job Zone.....	-	
Power lines.....	-	
Fiscal Disparity Contribution Value.....	-	
Plus: Fiscal Disparity Distribution Value.....	-	
Total Taxable Net Tax Capacity .....	\$ 5,169,565	

<sup>(1)</sup> The captured tax increment value shown above represents the captured Net Tax Capacity of tax increment financing districts located in the District.

Source: Carlton County.

## Valuation Trends (Real and Personal Property)

The tables below reflect valuation trends over the past five (5) years.

Levy Year/ Collection Year	Assessor's Taxable Market Value	Assessor's Estimated Market Value	Sales Ratio <sup>(1)</sup>	Economic Market Value <sup>(2)</sup>
2018/2019	\$ 256,233,857	\$ 275,604,100	87.17%	\$ 299,317,364
2019/2020	252,389,888	272,420,500	90.97%	309,424,582
2020/2021	270,993,526	290,469,600	95.72%	314,289,971
2021/2022	286,855,457	306,498,700	84.51%	376,918,997
2022/2023	393,486,632	411,329,100	91.30%	469,856,171

<sup>(1)</sup> Sales Ratio Study for the year of assessment as posted by the Minnesota Department of Revenue, <https://www.revenue.state.mn.us/economic-market-values>. The District's sales ratio was calculated by comparing the selling prices with the AEMV.

<sup>(2)</sup> Economic Market Value for the year of assessment as posted by the Minnesota Department of Revenue, <https://www.revenue.state.mn.us/economic-market-values>. Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in the EMV for the District. Source: Carlton County and the Minnesota Department of Revenue.

Levy Year/ Collection Year	Net Tax Capacity <sup>(1)</sup>	Taxable Net Tax Capacity <sup>(2)</sup>	Adjusted Taxable Net Tax Capacity <sup>(3)</sup>
2018/2019	\$ 3,513,222	\$ 3,513,222	\$ 3,513,222
2019/2020	3,331,598	3,331,598	3,331,598
2020/2021	3,569,494	3,569,494	3,569,494
2021/2022	3,756,314	3,756,314	3,756,314
2022/2023	5,169,565	5,169,565	5,169,565

<sup>(1)</sup> Net Tax Capacity includes tax increment and job zone values.

<sup>(2)</sup> Taxable Net Tax Capacity does not include tax increment, power lines and job zone values. Does not include fiscal disparity distribution value.

<sup>(3)</sup> Adjusted Taxable Net Tax Capacity does not include tax increment, power lines and job zone values. Does include fiscal disparity distribution value.

Source: Carlton County.

## Tax Capacity Rates

The table below reflects tax capacity rates for taxing bodies within the District, including the District, for the past five (5) years.

Taxing Body	2018/2019 Tax Capacity Rates	2019/2020 Tax Capacity Rates	2020/2021 Tax Capacity Rates	2021/2022 Tax Capacity Rates	2022/2023 Tax Capacity Rates
The District.....	18.210%	31.837%	24.271%	30.014%	23.252%
Carlton County.....	83.529	85.057	82.593	82.608	67.220
City of Wrenshall.....	39.216	50.510	47.606	46.545	37.412
Town of Blackhoof.....	11.754	11.453	12.705	19.598	15.587
Town of Holyoke.....	24.637	27.459	25.985	22.962	17.591
Town of Silver Brook.....	4.235	4.754	4.448	4.260	3.432
Town of Twin Lakes.....	31.019	35.504	35.776	33.604	23.804
Town of Wrenshall.....	18.349	17.876	18.756	17.345	12.930
Town of Clear Creek.....	15.817	15.977	15.633	15.037	11.688
ARDC.....	0.175	0.181	0.176	0.173	0.138
The District-Referendum Value.....	0.164	0.176	0.145	0.158	0.100

Source: Carlton County.

## Tax Levies and Collections

The table below reflects tax levies and collections for the past five (5) years.

	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023<sup>(1)</sup></u>
Original Gross Tax Levy .....	\$ 982,211	\$ 1,413,328	\$ 1,180,556	\$ 1,491,726	\$ 1,515,367
Net Adjusted Tax Levy .....	\$ 958,463	\$ 1,361,846	\$ 1,135,831	\$ 1,421,790	\$ 1,439,927
Amount Collected during Collection Year .....	\$ 947,506	\$ 1,349,741	\$ 1,125,719	\$ 1,410,943	N/A
Percent of Net Tax Levy Collected in Collection Year ....	98.86%	99.11%	99.11%	99.24%	N/A
Amount Delinquent at End of Collection Year .....	\$ 10,957	\$ 12,105	\$ 10,112	\$ 10,847	N/A
Total Adjusted Delinquencies Outstanding .....	\$ 528	\$ 3,268	\$ 3,142	\$ 5,823	N/A
Adjusted Amount Collected .....	\$ 957,935	\$ 1,358,578	\$ 1,132,689	\$ 1,415,967	N/A
Percent of Net Tax Levy Collected to Date.....	99.94%	99.76%	99.72%	99.59%	N/A

<sup>(1)</sup> In progress.

Source: Carlton County.

## Largest Taxpayers

The table below reflects the 10 largest taxpayers within the District.

Name	Service	2022/2023 Taxable Market Value	2022/2023 Net Tax Capacity	Percent of Real Property to Net Tax Capacity (\$5,169,565) <sup>(1)</sup>
Enbridge Energy.....	Utility.....	\$ 65,589,900	\$ 1,311,031	25.36%
Northern Natural Gas Co.....	Utility.....	38,658,500	769,105	14.88%
Enbridge Energy LLC.....	Utility.....	13,136,400	262,728	5.08%
Burlington Northern Railroad.....	Railroad .....	6,424,800	127,926	2.47%
Great Lakes Gas.....	Utility.....	5,852,400	117,048	2.26%
Magellan Pipeline Terminals.....	Utility.....	2,568,000	50,515	0.98%
Magellan Pipeline Company.....	Utility.....	2,297,000	45,190	0.87%
Super D Leasing Corp Inc.....	Industrial/Rural Vacant Land.....	1,087,600	20,756	0.40%
United Power Association.....	Utility.....	522,900	10,331	0.20%
Minnesota Power.....	Utility.....	507,400	9,206	0.18%
Total.....			<u>\$ 2,723,836</u>	<u>27.33%</u>

<sup>(1)</sup> Before tax increment adjustments.

Source: Carlton County.

## SUMMARY OF DEBT AND DEBT STATISTICS

### Summary of Outstanding Debt

The table below reflects a summary of the outstanding debt of the District as of the closing of the Certificates. The following table does not include the Certificates.

Issue Description	Dated Date	Original Amount of Issue	Current Amount Outstanding	Final Maturity Date
General Obligation Facilities Maintenance Bonds, Series 2020A.....	04/09/20	\$ 9,240,000	\$ 8,700,000	02/01/40
General Obligation Facilities Maintenance Bonds, Series 2021A.....	05/06/21	965,000	905,000	02/01/37
General Obligation Facilities Maintenance and Tax Abatement Bonds, Series 2021B.....	10/14/21	3,670,000	3,550,000	02/01/41
Total .....			<u>\$ 13,155,000</u>	

## Debt Repayment Schedule

The table below reflects the maturity schedule for the outstanding debt of the District as of the closing of the Certificates. The following table does not include the Certificates.

	General Obligation Facilities Maintenance Bonds, Series	General Obligation Facilities Maintenance Bonds, Series	General Obligation Facilities Maintenance and Tax Abatement Bonds, Series 2021B
Issue:	2020A	2021A	
Dated:	4/9/2020	5/6/2021	10/14/2021
Par Amount:	\$9,240,000	\$965,000	\$3,670,000
Maturity:	Feb-01	Feb-01	Feb-01

Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Cumulative Amount	Retirement Percentage	Total Interest	Total Debt Service
2024	395,000	123,274	60,000	7,336	145,000	39,450	600,000	12,555,000	4.56%	170,060	770,060
2025	410,000	230,748	60,000	13,473	150,000	74,550	620,000	11,935,000	9.27%	318,770	938,770
2026	425,000	214,348	60,000	12,813	160,000	70,050	645,000	11,290,000	14.18%	297,210	942,210
2027	445,000	197,348	60,000	12,153	165,000	65,250	670,000	10,620,000	19.27%	274,750	944,750
2028	460,000	179,548	60,000	11,493	170,000	60,300	690,000	9,930,000	24.52%	251,340	941,340
2029	480,000	161,148	65,000	10,833	180,000	55,200	725,000	9,205,000	30.03%	227,180	952,180
2030	490,000	151,548	65,000	9,955	180,000	51,600	735,000	8,470,000	35.61%	213,103	948,103
2031	500,000	141,135	65,000	9,078	180,000	48,000	745,000	7,725,000	41.28%	198,213	943,213
2032	510,000	128,885	65,000	8,200	195,000	44,400	770,000	6,955,000	47.13%	181,485	951,485
2033	525,000	116,390	65,000	6,900	145,000	40,500	735,000	6,220,000	52.72%	163,790	898,790
2034	535,000	103,528	70,000	5,600	150,000	37,600	755,000	5,465,000	58.46%	146,728	901,728
2035	550,000	90,420	70,000	4,200	150,000	34,600	770,000	4,695,000	64.31%	129,220	899,220
2036	565,000	76,945	70,000	2,800	150,000	31,600	785,000	3,910,000	70.28%	111,345	896,345
2037	580,000	62,538	70,000	1,400	155,000	28,600	805,000	3,105,000	76.40%	92,538	897,538
2038	595,000	48,038	-	-	160,000	25,500	755,000	2,350,000	82.14%	73,538	828,538
2039	610,000	32,419	-	-	165,000	22,300	775,000	1,575,000	88.03%	54,719	829,719
2040	625,000	16,406	-	-	170,000	19,000	795,000	780,000	94.07%	35,406	830,406
2041	-	-	-	-	780,000	15,600	780,000	-	100.00%	15,600	795,600
	<u>\$ 8,700,000</u>	<u>\$ 2,074,661</u>	<u>\$ 905,000</u>	<u>\$ 116,231</u>	<u>\$ 3,550,000</u>	<u>\$ 764,100</u>	<u>\$ 13,155,000</u>			<u>\$ 2,954,993</u>	<u>\$ 16,109,993</u>

**Debt Statement**

The table below reflects the District’s Statutory Debt Limit and Statutory Debt Margin as of the closing of the Certificates.

Net Direct Debt <sup>(1)</sup> .....	\$13,155,000
Economic Market Value (2022/2023).....	\$469,856,171
Statutory Debt Limit (15% of Economic Market Value) <sup>(2)</sup> .....	\$70,478,425
Direct Debt Applicable to Debt Margin .....	\$13,155,000
Statutory Debt Margin .....	\$57,323,425

<sup>(1)</sup> Does not include the Certificates.

<sup>(2)</sup> Minnesota Statutes, Section 475.53, subdivision 4, states that a district may not incur or be subject to a net debt in excess of fifteen percent (15%) of its estimated market value or economic market value, whichever results in a higher value.

**Debt Ratios**

The table below reflects the District’s Net Direct Debt Per Capita as of the closing of the Certificates.

Economic Market Value (2022/2023).....	\$469,856,171
2020 Census Population.....	1,861
Net Direct Debt to Estimated Market Value.....	2.80%
Net Direct Debt Per Capita .....	\$7,069

**SHORT-TERM FINANCING RECORD**

The table below reflects the short-term borrowings for the District for the past five (5) years.

<u>Dated</u>	<u>Amount</u>	<u>Due</u>
January 25, 2023	\$ 500,000	September 30, 2023

**SUMMARY OF OPERATING RESULTS**

**General Fund Summary**

The table below reflects the District’s General Fund summary for the past five (5) years, with years ended June 30.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Receipts.....	\$ 4,623,303	\$ 4,781,466	\$ 5,039,484	\$ 5,309,205	\$ 5,169,154
Disbursements.....	<u>4,657,574</u>	<u>4,760,166</u>	<u>4,864,695</u>	<u>5,434,503</u>	<u>5,464,413</u>
Net Surplus (Deficit).....	(34,271) <sup>(1)</sup>	21,300	174,789	(125,298) <sup>(2)</sup>	(295,259) <sup>(2)</sup>
Transfers.....	(27,416)	(11,444)	-	-	-
Other Sources (Uses).....	-	105,266	-	35,938	799
Beginning Fund Balance.....	<u>311,956</u>	<u>250,269</u>	<u>365,391</u>	<u>540,180</u>	<u>450,820</u>
Ending Fund Balance.....	<u>\$ 250,269</u>	<u>\$ 365,391</u>	<u>\$ 540,180</u>	<u>\$ 450,820</u>	<u>\$ 156,360</u>

<sup>(1)</sup> Deficit due to a bus lease not originally included in the budget.

<sup>(2)</sup> Deficit due to declining enrollment.

Source: Compiled from the District’s Annual Financial Statements and Supplementary Information for fiscal years ended June 30, 2019-2023.

**General Fund Budget Summary**

The table below reflects the District’s 2023/2024 General Fund budget.

Beginning Fund Balance as of June 30, 2023.....	\$ 156,360
Revenues.....	5,313,053
Expenditures.....	<u>5,194,720</u>
Net Surplus (Deficit).....	<u>118,333</u>
Ending Fund Balance as of June 30, 2024.....	<u>\$ 274,693</u>

Source: The District.

**Form of Bond Counsel Opinion**

**Audited Financial Statements and Supplementary Information for the Fiscal Year  
Ended June 30, 2023**

The Financial Statements and Supplementary Information of the District contained in this Appendix B (the “Audit”), including the independent auditor’s report accompanying the Audit, has been prepared by Wipfli LLP, Duluth, Minnesota (the “Auditor”), and approved by formal action of the School Board of the District. The District has not requested the Auditor to update information contained in the Audit; nor has the District requested that the Auditor consent to the use of the Audit in this Term Sheet. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Term Sheet in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit.

**Cash Flow Analysis**

EXTRACT OF MINUTES OF MEETING  
OF THE SCHOOL BOARD OF  
INDEPENDENT SCHOOL DISTRICT NO. 100  
(WRENSHALL PUBLIC SCHOOLS)  
CARLTON COUNTY, MINNESOTA

Pursuant to due call and notice thereof, a regular meeting of the School Board of Independent School District No. 100 (Wrenshall Public Schools), Carlton County, Minnesota, was duly held in the School District on December 18, 2023, commencing at 6:00 o'clock p.m.

The following members were present:

and the following were absent:

Member \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION RELATING TO THE ISSUANCE AND SALE OF  
GENERAL OBLIGATION AID ANTICIPATION CERTIFICATES  
OF INDEBTEDNESS, SERIES 2024A, IN THE ORIGINAL  
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$300,000;  
FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING  
THEIR EXECUTION AND DELIVERY; AND PROVIDING FOR  
THEIR PAYMENT**

BE IT RESOLVED by the School Board (the "Board") of Independent School District No. 100 (Wrenshall Public Schools), Carlton County, Minnesota (the "District"), as follows:

Section 1. Findings, Determinations; Authorizations.

1.01 Background. It is hereby determined that:

(a) The District is authorized under the provisions of Minnesota Statutes, Chapter 475, as amended, and Sections 126C.50 through 126C.56, as amended (the "Act") to borrow money upon negotiable certificates of indebtedness for the purpose of anticipating state and federal aids for schools as estimated and certified by the Commissioner of Education (the "Commissioner").

(b) The aggregate amount of such borrowing may not exceed 75% of such aids which are receivable by the District during the period from July 1, 2023 to June 30, 2024 (the "School Year").

(c) The total of amount of state and federal school aids receivable by the District during the School Year, and not yet received by it, is not less than \$4,146,859.73 and reasonably expects to receive a certification of this amount from the Commissioner.

(d) The Board hereby finds and determines that it is necessary and desirable that the District issue, subject to the parameters described below, its General Obligation Aid Anticipation Certificates of Indebtedness, Series 2024A (the "Certificates"), in the original aggregate principal amount not to exceed \$300,000, pursuant to the Act, for the purpose of providing funds to meet the current and anticipated expenses and obligations of the District.

(e) Pursuant to Section 126C.56, subdivision 2 of the Act, the District is authorized to sell the Certificates other than pursuant to a competitive sale.

(f) The District has retained PMA Securities, LLC, (the "Municipal Advisor") to serve as the District's independent municipal advisor with respect to the issuance and sale of the Certificates. The actions of the District staff and the Municipal Advisor in offering the Certificates for sale are ratified and confirmed in all respects.

(g) The District hereby covenants and obligates itself to notify the Commissioner of a potential default in the payment of principal and interest on the Certificates and to use the provisions of Minnesota Statutes, Section 126C.55 (the "Credit Enhancement Act") to guarantee payment of the principal and interest on the Certificates when due. The District further covenants to deposit with the paying agent for the Certificates, or any successor paying agent, three (3) days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner that it will be unable to make all or a portion of that payment. The paying agent is authorized and directed to notify the Commissioner if it becomes aware of a potential default in the

payment of principal or interest on the Certificates or if, on the day two (2) business days prior to the date a payment is due on the Certificates, there are insufficient funds on deposit with the paying agent to make that payment. The District understands that as a result of its covenant to be bound by the provisions of the Credit Enhancement Act, the provisions of that section shall be binding as long as any Certificates of this issue remain outstanding. The District further covenants to comply with all procedures now and hereafter established by the Minnesota Departments of Management and Budget and Education pursuant to subdivision 2(c) of the Credit Enhancement Act and otherwise to take such actions as necessary to comply with that section. The Board Chair, Clerk, Treasurer, Superintendent, or Business Manager of the District are authorized to execute any applicable Minnesota Department of Education forms.

1.02. Sale of the Certificates; Parameters. On a date determined by the Municipal Advisor in consultation with the District, the Board will receive proposals presented in conformity with the terms of proposal, the terms of which are ratified and confirmed in all respects. If the true interest cost does not exceed six and one-half percent (6.50%), the par amount of the Certificates does not exceed \$300,000, and a favorable recommendation to accept the proposal is received from the Municipal Advisor, the Superintendent and any Board officer are authorized and directed to accept the proposal on behalf of the District, execute and deliver the proposal form of the purchaser so selected (the "Purchaser") in the form set forth in EXHIBIT A (the "Purchase Agreement") to this resolution (the "Resolution"), and issue and sell the Certificates pursuant to the Act and this Resolution. The authority to issue and sell the Certificates shall expire on February 29, 2024.

1.03. Optional Redemption. The Certificates are not subject to optional redemption.

## Section 2. Registration and Payment.

2.01. Registered Form. The Certificates shall be issued only in fully registered form. The interest thereon and, upon surrender of each Certificate, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Date. The Certificates shall be dated as of the date of original issue and issued forthwith on or after such date, numbered No. R-1 upward, in the denomination of \$5,000 each or any integral multiple thereof, and bear interest from the date of issue until paid at the annual rate set forth in the Purchase Agreement. The interest on the Certificates is payable to the registered owners of record thereof as of the close of business on the fifteenth day immediately preceding such interest payment date, whether or not that day is a business day.

2.03. Registration. The District shall appoint a bond registrar (the "Registrar"), authenticating agent (the "Authenticating Agent"), and paying agent (the "Paying Agent"). The effect of registration and the rights and duties of the District and the Registrar with respect thereto are as follows:

(a) Register. The Registrar must keep at its principal corporate trust office a bond register (the "Bond Register") in which the Registrar provides for the registration of ownership of Certificates and the registration of transfers and exchanges of Certificates entitled to be registered, transferred, or exchanged.

(b) Transfer of Certificates. Upon surrender for transfer of a Certificate duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Certificates of a like aggregate principal amount

and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Certificates. When Certificates are surrendered by the registered owner for exchange the Registrar shall authenticate and deliver one or more new Certificates of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. Certificates surrendered upon transfer or exchange shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the District.

(e) Improper or Unauthorized Transfer. When a Certificate is presented to the Registrar for transfer, the Registrar may refuse to transfer the Certificate until the Registrar is satisfied that the endorsement on the Certificate or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The District and the Registrar may treat the person in whose name a Certificate is registered in the Bond Register as the absolute owner of the Certificate, whether the Certificate is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Certificate and for all other purposes, and payments so made to a registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability upon the Certificate to the extent of the sum or sums so paid.

(g) Taxes, Fees, and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Certificates sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen, or Destroyed Certificates. If a Certificate becomes mutilated or is destroyed, stolen, or lost the Registrar shall deliver a new Certificate of like amount, number, maturity date, and tenor in exchange and substitution for and upon cancellation of the mutilated Certificate or in lieu of and in substitution for any Certificate destroyed, stolen, or lost upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Certificate destroyed, stolen, or lost, upon filing with the Registrar evidence satisfactory to it that the Certificate was destroyed, stolen, or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance, and amount satisfactory to it and as provided by law, in which both the District and the Registrar must be named as obligees. Certificates so surrendered to the Registrar shall be cancelled by the Registrar and evidence of such cancellation must be given to the District. If the mutilated, destroyed, stolen, or lost Certificate has already matured or been called for redemption in whole in accordance with its terms it is not necessary to issue a new Certificate prior to payment.

2.04. Appointment of Initial Registrar, Paying Agent, and Authenticating Agent. The District appoints Northland Trust Services, Inc., Minneapolis, Minnesota, as the initial Registrar, Paying Agent, and Authenticating Agent with respect to the Certificates. The Board Chair and the Clerk are authorized to execute and deliver, on behalf of the District, a contract with Northland Trust Services, Inc., as the initial Registrar, Paying Agent, and Authenticating Agent with respect to the Certificates. Upon merger or consolidation of the Registrar, Paying Agent, and Authenticating Agent with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar, Paying Agent, and Authenticating Agent. The District agrees to pay the reasonable

and customary charges of the Registrar, Paying Agent, and Authenticating Agent for the services performed. The District reserves the right to remove the Registrar, Paying Agent, or Authenticating Agent upon thirty (30) days' notice and upon the appointment of a successor Registrar, Paying Agent, or Authenticating Agent, in which event the predecessor Registrar, Paying Agent, or Authenticating Agent must deliver all cash and Certificates in its possession to the successor Registrar, Paying Agent, or Authenticating Agent and the Registrar must deliver the Bond Register to the successor Registrar. On or before three (3) business days prior to each principal or interest due date, without further order of the Board, the Treasurer must transmit to the Paying Agent money sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication, and Delivery. The Certificates shall be prepared under the direction of the Clerk and executed on behalf of the District by the signatures of the Board Chair and the Clerk, provided that those signatures may be printed, engraved, or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Certificates ceases to be such officer before the delivery of a Certificate, that signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Certificate shall not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Certificate has been duly executed by the manual signature of an authorized representative of the Authenticating Agent. Certificates of authentication on different Certificates need not be signed by the same representative of the Authenticating Agent. The executed certificate of authentication on a Certificate is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Certificates have been so prepared, executed, and authenticated the Clerk shall deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

2.06. Temporary Certificates. The District may elect to deliver in lieu of printed definitive Certificate one or more typewritten temporary Certificate in substantially the form set forth in EXHIBIT B such changes as may be necessary to reflect more than one maturity in a single temporary Certificate. Upon the execution and delivery of definitive Certificate the temporary Certificate will be exchanged therefor and cancelled.

Section 3. Form of Certificate.

3.01. Execution of the Certificates. The Certificate will be printed or typewritten in substantially the form attached hereto as EXHIBIT B.

3.02. Approving Legal Opinion. The Clerk is authorized and directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, and cause the opinion to accompany each Certificate.

Section 4. Payment; Security; Funds; Pledges and Covenants.

4.01. Debt Service Fund. The Certificates shall be payable from the Aid Anticipation Certificates of Indebtedness, Series 2024A Debt Service Fund (the "Debt Service Fund") hereby created, and the proceeds of state and federal school aids receivable by the District during the period July 1, 2023 to June 30, 2024, in the sum necessary to provide an amount equal to the principal of and interest due on the Certificates at maturity, are hereby pledged to the Debt Service Fund. The amounts to be applied to pay the principal of and interest on the Certificates shall be deposited in the Debt Service Fund at least three (3) business days prior to each respective interest payment date and principal payment date. There is appropriated to the Debt Service Fund amounts over the minimum purchase price of the Certificates paid by the Purchaser to the extent designated for deposit in the Debt Service Fund.

4.02. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Certificates, as the same respectively become due, the full faith and credit and taxing powers of the District are hereby irrevocably pledged. If a payment of principal of or interest on the Certificates becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the Treasurer must pay such principal or interest from the general fund of the District, and the general fund shall be reimbursed for those advances out of the proceeds of the taxes levied herein, when collected.

4.03. Debt Service Coverage. It is determined that the estimated state and federal school aids receivable by the District shall produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Certificates and that no tax levy is needed at this time. The Board shall, however, levy ad valorem taxes on all taxable property in the District in the event of any deficiency of the state and federal school aids pledged, which taxes may be levied without limitation as to rate or amount.

4.04. Registration of Resolution. The Clerk is authorized and directed to file a certified copy of this Resolution with the County Auditor/Treasurer of Carlton County, Minnesota and to obtain the certificate required by Section 475.63 of the Act.

Section 5. Authentication of Transcript.

5.01. District Proceedings and Records. The officers of the District are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Certificates certified copies of proceedings and records of the District relating to the Certificates and to the financial condition and affairs of the District, and such other certificates, affidavits, and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Certificates, and such instruments, including any heretofore furnished, shall be deemed representations of the District as to the facts stated therein.

5.02. No Official Statement or Prospectus. It is determined that no official statement or prospectus has been prepared or circulated by the District in connection with the sale of the Certificates and that the Purchaser has made its own investigations concerning the District as set forth in a certificate to be delivered at the time of issuance of the Certificates.

5.03. Other Certificates. The Board Chair, the Clerk, and the Treasurer, or any of their authorized designees, are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Certificates or the organization of the District or incumbency of its officers, at the closing the Board Chair, the Clerk, and the Treasurer shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Treasurer shall also execute and deliver a certificate as to payment for and delivery of the Certificates.

5.04. Payment of Costs of Issuance. On the closing date, the District authorizes the Purchaser to distribute the amount of Certificate proceeds allocable to the payment of issuance expenses as directed by the Municipal Advisor.

5.05. Electronic Signatures. The electronic signatures of the Board Chair, the Clerk, and the Treasurer, or any of their authorized designees, to this Resolution and any document or certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the District thereto. For purposes hereof, (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic

means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

Section 6. Tax Covenants.

6.01. Tax-Exempt Certificates. The District shall comply with all the necessary requirements and take all necessary actions (or decline to take prohibited actions) to ensure that interest on the Certificates shall not be includable in gross income for federal income tax purposes under Section 103 and Sections 141 through 150 of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable Treasury Regulations promulgated thereunder (the “Regulations”). The District covenants and agrees with the holders from time to time of the Certificates that it shall not take or permit to be taken by any of its officers, employees, or agents any action which would cause the interest on the Certificates to become subject to federal income taxation under the Code and the Regulations, in effect at the time of such actions, and that it shall take or cause its officers, employees, or agents to take all affirmative action within their powers that may be necessary to ensure that such interest shall not become includable in gross income for federal income tax purposes under the Code and applicable Regulations, as presently existing or as hereafter amended and made applicable to the Certificates.

6.02. Continuing Requirements. The District shall comply with all requirements necessary under the Code and Regulations to establish and maintain the exclusion from gross income of the interest on the Certificates under Sections 103 and 141-150 of the Code and applicable Regulations including, without limitation, requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Certificates, and the rebate of excess investment earnings to the United States. The Board Chair, the Clerk, and the Treasurer, being officers of the District charged with the responsibility for issuing the Certificates pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code and applicable Regulations stating the facts, estimates, and circumstances in existence on the date of issue and delivery of the Certificates which make it reasonable to expect that the “gross proceeds” of the Certificates will not be used in a manner that would cause the Certificates to be “arbitrage bonds” within the meaning of the Code and the Regulations. The District covenants and agrees to retain such records, make such determinations, file such reports and documents, and pay such amounts at such times as are required under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Certificates from gross income for federal income tax purposes, unless the Certificates qualify for an exception from the rebate requirement in accordance with one of the spending exceptions set forth in Section 1.148-7 or Section 1.148-8 of the Regulations. The District shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations and covenants made by this section.

6.03. Rebate. The District will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Certificates, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Certificates, and the rebate of excess investment earnings to the United States.

6.04. Not Private Activity Bonds. The District further covenants not to use the proceeds of the Certificates or to cause or permit them or any of them to be used, in such a manner as to cause the Certificates to be determined to constitute “private activity bonds,” within the meaning of Sections 103 and 141 through 150 of the Code and the applicable Regulations promulgated thereunder.

6.05. Qualified Tax-Exempt Obligations. The District hereby designates the Certificates as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. In order to qualify

the Certificates as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the District makes the following factual statements and representations:

- (a) the Certificates are not “private activity bonds” as defined in Section 141 of the Code;
- (b) the District designates the Certificates as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;
- (c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) which shall be issued by the District (and all subordinate entities of the District) during calendar year 2024 shall not exceed \$10,000,000; and
- (d) not more than \$10,000,000 of obligations issued by the District during calendar year 2024 shall be designated for purposes of Section 265(b)(3) of the Code.

Section 7. Defeasance. When all of the Certificates and all interest thereon have been discharged as provided in this section, all pledges, covenants, and other rights granted by this resolution to the holders of the Certificates shall cease, except that the pledge of the full faith and credit of the District for the prompt and full payment of the principal of and interest on the Certificates shall remain in full force and effect. The District may discharge all Certificates which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. If any Certificate should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

Section 8. Transfer Restrictions. The Certificates may only be transferred to: (i) an affiliate of the Purchaser; (ii) a “Bank” as defined in Section 3(a)(2) of the Securities Act of 1933 as amended (the “Securities Act”); (iii) an “Accredited Investor” as defined in Regulation D under the Securities Act; or (iv) a “Qualified Institutional Buyer” as defined in Rule 144A under the Securities Act.

(The remainder of this page is intentionally left blank).

The motion for the adoption of the foregoing resolution was duly seconded by \_\_\_\_\_ and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted.

**EXHIBIT A**  
**PURCHASE AGREEMENT**

**EXHIBIT B**

**FORM OF CERTIFICATE**

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF CARLTON  
INDEPENDENT SCHOOL DISTRICT NO. 100  
(WRENSHALL PUBLIC SCHOOLS)

GENERAL OBLIGATION AID ANTICIPATION CERTIFICATES OF INDEBTEDNESS  
SERIES 2024A

No. R- \_\_\_\_\_ \$ \_\_\_\_\_

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
0.000%	February 1, 20__	_____, 2024

REGISTERED OWNER:

PRINCIPAL AMOUNT:

Independent School District No. 100 (Wrenshall Public Schools), a duly organized and existing school district in Carlton County, Minnesota (the "District"), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the Principal Amount specified above, on the Maturity Date specified above, with interest thereon from the date hereof at the annual rate specified above (calculated on the basis of a 360 day year of twelve 30 day months), to the person in whose name this Certificate is registered at the close of business on the fifteenth day (whether or not a business day) immediately preceding such payment date. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by Northland Trust Services, Inc., Minneapolis, Minnesota, as Registrar, Paying Agent, and Authenticating Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the District have been and are hereby irrevocably pledged.

The Certificates are not subject to optional redemption prior to their stated maturities.

This Certificate is one of an issue in the aggregate principal amount of \$300,000, all of like original issue date and tenor, except as to number, maturity date, redemption privilege, and interest rate, all issued pursuant to a resolution adopted by the School Board of the District (the "Board") on December 18, 2023 (the "Resolution"), for the purpose of anticipating receipt of state and federal aid for schools to be distributed by or through the Minnesota Department of Education, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapter 475, as amended, and Minnesota Statutes, Sections 126C.50 through 126C.56, as amended. The principal hereof and interest hereon are payable from state and federal school aids, as set forth in the Resolution to which

reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the District are irrevocably pledged for payment of this Certificate and the Board has obligated itself to levy ad valorem taxes on all taxable property in the District in the event of any deficiency of state and federal school aids pledged, which taxes may be levied without limitation as to rate or amount. The Certificates of this series are issued only as fully registered Certificates in denominations of \$5,000 or any integral multiple thereof of single maturities.

The Board has designated the issue of Certificates of which this Certificate forms a part as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the disallowance of interest expense for financial institutions and within the \$10 million limit allowed by the Code for the calendar year of issue.

The District has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55, and to guarantee the payments of the principal of and interest on this Certificate when due, pursuant to said statute.

This Certificate is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Paying Agent as authenticating agent by manual signature of one of its authorized representatives.

As provided in the Resolution and subject to certain limitations set forth therein, this Certificate is transferable upon the books of the District at the principal office of the Registrar, by the registered owner hereof in person or by the owner’s attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner’s attorney; and may also be surrendered in exchange for Certificates of other authorized denominations. Upon such transfer or exchange the District shall cause a new Certificate or Certificates to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee, or governmental charge required to be paid with respect to such transfer or exchange.

The District and the Registrar may deem and treat the person in whose name this Certificate is registered as the absolute owner hereof, whether this Certificate is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the District nor the Registrar shall be affected by any notice to the contrary.

The Certificates may only be transferred to: (i) an affiliate of the Purchaser; (ii) a “Bank” as defined in Section 3(a)(2) of the Securities Act of 1933 as amended (the “Securities Act”); (iii) an “Accredited Investor” as defined in Regulation D under the Securities Act; or (iv) a “Qualified Institutional Buyer” as defined in Rule 144A under the Securities Act.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED, AND AGREED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen, and to be performed preliminary to and in the issuance of this Certificate in order to make this Certificate a valid and binding general obligation of the District in accordance with its terms, have been done, do exist, have happened, and have been performed as so required, and that the issuance of this Certificate does not cause the indebtedness of the District to exceed any constitutional or statutory limitation of indebtedness.

This Certificate is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, Independent School District No. 100 (Wrenshall Public Schools), Carlton County, Minnesota, by its School Board, has caused this Certificate to be executed on its behalf by the facsimile or manual signatures of the Board Chair and Clerk and has caused this Certificate to be dated as of the date set forth below.

Dated: \_\_\_\_\_, 2024

**INDEPENDENT SCHOOL DISTRICT NO. 100  
(WRENSHALL PUBLIC SCHOOLS), CARLTON  
COUNTY, MINNESOTA**

\_\_\_\_\_  
(Facsimile)  
Board Chair

\_\_\_\_\_  
(Facsimile)  
Clerk

\_\_\_\_\_  
**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates delivered pursuant to the Resolution mentioned within.

**NORTHLAND TRUST SERVICES, INC.**

By \_\_\_\_\_  
Its Authorized Representative

**ASSIGNMENT**

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Certificate and all rights thereunder, and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the said Certificate on the books kept for registration of the within Certificate, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Notice:           The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Certificate in every particular, without alteration or any change whatever.

Signature Guaranteed:

\_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signatures Program ("MSP") or other such "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STEMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

The Registrar will not transfer this Certificate unless the information concerning the assignee requested below is provided.

Name and Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(Include information for all joint owners if this Certificate is held by joint account.)

Please insert federal identification or other identifying number of assignee

\_\_\_\_\_

**PROVISIONS AS TO REGISTRATION**

The ownership of the principal of and interest on the within Certificate has been registered on the books of the Registrar in the name of the person last noted below.

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of Officer of Registrar</u>
January __, 2024	Federal ID # _____	_____

STATE OF MINNESOTA     )  
  )  
COUNTY OF CARLTON     ) ss.  
  )  
INDEPENDENT SCHOOL     )  
DISTRICT NO. 100        )

I, the undersigned, being the duly qualified Clerk of Independent School District No. 100 (Wrenshall Public Schools), Carlton County, Minnesota (the “District”), do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the School Board of the District held on the date specified above, with the original minutes on file in my office, and the extract is a full, true, and correct copy of the minutes insofar as they relate to the issuance and sale of the District’s General Obligation Aid Anticipation Certificates of Indebtedness, Series 2024A, in the original aggregate principal amount not to exceed \$300,000.

WITNESS My hand officially as such Clerk this \_\_\_\_\_ day of December, 2023.

\_\_\_\_\_  
Clerk of the School Board  
Independent School District No. 100  
(Wrenshall Public Schools), Carlton County, Minnesota

# Wrenshall Public School District No. 100

## Debt Levy Verification for Taxes Payable 2024

Issue Type	Series	Principal	Interest	Total
Facilities Maintenance-H&S	2020A	410,000.00	230,747.50	640,747.50
Facilities Maintenance-DM	2021A	60,000.00	13,472.50	73,472.50
Abatement	2021B	40,000.00	8,800.00	48,800.00
Facilities Maintenance-H&S	2021B	110,000.00	65,750.00	175,750.00
<b>Total</b>		<b>\$ 620,000.00</b>	<b>\$ 318,770.00</b>	<b>\$ 938,770.00</b>

Summary By Issue Type	Principal & Interest	Required Debt Service Levy (105%)
Abatement	48,800.00	51,240.00
Facilities Maintenance-H&S	816,497.50	857,322.38
Facilities Maintenance-DM	73,472.50	77,146.13
<b>Total</b>	<b>\$ 938,770.00</b>	<b>\$ 985,708.50</b>

Minnesota Department of Education  
 Levy Limitation and Certification Report  
 2023 Payable 2024

District Number-Type: 0100-01  
 District Name: Wrenshall Public School District  
 Home County: CARLTON

Date Printed: 12/13/23  
 Limits Updated: 11/28/23  
 Certified Submitted: 12/13/23

	<b>LIMIT</b>	<b>PROPOSED</b>	<b>CERTIFIED</b>
<b>SUBTOTALS BY LEVY CATEGORY</b>			
GENERAL - RMV VOTER	0.00	0.00	0.00
GENERAL - RMV OTHER	305,627.85	305,627.85	305,627.85
GENERAL - NTC VOTER	0.00	0.00	0.00
GENERAL - NTC OTHER	221,831.85	221,831.85	221,831.85
COMMUNITY SERVICE - NTC OTHER	26,555.10	26,555.10	26,555.10
GENERAL DEBT - NTC VOTER	0.00	0.00	0.00
GENERAL DEBT - NTC OTHER	959,097.31	959,097.31	959,097.31
OPEB DEBT - NTC VOTER	0.00	0.00	0.00
OPEB DEBT - NTC OTHER	0.00	0.00	0.00
<b>SUBTOTALS BY FUND</b>			
GENERAL FUND	527,459.70	527,459.70	527,459.70
COMMUNITY SERVICES FUND	26,555.10	26,555.10	26,555.10
GENERAL DEBT SERVICE FUND	959,097.31	959,097.31	959,097.31
OPEB/PENSION DEBT SERVICE FUND	0.00	0.00	0.00
<b>SUBTOTALS BY TAX BASE</b>			
REFERENDUM MARKET VALUE	305,627.85	305,627.85	305,627.85
NET TAX CAPACITY	1,207,484.26	1,207,484.26	1,207,484.26
<b>SUBTOTALS BY TRUTH IN TAXATION CATEGORY</b>			
VOTER APPROVED	0.00	0.00	0.00
OTHER	1,513,112.11	1,513,112.11	1,513,112.11
<b>TOTAL LEVY</b>			
TOTAL LEVY	1,513,112.11	1,513,112.11	1,513,112.11

The school district must submit the completed original of this form to the home county auditor by December 28, 2023. A duplicate form must be submitted to Minnesota Department of Education, School Finance Division, 400 NE Stinson Blvd., Minneapolis, MN 55413, by January 7, 2024.

The certified levy listed above is the levy voted by the school board for taxes payable in 2024.

Signature of School Board Clerk \_\_\_\_\_

Date of Certification \_\_\_\_\_



Adopted: \_\_\_\_\_  
Revised: \_\_\_\_\_

MSBA/MASA Model Policy 511  
Orig. 1995  
Rev. 2003

## **511 STUDENT FUNDRAISING**

### **I. PURPOSE**

The purpose of this policy is to address student fundraising efforts.

### **II. GENERAL STATEMENT OF POLICY**

The school board recognizes a desire and a need by some student organizations for fundraising. The school board also recognizes a need for some constraint to prevent fundraising activities from becoming too numerous and overly demanding on employees, students, and the general public.

### **III. RESPONSIBILITY**

- A. ~~The building administrators shall be responsible for developing recommendations to the superintendent that will result in a level of activity deemed acceptable by employees, parents, and students.~~ Fundraising must be conducted in a manner that will not result in embarrassment on the part of individual students, employees, or the school.
- B. All fundraising activities must be approved, in advance, by the administration. **Sports related fundraisers must be approved by the athletic director. All other fundraisers must be approved by the principal.** Participation in non approved activities shall be considered a violation of school district policy.
- C. ~~The superintendent shall be responsible for providing coordination of student fundraising throughout the school district as deemed appropriate.~~
- D. The school district expects all students who participate in approved fundraising activities to represent the school, the student organization, and the community in a responsible manner. All rules pertaining to student conduct and student discipline extend to student fundraising activities.
- E. The school district expects all employees who plan, supervise, coordinate, or participate in student fundraising activities to act in the best interests of the students and to represent the school, the student organization, and the community in a responsible manner.

### **IV. ANNUAL REPORT**

The superintendent shall report to the school board, at least annually, on the nature and scope of student fundraising activities approved pursuant to this policy.

**Legal References:** Minn. Stat. § 120A.20 (Admission to Public School)  
Minn. Stat. § 123B.09, Subd. 8 (Boards of Independent School Districts)  
Minn. Stat. § 123B.36 (Authorized Fees)

**Cross References:** MSBA/MASA Model Policy 506 (Student Discipline)  
MSBA/MASA Model Policy 713 (Student Activity Accounting)

**410 - Immediate Update - (MSBA Policy Update - Dec 2023)**  
**416 - Immediate Update (MSBA Policy Update - Dec 2023)**  
**416 FORMS - Immediate Update**  
**506 - Immediate Update (MSBA Policy Update - Dec 2023)**  
**511 - 3 Month Review**  
**607 - Immediate Update**  
**608 - Immediate Update**  
**609 - Immediate Update**  
**610 - Immediate Update**  
**611 - Immediate Update**  
**612.1 - Immediate Update**  
**614 - Immediate Update**  
**615 - Immediate Update**  
**623 - Immediate Update**  
**701 - Immediate Update**  
**701.1 - Immediate Update**  
**702 - Immediate Update**  
**703 - Immediate Update**  
**704 - Immediate Update**  
**705 - Immediate Update**  
**706 - Immediate Update**  
**707 - Immediate Update**  
**710 - Immediate Update**  
**711 - Immediate Update**  
**712 - Immediate Update**  
**713 - Immediate Update**  
**714 - Immediate Update**  
**740.1 - RECOMMEND WE PULL**  
**801 - Immediate Update**  
**801 FORM - Immediate Update**  
**802 - Immediate Update**  
**805 - Immediate Update**  
**807 - Immediate Update**  
**901 - Immediate Update**  
**902 - Immediate Update**  
**903 - Immediate Update**  
**905 - Immediate Update**  
**906 - Immediate Update**  
**907 - Immediate Update**

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 410

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2022

Rev. 2023

## **410 FAMILY AND MEDICAL LEAVE POLICY**

***[Note: School districts are required by statute to have a policy addressing these issues.]***

### **I. PURPOSE**

The purpose of this policy is to provide for family and medical leave to school district employees in accordance with the Family and Medical Leave Act of 1993 (FMLA) and also with parenting leave under state law.

### **II. GENERAL STATEMENT OF POLICY**

The following procedures and policies regarding family and medical leave are adopted by the school district, pursuant to the requirements of the FMLA and consistent with the requirements of the Minnesota parenting leave laws.

### **III. DEFINITIONS**

A. "Covered active duty" means:

1. in the case of a member of a regular component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country; and
2. in the case of a member of a reserve component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country under a call or order to active duty under a provision of law referred to in 10 United States Code section 101(a)(13)(B).

B. "Covered servicemember" means:

1. a member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness; or
2. a covered veteran who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness and who was a member of the Armed Forces, including a member of the National Guard or Reserves, and was discharged or released under conditions other than dishonorable, at any time during the period of five years preceding the first date the eligible employee takes FMLA leave to care for the covered veteran.

C. "Eligible employee" means an employee who has been employed by the school district for a total of at least 12 months and who has been employed for at least 1,250 hours of service during the 12-month period immediately preceding the commencement of the leave. An employee returning from fulfilling his or her Uniformed Services Employment and Reemployment Rights Act (USERRA)-covered service obligation shall be credited

with the hours of service that would have been performed but for the period of absence from work due to or necessitated by USERRA-covered service. In determining whether the employee met the hours of service requirement, and to determine the hours that would have been worked during the period of absence from work due to or necessitated by USERRA-covered service, the employee's pre-service work schedule can generally be used for calculations. While the 12 months of employment need not be consecutive, employment periods prior to a break in service of seven years or more may not be counted unless: (1) the break is occasioned by the employee's fulfillment of his or her USERRA-covered service obligation; or (2) a written agreement, including a collective bargaining agreement, exists concerning the school district's intention to rehire the employee after the break in service.

- D. "Military caregiver leave" means leave taken to care for a covered servicemember with a serious injury or illness.
  
- E. "Next of kin of a covered servicemember" means the nearest blood relative other than the covered servicemember's spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the covered servicemember by court decree or statutory provisions, brothers and sisters, grandparents, aunts and uncles, and first cousins, unless the covered servicemember has specifically designated in writing another blood relative as his or her nearest blood relative for purposes of military caregiver leave under the FMLA. When no such designation is made and there are multiple family members with the same level of relationship to the covered servicemember, all such family members shall be considered the covered servicemember's next of kin, and the employee may take FMLA leave to provide care to the covered servicemember, either consecutively or simultaneously. When such designation has been made, the designated individual shall be deemed to be the covered servicemember's only next of kin.
  
- F. "Outpatient status" means, with respect to a covered servicemember who is a current member of the Armed Forces, the status of a member of the Armed Forces assigned to:
  - 1. a military medical treatment facility as an outpatient; or
  - 2. a unit established for the purpose of providing command and control of members of the Armed Forces receiving care as outpatients.
  
- G. "Qualifying exigency" means a situation where the eligible employee seeks leave for one or more of the following reasons:
  - 1. to address any issues that arise from a short-notice deployment (seven calendar days or less) of a covered military member;
  - 2. to attend military events and related activities of a covered military member;
  - 3. to address issues related to childcare and school activities of a covered military member's child;
  - 4. to address financial and legal arrangements for a covered military member;
  - 5. to attend counseling provided by someone other than a health care provider for oneself, a covered military member, or his/her child;
  - 6. to spend up to 15 calendar days with a covered military member who is on short-term, temporary rest and recuperation leave during a period of

deployment;

7. to attend post-deployment activities related to a covered military member;
  8. to address care needs of a covered military member's parent who is incapable of self-care; and
  9. to address other events related to a covered military member that both the employee and school district agree is a qualifying exigency.
- H. "Serious health condition" means an illness, injury, impairment, or physical or mental condition that involves:
1. inpatient care in a hospital, hospice, or residential medical care facility; or
  2. continuing treatment by a health care provider.
- I. "Spouse" means a husband or wife. For purposes of this definition, husband or wife refers to the other person with whom an individual entered into marriage as defined or recognized under state law for purposes of marriage in the state in which the marriage was entered into or, in the case of a marriage entered into outside of any state, if the marriage is valid in the place where entered into and could have been entered into in at least one state. This definition includes an individual in a same-sex or common law marriage that either: (1) was entered into in a state that recognizes such marriages; or (2) if entered into outside of any state, is valid in the place where entered into and could have been entered into in at least one state.
- J. "Veteran" has the meaning given in 38 United States Code section 101.

#### **IV. LEAVE ENTITLEMENT**

- A. Twelve-week Leave under Federal Law
1. Eligible employees are entitled to a total of 12 work weeks of unpaid family or medical leave during the applicable 12-month period as defined below, plus any additional leave as required by law. Leave may be taken for one or more of the following reasons in accordance with applicable law:
    - a. birth of the employee's child and to care for such child;
    - b. placement of an adopted or foster child with the employee;
    - c. to care for the employee's spouse, son, daughter, or parent with a serious health condition;
    - d. the employee's serious health condition makes the employee unable to perform the functions of the employee's job; and/or
    - e. any qualifying exigency arising from the employee's spouse, son, daughter, or parent being on covered active duty, or notified of an impending call or order to covered active duty in the Armed Forces.
  2. For the purposes of this policy, "year" is defined as a rolling 12-month period measured backward from the date an employee's leave is to commence.

**[Note: An employer is permitted to choose any one of the following methods for determining the 12-month period in which the 12 weeks of FMLA leave entitlement occurs: (a) the calendar year; (b) any fixed 12-month leave year, such as a fiscal year, a year required by State law, or a year starting on an employee's anniversary date; (c) the 12-month period measured forward from the date any employee's first FMLA leave; or (d) a "rolling" 12-month period measured backward from the date an employee uses any FMLA leave. It is recommended, however, that school districts use the 12-month rolling measurement as it prevents employees from stacking 12-week leave entitlement that could occur if, for example, a calendar or fiscal year is utilized. Where a calendar, fiscal or similar period is used, an employee could use 12 weeks at the end of the period and then again at the beginning of the period, providing an entitlement to a leave of 24 consecutive weeks. If a school district changes its definition of a "year" in this policy, it must give employees notice of at least 60 days before implementing this change.]**

3. An employee's entitlement to FMLA leave for the birth, adoption, or foster care of a child expires at the end of the 12-month period beginning on the date of the birth or placement.
4. A "serious health condition" typically requires either inpatient care or continuing treatment by or under the supervision of a health care provider, as defined by applicable law. Family and medical leave generally is not intended to cover short-term conditions for which treatment and recovery are very brief.
5. A "serious injury or illness," in the case of a member of the Armed Forces, including a member of the National Guard or Reserves, means:
  - a. injury or illness that was incurred by the member in the line of duty on active duty in the Armed Forces or that existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty in the Armed Forces and that may render the member medically unfit to perform the duties of the member's office, grade, rank, or rating; and
  - b. in the case of a covered veteran who was a member of the Armed Forces, including a member of the National Guard or Reserves, at any time, during the period of five years preceding the date on which the veteran undergoes the medical treatment, recuperation, or therapy, means a qualifying injury or illness that was incurred by the member in the line of duty on active duty in the Armed Forces or that existed before the beginning of the member's active duty and was aggravated by service in the line of duty in the Armed Forces and that manifested itself before or after the member became a veteran, and is:
    - (1) a continuation of a serious injury or illness that was incurred or aggravated when the covered veteran was a member of the Armed Forces and rendered the servicemember unable to perform the duties of the servicemember's office, grade, rank, or rating; or
    - (2) a physical or mental condition for which the covered veteran has received a U.S. Department of Veterans Affairs Service-Related Disability (VASRD) rating of 50 percent or greater and such VASRD rating is based, in

whole or in part, on the condition precipitating the need for military caregiver leave; or

- (3) a physical or mental condition that substantially impairs the covered veteran's ability to secure or follow a substantially gainful occupation by reason of a disability or disabilities related to military service, or would do so absent treatment; or
  - (4) an injury, including a psychological injury, on the basis of which the covered veteran has been enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.
6. Eligible spouses employed by the school district are limited to an aggregate of 12 weeks of leave during any 12-month period for the birth and care of a newborn child or adoption of a child, the placement of a child for foster care, or to care for a parent. This limitation for spouses employed by the school district does not apply to leave taken: by one spouse to care for the other spouse who is seriously ill; to care for a child with a serious health condition; because of the employee's own serious health condition; or pursuant to Paragraph IV.A.1.e. above.
7. Depending on the type of leave, intermittent or reduced schedule leave may be granted in the discretion of the school district or when medically necessary. However, part-time employees are only eligible for a pro-rata portion of leave to be used on an intermittent or reduced schedule basis, based on their average hours worked per week. Where an intermittent or reduced schedule leave is foreseeable based on planned medical treatment, the school district may transfer the employee temporarily to an available alternative position for which the employee is qualified and which better accommodates recurring periods of leave than does the employee's regular position, and which has equivalent pay and benefits.
8. If an employee requests a leave for the serious health condition of the employee or the employee's spouse, child, or parent, the employee will be required to submit sufficient medical certification. In such a case, the employee must submit the medical certification within 15 days from the date of the request or as soon as practicable under the circumstances.
9. If the school district has reason to doubt the validity of a health care provider's certification, it may require a second opinion at the school district's expense. If the opinions of the first and second health care providers differ, the school district may require certification from a third health care provider at the school district's expense. An employee may also be required to present a certification from a health care provider indicating that the employee is able to return to work.
10. Requests for leave shall be made to the school district. When leave relates to an employee's spouse, son, daughter, parent, or covered servicemember being on covered active duty, or notified of an impending call or order to covered active duty pursuant to Paragraph IV.A.1.e. above, and such leave is foreseeable, the employee shall provide reasonable and practical notice to the school district of the need for leave. For all other leaves, employees must give 30 days' written notice of a leave of absence where practicable. The failure to

provide the required notice may result in a delay of the requested leave. Employees are expected to make a reasonable effort to schedule leaves resulting from planned medical treatment so as not to disrupt unduly the operations of the school district, subject to and in coordination with the health care provider.

11. The school district may require that a request for leave under Paragraph IV.A.1.e. above be supported by a copy of the covered military member's active duty orders or other documentation issued by the military indicating active duty or a call to active duty status and the dates of active duty service. In addition, the school district may require the employee to provide sufficient certification supporting the qualifying exigency for which leave is requested.
12. During the period of a leave permitted under this policy, the school district will provide health insurance under its group health plan under the same conditions coverage would have been provided had the employee not taken the leave. The employee will be responsible for payment of the employee contribution to continue group health insurance coverage during the leave. An employee's failure to make necessary and timely contributions may result in termination of coverage. An employee who does not return to work after the leave may be required, in some situations, to reimburse the school district for the cost of the health plan premiums paid by it.
13. The school district may request or require the employee to substitute accrued paid leave for any part of the 12-week period. Employees may be allowed to substitute paid leave for unpaid leave by meeting the requirements set out in the administrative directives and guidelines established for the implementation of this policy, if any. Employees eligible for leave must comply with the family and medical leave directives and guidelines prior to starting leave. The superintendent shall be responsible to develop directives and guidelines as necessary to implement this policy. Such directives and guidelines shall be submitted to the school board for annual review.

The school district shall comply with written notice requirements as set forth in federal regulations.

14. Employees returning from a leave permitted under this policy are eligible for reinstatement in the same or an equivalent position as provided by law. However, the employee has no greater right to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during the leave.

B. Twelve-week Leave under State Law

An employee who does not qualify for parenting leave under Paragraphs IV.A.1.a. or IV.A.1.b. above may qualify for a 12-week unpaid leave which is available to a biological or adoptive parent in conjunction with the birth or adoption of a child, or to a female employee for prenatal care or incapacity due to pregnancy, childbirth, or related health conditions. The length of the leave shall be determined by the employee but must not exceed 12 weeks unless agreed to by the school district. ~~The employee may qualify if he or she has worked for the school district for at least 12 months and has worked an average number of hours per week equal to one-half of the full time equivalent during the 12-month period immediately preceding the leave.~~ This leave is separate and exclusive of the family and medical leave described in the preceding paragraphs but may be reduced by any period of paid parental, disability, personal, or medical, or sick leave, or accrued vacation provided by the school district so that the total leave does

not exceed 12 weeks, unless agreed to by the school district, or leave taken for the same purpose under the FMLA. The leave taken under this section shall begin at a time requested by the employee. An employee who plans to take leave under this section must give the school district reasonable notice of the date the leave shall commence and the estimated duration of the leave. For leave taken by a biological or adoptive parent in conjunction with the birth or adoption of a child, the leave must begin within 12 months of the birth or adoption; except that, in the case where the child must remain in the hospital longer than the mother, the leave must begin within 12 months after the child leaves the hospital.

C. Twenty-six-week Servicemember Family Military Leave

1. An eligible employee who is the spouse, son, daughter, parent, or next of kin of a covered servicemember shall be entitled to a total of 26 work weeks of leave during a 12-month period to care for the servicemember. The leave described in this paragraph shall be available only during a single 12-month period. For purposes of this leave, the need to care for a servicemember includes both physical and psychological care.
2. During a single 12-month period, an employee shall be entitled to a combined total of 26 work weeks of leave under Paragraphs IV.A. and IV.C. above.
3. The 12-month period referred to in this section begins on the first day the eligible employee takes leave to care for a covered servicemember and ends 12 months after that date.
4. Eligible spouses employed by the school district are limited to an aggregate of 26 weeks of leave during any 12-month period if leave is taken for birth of the employee's child or to care for the child after birth; for placement of a child with the employee for adoption or foster care or to care for the child after placement; to care for the employee's parent with a serious health condition; or to care for a covered servicemember with a serious injury or illness.
5. The school district may request or require the employee to substitute accrued paid leave for any part of the 26-week period. Employees may be allowed to substitute paid leave for unpaid leave by meeting the requirements set out in the administrative directives and guidelines established for the implementation of this policy, if any. Employees eligible for leave must comply with the family and medical leave directives and guidelines prior to starting leave.
6. An employee will be required to submit sufficient medical certification issued by the health care provider of the covered servicemember and other information in support of requested leave and eligibility for such leave under this section within 15 days from the date of the request or as soon as practicable under the circumstances.
7. The provisions of Paragraphs IV.A.7., IV.A.10., IV.A.12., IV.A.13., and IV.A.14. above shall apply to leaves under this section.

**V. SPECIAL RULES FOR INSTRUCTIONAL EMPLOYEES**

- A. An instructional employee is one whose principal function is to teach and instruct students in a class, a small group, or an individual setting. This includes, but is not limited to, teachers, coaches, driver's education instructors, and special education assistants.

- B. Instructional employees who request foreseeable medically necessary intermittent or reduced work schedule leave greater than 20 percent of the workdays in the leave period may be required to:
  - 1. take leave for the entire period or periods of the planned medical treatment; or
  - 2. move to an available alternative position for which the employee is qualified, and which provides equivalent pay and benefits, but not necessarily equivalent duties.
  
- C. Instructional employees who request continuous leave near the end of a semester may be required to extend the leave through the end of the semester. The number of weeks remaining before the end of a semester does not include scheduled school breaks, such as summer, winter, or spring break.
  - 1. If an instructional employee begins leave for any purpose more than five weeks before the end of a semester and it is likely the leave will last at least three weeks, the school district may require that the leave be continued until the end of the semester.
  - 2. If the instructional employee begins leave for a purpose other than the employee's own serious health condition during the last five weeks of a semester, the school district may require that the leave be continued until the end of the semester if the leave will last more than two weeks or if the employee's return from leave would occur during the last two weeks of the semester.
  - 3. If the instructional employee begins leave for a purpose other than the employee's own serious health condition during the last three weeks of the semester and the leave will last more than five working days, the school district may require the employee to continue taking leave until the end of the semester.
  - 4. If the school district requires an instructional employee to extend leave through the end of a semester as set forth in this paragraph, only the period of leave until the employee is ready and able to return to work shall be charged against the employee's FMLA leave entitlement. Any additional leave required by the school district to the end of the school term is not counted as FMLA leave but as an unpaid or paid leave, to the extent the instructional employee has accrued paid leave available and the school district shall maintain the employee's group health insurance and restore the employee to the same or equivalent job, including other benefits, at the conclusion of the leave.

## **VI. OTHER**

- A. The provisions of this policy are intended to comply with applicable law, including the FMLA and applicable regulations. Any terms used from the FMLA will have the same meaning as defined by the FMLA and/or applicable regulations. To the extent that this policy is ambiguous or contradicts applicable law, the language of the applicable law will prevail.
  
- B. The requirements stated in the collective bargaining agreement between employees in a certified collective bargaining unit and the school district regarding family and medical leaves (if any) shall be followed.

**VII. DISSEMINATION OF POLICY**

- A. A poster prepared by the U.S. Department of Labor summarizing the major provisions of the Family and Medical Leave Act and informing employees how to file a complaint shall be conspicuously posted in each school district building in areas accessible to employees and applicants for employment.
- B. This policy will be reviewed at least annually for compliance with state and federal law.

**Legal References:** Minn. Stat. §§ 181.940-181.944 (Parenting Leave and Accommodations)  
10 U.S.C. § 101 *et seq.* (Armed Forces General Military Law)  
29 U.S.C. § 2601 *et seq.* (Family and Medical Leave Act)  
38 U.S.C. § 101 (Definitions)  
29 C.F.R. Part 825 (Family and Medical Leave Act)

**Cross References:** ~~MSBA School Law Bulletin "M" (Licensed and Non-Licensed School District Employee Leave)~~ None

Adopted: \_\_\_\_\_

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## **416 DRUG, ALCOHOL, AND CANNABIS TESTING**

***[Note: Drug, alcohol, and cannabis testing of school bus drivers and applicants is mandatory under federal law. The mandatory testing is described under Part III. of the policy. Drug and alcohol testing of other employees or drug and alcohol testing of school bus drivers beyond that mandated by federal law is optional and can be done under state law only if a policy containing provisions, such as the provisions of Part IV. of this policy, is adopted. Cannabis testing of school employees and school bus drivers shall conform to federal and Minnesota law. To preserve the right to request or require school district employees who are not bus drivers and applicants to undergo cannabis testing or drug and/or alcohol testing or to require bus drivers to submit to testing that is not federally mandated, a school district should adopt Part IV. as part of its drug and alcohol testing policy.]***

### **I. PURPOSE**

- A. The school board recognizes the significant problems created by drug, alcohol, and cannabis use in society in general, and the public schools in particular. The school board further recognizes the important contribution that the public schools have in shaping the youth of today into the adults of tomorrow.
- B. The school board believes that a work environment free of drug, alcohol, and cannabis use will be not only safer, healthier, and more productive but also more conducive to effective learning. To provide such an environment, the purpose of this policy is to provide authority so that the school board may require all employees and/or job applicants to submit to drug, alcohol, and cannabis testing in accordance with the provisions of this policy and as provided in federal law and Minnesota Statutes, sections 181.950-181.957.

### **II. GENERAL STATEMENT OF POLICY**

- A. All school district employees and job applicants whose positions require a commercial driver's license will be required to undergo drug and alcohol testing and cannabis testing in accordance with federal law and the applicable provisions of this policy. The school district also may request or require that drivers submit to drug and alcohol testing and cannabis testing in accordance with the provisions of this policy and as provided in Minnesota Statutes, sections 181.950-181.957.
- B. The school district may request or require that any school district employee or job applicant, other than an employee or applicant whose position requires a commercial driver's license, submit to drug and alcohol testing and cannabis testing in accordance with the provisions of this policy and as provided in Minnesota Statutes, sections 181.950-181.957.
- C. The use, possession, sale, purchase, transfer, or dispensing of any drugs not medically prescribed, including medical cannabis, whether or not it has been prescribed for the employee, is prohibited on school district property (which includes school district vehicles), while operating school district vehicles or equipment, and at any school-sponsored program or event. Use of drugs that are not medically prescribed, including medical cannabis, whether or not it has been prescribed for the employee, is also

prohibited throughout the school or work day, including lunch or other breaks, whether or not the employee is on or off school district property. Employees under the influence of drugs that are not medically prescribed are prohibited from entering or remaining on school district property.

- D. The use, possession, sale, purchase, transfer, or dispensing of alcohol or cannabis is prohibited on school district property (which includes school district vehicles), while operating school district vehicles or equipment, and at any school-sponsored program or event. Use of alcohol or cannabis is also prohibited throughout the school or work day, including lunch or other breaks, whether or not the employee is on or off school district property. Employees under the influence of alcohol or cannabis are prohibited from entering or remaining on school district property.
- E. Any employee who violates this section shall be subject to discipline that includes, but is not limited to, immediate suspension without pay and immediate discharge.
- F. The school district may discipline, discharge, or take other adverse personnel action against an employee for cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product use, possession, impairment, sale, or transfer while an employee is working, on school district premises, or operating a school district vehicle, machinery, or equipment as follows:
  - 1. if, as the result of consuming cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product, the employee does not possess that clearness of intellect and control of self that the employee otherwise would have;
  - 2. if cannabis testing verifies the presence of cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product following a confirmatory test;
  - 3. as provided in the school district's written work rules for cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products and cannabis testing, provided that the rules are in writing and in a written policy that contains the minimum information required by section 181.952; or
  - 4. as otherwise authorized or required under state or federal law or regulations, or if a failure to do so would cause the school district to lose a monetary or licensing-related benefit under federal law or regulations.

### **III. FEDERALLY MANDATED DRUG AND ALCOHOL TESTING FOR SCHOOL BUS DRIVERS**

#### **A. General Statement of Policy**

All persons subject to commercial driver's license requirements shall be tested for alcohol, cannabis (including medical cannabis), cocaine, amphetamines, opiates (including heroin), and phencyclidine (PCP), pursuant to federal law. Drivers who test positive for alcohol or drugs shall be subject to disciplinary action, which may include termination of employment.

#### **B. Definitions**

- 1. "Actual Knowledge" means actual knowledge by the school district that a driver has used alcohol or controlled substances based on: (a) direct observation of

the employee's use (not observation of behavior sufficient to warrant reasonable suspicion testing); (b) information provided by a previous employer; (c) a traffic citation; or (d) an employee's admission, except when made in connection with a qualified employee self-admission program.

2. "Alcohol Screening Device" (ASD) means a breath or saliva device, other than an Evidential Breath Testing Device (EBT), that is approved by the National Highway Traffic Safety Administration and placed on its Conforming Products List for such devices.
3. "Breath Alcohol Technician" (BAT) means an individual who instructs and assists individuals in the alcohol testing process and who operates the EBT.
4. "Commercial Motor Vehicle" (CMV) includes a vehicle that is designed to transport 16 or more passengers, including the driver.
5. "Designated Employer Representative" (DER) means an employee authorized by the school district to take immediate action to remove employees from safety-sensitive duties, or cause employees to be removed from these covered duties, and to make required decisions in the testing and evaluation process. The DER receives test results and other communications for the school district.
6. "Department of Transportation" (DOT) means United States Department of Transportation.
7. "Direct Observation" means observation of alcohol or controlled substances use and does not include observation of employee behavior or physical characteristics sufficient to warrant reasonable suspicion testing.
8. "Driver" is any person who operates a CMV, including full-time, regularly employed drivers, casual, intermittent, or occasional drivers, leased drivers, and independent owner-operator contractors.
9. "Evidential Breath Testing Device" (EBT) means a device approved by the National Highway Traffic Safety Administration for the evidentiary testing of breath for alcohol concentration and placed on its Conforming Products List for such devices.
10. "Licensed Medical Practitioner" means a person who is licensed, certified, and/or registered, in accordance with applicable Federal, State, local, or foreign laws and regulations, to prescribe controlled substances and other drugs.
11. "Medical Review Officer" (MRO) means a licensed physician responsible for receiving and reviewing laboratory results generated by the school district's drug testing program and for evaluating medical explanations for certain drug tests.
12. "Refusal to Submit" (to an alcohol or controlled substances test) means that a driver: (a) fails to appear for any test within a reasonable time, as determined by the school district, consistent with applicable DOT regulations, after being directed to do so; (b) fails to remain at the testing site until the testing process is complete; (c) fails to provide a urine specimen or an adequate amount of saliva or breath for any DOT drug or alcohol test; (d) fails to permit the observation or monitoring of the driver's provision of a specimen in the case of a directly observed or monitored collection in a drug test; (e) fails to provide a sufficient breath specimen or sufficient amount of urine when directed and a

determination has been made that no adequate medical explanation for the failure exists; (f) fails or declines to take an additional test as directed by the school district or the collector; (g) fails to undergo a medical examination or evaluation, as directed by the MRO or the DER; (h) fails to cooperate with any part of the testing process (e.g., refuses to empty pockets when so directed by the collector, behaves in a confrontational way that disrupts the collection process, fails to wash hands after being directed to do so by the collector, fails to sign the certification on the forms); (i) fails to follow the observer's instructions, in an observed collection, to raise the driver's clothing above the waist, lower clothing and underpants, and to turn around to permit the observer to determine if the driver has any type of prosthetic or other device that could be used to interfere with the collection process; (j) possesses or wears a prosthetic or other device that could be used to interfere with the collection process; (k) admits to the collector or MRO that the driver adulterated or substituted the specimen; or (l) is reported by the MRO as having a verified adulterated or substituted test result. An applicant who fails to appear for a pre-employment test, who leaves the testing site before the pre-employment testing process commences, or who does not provide a urine specimen because he or she has left before it commences is not deemed to have refused to submit to testing.

13. "Safety-Sensitive Functions" are on-duty functions from the time the driver begins work or is required to be in readiness to work until relieved from work and all responsibility for performing work, and include such functions as driving, loading and unloading vehicles, or supervising or assisting in the loading or unloading of vehicles, servicing, repairing, obtaining assistance to repair, or remaining in attendance during the repair of a disabled vehicle.
14. "Screening Test Technician" (STT) means anyone who instructs and assists individuals in the alcohol testing process and operates an ASD.
15. "Stand Down" means the practice of temporarily removing an employee from performing safety-sensitive functions based only upon a laboratory report to the MRO of a confirmed positive test for a drug or drug metabolite, an adulterated test, or a substituted test before the MRO completes the verification process.
16. "Substance Abuse Professional" (SAP) means a qualified person who evaluates employees who have violated a DOT drug and alcohol regulation and makes recommendations concerning education, treatment, follow-up testing, and aftercare.

C. Policy and Educational Materials

***[Note: Federal regulations require that school districts provide materials to bus drivers explaining the school district's policies and procedures and the federal requirements with respect to the mandatory drug and alcohol testing of bus drivers. 49 Code of Federal Regulations, section 382.601. Most of the required information is contained within this model policy. Additional materials to be provided to employees are described in Paragraph 2. of Section C.]***

1. The school district shall provide a copy of this policy and procedures to each driver prior to the start of its alcohol and drug testing program and to each driver subsequently hired or transferred into a position requiring driving of a CMV.

2. The school district shall provide to each driver information required under Title 49 of the Code of Federal Regulations, including information concerning the effects of alcohol and controlled substances use on an individual's health, work, and personal life; signs and symptoms of an alcohol or controlled substance problem (the driver's or a coworker's); and available methods of intervening when an alcohol or controlled substance problem is suspected, including confrontation, referral to an employee assistance program, and/or referral to management.
3. The school district shall provide written notice to representatives of employee organizations that the information described above is available.
4. The school district shall require each driver to sign a statement certifying that the driver received a copy of the policy and materials. This statement should be in the form of Attachment A to this policy. The school district will maintain the original signed certificate and will provide a copy to the driver if the driver so requests.

***[Note: The federal regulations require a school district to obtain a signed statement from each driver certifying that he or she received a copy of these materials. 49 Code of Federal Regulations, section 382.601(d). The original signed certificate must be maintained by the school district and a copy may be provided to the driver.]***

D. Alcohol and Controlled Substances Testing Program Manager

***[Note: School districts are required by federal regulations to designate a person to answer driver questions about the policy and the education materials described in Section C. above and to notify the drivers of the designation. 49 Code of Federal Regulations, section 382.601(b)(1).]***

1. The program manager will coordinate the implementation, direction, and administration of the alcohol and controlled substances testing policy for bus drivers. The program manager is the principal contact for the collection site, the testing laboratory, the MRO, the BAT, the SAP, and the person submitting to the test. Employee questions concerning this policy shall be directed to the program manager.
2. The school district shall designate a program manager and provide written notice of the designation to each driver along with this policy.

E. Specific Prohibitions for Drivers

***[Note: The specific prohibitions for drivers are contained, in large part, in 49 Code of Federal Regulations, sections 382.201-382.215.]***

1. Alcohol Concentration. No driver shall report for duty or remain on duty requiring the performance of safety-sensitive functions while having an alcohol concentration of 0.04 or greater. Drivers who test greater than 0.04 will be taken out of service and will be subject to evaluation by a professional and retesting at the driver's expense.
2. Alcohol Possession. No driver shall be on duty or operate a CMV while the driver possesses alcohol.

3. On-Duty Use. No driver shall use alcohol while performing safety-sensitive functions.
4. Pre-Duty Use. No driver shall perform safety-sensitive functions within four (4) hours after using alcohol.
5. Use Following an Accident. No driver required to take a post-accident test shall use alcohol for eight (8) hours following the accident, or until the driver undergoes a post-accident alcohol test, whichever occurs first.
6. Refusal to Submit to a Required Test. No driver shall refuse to submit to an alcohol or controlled substances test required by post-accident, random, reasonable suspicion, return-to-duty, or follow-up testing requirements. A verified adulterated or substituted drug test shall be considered a refusal to test.
7. Use of Controlled Substances. No driver shall report for duty or remain on duty requiring the performance of safety-sensitive functions when the driver uses any controlled substance, except when the use is pursuant to instructions (which have been presented to the school district) from a licensed medical practitioner who is familiar with the driver's medical history and has advised the driver that the substance does not adversely affect the driver's ability to safely operate a CMV. Controlled substance includes medical cannabis, regardless of whether the driver is enrolled in the state registry program.
8. Positive, Adulterated, or Substituted Test for Controlled Substance. No driver shall report for duty, remain on duty, or perform a safety-sensitive function if the driver tests positive for controlled substances, including medical cannabis, or has adulterated or substituted a test specimen for controlled substances.
9. General Prohibition. Drivers are also subject to the general policies and procedures of the school district that prohibit possession, transfer, sale, exchange, reporting to work under the influence of drugs or alcohol, and consumption of drugs or alcohol while at work or while on school district premises or operating any school district vehicle, machinery, or equipment.

F. Other Alcohol-Related Conduct

***[Note: Consequences for drivers engaging in alcohol-related conduct are described in the federal regulations. 49 Code of Federal Regulations, section 382.505.]***

No driver found to have an alcohol concentration of 0.02 or greater but less than 0.04 shall perform safety-sensitive functions for at least twenty-four (24) hours following administration of the test. The school district will not take any action under this policy other than removal from safety-sensitive functions based solely on test results showing an alcohol concentration of less than 0.04 but may take action otherwise consistent with law and the policies of the school district.

G. Prescription Drugs/Cannabinoid Products

A driver shall inform the driver's supervisor if at any time the driver is using a controlled substance pursuant to a physician's prescription. The physician's instructions shall be presented to the school district upon request. Use of a prescription drug shall be allowed if the physician has advised the driver that the prescribed drug will not adversely affect

the driver's ability to safely operate a CMV. Use of medical cannabis is prohibited notwithstanding the driver's enrollment in the patient registry. Use of nonintoxicating cannabinoids or edible cannabinoid products is not a legitimate medical explanation for a confirmed positive test result for cannabis. MROs will verify a drug test confirmed as positive, even if a driver claims to have only used nonintoxicating cannabinoids or edible cannabinoid product.

H. Testing Requirements

**[Note: School districts must utilize the U.S. DOT Drug & Alcohol Clearinghouse ("Clearinghouse") to conduct pre-employment queries, annual queries, and reports regarding CDL holders who operate CMVs on public roads (including school bus drivers) and who are covered by the Federal Motor Carrier Safety Administration (FMCSA) Drug and Alcohol Testing Program. In addition to utilizing the Clearinghouse, school districts must continue to comply with the alcohol and controlled substance testing required under Title 49 of the Federal Regulations.]**

1. Pre-Employment Testing

**[Note: 49 Code of Federal Regulations, section 382.301 details the requirements for pre-employment testing.]**

- a. A driver applicant shall undergo testing for [alcohol and] controlled substances, including medical cannabis, before the first time the driver performs safety-sensitive functions for the school district.

**[Note: A school district is permitted, but not required, to conduct pre-employment testing for the use of alcohol. If a school district elects to require pre-employment testing for alcohol, it should include the bracketed text in Subparagraph a., above, and test all applicants uniformly.]**

- b. Tests shall be conducted only after the applicant has received a conditional offer of employment.
- c. To be hired, the applicant must test negative and must sign an agreement in the form of Attachment B to this policy, authorizing former employers to release to the school district all information on the applicant's alcohol tests with results of blood alcohol concentration of 0.04 or higher, or verified positive results for controlled substances, including medical cannabis, or refusals to be tested (including verified adulterated or substituted drug test results), or any other violations of DOT agency drug and alcohol testing regulations, or, if the applicant violated the testing regulations, documentation of the applicant's successful completion of DOT return-to-duty requirements (including follow-up tests), within the preceding two (2) years.

**[Note: Federal regulations require school districts to inquire about, obtain, and review alcohol and controlled substances information from prior employers pursuant to a driver's written authorization, prior to the time a driver performs safety-sensitive functions, if feasible. 49 Code of Federal Regulations, section 382.413, and 49 Code of Federal Regulations, section 40.25. If not feasible, school districts must not permit the employee to perform safety-sensitive functions for more**

***than thirty (30) days from the date a safety-sensitive function was performed unless the school districts make good faith efforts to obtain the information and to make a record of those efforts to be retained in the driver's qualification file.]***

- d. The applicant also must be asked whether he or she has tested positive, or refused to test, on any pre-employment drug or alcohol test administered by an employer to which the employee, during the last two (2) years, applied for, but did not obtain, safety-sensitive transportation work covered by DOT testing rules.
- e. Before employing a driver subject to controlled substances and alcohol testing, the school district must conduct a full pre-employment query of the federal Commercial Driver's License (CDL) Drug and Alcohol Clearinghouse ("Clearinghouse") to obtain information about whether the driver (1) has a verified positive, adulterated, or substituted controlled substances test result; (2) has an alcohol confirmation test with a concentration of 0.04 or higher; (3) has refused to submit to a test in violation of federal law; or (4) that an employer has reported actual knowledge that the driver used alcohol on duty, before duty, or following an accident in violation of federal law or used a controlled substance in violation of federal law. The applicant must give specific written or electronic consent for the school district to conduct the Clearinghouse full query (see Attachment C to this policy). The school district shall retain the consent for three (3) years from the date of the query.

2. Post-Accident Testing

***[Note: 49 Code of Federal Regulations, section 382.303, governs post-accident testing of drivers.]***

- a. As soon as practicable following an accident involving a CMV, the school district shall test the driver for alcohol and controlled substances, including medical cannabis, if the accident involved the loss of human life or if the driver receives a citation for a moving traffic violation arising from an accident which results in bodily injury or disabling damage to a motor vehicle.
- b. Drivers should be tested for alcohol use within two (2) hours and no later than eight (8) hours after the accident.
- c. Drivers should be tested for controlled substances, including medical cannabis, no later than thirty-two (32) hours after the accident.
- d. A driver subject to post-accident testing must remain available for testing, or shall be considered to have refused to submit to the test.
- e. If a post-accident alcohol test is not administered within two (2) hours following the accident, the school district shall prepare and maintain on file a record stating the reasons the test was not promptly administered and continue to attempt to administer the alcohol test within eight (8) hours.
- f. If a post-accident alcohol test is not administered within eight (8) hours

following the accident or a post-accident controlled substances test is not administered within thirty-two (32) hours following the accident, the school district shall cease attempts to administer the test, and prepare and maintain on file a record stating the reasons for not administering the test.

- g. The school district shall report drug and alcohol program violations to the Clearinghouse as required under federal law.

3. Random Testing

***[Note: 49 Code of Federal Regulations, section 382.305 governs random testing of drivers.]***

- a. The school district shall conduct tests on a random basis at unannounced times throughout the year, as required by the federal regulations.

***[Note: The Federal Highway Administration (FHWA) set the random alcohol selection and testing rate at 10% of the average number of driver positions and evaluates this minimum percentage each year. School districts can elect to stay at the 1998 level of 25% (or a higher percentage) if they do not want to monitor the minimum annual percentage rate set by the FHWA. The random controlled substances selection and testing rate has remained at 50% each year and has not been lowered to 25% as is possible under the regulations.]***

- b. The school district shall test for alcohol at a minimum annual percentage rate of 10% of the average number of driver positions, and for controlled substances, including medical cannabis, at a minimum annual percentage of 50%.
- c. The school district shall adopt a scientifically valid method for selecting drivers for testing, such as random number table or a computer-based random number generator that is matched with identifying numbers of the drivers. Each driver shall have an equal chance of being tested each time selections are made. Each driver selected for testing shall be tested during the selection period.
- d. Random tests shall be unannounced. Dates for administering random tests shall be spread reasonably throughout the calendar year.
- e. Drivers shall proceed immediately to the collection site upon notification of selection; provided, however, that if the driver is performing a safety-sensitive function, other than driving, at the time of notification, the driver shall cease to perform the function and proceed to the collection site as soon as possible.

4. Reasonable Suspicion Testing

***[Note: 49 Code of Federal Regulations, section 382.307 governs reasonable suspicion testing of drivers.]***

- a. The school district shall require a driver to submit to an alcohol test and/or controlled substances, including medical cannabis, test when a supervisor or school district official, who has been trained in accordance

with the regulations, has reasonable suspicion to believe that the driver has used alcohol and/or controlled substances, including medical cannabis, on duty, within four (4) hours before coming on duty, or just after the period of the work day. The test shall be done as soon as practicable following the observation of the behavior indicative of the use of controlled substances or alcohol.

- b. The reasonable suspicion determination must be based on specific, contemporaneous, articulable observations concerning the driver's appearance, behavior, speech, or body odors. The required observations for reasonable suspicion of a controlled substances violation may include indications of the chronic and withdrawal effects of controlled substances.
- c. Alcohol testing shall be administered within two (2) hours following a determination of reasonable suspicion. If it is not done within two (2) hours, the school district shall prepare and maintain a record explaining why it was not promptly administered and continue to attempt to administer the alcohol test within eight (8) hours. If an alcohol test is not administered within eight (8) hours following the determination of reasonable suspicion, the school district shall cease attempts to administer the test and state in the record the reasons for not administering the test.
- d. The supervisor or school district official who makes observations leading to a controlled substances reasonable suspicion test shall make and sign a written record of the observations within twenty-four (24) hours of the observed behavior or before the results of the drug test are released, whichever is earlier.

***[Note: 49 Code of Federal Regulations, sections 382.309, 40.23(d), and 40.305 govern return-to-duty testing.]***

- 5. Return-To-Duty Testing. A driver found to have violated this policy shall not return to work until an SAP has determined the employee has successfully complied with prescribed education and/or treatment and until undergoing return-to-duty tests indicating an alcohol concentration of less than 0.02 and a confirmed negative result for the use of controlled substances. The school district is not required to return a driver to safety-sensitive duties because the driver has met these conditions; this is a personnel decision subject to collective bargaining agreements or other legal requirements.

***[Note: 49 Code of Federal Regulations, sections 382.311, 40.307, and 40.309 govern follow-up testing.]***

- 6. Follow-Up Testing. When an SAP has determined that a driver is in need of assistance in resolving problems with alcohol and/or controlled substances, the driver shall be subject to unannounced follow-up testing as directed by the SAP for up to sixty (60) months after completing a treatment program.
- 7. Refusal to Submit and Attendant Consequences

***[Note: Consequences for refusals to submit to required drug and alcohol tests are addressed generally in 49 Code of Federal Regulations, sections 40.191, 40.261, and 382.211. They are more specifically***

**addressed in 49 Code of Federal Regulations, sections 382.501-382.507 and in 49 United States Code, section 521(b).]**

- a. A driver or driver applicant may refuse to submit to drug and alcohol testing.
- b. Refusal to submit to a required drug or alcohol test subjects the driver or driver applicant to the consequences specified in federal regulations as well as the civil and/or criminal penalty provisions of 49 United States Code, section 521(b). In addition, a refusal to submit to testing establishes a presumption that the driver or driver applicant would test positive if a test were conducted and makes the driver or driver applicant subject to discipline or disqualification under this policy.
- c. A driver applicant who refuses to submit to testing shall be disqualified from further consideration for the conditionally offered position.
- d. An employee who refuses to submit to testing shall not be permitted to perform safety-sensitive functions and will be considered insubordinate and subject to disciplinary action, up to and including dismissal. If an employee is offered an opportunity to return to a DOT safety-sensitive duty, the employee will be evaluated by an SAP and must submit to a return-to-duty test prior to being considered for reassignment to safety-sensitive functions.
- e. Drivers or driver applicants who refuse to submit to required testing will be required to sign Attachment D to this policy.

I. Testing Procedures

1. Drug Testing

***[Note: The Federal Drug Testing Custody and Control Form (CCF) must be used to document every urine collection required by the DOT drug testing program. 49 Code of Federal Regulations, section 40.45.]***

- a. Drug testing is conducted by analyzing a donor's urine specimen. Split urine samples will be collected in accordance with federal regulations. The donor will provide a urine sample at a designated collection site. The collection site personnel will then pour the sample into two sample bottles, labeled "primary" and "split," seal the specimen bottles, complete the chain of custody form, and prepare the specimen bottles for shipment to the testing laboratory for analysis. The specimen preparation shall be conducted in sight of the donor.
- b. If the donor is unable to provide the appropriate quantity of urine, the collection site person shall instruct the individual to drink up to forty (40) ounces of fluid distributed reasonably through a period of up to three (3) hours to attempt to provide a sample. If the individual is still unable to provide a complete sample, the test shall be discontinued and the school district notified. The DER shall refer the donor for a medical evaluation to determine if the donor's inability to provide a specimen is genuine or constitutes a refusal to test. For pre-employment testing, the school district may elect to not have a referral made, and revoke the employment offer.

- c. Drug test results are reported directly to the MRO by the testing laboratory. The MRO reports the results to the DER. If the results are negative, the school district is informed and no further action is necessary. If the test result is confirmed positive, adulterated, substituted, or invalid, the MRO shall give the donor an opportunity to discuss the test result. The MRO will contact the donor directly, on a confidential basis, to determine whether the donor wishes to discuss the test result. The MRO shall notify each donor that the donor has seventy-two (72) hours from the time of notification in which to request a test of the split specimen at the donor's expense. No split specimen testing is done for an invalid result.
- d. If the donor requests an analysis of the split specimen within seventy-two (72) hours of having been informed of a confirmed positive test, the MRO shall direct, in writing, the laboratory to provide the split specimen to another Department of Health and Human Services – SAMHSA certified laboratory for analysis. If the donor has not contacted the MRO within seventy-two (72) hours, the donor may present the MRO information documenting that serious illness, injury, inability to contact the MRO, lack of actual notice of the confirmed positive test, or other circumstances unavoidably prevented the donor from timely making contact. If the MRO concludes that a legitimate explanation for the donor's failure to contact him/her within seventy-two (72) hours exists, the MRO shall direct the analysis of the split specimen. The MRO will review the confirmed positive test result to determine whether an acceptable medical reason for the positive result exists. The MRO shall confirm and report a positive test result to the DER and the employee when no legitimate medical reason for a positive test result as received from the testing laboratory exists.
- e. If, after making reasonable efforts and documenting those efforts, the MRO is unable to reach the donor directly, the MRO must contact the DER who will direct the donor to contact the MRO. If the DER is unable to contact the donor, the donor will be suspended from performing safety-sensitive functions.
- f. The MRO may confirm the test as a positive without having communicated directly with the donor about the test results under the following circumstances:
  - (1) The donor expressly declines the opportunity to discuss the test results;
  - (2) The donor has not contacted the MRO within seventy-two (72) hours of being instructed to do so by the DER; or
  - (3) The MRO and the DER, after making and documenting all reasonable efforts, have not been able to contact the donor within ten (10) days of the date the confirmed test result was received from the laboratory.

2. Alcohol Testing

***[Note: The DOT Alcohol Testing Form (ATF) must be used for every DOT***

***alcohol test. 49 Code of Federal Regulations, section 40.225.]***

- a. The federal alcohol testing regulations require testing to be administered by a BAT using an EBT or an STT using an ASD. EBTs and ASDs can be used for screening tests but only EBTs can be used for confirmation tests.
- b. Any test result less than 0.02 alcohol concentration is considered a “negative” test.
- c. If the donor is unable to provide sufficient saliva for an ASD, the DER will immediately arrange to use an EBT. If the donor attempts and fails to provide an adequate amount of breath, the school district will direct the donor to obtain a written evaluation from a licensed physician to determine if the donor’s inability to provide a breath sample is genuine or constitutes a refusal to test.
- d. If the screening test results show alcohol concentration of 0.02 or higher, a confirmatory test conducted on an EBT will be required to be performed between fifteen (15) and thirty (30) minutes after the completion of the screening test.
- e. Alcohol tests are reported directly to the DER.

J. Driver/Driver Applicant Rights

1. All drivers and driver applicants subject to the controlled substances testing provisions of this policy who receive a confirmed positive test result for the use of controlled substances have the right to request, at the driver’s or driver applicant’s expense, a confirming retest of the split urine sample. If the confirming retest is negative, no adverse action will be taken against the driver, and a driver applicant will be considered for employment.

***[Note: The limitation on discharge in Paragraph 2., below, is contained solely in Minnesota law. State law is preempted by federal laws and regulations as it relates to drivers of commercial motor vehicles (such as bus drivers). See Minnesota Statutes section 221.031, subdivision 10. Nevertheless, school districts may decide to comply with the state law requirements for various reasons (such as to treat all school district employees equally since employees subject to testing only under state law are accorded these additional rights). Consultation with the school district’s legal counsel is recommended.]***

2. The school district will not discharge a driver who, for the first time, receives a confirmed positive drug or alcohol test UNLESS:
  - a. The school district has first given the employee an opportunity to participate in, at the employee’s own expense or pursuant to coverage under an employee benefit plan, either a drug or alcohol counseling or rehabilitation program, whichever is more appropriate, as determined by the school district after consultation with the SAP; and
  - b. The employee refuses to participate in the recommended program, or fails to successfully complete the program as evidenced by withdrawal before its completion or by a positive test result on a confirmatory test

after completion of the program.

- c. This limitation on employee discharge does not bar discharge of an employee for reasons independent of the first confirmed positive test result.

K. Testing Laboratory

The testing laboratory for controlled substances will be [***name, address, telephone number***], which is a laboratory certified by the Department of Health and Human Services – SAMHSA to perform controlled substances testing pursuant to federal regulations.

L. Confidentiality of Test Results

All alcohol and controlled substances test results and required records of the drug and alcohol testing program are considered confidential information under federal law and private data on individuals as that phrase is defined in Minnesota Statutes, chapter 13. Any information concerning the individual’s test results and records shall not be released without written permission of the individual, except as provided for by regulation or law.

M. Recordkeeping Requirements and Retention of Records

- 1. The school district shall keep and maintain records in accordance with the federal regulations in a secure location with controlled access.

***[Note: The federal recordkeeping requirements for school districts are detailed in the federal regulations, 49 Code of Federal Regulations, sections 382.401 et seq. and 40.331. The DOT publishes a guide to the recordkeeping requirements of mandatory drug and alcohol testing for persons with a commercial driver’s license as part of its Alcohol & Drugs: DOT Compliance Manual.]***

- 2. The required records shall be retained for the following minimum periods:

Basic records	5 years
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“Basic records” includes records of: (a) alcohol test results with concentration of 0.02 or greater; (b) verified positive drug test results; (c) refusals to submit to required tests (including substituted or adulterated drug test results); (d) SAP reports; (e) all follow-up tests and schedules for follow-up tests; (f) calibration documentation; (g) administration of the testing programs; and (h) each annual calendar year summary.

Information obtained from previous employers	3 years
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Alcohol and controlled substance collection procedures	2 years
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Negative and cancelled controlled substance tests	1 year
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Alcohol tests with less than 0.02 concentration	1 year
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Education and training records	indefinite
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“Education and training records” must be maintained while the individuals perform the functions which require training and for the two (2) years after ceasing to perform those functions.

3. Personal Information

Personal information about all individuals who undergo any required testing under this policy will be shared with the U.S. DOT Drug & Alcohol Clearinghouse ("Clearinghouse") as required under federal law, including:

- a. The name of the person tested;
- b. Any verified positive, adulterated, or substituted drug test result;
- c. Any alcohol confirmation test with a BAC concentration of 0.04 or higher;
- d. Any refusal to submit to any test required hereunder;
- e. Any report by a supervisor of actual knowledge of use as follows
  - i. Any on-duty alcohol use;
  - ii. Any pre-duty alcohol use;
  - iii. Any alcohol use following an accident; and
  - iv. Any controlled substance use.
- f. Any report from a substance abuse professional certifying successful completion of the return-to-work process;
- g. Any negative return-to-duty test; and
- h. Any employer's report of completion of follow-up testing.

N. Training

The school district shall ensure all persons designated to supervise drivers receive training. The designated employees shall receive at least sixty (60) minutes of training on alcohol misuse and at least sixty (60) minutes of training on controlled substances use. The training shall include physical, behavioral, speech, and performance indicators of probable misuse of alcohol and use of controlled substances. The training will be used by the supervisors to make determinations of reasonable suspicion.

O. Consequences of Prohibited Conduct and Enforcement

1. Removal. The school district shall remove a driver who has engaged in prohibited conduct from safety-sensitive functions. A driver shall not be permitted to return to safety-sensitive functions until and unless the return-to-duty requirements of federal DOT regulations have been completed.

2. Referral, Evaluation, and Treatment

- a. A driver or driver applicant who has engaged in prohibited conduct shall be provided a listing of SAPs readily available to the driver or applicant and acceptable to the school district.

***[Note: Subparagraphs b. and c., below, are based on the provisions of 49 Code of Federal Regulations, section 40.289.]***

- b. If the school district offers a driver an opportunity to return to a DOT

safety-sensitive duty following a violation, the driver must be evaluated by an SAP and the driver is required to successfully comply with the SAP's evaluation recommendations (education, treatment, follow-up evaluation(s), and/or ongoing services). The school district is not required to provide an SAP evaluation or any subsequent recommended education or treatment.

***[Note: School districts are not required to comply with state law governing drug and alcohol testing when the individuals are subject to the federal laws and regulations (i.e., bus drivers). If a school district, after consultation with legal counsel, chooses to comply voluntarily with these requirements, Subparagraph b., above, can be modified as follows:***

***b. The school district will offer a driver an opportunity to return to a DOT safety-sensitive duty following an employee's first positive test result on a confirmatory test if no reasons independent of the first test result for discharge exist. Otherwise, the school district may choose, but is not required, to provide an SAP evaluation or any subsequent recommended education or treatment.]***

- c. Drivers are responsible for payment for SAP evaluations and services unless a collective bargaining agreement or employee benefit plan provides otherwise.
- d. Drivers who engage in prohibited conduct also are required to comply with follow-up testing requirements.

3. Disciplinary Action

- a. Any driver who refuses to submit to post-accident, random, reasonable suspicion, or follow-up testing not only shall not perform or continue to perform safety-sensitive functions, but also may be subject to disciplinary action, which may include immediate suspension without pay and/or immediate discharge.
- b. Drivers who test positive with verification of a confirmatory test or are otherwise found to be in violation of this policy or the federal regulations shall be subject to disciplinary action, which may include immediate suspension without pay and/or immediate discharge.
- c. Nothing in this policy limits or restricts the right of the school district to discipline or discharge a driver for conduct which not only constitutes prohibited conduct under this policy but also violates the school district's other rules or policies.

P. Other Testing

The school district may request or require that drivers submit to cannabis testing or drug and alcohol testing other than that required by federal law. For example, drivers may be requested or required to undergo cannabis testing or drug and alcohol testing on an annual basis as part of a routine physical examination. Such additional testing of drivers will be conducted only in accordance with the provisions of this policy and as

provided in Minnesota Statutes, sections 181.950-181.957. For purposes of such additional, non-mandatory testing, drivers fall within the definition of "other employees" covered by Section IV. of this policy.

***[Note: When the testing of drivers complies with federal testing requirements and procedures, school districts clearly are exempt from the state drug and alcohol testing requirements in Minnesota Statutes, sections 181.950-181.957. See Minnesota Statutes, section 221.031, subdivision 10. When testing beyond the federally mandated requirements, however, school districts still must comply with state law.]***

Q. Report to Clearinghouse

The school district shall promptly submit to the Clearinghouse any record generated of an individual who refuses to take an alcohol or controlled substance test required under Title 49, Code of Federal Regulations, tests positive for alcohol or a controlled substance in violation of federal regulations, or violates subpart B of Part 382 of Title 49, Code of Federal Regulations (or any subsequent corresponding regulations).

R. Annual Clearinghouse Query

1. The school district must conduct a query of the Clearinghouse record at least once per year for information for all employees subject to controlled substance and alcohol testing related to CMV operation to determine whether information exists in the Clearinghouse about those employees. In lieu of a full query, the school district may obtain the individual driver's consent to conduct a limited query to satisfy the annual query requirement. The limited query will tell the employer whether there is information about the driver in the Clearinghouse but will not release that information to the employer. If the limited query shows that information exists in the Clearinghouse about the driver, the school district must conduct a full query within twenty-four (24) hours or must not allow the driver to continue to perform any safety-sensitive function until the employee conducts the full query and the results confirm the driver's Clearinghouse record contains no prohibitions showing the driver has a verified positive, adulterated or substitute controlled substance test, no alcohol confirmation test with a concentration of 0.04 or higher, refuses to submit to a test, or was reported to have used alcohol on duty, before duty, following an accident or otherwise used a controlled substance in violation of the regulations except where the driver completed the SAP evaluation, referral and education/treatment process as required by the regulations. The school district shall comply with the query requirements set forth in 49 Code of Federal Regulations 382.701.
2. The school district may not access an individual's Clearinghouse record unless the school district (1) obtains the individual's prior written or electronic consent for access to the record; and (2) submits proof of the individual's consent to the Clearinghouse. The school district must retain the consent for three (3) years from the date of the last query. The school district shall retain for three (3) years a record of each request for records from the Clearinghouse and the information received pursuant to the request.
3. The school district shall protect the individual's privacy and confidentiality of each Clearinghouse record it receives. The school district shall ensure that information contained in a Clearinghouse record is not divulged to a person or entity not directly involved in assessing and evaluating whether a prohibition applies with respect to the individual to operate a CMV for the school district.

4. The school district may use an individual's Clearinghouse record only to assess and evaluate whether a prohibition applies with respect to the individual to operate a CMV for the school district.

#### **IV. CANNABIS TESTING OR DRUG AND ALCOHOL TESTING FOR OTHER EMPLOYEES**

The school district may request or require drug and alcohol testing or cannabis testing for other school district personnel, i.e., employees who are not school bus drivers, or job applicants for such positions. The school district does not have a legal duty to request or require any employee or job applicant to undergo drug and alcohol testing or cannabis testing as authorized in this policy, except for school bus drivers and other drivers of CMVs who are subject to federally mandated testing. (See Section III. of this policy.) If a school bus driver is requested or required to submit to drug or alcohol testing beyond that mandated by federal law, the provisions of Section IV. of this policy will be applicable to such testing.

##### **A. Definitions**

1. "Cannabis testing" means the analysis of a body component sample according to the standards established under one of the programs listed in Minnesota Statutes, section 181.953, subdivision 1, for the purpose of measuring the presence or absence of cannabis flower, as defined in Minnesota Statutes, section 342.01, subdivision 16, cannabis products, as defined in section 342.01, subdivision 20, lower-potency hemp edibles as defined in section 342.01, subdivision 50, hemp-derived consumer products as defined in section 342.01, subdivision 37, or cannabis metabolites in the sample tested. The definitions in this section apply to cannabis testing unless stated otherwise.
2. "Confirmatory test" and "confirmatory retest" mean a drug or alcohol test that uses a method of analysis allowed under one of the programs listed in Minnesota Statutes, section 181.953, subdivision 1.
3. "Drug" means a controlled substance as defined in Minnesota Statutes, section 152.01, subdivision 4, but does not include marijuana, tetrahydrocannabinols, cannabis flower as defined in section 342.01, subdivision 16, cannabis products as defined in section 342.01, subdivision 20, lower-potency hemp edibles as defined in section 342.01, subdivision 50, and hemp-derived consumer products as defined in section 342.01, subdivision 37.
4. "Drug and Alcohol Testing," "Drug or Alcohol Testing," and "Drug or Alcohol Test" mean analysis of a body component sample by a testing laboratory that meets one of the criteria listed in Minnesota Statutes, section 181.953, subdivision 1, for the purpose of measuring the presence or absence of drugs, alcohol, or their metabolites in the sample tested. "Drug and alcohol testing," "drug or alcohol testing," and "drug or alcohol test" do not include cannabis or cannabis testing, unless stated otherwise.
5. "Employee" means a person, independent contractor, or person working for an independent contractor who performs services for compensation, in whatever form, for an employer.
6. "Initial screening test" means a drug or alcohol test or cannabis test which uses a method of analysis under one of the programs listed in Minnesota Statutes, section 181.953, subdivision 1.
7. "Job Applicant" means a person, independent contractor, or person working for

an independent contractor who applies to become an employee of the school district in a position that does not require a commercial driver's license, and includes a person who has received a job offer made contingent on the person's passing drug or alcohol testing. Job applicants for positions requiring a commercial driver's license are governed by the provisions of the school district's drug and alcohol testing policy relating to school bus drivers (Section III).

8. "Other Employees" means any persons, independent contractors, or persons working for an independent contractor who perform services for the school district for compensation, either full time or part time, in whatever form, except for persons whose positions require a commercial driver's license, and includes both professional and nonprofessional personnel. Persons whose positions require a commercial driver's license are primarily governed by the provisions of the district's drug and alcohol testing policy relating to school bus drivers (Section III.). To the extent that the drug and alcohol testing of persons whose positions require a commercial driver's license is not mandated by federal law and regulations, such testing shall be governed by Section IV. of this policy and the drivers shall fall within this definition of "other employees."
9. "Positive Test Result" means a finding of the presence of drugs, alcohol, or their metabolites in the sample tested in levels at or above the threshold detection levels contained in the standards of one of the programs listed in Minnesota Statutes, section 181.953, subdivision 1.
10. "Random Selection Basis" means a mechanism for selection of employees that:
  - a. results in an equal probability that any employee from a group of employees subject to the selection mechanism will be selected; and
  - b. does not give the school district discretion to waive the selection of any employee selected under the mechanism.
11. "Reasonable Suspicion" means a basis for forming a belief based on specific facts and rational inferences drawn from those facts.
12. "Safety-Sensitive Position" means a job, including any supervisory or management position, in which an impairment caused by drug, alcohol, or cannabis usage would threaten the health or safety of any person.

B. Circumstances Under Which Cannabis Testing or Drug or Alcohol Testing May Be Requested or Required; Exceptions

1. General Limitations

- a. The school district will not request or require an employee or job applicant whose position does not require a commercial driver's license to undergo drug or alcohol testing or cannabis testing, unless the testing is done pursuant to this policy; and is conducted by a testing laboratory that meets one of the criteria listed in Minnesota Statutes, section 181.953, subdivision 1.
- b. The school district will not request or require an employee or job applicant whose position does not require a commercial driver's license to undergo drug and alcohol testing or cannabis testing on an arbitrary

and capricious basis.

2. Cannabis Testing Exceptions

For the following positions, cannabis and its metabolites are considered a drug and subject to the drug and alcohol testing provisions in Minnesota Statutes, sections 181.950 to 181.957:

- a. a safety-sensitive position, as defined in Minnesota Statutes, section 181.950, subdivision 13;
- b. a position requiring face-to-face care, training, education, supervision, counseling, consultation, or medical assistance to children;
- c. a position requiring a commercial driver's license or requiring an employee to operate a motor vehicle for which state or federal law requires drug or alcohol testing of a job applicant or an employee;
- d. a position of employment funded by a federal grant; or
- e. any other position for which state or federal law requires testing of a job applicant or an employee for cannabis.

3. Job Applicant Testing

The school district may request or require any job applicant whose position does not require a commercial driver's license to undergo drug and alcohol testing, provided a job offer has been made to the applicant and the same test is requested or required of all job applicants conditionally offered employment for that position. If a job applicant has received a job offer that is contingent on the applicant's passing drug and alcohol testing, the school district may not withdraw the offer based on a positive test result from an initial screening test that has not been verified by a confirmatory test. In the event the job offer is subsequently withdrawn, the school district shall notify the job applicant of the reason for its action.

- a. The school district must not request or require a job applicant to undergo cannabis testing solely for the purpose of determining the presence or absence of cannabis as a condition of employment unless otherwise required by state or federal law.
- b. Unless otherwise required by state or federal law, the school district must not refuse to hire a job applicant solely because the job applicant submits to a cannabis test or a drug and alcohol test authorized by Minnesota law and the results of the test indicate the presence of cannabis.
- c. The school district must not request or require an employee or job applicant to undergo cannabis testing on an arbitrary or capricious basis.
- d. Cannabis testing authorized under paragraph (d) must comply with the safeguards for testing employees provided in Minnesota Statutes, sections 181.953 and 181.954.

4. Random Testing

The school district may request or require “other employees” to undergo cannabis testing or drug and alcohol testing on a random selection basis only if they are employed in safety-sensitive positions.

5. Reasonable Suspicion Testing

The school district may request or require any employee to undergo cannabis testing or drug and alcohol testing if the school district has a reasonable suspicion that the employee:

- a. is under the influence of cannabis, drugs, or alcohol;
- b. has violated the school district’s written work rules prohibiting the use, possession, sale, or transfer of drugs or alcohol, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products while the employee is working or while the employee is on the school district’s premises or operating the school district’s vehicles, machinery, or equipment;
- c. has sustained a personal injury, as that term is defined in Minnesota Statutes, section 176.011, subdivision 16, or has caused another employee to sustain a personal injury; or
- d. has caused a work-related accident or was operating or helping to operate machinery, equipment, or vehicles involved in a work-related accident.

6. Treatment Program Testing

The school district may request or require any employee to undergo cannabis testing and drug and alcohol testing if the employee has been referred by the school district for chemical dependency treatment or evaluation or is participating in a chemical dependency treatment program under an employee benefit plan, in which case the employee may be requested or required to undergo cannabis testing and drug and alcohol testing without prior notice during the evaluation or treatment period and for a period of up to two (2) years following completion of any prescribed chemical dependency treatment program.

7. Routine Physical Examination Testing

The school district may request or require any employee to undergo drug and alcohol testing as part of a routine physical examination provided the drug or alcohol test is requested or required no more than once annually and the employee has been given at least two weeks’ written notice that a drug or alcohol test may be requested or required as part of the physical examination.

C. No Legal Duty to Test

The school district does not have a legal duty to request or require any employee or job applicant whose position does not require a commercial driver’s license to undergo drug and alcohol testing.

D. Right of Other Employee or Job Applicant to Refuse Drug and Alcohol Testing and

#### Consequences of Such Refusal

1. Right of Other Employee or Job Applicant to Refuse Drug and Alcohol Testing

Any employee or job applicant whose position does not require a commercial driver's license has the right to refuse drug and alcohol testing subject to the provisions contained in Paragraphs 2. and 3. of Section IV.D.

2. Consequences of an Employee's Refusal to Undergo Drug and Alcohol Testing

Any employee in a position that does not require a commercial driver's license who refuses to undergo drug and alcohol testing in the circumstances set out in the Random Testing, Reasonable Suspicion Testing, and Treatment Program Testing provisions of this policy may be subject to disciplinary action, up to and including immediate discharge.

3. Consequences of a Job Applicant's Refusal to Undergo Drug and Alcohol Testing

Any job applicant for a position which does not require a commercial driver's license who refuses to undergo drug and alcohol testing pursuant to the Job Applicant Testing provision of this policy shall not be employed.

E. Reliability and Fairness Safeguards

1. Pretest Notice

Before requesting an employee or job applicant whose position does not require a commercial driver's license to undergo drug or alcohol testing or requesting cannabis testing, the school district shall provide the employee or job applicant with a Pretest Notice in the form of Attachment D to this policy on which to acknowledge that the employee or job applicant has received the school district's drug and alcohol testing or cannabis testing policy.

2. Notice of Test Results

Within three (3) working days after receipt of a test result report from the testing laboratory, the school district shall inform in writing an employee or job applicant who has undergone drug or alcohol testing or cannabis testing of a negative test result on an initial screening test or of a negative or positive test result on a confirmatory test.

3. Notice of and Right to Test Result Report

Within three (3) working days after receipt of a test result report from the testing laboratory, the school district shall inform in writing, an employee or job applicant who has undergone drug or alcohol testing of the employee or job applicant's right to request and receive from the school district a copy of the test result report on any drug or alcohol test or cannabis test.

4. Notice of and Right to Explain Positive Test Result

a. If an employee or job applicant has a positive test result on a confirmatory test, the school district shall provide the individual with notice of the test results and, at the same time, written notice of the right to explain the results and to submit additional information (see

Attachment G to this policy).

- b. The school district may request that the employee or job applicant indicate any over-the-counter or prescription medication that the individual is currently taking or has recently taken and any other information relevant to the reliability of, or explanation for, a positive test result.
- c. The employee may present verification of enrollment in the medical cannabis patient registry or of enrollment in a Tribal medical cannabis program as part of the employee's explanation.
- d. Use of nonintoxicating cannabinoids or edible cannabinoid products is not a legitimate medical explanation for a confirmed positive test result for cannabis. MROs will verify a drug test confirmed as positive, even if an employee claims to have only used nonintoxicating cannabinoids or edible cannabinoid product.
- e. Within three (3) working days after notice of a positive test result on a confirmatory test, an employee or job applicant may submit information (in addition to any information already submitted) to the school district to explain that result.

5. Notice of and Right to Request Confirmatory Retests

- a. If an employee or job applicant has a positive test result on a confirmatory test, the school district shall provide the individual with notice of the test results and, at the same time, written notice of the right to request a confirmatory retest of the original sample at his or her expense.
- b. An employee or job applicant may request a confirmatory retest of the original sample at his or her own expense after notice of a positive test result on a confirmatory test. Within five (5) working days after notice of the confirmatory test result, the employee or job applicant shall notify the school district in writing of his or her intention to obtain a confirmatory retest. Within three (3) working days after receipt of the notice, the school district shall notify the original testing laboratory that the employee or job applicant has requested the laboratory to conduct the confirmatory retest or to transfer the sample to another laboratory licensed under Minnesota Statutes, section 181.953, subdivision 1 to conduct the confirmatory retest. The original testing laboratory shall ensure that appropriate chain-of-custody procedures are followed during transfer of the sample to the other laboratory. The confirmatory retest must use the same drug, alcohol, or cannabis threshold detection levels as used in the original confirmatory test. If the confirmatory retest does not confirm the original positive test result, no adverse personnel action based on the original confirmatory test may be taken against the employee or job applicant.

- 6. If an employee or job applicant has a positive test result on a confirmatory test, the school district, at the time of providing notice of the test results, shall also provide written notice to inform the individual of other rights provided under Sections F. or G., below, whichever is applicable.

Attachments F and G to this policy provide the Notices described in Paragraphs 2. through 6. of this Section E.

F. Discharge and Discipline of Employees Whose Positions Do Not Require a Commercial Driver's License

1. The school district may not discharge, discipline, discriminate against, request, or require rehabilitation of an employee on the basis of a positive test result from an initial screening test that has not been verified by a confirmatory test.
2. In the case of a positive test result on a confirmatory test, the employee shall be subject to discipline which includes, but is not limited to, immediate suspension without pay and immediate discharge, pursuant to the provisions of this policy.
3. The school district may not discharge an employee for whom a positive test result on a confirmatory test was the first such result for the employee on a drug or alcohol test or cannabis test requested by the school district, unless the following conditions have been met:
  - a. The school district has first given the employee an opportunity to participate in, at the employee's own expense or pursuant to coverage under an employee benefit plan, either a drug, alcohol, or cannabis counseling or rehabilitation program, whichever is more appropriate, as determined by the school district after consultation with a certified chemical abuse counselor or a physician trained in the diagnosis and treatment of chemical dependency; and
  - b. The employee has either refused to participate in the counseling or rehabilitation program or has failed to successfully complete the program, as evidenced by withdrawal from the program before its completion or by a positive test result on a confirmatory test after completion of the program.
4. Notwithstanding Paragraph 1., the school district may temporarily suspend the tested employee or transfer that employee to another position at the same rate of pay pending the outcome of the confirmatory test and, if requested, the confirmatory retest, provided the school district believes that it is reasonably necessary to protect the health or safety of the employee, co-employees or the public. An employee who has been suspended without pay must be reinstated with back pay if the outcome of the confirmatory test or requested confirmatory retest is negative.
5. The school district may not discharge, discipline, discriminate against, request, or require rehabilitation of an employee on the basis of medical history information or the employee's status as a patient enrolled in the medical cannabis registry program revealed to the school district, unless the employee was under an affirmative duty to provide the information before, upon, or after hire, or failing to do so would violate federal law or regulations or cause the school district to lose money or licensing-related benefit under federal law or regulations.
6. The school district may not discriminate against any employee in termination, discharge, or any term of condition of employment or otherwise penalize an employee based upon an employee registered patient's positive drug test for

cannabis components or metabolites, unless the employee used, possessed, or was impaired by medical cannabis on school district property during the hours of employment.

7. An employee must be given access to information in the individual's personnel file relating to positive test result reports and other information acquired in the drug and alcohol testing process or cannabis testing process and conclusions drawn from and actions taken based on the reports or other acquired information.

G. Withdrawal of Job Offer for an Applicant for a Position That Does Not Require a Commercial Driver's License

If a job applicant has received a job offer made contingent on the applicant's passing drug and alcohol testing, the school district may not withdraw the offer based on a positive test result from an initial screening test that has not been verified by a confirmatory test. In the case of a positive test result on a confirmatory test, the school district may withdraw the job offer.

H. Chain-of-Custody Procedures

The school district has established its own reliable chain-of-custody procedures to ensure proper record keeping, handling, labeling, and identification of the samples to be tested. The procedures require the following:

1. Possession of a sample must be traceable to the employee from whom the sample is collected, from the time the sample is collected through the time the sample is delivered to the laboratory;
2. The sample must always be in the possession of, must always be in view of, or must be placed in a secure area by a person authorized to handle the sample;
3. A sample must be accompanied by a written chain-of-custody record; and
4. Individuals relinquishing or accepting possession of the sample must record the time the possession of the sample was transferred and must sign and date the chain-of-custody record at the time of transfer.

I. Privacy, Confidentiality and Privilege Safeguards

1. Privacy Limitations

A laboratory may only disclose to the school district test result data regarding the presence or absence of drugs, alcohol or their metabolites in a sample tested.

2. Confidentiality Limitations

With respect to employees and job applicants, test result reports and other information acquired in the drug or alcohol testing process are private data on individuals as that phrase is defined in Minnesota Statutes, chapter 13, and may not be disclosed by the school district or laboratory to another employer or to a third-party individual, governmental agency, or private organization without the written consent of the employee or job applicant tested.

3. Exceptions to Privacy and Confidentiality Disclosure Limitations

Notwithstanding Paragraphs 1. and 2., evidence of a positive test result on a confirmatory test may be: (1) used in an arbitration proceeding pursuant to a collective bargaining agreement, an administrative hearing under Minnesota Statutes, chapter 43A or other applicable state or local law, or a judicial proceeding, provided that information is relevant to the hearing or proceeding; (2) disclosed to any federal agency or other unit of the United States government as required under federal law, regulation or order, or in accordance with compliance requirements of a federal government contract; and (3) disclosed to a substance abuse treatment facility for the purpose of evaluation or treatment of the employee.

4. Privilege

Positive test results from the school district drug or alcohol testing program may not be used as evidence in a criminal action against the employee or job applicant tested.

J. Notice of Testing Policy to Affected Employees

The school district shall provide written notice of this drug, alcohol, and cannabis testing policy to all affected employees upon adoption of the policy, to a previously non-affected employee upon transfer to an affected position under the policy, and to a job applicant upon hire and before any testing of the applicant if the job offer is made contingent on the applicant's passing drug and alcohol testing. Affected employees and applicants will acknowledge receipt of this written notice in the form of Attachment H to this policy.

**V. POSTING**

The school district shall post notice in an appropriate and conspicuous location on its premises that it has adopted a drug and alcohol testing policy and that copies of the policy are available for inspection during regular business hours by its employees or job applicants in its personnel office or other suitable locations.

**Legal References:** Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)  
Minn. Stat. Ch. 43A (State Personnel Management)  
Minn. Stat. § 151.72 (Sale of Certain Cannabinoid Products)  
Minn. Stat. § 152.01 (Definitions)  
Minn. Stat. § 152.22 (Definitions; Medical Cannabis)  
Minn. Stat. § 152.23 (Limitations; Medical Cannabis)  
Minn. Stat. § 152.32 (Protections for Registry Program Participation)  
Minn. Stat. § 176.011, subd. 16 (Definitions; Personal Injury)  
Minn. Stat. §§ 181.950-181.957 (Drug and Alcohol Testing in the Workplace)  
Minn. Stat. § 221.031 (Motor Carrier Rules)  
49 U.S.C. § 31306 (Omnibus Transportation Employee Testing Act of 1991)  
49 U.S.C. 31306a (National Clearinghouse for Controlled Substance and Alcohol Test Results of Commercial Motor Vehicle Operators)  
49 U.S.C. § 521(b) (Civil and Criminal Penalties for Violations)  
49 C.F.R. Parts 40 (Department of Transportation Rules Implementing Omnibus Transportation Employee Testing Act of 1991)  
49 C.F.R. Part 382 (Controlled Substances and Alcohol Use and Testing)

**Cross-References:** MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)

MSBA/MASA Model Policy 406 (Public and Private Personnel Data)  
MSBA/MASA Model Policy 417 (Chemical Use and Abuse)  
MSBA/MASA Model Policy 418 (Drug-Free Workplace/Drug-Free School)

## ATTACHMENTS TO DRUG, ALCOHOL, AND CANNABIS TESTING POLICY

Attachments A through C are to be used in conjunction with the drug and alcohol testing of school bus drivers and driver applicants.

- Attachment A is a "**Driver Acknowledgment–Drug and Alcohol Testing Policy Materials**" form that should be used to document receipt of the policy and other materials by drivers and driver applicants. It is referred to in Article III., Section C., Paragraph 4. of the policy.
- Attachment B is a "**Bus Driver or Driver Applicant–Authorization to Release Information**" form. It is referred to in Article III., Section H., Paragraph 1. of the policy
- Attachment C is a "**Consent to Clearinghouse Full Query**" form. It is referred to in Article III, Section H, Paragraph e of the policy.
- Attachment D is a "**Bus Driver or Driver Applicant–Refusal to Submit to Testing**" form. It is referred to in Article III., Section H., Paragraph 8. of the policy.

Attachments E through H are to be used in conjunction with drug, cannabis, and alcohol testing of non-bus drivers and applicants.

- Attachment E is a "**Pretest Notice**" that must be provided to non-school bus driver employees or job applicants before requesting that the employee or job applicant undergo drug or alcohol testing. It is referred to in Article IV., Section E., Paragraph 1. of the policy.
- Attachment F is a "**Notice of Test Results and Various Rights**" which should be used by the District when notifying non-school bus driver employees or job applicants of test results and other rights. It is referred to in Article IV., Section E., Paragraph 6. of the policy.
- Attachment G is an "**Explanation of Positive Test Result**" form which should be used by the school district to request that the employee or job applicant submit information to the school district relevant to the reliability of, or explanation for, a positive test result. It is referred to in Article IV., Section E., Paragraph 4. of the policy.
- Finally, the District may wish to use Attachment H, entitled "**Acknowledgment–Drug Alcohol, and Cannabis Testing Policy,**" to document that written notice of the policy was given to all affected employees. It is referred to in Article IV., Section J. of the policy.

ATTACHMENT A

( D R A F T )

[TO BE PLACED ON SCHOOL DISTRICT LETTERHEAD]

**— DRIVER ACKNOWLEDGMENT —  
DRUG AND ALCOHOL TESTING POLICY AND MATERIALS**

I have received a copy of the Drug, Alcohol, and Cannabis Testing Policy of Independent School District No. \_\_\_\_\_, \_\_\_\_\_, Minnesota and have read it in its entirety. I understand that I am subject to the provisions of Article III of the policy, entitled Federally Mandated Drug and Alcohol Testing for School Bus Drivers, because the position involves operating a commercial motor vehicle and requires a commercial driver’s license.

The District’s policy was provided to me:

- Upon adoption of the policy (employee).
- Upon my hire (job applicant/new employee).
- After receipt of my conditional job offer, before any testing if my job offer is contingent upon my passing of drug and alcohol testing (job applicant).

I also received materials concerning the effects of alcohol and controlled substances use on an individual’s health, work, and personal life; signs and symptoms of an alcohol or controlled substance problem; and available methods of intervening when an alcohol or drug problem is suspected.

I have been advised that the Alcohol and Controlled Substances Testing Program Manager is \_\_\_\_\_ and that any questions I may have concerning the Policy should be directed to the Program Manager.

Dated: \_\_\_\_\_

\_\_\_\_\_  
*Signature of Employee/Applicant*

\_\_\_\_\_  
*Typed or Printed Name*

ATTACHMENT B

( D R A F T )

[TO BE PLACED ON SCHOOL DISTRICT LETTERHEAD]

— BUS DRIVER OR DRIVER APPLICANT —  
AUTHORIZATION TO RELEASE INFORMATION

Section I. To be completed by the school district, signed by the bus driver, or driver applicant, and transmitted to the previous employer:

Employee Printed or Typed Name: \_\_\_\_\_

Employee SS or ID Number: \_\_\_\_\_

I hereby authorize release of information from my Department of Transportation regulated drug and alcohol testing records by my previous employer, listed in Section I-B, to the employer listed in Section I-A. This release is in accordance with DOT Regulation 49 CFR Part 40, Section 40.25. I understand that information to be released in Section II-A by my previous employer, is limited to the following DOT-regulated testing items:

1. Alcohol tests with a result of 0.04 or higher;
2. Verified positive drug tests;
3. Refusals to be tested;
4. Other violations of DOT agency drug and alcohol testing regulations;
5. Information obtained from previous employers of a drug and alcohol rule violation;
6. Documentation, if any, of completion of the return-to-duty process following a rule violation.

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Section I-A.

School District Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_

Designated Employer Representative: \_\_\_\_\_

Section I-B.

Previous Employer Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

Designated Employer Representative (if known): \_\_\_\_\_

Section II. To be completed by the previous employer and transmitted by mail or fax to the new employer:

Section II-A. In the two years prior to the date of the employee's signature (in Section I), for DOT-regulated testing:

1. Did the employee have alcohol tests with a result of 0.04 or higher? YES \_\_\_ NO \_\_\_
2. Did the employee have verified positive drug tests? YES \_\_\_ NO \_\_\_
3. Did the employee refuse to be tested? YES \_\_\_ NO \_\_\_
4. Did the employee have other violations of DOT agency drug and alcohol testing regulations? YES \_\_\_ NO \_\_\_
5. Did a previous employer report a drug and alcohol rule violation to you? YES \_\_\_ NO \_\_\_
6. If you answered "yes" to any of the above items, did the employee complete the return-to-duty process? N/A \_\_\_ YES \_\_\_ NO \_\_\_

NOTE: If you answered "yes" to item 5, you must provide the previous employer's report. If you answered "yes" to item 6, you must also transmit the appropriate return-to-duty documentation (e.g., SAP report(s), follow-up testing record).

Section II-B.

Name of person providing information in Section II-A: \_\_\_\_\_

Title: \_\_\_\_\_

Phone #: \_\_\_\_\_

Date: \_\_\_\_\_

ATTACHMENT C

( D R A F T )

[TO BE PLACED ON SCHOOL DISTRICT LETTERHEAD]

— BUS DRIVER OR DRIVER APPLICANT —  
CONSENT TO SCHOOL DISTRICT CONDUCT  
OF CLEARINGHOUSE FULL QUERY

Before employing a driver subject to controlled substances and alcohol testing, the school district must conduct a full pre-employment query of the federal Commercial Driver's License (CDL) Drug and Alcohol Clearinghouse ("Clearinghouse") to obtain information about whether the driver

- (1) has a verified positive, adulterated, or substituted controlled substances test result;
- (2) has an alcohol confirmation test with a concentration of 0.04 or higher;
- (3) has refused to submit to a test in violation of federal law; or
- (4) that an employer has reported actual knowledge that the driver used alcohol on duty, before duty, or following an accident in violation of federal law or used a controlled substance in violation of federal law.

The applicant must give specific written or electronic consent for the school district to conduct the Clearinghouse full query. The school district shall retain the consent for three (3) years from the date of the query.

I consent to the school district's conduct of a Clearinghouse full query.

Dated: \_\_\_\_\_

\_\_\_\_\_  
*Signature of Applicant*

\_\_\_\_\_  
*Typed or Printed Name*

# ATTACHMENT D

**( D R A F T )**

**[TO BE PLACED ON SCHOOL DISTRICT LETTERHEAD]**

**— BUS DRIVER OR DRIVER APPLICANT —  
REFUSAL TO SUBMIT TO TESTING**

I hereby refuse to submit to drug/alcohol testing by doing the following:

- Failing to appear for any test within a reasonable time, as determined by the school district, consistent with applicable DOT regulations, after being directed to do so;
- Failing to remain at the testing site until the testing process is complete;
- Failing to provide a urine specimen or an adequate amount of saliva or breath for any DOT drug or alcohol test;
- Failing to permit the observation or monitoring of any provision of a specimen in the case of a directly observed or monitored collection in a drug test;
- Failing to provide a sufficient breath specimen or sufficient amount of urine when directed and it has been determined that there was no adequate medical explanation for the failure;
- Failing or declining to take a second test as directed;
- Failing to undergo a medical examination or evaluation, as directed by the Medical Review Officer (MRO) or the Designated Employer Representative (DER);
- Failing to cooperate with any part of the testing process (e.g., refusing to empty pockets when so directed by the collector, behaving in a confrontational way that disrupts the collection process, failing to wash hands after being directed to do so by the collector, failing to sign the certification on the form);
- Failing to follow the observer's instructions, in an observed collection, to raise the driver's clothing above the waist, lower clothing and underpants, and to turn around to permit the observer to determine if the driver has any type of prosthetic or other device that could be used to interfere with the collection process;
- Possessing or wearing a prosthetic or other device that could be used to interfere with the collection process;
- Admitting to the collector or MRO that the driver adulterated or substituted the specimen; or
- Having a verified adulterated or substituted test as reported by the MRO.

[An applicant who fails to appear for a preemployment test, who leaves the testing site before the preemployment testing process commences, or who does not provide a urine specimen because he or she left before it commences, is not deemed to have refused to submit to testing.]

I recognize that my refusal subjects me to the consequences specified in federal law and regulations. It also constitutes a presumption of a positive result. I further recognize that if I am an applicant, I will be disqualified from consideration for the conditionally-offered position. If I am an employee, I will not be permitted to perform safety-sensitive functions, and will be considered insubordinate and subject to disciplinary action, up to and including dismissal. If the school district offers me an opportunity to return to a DOT safety-sensitive function, I understand I will be evaluated by a substance abuse professional, and will be required to submit to a return-to-duty test prior to being considered for reassignment to safety-sensitive functions.

Date: \_\_\_\_\_

Time: \_\_\_\_\_

\_\_\_\_\_  
*Signature of Employee/Applicant*

Supervisor: \_\_\_\_\_

\_\_\_\_\_  
*Supervisor's Signature*

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Employee refusal to sign

*Supervisor's Initials:* \_\_\_\_\_

**ATTACHMENT E**

**( D R A F T )**

**[TO BE PLACED ON SCHOOL DISTRICT LETTERHEAD]**

**— PRETEST NOTICE —**

I, the undersigned employee/job applicant of Independent School District No. \_\_\_\_\_, \_\_\_\_\_, Minnesota ("School District") do hereby acknowledge that I have been provided a copy of the School District's Drug, Alcohol, and Cannabis Testing Policy.

Date: \_\_\_\_\_

\_\_\_\_\_  
*Signature of Employee/Job Applicant*

\_\_\_\_\_  
*Typed or Printed Name*

ATTACHMENT F

( D R A F T )

[TO BE PLACED ON SCHOOL DISTRICT LETTERHEAD]

[Employee Name]  
[Employee Address]

**RE: Drug, Alcohol, and/or Cannabis Test**  
**[Date of Testing]**

**NOTICE OF TEST RESULTS AND VARIOUS RIGHTS**

Test Results:

Independent School District No. \_\_\_\_\_, Minnesota has received the test result report from the testing laboratory:

- G Your initial screening test result was negative.
- G Your confirmatory test result was negative.
- G Your confirmatory test result was positive.

Test Result Report:

You have the right to request and receive from the school district a copy of the test result on any drug or alcohol test or cannabis test.

Right to Explain Positive Test Result:

In the case of a positive test result on a confirmatory test, you have the right to explain the results. You may, within three (3) working days after notice of a positive test result on a confirmatory test, submit information to the school district, in addition to any information already submitted, to explain that result. Attached to this Notice is a document entitled "Explanation of Positive Test Result" for this purpose.

Right to Request Confirmatory Retests:

In the case of a positive test result on a confirmatory test, you have the right to request a confirmatory retest of the original sample at your own expense.

Within five (5) working days after notice of the confirmatory test result, you must notify the school district in writing of your intention to obtain a confirmatory retest.

Within three (3) working days after receipt of the notice, the school district shall notify the original testing laboratory that you have requested the laboratory to conduct the confirmatory retest or to transfer the sample to another laboratory licensed under Minn. Stat. § 181.953, Subd. 1 to conduct the confirmatory retest. The original testing laboratory shall ensure that appropriate chain-of-custody procedures are followed during transfer of the sample to the other laboratory. The confirmatory retest must use the same drug, alcohol, or cannabis threshold detection levels as

used in the original confirmatory test. If the confirmatory retest does not confirm the original positive test result, no adverse personnel action based on the original confirmatory test may be taken against you.

Other Rights:

In the case of a positive test result on a confirmatory test, you may have other rights provided under the sections detailed below.

A. Employee Discharge and Discipline

1. The school district may not discharge, discipline, discriminate against, request, or require rehabilitation of an employee whose position does not require a commercial driver's license on the basis of a positive test result from an initial screening test that has not been verified by a confirmatory test.

In the case of a positive test result on a confirmatory test, the employee shall be subject to discipline which includes, but is not limited to, immediate suspension without pay and immediate discharge, pursuant to the provisions of this policy.

2. The school district may not discharge an employee whose position does not require a commercial driver's license for whom a positive test result on a confirmatory test was the first such result for the employee on a drug or alcohol test requested by the school district, unless the following conditions have been met:
  - a. The school district has first given the employee an opportunity to participate in, at the employee's own expense or pursuant to coverage under an employee benefit plan, either a drug or alcohol or cannabis counseling or rehabilitation program, whichever is more appropriate, as determined by the school district after consultation with a certified chemical use counselor or a physician trained in the diagnosis and treatment of chemical dependency; and
  - b. The employee has either refused to participate in the counseling or rehabilitation program or has failed to successfully complete the program, as evidenced by withdrawal from the program before its completion or by a positive test result on a confirmatory test after completion of the program.
3. Notwithstanding Paragraph 1., the school district may temporarily suspend the tested employee or transfer that employee to another position at the same rate of pay pending the outcome of the confirmatory test and, if requested, the confirmatory retest, provided the school district believes that it is reasonably necessary to protect the health or safety of the employee, co-employees or the public. An employee who has been suspended without pay must be reinstated with back pay if the outcome of the confirmatory test or requested confirmatory retest is negative.
4. The school district may not discharge, discipline, discriminate against, request, or require rehabilitation of an employee on the basis of medical history information revealed to the school district, unless the employee was under an affirmative duty to provide the information before, upon, or after hire.
5. An employee must be given access to information in the employee's personnel file relating to positive test result reports and other information acquired in the drug and alcohol testing or cannabis testing process and conclusions drawn from and actions taken based on the reports or other acquired information.

## B. Withdrawal of Applicant's Job Offer

If a job applicant for a position that does not require a commercial driver's license has received a job offer made contingent on the applicant passing drug, alcohol, and/or cannabis testing, the school district may not withdraw the offer based on a positive test result from an initial screening test that has not been verified by a confirmatory test. In the case of a positive test result on a confirmatory test, the school district may withdraw the job offer.

**ATTACHMENT G**

**( D R A F T )**

**[TO BE PLACED ON SCHOOL DISTRICT LETTERHEAD]**

**EXPLANATION OF POSITIVE TEST RESULT**

I, the undersigned employee/job applicant of Independent School District No. \_\_\_\_\_, \_\_\_\_\_, Minnesota acknowledge receipt of a Notice of Test Results and Various Rights. This includes my right to explain the positive test result on a confirmatory test.

I am currently taking or have recently taken:

- no over-the-counter or prescription medications; or
- the following over-the-counter or prescription medications:

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I also offer the following information relevant to the reliability of, or explanation for, a positive test result:

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Date: \_\_\_\_\_

\_\_\_\_\_

*Signature of Employee/Job Applicant*

\_\_\_\_\_

*Typed or Printed Name*

**ATTACHMENT H**

**( D R A F T )**

**[TO BE PLACED ON SCHOOL DISTRICT LETTERHEAD]**

**— ACKNOWLEDGMENT —**

**DRUG, ALCOHOL, AND CANNABIS TESTING POLICY**

I have received a copy of the Drug, Alcohol, and Cannabis Testing Policy of Independent School District No. \_\_\_\_\_, \_\_\_\_\_, Minnesota and have read it in its entirety.

The District's policy was provided to me:

- Upon adoption of the policy (employee)
- Upon my hire (job applicant/new employee)
- After receipt of my conditional job offer, before any testing if my job offer is contingent upon my passing of drug, alcohol, and cannabis testing as applicable. (job applicant)

Dated: \_\_\_\_\_

\_\_\_\_\_  
*Signature of Employee/Applicant*

\_\_\_\_\_  
*Typed or Printed Name*

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 506

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2023

## **506 STUDENT DISCIPLINE**

***[Note: School districts are required by statute to have a policy addressing these issues.]***

### **I. PURPOSE**

The purpose of this policy is to ensure that students are aware of and comply with the school district's expectations for student conduct. Such compliance will enhance the school district's ability to maintain discipline and ensure that there is no interference with the educational process. The school district will take appropriate disciplinary action when students fail to adhere to the Code of Student Conduct established by this policy.

### **II. GENERAL STATEMENT OF POLICY**

The school board recognizes that individual responsibility and mutual respect are essential components of the educational process. The school board further recognizes that nurturing the maturity of each student is of primary importance and is closely linked with the balance that must be maintained between authority and self-discipline as the individual progresses from a child's dependence on authority to the more mature behavior of self-control.

All students are entitled to learn and develop in a setting which promotes respect of self, others, and property. Proper positive discipline can only result from an environment which provides options and stresses student self-direction, decision-making, and responsibility. Schools can function effectively only with internal discipline based on mutual understanding of rights and responsibilities.

Students must conduct themselves in an appropriate manner that maintains a climate in which learning can take place. Overall decorum affects student attitudes and influences student behavior. Proper student conduct is necessary to facilitate the education process and to create an atmosphere conducive to high student achievement.

Although this policy emphasizes the development of self-discipline, it is recognized that there are instances when it will be necessary to administer disciplinary measures. The position of the school district is that a fair and equitable district-wide student discipline policy will contribute to the quality of the student's educational experience. This discipline policy is adopted in accordance with and subject to the Minnesota Pupil Fair Dismissal Act, Minnesota Statutes, sections 121A.40-121A.56.

In view of the foregoing and in accordance with Minnesota Statutes, section 121A.55, the school board, with the participation of school district administrators, teachers, employees, students, parents, community members, and such other individuals and organizations as appropriate, has developed this policy which governs student conduct and applies to all students of the school district.

### **III. DEFINITIONS**

- A. "Nonexclusionary disciplinary policies and practices" means policies and practices that are alternatives to dismissing a pupil from school, including but not limited to evidence-based positive behavior interventions and supports, social and emotional services,

school-linked mental health services, counseling services, social work services, academic screening for Title 1 services or reading interventions, and alternative education services. Nonexclusionary disciplinary policies and practices include but are not limited to the policies and practices under sections 120B.12; 121A.575, clauses (1) and (2); 121A.031, subdivision 4, paragraph (a), clause (1); 121A.61, subdivision 3, paragraph (r); and 122A.627, clause (3).

- B. "Pupil withdrawal agreement" means a verbal or written agreement between a school administrator or district administrator and a pupil's parent to withdraw a student from the school district to avoid expulsion or exclusion dismissal proceedings. The duration of the withdrawal agreement cannot be for more than a 12-month period.

#### **IV. POLICY**

- A. The school board must establish uniform criteria for dismissal and adopt written policies and rules to effectuate the purposes of the Minnesota Pupil Fair Dismissal Act. The policies must include nonexclusionary disciplinary policies and practices consistent with Minnesota Statutes, section 121A.41, subdivision 12, and must emphasize preventing dismissals through early detection of problems. The policies must be designed to address students' inappropriate behavior from recurring.
- B. The policies must recognize the continuing responsibility of the school for the education of the pupil during the dismissal period.
- C. The school is responsible for ensuring that alternative educational services, if the pupil wishes to take advantage of them, must be adequate to allow the pupil to make progress toward meeting the graduation standards adopted under Minnesota Statutes, section 120B.02 and help prepare the pupil for readmission in accordance with section Minnesota Statutes, section 121A.46, subdivision 5.
- D. For expulsion and exclusion dismissals and pupil withdrawal agreements as defined in Minnesota Statutes, section 121A.41, subdivision 13:
  - 1. for a pupil who remains enrolled in the school district or is awaiting enrollment in a new district, the school district's continuing responsibility includes reviewing the pupil's schoolwork and grades on a quarterly basis to ensure the pupil is on track for readmission with the pupil's peers. The school district must communicate on a regular basis with the pupil's parent or guardian to ensure that the pupil is completing the work assigned through the alternative educational services as defined in Minnesota Statutes, section 121A.41, subdivision 11. These services are required until the pupil enrolls in another school or returns to the same school;
  - 2. a pupil receiving school-based or school-linked mental health services in the school district under Minnesota Statutes, section 245.4889 continues to be eligible for those services until the pupil is enrolled in a new district; and
  - 3. the school district must provide to the pupil's parent or guardian information on accessing mental health services, including any free or sliding fee providers in the community. The information must also be posted on the school district website.

#### **V. AREAS OF RESPONSIBILITY**

- A. The School Board. The school board holds all school personnel responsible for the

maintenance of order within the school district and supports all personnel acting within the framework of this discipline policy.

- B. Superintendent. The superintendent shall establish guidelines and directives to carry out this policy, hold all school personnel, students, and parents responsible for conforming to this policy, and support all school personnel performing their duties within the framework of this policy. The superintendent shall also establish guidelines and directives for using the services of appropriate agencies for assisting students and parents. Any guidelines or directives established to implement this policy shall be submitted to the school board for approval and shall be attached as an addendum to this policy.
- C. Principal. The school principal is given the responsibility and authority to formulate building rules and regulations necessary to enforce this policy, subject to final school board approval. The principal shall give direction and support to all school personnel performing their duties within the framework of this policy. The principal shall consult with parents of students conducting themselves in a manner contrary to the policy. The principal shall also involve other professional employees in the disposition of Behavior referrals and shall make use of those agencies appropriate for assisting students and parents. A principal, in exercising his or her lawful authority, may use reasonable force when it is necessary under the circumstances to restrain a student to prevent imminent bodily harm or death to the student or another.
- D. Teachers. All teachers shall be responsible for providing a well-planned teaching/learning environment and shall have primary responsibility for student conduct, with appropriate assistance from the administration. All teachers shall enforce the Code of Student Conduct. In exercising the teacher's lawful authority, a teacher may use reasonable force when it is necessary under the circumstances to restrain a student to prevent imminent bodily harm or death to the student or another.
- E. Other School District Personnel. All school district personnel shall be responsible for contributing to the atmosphere of mutual respect within the school. Their responsibilities relating to student behavior shall be as authorized and directed by the superintendent. A school employee, school bus driver, or other agent of a school district, in exercising his or her lawful authority, may use reasonable force when it is necessary under the circumstances to restrain a student to prevent bodily harm or death to the student or another.
- F. Parents or Legal Guardians. Parents and guardians shall be held responsible for the behavior of their children as determined by law and community practice. They are expected to cooperate with school authorities and to participate regarding the behavior of their children.
- G. Students. All students shall be held individually responsible for their behavior and for knowing and obeying the Code of Student Conduct and this policy.
- H. Community Members. Members of the community are expected to contribute to the establishment of an atmosphere in which rights and duties are effectively acknowledged and fulfilled.
- I. Reasonable Force Reports
  - 1. The school district must report data on its use of any reasonable force used on a student with a disability to correct or restrain the student to prevent imminent bodily harm or death to the student or another that is consistent with the

definition of physical holding under Minnesota Statutes, section 125A.0941, paragraph (c), as outlined in section 125A.0942, subdivision 3, paragraph (b).

2. Beginning with the 2024-2025 school year, the school district must report annually by July 15, in a form and manner determined by the MDE Commissioner, data from the prior school year about any reasonable force used on a general education student to correct or restrain the student to prevent imminent bodily harm or death to the student or another that is consistent with the definition of physical holding under Minnesota Statutes, section 125A.0941, paragraph (c).
3. Any reasonable force used under Minnesota Statutes, sections 121A.582; 609.06, subdivision 1; and 609.379 which intends to hold a child immobile or limit a child's movement where body contact is the only source of physical restraint or confines a child alone in a room from which egress is barred shall be reported to the Minnesota Department of Education as a restrictive procedure, including physical holding or seclusion used by an unauthorized or untrained staff person.

## **VI. STUDENT RIGHTS**

All students have the right to an education and the right to learn.

## **VII. STUDENT RESPONSIBILITIES**

All students have the responsibility:

- A. For their behavior and for knowing and obeying all school rules, regulations, policies, and procedures;
- B. To attend school daily, except when excused, and to be on time to all classes and other school functions;
- C. To pursue and attempt to complete the courses of study prescribed by the state and local school authorities;
- D. To make necessary arrangements for making up work when absent from school;
- E. To assist the school staff in maintaining a safe school for all students;
- F. To be aware of all school rules, regulations, policies, and procedures, including those in this policy, and to conduct themselves in accord with them;
- G. To assume that until a rule or policy is waived, altered, or repealed, it is in full force and effect;
- H. To be aware of and comply with federal, state, and local laws;
- I. To volunteer information in disciplinary cases should they have any knowledge relating to such cases and to cooperate with school staff as appropriate;
- J. To respect and maintain the school's property and the property of others;
- K. To dress and groom in a manner which meets standards of safety and health and common standards of decency and which is consistent with applicable school district

policy;

- L. To avoid inaccuracies in student newspapers or publications and refrain from indecent or obscene language;
- M. To conduct themselves in an appropriate physical or verbal manner; and
- N. To recognize and respect the rights of others.

#### **VIII. CODE OF STUDENT CONDUCT**

- A. The following are examples of unacceptable behavior subject to disciplinary action by the school district. These examples are not intended to be an exclusive list. Any student who engages in any of these activities shall be disciplined in accordance with this policy. This policy applies to all school buildings, school grounds, and school property or property immediately adjacent to school grounds; school-sponsored activities or trips; school bus stops; school buses, school vehicles, school contracted vehicles, or any other vehicles approved for school district purposes; the area of entrance or departure from school premises or events; and all school-related functions, school-sponsored activities, events, or trips. School district property also may mean a student's walking route to or from school for purposes of attending school or school-related functions, activities, or events. While prohibiting unacceptable behavior subject to disciplinary action at these locations and events, the school district does not represent that it will provide supervision or assume liability at these locations and events. This policy also applies to any student whose conduct at any time or in any place interferes with or obstructs the mission or operations of the school district or the safety or welfare of the student, other students, or employees.
  - 1. Violations against property including, but not limited to, damage to or destruction of school property or the property of others, failure to compensate for damage or destruction of such property, arson, breaking and entering, theft, robbery, possession of stolen property, extortion, trespassing, unauthorized usage, or vandalism;
  - 2. The use of profanity or obscene language, or the possession of obscene materials;
  - 3. Gambling, including, but not limited to, playing a game of chance for stakes;
  - 4. Violation of the school district's Hazing Prohibition Policy;
  - 5. Attendance problems including, but not limited to, truancy, absenteeism, tardiness, skipping classes, or leaving school grounds without permission;
  - 6. Violation of the school district's Student Attendance Policy;
  - 7. Opposition to authority using physical force or violence;
  - 8. Using, possessing, or distributing tobacco, tobacco-related devices, electronic cigarettes, or tobacco paraphernalia in violation of the school district's Tobacco-Free Environment; Possession and Use of Tobacco, Tobacco-Related Devices, and Electronic Delivery Devices Policy;
  - 9. Using, possessing, distributing, intending to distribute, making a request to another person for (solicitation), or being under the influence of alcohol or other

intoxicating substances or look-alike substances;

10. Using, possessing, distributing, intending to distribute, making a request to another person for (solicitation), or being under the influence of narcotics, drugs, or other controlled substances (except as prescribed by a physician), or look-alike substances (these prohibitions include medical marijuana or medical cannabis, even when prescribed by a physician, and one student sharing prescription medication with another student);
11. Using, possessing, or distributing items or articles that are illegal or harmful to persons or property including, but not limited to, drug paraphernalia;
12. Using, possessing, or distributing weapons, or look-alike weapons or other dangerous objects;
13. Violation of the school district's Weapons Policy;
14. Violation of the school district's Violence Prevention Policy;
15. Possession of ammunition including, but not limited to, bullets or other projectiles designed to be used in or as a weapon;
16. Possession, use, or distribution of explosives or any compound or mixture, the primary or common purpose or intended use of which is to function as an explosive;
17. Possession, use, or distribution of fireworks or any substance or combination of substances or article prepared for the purpose of producing a visible or an audible effect by combustion, explosion, deflagration or detonation;
18. Using an ignition device, including a butane or disposable lighter or matches, inside an educational building and under circumstances where there is a risk of fire, except where the device is used in a manner authorized by the school;
19. Violation of any local, state, or federal law as appropriate;
20. Acts disruptive of the educational process, including, but not limited to, disobedience, disruptive or disrespectful behavior, defiance of authority, cheating, insolence, insubordination, failure to identify oneself, improper activation of fire alarms, or bomb threats;
21. Violation of the school district's Internet Acceptable Use and Safety Policy;
22. Use of a cell phone in violation of the school district's Internet Acceptable Use and Safety Policy;
23. Violation of school bus or transportation rules or the school district's Student Transportation Safety Policy;
24. Violation of parking or school traffic rules and regulations, including, but not limited to, driving on school property in such a manner as to endanger persons or property;
25. Violation of directives or guidelines relating to lockers or improperly gaining access to a school locker;

26. Violation of the school district's Search of Student Lockers, Desks, Personal Possessions, and Student's Person Policy;
27. Violation of the school district's Student Use and Parking of Motor Vehicles; Patrols, Inspections, and Searches Policy;
28. Possession or distribution of slanderous, libelous, or pornographic materials;
29. Violation of the school district's Bullying Prohibition Policy;
30. Student attire or personal grooming which creates a danger to health or safety or creates a disruption to the educational process, including clothing which bears a message which is lewd, vulgar, or obscene, apparel promoting products or activities that are illegal for use by minors, or clothing containing objectionable emblems, signs, words, objects, or pictures communicating a message that is racist, sexist, or otherwise derogatory to a protected minority group or which connotes gang membership;
31. Criminal activity;
32. Falsification of any records, documents, notes, or signatures;
33. Tampering with, changing, or altering records or documents of the school district by any method including, but not limited to, computer access or other electronic means;
34. Scholastic dishonesty which includes, but is not limited to, cheating on a school assignment or test, plagiarism, or collusion, including the use of picture phones or other technology to accomplish this end;
35. Impertinent or disrespectful words, symbols, acronyms, or language, whether oral or written, related to teachers or other school district personnel;
36. Violation of the school district's Harassment and Violence Policy;
37. Actions, including fighting or any other assaultive behavior, which causes or could cause injury to the student or other persons or which otherwise endangers the health, safety, or welfare of teachers, students, other school district personnel, or other persons;
38. Committing an act which inflicts great bodily harm upon another person, even though accidental or a result of poor judgment;
39. Violations against persons, including, but not limited to, assault or threatened assault, fighting, harassment, interference or obstruction, attack with a weapon, or look-alike weapon, sexual assault, illegal or inappropriate sexual conduct, or indecent exposure;
40. Verbal assaults or verbally abusive behavior including, but not limited to, use of words, symbols, acronyms, or language, whether oral or written, that are discriminatory, abusive, obscene, threatening, intimidating, degrading to other people, or threatening to school property;
41. Physical or verbal threats including, but not limited to, the staging or reporting

of dangerous or hazardous situations that do not exist;

42. Inappropriate, abusive, threatening, or demeaning actions based on race, color, creed, religion, sex, marital status, status with regard to public assistance, disability, national origin, or sexual orientation;
43. Violation of the school district's Distribution of Nonschool-Sponsored Materials on School Premises by Students and Employees Policy;
44. Violation of the school district's one-to-one device rules and regulations;
45. Violation of school rules, regulations, policies, or procedures, including, but not limited to, those policies specifically enumerated in this policy;
46. Other acts, as determined by the school district, which are disruptive of the educational process or dangerous or detrimental to the student or other students, school district personnel or surrounding persons, or which violate the rights of others or which damage or endanger the property of the school, or which otherwise interferes with or obstruct the mission or operations of the school district or the safety or welfare of students or employees.

#### **IX. RECESS AND OTHER BREAKS**

- A. "Recess detention" means excluding or excessively delaying a student from participating in a scheduled recess period as a consequence for student behavior. Recess detention does not include, among other things, providing alternative recess at the student's choice.
- B. The school district is encouraged to ensure student access to structured breaks from the demands of school and to support teachers, principals, and other school staff in their efforts to use evidence-based approaches to reduce exclusionary forms of discipline.
- C. The school district must not use recess detention unless:
  1. a student causes or is likely to cause serious physical harm to other students or staff;
  2. the student's parent or guardian specifically consents to the use of recess detention; or
  3. for students receiving special education services, the student's individualized education program team has determined that withholding recess is appropriate based on the individualized needs of the student.
- D. The school district must not withhold recess from a student based on incomplete schoolwork.
- E. The school district must require school staff to make a reasonable attempt to notify a parent or guardian within 24 hours of using recess detention.
- F. The school district must compile information on each recess detention at the end of each school year, including the student's age, grade, gender, race or ethnicity, and special education status. This information must be available to the public upon request. The school district is encouraged to use the data in professional development promoting the use of nonexclusionary discipline.

- G. The school district must not withhold or excessively delay a student's participation in scheduled mealtimes. This section does not alter a district or school's existing responsibilities under Minnesota Statutes, section 124D.111 or other state or federal law.

**X. DISCIPLINARY ACTION OPTIONS**

The general policy of the school district is to utilize progressive discipline to the extent reasonable and appropriate based upon the specific facts and circumstances of student misconduct. The specific form of discipline chosen in a particular case is solely within the discretion of the school district. At a minimum, violation of school district code of conduct, rules, regulations, policies, or procedures will result in discussion of the violation and a verbal warning. The school district shall, however, impose more severe disciplinary sanctions for any violation, including exclusion or expulsion, if warranted by the student's misconduct, as determined by the school district. Disciplinary action may include, but is not limited to, one or more of the following:

- A. Student conference with teacher, principal, counselor, or other school district personnel, and verbal warning;
- B. Confiscation by school district personnel and/or by law enforcement of any item, article, object, or thing, prohibited by, or used in the violation of, any school district policy, rule, regulation, procedure, or state or federal law. If confiscated by the school district, the confiscated item, article, object, or thing will be released only to the parent/guardian following the completion of any investigation or disciplinary action instituted or taken related to the violation.
- C. Parent contact;
- D. Parent conference;
- E. Removal from class;
- F. In-school suspension;
- G. Suspension from extracurricular activities;
- H. Detention or restriction of privileges;
- I. Loss of school privileges;
- J. In-school monitoring or revised class schedule;
- K. Referral to in-school support services;
- L. Referral to community resources or outside agency services;
- M. Financial restitution;
- N. Referral to police, other law enforcement agencies, or other appropriate authorities;
- O. A request for a petition to be filed in district court for juvenile delinquency adjudication;
- P. Out-of-school suspension under the Pupil Fair Dismissal Act;

- Q. Preparation of an admission or readmission plan;
- R. Saturday school;
- S. Expulsion under the Pupil Fair Dismissal Act;
- T. Exclusion under the Pupil Fair Dismissal Act; and/or
- U. Other disciplinary action as deemed appropriate by the school district.

## **XI. REMOVAL OF STUDENTS FROM CLASS**

- A. The teacher of record shall have the general control and government of the classroom. Teachers have the responsibility of attempting to modify disruptive student behavior by such means as conferring with the student, using positive reinforcement, assigning detention or other consequences, or contacting the student's parents. When such measures fail, or when the teacher determines it is otherwise appropriate based upon the student's conduct, the teacher shall have the authority to remove the student from class pursuant to the procedures established by this discipline policy. "Removal from class" and "removal" mean any actions taken by a teacher, principal, or other school district employee to prohibit a student from attending a class or activity period for a period of time not to exceed five (5) days, pursuant to this discipline policy.

Grounds for removal from class shall include any of the following:

1. Willful conduct that significantly disrupts the rights of others to an education, including conduct that interferes with a teacher's ability to teach or communicate effectively with students in a class or with the ability of other students to learn;
2. Willful conduct that endangers surrounding persons, including school district employees, the student or other students, or the property of the school;
3. Willful violation of any school rules, regulations, policies or procedures, including the Code of Student Conduct in this policy; or
4. Other conduct, which in the discretion of the teacher or administration, requires removal of the student from class.

Such removal shall be for at least one (1) activity period or class period of instruction for a given course of study and shall not exceed five (5) such periods.

A student must be removed from class immediately if the student engages in assault or violent behavior. "Assault" is an act done with intent to cause fear in another of immediate bodily harm or death; or the intentional infliction of, or attempt to inflict, bodily harm upon another.

- B. If a student is removed from class more than ten (10) times in a school year, the school district shall notify the parent or guardian of the student's tenth removal from class and make reasonable attempts to convene a meeting with the student's parent or guardian to discuss the problem that is causing the student to be removed from class.

***[Note: The following Sections C. - J. must be developed and inserted by each school district based upon individual district practices, procedures, and preferences. School districts may consider developing and inserting***

***procedures identified in Sections K-N.]***

**C. *Procedures for Removal of a Student From a Class.***

1. *Specify procedures to remove a student from a class to be followed by a teacher, school administrator, or other school district employee;*
2. *Specify required approvals necessary;*
3. *Specify paperwork and reporting procedures.*

**D. *Period of Time for which a Student may be Removed from a Class (may not exceed five (5) class periods for a violation of a rule of conduct)***

1. *The removal from class shall be for a period of time deemed appropriate by the principal, in consultation with the teacher.*

**E. *Responsibility for and Custody of a Student Removed from Class.***

1. *Designation of where student is to go when removed;*
2. *Designation of how student is to get to designated destination;*
3. *Whether student must be accompanied;*
4. *Statement of what student is to do when and while removed;*
5. *Designation of who has control over and responsibility for student after removal from class.*

**F. *Procedures for Return of a Student to a Specific Class from Which the Student was Removed.***

1. *Specification of procedures;*
2. *Actions or approvals required such as notes, conferences, readmission plans.*

**G. *Procedures for Notifying a Student and the Student's Parents or Guardian of Violation of the Rules of Conduct and of Resulting Disciplinary Actions;***

1. *Specification of Procedures;*
2. *Actions or approvals required, such as notes, conferences, readmission plans.*

**H. *Disabled Students; Special Provisions.***

1. *Procedures for consideration of whether there is a need for further assessment;*
2. *Procedures for consideration of whether there is a need for a review of the adequacy of the current Individualized Education Program (IEP) of a disabled student who is removed from class or disciplined; and*
3. *Any procedures determined appropriate for referring students in need of special education services to those services.*

- I. *Procedures for Detecting and Addressing Chemical Abuse Problems of Students While on School Premises.***
  - 1. *Establishment of a chemical abuse preassessment team pursuant to Minnesota Statutes, section 121A.26;*
  - 2. *Establishment of teacher reporting procedures to the chemical abuse preassessment team pursuant to Minnesota Statutes, ~~A~~ section 121A.29.*
- J. *Procedures for Immediate and Appropriate Interventions Tied to Violations of the Code of Student Conduct.***
- K. *Any Procedures Determined Appropriate for Encouraging Early Involvement of Parents or Guardians in Attempts to Improve a Student’s Behavior.***
- L. *Any Procedures Determined Appropriate for Encouraging Early Detection of Behavioral Problems.***
- M. *Any Procedures Determined Appropriate for Referring a Student in Need of Special Education Services to Those Services;***
- N. *Any Procedures Determined Appropriate for Ensuring Victims of Bullying who Respond with Behavior not Allowed under the School's Behavior Policies have Access to a Remedial Response, Consistent with Minnesota Statutes, section 121A.031;***

**XII. DISMISSAL**

- A. “Dismissal” means the denial of the current educational program to any student, including exclusion, expulsion, and suspension. Dismissal does not include removal from class.
 

The school district shall not deny due process or equal protection of the law to any student involved in a dismissal proceeding which may result in suspension, exclusion or expulsion.

The school district shall not dismiss any student without attempting to use nonexclusionary disciplinary policies and procedures before dismissal proceedings or pupil withdrawal agreements, except where it appears that the student will create an immediate and substantial danger to self or to surrounding persons or property.
- B. Violations leading to suspension, based upon severity, may also be grounds for actions leading to expulsion, and/or exclusion. A student may be dismissed on any of the following grounds:
  - 1. Willful violation of any reasonable school board regulation, including those found in this policy;
  - 2. Willful conduct that significantly disrupts the rights of others to an education, or the ability of school personnel to perform their duties, or school sponsored extracurricular activities; or
  - 3. Willful conduct that endangers the student or other students, or surrounding persons, including school district employees, or property of the school.

C. Disciplinary Dismissals Prohibited

1. A pupil enrolled in the following is not subject to dismissals under the Pupil Fair Dismissal Act:
  - a. a preschool or prekindergarten program, including an early childhood family education, school readiness, school readiness plus, voluntary prekindergarten, Head Start, or other school-based preschool or prekindergarten program; or
  - b. kindergarten through Grade 3.
2. This section does not apply to a dismissal from school for less than one school day, except as provided under Minnesota Statutes, chapter 125A and federal law for a student receiving special education services.
3. Notwithstanding this section, expulsions and exclusions may be used only after resources outlined under Nonexclusionary discipline have been exhausted, and only in circumstances where there is an ongoing serious safety threat to the child or others.

D. Suspension Procedures

1. "Suspension" means an action by the school administration, under rules promulgated by the School Board, prohibiting a student from attending school for a period of no more than ten (10) school days; provided, however, if a suspension is longer than five (5) school days, the suspending administrator shall provide the superintendent with a reason for the longer term of suspension. This definition does not apply to dismissal for one (1) school day or less where a student with a disability does not receive regular or special education instruction during that dismissal period.
2. School administration must allow a suspended pupil the opportunity to complete all school work assigned during the period of the pupil's suspension and to receive full credit for satisfactorily completing the assignments. The school principal or other person having administrative control of the school building or program is encouraged to designate a district or school employee as a liaison to work with the pupil's teachers to allow the suspended pupil to (1) receive timely course materials and other information, and (2) complete daily and weekly assignments and receive teachers' feedback.
3. If a student's total days of removal from school exceed ten (10) cumulative days in a school year, the school district shall make reasonable attempts to convene a meeting with the student and the student's parent or guardian before subsequently removing the student from school and, with the permission of the parent or guardian, arrange for a mental health screening for the student at the parent or guardian's expense. The purpose of this meeting is to attempt to determine the student's need for assessment or other services or whether the parent or guardian should have the student assessed or diagnosed to determine whether the student needs treatment for a mental health disorder.
4. The definition of suspension under Minnesota Statutes, section 121A.41, subdivision 10, does not apply to a student's dismissal from school for ~~one school day or less than one day~~, except as provided under federal law for a student with a disability. Each suspension action may include a readmission

plan. The plan shall include, where appropriate, a provision for implementing alternative educational services upon readmission which must not be used to extend the current suspension. A readmission plan must not obligate a parent or guardian to provide psychotropic drugs to their student as a condition of readmission. School administration must not use the refusal of a parent or guardian to consent to the administration of psychotropic drugs to their student or to consent to a psychiatric evaluation, screening, or examination of the student as a ground, by itself, to prohibit the student from attending class or participating in a school-related activity, or as a basis of a charge of child abuse, child neglect, or medical or educational neglect. The school administration may not impose consecutive suspensions against the same student for the same course of conduct, or incident of misconduct, except where the student will create an immediate and substantial danger to self or to surrounding persons or property or where the school district is in the process of initiating an expulsion, in which case the school administration may extend the suspension to a total of fifteen (15) days.

5. A child with a disability may be suspended. When a child with a disability has been suspended for more than five (5) consecutive days or ten (10) cumulative school days in the same year, and that suspension does not involve a recommendation for expulsion or exclusion or other change in placement under federal law, relevant members of the child's IEP team, including at least one of the child's teachers, shall meet and determine the extent to which the child needs services in order to continue to participate in the general education curriculum, although in another setting, and to progress toward meeting the goals in the child's IEP. That meeting must occur as soon as possible, but no more than ten (10) days after the sixth (6<sup>th</sup>) consecutive day of suspension or the tenth (10<sup>th</sup>) cumulative day of suspension has elapsed.
6. Alternative education services must be provided to a pupil who is suspended for more than five (5) consecutive school days. Alternative educational services may include, but are not limited to, special tutoring, modified curriculum, modified instruction, other modifications or adaptations, instruction through electronic media, special education services as indicated by appropriate assessments, homebound instruction, supervised homework, or enrollment in another district or in an alternative learning center under Minnesota Statutes, section 123A.05 selected to allow the student to progress toward meeting graduation standards under Minnesota Statutes, section 120B.02, although in a different setting.
7. The school administration shall not suspend a student from school without an informal administrative conference with the student. The informal administrative conference shall take place before the suspension, except where it appears that the student will create an immediate and substantial danger to self or to surrounding persons or property, in which case the conference shall take place as soon as practicable following the suspension. At the informal administrative conference, a school administrator shall notify the student of the grounds for the suspension, provide an explanation of the evidence the authorities have, and the student may present the student's version of the facts. A separate administrative conference is required for each period of suspension.
8. After school administration notifies a student of the grounds for suspension, school administration may, instead of imposing the suspension, do one or more of the following:

- a. strongly encourage a parent or guardian of the student to attend school with the student for one day;
  - b. assign the student to attend school on Saturday as supervised by the principal or the principal's designee; and
  - c. petition the juvenile court that the student is in need of services under Minnesota Statutes chapter 260C.
9. A written notice containing the grounds for suspension, a brief statement of the facts, a description of the testimony, a readmission plan, and a copy of the Minnesota Pupil Fair Dismissal Act, Minnesota Statutes, sections 121A.40-121A.56, shall be personally served upon the student at or before the time the suspension is to take effect, and upon the student's parent or guardian by mail within forty-eight (48) hours of the conference. (See attached sample Notice of Suspension.)
  10. The school administration shall make reasonable efforts to notify the student's parent or guardian of the suspension by telephone as soon as possible following suspension.
  11. In the event a student is suspended without an informal administrative conference on the grounds that the student will create an immediate and substantial danger to surrounding persons or property, the written notice shall be served upon the student and the student's parent or guardian within forty-eight (48) hours of the suspension. Service by mail shall be complete upon mailing.
  12. Notwithstanding the foregoing provisions, the student may be suspended pending the school board's decision in an expulsion or exclusion proceeding, provided that alternative educational services are implemented to the extent that suspension exceeds five (5) consecutive school days.

E. Expulsion and Exclusion Procedures

1. "Expulsion" means a school board action to prohibit an enrolled student from further attendance for up to twelve (12) months from the date the student is expelled. The authority to expel rests with the school board.
2. "Exclusion" means an action taken by the school board to prevent enrollment or re-enrollment of a student for a period that shall not extend beyond the school year. The authority to exclude rests with the school board.
3. All expulsion and exclusion proceedings will be held pursuant to and in accordance with the provisions of the Minnesota Pupil Fair Dismissal Act, Minnesota Statutes, sections 121A.40-121A.56.
4. No expulsion or exclusion shall be imposed without a hearing, unless the right to a hearing is waived in writing by the student and parent or guardian.
5. The student and parent or guardian shall be provided written notice of the school district's intent to initiate expulsion or exclusion proceedings. This notice shall be served upon the student and his or her parent or guardian personally or by mail, and shall contain a complete statement of the facts; a list of the witnesses and a description of their testimony; state the date, time and place of hearing;

be accompanied by a copy of the Pupil Fair Dismissal Act, Minnesota Statutes, sections 121A.40-121A.56; describe the nonexclusionary disciplinary practices accorded the student in an attempt to avoid the expulsion proceedings; and inform the student and parent or guardian of their right to: (1) have a representative of the student's own choosing, including legal counsel at the hearing; (2) examine the student's records before the hearing; (3) present evidence; and (4) confront and cross-examine witnesses. The school district must advise the student's parent or guardian that free or low-cost legal assistance may be available and that a legal assistance resource list is available from the Minnesota Department of Education (MDE) and is posted on its website.

6. The hearing shall be scheduled within ten (10) days of the service of the written notice unless an extension, not to exceed five (5) days, is requested for good cause by the school district, student, parent, or guardian.
7. All hearings shall be held at a time and place reasonably convenient to the student, parent, or guardian and shall be closed, unless the student, parent, or guardian requests an open hearing.
8. The school district shall record the hearing proceedings at district expense, and a party may obtain a transcript at its own expense.
9. The student shall have a right to a representative of the student's own choosing, including legal counsel, at the student's sole expense. The school district shall advise the student's parent or guardian that free or low-cost legal assistance may be available and that a legal assistance resource list is available from MDE. The school board may appoint an attorney to represent the school district in any proceeding.
10. If the student designates a representative other than the parent or guardian, the representative must have a written authorization from the student and the parent or guardian providing them with access to and/or copies of the student's records.
11. All expulsion or exclusion hearings shall take place before and be conducted by an independent hearing officer designated by the school district. The hearing shall be conducted in a fair and impartial manner. Testimony shall be given under oath and the hearing officer shall have the power to issue subpoenas and administer oaths.
12. At a reasonable time prior to the hearing, the student, parent or guardian, or authorized representative shall be given access to all school district records pertaining to the student, including any tests or reports upon which the proposed dismissal action may be based.
13. The student, parent or guardian, or authorized representative, shall have the right to compel the presence of any school district employee or agent or any other person who may have evidence upon which the proposed dismissal action may be based, and to confront and cross-examine any witnesses testifying for the school district.
14. The student, parent or guardian, or authorized representative, shall have the right to present evidence and testimony, including expert psychological or educational testimony.

15. The student cannot be compelled to testify in the dismissal proceedings.
16. The hearing officer shall prepare findings and a recommendation based solely upon substantial evidence presented at the hearing, which must be made to the school board and served upon the parties within two (2) days after the close of the hearing.
17. The school board shall base its decision upon the findings and recommendation of the hearing officer and shall render its decision at a meeting held within five (5) days after receiving the findings and recommendation. The school board may provide the parties with the opportunity to present exceptions and comments to the hearing officer's findings and recommendation provided that neither party presents any evidence not admitted at the hearing. The decision by the school board must be based on the record, must be in writing, and must state the controlling facts on which the decision is made in sufficient detail to apprise the parties and the Commissioner of the Minnesota Department of Education (Commissioner) of the basis and reason for the decision.
18. A party to an expulsion or exclusion decision made by the school board may appeal the decision to the Commissioner within twenty-one (21) calendar days of school board action pursuant to Minnesota Statutes section 121A.49. The decision of the school board shall be implemented during the appeal to the Commissioner.
19. The school district shall report any suspension, expulsion or exclusion action taken to the appropriate public service agency, when the student is under the supervision of such agency.
20. The school district must report, through the MDE electronic reporting system, each expulsion or exclusion within thirty (30) days of the effective date of the action to the Commissioner. This report must include a statement of alternative educational services given the student and the reason for, the effective date, and the duration of the exclusion or expulsion. The report must also include the student's age, grade, gender, race, and special education status. The dismissal report must include state student identification numbers of affected students.
21. Whenever a student fails to return to school within ten (10) school days of the termination of dismissal, a school administrator shall inform the student and his/her parent or guardian by mail of the student's right to attend and to be reinstated in the school district.

### **XIII. ADMISSION OR READMISSION PLAN**

A school administrator must prepare and enforce an admission or readmission plan for any student who is excluded or expelled from school. The plan must include measures to improve the student's behavior, which may include completing a character education program consistent with Minnesota Statutes, section 120B.232, subdivision 1, social and emotional learning, counseling, social work services, mental health services, referrals for special education or 504 evaluation, and evidence-based academic interventions. The plan must include reasonable attempts to obtain parental involvement in the admission or readmission process, and may indicate the consequences to the student of not improving the student's behavior. The readmission plan must not obligate parents to provide a sympathomimetic medication for their child as a condition of readmission.

#### **XIV. NOTIFICATION OF POLICY VIOLATIONS**

Notification of any violation of this policy and resulting disciplinary action shall be as provided herein, or as otherwise provided by the Pupil Fair Dismissal Act or other applicable law. The teacher, principal or other school district official may provide additional notification as deemed appropriate.

In addition, the school district must report, through the MDE electronic reporting system, each exclusion or expulsion, each physical assault of a school district employee by a pupil, and each pupil withdrawal agreement within thirty (30) days of the effective date of the dismissal action, pupil withdrawal, or assault, to the MDE Commissioner. This report must include a statement of the nonexclusionary disciplinary practices, or other sanction, intervention, or resolution in response to the assault given to the pupil and the reason for, the effective date, and the duration of the exclusion or expulsion or other sanction, intervention, or resolution. The report must also include the pupil's age, grade, gender, race, and special education status.

#### **XV. STUDENT DISCIPLINE RECORDS**

The policy of the school district is that complete and accurate student discipline records be maintained. The collection, dissemination, and maintenance of student discipline records shall be consistent with applicable school district policies and federal and state law, including the Minnesota Government Data Practices Act, Minnesota Statutes chapter 13.

#### **XVI. STUDENTS WITH DISABILITIES**

Students who are currently identified as eligible under the IDEA or Section 504 will be subject to the provisions of this policy, unless the student's IEP or 504 plan specifies a necessary modification.

Before initiating an expulsion or exclusion of a student with a disability, relevant members of the child's IEP team and the child's parent shall, consistent with federal law, conduct a manifestation determination and determine whether the child's behavior was (i) caused by or had a direct and substantial relationship to the child's disability and (ii) whether the child's conduct was a direct result of a failure to implement the child's IEP. If the student's educational program is appropriate and the behavior is not a manifestation of the student's disability, the school district will proceed with discipline – up to and including expulsion – as if the student did not have a disability, unless the student's educational program provides otherwise. If the team determines that the behavior subject to discipline is a manifestation of the student's disability, the team shall conduct a functional behavioral assessment and implement a behavioral intervention plan for such student provided that the school district had not conducted such assessment prior to the manifestation determination before the behavior that resulted in a change of placement. Where a behavioral intervention plan previously has been developed, the team will review the behavioral intervention plan and modify it as necessary to address the behavior.

When a student who has an IEP is excluded or expelled for misbehavior that is not a manifestation of the student's disability, the school district shall continue to provide special education and related services during the period of expulsion or exclusion.

#### **XVII. OPEN ENROLLED STUDENTS**

The school district may terminate the enrollment of a nonresident student enrolled under an Enrollment Option Program (Minnesota Statutes section 124D.03) or Enrollment in Nonresident District (Minnesota Statutes section 124D.08) at the end of a school year if the student meets the definition of a habitual truant, the student has been provided appropriate services for

truancy (Minnesota Statutes chapter 260A), and the student's case has been referred to juvenile court. The school district may also terminate the enrollment of a nonresident student over the age of seventeen (17) enrolled under an Enrollment Options Program if the student is absent without lawful excuse for one or more periods on fifteen (15) school days and has not lawfully withdrawn from school.

#### **XVIII. DISCIPLINE COMPLAINT PROCEDURE**

Students, parents and other guardians, and school staff may file a complaint and seek corrective action when the requirements of the Minnesota Pupil Fair Dismissal Act, including the implementation of the local behavior and discipline policies, are not being implemented appropriately or are being discriminately applied.

The Discipline Complaint Procedure must, at a minimum:

1. provide procedures for communicating this policy including the ability for a parent to appeal a decision under Minnesota Statutes, section 121A.49 that contains explicit instructions for filing the complaint;
2. provide an opportunity for involved parties to submit additional information related to the complaint;
3. provide a procedure to begin to investigate complaints within three school days of receipt, and identify personnel who will manage the investigation and any resulting record and are responsible for keeping and regulating access to any record;
4. provide procedures for issuing a written determination to the complainant that addresses each allegation and contains findings and conclusions;
5. if the investigation finds the requirements of Minnesota Statutes, sections 121A.40 to 121A.61, including any local policies that were not implemented appropriately, contain procedures that require a corrective action plan to correct a student's record and provide relevant staff with training, coaching, or other accountability practices to ensure appropriate compliance with policies in the future; and
6. prohibit reprisals or retaliation against any person who asserts, alleges, or reports a complaint, and provide procedures for applying appropriate consequences for a person who engages in reprisal or retaliation.

#### **XIX. DISTRIBUTION OF POLICY**

The school district will notify students and parents of the existence and contents of this policy in such manner as it deems appropriate. Copies of this discipline policy shall be made available to all students and parents at the commencement of each school year and to all new students and parents upon enrollment. This policy shall also be available upon request in each principal's office.

#### **XX. REVIEW OF POLICY**

The principal and representatives of parents, students and staff in each school building shall confer at least annually to review this discipline policy, determine if the policy is working as intended, and to assess whether the discipline policy has been enforced. Any recommended changes shall be submitted to the superintendent for consideration by the school board, which shall conduct an annual review of this policy.

**Legal References:** Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)  
Minn. Stat. § 120B.02 (Educational Expectations and Graduation Requirements for Minnesota Students)  
Minn. Stat. § 120B.232 (Character Development Education)  
Minn. Stat. § 121A.26 (School Preassessment Teams)  
Minn. Stat. § 121A.29 (Reporting; Chemical Abuse)  
Minn. Stat. §§ 121A.40-121A.56 (Pupil Fair Dismissal Act)  
Minn. Stat. § 121A.575 (Alternatives to Pupil Suspension)  
Minn. Stat. § 121A.582 (Student Discipline; Reasonable Force)  
Minn. Stat. §§ 121A.60 (Definitions)  
Minn. Stat. § 121A.61 (Discipline and Removal of Students from Class)  
Minn. Stat. § 122A.42 (General Control of Schools)  
Minn. Stat. § 123A.05 (State-Approved Alternative Program Organization)  
Minn. Stat. § 124D.03 (Enrollment Options Program)  
Minn. Stat. § 124D.08 (School Boards' Approval to Enroll in Nonresident District; Exceptions)  
Minn. Stat. Ch. 125A (Special Education and Special Programs)  
Minn. Stat. § 152.22, Subd. 6 (Definitions)  
Minn. Stat. § 152.23 (Limitations)  
Minn. Stat. Ch. 260A (Truancy)  
Minn. Stat. Ch. 260C (Juvenile Safety and Placement)  
20 U.S.C. §§ 1400-1487 (Individuals with Disabilities Education Act)  
29 U.S.C. § 794 *et seq.* (Rehabilitation Act of 1973, § 504)  
34 C.F.R. § 300.530(e)(1) (Manifestation Determination)

**Cross References:** MSBA/MASA Model Policy 413 (Harassment and Violence)  
MSBA/MASA Model Policy 419 (Tobacco-Free Environment; Possession and Use of Tobacco, Tobacco-Related Devices, and Electronic Delivery Devices)  
MSBA/MASA Model Policy 501 (School Weapons)  
MSBA/MASA Model Policy 502 (Search of Student Lockers, Desks, Personal Possessions, and Student's Person)  
MSBA/MASA Model Policy 503 (Student Attendance)  
MSBA/MASA Model Policy 505 (Distribution of Nonschool-Sponsored Materials on School Premises by Students and Employees)  
MSBA/MASA Model Policy 514 (Bullying Prohibition Policy)  
MSBA/MASA Model Policy 524 (Internet Acceptable Use and Safety Policy)  
MSBA/MASA Model Policy 525 (Violence Prevention)  
MSBA/MASA Model Policy 526 (Hazing Prohibition)  
MSBA/MASA Model Policy 527 (Student Use and Parking of Motor Vehicles; Patrols, Inspections, and Searches)  
MSBA/MASA Model Policy 610 (Field Trips)  
MSBA/MASA Model Policy 709 (Student Transportation Safety Policy)  
MSBA/MASA Model Policy 711 (Video Recording on School Buses)  
MSBA/MASA Model Policy 712 (Video Surveillance Other Than on Buses)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 606

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2022

## **606 TEXTBOOKS AND INSTRUCTIONAL MATERIALS**

### **I. PURPOSE**

The purpose of this policy is to provide direction for selection of textbooks and instructional materials.

### **II. GENERAL STATEMENT OF POLICY**

The school board recognizes that selection of textbooks and instructional materials is a vital component of the school district's curriculum. The school board also recognizes that it has the authority to make final decisions on selection of all textbooks and instructional materials.

### **III. RESPONSIBILITY OF SELECTION**

- A. While the school board retains its authority to make final decisions on the selection of textbooks and instructional materials, the school board recognizes the expertise of the professional staff and the vital need of such staff to be primarily involved in the recommendation of textbooks and instructional materials. Accordingly, the school board delegates to the superintendent the responsibility to direct the professional staff in formulating recommendations to the school board on textbooks and other instructional materials.
- B. In reviewing textbooks and instructional materials during the selection process, the professional staff shall select materials that:
  - 1. support the goals and objectives of the education programs;
  - 2. consider the needs, age, and maturity of students;
  - 3. foster respect and appreciation for cultural diversity and varied opinion;
  - 4. fit within the constraints of the school district budget;
  - 5. are in the English language. Another language may be used, pursuant to Minnesota Statutes section 124D.61;
  - 6. permit grade-level instruction for students to read and study America's founding documents, including documents that contributed to the foundation or maintenance of America's representative form of limited government, the Bill of Rights, our free-market economic system, and patriotism; and
  - 7. do not censor or restrain instruction in American or Minnesota state history or heritage based on religious references in original source documents, writings, speeches, proclamations, or records.
- C. The superintendent shall be responsible for developing procedures and guidelines to establish an orderly process for the review and recommendation of textbooks and other instructional materials by the professional staff. Such procedures and guidelines shall

provide opportunity for input and consideration of the views of students, parents, and other interested members of the school district community. This procedure shall be coordinated with the school district's curriculum development effort and may utilize advisory committees.

#### **IV. SELECTION OF TEXTBOOKS AND OTHER INSTRUCTIONAL MATERIALS**

- A. The superintendent shall be responsible for keeping the school board informed of progress on the part of staff and others involved in the textbook and other instructional materials review and selection process.
- B. The superintendent shall present a recommendation to the school board on the selection of textbooks and other instructional materials after completion of the review process as outlined in this policy.

#### **V. RECONSIDERATION OF TEXTBOOKS OR OTHER INSTRUCTIONAL MATERIALS**

- A. The school board recognizes differences of opinion on the part of some members of the school district community relating to certain areas of the instruction program. Interested persons may request an opportunity to review materials and submit a request for reconsideration of the use of certain textbooks or instructional materials.
- B. The superintendent shall be responsible for the development of guidelines and procedures to identify the steps to be followed to seek reconsideration of textbooks or other instructional materials.
- C. The superintendent shall present a procedure to the school board for review and approval regarding reconsideration of textbooks or other instructional materials. When approved by the school board, such procedure shall be an addendum to this policy.

**Legal References:** Minn. Stat. § 120A.22, Subd. 9 (Compulsory Instruction)  
Minn. Stat. § 120B.235 (American Heritage Education)  
Minn. Stat. § 123B.02, Subd. 2 (General Powers of Independent School Districts)  
Minn. Stat. § 123B.09, Subd. 8 (School Board Responsibilities)  
Minn. Stat. § 124D.59-124D.61 (Education for English Learners Act)  
Minn. Stat. § 127A.10 (State Officials and School Board Members to be Disinterested; Penalty)  
*Hazelwood Sch. Dist. v. Kuhlmeier*, 484 U.S. 260 (1988)  
*Pratt v. Independent Sch. Dist. No. 831*, 670 F.2d 771 (8<sup>th</sup> Cir. 1982)

**Cross References:** MSBA/MASA Model Policy 603 (Curriculum Development)  
MSBA/MASA Model Policy 604 (Instructional Curriculum)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 607

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2022

## **607 ORGANIZATION OF GRADE LEVELS**

### **I. PURPOSE**

The purpose of this policy is to address the grade level organization of schools within the school district.

### **II. GENERAL STATEMENT OF POLICY**

- A. The policy of the school district is to address the groupings of grade levels as recognized in Minnesota Statutes section 120A.05, as follows:

<b>Elementary:</b>	<b>Grades prekindergarten through 6</b>
<b>Secondary:</b>	<b>Grades 7 through 12</b>

- B. The superintendent may seek school board approval to administer certain programs on a nongraded basis or a design different from that indicated. Program proposals that seek school board approval must meet all state requirements and reflect the rationale for the modification.
- C. The school district may request documentation that verifies a student falls within the school's minimum and maximum age requirements for admission to publicly funded prekindergarten, preschool, kindergarten, or grades 1 through 12. Documentation may include a passport, a hospital birth record or physician's certificate, a baptismal or religious certificate, an adoption record, health records, immunization records, immigration records, previously verified school records, early childhood screening records, Minnesota Immunization Information Connection records, or an affidavit from a parent.

### **III. DEFINITIONS**

- A. "Kindergarten" means a program designed for students five years of age on September 1 of the calendar year in which the school year commences that prepares students to enter first grade the following school year.
- B. "Prekindergarten" means a program designed for students younger than five years of age on September 1 of the calendar year in which the school year commences that prepares students to enter kindergarten the following school year.

**Legal References:** Minn. Stat. § 120A.05, Subds. 9, 10a, 11, 13, 17 (Definitions)  
Minn. Stat. § 120A.20, Subd. 4 (Admission to Public School)  
Minn. Stat. § 123B.02, Subd. 2 (General Powers of Independent School Districts)

**Cross References:** None

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 608

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2022

## **608 INSTRUCTIONAL SERVICES – SPECIAL EDUCATION**

***[Note: The provisions of this policy substantially reflect statutory and regulatory requirements.]***

### **I. PURPOSE**

The purpose of this policy is to set forth the position of the school board on the need to provide special educational services to some students in the school district.

### **II. GENERAL STATEMENT OF POLICY**

The school board recognizes that some students need special education and further recognizes the importance of providing a free appropriate public education and delivery system for students in need of special education.

### **III. RESPONSIBILITIES**

- A. The school board accepts its responsibility to identify, evaluate, and provide special education and related services for disabled children who are properly the responsibility of the school district and who meet the criteria to qualify for special education and related services as set forth in Minnesota and federal law.
- B. The school district shall ensure that all qualified children with a disability are provided special education and related services that are appropriate to their educational needs.
- C. When such services require or result from interagency cooperation, the school district shall participate in such interagency activities in compliance with applicable federal and state law.

**Legal References:** Minn. Stat. § 124D.03 (Enrollment Options Program)  
Minn. Stat. § 125A.02 (Child with a Disability Defined)  
Minn. Stat. § 125A.027 (Rulemaking)  
Minn. Stat. § 125A.03 (Special Instruction for Children with a Disability)  
Minn. Stat. § 125A.08 (Individualized Education Programs)  
Minn. Stat. § 125A.15 (Placement in Another District; Responsibility)  
Minn. Stat. § 125A.29 (Responsibilities of County Boards and School Boards))  
20 U.S.C. § 1400 *et seq.* (Individuals with Disabilities Education Act)

**Cross References:** MSBA/MASA Model Policy 402 (Disability Nondiscrimination Policy)  
MSBA/MASA Model Policy 508 (Extended School Year for Certain Students with Individualized Education Programs)  
MSBA/MASA Model Policy 509 (Enrollment of Nonresident Students)  
MSBA/MASA Model Policy 521 (Student Disability Nondiscrimination)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 609

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2022

## **609 RELIGION**

### **I. PURPOSE**

The purpose of this policy is to identify the status of religion as it pertains to the programs of the school district.

### **II. GENERAL STATEMENT OF POLICY**

- A. The school district shall neither promote nor disparage any religious belief or nonbelief. Instead, the school district encourages all students and employees to have appreciation for and tolerance of each other's views.
- B. The school district also recognizes that religion has had and is having a significant role in the social, cultural, political, and historical development of civilization.
- C. The school district recognizes that one of its educational objectives is to increase its students' knowledge and appreciation of music, art, drama, and literature which may have had a religious basis or origin as well as a secular importance.
- D. The school district supports the inclusion of religious music, art, drama, and literature in the curriculum and in school activities provided it is intrinsic to the learning experience and is presented in an objective manner without sectarian indoctrination.
- E. The historical and contemporary values and the origin of various religions, holidays, customs, and beliefs may be explained in an unbiased and nonsectarian manner.

### **III. RESPONSIBILITY**

- A. The superintendent shall be responsible for ensuring that the study of religious materials, customs, beliefs, and holidays in the school district is in keeping with the following guidelines:
  - 1. The proposed activity must have a secular purpose.
  - 2. The primary objective of the activity must be one that neither advances nor inhibits religion.
  - 3. The activity must not foster excessive governmental relationships with religion.
  - 4. Notwithstanding the foregoing guidelines, reasonable efforts must be made to accommodate any student who wishes to be excused from a curricular activity for a religious observance. The school district must provide annual notice to parents of this policy.
- B. The superintendent is granted authority to develop and present for school board review and approval directives and guidelines for the purpose of providing further guidance relative to the teaching of materials related to religion. Approved directives and guidelines shall be attached as an addendum to this policy.

**Legal References:** U. S. Const., amend. I  
Minn. Stat. § 120A.22, Subd. 12(3) (Compulsory Instruction)  
Minn. Stat. § 120A.35 (Absence from School for Religious Observance)  
Minn. Stat. § 121A.10 (Moment of Silence)  
*Good News Club v. Milford Central School*, 533 U.S. 98 (2001)  
*Santa Fe Indep. Sch. Dist. v. Doe*, 530 U.S. 290 (2000)  
*Tangipahoa Parish Bd. of Educ. v. Freiler*, 530 U.S. 1251 (2000)  
*Lemon v. Kurtzman*, 403 U.S.602, (1971)  
*Child Evangelism Fellowship v. Minneapolis Special Sch. Dist. No. 1*, 690 F.3d 996 (8<sup>th</sup> Cir. 2012)  
*Wigg v. Sioux Falls Sch. Dist.*, 382 F.3d 807 (8<sup>th</sup> Cir. 2004)  
*Doe v. School Dist. of City of Norfolk*, 340 F.3d 605 (8<sup>th</sup> Cir. 2003)  
*Stark v. Independent Sch. Dist. No. 640*, 123 F.3d 1068 (8<sup>th</sup> Cir. 1997)  
*Florey v. Sioux Falls Sch. Dist. 49-5*, 619 F.2d 1311 (8<sup>th</sup> Cir. 1980)  
*Roark v. South Iron R-1 Sch. Dist.*, 573 F.3d 556 (8<sup>th</sup> Cir. 2009)  
*Child Evangelism Fellowship v. Elk River Area Sch. Dist. No. 728*, 599 F.Supp.2d 1136 (D. Minn. 2009)  
*LeVake v. Independent Sch. Dist. No. 656*, 625 N.W.2d 502 (Minn. App. 2001)  
Minn. Op. Atty. Gen. 169-J (Feb. 14, 1968)  
Minn. Op. Atty. Gen. 169-K (Oct. 21, 1949)  
Minn. Op. Atty. Gen. 63 (1940)  
Minn. Op. Atty. Gen. 120 (1924)  
Minn. Op. Atty. Gen. 121 (1924)

**Cross References:** MSBA/MASA Model Policy 801 (Equal Access to School Facilities)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 610

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2012

## **610 FIELD TRIPS**

### **I. PURPOSE**

The purpose of this policy is to provide guidelines for student trips and to identify the general process to be followed for review and approval of trip requests.

### **II. GENERAL STATEMENT OF POLICY**

The general expectation of the school board is that all student trips will be well planned, conducted in an orderly manner and safe environment, and will relate directly to the objectives of the class or activity for which the trip is requested. Student trips will be categorized within three general areas:

#### **A. Instructional Trips**

Trips that take place during the school day, relate directly to a course of study, and require student participation shall fall in this category. These trips shall be subject to review and approval of the building principal and shall be financed by school district funds within the constraints of the school building budget. Fees may not be assessed against students to defray direct costs of instructional trips. (Minnesota Statutes section 123B.37)

#### **B. Supplementary Trips**

This category pertains to those trips in which students voluntarily participate and which usually take place outside the regular school day. Examples of trips in this category involve student activities, clubs, and other special interest groups. These trips are subject to review and approval of the activities director and/or the building principal. Financial contributions by students may be requested. (Minnesota Statutes section 123B.36)

#### **C. Extended Trips**

1. Trips that involve one or more overnight stops fall into this category. Extended trips may be instructional or supplementary and must be requested well in advance of the planned activity. An extended trip request form must be completed and approved at each level: student, principal, superintendent, and school board. Exceptions to the approval policy may be granted or expedited to accommodate emergencies or contingencies (e.g., tournament competition).
2. The school board acknowledges and supports the efforts of booster clubs and similar organizations in providing extended trip opportunities for students.

### III. REGULATIONS

- A. Rules of conduct and discipline for students and employees shall apply to all student trip activity.
- B. The school administration shall be responsible for providing more detailed procedures, including parental involvement, supervision, and such other factors deemed important and in the best interest of students.
- C. Transportation shall be furnished through a commercial carrier or school-owned vehicle.
- D. An employee may use a personal vehicle to transport staff or personal property for purposes of a field trip upon prior, written approval from administration.
- E. An employee must not use a personal vehicle to transport one or more students for purposes of a field trip.
  - 1. If immediate transportation of a student is required due to an emergency or unforeseen circumstance, such as the illness or injury of a child, and the transportation does not constitute regular or scheduled transportation, a personal vehicle may be used. To the extent a personal vehicle is used, the vehicle must be properly registered and insured.
  - 2. An employee must obtain preapproval by administration of student transportation by a personal vehicle, pursuant to Section III.E.1, if practicable. If preapproval by administration of use of a personal vehicle cannot be obtained in a reasonable time given the circumstances, an employee shall report the relevant facts and circumstances justifying the need for use of a personal vehicle to administration as soon as practicable. The relevant facts and circumstances for use of a personal vehicle shall be documented by administration.

### IV. SCHOOL BOARD REVIEW

The superintendent shall at least annually report to the school board upon the utilization of trips under this policy.

**Legal References:** Minn. Stat. § 123B.36 (Authorized Fees)  
Minn. Stat. § 123B.37 (Prohibited Fees)  
Minn. Stat. § 123B.49 (Extracurricular Activities; Insurance)  
Minn. Stat. § 169.011, Subd. 71(a) (Definitions)  
Minn. Stat. § 169.454, Subd. 13 (Type III Vehicle Standards)  
*Sonkowsky v. Board of Educ. for Indep. Sch. Dist. No. 721*, 327 F.3d 675 (8<sup>th</sup> Cir. 2003)  
*Lee v. Pine Bluff Sch. Dist.*, 472 F.3d 1026 (8<sup>th</sup> Cir. 2007)

**Cross References:** MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)  
MSBA/MASA Model Policy 423 (Employee – Student Relationships)  
MSBA/MASA Model Policy 506 (Student Discipline)  
MSBA/MASA Model Policy 707 (Transportation of Public School Students)  
MSBA/MASA Model Policy 709 (Student Transportation Safety Policy)  
MSBA/MASA Model Policy 710 (Extracurricular Transportation)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 611

Orig. 1996

Revised: \_\_\_\_\_

Rev. 2022

## **611 HOME SCHOOLING**

***[Note: The provisions of this policy substantially reflect statutory requirements.]***

### **I. PURPOSE**

The purpose of this policy is to recognize and provide guidelines in accordance with state law for parents who wish to have their children receive education in a home school that is an alternative to an accredited public or private school.

### **II. GENERAL STATEMENT OF POLICY**

The Compulsory Attendance Law (Minnesota Statutes section 120A.22) provides that the parent or guardian of a child is primarily responsible for assuring that the child acquires knowledge and skills that are essential for effective citizenship.

### **III. CONDITIONS FOR HOME SCHOOLING**

The person in charge of a home school and the school district must provide instruction and meet the requirements specified in Minnesota Statutes section 120A.22.

### **IV. IMMUNIZATION**

The parent or guardian of a home-schooled child shall submit statements as required by Minnesota Statutes section 121A.15, Subds. 1, 2, 3, 4, and 12, on the appropriate Minnesota Department of Education form, to the superintendent of the school district in which the child resides by October 1 of the first year of home schooling in Minnesota and the grade 7 year.

### **V. TEXTBOOKS, INSTRUCTIONAL MATERIAL, STANDARD TESTS**

Upon formal request, as required by law, the school district will provide textbooks (including a teacher's edition, guide, or other materials that accompany a textbook when the edition, guide, or materials are packaged physically or electronically with textbooks for student use), individualized instructional or cooperative learning materials (including teacher materials that accompany pupil materials), software or other educational technology, and standardized tests and loan or provide them for use by a home-schooled child as provided under state law. The school district is not required to expend any amount for this purpose that exceeds the amount it receives pursuant to state law for this purpose. If curriculum has both physical and electronic components, the school district will, at the request of the student or the student's parent or guardian, make the electronic component accessible to a resident student provided that the school district does not incur more than an incidental cost as a result of providing access electronically.

### **VI. PUPIL SUPPORT SERVICES**

Upon formal request, as required by law, the school district will provide pupil support services in the form of health services and counseling and guidance services to a home-schooled child as provided under state law. The school district is not required to expend an amount for any of these purposes that exceeds the amount it receives pursuant to state law.

## **VII. EXTRACURRICULAR ACTIVITIES**

Resident pupils who receive instruction in a home school (in which five or fewer students receive instruction) may fully participate in extracurricular activities of the school district on the same basis as other public school students.

## **VIII. SHARED TIME PROGRAMS**

Enrollment in class offerings of the school district.

- A. A home-schooled child who is a resident of the school district may enroll in classes in the school district as a shared time pupil on the same basis as other nonpublic school students. The provisions of this policy shall not be determinative of whether the school district allows the enrollment of any pupils on a shared-time basis.
- B. The school district may limit enrollment of shared-time pupils in such classes based on the capacity of a program, class, grade level, or school building. The school board and administration retain sole discretion and control over scheduling of all classes and assignment of shared time pupils to classes.

***[Note: The provisions of Article VIII. - Shared Time Programs do not determine whether Shared Time Programs should be offered to any pupil. However, home-schooled children are required to be treated the same as all other nonpublic school children.]***

## **IX. OPTIONAL COOPERATIVE ARRANGEMENTS**

### **A. Activities**

- 1. Minnesota State High School League-sponsored activities (in which six or more students receive instruction in the home school or the home school students are not residents of the school district).

A home school that is a member of the Minnesota State High School League may request that the school district enter into a cooperative sponsorship arrangement as provided in Minnesota State High School League bylaws. The approval of such an arrangement shall be at the discretion of the school board.

- a. The home school must become a member of the Minnesota State High School League in accordance with the rules of the Minnesota State High School League.
  - b. The home school is solely responsible for any costs or fees associated with its application for and/or subsequent membership in the Minnesota State High School League.
  - c. The home school is responsible for any and all costs associated with its participation in a cooperative sponsorship arrangement as well as any school district activity fees associated with the Minnesota State High School League activity.
- 2. Non-Minnesota State High School League activities in which six or more students receive instruction in the home school.

A home-schooled child may participate in non-Minnesota State High School

League activities offered by the school district upon application and approval from the school board to participate in the activity and the payment of any activity fees associated with the activity. However, home school students may not be charged higher activity fees than other public school students. An approval shall be granted at the discretion of the school board.

B. Transportation Services

1. The school district may provide nonpublic nonregular transportation services to a home-schooled child.
2. The school board of the school district retains sole discretion and control and management of scheduling routes, establishment of the location of bus stops, manner and method of transportation, control and discipline of school children, and any other matter relating to the provision of transportation services.

**Legal References:**

Minn. Stat. § 120A.22 (Compulsory Instruction)  
Minn. Stat. § 120A.24 (Reporting)  
Minn. Stat. § 120A.26 (Enforcement and Prosecution)  
Minn. Stat. § 121A.15 (Health Standards; Immunizations; School Children)  
Minn. Stat. § 123B.36 (Authorized Fees)  
Minn. Stat. § 123B.41 (Definitions)  
Minn. Stat. § 123B.42 (Textbooks; Individual Instruction or Cooperative Learning Material; Standard Tests)  
Minn. Stat. § 123B.44 (Provision of Pupil Support Services)  
Minn. Stat. § 123B.49 (Extracurricular Activities; Insurance)  
Minn. Stat. § 123B.86 (Equal Treatment - Transportation)  
Minn. Stat. § 123B.92 (Transportation Aid Entitlement)  
Minn. Stat. § 124D.03 (Enrollment Options Program)  
Minn. Rules Ch. 3540 (Nonpublic Schools)

**Cross References:**

MSBA/MASA Model Policy 509 (Enrollment of Nonresident Students)  
MSBA/MASA Model Policy 510 (School Activities)

Adopted:

MSBA/MASA Model Policy 612.1

Orig. 1996

Revised:

Rev. 2016

## **612.1 DEVELOPMENT OF PARENT AND FAMILY ENGAGEMENT POLICIES FOR TITLE I PROGRAMS**

**[Note: This policy reflects recent federal statutory changes made by the Every Student Succeeds Act (ESSA) which require school districts and schools to meet with parents and jointly develop parent and family engagement policies at both a district wide and school building level. This policy lists the required components of the parent and family engagement policies described herein and serves as a framework for their development. The policies and these components are mandatory in order for the school district to receive federal funds under this program.]**

### **I. PURPOSE**

The purpose of this policy is to encourage and facilitate involvement by parents of students participating in Title I in the educational programs and experiences of students. The policy shall provide the framework for organized, systematic, ongoing, informed, and timely parental involvement in relation to decisions about the Title I services within the school district. The involvement of parents by the school district shall be directed toward both public and private school children whose parents are school district residents or whose children attend school within the boundaries of the school district.

### **II. GENERAL STATEMENT OF POLICY**

- A. The policy of the school district is to plan and implement, with meaningful consultation with parents of participating children, programs, activities, and procedures for the engagement of parents and families in its Title I programs.
- B. The policy of the school district is to fully comply with 20 United States Code section 6318 which requires the school district to develop jointly with, agree upon with, and distribute to parents of children participating in Title I programs written parent and family engagement policies.

### **III. DEVELOPMENT OF DISTRICT LEVEL POLICY**

The school board will direct the administration to develop jointly with, agree upon with, and distribute to parents and family members of participating children a written parent and family engagement policy that will be incorporated into the school district's Title I plan. The policy will establish the expectations for meaningful parent and family involvement and describe how the school district will:

- A. Involve parents and family members in the joint development of the school district's Title I plan and the development of support and improvement plans;
- B. Provide the coordination, technical assistance, and other support necessary to assist and build the capacity of all participating schools within the school district in planning and implementing effective parent and family involvement activities to improve student academic achievement and school performance, which may include meaningful consultation with employers, business leaders, and philanthropic organizations, or individuals with expertise in effectively engaging parents and family members in education;
- C. Coordinate and integrate parent and family engagement strategies with similar

strategies, to the extent feasible and appropriate, with other relevant federal, state, and local laws and programs;

- D. Conduct, with the meaningful involvement of parents and family members, an annual evaluation of the content and effectiveness of the parent and family engagement policy in improving the academic quality of the schools served, including identifying barriers to greater participation by parents in parental involvement activities (with particular attention to, parents who are economically disadvantaged, disabled, have limited English proficiency, have limited literacy, or who are of a racial or ethnic minority background); the needs of parents and family members to assist with the learning of their children, including engaging with school personnel and teachers; and strategies to support successful school and family interactions;
- E. Use the findings of such evaluations to design evidence-based strategies for more effective parental involvement and to revise, if necessary, the district-level and school-level and family engagement policies; and
- F. Involve parents in the activities of the schools, which may include establishing a parent advisory board comprised of a sufficient number and representative group of parents or family members served by the school district to adequately represent the needs of the population served by the school district for the purposes of developing, revising, and reviewing the parent and family engagement policy.

#### **IV. DEVELOPMENT OF SCHOOL LEVEL POLICY**

The school board will direct the administration of each school to develop (or amend an existing parental involvement policy) jointly with, and distribute to, parents and family members of participating children a written parent and family engagement policy, agreed upon by such parents and families, that shall describe the means for carrying out the federal requirements of parent and family engagement. Parents shall be notified of the policy in an understandable and uniform format and, to the extent practicable, provided in a language the parents can understand. Such policy shall be made available to the local community and updated periodically to meet the changing needs of parents and the school.

- A. The policy will describe the means by which each school with a Title I program will:
  - 1. Convene an annual meeting, at a convenient time, to which all parents of participating children shall be invited and encouraged to attend, to inform parents of their school's participation in Title I programs, and to explain to parents of participating children the program, its requirements, and their right to be involved;
  - 2. Offer a flexible number of meetings, such as meetings in the morning or evening, and may provide with Title I funds transportation, child care, or home visits, as such services relate to parental involvement;
  - 3. Involve parents in an organized, ongoing, and timely way in the planning, review, and improvement of the parental involvement programs, including the planning, review, and improvement of the school parent and family engagement policy and the joint development of the school-wide program plan, except that if a school has in place a process for involving parents in the joint planning and design of the school's programs, the school may use that process, if such process includes an adequate representation of parents of participating children;
  - 4. Provide parents of participating children with: timely information about Title I programs; a description and explanation of the curriculum in use at the school, the forms of academic assessment used to measure student progress, and the achievement levels of the challenging state academic standards; if requested by parents, opportunities for regular meetings to formulate suggestions and to participate, as appropriate, in decisions relating to the education of their children,

and to respond to any such suggestions as soon as practicably possible; and

5. If the school-wide program plan is not satisfactory to the parents of participating children, submit any parent's comments on the plan when it is submitted to the school district.
- B. As a component of this policy, each school shall jointly develop with parents a school/parent compact which outlines how parents, staff, and students will share the responsibility for improved student academic achievement and the means by which the school and parents will build and develop a partnership to help children achieve the state's high standards. The compact shall:
1. Describe the school's responsibility to provide high-quality curriculum and instruction in a supportive and effective learning environment that enables participating students to meet state student academic achievement standards;
  2. Describe the ways each parent will be responsible for supporting his or her child's learning by volunteering in his or her child's classroom and participating, as appropriate, in decisions relating to his or her child's education and use of extracurricular time.
  3. Address the importance of communication between teachers and parents on an on-going basis through the use of:
    - a. Annual parent-teacher conferences to discuss the compact and the child's achievement;
    - b. Frequent progress reports to the parents; and
    - c. Reasonable access to staff, opportunities to volunteer, participate in the child's class, and observe in the child's classroom.
    - d. Ensuring regular two-way, meaningful communication between family members and school staff and, to the extent practicable, in a language that family members can understand.
- C. To ensure effective involvement of parents and to support a partnership among the school, parents, and community to improve student academic achievement, the policy will describe how each school and the school district will:
1. Provide assistance to participating parents in understanding such topics as the state's academic content standards and state academic achievement standards, state and local academic assessments, Title I requirements, and how to monitor a child's progress and work with educators to improve the achievement of their children;
  2. Provide materials and training to assist parents in working with their children to improve their children's achievement, such as literacy training and using technology, as appropriate, to foster parental involvement;
  3. Educate school staff, with the assistance of parents, in the value and utility of contributions of parents and in how to reach out to, communicate with, and work with parents as equal partners, implement and coordinate parent programs, and build ties between parents and school;
  4. Coordinate and integrate parental involvement programs and activities with other federal, state, and local programs, including public preschool programs, and conduct other activities, such as parent resource centers, that encourage and support parents in more fully participating in the education of their children to the extent feasible and appropriate;

5. Ensure, to the extent practicable, that information about school and parent meetings, programs, and activities is sent home to the parents of participating children in a format and, to the extent practicable, in a language the parents can understand; and
  6. Provide such other reasonable support for parental involvement activities as requested by parents.
- D. The policy will also describe the process to be taken if the school district and school choose to:
1. Involve parents in the development of training for school staff to improve the effectiveness of such training;
  2. Provide necessary literacy training with funds received under Title I programs if all other funding has been exhausted;
  3. Pay reasonable and necessary expenses associated with parental involvement activities, including transportation and child care costs, to enable parents to participate in school-related meetings and training sessions;
  4. Train parents to enhance the involvement of other parents;
  5. Arrange meetings at a variety of times or have conduct in-home conferences between teachers or other educators, who work directly with participating children, and parents who are unable to attend such conferences at school in order to maximize parental opportunities for involvement and participation in school-related activities;
  6. Adopt and implement model approaches to improving parental involvement;
  7. Develop appropriate roles for community-based organizations and business in parental involvement activities; and
  8. Establish a district-wide parent advisory council to provide advice on all matters related to parental involvement in Title I programs.
- E. To carry out the requirements of parent and family engagement, the school district and schools, to the extent practicable, will provide opportunities for the informed participation of parents and family members (including parents and family members who have limited English proficiency, parents and family members with disabilities, and parents and family members of migratory children), including providing information and school reports in a format and, to the extent practicable, in a language that is understandable by the parents.
- F. The school district and each school shall inform parents and parent organizations of the existence of family engagement in education programs.

The policies will be updated periodically to meet the changing needs of parents and the school.

**Legal References:** 20 U.S.C. § 6318 (Parent and Family Engagement)

**Cross References:** None

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 614

Orig. 1997

Revised: \_\_\_\_\_

Rev. 2022

## **614 SCHOOL DISTRICT TESTING PLAN AND PROCEDURE**

### **I. PURPOSE**

The purpose of this policy is to set forth the school district's testing plan and procedure.

### **II. GENERAL STATEMENT OF POLICY**

The policy of the school district is to implement procedures for testing, test security, documentation, and record keeping.

### **III. DUTIES OF SCHOOL DISTRICT PERSONNEL REGARDING TEST ADMINISTRATION**

***[Note: This listing of school personnel may not be consistent with the personnel in the school district and, consequently, should be amended to reflect the personnel with responsibility for testing in the school district.]***

#### **A. Superintendent**

##### **1. Responsibilities before testing.**

- a. Designate a district assessment coordinator and district technology coordinator.
- b. The superintendent, or a designee who has been authorized to be the identified official with authority by the school board, pre-authorizes staff access for applicable Minnesota Department of Education (MDE) secure systems.
- c. Annually review and recertify staff who have access to MDE secure systems.
- d. Read and complete the *Assurance of Test Security and Non-Disclosure*.

***[Note: This form is available on the Minnesota PearsonAccess Next website—see Cross References for website address.]***

- e. Establish a culture of academic integrity.
- f. Fully cooperate with MDE representatives conducting site visits or Minnesota Test of Academic Skills (MTAS) audits during testing.
- g. Ensure student information is current and accurate.
- h. Ensure that a current district test security procedure is in place and that all relevant staff have been provided district training on test administration and test security.
- i. Ensure that a current process is included for tracking which students tested with which test monitors and any other adult(s) who were present in the testing room (e.g., staff providing assistance, paraprofessionals, etc.).

- j. Confirm the district assessment coordinator has current information and training specific to test security and the administration of statewide assessments.
  - k. Confirm the district assessment coordinator completes Pre-test Editing in the Test Web Edit System (WES).
  - l. Post on the school district website the complete Parent/Guardian Guide and Refusal for Student Participation in Statewide Testing form.
2. Responsibilities after testing.
- a. Confirm the district assessment coordinator and Minnesota Automated Reporting Student System (MARSS) coordinator complete Post-test Editing in Test WES.
  - b. Verify with the district assessment coordinator that all test security issues have been reported to MDE and are being addressed.
  - c. Confirm the MARSS coordinator has updated all student records for Post-test Editing.
  - d. Confirm the district assessment coordinator has finalized the district's assessment information prior to the close of Post-test Editing in Test WES.
  - e. Confirm the district assessment coordinator, or designee, has access to the Graduation Requirements Records (GRR) system and enters necessary information.
  - f. Discuss assessment results with the district assessment coordinator and school administrators.

B. District Assessment Coordinator

1. Responsibilities before testing.
- a. Serve as primary contact with MDE regarding policy and procedure questions related to test administration.
  - b. Read and complete the *Assurance of Test Security and Non-Disclosure*.
  - c. Confirm all staff who handle test materials, administer tests, or have access to secure test content have completed the *Assurance of Test Security and Non-Disclosure*.
    - (1) Maintain the completed *Assurance of Test Security and Non-Disclosure* for two years after the end of the academic school year in which testing took place.
  - d. Review with all staff the *Assurance of Test Security and Non-Disclosure* and their responsibilities thereunder.
  - e. Identify appropriate tests for students and ensure student data sent to service providers for testing are correct.
  - f. Establish district testing schedule within the testing windows specified by the MDE and service providers.
  - g. Prepare testing conditions, including user access to service provider websites, preparing readiness for online testing, preparing a plan for

tracking which students test on which computers or devices, ensure accommodations are indicated as necessary, providing students with opportunity to become familiar with test format, item types, and tools prior to test administration; establishing process for inventorying and distributing secure test materials where necessary; preparing procedures for expected and unexpected situations occurring during testing; planning for addressing technical issues while testing; identify staff who will enter student responses from paper accommodated test materials and scores from MTAS administration online.

- h. Train school assessment coordinators, test monitors, MTAS test administrators, and ACCESS (test for English language learners) and Alternate ACCESS test administrators.
    - (1) Provide training on proper test administration and test security (Pearson's Training Management System).
    - (2) Verify staff complete any and all test-specific training.
  - i. Maintain security of test content, test materials, and record of all staff involved.
    - (1) Receive secure paper test materials from the service provider and immediately lock them in a previously identified secure area, inventory same, and contact service provider with any discrepancies.
    - (2) Organize secure test materials for online administrations and keep them secure.
    - (3) Define chain of custody for providing test materials to test monitors and administrators. The chain of custody must address the process for providing test materials on the day of testing, distributing test materials to and collecting test materials from students at the time of testing, keeping test materials secure between testing sessions, and returning test materials after testing is completed.
  - j. Confirm that all students have appropriate test materials.
2. Responsibilities on testing day(s).
- a. Conduct random, unannounced visits to testing rooms to observe staff adherence to test security and policies and procedures.
  - b. Fully cooperate with MDE representatives conducting site visits or MTAS audits.
  - c. Contact the MDE assessment contact within 24 hours of a security breach and submit the *Test Security Notification* in Test WES within 48 hours.
  - d. Address invalidations and test or accountability codes.
3. Responsibilities after testing.
- a. Ensure that student responses from paper accommodated test materials and MTAS scores are entered.
  - b. Arrange for secure disposal of all test materials that are not required to be returned within 48 hours after the close of the testing window.

- c. Return secure test materials as outlined in applicable manuals and resources.
- d. Collect security documents and maintain them for two years from the end of the academic school year in which testing took place.
- e. Review student assessment data and resolve any issues.
- f. Distribute Individual Student Reports no later than fall parent/teacher conferences.
- g. Enter Graduation Requirements Records in the GRR system.

C. School Principal

1. Responsibilities before testing.
  - a. Designate a school assessment coordinator and technology coordinator for the building.
  - b. Be knowledgeable about proper test administration and test security as outlined in manuals and directions.
  - c. Read and complete the *Assurance of Test Security and Non-Disclosure*.
  - d. Communicate the importance of test security and expectation that staff will keep test content secure and act with honesty and integrity during test administration.
  - e. Provide adequate secure storage space for secure test materials before, during, and after testing until they are returned to the service provider or securely disposed of.
  - f. Ensure adequate computers and/or devices are available and rooms are appropriately set up for online testing.
  - g. Verify that all test monitors and test administrators receive proper training for test administration.
  - h. Ensure students taking specified tests have opportunity to become familiar with test format, item types, and tools prior to test administration.
  - i. Include the complete Parent/Guardian Guide and Refusal for Student Participation in Statewide Testing form in the student handbook.
2. Responsibilities on testing day(s).
  - a. Ensure that test administration policies and procedures and test security requirements in all manuals and directions are followed.
  - b. Fully cooperate with MDE representatives conducting site visits or MTAS audits.
3. Responsibilities after testing.

- a. Ensure all secure test materials are collected, returned, and/or disposed of securely as required in any manual.
- b. Ensure requirements for embargoed final assessment results are followed.

D. School Assessment Coordinator

- 1. Responsibilities before testing.
  - a. Implement test administration and test security policies and procedures.
  - b. Read and complete the *Assurance of Test Security and Non-Disclosure*.
  - c. Ensure all staff who handle test materials, administer tests, or have access to secure test content read and complete the *Assurance of Test Security and Non-Disclosure*.
  - d. Identify appropriate tests for students and ensure student data sent to service providers for testing are correct.
  - e. Prepare testing conditions, including the following: schedule rooms and computer labs; arrange for test monitors and administrators; arrange for additional staff to assist with unexpected situations; arrange for technology staff to assist with technical issues; develop a plan for tracking which students test on which computers or devices; plan seating arrangements for students; ensure preparations are completed for Optional Local Purpose Assessment (OLPA), Minnesota Comprehensive Assessment (MCA), and ACCESS online testing; ensure accommodations are properly reported; confirm how secure paper test materials will arrive and quantities to expect; address accommodations and specific test administration procedures; determine staff who will enter the student responses from paper accommodated test materials and scores from MTAS administrations online.
  - f. Train staff, including all state-provided training materials, policies and procedures, and test-specific training.
  - g. Maintain security of test content and test materials.
    - (1) Receive secure paper test materials from the service provider and immediately lock them in a previously identified secure area, inventory same, and contact service provider with any discrepancies.
    - (2) Organize secure test materials for online administrations and keep them secure.
    - (3) Follow chain of custody for providing test materials to test monitors and administrators. The chain of custody must address the process for providing test materials on the day of testing, distributing test materials to and collecting test materials from students at the time of testing, keeping test materials secure between testing sessions, and returning test materials after testing is completed.
    - (4) Identify need for additional test materials to district assessment coordinator.
    - (5) Provide MTAS student data collection forms if necessary.

- (6) Distribute applicable ACCESS and Alternate ACCESS *Test Administrator Scripts* and *Test Administration Manuals* to test administrators so they can become familiar with the script and prepare for test administration.
- (7) Confirm that all students taking ACCESS and Alternate ACCESS have appropriate test materials and preprinted student information on the label is accurate.

2. Responsibilities on testing day(s).

- a. Distribute materials to test monitors and ACCESS test administrators and ensure security of test materials between testing sessions and that district procedures are followed.
- b. Ensure *Test Monitor and Student Directions* and *Test Administrator Scripts* are followed and answer questions regarding same.
- c. Fully cooperate with MDE representatives conducting site visits or MTAS audits, as applicable.
- d. Conduct random, unannounced visits to testing rooms to observe staff adherence to test security and test administration policies and procedures.
- e. Report testing irregularities to district assessment coordinator using the *Test Administration Report*.

***[Note: This form is available on the Minnesota PearsonAccess Next website—see Cross References for website address.]***

- f. Report security breaches to the district assessment coordinator as soon as possible.

3. Responsibilities after testing.

- a. Ensure that all paper test materials are kept locked and secure and security checklists completed.
- b. Ensure that student responses from paper accommodated test materials and MTAS scores are entered.
- c. Arrange for secure disposal of all test materials that are not required to be returned within 48 hours after the close of the testing window.
- d. Return secure test materials as outlined in applicable manuals and resources.
- e. Prepare materials for pickup by designated carrier on designated date(s). Maintain security of all materials.
- f. Ensure requirements for embargoed final assessment results are followed.

E. Technology Coordinator

1. Ensure that district is prepared for online test administration and provide technical support to district staff.

2. Acquire all necessary user identifications and passwords.
3. Read and complete the *Assurance of Test Security and Non-Disclosure*.
4. Fully cooperate with MDE representatives conducting site visits or MTAS audits.
5. Attend district training and any service provider technology training.
6. Review, use, and be familiar with all service provider technical documentation.
7. Prepare computers and devices for online testing.
8. Confirm site readiness.
9. Provide all necessary accessories for testing, technical support/troubleshooting during test administration and contact service provider help desks as needed.

F. Test Monitor

1. Responsibilities before testing.
  - a. Read and complete the *Assurance of Test Security and Non-Disclosure*.
  - b. Attend trainings related to test administration and security.
  - c. Complete required training course(s) for tests administering.
  - d. Be knowledgeable about how to contact the school assessment coordinator during testing, where to pick up materials on day of test, and plan for securing test materials between test sessions.
  - e. Be knowledgeable regarding student accommodations.
  - f. Remove or cover any instructional posters or visual materials in the testing room.
2. Responsibilities on testing day(s).
  - a. Before test.
    - (1) Receive and maintain security of test materials.
    - (2) Verify that all test materials are received.
    - (3) Ensure proper number of computers/devices or paper accommodated test materials are present.
    - (4) Verify student testing tickets and appropriate allowable materials.
    - (5) Assign numbered test books to individual students.
    - (6) Complete information as directed.
    - (7) Record extra test materials.
  - b. During test.

- (1) Verify that students are logged in and taking the correct test or using the correct grade-level and tier test booklet for students with paper accommodated test materials.
- (2) Follow all directions and scripts exactly.
- (3) Follow procedures for restricting student access to cell phones and other electronic devices, including wearable electronic devices.
- (4) Stay in testing room and remain attentive during entire test session. Practice active monitoring by circulating throughout the room during testing.

***[Note: School districts may allow test monitors to use their cell phones only to alert other staff of issues. If allowed, the school district should train the test monitors on proper and improper use.]***

- (5) Be knowledgeable about responding to emergency or unusual circumstances and technology issues.
- (6) Do not review, discuss, capture, email, post, or share test content in any format.
- (7) Ensure all students have been provided the opportunity to independently demonstrate their knowledge.
- (8) Fully cooperate with MDE representatives conducting site visits or MTAS audits.
- (9) Document the students who tested with the test monitor and any other adult(s) who were present in the testing room (e.g., staff providing assistance, paraprofessionals, etc.).
- (10) Document students who require a scribe or translated directions or any unusual circumstances and report to school assessment coordinator.
- (11) Report any possible security breaches as soon as possible.

c. After test.

- (1) Follow directions and scripts exactly.
- (2) Collect all materials and keep secure after each session. Upon completion return to the school assessment coordinator.
- (3) Immediately report any missing test materials to the school assessment coordinator.

G. MTAS Test Administrator

1. Before testing.

- a. Read and complete the *Assurance of Test Security and Non-Disclosure*.
- b. Attend trainings related to test administration and security.
- c. Complete required training course(s) for tests administering.

- d. Be knowledgeable as to when and where to pick up MTAS materials and the school's plan for keeping test materials secure.
  - e. Prepare test materials for administration, including objects and manipulatives, special instructions, and specific adaptations for each student.
2. Responsibility on testing day(s).
- a. Before the test.
    - (1) Maintain security of materials.
    - (2) Confirm appropriate MTAS materials are available and prepared for student.
  - b. During the test.
    - (1) Administer each task to each student and record the score.
    - (2) Be knowledgeable about how to contact the district or school assessment coordinator, if necessary, and responding to emergency and unusual circumstances.
    - (3) Fully cooperate with MDE representatives conducting site visits or MTAS audits.
    - (4) Document and report and unusual circumstances to district or school assessment coordinator.
  - c. After the test.
    - (1) Keep materials secure.
    - (2) Return all materials.
    - (3) Return objects and manipulatives to classroom.
    - (4) Enter MTAS scores online or return data collection forms to the district or school assessment coordinator.

H. MARSS Coordinator

- 1. Responsibilities before testing.
  - a. Confirm all eligible students have unique state student identification (SSID) or MARSS numbers.
  - b. Ensure English language and special education designations are current and correct for students testing based on those designations.
  - c. Submit MARSS data on an ongoing basis to ensure accurate student demographic and enrollment information.
- 2. Responsibilities after testing.
  - a. Ensure accurate enrollment of students in schools during the accountability windows.
  - b. Ensure MARSS identifying characteristics are correct, especially for any student not taking an accountability test.

- c. Work with district assessment coordinator to edit discrepancies during the Post-test Edit window in Test WES.

I. Any Person with Access to Test Materials

Read and complete the *Assurance of Test Security and Non-Disclosure*.

**IV. TEST SECURITY**

- A. Test Security Procedures will be adopted by school district administration.

***[Note: This form is available on the Minnesota PearsonAccess Next website—see Cross References for website address..]***

- B. Students will be informed of the following:

1. The importance of test security;
2. Expectation that students will keep test content secure;
3. Expectation that students will act with honesty and integrity during test administration;
4. Expectation that students will not access cell phones, wearable technology (e.g., smart watches, fitness trackers), or other devices that can electronically send or receive information. The test of a student who wears a device during testing must be invalidated.

If a student completes testing and then accesses a cell phone or other prohibited device (including wearable technology), the school district must take further action to determine if the test should be invalidated, rather than automatically invalidating the test.

5. Availability of the online Test Security Tip Line on the MDE website for reporting suspected incidents of cheating or other improper or unethical behavior.

- C. Staff will be informed of the following:

1. Availability of the online Test Security Tip Line on the MDE website for reporting suspected incidents of cheating or other improper or unethical behavior.
2. Other contact information and options for reporting security concerns.

**V. REQUIRED DOCUMENTATION FOR PROGRAM AUDIT**

- A. The school district shall maintain records necessary for program audits conducted by MDE. The records must include documentation consisting of the following:

1. Signed *Assurance of Test Security and Non-Disclosure* forms must be maintained for two years after the end of the academic year in which the testing took place.
2. School district security checklists provided in the test materials shipment must be maintained for two years after the end of the academic school year in which testing took place.
3. School security checklists provided in the test materials shipment must be maintained for two years after the end of the academic school year in which testing took place.

4. Test Monitor Test Materials Security Checklist provided for each group of students assigned to a test monitor must be maintained for two years after the end of the academic school year in which testing took place.
5. School district test monitor tracking documentation must be maintained for two years after the end of the academic year in which the tracking took place.
6. ACCESS and Alternate ACCESS Packing List and Security Checklist provided in the test materials shipment must be maintained for two years after the end of the academic school year in which testing took place.
7. Documentation of school district staff training on test administration and test security must be maintained for two years after the end of the academic school year in which testing took place.
8. *Test Security Notification* must be maintained for two years after the end of the academic school year in which testing took place.
9. *Test Administration Report* must be maintained for one year after the end of the academic school year in which testing took place.
10. Record of staff trainings and test-specific trainings must be maintained for one year after the end of the academic year in which testing took place.

**Legal References:**

Minn. Stat. § 13.34 (Examination Data)  
Minn. Stat. § 120B.11 (School District Process for Reviewing Curriculum Instruction, and Student Achievement; Striving for the World’s Best Workforce)  
Minn. Stat. § 120B.30 (Statewide Testing and Reporting System)  
Minn. Stat. § 120B.36, Subd. 2 (School Accountability)  
Minn. Rules Parts 3501.0640-3501.0655 (Academic Standards for Language Arts)  
Minn. Rules Parts 3501.0700-3501.0745 (Academic Standards for Mathematics)  
Minn. Rules Parts 3501.082 (Academic Standards for the Arts)  
Minn. Rules Parts 3501.0900-3501.0955 (Academic Standards in Science)  
Minn. Rules Parts 3501.1300-3501.1345 (Academic Standards for Social Studies)  
Minn. Rules Parts 3501.1400-3501.1410 (Academic Standards for Physical Education)  
20 U.S.C. § 6301, *et seq.* (Every Student Succeeds Act)

**Cross References:**

MSBA/MASA Model Policy 601 (School District Curriculum and Instruction Goals)  
MSBA/MASA Model Policy 613 (Graduation Requirements)  
MSBA/MASA Model Policy 615 (Testing Accommodations, Modifications, and Exemptions for IEPs, Section 504 Plans, and LEP Students)  
MSBA/MASA Model Policy 616 (School District System Accountability)  
Minnesota PearsonAccess Next Resources and Forms:  
<http://minnesota.pearsonaccessnext.com/policies-and-procedures/>

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 615

Orig. 1997

Revised: \_\_\_\_\_

Rev. 2022

## **615 TESTING ACCOMMODATIONS, MODIFICATIONS, AND EXEMPTIONS FOR IEPs, SECTION 504 PLANS, AND LEP STUDENTS**

### **I. PURPOSE**

The purpose of the policy is to provide adequate opportunity for students identified as having individualized education program (IEP), Rehabilitation Act of 1973, § 504 accommodation plan (504 plan), or English Learner (EL) needs to participate in statewide assessment systems designed to hold schools accountable for the academic performance of all students.

### **II. GENERAL STATEMENT OF POLICY**

#### **A. Minnesota Test of Academic Skills (MTAS)**

1. The school district will utilize the existing annual review of IEPs or 504 plans to review, on a case-by-case basis, and determine how a student with a disability will participate in statewide testing.
2. Participation decisions will be made separately for mathematics, reading, and science. The assessment options are the Minnesota Comprehensive Assessment (MCA) and the MTAS.
3. Eligibility Requirements
  - a. The following requirements must be met for a student with a significant cognitive disability to be eligible for the MTAS:
    - (1) The IEP team must consider the student's ability to access the MCA, with or without accommodations;
    - (2) The IEP must review the student's instructional program to ensure that the student is receiving instruction linked to the general education curriculum to the extent appropriate. If instruction is not linked to the general education curriculum, the IEP team must review the student's goals and determine how access to the general curriculum will be provided;
    - (3) The IEP team determined the student's cognitive functioning to be significantly below age expectations. The team also determined that the student's disability has a significant impact on his or her ability to function in multiple environments, including home, school, and community;
    - (4) The IEP team determined that the student needs explicit and intensive instruction and/or extensive supports in multiple settings to acquire, maintain, and generalize academic and life skills in order to actively participate in school, work, home, and community environments;
    - (5) The IEP team must document, in the IEP, reasons the MCA is or is not an appropriate measure of the student's academic

progress and how the student would participate in statewide testing.

- b. MTAS participation decisions must not be made on the following factors:
  - (1) Student's disability category;
  - (2) Placement;
  - (3) Participation in a separate, specialized curriculum;
  - (4) An expectation that the student will receive a low score on the MCA;
  - (5) Language, social, cultural, or economic differences;
  - (6) Concern for accountability calculations.

B. Alternate ACCESS for ELs

- 1. The school district will utilize the existing annual review of IEPs or 504 plans to review, on a case-by-case basis, and determine how an identified EL student with a disability will participate in statewide testing.
- 2. Eligibility Requirements
  - a. The student must be identified as EL in MARSS in order to take an English language proficiency assessment.
  - b. The student must have a significant cognitive disability. If the student has been identified as eligible to take the MTAS in mathematics, reading, or science, the student meets this criterion.
  - c. For students in grades that the MTAS is not administered:
    - (1) the student must have cognitive functioning significantly below age level;
    - (2) the student's disability must have a significant impact on his or her ability to function in multiple environments, including home, school, and community; and
    - (3) the student needs explicit and intensive instruction and/or extensive supports in multiple settings to acquire, maintain, and generalize academic and life skills in order to actively participate in school, work, home, and community environments.
  - d. The IEP team must consider the student's ability to access the ACCESS, with or without accommodations.
  - e. The IEP team must document, in the IEP, reasons the MCA is or is not an appropriate English language proficiency assessment for the student.
- 3. Alternate ACCESS participation decisions must not be made on the following factors:

- a. Student’s disability category;
- b. Participation in a separate, specialized curriculum;
- c. Current level of English language proficiency;
- d. The expectation that the student will receive a low score on the ACCESS for ELs;
- e. Language, social, cultural, or economic differences;
- f. Concern for accountability calculations.

C. EL Students New to the United States

EL students new to the United States will take all assessments, including all academic assessments (math, reading, and science), as well as the English Language Proficiency Assessment (ACCESS).

**III. DEFINITION OF TERMS**

See the current “Procedures Manual for the Minnesota Assessments” which is produced by the Minnesota Department of Education and available through [minnesota.pearsonaccessnext.com](http://minnesota.pearsonaccessnext.com).

**IV. GRANTING AND DOCUMENTING ACCOMMODATIONS, MODIFICATIONS, OR EXEMPTIONS FOR TESTING**

See Chapter 5 of the current “Procedures Manual for the Minnesota Assessments” and 2020-21 Guidelines for Administration of Accommodations and Linguistic Supports [http://minnesota.pearsonaccessnext.com/resources/resources-training/manuals/Guidelines%20for%20Accomm\\_2020-21.pdf](http://minnesota.pearsonaccessnext.com/resources/resources-training/manuals/Guidelines%20for%20Accomm_2020-21.pdf)

**V. RECORDS**

All test accommodations, modifications, or exemptions shall be reported to the school district test administrator. The school district test administrator shall be responsible for keeping a list of all such test accommodations, modifications, and exemptions for school district audit purposes. Testing results will be documented and reported.

**Legal References:**

- Minn. Stat. § 120B.11 (School District Process for Reviewing Curriculum, Instruction, and Student Achievement; Striving for the World’s Best Workforce)
- Minn. Stat. § 120B.30 (Statewide Testing and Reporting System)
- Minn. Stat. § 125A.08 (Individualized Education Programs)
- Minn. Rules Parts 3501.0640-3501.0655 (Academic Standards for Language Arts)
- Minn. Rules Parts 3501.0700-3501.0745 (Academic Standards for Mathematics)
- Minn. Rules Parts 3501.0820 (Academic Standards for the Arts)
- Minn. Rules Parts 3501.0900-3501.0955 (Academic Standards in Science)
- Minn. Rules Parts 3501.1300-3501.1345 (Academic Standards for Social Studies)
- Minn. Rules Parts 3501.1400-3501.1410 (Academic Standards for Physical Education)
- Eligibility Requirements for the Minnesota Test of Academic Skills (MTAS), <https://education.mn.gov/mdeprod/groups/educ/documents/hiddencontent/mdaw/mda2/~edisp/006087.pdf>

Alternate ACCESS for ELLs Participation Guidelines,  
<https://education.mn.gov/mdeprod/groups/educ/documents/hiddencontent/mdaw/mdq5/~edisp/049763.pdf>

**Cross References:** MSBA/MASA Model Policy 104 (School District Mission Statement)  
MSBA/MASA Model Policy 601 (School District Curriculum and Instruction Goals)  
MSBA/MASA Model Policy 613 (Graduation Requirements)  
MSBA/MASA Model Policy 614 (School District Testing Plan and Procedure)  
MSBA/MASA Model Policy 616 (School District System Accountability)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 623

Orig. 1999

Revised: \_\_\_\_\_

Rev. 2022

## **623 MANDATORY SUMMER SCHOOL INSTRUCTION**

### **I. PURPOSE**

The purpose of this policy is to establish program parameters and student attendance guidelines and requirements for the school district relating to the provision of mandatory summer school educational services.

### **II. GENERAL STATEMENT OF POLICY**

Summer school educational services and instruction shall be directed toward the fulfillment of the goals and objectives of the educational program and graduation standards of the school district.

### **III. PROCEDURES**

A. The school district shall offer summer school instruction providing opportunities for:

***[Note: The following are for illustrative purposes. Summer school instructional offerings are a policy decision to be determined by the local school board.]***

- 1. Remedial instruction at the \_\_\_\_\_ level(s);**
- 2. Make-up and review courses at the \_\_\_\_\_ level(s);**
- 3. Special education instruction and services related to mandatory summer school instruction consistent with applicable state and federal authority for all qualified disabled children where appropriate to their educational needs;**
- 4. Reading intervention programs or instruction for students who are at risk of not learning to read before the end of second grade; and**
- 5. Other mandatory summer school programs as determined by the school district.**

B. All services of the summer school program will be free to residents of the school district whose need for a summer program has been identified by teachers or the school principal and who are required to attend pursuant to established school district criteria and the provisions of this policy.

C. The summer school curriculum will be established in line with the needs of students and in accordance with rules of the Minnesota Department of Education. Remedial, make-up, and review courses shall provide opportunities for students to qualify for promotion and/or credit in areas and subjects where previous work has not met promotion/credit standards. It shall further be designed to assist students who have not passed one or more basic requirements tests and who are in need of remediation services relating to the school district's graduation standards or who have been identified as at risk of not

learning to read before the end of second grade.

- D. Summer school provides the opportunity for students to improve basic skills, further their academic progress, and/or accelerate in designated academic areas. The intent of the school district is to ensure that courses taught during the summer session are of the same level of instructional breadth and difficulty as provided during the regular school year.

#### **IV. MANDATORY SUMMER SCHOOL INSTRUCTION**

***[Note: The Compulsory Instruction Law at Minnesota Statutes section 120A.22, subdivision 5, specifically authorizes school districts to require children subject to compulsory instruction to attend summer school. Each school district that wishes to implement mandatory summer school instruction must establish the criteria and standards for determining which students will be required to receive such instruction. These criteria should be developed and determined by the school board in consultation with appropriate educational professionals. The final criteria and standards should be provided with specificity in this section. These criteria are within the discretion of the school board and may be tailored to a school district's particular needs and resources. They may be aimed at certain grade levels, academic areas and programs, or at students in need of remediation services relating to the school district's graduation standards and basic requirements testing.]***

***[ Pursuant to Minnesota Statutes section 120B.12, school districts must identify, before the end of kindergarten, grade 1, and grade 2, students who are not reading at grade level before the end of the current school year. Such students must be screened for characteristics of dyslexia. Reading assessments in English and in the predominant languages of district students, where practicable, must identify and evaluate students' areas of academic need related to literacy. School districts must also monitor the progress and provide reading instruction appropriate to the specific needs of English learners. School districts must use a locally adopted, developmentally appropriate, and culturally responsive assessment. School districts are required to provide reading intervention methods for such students, which may include requiring student attendance in summer school.]***

#### ***[Alternative]***

The school board will direct the administration to identify and develop specific criteria and standards for determining which students must receive summer school instruction. These will be provided to the school board for review and approval on no less than an annual basis. Following school board approval, the criteria and standards for mandatory summer school instruction will be included in this policy as Attachment A and incorporated herein by reference.

#### **V. TRANSPORTATION SERVICES**

- A. The school district shall make available transportation services for all students required to receive instruction in the school district's summer school program in accordance with Minnesota Statutes section 120A.22, subdivision 5(b). The school district recognizes that transportation is an essential part of the school district services to students and parents but further recognizes that transportation by school bus is a privilege and not a right for an eligible student.
- B. The school board shall retain sole discretion, control, and management of scheduling routes, establishment of the location of bus stops, manner and method of transportation, control and discipline of school children, and any other matter relating to the provision

of transportation services.

## **VI. SCHOOL BOARD REVIEW**

The superintendent or designated representative shall report at least annually to the school board regarding the status and utilization of programs under this policy. All summer school programs will be subject to annual review and approval by the school board.

**Legal References:** Minn. Stat. § 120A.20 (Admission to Public School)  
Minn. Stat. § 120A.22 (Compulsory Instruction)  
Minn. Stat. § 120B.12 (Reading Proficiently no Later than the End of Grade 3)  
Minn. Stat. § 123B.02 (General Powers of Independent School Districts)  
Minn. Stat. § 123B.09 (Boards of Independent School Districts)  
Minn. Stat. § 123B.88 (Independent School Districts; Transportation)  
Minn. Stat. § 125A.50 (Alternative Delivery of Specialized Instructional Services)  
Minn. Rules Chapter 3501 (Graduation Standards)

**Cross References:** MSBA/MASA Model Policy 603 (Curriculum Development)  
MSBA/MASA Model Policy 604 (Instructional Curriculum)  
MSBA/MASA Model Policy 605 (Alternative Programs)  
MSBA/MASA Model Policy 707 (Transportation of Public School Students)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 701

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2022

## **701 ESTABLISHMENT AND ADOPTION OF SCHOOL DISTRICT BUDGET**

***[Note: The provisions of this policy substantially reflect the requirements of Minnesota Statutes.]***

### **I. PURPOSE**

The purpose of this policy is to establish lines of authority and procedures for the establishment of the school district's revenue and expenditure budgets.

### **II. GENERAL STATEMENT OF POLICY**

The policy of the school district is to establish its revenue and expenditure budgets in accordance with the applicable provisions of law. Budget planning is an integral part of program planning so that the annual budget will effectively express and implement school board goals and the priorities of the school district.

### **III. REQUIREMENT**

- A. The superintendent or such other school official as designated by the superintendent or the school board shall each year prepare preliminary revenue and expenditure budgets for review by the school board or its designated committee or committees. The preliminary budgets shall be accompanied by such written commentary as may be necessary for them to be clearly understood by the members of the school board and the public. The school board shall review the projected revenues and expenditures for the school district for the next fiscal year and make such adjustments in the expenditure budget as necessary to carry out the education program within the revenues projected.
- B. The school district must maintain separate accounts to identify revenues and expenditures for each building. Expenditures shall be reported in compliance with Minnesota Statutes section 123B.76.
- C. Prior to July 1 of each year, the school board shall approve and adopt its initial revenue and expenditure budgets for the next school year. The adopted expenditure budget document shall be considered the school board's expenditure authorization for that school year. No funds may be expended for any purpose in any school year prior to the adoption of the budget document which authorizes that expenditure for that year, or prior to the adoption of an amendment to that budget document by the school board to authorize that expenditure for that year.
- D. Each year, the school district shall publish its adopted revenue and expenditure budgets for the current year, the actual revenues, expenditures, and fund balances for the prior year, and the projected fund balances for the current year in the form prescribed by the Minnesota Commissioner of Education within one week of the acceptance of the final audit by the school board, or November 30, whichever is earlier. A statement shall be included in the publication that the complete budget in detail may be inspected by any resident of the school district upon request to the superintendent. A summary of this information and the address of the school district's official website where the information can be found must be published in a newspaper of general circulation in the school district. At the same time as this publication, the school district shall publish the other

information required by Minnesota Statutes section 123B.10.

- E. At the public hearing on the adoption of the school district's proposed property tax levy, the school board shall review its current budget and the proposed property taxes payable in the following calendar year.
- F. The school district must also post the materials specified in Paragraph III.D. above on the school district's official website, including a link to the school district's school report card on the Minnesota Department of Education's website, and publish a summary of information and the address of the school district's website where the information can be found in a qualified newspaper of general circulation in the district.

#### **IV. IMPLEMENTATION**

- A. The school board places the responsibility for administering the adopted budget with the superintendent. The superintendent may delegate duties related thereto to other school officials, but the superintendent maintains the ultimate responsibility for this function.
- B. The program-oriented budgeting system will be supported by a program-oriented accounting structure organized and operated on a fund basis as provided for in Minnesota statutes through the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts (UFARS).
- C. The superintendent or the superintendent's designee is authorized to make payments of claims or salaries authorized by the adopted or amended budget prior to school board approval.
- D. Supplies and capital equipment can be ordered prior to budget adoption only by authority of the school board. If additional personnel are provided in the proposed budget, actual hiring may not occur until the budget is adopted unless otherwise approved by the school board. Other funds to be expended in a subsequent school year may not be encumbered prior to budget adoption unless specifically approved by the school board.
- E. The school district shall make such reports to the Minnesota Commissioner of Education as required relating to initial allocations of revenue, reallocations of revenue, and expenditures of funds.

**Legal References:** Minn. Stat. § 123B.10 (Publication of Financial Information)  
Minn. Stat. § 123B.76 (Expenditures; Reporting)  
Minn. Stat. § 123B.77 (Accounting, Budgeting, and Reporting Requirements)

**Cross References:** MSBA/MASA Model Policy 701.1 (Modification of School District Budget)  
MSBA/MASA Model Policy 702 (Accounting)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 701.1

Orig. 1996

Revised: \_\_\_\_\_

Rev. 2000

## **701.1 MODIFICATION OF SCHOOL DISTRICT BUDGET**

***[Note: The provisions of this policy substantially reflect the requirements of Minnesota Statutes.]***

### **I. PURPOSE**

The purpose of this policy is to establish procedures for the modification of the school district's adopted revenue and expenditure budgets.

### **II. GENERAL STATEMENT OF POLICY**

The policy of this school district is to modify its revenue and expenditure budgets in accordance with the applicable provisions of law.

### **III. REQUIREMENT**

- A. The school district's adopted expenditure budget shall be considered the school board's expenditure authorization for that school year.
- B. If revisions or modifications in the adopted expenditure budget are determined to be advisable by the administration, the superintendent shall recommend the proposed changes to the school board. The proposed changes shall be accompanied by sufficient and appropriate background information on the revenue and policy issues involved to allow the school board to make an informed decision. A school board member may also propose modifications on that board member's own motion, provided, however, the school board member is encouraged to review the proposed modifications with the superintendent prior to their being proposed so that the administration may prepare necessary background materials for the school board prior to its consideration of those proposed modifications.
- C. If sufficient funds are not included in the expenditure budget in a particular fund to allow the proposed expenditure, funds for this purpose may not be expended from that fund prior to the adoption of an expenditure budget amendment by the school board to authorize that expenditure for that school year. An amended expenditure shall not exceed the projected revenues available for that purpose in that fund.
- D. The school district's revenue budget shall be amended from time to time during a fiscal year to reflect updated or revised revenue estimates. The superintendent shall make recommendations to the school board for appropriate revisions. If necessary, the school board shall also make necessary revisions in the expenditure budget if it appears that expenditures would otherwise exceed revenues and fund balances in a fund.

**Legal References:** Minn. Stat. § 123B.77 (Accounting, Budgeting, and Reporting Requirement)

**Cross References:** MSBA/MASA Model Policy 701 (Establishment and Adoption of School District Budget)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 702

Orig. 1995

Revised: \_\_\_\_\_

Rev. 202206

## 702 ACCOUNTING

***[Note: The provisions of this policy reflect the applicable statutes and are not discretionary in nature.]***

### I. PURPOSE

The purpose of this policy is to adopt the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts (UFARS) provided for in guidelines adopted by the Minnesota Department of Education.

### II. GENERAL STATEMENT OF POLICY

It is the policy of this school district to comply with the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts.

### III. MAINTENANCE OF BOOKS AND ACCOUNTS

The school district shall maintain its books and records and do its accounting in compliance with the Uniform Accounting and Reporting Standards for Minnesota School Districts (UFARS) provided for in the guidelines adopted by the Minnesota Department of Education and in compliance with applicable state laws and rules relating to reporting of revenues and expenditures.

### IV. PERMANENT FUND TRANSFERS

Unless otherwise authorized pursuant to ~~Minn. Stat. §~~ Minnesota Statutes section 123B.80, as amended, or any other law, fund transfers shall be made in compliance with UFARS and permanent fund transfers shall only be made in compliance with Minnesota Statutes section Minn. Stat. §123B.79, as amended, or other applicable statute.

### V. REPORTING

The school board shall provide for an annual audit of the books and records of the school district to assure compliance of its records with UFARS. Each year, the school district shall also provide for the publication of the financial information specified in Minnesota Statutes section Minn. Stat. §123B.10 in the manner specified therein.

**Legal References:** Minn. Stat. § 123B.02 (~~General Powers of Independent School Districts~~)School District Powers)  
Minn. Stat. § 123B.09 (~~Boards of Independent School Districts~~)School Board Powers)  
Minn. Stat. § 123B.10 (Publication of Financial Information)  
Minn. Stat. § 123B.14, Subd. 7 (~~Officers of Independent School Districts~~)Duties of School Board Clerk)  
Minn. Stat. § 123B.75 (Revenue; Reporting)  
Minn. Stat. § 123B.76 (Expenditures; Reporting)  
Minn. Stat. § 123B.77 (Accounting, Budgeting and Reporting Requirements)  
Minn. Stat. § 123B.78 (Cash Flow; School District Revenues; Borrowing for

Current Operating Costs; Capital Expenditure, Deficits)  
Minn. Stat. § 123B.79 (Permanent Fund Transfers)  
Minn. Stat. § 123B.80 (Exceptions for Permanent Fund Transfers)

**Cross References:** MSBA/MASA Model Policy 703 (Annual Audit)  
~~MSBA Service Manual, Chapter 7, Education Funding~~

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 703

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2022

## **703 ANNUAL AUDIT**

***[Note: The provisions of this policy reflect the applicable statutes and are not discretionary in nature.]***

### **I. PURPOSE**

The purpose of this policy is to provide for an annual audit of the books and records of the school district in order to comply with law, to provide a permanent record of the financial position of the school district, and to provide guidance to the school district to correct any errors and discrepancies in its practices.

### **II. GENERAL STATEMENT OF POLICY**

The policy of this school district is to comply with all laws relating to the annual audit of the books and records of the school district.

### **III. REQUIREMENT**

- A. The school board shall appoint independent certified public accountants to audit, examine, and report upon the books and records of the school district. The school board may enter into a contract with a person or firm to provide the agreed upon services.
- B. After the close of each fiscal year, the books, records, and accounts of the school district shall be audited by said independent certified public accountants in accordance with applicable standards and legal requirements. The superintendent and members of the administration shall cooperate with the auditors.
- C. The school district shall, prior to September 15 of each year, submit unaudited financial data for the preceding year to the Minnesota Commissioner of Education (Commissioner) on forms prescribed by the Commissioner. The report shall also include those items required by Minnesota Statutes section 123B.14, subdivision 7.
- D. The school district shall, prior to November 30 of each year, provide to the Commissioner audited financial data for the preceding fiscal year. The school district shall, prior to December 31 of each year, provide to the Commissioner and the State Auditor an audited financial statement in a form that will allow comparison with and correction of material differences in the unaudited data. The audited financial statement must also provide a statement of assurance pertaining to compliance with uniform financial accounting and reporting standards and a copy of the management letter submitted to the school district by its auditor.
- E. The audit must be conducted in compliance with generally accepted governmental auditing standards, the Federal Single Audit Act, and the Minnesota Legal Compliance Audit Guide for School Districts issued by the Office of the State Auditor.
- F. The school board must approve the audit report by resolution or require a further or amended report.
- G. The administration shall report to the school board regarding any actions necessary to

correct any deficiencies or exceptions noted in the audit.

- H. The accounts and records of the school district shall also be subject to audit and inspection by the State Auditor to the extent provided in Minnesota Statutes chapter 6.

**Legal References:** Minn. Stat. Ch. 6 (State Auditor)  
Minn. Stat. § 123B.02 (General Powers of Independent School Districts)  
Minn. Stat. § 123B.09 (Boards of Independent School Districts)  
Minn. Stat. § 123B.14, Subd. 7 (Officers of Independent School Districts)  
Minn. Stat. § 123B.77, Subds. 2 and 3 (Accounting, Budgeting, and Reporting Requirement)

**Cross References:** MSBA/MASA Model Policy 702 (Accounting)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 704

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2022

**704 DEVELOPMENT AND MAINTENANCE OF AN INVENTORY OF FIXED ASSETS AND A FIXED ASSET ACCOUNTING SYSTEM**

**I. PURPOSE**

The purpose of this policy is to provide for the development and maintenance of an inventory of the fixed assets of the school district and the establishment and maintenance of a fixed asset accounting system.

**II. GENERAL STATEMENT OF POLICY**

The policy of the school district is that a fixed asset accounting system and an inventory of fixed assets be developed and maintained.

**III. DEVELOPMENT OF INVENTORY AND ACCOUNTING SYSTEM**

The superintendent or such other school official as designated by the superintendent or the school board shall be responsible for the development and maintenance of an inventory of the fixed assets of the school district and for the establishment and maintenance of a formal fixed asset accounting system. The accounting system shall be operated in compliance with the applicable provisions of the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts (UFARS). In addition, the inventory shall specify the location of all continued abstracts showing the conveyance of the property to the school district; certificates of title showing title to the property in the school district; title insurance policies; surveys; and other property records relating to the real property of the school district.

**IV. REPORT**

The administration shall annually update the property records of the school district and provide an inventory of the fixed assets of the school district to the school board.

**Legal References:**

Minn. Stat. § 123B.02 (General Powers of Independent School Districts)  
Minn. Stat. § 123B.09 (Boards of Independent School Districts)  
Minn. Stat. § 123B.51 (Schoolhouse and Sites; Uses for School and Nonschool Purposes; Closings)

**Cross References:**

MSBA/MASA Model Policy 702 (Accounting)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 705

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2022

## **705 INVESTMENTS**

***[Note: The provisions of this policy substantially reflect legal requirements.]***

### **I. PURPOSE**

The purpose of this policy is to establish guidelines for the investment of school district funds.

### **II. GENERAL STATEMENT OF POLICY**

The policy of this school district is to comply with all state laws relating to investments and to guarantee that investments meet certain primary criteria.

### **III. SCOPE**

This policy applies to all investments of the surplus funds of the school district, regardless of the fund accounts in which they are maintained, unless certain investments are specifically exempted by the school board through formal action.

### **IV. AUTHORITY; OBJECTIVES**

- A. The funds of the school district shall be deposited or invested in accordance with this policy, Minnesota Statutes chapter 118A and any other applicable law or written administrative procedures.
- B. The primary criteria for the investment of the funds of the school district, in priority order, are as follows
  - 1. Safety and Security. Safety of principal is the first priority. The investments of the school district shall be undertaken in a manner that seeks to ensure the preservation of the capital in the overall investment portfolio.
  - 2. Liquidity. The funds shall be invested to assure that funds are available to meet immediate payment requirements, including payroll, accounts payable, and debt service.
  - 3. Return and Yield. The investments shall be managed in a manner to attain a market rate of return through various economic and budgetary cycles, while preserving and protecting the capital in the investment portfolio and taking into account constraints on risk and cash flow requirements.

### **V. DELEGATION OF AUTHORITY**

- A. The \_\_\_\_\_ of the school district is designated as the investment officer of the school district and is responsible for investment decisions and activities under the direction of the school board. The investment officer shall operate the school district's investment program consistent with this policy. The investment officer may delegate certain duties to a designee or designees but shall remain responsible for the operation of the program.

- B. All officials and employees that are a part of the investment process shall act professionally and responsibly as custodians of the public trust and shall refrain from personal business activity that could conflict with the investment program or which could reasonably cause others to question the process and integrity of the investment program. The investment officer shall avoid any transaction that could impair public confidence in the school district.

**VI. STANDARD OF CONDUCT**

The standard of conduct regarding school district investments to be applied by the investment officer shall be the "prudent person standard." Under this standard, the investment officer shall exercise that degree of judgment and care, under the circumstances then prevailing, that persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, investing not for speculation and considering the probable safety of their capital as well as the probable investment return to be derived from their assets. The prudent person standard shall be applied in the context of managing the overall investment portfolio of the school district. The investment officer, acting in accordance with this policy and exercising due diligence, judgment, and care commensurate with the risk, shall not be held personally responsible for a specific security's performance or for market price changes. Deviations from expectations shall be reported in a timely manner and appropriate actions shall be taken to control adverse developments.

**VII. MONITORING AND ADJUSTING INVESTMENTS**

The investment officer shall routinely monitor existing investments and the contents of the school district's investment portfolio, the available markets, and the relative value of competing investment instruments.

**VIII. INTERNAL CONTROLS**

The investment officer shall establish a system of internal controls which shall be documented in writing. The internal controls shall be reviewed by the school board and shall be annually reviewed for compliance by the school district's independent auditors. The internal controls shall be designed to prevent and control losses of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions by officers, employees, or others. The internal controls may include, but shall not be limited to, provisions relating to controlling collusion, separating functions, separating transaction authority from accounting and record keeping, custodial safekeeping, avoiding bearer form securities, clearly delegating authority to applicable staff members, limiting securities losses and remedial action, confirming telephone transactions in writing, supervising and controlling employee actions, minimizing the number of authorized investment officials, and documenting transactions and strategies.

**IX. PERMISSIBLE INVESTMENT INSTRUMENTS**

The school district may invest its available funds in those instruments specified in Minnesota Statutes sections 118A.04 and 118A.05, as these sections may be amended from time to time, or any other law governing the investment of school district funds. The assets of an other postemployment benefits (OPEB) trust or trust account established pursuant to Minnesota Statutes section 471.6175 to pay postemployment benefits to employees or officers after their termination of service, with a trust administrator other than the Public Employees Retirement Association, may be invested in instruments authorized under Minnesota Statutes chapter 118A or Minnesota Statutes section 356A.06, subdivision 7. Investment of funds in an OPEB trust account under Minnesota Statutes section 356A.06, subdivision 7, as well as the overall asset allocation strategy for OPEB investments, shall be governed by an OPEB Investment Policy Statement (IPS) developed between the investment officer, as designed herein,

and the trust administrator.

**X. PORTFOLIO DIVERSIFICATION; MATURITIES**

- A. Limitations on instruments, diversification, and maturity scheduling shall depend on whether the funds being invested are considered short-term or long-term funds. All funds shall normally be considered short-term except those reserved for building construction projects or specific future projects and any unreserved funds used to provide financial-related managerial flexibility for future fiscal years.
- B. The school district shall diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities.
  - 1. The investment officer shall prepare and present a table to the school board for review and approval. The table shall specify the maximum percentage of the school district's investment portfolio that may be invested in a single type of investment instrument, such as U.S. Treasury Obligations, certificates of deposit, repurchase agreements, banker's acceptances, commercial paper, etc. The approved table shall be attached as an exhibit to this policy and shall be incorporated herein by reference.
  - 2. The investment officer shall prepare and present to the school board for its review and approval a recommendation as to the maximum percentage of the total investment portfolio that may be held in any one depository. The approved recommendation shall be attached as an exhibit or part of an exhibit to this policy and shall be incorporated herein by reference.
  - 3. Investment maturities shall be scheduled to coincide with projected school district cash flow needs, taking into account large routine or scheduled expenditures, as well as anticipated receipt dates of anticipated revenues. Maturities for short-term and long-term investments shall be timed according to anticipated need. Within these parameters, portfolio maturities shall be staggered to avoid undue concentration of assets and a specific maturity sector. The maturities selected shall provide for stability of income and reasonable liquidity.

**XI. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS**

Before the school district invests any surplus funds in a specific investment instrument, a competitive bid or quotation process shall be utilized. If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, quotations or bids shall be requested for instruments which meet the maturity requirement. If no specific maturity is required, a market trend analysis, which includes a yield curve, will normally be used to determine which maturities would be most advantageous. Quotations or bids shall be requested for various options with regard to term and instrument. The school district will accept the quotation or bid which provides the highest rate of return within the maturity required and within the limits of this policy. Generally, all quotations or bids will be computed on a consistent basis, i.e., a 360-day or a 365-day yield. Records will be kept of the quotations or bids received, the quotations or bids accepted, and a brief explanation of the decision that was made regarding the investment. If the school district contracts with an investment advisor, bids are not required in those circumstances specified in the contract with the advisor.

## **XII. QUALIFIED INSTITUTIONS AND BROKER-DEALERS**

- A. The school district shall maintain a list of the financial institutions that are approved for investment purposes.
- B. Prior to completing an initial transaction with a broker, the school district shall provide to the broker a written statement of investment restrictions which shall include a provision that all future investments are to be made in accordance with Minnesota statutes governing the investment of public funds. The broker must annually acknowledge receipt of the statement of investment restrictions and agree to handle the school district's account in accordance with these restrictions. The school district may not enter into a transaction with a broker until the broker has provided this annual written agreement to the school district. The notification form to be used shall be that prepared by the State Auditor. A copy of this investment policy, including any amendments thereto, shall be provided to each such broker.

## **XIII. SAFEKEEPING AND COLLATERALIZATION**

- A. All investment securities purchased by the school district shall be held in third-party safekeeping by an institution designated as custodial agent. The custodial agent may be any Federal Reserve Bank, any bank authorized under the laws of the United States or any state to exercise corporate trust powers, a primary reporting dealer in United States Government securities to the Federal Reserve Bank of New York, or a securities broker-dealer defined in Minnesota Statutes section 118A.06. The institution or dealer shall issue a safekeeping receipt to the school district listing the specific instrument, the name of the issuer, the name in which the security is held, the rate, the maturity, serial numbers and other distinguishing marks, and other pertinent information.
- B. Deposit-type securities shall be collateralized as required by Minnesota Statutes section 118A.03 for any amount exceeding FDIC, SAIF, BIF, FCUA, or other federal deposit coverage.
- C. Repurchase agreements shall be secured by the physical delivery or transfer against payment of the collateral securities to a third party or custodial agent for safekeeping. The school district may accept a safekeeping receipt instead of requiring physical delivery or third-party safekeeping of collateral on overnight repurchase agreements of less than \$1,000,000.

## **XIV. REPORTING REQUIREMENTS**

- A. The investment officer shall generate daily and monthly transaction reports for management purposes. In addition, the school board shall be provided a monthly report that shall include data on investment instruments being held as well as any narrative necessary for clarification.
- B. The investment officer shall prepare and submit to the school board a quarterly investment report that summarizes recent market conditions, economic developments, and anticipated investment conditions. The report shall summarize the investment strategies employed in the most recent quarter and describe the investment portfolio in terms of investment securities, maturities, risk characteristics, and other features. The report shall summarize changes in investment instruments and asset allocation strategy approved by the investment officer for an OPEB trust in the most recent quarter. The report shall explain the quarter's total investment return and compare the return with

budgetary expectations. The report shall include an appendix that discloses all transactions during the past quarter. Each quarterly report shall indicate any areas of policy concern and suggested or planned revisions of investment strategies. Copies of the report shall be provided to the school district's auditor.

- C. Within ninety (90) days after the end of each fiscal year of the school district, the investment officer shall prepare and submit to the school board a comprehensive annual report on the investment program and investment activity of the school district for that fiscal year. The annual report shall include 12-month and separate quarterly comparisons of return and shall suggest revisions and improvements that might be made in the investment program.
- D. If necessary, the investment officer shall establish systems and procedures to comply with applicable federal laws and regulations governing the investment of bond proceeds and funds in a debt service account for a bond issue. The record keeping system shall be reviewed annually by the independent auditor or by another party contracted or designated to review investments for arbitrage rebate or penalty calculation purposes.

**XV. DEPOSITORIES**

The school board shall annually designate one or more official depositories for school district funds. The treasurer or the chief financial officer of the school district may also exercise the power of the school board to designate a depository. The school board shall be provided notice of any such designation by its next regular meeting. The school district and the depository shall each comply with the provisions of Minnesota Statutes section 118A.03 and any other applicable law, including any provisions relating to designation of a depository, qualifying institutions, depository bonds, and approval, deposit, assignment, substitution, addition, and withdrawal of collateral.

**XVI. ELECTRONIC FUNDS TRANSFER OF FUNDS FOR INVESTMENT**

The school district may make electronic fund transfers for investments of excess funds upon compliance with Minnesota Statutes section 471.38.

***Legal References:***

Minn. Stat. § 118A.01 (Definitions)  
Minn. Stat. § 118A.02 (Depositories; Investing; Sales, Proceeds, Immunity)  
Minn. Stat. § 118A.03 (When and What Collateral Required)  
Minn. Stat. § 118A.04 (Investments)  
Minn. Stat. § 118A.05 (Contracts and Agreements)  
Minn. Stat. § 118A.06 (Safekeeping; Acknowledgements)  
Minn. Stat. § 356A.06, Subd. 7 (Investments; Additional Duties)  
Minn. Stat. § 471.38 (Claims)  
Minn. Stat. § 471.6175 (Trust for Postemployment Benefits)

***Cross References:***

MSBA/MASA Model Policy 703 (Annual Audit)  
  
Minnesota Legal Compliance Audit Guide for School Districts Prepared by the Office of the State Auditor

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 706

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2022

## **706 ACCEPTANCE OF GIFTS**

***[Note: The provisions of this policy substantially reflect statutory requirements.]***

### **I. PURPOSE**

The purpose of this policy is to provide guidelines for the acceptance of gifts by the school board.

### **II. GENERAL STATEMENT OF POLICY**

It is the policy of this school district to accept gifts only in compliance with state law.

### **III. ACCEPTANCE OF GIFTS GENERALLY**

The school board may receive, for the benefit of the school district, bequests, donations or gifts for any proper purpose. The school board shall have the sole authority to determine whether any gift or any precondition, condition, or limitation on use included in a proposed gift furthers the interests of or benefits the school district and whether it should be accepted or rejected.

### **IV. GIFTS OF REAL OR PERSONAL PROPERTY**

The school board may accept a gift, grant or devise of real or personal property only by the adoption of a resolution approved by two-thirds of its members. The resolution must fully describe any conditions placed on the gift. The real or personal property so accepted may not be used for religious or sectarian purposes.

***[Note: This voting requirement and gift use provision is specified by Minnesota Statutes section 465.03.]***

### **V. ADMINISTRATION IN ACCORDANCE WITH TERMS**

If the school board agrees to accept a bequest, donation, gift, grant or devise which contains preconditions, conditions or limitations on use, the school board shall administer it in accordance with those terms. Once accepted, a gift shall be the property of the school district unless otherwise provided in the agreed upon terms.

#### **Legal References:**

Minn. Stat. § 123B.02, Subd. 6 (General Powers of Independent School Boards)

Minn. Stat. § 465.03 (Gifts to Municipalities)

#### **Cross References:**

None

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 707

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2022

## **707 TRANSPORTATION OF PUBLIC SCHOOL STUDENTS**

***[Note: The obligations stated in this policy are largely governed by statute. A school district may choose to add obligations to the model policy.]***

### **I. PURPOSE**

The purpose of this policy is to provide for the transportation of students consistent with the requirements of law.

### **II. GENERAL STATEMENT OF POLICY**

- A. The policy of the school district is to provide for the transportation of students in a manner which will protect their health, welfare, and safety.
- B. The school district recognizes that transportation is an essential part of the school district services to students and parents but further recognizes that transportation by school bus is a privilege and not a right for an eligible student.

### **III. DEFINITIONS**

- A. "Child with a disability" includes every child identified under federal and state special education law as deaf or hard of hearing, blind or visually impaired, deafblind, or having a speech or language impairment, a physical impairment, other health disability, developmental cognitive disability, an emotional or behavioral disorder, specific learning disability, autism spectrum disorder, traumatic brain injury, or severe multiple impairments, and who needs special education and related services, as determined by the rules of the Commissioner of the Minnesota Department of Education ("Commissioner"). A licensed physician, an advanced practice nurse, a physician assistant, or a licensed psychologist is qualified to make a diagnosis and determination of attention deficit disorder or attention deficit hyperactivity disorder for purposes of identifying a child with a disability. In addition, every child under age three, and at the school district's discretion from age three to seven, who needs special instruction and services, as determined by the rules of the Commissioner, because the child has a substantial delay or has an identifiable physical or mental condition known to hinder normal development is a child with a disability. A child with a short-term or temporary physical or emotional illness or disability, as determined by the rules of the Commissioner, is not a child with a disability.
- B. "Home" is the legal residence of the child. In the discretion of the school district, "home" also may be defined as a licensed day care facility, school day care facility, a respite care facility, the residence of a relative, or the residence of a person chosen by the student's parent or guardian as the home of a student for part or all of the day, if requested by the student's parent or guardian, or an afterschool program for children operated by a political subdivision of the state, if the facility, residence, or program is within the attendance area of the school the student attends. Unless otherwise specifically provided by law, a homeless student is a resident of the school district if enrolled in the school district.
- C. "Homeless student" means a student, including a migratory student, who lacks a fixed,

regular, and adequate nighttime residence and includes: students who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; are abandoned in hospitals; are awaiting foster care placement; have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings; are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings, and migratory children who qualify as homeless because they are living in any of the preceding listed circumstances.

- D. "Nonpublic school" means any school, church, or religious organization, or home school wherein a resident of Minnesota may legally fulfill the compulsory instruction requirements of Minnesota Statutes section 120A.22, which is located within the state, and which meets the requirements of Title VI of the Civil Rights Act of 1964.
- E. "Nonresident student" is a student who attends school in the school district and resides in another district, defined as the "nonresident district." In those instances when the divorced or legally separated parents or parents residing separately share joint physical custody of a student and the parents reside in different school districts, the student shall be a resident of the school district designated by the student's parents. When parental rights have been terminated by court order, the legal residence of a student placed in a residential or foster facility for care and treatment is the district in which the student resides.
- F. "Pupil support services" are health, counseling, and guidance services provided by the public school in the same district where the nonpublic school is located.
- G. "School of origin," for purposes of determining the residence of a homeless student, is the school that the student attended when permanently housed or the school in which the student was last enrolled.
- H. "Shared time basis" is a program where students attend public school for part of the regular school day and who otherwise fulfill the requirements of Minnesota Statutes section 120A.22 by attendance at a nonpublic school.
- I. "Student" means any student or child attending or required to attend any school as provided in Minnesota law and who is a resident or child of a resident of Minnesota.

#### **IV. ELIGIBILITY**

- A. Upon the request of a parent or guardian, the school district shall provide transportation to and from school, at the expense of the school district, for all resident students who reside two miles or more from the school, except for those students whose transportation privileges have been revoked or have been voluntarily surrendered by the student's parent or guardian.
- B. The school district may, in its discretion, also provide transportation to any student to and from school, at the expense of the school district, for any other purpose deemed appropriate by the school board.

***[Note: In this section, school districts may wish to outline those discretionary areas where they intend to provide transportation. For example, some school districts may provide that transportation shall be provided for all resident elementary students who reside one mile or more from the school.]***

- C. In the discretion of the school district, transportation along regular school bus routes may also be provided, where space is available, to any person where such use of a bus does not interfere with the transportation of students. The cost of providing such transportation must be paid by those individuals using these services or some third-party payor. Bus transportation also may be provided along school bus routes when space is available for participants in early childhood family education programs and school readiness programs if these services do not result in an increase in the school district's expenditures for transportation
- D. For purposes of stabilizing enrollment and reducing mobility, the school district may, in its discretion, establish a full-service school zone and may provide transportation for students attending a school in that full-service school zone. A full-service school zone may be established for a school that is located in an area with higher than average crime or other social and economic challenges and that provides education, health or human services, or other parental support in collaboration with a city, county, state, or nonprofit agency.

**V. TRANSPORTATION OF NONRESIDENT STUDENTS**

- A. If requested by the parent of a nonresident student, the school district shall provide transportation to a nonresident student within its borders at the same level of service that is provided to resident students.
- B. If the school district decides to transport a nonresident student within the student's resident district, the school district will notify the student's resident district of its decision, in writing, prior to providing transportation.
- C. When divorced or legally separated parents or parents residing separately reside in different school districts and share physical custody of a student, the parents shall be responsible for the transportation of the student to the border of the school district during those times when the student is residing with the parent in the nonresident school district.
- D. The school district may provide transportation to allow a student who attends a high-need English language learner program and who resides within the transportation attendance area of the program to continue in the program until the student completes the highest grade level offered by the program.

**VI. TRANSPORTATION OF RESIDENT STUDENTS TO NONDISTRICT SCHOOLS**

- A. In general, the school district shall not provide transportation between a resident student's home and the border of a nonresident district where the student attends school under the Enrollment Options Program. A parent may be reimbursed by the nonresident district for the costs of transportation from the pupil's residence to the border of the nonresident district if the student is from a family whose income is at or below the poverty level, as determined by the federal government. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week. (Minn. Stat. § 124D.03, Subd. 8)
- B. Resident students shall be eligible for transportation to and from a nonresident school district at the expense of the school district, if in the discretion of the school district, inadequate room, distance to school, unfavorable road conditions, or other facts or conditions make attendance in the resident student's own district unreasonably difficult

or impracticable. The school district, in its discretion, may also provide for transportation of resident students to schools in other districts for grades and departments not maintained in the district, including high school, for the whole or a part of the year or for resident students who attend school in a building rented or leased by the school district in an adjacent district.

- C. In general, the school district is not responsible for transportation for any resident student attending school in an adjoining state under a reciprocity agreement but may provide such transportation services at its discretion.

**VII. SPECIAL EDUCATION STUDENTS/STUDENTS WITH A DISABILITY/ STUDENTS WITH TEMPORARY DISABILITIES**

- A. Upon a request of a parent or guardian, the board must provide necessary transportation, consistent with Minnesota Statutes section 123B.92, subdivision 1(b)(4), for a resident child with a disability not yet enrolled in kindergarten for the provision of special instruction and services. Special instruction and services for a child with a disability not yet enrolled in kindergarten include an individualized education program (IEP) team placement in an early childhood program when that placement is necessary to address the child's level of functioning and needs.
- B. Resident students with a disability whose disabling conditions are such that the student cannot be safely transported on the regular school bus and/or school bus route and/or when the student is transported on a special route for the purpose of attending an approved special education program shall be entitled to special transportation at the expense of the school district or the day training and habilitation program attended by the student. The school district shall determine the type of vehicle used to transport students with a disability on the basis of the disabling condition and applicable laws. This provision shall not be applicable to parents who transport their own child under a contract with the school district.
- C. Resident students with a disability who are boarded and lodged at Minnesota state academies for educational purposes, but who also are enrolled in a public school within the school district, shall be provided transportation, by the school district to and from said board and lodging facilities, at the expense of the school district.
- D. If a resident student with a disability attends a public school located in a contiguous school district and the school district of attendance does not provide special instruction and services, the school district shall provide necessary transportation for the student between the school district boundary and the educational facility where special instruction and services are provided within the school district. The school district may provide necessary transportation of the student between its boundary and the school attended in the contiguous district, but shall not pay the cost of transportation provided outside the school district boundary.
- E. When a student with a disability or a student with a short-term or temporary disability is temporarily placed for care and treatment in a day program located in another school district and the student continues to live within the school district during the care and treatment, the school district shall provide the transportation, at the expense of the school district, to that student. The school district may establish reasonable restrictions on transportation, except if a Minnesota court or agency orders the child placed at a day care and treatment program and the school district receives a copy of the order, then the school district must provide transportation to and from the program unless the court or agency orders otherwise. Transportation shall only be provided by the school district

during regular operating hours of the school district.

- F. When a nonresident student with a disability or a student with a short-term or temporary disability is temporarily placed in a residential program within the school district, including correctional facilities operated on a fee-for-service basis and state institutions, for care and treatment, the school district shall provide the necessary transportation at the expense of the school district. Where a joint powers entity enters into a contract with a privately owned and operated residential facility for the provision of education programs for special education students, the joint powers entity shall provide the necessary transportation.
- G. Each driver and aide assigned to a vehicle transporting students with a disability will be provided with appropriate training for the students in their care, will assist students with their safe ingress and egress from the bus, will ensure the proper use of protective safety devices, and will be provided with access to emergency health care information as required by law.
- H. Any parent of a student with a disability who believes that the transportation services provided for that child are not in compliance with the applicable law may utilize the alternative dispute resolution and due process procedures provided for in Minnesota Statutes chapter 125A.

#### **VIII. HOMELESS STUDENTS**

- A. Homeless students shall be provided with transportation services comparable to other students in the school district.
- B. Upon request by the student's parent, guardian, or homeless education liaison, the school district shall provide transportation for a homeless student as follows:
  - 1. A resident student who becomes homeless and is residing in a public or private shelter location or has other non-shelter living arrangements within the school district shall be provided transportation to and from the student's school of origin and the shelter or other non-shelter location on the same basis as transportation services are provided to other students in the school district.
  - 2. A resident student who becomes homeless and is residing in a public or private shelter location or has other non-shelter living arrangements outside of the school district shall be provided transportation to and from the student's school of origin and the shelter or other non-shelter location on the same basis as transportation services are provided to other students in the school district, unless the school district and the school district in which the student is temporarily placed agree that the school district in which the student is temporarily placed shall provide transportation.
  - 3. If a nonresident student is homeless and is residing in a public or private homeless shelter or has other non-shelter living arrangements within the school district, the school district may provide transportation services between the shelter or non-shelter location and the student's school of origin outside of the school district upon agreement with the school district in which the school of origin is located.
  - 4. A homeless nonresident student enrolled under Minnesota Statutes section 124D.08, subdivision 2a, must be provided transportation from the student's district of residence to and from the school of enrollment.

**IX. AVAILABILITY OF SERVICES**

Transportation shall be provided on all regularly scheduled school days or make-up days. Transportation will not be provided during the summer school break. Transportation may be provided for summer instructional programs for students with a disability or in conjunction with a learning year program. Transportation between home and school may also be provided, in the discretion of the school district, on staff development days.

**X. MANNER OF TRANSPORTATION**

The scheduling of routes, establishment of the location of bus stops, manner and method of transportation, control and discipline of school children, the determination of fees, and any other matter relating thereto shall be within the sole discretion, control and management of the school board. The school district may, in its discretion, provide room and board, in lieu of transportation, to a student who may be more economically and conveniently provided for by that means.

**XI. RESTRICTIONS**

Transportation by the school district is a privilege and not a right for an eligible student. A student's eligibility to ride a school bus may be revoked for a violation of school bus safety or conduct policies, or violation of any other law governing student conduct on a school bus pursuant to the school district's discipline policy. Revocation of a student's bus riding privilege is not an exclusion, expulsion, or suspension under the Pupil Fair Dismissal Act. Revocation procedures for a student who is an individual with a disability under 20 United States Code section 1415 (Individuals with Disabilities Act), 29 United States Code section 794 (the Rehabilitation Act), and 42 United States Code section 12132, (Americans with Disabilities Act) are governed by these provisions.

**XII. FEES**

- A. In its discretion, the school district may charge fees for transportation of students to and from extracurricular activities conducted at locations other than school, where attendance is optional.
- B. The school district may charge fees for transportation of students to and from school when authorized by law. If the school district charges fees for transportation of students to and from school, guidelines shall be established for that transportation to ensure that no student is denied transportation solely because of inability to pay. The school district also may waive fees for transportation if the student's parent is serving in, or within the past year has served in, active military service as defined in Minnesota Statutes section 190.05.
- C. The school district may charge reasonable fees for transportation of students to and from post-secondary institutions for students enrolled under the post-secondary enrollment options program. Families who qualify for mileage reimbursement may use their state mileage reimbursement to pay this fee
- D. Where, in its discretion, the school district provides transportation to and from an instructional community-based employment station that is part of an approved occupational experience vocational program, the school district may require the payment of reasonable fees for transportation from students who receive remuneration for their participation in these programs.

**Legal References:**

Minn. Stat. § 120A.22 (Compulsory Instruction)  
Minn. Stat. §§ 121A.40-121A.56 (Pupil Fair Dismissal Act)  
Minn. Stat. § 121A.59 (Bus Transportation a Privilege Not a Right)  
Minn. Stat. § 123B.36 (Authorized Fees)  
Minn. Stat. § 123B.41 (Definitions)  
Minn. Stat. § 123B.44 (Provision of Pupil Support Services)  
Minn. Stat. § 123B.88 (Independent School Districts; Transportation)  
Minn. Stat. § 123B.92 (Transportation Aid Entitlement)  
Minn. Stat. § 124D.03 (Enrollment Options Program)  
Minn. Stat. § 124D.04 (Options for Enrolling in Adjoining States)  
Minn. Stat. § 124D.041 (Reciprocity with Adjoining States)  
Minn. Stat. § 124D.08 (School Board's Approval to Enroll in Nonresident District; Exceptions)  
Minn. Stat. Ch. 125A (Special Education and Special Programs)  
Minn. Stat. § 125A.02 (Children with a Disability Defined)  
Minn. Stat. § 125A.12 (Attendance in Another District)  
Minn. Stat. § 125A.15 (Placement in Another District; Responsibility)  
Minn. Stat. § 125A.51 (Placement of Children Without Disabilities; Education and Transportation)  
Minn. Stat. § 125A.515 (Placement of Students; Approval of Education Program)  
Minn. Stat. § 125A.65 (Attendance at Academies for the Deaf and Blind)  
Minn. Stat. § 126C.01 (Definitions)  
Minn. Stat. § 127A.47 (Payments to Resident and Nonresident Districts)  
Minn. Stat. § 190.05 (Definitions)  
Minn. Rules Part 7470.1600 (Transporting Pupils with Disability)  
Minn. Rules Part 7470.1700 (Drivers and Aides for Pupils with Disability)  
20 U.S.C. § 1415 (Individuals with Disabilities Education Act)  
29 U.S.C. § 794 (Rehabilitation Act of 1973, § 504)  
42 U.S.C. § 2000d (Prohibition against Exclusion from Participation in, Denial of Benefits of, and Discrimination under Federally Assisted Programs on Ground of Race, Color, or National Origin)  
42 U.S.C. § 11431 *et seq.* (McKinney-Vento Homeless Assistance Act of 2001)  
42 U.S.C. § 12132 *et seq.* (Americans with Disabilities Act)

**Cross References:**

MSBA/MASA Model Policy 708 (Transportation of Nonpublic School Students)  
MSBA/MASA Model Policy 709 (Student Transportation Safety Policy)  
MSBA/MASA Model Policy 710 (Extracurricular Transportation)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 710

Orig. 1995

Revised: \_\_\_\_\_

Rev. 20~~22~~12

## **710 EXTRACURRICULAR TRANSPORTATION**

### **I. PURPOSE**

The purpose of this policy is to make clear to students, parents, and staff the school district's policy regarding extracurricular transportation.

### **II. GENERAL STATEMENT OF POLICY**

The determination as to whether to provide transportation for students, spectators, or participants to and from extracurricular activities shall be made solely by the school district administration. This determination shall include, but is not limited to, the decision to provide transportation, the persons to be transported, the type or method to be utilized, all transportation scheduling and coordination, and any other transportation arrangements or decisions. Employees who are involved in extracurricular activities shall be advised by the administration as to the transportation arrangements made, if any.

### **III. ARRANGEMENT OF EXTRACURRICULAR TRANSPORTATION**

School district employees shall not undertake independent arrangement, scheduling, or coordination of transportation for extracurricular activities unless specifically directed or approved by the school district administration. All transportation arrangements made by a school district employee must be approved by a building administrator. If the school district makes no arrangements for extracurricular transportation, students who wish to participate are responsible for arranging for or providing their own transportation.

### **IV. NO EMPLOYEE TRANSPORTATION OF STUDENTS WITH PERSONAL VEHICLES**

An employee must not use a personal vehicle to transport one or more students except as provided herein. However, employees may make appropriate transportation arrangements for students as necessary in an emergency or other unforeseeable circumstance.

In a nonemergency situation, an employee must get prior, written approval from the administration before transporting a student in a personal vehicle. If a school vehicle is available, the employee will use the school vehicle. The administration has the sole discretion to make a final determination as to the appropriate use of a personal vehicle to transport one or more students.

If any emergency transportation arrangements are made by employees pursuant to this section, the relevant facts and circumstances shall be reported to the administration as soon thereafter as practicable.

All vehicles used to transport students shall be properly registered and insured.

***[Note: This policy provides that employees may use a personal vehicle to transport students in an emergency or other unforeseeable circumstance. An "emergency or other unforeseeable circumstance" does not include situations where regular transportation is available or scheduled.]***

***For example, if a scheduled extracurricular event occurs outside of the school district and the school district transports a team or group of students to and from the event, an employee would be prohibited by law from using a personal vehicle to transport some students to the event. In contrast, if a student attending this same event became ill or injured and required immediate transportation home or to a health care facility, the exigent need to transport one student would not constitute regular or scheduled transportation. An employee would have authority to transport the student in a personal vehicle under these circumstances, if using a vehicle that is properly registered and insured. The expectation of the school district is that the employee would immediately contact administration about these circumstances to ensure oversight of the employee's use of this exception.***

***Nonregular and nonscheduled transportation also would include situations where some notice may be provided of the need for transportation to a nonscheduled event for which transportation generally is not provided by the school district. For example, a group of students may participate in a scheduled debate competition for which regular school district transportation is provided. Two students advance to a regional competition the following day. Transportation would not have been scheduled to the regional competition as the students' advancement was not predicted. These circumstances may justify an employee's use of a personal vehicle to transport the two students to the regional competition, if the vehicle is properly registered and insured. Because the employee has sufficient time to contact an administrator, advance written permission by an administrator would be expected for the purpose of overseeing that the reasons for an employee using a personal vehicle comply with the requirements of the law.]***

## **V. FEES**

In its discretion, the school district may charge fees for transportation of students to and from extracurricular activities conducted at locations other than school, where attendance is optional.

### **Legal References:**

Minn. Stat. § 123B.36 (Authorized Fees)  
Minn. Stat. § 169.011, Subd. 71(a) (Definitions ~~of a School Bus~~)  
Minn. Stat. § 169.454, Subd. 13 (Type III Vehicle Standards ~~Exemption~~)

### **Cross References:**

MSBA/MASA Model Policy 610 (Field Trips)  
MSBA/MASA Model Policy 709 (Student Transportation Safety Policy)  
~~MSBA Service Manual, Chapter 2, Transportation~~

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 711

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2022

## **711 VIDEO RECORDING ON SCHOOL BUSES**

### **I. PURPOSE**

The transportation of students to and from school is an important function of the school district, and transportation by the school district is a privilege and not a right for an eligible student. The behavior of students and employees on the bus is a significant factor in the safety and efficiency of school bus transportation. Student and employee misbehavior increases the potential risks of injury. Therefore, the school district believes that video recording student passengers and employees on the school bus will encourage good behavior and, as a result, promote safety. The purpose of this policy is to establish a school bus video recording system.

### **II. GENERAL STATEMENT OF POLICY**

#### **A. Placement**

1. Each and every school bus owned, leased, contracted, and/or operated by the school district shall be equipped with a fully enclosed box for placement and operation of a video camera and conspicuously placed signs notifying riders that their conversations or actions may be recorded.
2. A video camera will not necessarily be installed in each and every school bus owned, leased, contracted, and/or operated by the school district, but cameras may be rotated from bus to bus without prior notice to students.
3. Video cameras will be placed on a particular school bus, to the extent possible, where the school district has received complaints of inappropriate behavior.

#### **B. Use of Video Recordings**

1. A video recording of the actions of student passengers and/or employees may be used by the school district as evidence in any disciplinary action brought against any student or employee arising out of the student's or employee's conduct on the bus.
2. A video recording will be released only in conformance with the Minnesota Government Data Practices Act, Minnesota Statutes chapter 13 and the Family Educational Rights and Privacy Act, 20 United States Code section 1232g and the rules and/or regulations promulgated thereunder.
3. Video recordings will be viewed by school district personnel on a random basis and/or when discipline problems on the bus have been brought to the attention of the school district.
4. A video recording will be retained by the school district until relooped or until the conclusion of disciplinary proceedings in which the video recording is used for evidence.

***[Note: School districts should review their record retention policies/schedules as to the stated retention period for school bus video***

***recordings. The retention time period in the retention schedule should be consistent with the retention time period set forth in this policy. The January 2000 School District General Records Retention Schedule, adopted by many school districts, provides that building security/transportation video recordings are to be retained until relooped.]***

***Legal References:***

Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)  
Minn. Stat. § 121A.585 (Notice of Recording Device)  
Minn. Stat. § 138.17 (Government Records, Administration)  
Minn. Rules Parts 1205.0100-1205.2000 (Data Practices)  
20 U.S.C. § 1232g (Family Educational Rights and Privacy Act)  
34 C.F.R. §§ 99.1-99.67 (Family Educational Rights and Privacy)

***Cross References:***

MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)  
MSBA/MASA Model Policy 406 (Public and Private Personnel Data)  
MSBA/MASA Model Policy 502 (Search of Student Lockers, Desks, Personal Possessions, and Student's Person)  
MSBA/MASA Model Policy 506 (Student Discipline)  
MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)  
MSBA/MASA Model Policy 709 (Student Transportation Safety Policy)  
MSBA/MASA Model Policy 712 (Video Surveillance Other Than on Buses)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 712

Orig. 1996

Revised: \_\_\_\_\_

Rev. 2022

## **712 VIDEO SURVEILLANCE OTHER THAN ON BUSES**

***[Note: See MSBA/MASA Model Policy 711 for Video Recording on School Buses.]***

### **I. PURPOSE**

Maintaining the health, welfare, and safety of students, staff, and visitors while on school district property and the protection of school district property are important functions of the school district. The behavior of individuals who come on to school property is a significant factor in maintaining order and discipline and protecting students, staff, visitors, and school district property. The school board recognizes the value of video/electronic surveillance systems in monitoring activity on school property in furtherance of protecting the health, welfare, and safety of students, staff, visitors, and school district property.

### **II. GENERAL STATEMENT OF POLICY**

#### **A. Placement**

1. School district buildings and grounds may be equipped with video cameras.
2. Video surveillance may occur in any school district building or on any school district property.
3. Video surveillance will normally not be used in bathrooms or locker rooms, although these areas may be placed under surveillance by individuals of the same sex as the occupants of the bathrooms or locker rooms. Video surveillance in bathrooms or locker rooms will only be utilized in extreme situations, with extraordinary controls, and only as expressly approved by the superintendent.

#### **B. Use of Video Recordings**

1. Video recordings will be viewed by school district personnel on a random basis and/or when problems have been brought to the attention of the school district.
2. A video recording of the actions of students and/or employees may be used by the school district as evidence in any disciplinary action brought against any student or employee arising out of the student's or employee's conduct in school district buildings or on school grounds.
3. A video recording will be released only in conformance with the Minnesota Government Data Practices Act, Minnesota Statutes chapter 13, and the Family Educational Rights and Privacy Act, 20 United States Code section 1232g, and the rules and/or regulations promulgated thereunder.

#### **C. Security and Maintenance**

1. The school district shall establish appropriate security safeguards to ensure that video recordings are maintained and stored in conformance with the Minnesota Government Data Practices Act, Minnesota Statutes chapter 13, and the Family Educational Rights and Privacy Act, 20 United States Code section 1232g, and the rules and/or regulations promulgated thereunder.

2. The school district shall ensure that video recordings are retained in accordance with the school district's records retention schedule.

***Legal References:***

Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)  
Minn. Stat. § 121A.585 (Notice of Recording Device)  
Minn. Stat. § 138.17 (Government Records; Administration)  
Minn. Stat. § 609.746 (Interference with Privacy)  
20 U.S.C. § 1232g (Family Educational Rights and Privacy Act)  
34 C.F.R. §§ 99.1-99.67 (Family Educational Rights and Privacy)

***Cross References:***

MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)  
MSBA/MASA Model Policy 406 (Public and Private Personnel Data)  
MSBA/MASA Model Policy 502 (Search of Student Lockers, Desks, Personal Possessions, and Student's Person)  
MSBA/MASA Model Policy 506 (Student Discipline)  
MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)  
MSBA/MASA Model Policy 709 (Student Transportation Safety Policy)  
MSBA/MASA Model Policy 711 (Video Recording on School Buses)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 713

Orig. 2004

Revised: \_\_\_\_\_

Rev. 2022

## 713 STUDENT ACTIVITY ACCOUNTING

### I. PURPOSE

The school board recognizes the need to provide alternative paths to learning, skill development for its students, and activities for student enjoyment. It also understands its commitment to and obligation for assuring maximum accountability for public funds and student activity funds. For these reasons, the school board will assume control over and/or oversee funds for student activities as set forth in this policy.

### II. GENERAL STATEMENT OF POLICY

#### A. Curricular and Cocurricular Activities

The school board shall take charge of, control over, and account for all student activity funds that relate to curricular and cocurricular activities.

***[Note: The school board is required by Minnesota Statutes section 123B.49, subdivision 2, to take charge of and control over all cocurricular activities, including all money received for such activities.]***

#### B. Extracurricular Activities

The school board shall take charge of and control over all student activity accounting that relates to extracurricular activities.

***[Note: The school board is required by Minnesota Statutes section 123B.49, Subd. 4, to take charge of and control over all extracurricular activities, including all money received for such activities.]***

#### C. Non-Student Activities

In overseeing student activity accounts under this policy, the school board shall not maintain or account for funds generated by non-students including, but not limited to, convenience funds of staff members, booster club funds, parent-teacher organization or association funds, or funds donated to the school district for specified purposes other than student activities.

### III. DEFINITIONS

#### A. Cocurricular Activity

A "cocurricular activity" means those portions of the school-sponsored and directed activities designed to provide opportunities for students to participate in such experiences on an individual basis or in groups, at school and at public events, for improvement of skills (i.e., interscholastic sports, band, etc.). Cocurricular activities are not offered for school credit, cannot be counted toward graduation, and have *one or more* of the following characteristics:

1. They are conducted at regular and uniform times during school hours, or at times established by school authorities;
2. They are directed or supervised by instructional staff in a learning environment similar to that found in courses offered for credit; and

3. They are partially, primarily, or totally funded by public moneys for general instructional purposes under direction and control of the school board.

B. Curricular Activity

A "curricular activity" means those portions of the school program for which credit is granted, whether the activity is part of a required or elective program.

C. Extracurricular (Noncurricular/Supplementary) Activity

An "extracurricular (noncurricular/supplementary) activity" means all direct and personal services for students for their enjoyment that are managed and operated under the guidance of an adult or staff member. Extracurricular activities have *all* of the following characteristics:

1. They are not offered for school credit nor required for graduation;
2. They generally are conducted outside school hours or, if partly during school hours, at times agreed by the participants and approved by school authorities;
3. The content of the activities is determined primarily by the student participants under the guidance of a staff member or other adult.

D. Public Purpose Expenditure

A "public purpose expenditure" is one which benefits the community as a whole, is directly related to the functions of the school district, and does not have as its primary objective the benefit of private interest.

#### **IV. MANAGEMENT AND CONTROL OF ACTIVITY FUNDS**

A. Curricular and Cocurricular Activities

1. All money received on account of cocurricular activities shall be turned over to the treasurer, who shall deposit such funds in the general fund, to be disbursed for expenses and salaries connected with the activities, or otherwise, by the school board upon properly allowed itemized claims.
2. The treasurer shall account for all revenues and expenditures related to curricular and cocurricular activities in accordance with the Uniform Financial Accounting and Reporting Standards (UFARS) and school district policies and procedures.

B. Extracurricular Activities

1. Any and all costs of extracurricular activities may be provided from school revenues.
2. All money received or expended for extracurricular activities shall be recorded in the same manner as other revenues and expenditures of the school district and shall be turned over to the treasurer, who shall deposit such funds in the general fund, to be disbursed for expenses and salaries connected with the activities, or otherwise, by the school board upon properly allowed itemized claims.
3. The treasurer shall account for all revenues and expenditures related to extracurricular activities in accordance with UFARS and school district policies and procedures.
4. All student activity funds will be collected and expended:

- a. in compliance with school district policies and procedures;
  - b. under the general direction of the principal and with the participation of students and faculty members who are responsible for generating the revenue;
  - c. in a manner which does not produce a deficit or an unreasonably large accumulation of money to a particular student activity fund;
  - d. for activities which directly benefit the majority of those students making the contributions in the year the contributions were made whenever possible; and
  - e. in a manner which meets a public purpose.
5. Activity accounts of a graduated class will be terminated prior to the start of the school year following graduation. Any residual money from a graduating class activity fund will remain in the general fund and may be used for any school district purpose. Prior to depositing such accounts, all donations or gifts accepted for the specific purpose of the student activity account shall be administered in accordance with the terms of the gift or donation and school district policy.

## V. DEMONSTRATION OF ACCOUNTABILITY

### A. Annual External Audit

The school board shall direct its independent certified public accountants to audit, examine, and report upon student activity accounts as part of its annual school district audit in accordance with state law.

### B. Fundraiser Report

The administration will prepare a fundraising report semi-annually which will be reviewed by the school board in May and November. The report will list the activity, type of fundraisers, timing, purpose, and results.

***[Note: The school board should conduct periodic reviews of student fundraising. The manner in which such reviews are conducted is in the discretion of the school board.]***

### **Legal References:**

Minn. Stat. § 123B.02, Subd. 6 (General Powers of Independent School Districts)  
Minn. Stat. § 123B.09 (Boards of Independent School Districts)  
Minn. Stat. § 123B.14, Subd. 7 (Officers of Independent School Districts)  
Minn. Stat. § 123B.35 (General Policy)  
Minn. Stat. § 123B.36 (Authorized Fees)  
Minn. Stat. § 123B.37 (Prohibited Fees)  
Minn. Stat. § 123B.38 (Hearing)  
Minn. Stat. § 123B.49 (Extracurricular Activities; Insurance)  
Minn. Stat. § 123B.52 (Contracts)  
Minn. Stat. § 123B.76 (Expenditures; Reporting)  
Minn. Stat. § 123B.77 (Accounting, Budgeting, and Reporting Requirement)  
Minn. Rules Part 3500.1050 (Definitions for Pupil Fees)  
*Visina v. Freeman*, 252 Minn. 177, 89 N.W.2d 635 (1958)  
Minn. Op. Atty. Gen. 159a-16 (May 10, 1966)

***Cross References:***

Uniform Financial Accounting and Reporting Standards (UFARS)  
MSBA/MASA Model Policy 510 (School Activities)  
MSBA/MASA Model Policy 511 (Student Fundraising)  
MSBA/MASA Model Policy 701 (Establishment and Adoption of School District Budget)  
MSBA/MASA Model Policy 701.1 (Modification of School District Budget)  
MSBA/MASA Model Policy 702 (Accounting)  
MSBA/MASA Model Policy 703 (Annual Audit)  
MSBA/MASA Model Policy 704 (Development and Maintenance of an Inventory of Fixed Assets and a Fixed Asset Accounting System)  
MSBA/MASA Model Policy 706 (Acceptance of Gifts)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 714

Orig. 2011

Revised: \_\_\_\_\_

Rev. 2022

## **714 FUND BALANCES**

***[Note: The provisions of this policy include the provisions of Statement No. 54 of the Governmental Accounting Standards Board (GASB).]***

### **I. PURPOSE**

The purpose of this policy is to create new fund balance classifications to allow for more useful fund balance reporting and for compliance with the reporting guidelines specified in Statement No. 54 of the Governmental Accounting Standards Board (GASB).

### **II. GENERAL STATEMENT OF POLICY**

The policy of this school district is to comply with GASB Statement No. 54. To the extent a specific conflict occurs between this policy and the provisions of GASB Statement No. 54, the GASB Statement shall prevail.

### **III. DEFINITIONS**

- A. "Assigned" fund balance amounts are comprised of unrestricted funds constrained by the school district's intent that they be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, the assigned fund balance represents the remaining amount that is not restricted or committed. The assigned fund balance category will cover the portion of a fund balance that reflects the school district's intended use of those resources. The action to assign a fund balance may be taken after the end of the fiscal year. An assigned fund balance cannot be a negative number.
- B. "Committed" fund balance amounts are comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action of the school board and that remain binding unless removed by the school board by subsequent formal action. The formal action to commit a fund balance must occur prior to fiscal year end; however, the specific amounts actually committed can be determined in the subsequent fiscal year. A committed fund balance cannot be a negative number.
- C. "Enabling legislation" means legislation that authorizes a school district to assess, levy, charge, or otherwise mandate payment of resources from external providers and includes a legally enforceable requirement that those resources be used only for the specific purposes listed in the legislation.
- D. "Fund balance" means the arithmetic difference between the assets and liabilities reported in a school district fund.
- E. "Nonspendable" fund balance amounts are comprised of funds that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. They include items that are inherently unspendable, such as, but not limited to, inventories, prepaid items, long-term receivables, non-financial assets held for resale, or the permanent principal of endowment funds.
- F. "Restricted" fund balance amounts are comprised of funds that have legally enforceable constraints placed on their use that either are externally imposed by resource providers or creditors (such as through debt covenants), grantors, contributors, voters, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.

- G. "Unassigned" fund balance amounts are the residual amounts in the general fund not reported in any other classification. Unassigned amounts in the general fund are technically available for expenditure for any purpose. The general fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources of that fund.
- H. "Unrestricted" fund balance is the amount of fund balance left after determining both nonspendable and restricted net resources. This amount can be determined by adding the committed, assigned, and unassigned fund balances.

**IV. CLASSIFICATION OF FUND BALANCES**

The school district shall classify its fund balances in its various funds in one or more of the following five classifications: nonspendable, restricted, committed, assigned, and unassigned.

**V. MINIMUM FUND BALANCE**

The school district will strive to maintain a minimum unassigned general fund balance of [ \_\_\_\_ percent of the annual budget.] [ \_\_\_\_ months of operating expenses.]

***[Note: School districts need to select one of the bracketed choices above and fill in the blank. The other bracketed choice should be deleted. If a minimum fund balance is specified, a stabilization arrangement such as that specified in Part IX below that sets aside specific stabilization amounts may not be necessary.]***

**VI. ORDER OF RESOURCE USE**

If resources from more than one fund balance classification could be spent, the school district will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned, and unassigned.

***[Note: The school board determines this order.]***

**VII. COMMITTING FUND BALANCE**

A majority vote of the school board is required to commit a fund balance to a specific purpose and subsequently to remove or change any constraint so adopted by the board.

**VIII. ASSIGNING FUND BALANCE**

The school board, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The board also delegates the power to assign fund balances to the following: \_\_\_\_\_. ***[Specify individual(s), such as the superintendent, business manager, etc., or an entity, such as the finance committee, authorized to make these assignments.]*** Assignments so made shall be reported to the school board on a monthly basis, either separately or as part of ongoing reporting by the assigning party if other than the school board.

An appropriation of an existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance.

**IX. STABILIZATION ARRANGEMENTS**

***[Note: If the school board has established any arrangement(s) for emergencies and other contingencies, the description(s) should be included in this section. The school***

***board needs to specifically define the circumstances or conditions when these amounts may be used, which must be unanticipated adverse financial or economic circumstances. These circumstances or conditions cannot be situations that are expected to or which occur routinely. Stabilization arrangements should be reported as restricted or committed if they meet the criteria or, otherwise, should be reported as unassigned. They should not be reported as assigned. If the school board does not have any such arrangements, this section should be deleted.]***

**X. REVIEW**

The school board will conduct an annual review of the sufficiency of the minimum unassigned general fund balance level.

***[Note: The school board should determine the review period adequate for their school district and change "an annual" to "a quarterly" or "a monthly" or some other time frame if appropriate.]***

***Legal References:***

Statement No. 54 of the Governmental Accounting Standards Board

***Cross References:***

None

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 720

Orig. 1996

Revised: \_\_\_\_\_

Rev. 2022

## **720 VENDING MACHINES**

### **I. PURPOSE**

The purpose of this policy is to establish procedures to govern vending machines installed in school facilities in the school district.

### **II. GENERAL STATEMENT OF POLICY**

The policy of the school district is to contract for, supervise, maintain, and account for the proceeds from vending machines located in school facilities in a manner that is fair, that maximizes the revenues from those machines, that allows those revenues to be included in the budget of the facility in which they are generated, and that establishes controls to avoid fraud, theft, or the appearance of impropriety.

### **III. AUTHORIZATION**

Automatic vending machines for the dispensing of food, beverages, or other approved items are authorized in any school facility in the school district provided that all contracts for such vending machines must be approved by the school board as provided in this policy.

***[Note: This provision can be narrowed to apply only to specific facilities.]***

### **IV. SUPERVISION; APPROVAL; LOCATION**

- A. All vending machines shall be under the supervision of the school principal or other person in charge of the facility in which the machine is located. That administrator shall be responsible to supervise the machine in compliance with this policy and any applicable laws.
- B. The items to be dispensed from a vending machine located in a school facility shall be approved by the principal or other person in charge of that facility. All food, beverages, or other items approved shall be appropriate to the school setting. Machines dispensing cigarettes or tobacco products are not authorized under any circumstances. In the event a written complaint is filed with the superintendent regarding the approval or disapproval of any item, the school board, after proper review, shall make the final determination.
- C. Vending machines may be approved that will dispense items only during certain hours, through the use of timers or otherwise. Vending machines should not be operated in competition with the school cafeteria or food service. The principal or other person in charge of the school facility may regulate the hours of operation of any machine.
- D. Vending machines shall be located to meet any applicable building, fire, or life/safety codes and to provide convenience of operation, accessibility, and ease of maintenance. The principal or other person in charge of the facility shall review the location of each machine with appropriate maintenance and food service staff.

## V. CONTRACT APPROVAL

- A. All contracts for the purchase or rental of vending machines shall be considered by the school board on a facility-by-facility basis.

***[Note: These provisions may need to be amended if the school board determines to contract for vending machine services on an exclusive and district-wide basis.]***

- B. If the estimated aggregate receipts from all vending machines located in a school facility will be \$10,000 or more in a fiscal year, the contract for any vending machine in that facility must be awarded after the receipt of sealed bids and compliance with Minnesota Statutes section 123B.52.

***[Note: This dollar figure is lower than the \$175,000 statutory requirement for sealed bids but is recommended to protect the interests of the public.]***

- C. If the estimated aggregate receipts from all vending machines located in a school facility will be less than \$10,000 in a fiscal year, the contract for any vending machine in that facility may be awarded after the receipt of two or more quotations after taking into consideration conformity with the specifications, terms of delivery, other conditions imposed in the call for quotations, and compliance with Minnesota Statutes section 123B.52.

***[Note: This dollar figure is lower than the \$25,000 statutory requirement for quotations but is recommended to protect the interests of the public.]***

- D. The contracting process shall be conducted in compliance with Minnesota Statutes section 123B.52. A copy of this policy shall be included in any specifications or request for proposals or quotations. A record shall be kept of all bids or quotations received with the names, amounts, and successful bidder indicated. All bids and quotations shall be kept on file as a public record for a period of at least one year after their receipt.

- E. Any bid or quotation must specify all commissions to be paid from the machine and any other noncommission amounts to be paid as a result of the award of the contract. The noncommission amounts include, but are not limited to, cash payments, in-kind payments, equipment donations, scholarship contributions, bonus payments, or other payments or contributions of any kind or nature. The noncommission amounts shall be reduced to a cash equivalency and shall be specified on the bid or quotation as an additional amount to be paid for the award of the contract.

- F. If a contract contains a provision allowing exclusivity, such as all machines in the building carrying only a certain manufacturer's brand of pop, that provision must be reviewed by the administration prior to requesting bids or quotations to ensure that it does not conflict with other contracts of the school district.

- G. All contracts for vending machines must be approved by the school board. Any contract not made in compliance with this policy shall be void. Any district employee signing an unauthorized contract may be subject to personal liability thereon and may be disciplined for said action.

- H. All vending machines are to be installed at the expense of the facility in which located. All financial responsibility for the maintenance and repair of machines shall remain with the individual facility in which located to the extent not addressed in the contract.

- I. No teacher, administrator, school district employee, or school board member shall be interested, directly or indirectly, in a vending machine contract with the school district or personally benefit financially therefrom.

**VI. ACCOUNTING**

- A. Proceeds from vending machine sales and contracts shall be under the control of the school board, shall be accounted for in one of the regular school district funds, and must be accounted for and reported in compliance with UFARS.
- B. An amount equal to the amount of the proceeds from the machines in each facility shall be included in the budget of the facility in which the proceeds are generated. That amount may be expended in accordance with established expenditure procedures.
- C. Pursuant to the vending machine contract or otherwise, proper auditing and inventory control procedures shall be established to ensure that commissions are being correctly calculated and paid. These controls must include daily, weekly, or other periodic inventories and written reconciliations of variances between inventory and cash. Each time cash is removed from, or inventory is added to a machine, a written reconciliation between cash and inventory must be performed by the person taking the cash from the machine and must be signed by the principal or other person in charge of the facility. The original written reconciliation reports shall be filed with the business office monthly and a copy shall be retained by the principal's office.

**Legal References:** Minn. Stat. § 123B.20 (Dealing in School Supplies)  
Minn. Stat. § 123B.52 (Contracts)  
Minn. Stat. § 471.345 (Uniform Municipal Contracting Law)  
Minn. Stat. § 471.87 (Public Officers, Interest in Contract; Penalty)

**Cross References:** MSBA/MASA Model Policy 210 (Conflict of Interest – School Board Members)  
MSBA/MASA Model Policy 702 (Accounting)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 801

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2022

## **801 EQUAL ACCESS TO SCHOOL FACILITIES**

***[Note: The provisions of this policy substantially reflect statutory requirements.]***

### **I. PURPOSE**

The purpose of this policy is to implement the Equal Access Act by granting equal access to secondary school facilities for students who wish to conduct a meeting for religious, political, or philosophical purposes during noninstructional time.

### **II. GENERAL STATEMENT OF POLICY**

- A. The policy of the school district is not to deny equal access or a fair opportunity to, or to discriminate against, any students who wish to conduct a meeting, on the basis of the religious, political, philosophical, or other content of the speech at such meetings.
- B. The school board has created a limited open forum for students enrolled in secondary schools during which noncurriculum-related student groups shall have equal access and a fair opportunity to conduct meetings during noninstructional time.
- C. Student use of facilities under this policy does not imply school district sponsorship, approval, or advocacy of the content of the expression at such meetings.
- D. The school district retains its authority to maintain order and discipline on school premises, to protect the well-being of students and faculty, and to assure that attendance of students at meetings is voluntary.
- E. In adopting and implementing this equal access policy, the school district will NOT:
  - 1. influence the form or content of any prayer or other religious activity;
  - 2. require any person to participate in prayer or other religious activity;
  - 3. expend public funds beyond the incidental cost of providing the space for student-initiated meetings;
  - 4. compel any school agent or employee to attend a school meeting if the content of the speech at the meeting is contrary to the beliefs of the agent or employee;
  - 5. sanction meetings that are otherwise unlawful;
  - 6. limit the rights of groups of students based on the size of the group;
  - 7. abridge the constitutional rights of any person.

### **III. DEFINITIONS**

- A. "Limited open forum" means that the school grants an offering to or opportunity for one or more noncurriculum related student groups to meet on school premises during noninstructional time.

- B. "Meeting" includes activities of student groups which are permitted under a limited open forum and are not directly related to the school curriculum. Distribution of literature does not constitute a meeting protected by the Equal Access Act.
- C. "Noninstructional time" means time set aside by the school before actual classroom instruction begins or after actual classroom instruction ends, including such other periods that occur during the school day when no classroom instruction takes place.
- D. "Sponsorship" includes the act of promoting, leading, or participating in a meeting. The assignment of a school employee for custodial, observation, or maintenance of order and discipline purposes does not constitute sponsorship of the meeting.
- E. "Secondary school" means any school with enrollment of pupils ordinarily in grades 7 through 12 or any portion thereof.

#### **IV. FAIR OPPORTUNITY CRITERIA**

Schools in this school district shall uniformly provide that:

- A. A meeting held pursuant to this policy is voluntary and student-initiated;
- B. There is no sponsorship of the meeting by the school or its agents or employees;
- C. Employees or agents of the school are present at religious meetings only in a nonparticipatory capacity;
- D. The meeting does not materially and substantially interfere with the orderly conduct of educational activities within the school; and
- E. Nonschool persons may not direct, control, or regularly attend activities of student groups.

#### **V. PROCEDURES**

- A. Any student who wishes to initiate a meeting under this policy shall apply to the principal of the building at least 48 hours in advance of the time of the activity or meeting. The student must agree to the following:
  - 1. All activities or meetings must comply with existing policies, regulations, and procedures that govern operation of school-sponsored activities.
  - 2. The activities or meetings are voluntary and student-initiated. The principal may require assurances of this fact.
- B. Student groups meeting under this policy must comply with the following rules:
  - 1. Those attending must not engage in any activity that is illegal, dangerous, or which materially and substantially interferes with the orderly conduct of the educational activities of the school. Such activities shall be grounds for discipline of an individual student and grounds for a particular group to be denied access.
  - 2. The groups may not use the school name, school mascot name, school emblems, the school district name, or any name that might imply school or district sponsorship or affiliation in any activity, including fundraising and community

involvement.

3. The groups must comply with school policies, regulations and procedures governing school-sponsored activities.
- C. Students applying for use of school facilities under this policy must provide the following information to the principal: time and date of meeting, estimated number of students in attendance, and special equipment needs.
- D. The building principal has responsibility to:
1. Keep a log of application information.
  2. Find and assign a suitable room for the meeting or activity. The number of students in attendance will be limited to the safe capacity of the meeting space.
  3. Note the condition of the facilities and equipment before and after use.
  4. Assure proper supervision. Assignment of staff to be present in a supervisory capacity does not constitute school district sponsorship of the meeting or activity.
  5. Assure that the meeting or activity does not interfere with the school's regular instructional activities.
- E. The school district shall not expend public funds for the benefit of students meeting pursuant to this policy beyond the incidental cost of providing space. The school district will provide no additional or special transportation.
- F. Nonschool persons may not direct, conduct, control, or regularly attend meetings and activities held pursuant to this policy.
- G. School district employees or agents may not promote, lead, participate in, or otherwise sponsor meetings or activities held pursuant to this policy.
- H. A copy of this policy and procedures shall be made available to each student who initiates a request to use school facilities.

**Legal References:** 20 U.S.C. §§ 4071-74 (Equal Access Act)  
20 U.S.C. § 7905 (Boy Scouts of America Equal Access Act)  
*Board of Educ. of Westside Community Schools v. Mergens*, 496 U.S. 226 (1990)  
*Good News Club v. Milford Central School*, 533 U.S. 98 (2001)  
*Child Evangelism Fellowship of Minnesota v. Special Sch. Dist. 1*, 690 F.3d 996 (8<sup>th</sup> Cir. 2012)  
*Child Evangelism Fellowship of Minnesota v. Elk River Area School Dist. 728*, 599 F.Supp. 2d 1136 (D. Minn. 2009)

**Cross References:** MSBA/MASA Model Policy 902 (Use of School District Facilities and Equipment)

*The Purpose, General Statement of Policy, Definitions, and Fair Opportunity Criteria sections reflect the language and requirements of the Equal Access Act and so should be adopted as written. School Boards have discretion to adopt reasonable procedures to implement the Act, however. We have provided a section on Procedures as a model.*

**Independent School District No. \_\_\_\_**  
**Application for Use of Facilities Form**  
**Equal Access Act Meeting**

Statement of Policy

It is school district policy to grant equal access to school facilities for students who wish to conduct a meeting for religious, political, or philosophical discussion during noninstructional time, pursuant to the Equal Access Act.

Provision of school facilities does not constitute school district sponsorship of such meeting, and the views expressed therein may or may not reflect those of the school administration, staff, or board of education and are neither approved nor disapproved by them.

Name of student initiating request: \_\_\_\_\_

School: \_\_\_\_\_

Grade: \_\_\_\_\_

Home Room: \_\_\_\_\_

Date of Meeting: \_\_\_\_\_

Time: \_\_\_\_\_

Estimated number to attend: \_\_\_\_\_

Special Equipment needs: \_\_\_\_\_

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*(School District Use Only)*

Room assigned: \_\_\_\_\_

Condition of Facilities: \_\_\_\_\_

Staff (if any) assigned to supervise: \_\_\_\_\_

Notes: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 802

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2022

## **802 DISPOSITION OF OBSOLETE EQUIPMENT AND MATERIAL**

***[Note: The provisions of this policy substantially reflect statutory requirements.]***

### **I. PURPOSE**

The purpose of this policy is to provide guidelines for the superintendent to assist in timely disposition of obsolete equipment and material.

### **II. GENERAL STATEMENT OF POLICY**

Effective use of school building space, and consideration for safety of personnel, will at times require disposal of obsolete equipment and material.

### **III. DEFINITIONS**

- A. "Contract" means an agreement entered into by the school district for the sale of supplies, materials, or equipment.
- B. "Official newspaper" is a regular issue of a qualified legal newspaper.

### **IV. MANNER OF DISPOSITION**

#### **A. Authorization**

The superintendent shall be authorized to dispose of obsolete equipment and materials by selling it at a fair price consistent with the procedures outlined in this policy. Any sale exceeding the minimum amount for which bids are required must first be specifically authorized by the school board. The superintendent shall be authorized to properly dispose of used books, materials, and equipment deemed to have little or no value.

#### **B. Contracts Over \$175,000**

1. If the value of the equipment or materials is estimated to exceed \$175,000, sealed bids shall be solicited by two weeks' published notice in the official newspaper. This notice shall state the time and place of receiving bids and contain a brief description of the subject matter. Additional publication in the official newspaper or elsewhere may be made as the school board shall deem necessary.
2. The sale shall be awarded to the highest responsible bidder, be duly executed in writing, and be otherwise conditioned as required by law.
3. A record shall be kept of all bids, with names of bidders and amounts of bids, and an indication of the successful bid. A bid containing an alteration or erasure of any price contained in the bid which is used in determining the highest responsible bid shall be rejected unless the alteration or erasure is corrected by being crossed out and the correction printed in ink or typewritten adjacent thereto and initialed in ink by the person signing the bid.

4. In the case of identical high bids from two or more bidders, the school board may, at its discretion, utilize negotiated procurement methods with the tied high bidders so long as the price paid does not go below the high tied bid price. In the case where only a single bid is received, the school board may, at its discretion, negotiate a mutually agreeable contract with the bidder so long as the price paid does not fall below the original bid. If no satisfactory bid is received, the board may readvertise.
5. All bids obtained shall be kept on file for a period of at least one year after their receipt. Every contract made without compliance with the foregoing provisions shall be void.
6. Data submitted by a business to a school in response to a request for bids are private until opened. Once opened, the name of the bidder and the dollar amount specified become public; all other data are private until completion of the selection process, meaning the school has completed its evaluation and ranked the responses. After completion of the selection process, all data submitted by all bidders are public except trade secret data. If all responses are rejected prior to completion of the selection process, all data remain private, except the name of the bidder and the dollar amount specified which were made public at the bid opening for one year from the proposed opening date or until resolicitation results in completion of the selection process or until a determination is made to abandon the purchase, whichever occurs sooner, at which point the remaining data becomes public. Data created or maintained by the school district as part of the selection or evaluation process are protected as nonpublic data until completion of the selection or evaluation process. At that time, the data are public with the exception of trade secret data.

C. Contracts From \$25,000 to \$175,000

If the amount of the sale is estimated to exceed \$25,000 but not to exceed \$175,000, the contract may be made either upon sealed bids in the manner directed above or by direct negotiation, by obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding notice. All quotations obtained shall be kept on file for a period of at least one year after receipt.

D. Contracts \$25,000 or Less

If the amount of the sale is estimated to be \$25,000 or less, the contract may be made either upon quotation or in the open market, in the discretion of the school board. The sale in the open market may be by auction. If the contract is made on quotation, it shall be based, so far as practicable, on at least two quotations which shall be kept on file for a period of at least one year after receipt.

E. Electronic Sale of Surplus Supplies, Materials, and Equipment

Notwithstanding the other procedural requirements of this policy, the school district may contract to sell supplies, materials, and equipment which is surplus, obsolete, or unused through an electronic selling process in which purchasers compete to purchase the supplies, materials, or equipment at the highest purchase price in an open and interactive environment.

F. Notice of Quotation

Notice of procedures to receive quotations shall be given by publication or other means as appropriate to provide reasonable notice to the public.

G. Sales to Employees

No officer or employee of the school district shall sell or procure for sale or possess or control for sale to any other officer or employee of the school district any property or materials owned by the school district unless the property and materials are not needed for public purposes and are sold to a school district employee after reasonable public notice, at a public auction or by sealed response, if the employee is not directly involved in the auction or sale process. Reasonable notice shall include at least one week's published or posted notice. A school district employee may purchase no more than one motor vehicle from the school district at any one auction. This section shall not apply to the sale of property or materials acquired or produced by the school district for sale to the general public in the ordinary course of business. Nothing in this section shall prohibit an employee of the school district from selling or possessing for sale public property if the sale or possession for sale is in the ordinary course of business or the normal course of the employee's duties.

H. Exceptions for Surplus School Computers

1. A school district may bypass the requirements for competitive bidding and is not subject to any other laws relating to school district contracts if it is disposing of surplus school computer and related equipment, including a tablet device, by conveying the property and title to:
  - a. another school district;
  - b. the state department of corrections;
  - c. the board of trustees of Minnesota State Colleges and Universities;
  - d. the family of a student residing in the district whose total family income meets the federal definition of poverty; or
  - e. a charitable organization under section 501(c)(3) of the Internal Revenue Code that is registered with the attorney general's office for educational use.
2. If surplus school computers are not disposed of as described in Paragraph 1., upon adoption of a written resolution of the school board, when updating or replacing school computers, including tablet devices, used primarily by students, the school district may sell or give used computers or tablets to qualifying students at the price specified in the written resolution. A student is eligible to apply to the school board for a computer or tablet under this subdivision if the student is currently enrolled in the school and intends to enroll in the school in the year following the receipt of the computer or tablet. If more students apply for computers or tablets than are available, the school must first qualify students whose families are eligible for free or reduced-price meals and then dispose of the remaining computers or tablets by lottery.

**Legal References:** Minn. Stat. § 13.591 (Business Data)

Minn. Stat. § 15.054 (Sale or Purchase of State Property; Penalty)  
Minn. Stat. § 123B.29 (Sale at Auction)  
Minn. Stat. § 123B.52 (Contracts)  
Minn. Stat. § 471.345 (Uniform Municipal Contracting Law)  
Minn. Stat. § 645.11 (Published Notice)

**Cross References:** MSBA School Law Bulletin "F" (School District Contract and Bidding Procedures)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 805

Orig. 1996

Revised: \_\_\_\_\_

Rev. 2022

## **805 WASTE REDUCTION AND RECYCLING**

***[Note: The obligations stated in this policy are substantial and virtually all are governed by statute. A school district may choose to add obligations by policy.]***

### **I. PURPOSE**

The purpose of this policy is to establish a resource recovery program to promote the reduction of waste, the separation and recovery of recyclable and reusable commodities, the procurement of recyclable commodities and commodities containing recycled materials, the disposition of waste materials and surplus property, and the establishment of a program of education to develop an awareness of environmentally sound waste management.

### **II. GENERAL STATEMENT OF POLICY**

The policy of the school district is to comply with all state laws relating to waste management and to make resource conservation an integral part of the physical operations and curriculum of the school district.

### **III. DEFINITIONS**

- A. "Lamp recycling facility" means a facility operated to remove, recover, and recycle for reuse mercury or other hazardous materials from fluorescent or high intensity discharge lamps
- B. "Mixed municipal solid waste" means garbage, refuse, and other solid waste that is aggregated for collection but does not include auto hulks, street sweepings, ash, construction debris, mining waste, sludges, tree and agricultural wastes, tires, lead acid batteries, motor and vehicle fluids and filters, and other materials collected, processed, and disposed of as separate waste streams.
- C. "Packaging" means a container and any appurtenant material that provide a means of transporting, marketing, protecting, or handling a product and includes pallets and packing such as blocking, bracing, cushioning, weatherproofing, strapping, coatings, closures, inks, dyes, pigments, and labels.
- D. "Postconsumer materials" means a finished material that would normally be discarded as a solid waste having completed its life cycle as a consumer item.
- E. "Rechargeable battery" means a sealed nickel-cadmium battery, a sealed lead acid battery, or any other rechargeable battery, except certain dry cell batteries or a battery exempted by the Commissioner of the Minnesota Pollution Control Agency (PCA) (Commissioner).
- F. "Recyclable commodities" means materials, pieces of equipment, and parts which are not reusable but which contain recoverable resources.
- G. "Recyclable materials" means materials that are separated from mixed municipal solid waste for the purpose of recycling or composting, including paper, glass, plastics, metals, automobile oil, batteries, source-separated compostable materials,

and sole source food waste streams that are managed through biodegradative processes. Refuse-derived fuel or other material that is destroyed by incineration is not a recyclable material.

- H. "Recycling" means the process of collecting and preparing recyclable materials and reusing the materials in their original form that do not cause the destruction of recyclable materials in a manner that precludes further use.
- I. "Resource conservation" means the reduction in the use of water, energy, and raw materials.
- J. "Reusable commodities" means materials, pieces of equipment, parts, and used supplies which can be reused for their original purpose in their existing condition.
- K. "Source-separated compostable materials" means materials that:
  - 1. are separated at the source by waste generators for the purpose of preparing them for use as compost;
  - 2. are collected separately from mixed municipal solid waste and are governed by state licensing provisions;
  - 3. are comprised of food wastes, fish and animal waste, plant materials, diapers, sanitary products, and paper that is not recyclable because the Commissioner has determined that no other person is willing to accept the paper for recycling;
  - 4. are delivered to a facility to undergo controlled microbial degradation to yield a humus-like product meeting the PCA's class I or class II, or equivalent, compost standards and where process rejects do not exceed 15 percent by weight of the total material delivered to the facility; and
  - 5. may be delivered to a transfer station, mixed municipal solid waste processing facility, or recycling facility only for the purposes of composting or transfer to a composting facility, unless the Commissioner determines that no other person is willing to accept the materials.
- L. "Waste reduction" or "source reduction" means an activity that prevents generation of waste or the inclusion of toxic materials in waste, including:
  - 1. reusing the product in its original form;
  - 2. increasing the life span of a product;
  - 3. reducing material or the toxicity of material used in production or packaging;  
or
  - 4. changing procurement, consumption, or waste generation habits to result in smaller quantities or lower toxicity of waste generated.

#### **IV. WASTE DISPOSAL**

- A. The school district will attempt to decrease the amount of waste consumable materials by:

1. reduction of the consumption of consumable materials whenever practicable;
  2. full utilization of materials prior to disposal;
  3. minimization of the use of non-biodegradable products whenever practicable.
- B. Each school district facility shall also collect at least three recyclable materials, such as, but not limited to, the following: paper, glass, plastic, and metal.
- C. The school district will transfer all recyclable materials collected to a recycler and, to the extent practicable, cooperate with, and participate in, recycling efforts being made by the city and/or county where the school district is located.
- D. Prior to entering into a contract for the management of mixed municipal solid waste, the school district will determine whether the disposal method provided for in the contract is equal to or better than the waste management practices currently employed in the county or district plan in the county where the school district is located and whether the contract is consistent with the solid waste plan. If the waste management method provided for in the contract is ranked lower than the waste management practices employed by the county or district, the school district will:
1. determine the potential liability to the school district and its taxpayers for managing waste in this manner;
  2. develop and implement a plan for managing the potential liability; and
  3. submit the information in (1) and (2) above to the PCA.
- If the contract is inconsistent with the county plan or if the school district's waste management activities are inconsistent with the county plan, the school district should obtain the consent of the county prior to entering into a binding contract or developing or implementing inconsistent solid waste management activities.
- E. The school district may not knowingly place motor oil, brake fluid, power steering fluid, transmission fluid, motor oil filters, or motor vehicle antifreeze (other than small amounts of antifreeze contained in water used to flush the cooling system of a vehicle after the antifreeze has been drained and does not include de-icer that has been used on the exterior of a vehicle) in or on:
1. solid waste or solid waste management facilities other than a recycling facility or household hazardous waste collection facility;
  2. the land unless approved by the PCA; or
  3. the waters of the state, an individual sewage treatment system, or in a storm water or waste water collection or treatment system unless:
    - a. permitted to do so by the operator of the system and the PCA;
    - b. the school district generates an annual average of less than 50 gallons of waste motor vehicle antifreeze per month; and

- c. the school district keeps records of the amount of waste antifreeze generated, maintains these records on site and makes the records available for inspection for a minimum of three years following generation of the waste antifreeze.
  
- F. The school district may not place mercury or a thermostat, thermometer, electric switch, appliance, gauge, medical or scientific instrument, fluorescent or high-intensity discharge lamp, electric relay, or other electrical device from which the mercury has not been removed for reuse or recycling:
  - 1. in solid waste; or
  - 2. in a wastewater disposal system.
  
- G. The school district may not knowingly place mercury or a thermostat, thermometer, electric switch, appliance, gauge, medical or scientific instrument, fluorescent or high-intensity discharge lamp, electric relay, or other electrical device from which the mercury has not been removed for reuse or recycling:
  - 1. in a solid waste processing facility; or
  - 2. in a solid waste disposal facility.
  
- H. The school district will recycle a fluorescent or high-intensity discharge lamp by delivery of the lamp to a lamp recycling facility or to a facility that collects and stores lamps for the purpose of delivering them to a lamp recycling facility, including, but not limited to, a household hazardous waste collection or recycling facility, retailer take-back and utility provider program sites, or other sites designated by an electric utility under Minnesota Statutes section 216B.241, subdivision. 2.
  
- I. The school district may not place a lead acid battery in mixed municipal solid waste or dispose of a lead acid battery. The school district also may not place in mixed municipal solid waste a dry cell battery containing mercuric oxide electrode, silver oxide electrode, nickel-cadmium, or sealed lead-acid that was purchased for use or used by the school district. The school district also may not place in mixed municipal solid waste a rechargeable battery, a rechargeable battery pack, a product with a nonremovable rechargeable battery, or a product powered by rechargeable batteries or rechargeable battery pack, from which all batteries or battery packs have not been removed.
  
- J. The school district may not place yard waste:
  - 1. in mixed municipal solid waste;
  - 2. in a disposal facility;
  - 3. in a resource recovery facility, except for the purposes of reuse, composting, or cocomposting; or
  - 4. in a plastic bag unless exempt as specified in Minnesota Statutes section 115A.931(c), (d), or (e).
  
- K. The school district may not place a telephone directory:

1. in solid waste;
  2. in a disposal facility; or
  3. in a resource recovery facility, except a recycling facility.
- L. The school district may not:
1. place major appliances in mixed municipal solid waste; or
  2. dispose of major appliances in or on the land or in a solid waste processing or disposal facility.
- M. The school district may not place in mixed municipal solid waste an electronic product containing a cathode-ray tube.
- N. The school district, on its own or in cooperation with others, may implement a program to collect, process, or dispose of household batteries. The school district may provide financial incentives to any person, including public or private civic groups, to collect the batteries.

**V. PROCUREMENT OF RECYCLED COMMODITIES AND MATERIALS**

- A. When practicable and when the price of recycled materials does not exceed the price of nonrecycled materials by more than 10 percent, the school district may purchase recycled materials. In order to maximize the quantity and quality of recycled materials purchased, the school district may also use other appropriate procedures to acquire recycled materials at the most economical cost to the school district.
- B. When purchasing commodities and services, the school district will apply and promote waste management practices with special emphasis on the reduction of the quantity and toxicity of materials in waste.
- C. Whenever practicable, the school district will:
1. purchase uncoated copy paper, office paper, and printing paper unless the coated paper is made with at least 50 percent postconsumer material;
  2. purchase recycled content copy paper with at least 30 percent postconsumer material by weight and purchase office and printing paper with at least 10 percent postconsumer material by weight;
  3. purchase paper which has not been dyed with colors, excluding pastel colors;
  4. purchase recycled content copy, office, and printing paper that is manufactured using little or no chlorine bleach or chlorine derivatives;
  5. use reusable binding materials or staples and bind documents by methods that do not use glue;
  6. use soy-based inks;
  7. purchase printer or duplication cartridges that:

- a. have 10 percent post-consumer material; or
  - b. are purchased as remanufactured; or
  - c. are backed by a vendor-offered program that will take back the printer cartridges after their useful life, ensure that the cartridges are recycled, and comply with the definition of recycling in Minnesota Statutes section 115A.03, subdivision 25b;
- 8. produce reports, publications, and periodicals that are readily recyclable;
  - 9. purchase paper which has been made on a paper machine located in Minnesota; and
  - 10. print documents on both sides of the paper where commonly accepted publishing practices allow.
- D. The school district may not use a specified product included on the prohibited products list published in the State Register.
  - E. In developing bid specifications, the school district will consider the extent to which a commodity or product is durable, reusable or recyclable, and marketable through applicable local or regional recycling programs and the extent to which the commodity or product contains postconsumer material.
  - F. When a project involves the replacement of carpeting, the school district may require all persons who wish to bid on the project to designate a carpet recycling company in their bids.

## **VI. OTHER**

The policy of the school district is to actively advocate, where appropriate, for resource conservation practices to be adopted at the local, regional, and state levels.

**Legal References:** Minn. Stat. § 16C.073 (Purchase and Use of Paper Stock; Printing)  
Minn. Stat. § 115A.03 (Definitions)  
Minn. Stat. § 115A.15 (State Government Resource Recovery)  
Minn. Stat. § 115A.151 (Recycling Requirements; Public Entities; Commercial Buildings; Sports Facilities))  
Minn. Stat. § 115A.46 (Regional and Local Solid Waste Management Plan; Requirements)  
Minn. Stat. § 115A.471 (Public Entities; Managing Solid Waste)  
Minn. Stat. § 115A.915 (Lead Acid Batteries; Land Disposal Prohibited)  
Minn. Stat. § 115A.9155 (Disposing of Certain Dry Cell Batteries)  
Minn. Stat. § 115A.9157 (Rechargeable Batteries and Products)  
Minn. Stat. § 115A.916 (Motor Vehicle Fluids and Filters; Prohibitions)  
Minn. Stat. § 115A.931 (Yard Waste; Prohibition)  
Minn. Stat. § 115A.932 (Mercury Prohibition)  
Minn. Stat. § 115A.951 (Telephone Directories)  
Minn. Stat. § 115A.9561 (Major Appliances)  
Minn. Stat. § 115A.9565 (Cathode-Ray Tube Prohibition)  
Minn. Stat. § 115A.961, Subd. 3 (Household Batteries; Collection, Processing, and Disposal)  
Minn. Stat. § 115A.9651 (Listed Metals in Specified Products; Enforcement)  
Minn. Stat. § 116.93, Subd. 1 (Lamp Recycling Facilities)

Minn. Stat. § 216B.241, Subd. 2 (Public Utilities; Energy Conservation and Optimization)

Minn. Stat. § 458D.07 (Sewage Collection and Disposal)

*National Solid Waste Management Ass'n v. Williams, et al.*, 966 F.Supp. 844 (D. Minn. 1997)

**Cross References:** None

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 807

Orig. 2012

Revised: \_\_\_\_\_

Rev. 2022

## **807 HEALTH AND SAFETY POLICY**

***[Note: To receive health and safety revenue for any fiscal year, school districts must submit an application to the Minnesota Commissioner of Education, along with a health and safety budget adopted and confirmed by the school board as being consistent with the school district's health and safety policy. This policy has been approved by the Minnesota Department of Education.]***

***The subdivisions of Minnesota Statutes Section 123B.57 that relate to a school district's ability to apply for health and safety revenue have been repealed effective fiscal year 2017. The provisions of this policy substantially reflect statutory requirements.]***

### **I. PURPOSE**

The purpose of this policy is to assist the school district in promoting health and safety, reducing injuries, and complying with federal, state, and local health and safety laws and regulations.

### **II. GENERAL STATEMENT OF POLICY**

- A. The policy of the school district is to implement a health and safety program that includes plans and procedures to protect employees, students, volunteers, and members of the general public who enter school district buildings and grounds. The objective of the health and safety program will be to provide a safe and healthy learning environment; to increase safety awareness; to help prevent accidents, illnesses, and injuries; to reduce liability; to assign duties and responsibilities to school district staff to implement and maintain the health and safety program; to establish written procedures for the identification and management of hazards or potential hazards; to train school district staff on safe work practices; and to comply with all health and safety, environmental, and occupational health laws, rules, and regulations.
- B. All school district employees have a responsibility for maintaining a safe and healthy environment within the school district and are expected to be involved in the health and safety program to the extent practicable. For the purpose of implementing this policy, the school district may form a health and safety advisory committee to be appointed by the superintendent. The health and safety advisory committee will be composed of employees and other individuals with specific knowledge of related issues. The advisory committee will provide recommendations to the administration regarding plans and procedures to implement this policy and to establish procedures for identifying, analyzing, and controlling hazards, minimizing risks, and training school district staff on safe work practices. The committee will also recommend procedures for investigating accidents and enforcement of workplace safety rules. Each recommendation shall include estimates of annual costs of implementing and maintaining that proposed recommendation. The superintendent may request that the safety committee established under Minnesota Statutes section 182.676 carry out all or part of the duties of the advisory committee or the advisory committee may consider recommendations from a separate safety committee established under Minnesota Statutes section 182.676.

### **III. PROCEDURES**

- A. Based upon recommendations from the health and safety advisory committee and subject to the budget adopted by the school board to implement or maintain these recommendations, the administration will adopt and implement written plans and procedures for identification and management of hazards or potential hazards existing

within the school district in accordance with federal, state, and local laws, rules, and regulations. Written plans and procedures will be maintained, updated, and reviewed by the school board on an annual basis and shall be an addendum to this policy. The administration shall identify in writing a contact person to oversee compliance with each specific plan or procedure.

- B. To the extent that federal, state, and local laws, rules, and regulations do not exist for identification and management of hazards or potential hazards, the health and safety advisory committee shall evaluate other available resources and generally accepted best practice recommendations. Best practices are techniques or actions which, through experience or research, have consistently proven to lead to specific positive outcomes.
- C. The school district shall monitor and make good faith efforts to comply with any new or amended laws, rules, or regulations to control potential hazards.

#### **IV. PROGRAM AND PLANS**

- A. For the purpose of implementing this policy, the administration will, within the budgetary limitations adopted by the school board, implement a health and safety program that includes specific plan requirements in various areas as identified by the health and safety advisory committee. Areas that may be considered include, but are not limited to, the following:
  - 1. Asbestos
  - 2. Fire and Life Safety
  - 3. Employee Right to Know
  - 4. Emergency Action Planning
  - 5. Combustible and Hazardous Materials Storage
  - 6. Indoor Air Quality
  - 7. Mechanical Ventilation
  - 8. Mold Cleanup and Abatement
  - 9. Accident and Injury Reduction Program: Model AWAIR Program for Minnesota Schools
  - 10. Infectious Waste/Bloodborne Pathogens
  - 11. Community Right to Know
  - 12. Compressed Gas Safety
  - 13. Confined Space Standard
  - 14. Electrical Safety
  - 15. First Aid/CPR/AED
  - 16. Food Safety Inspection
  - 17. Forklift Safety
  - 18. Hazardous Waste
  - 19. Hearing Conservation
  - 20. Hoist/Lift/Elevator Safety
  - 21. Integrated Pest Management
  - 22. Laboratory Safety Standard/Chemical Hygiene Plan
  - 23. Lead
  - 24. Control of Hazardous Energy Sources (Lockout/Tagout)
  - 25. Machine Guarding
  - 26. Safety Committee
  - 27. Personal Protection Equipment (PPE)
  - 28. Playground Safety
  - 29. Radon
  - 30. Respiratory Protection
  - 31. Underground and Above Ground Storage Tanks
  - 32. Welding/Cutting/Brazing
  - 33. Fall Protection
  - 34. National Emission Standards for Hazardous Air Pollutants for School Generators established by the United States E.P.A.
  - 35. Other areas determined to be appropriate by the health and safety advisory committee.

If a risk is not present in the school district, the preparation of a plan or procedure for that risk will not be necessary.

- B. The administration shall establish procedures to ensure, to the extent practicable, that all employees are properly trained and instructed in job procedures, crisis response duties, and emergency response actions where exposure or possible exposure to hazards and potential hazards may occur.
- C. The administration shall conduct or arrange safety inspections and drills. Any identified hazards, unsafe conditions, or unsafe practices will be documented and corrective action will be taken to the extent practicable to control that hazard, unsafe condition, or unsafe practice.
- D. Communication from employees regarding hazards, unsafe or potentially unsafe working conditions, and unsafe or potentially unsafe practices is encouraged in either written or oral form. No employee will be retaliated against for reporting hazards or unsafe or potentially unsafe working conditions or practices.
- E. The administration shall conduct periodic workplace inspections to identify potential hazards and safety concerns.
- F. In the event of an accident or a near miss, the school district shall promptly cause an accident investigation to be conducted in order to determine the cause of the incident and to take action to prevent a similar incident. All accidents and near misses must be reported to an immediate supervisor as soon as possible.

## **V. BUDGET**

The superintendent shall be responsible to provide for periodic school board review and approval of the various plan requirements of the health and safety program, including current plan requirements and related written plans and procedures and recommendations for additional plan requirements proposed to be adopted. The superintendent, or such other school official as designated by the superintendent, each year shall prepare preliminary revenue and expenditure budgets for the school district's health and safety program. The preliminary budgets shall be accompanied by such written commentary as may be necessary for them to be clearly understood by the members of the school board and the public. The school board shall review the projected revenues and expenditures for this program and make such adjustments within the expenditure budget to carry out the current program and to implement new recommendations within the revenues projected and appropriated for this purpose. No funds may be expended for the health and safety program in any school year prior to the adoption of the budget document authorizing that expenditure for that year, or prior to the adoption of an amendment to that budget document by the school board to authorize that expenditure for that year. The health and safety program shall be implemented, conducted, and administered within the fiscal restraints of the budget so adopted.

## **VI. ENFORCEMENT**

Enforcement of this policy is necessary for the goals of the school district's health and safety program to be achieved. Within applicable budget limitations, school district employees will be trained and receive periodic reviews of safety practices and procedures, focusing on areas that directly affect the employees' job duties. Employees shall participate in practice drills. Willful violations of safe work practices may result in disciplinary action in accordance with applicable school district policies.

**Legal References:** Minn. Stat. § 123B.56 (Health, Safety, and Environmental Management)  
Minn. Stat. § 123B.57 (Health and Safety Projects)  
Minn. Stat. § 182.676 (Safety Committees)  
Minn. Rules Part 5208.0010 (Accident and Injury Reduction Program;

Applicability)  
Minn. Rules Part 5208.0070 (Accident and Injury Reduction Program;  
Alternative Forms of Committee)

**Cross References:** MSBA/MASA Model Policy 407 (Employee Right to Know - Exposure to  
Hazardous Substances)  
MSBA/MASA Model Policy 701 (Establishment and Adoption of School District  
Budget)  
MSBA/MASA Model Policy 806 (Crisis Management Policy)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 901

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2022

## **901 COMMUNITY EDUCATION**

### **I. PURPOSE**

The purpose of this policy is to convey to employees and to the general public the important role of community education within the school district.

### **II. GENERAL STATEMENT OF POLICY**

The school board affirms a strong commitment to the community education program. The school board welcomes, and strongly encourages use of school buildings and activity areas by the community when not used for regularly scheduled elementary and secondary programs. The school administration should strive to accomplish the following objectives:

- A. Maximum use should be made of public school facilities within the school district service area.
- B. Educational needs and interest of area residents should be determined periodically.
- C. Community resources and expertise of residents should be utilized to develop a vibrant, well-rounded community education program.
- D. Area residents should be encouraged to actively participate in program opportunities.

### **III. COMMUNITY EDUCATION ADVISORY COUNCIL**

- A. The council shall assist in promoting the goals and objectives of the program.
- B. The membership of the community education advisory will consist of members who represent: various service organizations; churches; public and nonpublic schools; local government including elected officials; public and private nonprofit agencies serving youth and families; parents; youth; park, recreation or forestry services of municipal or local government units located in whole or in part within the boundaries of the school district; and any other groups participating in the community education program in the school district.
- C. Bylaws of the community education advisory council shall provide the framework for the organization including criteria pertaining to membership, officers' duties, frequency and structure of meetings and such other matters as deemed necessary and appropriate.
- D. The council will adopt a policy to reduce and eliminate program duplication within the school district.

**Legal References:** Minn. Stat. § 123B.51 (Schoolhouses and Sites; Uses for School and Nonschool Purposes; Closings)  
Minn. Stat. § 124D.19, Subd. 1 (Community Education Programs; Advisory Council)  
Minn. Stat. § 124D.20, Subd. 1 (Community Education Revenue)

**Cross References:** MSBA/MASA Model Policy 902 (Use of School District Facilities and Equipment)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 902

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2022

## **902 USE OF SCHOOL DISTRICT FACILITIES AND EQUIPMENT**

### **I. PURPOSE**

The purpose of this policy is to provide guidelines for community use of school facilities and equipment.

### **II. GENERAL STATEMENT OF POLICY**

The school board encourages maximum use of school facilities and equipment for community purposes if, in its judgment, that use will not interfere with use for school purposes.

### **III. SCHEDULED COMMUNITY EDUCATION CLASSES AND ACTIVITIES**

- A. The school district administration shall be charged with the process of scheduling rooms and special areas for community education classes and activities planned to be offered during each session.
- B. Procedures for providing publicity, registration, and collection of fees shall be the responsibility of the school district administration.
- C. Registration fees may be structured to include a pro-rata portion of costs for custodial services that may be needed.

### **IV. GENERAL COMMUNITY USE OF SCHOOL FACILITIES**

- A. The school board may authorize the use of school facilities by community groups or individuals. It may impose reasonable regulations and conditions upon the use of school facilities as it deems appropriate.
- B. Requests for use of school facilities by community groups or individuals shall be made through the school district administrative office. The administration will present recommended procedures for the processing and review of requests to the school board. Upon approval by the school board, such procedures shall be an addendum to this policy.
- C. The school board may require a rental fee for the use of school facilities. Such fee may include the cost of custodial and supervisory service if deemed necessary. It may also require a deposit or surety bond for the proper use and repair of damage to school facilities. A rental fee schedule, deposit or surety bond schedule, and payment procedure shall be presented for review and approval by the school board.
- D. When emergencies or unusual circumstances arise that necessitate rescheduling the use of school facilities, every effort will be made to find acceptable alternative meeting space.

### **V. USE OF SCHOOL EQUIPMENT**

The administration will present a procedure to the school board for review and approval regarding the type of equipment that is available for community use, the extent to which it may be utilized, and the manner by which it may be scheduled for use and any charges to be made relating thereto. Upon approval of the school board, such procedure shall be an addendum to this policy.

## **VI. RULES FOR USE OF FACILITIES AND EQUIPMENT**

The school board expects members of the community who use facilities and equipment to do so with respect for school district property and an understanding of proper use. Individuals and groups shall be responsible for damage to facilities and equipment. A certificate of insurance may be required by the school district to ensure payment for these damages and any liability for injuries.

***Legal References:*** Minn. Stat. § 123B.51 (Schoolhouses and Sites; Uses For School and Nonschool Purposes; Closings)

***Cross References:*** MSBA/MASA Model Policy 801 (Equal Access to School Facilities)  
MSBA/MASA Model Policy 901 (Community Education)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 903

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2022

## **903 VISITORS TO SCHOOL DISTRICT BUILDINGS AND SITES**

### **I. PURPOSE**

The purpose of this policy is to inform the school community and the general public of the position of the school board on visitors to school buildings and other school property.

### **II. GENERAL STATEMENT OF POLICY**

- A. The school board encourages interest on the part of parents and community members in school programs and student activities. The school board welcomes visits to school buildings and school property by parents and community members provided the visits are consistent with the health, education and safety of students and employees and are conducted within the procedures and requirements established by the school district.
- B. The school board reaffirms its position on the importance of maintaining a school environment that is safe for students and employees and free of activity that may be disruptive to the student learning process or employee working environment.

### **III. POST-SECONDARY ENROLLMENT OPTIONS STUDENTS**

- A. A student enrolled in a post-secondary enrollment options course may remain at the school site during regular school hours in accordance with established procedures.
- B. A student enrolled in a post-secondary enrollment options course may be provided with reasonable access, during regular school hours, to a computer and other technology resources that the student needs to complete coursework for a post-secondary enrollment course in accordance with established procedures.

### **IV. RESPONSIBILITY**

- A. The school district administration shall present recommended visitor and post-secondary enrollment options student procedures and requirements to the school board for review and approval. The procedures should reflect input from employees, students and advisory groups, and shall be communicated to the school community and the general public. Upon approval by the school board, such procedures and requirements shall be an addendum to this policy.
- B. The superintendent shall be responsible for providing coordination that may be needed throughout the process and providing for periodic school board review and approval of the procedures.

### **V. VISITOR LIMITATIONS**

- A. An individual, post-secondary enrollment options student, or group may be denied permission to visit a school or school property or such permission may be revoked if the visitor(s) does not comply with the school district procedures and regulations or if the visit is not in the best interest of students, employees or the school district.

- B. Visitors, including post-secondary enrollment options students, are authorized to park vehicles on school property at times and in locations specified in the approved visitor procedures and requirements which are an addendum to this policy or as otherwise specifically authorized by school officials. When unauthorized vehicles of visitors are parked on school property, school officials may:
1. move the vehicle or require the driver or other person in charge of the vehicle to move it off school district property; or
  2. if unattended, provide for the removal of the vehicle, at the expense of the owner or operator, to the nearest convenient garage or other place of safety off of school property.
- C. An individual, post-secondary enrollment options student, or group who enters school property without complying with the procedures and requirements may be guilty of criminal trespass and thus subject to criminal penalty. Such persons may be detained by the school principal or a person designated by the school principal in a reasonable manner for a reasonable period of time pending the arrival of a police officer.

**Legal References:** Minn. Stat. § 123B.02 (General Powers of Independent School Districts)  
Minn. Stat. § 124D.09 (Postsecondary Enrollment Options Act)  
Minn. Stat. § 128C.08 (Assaulting a Sports Official Prohibited)  
Minn. Stat. § 609.605, Subd. 4 (Trespass)

**Cross References:** None

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 905

Orig. 1996

Revised: \_\_\_\_\_

Rev. 2015

## **905 ADVERTISING**

***[Note: School districts should carefully consider whether they wish to allow advertising in school district facilities or publications. Once advertisements are accepted, First Amendment Rights may limit the school district's ability to reject specific advertisements or to regulate the content of advertisements.]***

### **I. PURPOSE**

The purpose of this policy is to provide guidelines for the advertising or promoting of products or services to students and parents in the schools.

### **II. GENERAL STATEMENT OF POLICY**

The school district's policy is that the name, facilities, staff, students, or any part of the school district shall not be used for advertising or promoting the interests of a commercial or nonprofit agency or organization except as set forth below.

### **III. ADVERTISING GUIDELINES**

- A. School publications, including publications such as programs and calendars, may accept and publish paid advertising provided they receive advance approval from the appropriate administrator. In no instance shall publications accept advertising or advertising images for alcohol, tobacco, drugs, drug paraphernalia, weapons, or obscene, pornographic, or illegal materials. Advertisements may be rejected by the school district if determined to be inconsistent with the educational objectives of the school district or inappropriate for inclusion in the publication. For example, advertisements may be rejected if determined to be false, misleading, or deceptive, or if they relate to an illegal activity or antisocial behavior. The faculty advisor is responsible for screening all such advertising for appropriateness, including compliance with the school district policy prohibiting sexual, racial, and religious harassment.
- B. The school board may approve advertising in school district facilities or on school district property. Any approval will state precisely where such advertising may be placed. The restrictions listed in Section A. above will apply. Advertising will not be allowed outside the specific area approved by the school board. Specific advertising must be approved by the superintendent or designee. In no instance will an advertising device be erected or maintained within 100 feet of a school that is visible to and primarily intended to advertise and inform or to attract or which does attract the attention of operators and occupants of motor vehicles.
- C. Donations which include or carry advertisements must be approved by the school board.
- D. The school district or a school may acknowledge a donation it has received from an organization by displaying a "donated by," "sponsored in part by," or a similar by-line with the organization's name and/or symbol on the item. Examples include activity programs or yearbooks.

- E. Nonprofit entities and organizations may be allowed to use the school district name, students, or facilities for purposes of advertising or promotion if the purpose is determined to be educationally related and prior approval is obtained from the school board. Advertising will be limited to the specific event or purpose approved by the school board.
- F. Contracts for computers or related equipment or services that require advertising to be disseminated to students will not be entered into or permitted unless done pursuant to and in accordance with state law.
- G. The inclusion of advertisements in school district publications, in school district facilities, or on school district property does not constitute approval and/or endorsement of any product, service, organization, or activity. Approved advertisements will not imply or declare such approval or endorsement.

#### **IV. ACCOUNTING**

Advertising revenues must be accounted for and reported in compliance with UFARS. A periodic report shall be made to the school board by the superintendent regarding the scope and amount of such revenues.

**Legal References:** Minn. Stat. § 123B.93 (Advertising on School Buses)  
Minn. Stat. § 125B.022 (Contracts for Computers or Related Equipment or \ Service)  
Minn. Stat. § 173.08 (Excluded Road Advertising Devices)

**Cross References:** MSBA/MASA Model Policy 421 (Gifts to Employees and School Board Members)  
MSBA/MASA Model Policy 702 (Accounting)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 906

Orig. 1997

Revised: \_\_\_\_\_

Rev. 2022

## **906 COMMUNITY NOTIFICATION OF PREDATORY OFFENDERS**

***[Note: School board adoption of a policy regarding a predatory offender notification is discretionary. Minnesota Statutes section 244.052 imposes duties on law enforcement agencies but does not impose mandatory notification duties on school districts except as set forth in Paragraph IV.B.6., below.]***

### **I. PURPOSE**

The purpose of this policy is to assist school administrators and staff members in responding to a notification by a law enforcement agency that a convicted predatory offender is moving into the school district so that they may better protect individuals in the school's care while they are on or near the school district premises or under the control of the school district.

### **II. GENERAL STATEMENT OF POLICY**

- A. The policy of the school district is to provide information to staff regarding known predatory offenders that are moving into the school district so that they may monitor school premises for the safety of the school, its students, and employees. Staff will be notified as appropriate and have access to Offender Fact Sheets.
- B. The superintendent, in cooperation with appropriate school transportation officials, will evaluate bus routes and bus stops. Bus drivers will have access to Offender Fact Sheets. If necessary, bus stops may be moved if they place children in close proximity to a predatory offender who has been convicted of crimes against children of similar ages.
- C. The superintendent, in conjunction with the building principal or designee, shall prepare or provide safety information for distribution to students regarding protecting themselves from abuse, abduction, or exploitation. The school district will prepare a list of available resources. Staff will provide safety information to students on how to protect themselves against abuse, abduction, or exploitation. School officials may ask their police liaison officer or local law enforcement officials for assistance in providing instruction to staff and students.

### **III. DEFINITIONS**

- A. Minnesota Statutes section 244.052, as amended, allows law enforcement agencies to disclose information about certain predatory offenders when they are released into the community. The information disclosed and to whom it is disclosed will depend upon their assessment of the level of risk posed by the predatory offender.
- B. "Risk Level Assessment" is the level of danger to the community as established by the Minnesota Department of Corrections following a review by a committee of experts. The level of risk assigned to a soon-to-be-released offender determines the scope of notification.
- C. "Risk Levels"
  - 1. "Level I" – Risk Level I is assigned to a predatory offender whose risk assessment score indicates a low risk of reoffense.

2. "Level II" – Risk Level II is assigned to a predatory offender whose risk assessment score indicates a moderate risk of reoffense.
  3. "Level III" – Risk Level III is assigned to a predatory offender whose risk assessment score indicates a high risk of reoffense.
- D. "Notification or Disclosure by Law Enforcement Agency"
1. Risk Level I – The local law enforcement agency may disclose certain information to other law enforcement agencies and to any victims of or witnesses to the offense committed by the offender. There will be no disclosure to school districts.
  2. Risk Level II – In addition to those notified in Level I, a law enforcement agency may notify agencies and groups the offender is likely to encounter that the offender is about to move into the community and provide to those agencies and groups an Offender Fact Sheet on the offender. School districts, private schools, day care centers, and other institutions serving those likely to be victimized by the predatory offender are included in a Level II notification.
  3. Risk Level III – In most cases, the local law enforcement agencies will hold a community meeting and distribute an Offender Fact Sheet with information concerning and a photograph of the soon-to-be-released Level III offender.
- E. "Offender Fact Sheet" is a data sheet compiled by the Department of Corrections or local law enforcement agency. The Offender Fact Sheet contains both public and private data including a photograph and physical description of the predatory offender, as well as the general location of the offender's residence.
1. A local law enforcement agency will generally provide Offender Fact Sheets for Level II predatory offenders directly to the school district.
  2. Level III Offender Fact Sheets will be distributed at a community meeting conducted by the local law enforcement agency.
- F. "Law enforcement agency" means the law enforcement agency having primary jurisdiction over the location where the offender expects to reside upon release.
- G. "Criminal history conviction data" is public data on a convicted criminal which is compiled by the State Bureau of Criminal Apprehension (BCA).

#### **IV. PROCEDURES**

##### **A. Level II Notification**

In keeping with the statutorily designated purpose that Offender Fact Sheets are to be used by staff members to secure the school and protect individuals in the school district's care while they are on or near the school district's premises or under the control of the school district, the school district will take the following steps:

1. The superintendent shall notify the law enforcement agencies within the school

district that all appropriate Level II and Level III notifications are to be provided at least to the superintendent of schools.

2. Upon notification of the release of a Level II predatory offender, the superintendent shall forward the Offender Fact Sheet to all building principals and central office administrators. This would include transportation, food service and buildings and grounds supervisors.
3. Principals of schools in close proximity to the Level II predatory offender's residence shall meet with staff and show the Offender Fact Sheet to persons within the buildings who supervise students or who would be in a position to observe if the Level II offender was in or around the school. This includes, but is not limited to, administrators, teachers, coaches, paraprofessionals, custodians, clerical and office workers, food service workers, volunteers, and transportation providers.
4. The school district shall request criminal history conviction data on the Level II predatory offender from its local law enforcement agency. On a case-by-case basis, the superintendent may determine whether to send a letter to parents with general information regarding release of the Level II offender and a copy of the criminal history conviction data that the school district obtained from its local law enforcement agency. The offender fact sheet contains data classified as private or not public under Minnesota law and may only be distributed to parents, students, or others outside the school district if it determines the release is for the purpose of securing the schools and protecting individuals under the school district's care while they are on or near school premises.
5. The building administrator shall cause the Offender Fact Sheet to be posted in each building in an area accessible to staff and employees but not the general public unless a determination has been made that public posting will help secure the school or protect students.
6. The school district shall not distribute or provide access to Level II Offender Fact Sheets to parents, students, or others outside the school district unless a determination has been made that dissemination of the data will help secure the school or protect students.

***[Note: The Minnesota Department of Administration issued an opinion confirming that the Predatory Offender Fact Sheet contains private data or not public data. However, it is the department's opinion that a school district may release any information contained in the notification to anyone, including staff, students, parents, and guardians, if it determines that the release of data will help secure the school or protect students.]***

B. Level III Notification

1. The superintendent shall notify the law enforcement agencies within the school district that all Level III notifications of community meetings are to be provided to the superintendent of schools.
2. When a Level III predatory offender is released into a community, generally the local law enforcement agency will notify the school district of the time and location of the community meeting at which the Level III Offender Fact Sheet

will be distributed to the community.

3. When the school district receives this information, the superintendent shall determine on a case-by-case basis whether the school district will notify parents and students of the time, date, and location of the community meeting.
4. When notified of a Level III predatory offender community meeting the superintendent or another school district administrator designated by the superintendent shall attend the community notification meeting.
5. When the school district receives information that a Level III predatory offender is moving into the school district, in addition to following the procedures specified above, the school district shall follow the procedures outlined for a Level II notification.
6. If the predatory offender is participating in programs offered by the school district that require or allow the person to interact with children other than the person's children, the superintendent shall notify parents of children in the school district of the contents of the Offender Fact Sheet.

**Legal References:**

Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)  
Minn. Stat. § 244.052 (Predatory Offenders; Notice)  
20 U.S.C. § 1232g (Family Educational Rights and Privacy Act)  
34 U.S.C. 20901 *et seq.* (Jacob Wetterling, Megan Nicole Kanka, and Pam Lychner Sex Offender Registration and Notification Program)  
Dept. of Admin. Advisory Op. No. 98-004

**Cross References:**

MSBA/MASA Model Policy 414 (Mandated Reporting of Child Neglect or Physical or Sexual Abuse)  
MSBA/MASA Model Policy 415 (Mandated Reporting of Maltreatment of Vulnerable Adults)  
MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)  
MSBA/MASA Model Policy 903 (Visitors to School District Buildings and Sites)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 907

Orig. 2005

Revised: \_\_\_\_\_

Rev. 2022

## **907 REWARDS**

***[Note: A school board must formally adopt a policy authorizing rewards for information leading to the conviction of the person committing or conspiring to commit the specified crimes before a reward may be offered.]***

### **I. PURPOSE**

The purpose of this policy is to authorize the school board to offer rewards to persons who provide accurate and reliable information leading to the conviction of a person who has committed or conspired to commit a crime against students or school employees, volunteers, or school board members as a result of their affiliation with the school district, or against school district property.

### **II. GENERAL STATEMENT OF POLICY**

The school board believes that, in certain circumstances, the offering of a reward may lead to the receipt of information that would solve or prevent a crime against students, school employees, volunteers, school board members, or school district property. The school board also believes that the fact that the school board may offer a reward may have a deterrent effect on the commission of such crimes.

### **III. APPROVAL OF OFFERING OF REWARDS**

The school board shall approve the offering of any rewards by the school district. The approval shall specify the amount of the reward and the crime to which it is applicable. The approval may relate to a specific incident or to a continuing category of crime, i.e., assault of a teacher, damage to school property, etc.

### **IV. ESTABLISHMENT OF PROCEDURES**

The superintendent shall develop directives and procedures to address the timing and method of payment of any reward earned by an information provider. The information provided must have led to the conviction of the person who committed or conspired to commit the crime for which the reward was offered.

**Legal References:** Minn. Stat. § 123B.02, Subd. 22 (General Powers of Independent School Districts)

**Cross References:** None



# Wrenshall Public Schools

Superintendent- Jeff Pesta  
Principal- Michelle Blanchard

December 18, 2023

I, \_\_\_\_\_, introduce the following resolution and move for its adoption:

## RESOLUTION FOR ACCEPTANCE OF DONATIONS

WHEREAS the following have been generously donated:

<u>Amount/Value of Item</u>	<u>Donor</u>
\$1000 for PLC Culture Club	Irving Community Association
\$1701.13 for Construction Class (Power Tools & Siding)	Nicholson-Sellgren VFW Post No. 2962, Carlton
\$500 for Theater Arts Programs \$1030 for Special Education Programs	John Sanford Dugan

\_\_\_\_\_ duly seconded the motion for adoption of the foregoing resolution.

Voting in favor of the resolution:

THEREFORE, BE IT RESOLVED by the Wrenshall Board of Education to gratefully accept these gifts.

The foregoing resolution was approved on:  
December 18, 2023

SCHOOL BOARD OF  
INDEPENDENT DISTRICT 100

\_\_\_\_\_  
District Clerk



# Wrenshaw Public Schools

Superintendent- Jeff Pesta  
Principal- Michelle Blanchard

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December 18, 2023

## Hiring Requests

1. Special Education Paraprofessional, hours and effective date to be determined by Child Study Team.
2. Van Driver, effective January 2, 2024, training and qualification to commence as soon as possible.
3. Community Education Coordinator, approximately 15-20 hours per week, effective January 2, 2024.



## Closed Meeting Chart

Minnesota’s Open Meeting Law (M.S. Ch. 13D) requires all school board meetings to be open to the public with few exceptions. A public body must begin in an open meeting and state on the record the specific grounds permitting the meeting to be closed and describe the subject to be discussed. A majority vote is needed to close the meeting, with the time and place announced at the public meeting before going into closed session. Please review the specific statute before proceeding to close a meeting. For specific questions, consult with legal counsel.

### The School Board **MUST** Close a Meeting in the Following Situations

<p><b>Discussion of Not Public Data</b></p> <p>Minn. Stat. 13D.05, Subd. 2(a)</p>	<p>The school board must close a meeting to discuss certain data that is not public. Any portion of a meeting must be closed if the following types of data are discussed: (a) data that would identify alleged victims or reporters of criminal sexual conduct, domestic abuse, or maltreatment of minors or vulnerable adults; (b) active criminal investigation data; (c) student educational data (personally identifiable and not directory information), (d) health data, medical data, welfare data, or mental health data; (e) an individual’s medical records. These closed meetings must be electronically recorded at the expense of the school district. The recording must be preserved for at least three years after the date of the meeting. The recording is not available to the public.</p>
<p><b>Preliminary Consideration of Allegations or Charges</b></p> <p>Minn. Stat. 13D.05, Subd. 2(b)</p>	<p>The school board must close a meeting to discuss preliminary consideration of allegations or charges against a school district employee. The employee can request* the meeting be open. If the meeting is closed, it must be electronically recorded at the expense of the school district, and the recording must be preserved for at least three years after the date of the meeting. The recording is not available to the public.</p>
<p><b>Dismissal of a Licensed Teacher</b></p> <p>Minn. Stat. 122A.40, Subd. 14</p>	<p>A hearing on dismissal of a licensed teacher must be closed unless the teacher requests* it to be open. If this hearing is closed, it must be electronically recorded at the expense of the school district, and the recording must be preserved for at least three years after the date of the meeting. The recording is not available to the public.</p>
<p><b>Student Expulsion Hearing</b></p> <p>Minn. Stat. 121A.47, Subd. 5</p>	<p>A hearing on dismissal of a student pursuant to the Pupil Fair Dismissal Act must be closed unless the pupil, parent, or guardian requests* an open hearing. If a student dismissal hearing is held before the school board and is closed, this closed meeting must be electronically recorded at the expense of the school district, and the recording must be preserved for at least three years after the date of the meeting. The recording is not available to the public.</p>

## The School Board MAY Close the Meeting in the Following Situations

<p><b>Labor Negotiation Strategy</b></p> <p>Minn. Stat. 13D.03</p>	<p>A school board may, by majority vote in a public meeting, decide to close a meeting to consider strategy for labor negotiations. The time and place of the closed meeting shall be announced at the public meeting. A written roll call of members and other persons at the closed meeting must be made available after the meeting. This meeting must be electronically recorded and the recording kept for two years after the contract discussed at the meeting is signed. Recordings will be public after all collective bargaining agreements for that budget period are settled.</p>
<p><b>Closed by the Bureau of Mediation Services</b></p> <p>Minn. Stat. 179A.14, Subd. 3</p>	<p>All negotiations, mediation sessions, and hearings between the school board and its employees or their respective representatives are public meetings except when otherwise provided by the Commissioner of the Bureau of Mediation Services (BMS) or when another exception applies. If BMS closes the meeting, no recording is allowed. Minn. Rules 5510.2810, Subp. 5.</p> <p><b>Note:</b> This option is listed here to pair it with the labor negotiations subject above even though it is a meeting that <b>must</b> be closed.</p>
<p><b>Employee Evaluations</b></p> <p>Minn. Stat. 13D.05, Subd. 3(a)</p>	<p>A school board may close a meeting to evaluate the performance of an individual who is subject to its authority. The school board must identify (and notify) the individual to be evaluated before closing the meeting. The employee can request* the meeting be open. If the evaluation is closed, at the next open meeting, the school board must give a detailed summary of its conclusions regarding the evaluation. This closed meeting must be electronically recorded at the expense of the school district, and the recording must be preserved for at least three years after the date of the meeting. The recording is not available to the public.</p>
<p><b>Attorney-Client Privilege</b></p> <p>Minn. Stat. 13D.05, Subd. 3(b)</p>	<p>The school board may close a meeting to consult with the school board’s attorney on pending litigation or litigation that appears imminent (not just threatened). If the attorney is not present, the meeting cannot be closed. The school board must describe the subject to be discussed before closing a meeting. This closed meeting does <b>not</b> have to be recorded.</p>
<p><b>Purchase or Sale of Property</b></p> <p>Minn. Stat. 13D.05, Subd. 3(c)</p>	<p>The school board may close a meeting to determine the asking or offering price, to review confidential or protected nonpublic appraisal data, or to develop or consider offers for buying or selling property. The specific property must be identified before closing and on the recording. A list of persons at the meeting must be made available to the public after the meeting. This closed meeting must be electronically recorded, and the recording made available after the property is purchased or sold. The recording must be preserved for 8 years after the meeting date.</p>



## Security Issues

Minn. Stat. 13D.05,  
Subd. 3(d)

A school board may close a meeting to discuss issues, other than financial, related to security. Meetings may be closed to receive security briefings and reports, to discuss issues related to security systems, to discuss emergency response procedures and to discuss security deficiencies in or recommendations regarding public services, infrastructure, and facilities, if disclosure of the information discussed would pose a danger to public safety or compromise security procedures or responses. Financial issues related to security matters must be discussed and all related financial decisions must be made at an open meeting. Before closing the meeting, the public body must describe the subject to be discussed by referring to the facilities, systems, procedures, services, or infrastructures to be considered during the closed meeting. This closed meeting must be electronically recorded at the expense of the governing body. The recording must be preserved for at least 4 years after the meeting date.

\*MSBA recommends requiring that the request be in writing.

These materials are for informational use only and are not to be construed as legal advice. If legal advice is needed, the school district's legal counsel should be contacted. While current at the time it was created, this document may be later superseded by legislative or other action.

