Carlton-Wrenshall School Board Meeting

Monday, November 16, 2026 6:00 PM
Silver Creek Board Room (1st floor), 207 Pioneer Drive , Wrenshall, MN 55797

I. **Call to Order**

II. **Pledge of Allegiance**

III. **Roll Call**

IV. **Adoption of Agenda**

V. **Administrative Reports**

V.A. Otter Creek Principal's Report

V.B. Silver Creek Principal's Report

V.C. Community Education Report

V.D. American Indian Education Liaison Report

V.E. Buildings & Grounds Report

VI. **Regular Business**

VI.A. Approval of Minutes

VI.B. Accept Business Office Report

VI.C. Approval of Consent Agenda

VII. **District Reports**

VII.A. Enrollment Reports

VII.B. Superintendent's Report

VII.C. Board Director or Committee Reports

VII.D. WIPLI Audit Presentation

VII.E. IT Managed Services Proposals

VIII. **Action Items**

VIII.A. Acceptance of Donations

VIII.B. Approve ISD2918 District Policy Revisions (3rd reading)

VIII.C. Approve IT Managed Services Provider

VIII.D. Approve WIFPLI FY2026 Audit for Wrenshall ISD100

IX. **Future Meetings**

X. **Adjournment**

ISD 2918 Carlton-Wrenshall School Board Meeting

Monday, November 16, 2026 6:00 pm Silver Creek Board Room

I. Call to Order

II. Pledge of Allegiance

III. Roll Call

IV. Adoption of Agenda

V. Administrative Reports
   a. Otter Creek Principal
   b. Silver Creek Principal
   c. Community Education
   d. American Indian Liaison
   e. Buildings & Grounds

VI. Regular Business
   a. Approval of Minutes
   b. Accept Business Office Report
   c. Approval of Consent Agenda

VII. District Reports
   a. Enrollment Report
   b. Superintendent Report
   c. Board Director or Committee Reports
   d. WIPFLI Audit Presentation
   e. IT Managed Services Proposals

VIII. Action Items
   a. Acceptance of Donations
   b. Approved ISD 2918 District Policy Revisions (3rd Reading)
   c. Approve IT Managed Services Provider RFP
   d. Approve WIPFLI FY2026 Audit for ISD 100 Wrenshall

IX. Future Meetings

X. Adjournment

CARLTON-WRENSHALL
PUBLIC SCHOOL DISTRICT
SMALL-TOWN VALUES. UNLIMITED POTENTIAL.

Otter Creek Elementary School
(218) 384-4225
530 Stine Drive
Carlton MN 55718
ISD #2918

Otter Creek Elementary Principal's Report

November 2026

Submitted by: Kari Solarz, Elementary Principal

Enrollment Update: 252

2918 Carlton-Wrenshall Public Schools District	Student Enrollment Summary Report
207 Pioneer Drive, Wrenshall, MN 55797 Generated on 11/09/2026 09:38:01 AM Page 1 of 1	Effective Date: 11/09/2026 Enrollment Types: P, S, N Total Race/Ethnicities: 4 of 7 Total Schools: 2 Race/Ethnicity Source: Federal Male/Female/Total: 136/152/288

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

Early Education

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
CARE	-	-	-	-	-	0/1/1	-	0/1/1
SR3	-	-	-	-	-	5/6/11	-	5/6/11
SR4	-	-	-	-	-	13/10/23	0/1/1	13/11/24
All Grades	-	-	-	-	-	18/17/35	0/1/1	18/18/36

Otter Creek Elementary 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
01	0/1/1	3/2/5	-	-	-	8/13/21	1/1/2	12/17/29
02	2/2/4	2/1/3	-	-	-	20/17/37	1/1/2	25/21/46
03	1/0/1	2/0/2	-	-	-	15/16/31	1/2/3	19/18/37
04	2/0/2	0/2/2	-	-	-	11/13/24	2/6/8	15/21/36
05	-	0/1/1	-	-	-	14/17/31	2/5/7	16/23/39
EC	-	-	-	-	-	11/6/17	-	11/6/17
KA	1/1/2	1/2/3	-	-	-	17/21/38	1/4/5	20/28/48
All Grades	6/4/10	8/8/16	-	-	-	96/103/199	8/19/27	118/134/252

Student Population Excluding White not of Hispanic Origin

School	Total	Percentage
Early Education	1	2.78%
Otter Creek Elementary School	53	21.03%
Total	54	18.75%

Congratulations/Recognition:

- Otter Creek staff have had a wonderful first quarter! I want to recognize and thank our entire staff for their dedication, hard work, and commitment to our students. Their flexibility, teamwork, and willingness to go above and beyond help create a positive and supportive learning environment. I am grateful for the effort each staff member puts forth every day and proud of the work happening at Otter Creek.

Otter Creek Elementary School
(218) 384-4225
530 Stine Drive
Carlton MN 55718
ISD #2918

PBIS Update:

We had an assembly to honor our first quarter Otter Pride Award Recipients. These students were chosen by their classroom teachers as role models for the first quarter in our core areas of Otter Pride. See below:



Safety/Drills:

We have completed 3 out of 5 fire drills at the elementary school. We have also completed one practice evacuation drill to the Jim Erickson football field. This is one of our evacuation sites. The Saint Francis Church in Carlton serves as another evacuation site.

Next Focus: Lockdown Drills

Special Events:

Fourth Graders attended a field trip to Jay Cooke State Park for a day of nature-based learning.

Fourth and Fifth Graders performed at the Veteran's Day Program. K-3 classes honored Veteran's Day within their classroom spaces, including writing letters to known Veterans, a special veteran guest to a classroom, and lessons on the importance of Veteran's Day.

CARLTON-WRENSHALL
PUBLIC SCHOOL DISTRICT
SMALL-TOWN VALUES. UNLIMITED POTENTIAL.

Otter Creek Elementary School
(218) 384-4225
530 Stine Drive
Carlton MN 55718
ISD #2918

Upcoming School Events:

Fall Parent/Teacher Conference Nights	Monday, November 23rd & Tues., Nov. 24th
Winter Concert	Friday, December 18, 2026

Respectfully submitted,

Kari Solarz

CARLTON-WRENSHALL
PUBLIC SCHOOL DISTRICT
SMALL-TOWN VALUES. UNLIMITED POTENTIAL.

(218) 384-4274
ISD #2918

Silver Creek Secondary Principal Report
November 9th, 2026

☐ **Safety**

Fire Drill- 2 of 5 completed
We will conduct our first lockdown drill this Thursday.

☐ **Instruction**

We have identified a list of students who will be placed in reading intervention for the upcoming quarter based on their FASTBridge assessment results. Parents/guardians have been notified of the placement and provided an opportunity to opt out of the intervention. We have two blocks in the schedule to separate Middle School and High School students.

☐ **Student Support**

We are excited to welcome Serenity Schoonover as our new 6-12 Guidance Counselor! Serenity officially started today and we are looking forward to having her joining the Silver Creek Secondary team to support students and staff.
I would also like to extend a sincere thank you to Kyleah Schmidt for all her hard work, dedication and support during the transition. We appreciate everything she has done here at Silver Creek and wish her well in her new position.

☐ Highlights

-We had a send off to two of our Cross Country Raptors last Friday as they headed to the state competition. Congratulations to Anders Erickson who laplace 13th place out of 157 boys with a time of 16:16. Brielle Simula placed 34th out of 160 girls with a time of 19:36. We are very proud of our Raptors!
-We are hosting a Veterans program this Wednesday at 9:30 in the Silver Creek gym.
-Girls Basketball practice starts next week and boys follows a week later. The building will be busy with practices and games for the next few months.

Community Education Report-November 2026

1. **ECFE/School Readiness**
    a. The first early childhood family night was held on October 22, it was a pumpkin painting party. Dinner was provided and there were about 65 people in attendance!
    b. Baby bibs have been ordered-these will be mailed out with ECFE information to families with new babies within our district.
    c. Weekly ECFE classes and all of our preschool programming continue to go well!

2. **Otter Creek Kids Care**
    a. Our staffing remains consistent-yay! And child numbers remain consistent and especially strong after school.

3. **Community Education Classes**
    a. Class interest varies, some are held and some are cancelled due to low registration. Weekly yoga and pickleball continue throughout the school year. Sewing classes have begun. Other adult enrichment classes will be coming in the new year!

4. **After-School Enrichment**
    a. Attendance remains strong in these offerings. The most recent offerings filled within a couple days. Continuing to look for ways to add more-which will be happening after Christmas break!
    b. We are running into some hiccups with space limitations, but are finding ways to work around this and hopefully still be able to offer a variety of classes.

5. **Raptor Review**
    a. The next newspaper deadline is Monday, December 28, 2026

6. **Miscellaneous**
    a. Youth Service-Silver Creek Service Squad-meets for the first time on Thursday, November 12th during lunch periods.
    b. There was an Advisory Board meeting held on November 2nd, a great group with lots to share and offer in Community Education.
    c. Scarecrow contest had 5 entries with Mrs. Cass's class being awarded the traveling trophy for the school year.
    d. Reading buddies program-looking to begin something in this realm in the months ahead. The Advisory Board added some helpful insight and suggestions on how to get started with planning for the possibility of this program.
    e. I am currently exploring an online platform specifically designed for all CE programming-it is called ARUX. It would streamline many of our processes and would be a one stop place for all registrations, payments and CE information.

Submitted November 10, 2026 by Daisy Rose

Carlton-Wrenshall Board Meeting
Monday, October 19, 2026 6:00 PM Central

Silver Creek Board Room (1st floor)
207 Pioneer Drive
Wrenshall, MN 55797

Eric Ankrum:	Present
Jon Beck:	Present
Mary Carlson:	Present
Ashley Laveau:	Present
Ryan Leonzal:	Present
Laura Nilsen:	Present
Sam Ojibway:	Present

Present: 7.

I. Call to Order

II. Pledge of Allegiance

III. Roll Call

All members present. Sam Ojibway present remotely. Mary Carlson arrived at 6:12pm.

IV. Adoption of Agenda

V. Administrative Reports

V.A. Otter Creek Principal's Report

Principal Solarz presented her report. Report attached.

V.B. Silver Creek Principal's Report

Principal Blanchard presented her report. Report attached.

V.C. Community Education Report

Director Rose presented her report. Report attached.

V.D. American Indian Education Liaison Report

Coordinator Defoe presented her report. Report attached.

V.E. Buildings & Grounds Report

Buildings and Grounds Supervisor Scott Bodin was not present, but submitted his report. Report attached.

VI. Regular Business

VI.A. Approval of Minutes

Motion to approve minutes. This motion, made by Ryan Leonzal and seconded by Ashley Laveau, Carried.
Eric Ankrum: Yea, Jon Beck: Yea, Mary Carlson: Yea, Ashley Laveau: Yea, Ryan Leonzal: Yea, Laura Nilsen: Yea, Sam Ojibway: Yea
Yea: 7, Nay: 0

VI.B. Accept Business Office Report
Motion to approve business office report. This motion, made by Mary Carlson and seconded by Ryan Leonzal, Carried.
Eric Ankrum: Yea, Jon Beck: Yea, Mary Carlson: Yea, Ashley Laveau: Yea, Ryan Leonzal: Yea, Laura Nilsen: Yea, Sam Ojibway: Yea
Yea: 7, Nay: 0

VI.C. Approval of Consent Agenda
Motion to approve consent agenda. This motion, made by Ryan Leonzal and seconded by Laura Nilsen, Carried.
Eric Ankrum: Yea, Jon Beck: Yea, Mary Carlson: Yea, Ashley Laveau: Yea, Ryan Leonzal: Yea, Laura Nilsen: Yea, Sam Ojibway: Yea
Yea: 7, Nay: 0

VII. District Reports

VII.A. Enrollment Reports
K12 enrollment is at 504 students. Report attached.

VII.B. Superintendent's Report
Superintendent Schill presented his report. Report attached.

VII.C. Board Director or Committee Reports
Mary Carlson stated that they will be meeting with principals to continue negotiations.
Board members discussed "Listening Sessions". The first session is scheduled for November 16 @ 5 pm.

VII.D. Staff Recognition
The board recognized Suzy Berger for her STEM accomplishments. Document attached.
The board recognized Prestyn Bernier for receiving tenure with the school district.
The board recognized Kirk Hill and Glenn Anderson for their hard work with the transportation for the district during the transition period.

VII.D.1. Suzy Berger Selected for Multi-State Midwest STEM Alliance Initiative

VII.D.2. Prestyn Bernier - Tenure Achievement with CW2918

VII.D.3. Kirk Hill & Glen Anderson — Consolidation Transportation Transition Recognition

VIII. Action Items

VIII.A. Acceptance of Donations
Motion to approve resolution. This motion, made by Mary Carlson and seconded by Ryan Leonzal, Carried.
Eric Ankrum: Yea, Jon Beck: Yea, Mary Carlson: Yea, Ashley Laveau: Yea, Ryan Leonzal: Yea, Laura Nilsen: Yea, Sam Ojibway: Yea
Yea: 7, Nay: 0
Laura Nilsen read the resolution to accept donations

VIII.B. Approve ISD2918 District Policy Revisions (2nd reading)
Motion to approve 2nd reading of policies. This motion, made by Ryan Leonzal and seconded by Laura Nilsen, Carried.
Eric Ankrum: Yea, Jon Beck: Yea, Mary Carlson: Yea, Ashley Laveau: Yea, Ryan Leonzal: Yea, Laura Nilsen: Yea, Sam Ojibway: Yea
Yea: 7, Nay: 0

VIII.C. Approve Carlton-Wrenshall MOU's
Motion to approve MOU relating to robotics coaching stipend. This motion, made by Laura Nilsen and seconded by Ashley Laveau, Carried.
Eric Ankrum: Yea, Jon Beck: Yea, Mary Carlson: Yea, Ashley Laveau: Yea, Ryan Leonzal: Yea, Laura Nilsen: Yea, Sam Ojibway: Yea
Yea: 7, Nay: 0

VIII.D. Interfund Transfer from General Fund to Food Service Fund
Motion to approve transfer. This motion, made by Mary Carlson and seconded by Ryan Leonzal, Carried.
Eric Ankrum: Yea, Jon Beck: Yea, Mary Carlson: Yea, Ashley Laveau: Yea, Ryan Leonzal: Yea, Laura Nilsen: Yea, Sam Ojibway: Yea
Yea: 7, Nay: 0

VIII.E. Approve Superintendent's goals
Motion to approve goals. This motion, made by Mary Carlson and seconded by Laura Nilsen, Carried.
Eric Ankrum: Yea, Jon Beck: Yea, Mary Carlson: Yea, Ashley Laveau: Yea, Ryan Leonzal: Yea, Laura Nilsen: Yea, Sam Ojibway: Yea
Yea: 7, Nay: 0

IX. Set Superintendent Goals for Fiscal Year 2027
Motion to move superintendent's goals to an action item. This motion, made by Mary Carlson and seconded by Ryan Leonzal, Carried.
Eric Ankrum: Yea, Jon Beck: Yea, Mary Carlson: Yea, Ashley Laveau: Yea, Ryan Leonzal: Yea, Laura Nilsen: Yea, Sam Ojibway: Yea
Yea: 7, Nay: 0
Board discussed superintendent goals.

Board set goals for FY27 to include:
1.Finance
2. Technology
3. Student Behavior & Conduct
4. Transition - Culture Development
5 Governance - Board Relations

X. Future Meetings
Work session meeting scheduled for November 9th.
Listening session scheduled for November 16th.
Regular board meeting scheduled for November 16th.

XI. Adjournment

Motion to adjourn. This motion, made by Ryan Leonzal and seconded by Mary Carlson, Carried.
Eric Ankrum: Yea, Jon Beck: Yea, Mary Carlson: Yea, Ashley Laveau: Yea, Ryan Leonzal: Yea, Laura Nilsen: Yea, Sam Ojibway: Yea
Yea: 7, Nay: 0

Carlton-Wrenshall Special Board Meeting
Monday, November 9, 2026 5:45 PM Central

Silver Creek Board Room (1st floor)
207 Pioneer Drive
Wrenshall, MN 55797

Eric Ankrum:	Present
Jon Beck:	Present
Mary Carlson:	Present
Ashley Laveau:	Present
Ryan Leonzal:	Present
Laura Nilsen:	Present
Sam Ojibway:	Present

Present: 7.
Sam Ojibway attended remotely

I. Call to Order

II. Roll Call

III. Adoption of the Agenda
Motion to approve the agenda. This motion, made by Ryan Leonzal and seconded by Jon Beck, Carried.
Eric Ankrum: Yea, Jon Beck: Yea, Mary Carlson: Yea, Ashley Laveau: Yea, Ryan Leonzal: Yea, Laura Nilsen: Yea, Sam Ojibway: Yea
Yea: 7, Nay: 0

IV. Action Items

IV.A. Canvass Board Election Results
Motion to approve election results. This motion, made by Mary Carlson and seconded by Ryan Leonzal, Carried.
Eric Ankrum: Yea, Jon Beck: Yea, Mary Carlson: Yea, Ashley Laveau: Yea, Ryan Leonzal: Yea, Laura Nilsen: Yea, Sam Ojibway: Yea
Yea: 7, Nay: 0
Chair Eric Ankrum read the resolution to canvass election results

V. Adjournment
Motion to adjourn. This motion, made by Mary Carlson and seconded by Ryan Leonzal, Carried.
Eric Ankrum: Yea, Jon Beck: Yea, Mary Carlson: Yea, Ashley Laveau: Yea, Ryan Leonzal: Yea, Laura Nilsen: Yea, Sam Ojibway: Yea
Yea: 7, Nay: 0
Meeting adjourned at 5:55pm

Carlton-Wrenshall Board Work Session
Monday, November 9, 2026 6:00 PM Central

Silver Creek Board Room (1st floor)
207 Pioneer Drive
Wrenshall, MN 55797

Eric Ankrum:	Present
Jon Beck:	Present
Mary Carlson:	Present
Ashley Laveau:	Present
Ryan Leonzal:	Present
Laura Nilsen:	Present
Sam Ojibway:	Present

Present: 7.
Chair Eric Ankrum called meeting to order. Sam Ojibway in attendance remotely.

I. Call Meeting to Order

II. Roll Call

III. Review November 16 Board Meeting Agenda

Superintendent Schill reviewed November 16 agenda

IV. Financial Review

Superintendent Schill reported that Business Manager Beth Peterson is preparing budget reports for the November 16 meeting.

V. Business

V.A. Facility Projects ICS Agreement

Representatives from ICS, and Widseth presented the details regarding the roofing, parking lot, and sidewalk project to be completed in the summer of 2027. Board discussion and questions occurred regarding handicap parking/entrance and also potential bus drop off site and fire department access.

V.B. Strategic Planning Process

Jeff Pesta from Rising Tide Consulting led board through the process of determining a general strategic plan model that meets the district's needs. The board discussed options. Pesta then led the group through the Fist to Five process for establishing consensus. Pesta then discussed the next steps in the strategic planning process involving interviewing leadership and staff. Superintendent Schill will work with Jeff Pesta and establish a list of individuals to interview to develop the district profile.

V.C. Committee Reports

Superintendent Schill presented brochures for Litix, a consulting company that provides negotiation data for school boards. Schill also presented a brochure for the Minnesota Rural Education Association for the board to consider membership.
Schill then discussed transportation challenges with the sports coop with Marshall and discussed possible options. Board members support the coop endeavor and directed Schill to find solutions to the transportation challenges.

V.D. IT Managed Services Proposals
Representatives from Fusion presented the mission of Fusion relating to providing IT services to the district. Board discussion followed with board moving the Fusion agreement to an action item at the November 16 board meeting.

VI. Adjourn
Motion to adjourn. This motion, made by Ryan Leonzal and seconded by Ashley Laveau, Carried.
Eric Ankrum: Yea, Jon Beck: Yea, Mary Carlson: Yea, Ashley Laveau: Yea, Ryan Leonzal: Yea, Laura Nilsen: Yea, Sam Ojibway: Yea
Yea: 7, Nay: 0
Meeting adjourned at 8:29pm

Carlton-Wrenshall ISD #2918
Exp/Rev Summary - Fd
Period Ending October 31, 2026

Sequence: L, Fd

		Description	Adopted27 Annual Budget	Period 202704	Year To Date	% YTD	Encumbrances	% YTD + Enc	Remaining Balance
E		Expenditure							
	01	General	0.00	714,564.36	1,799,694.31	0%	1,430.00	0%	(1,801,124.31)
	02	Food Service	0.00	17,817.20	49,542.34	0%	0.00	0%	(49,542.34)
	03	Transportation	0.00	61,653.47	136,296.46	0%	0.00	0%	(136,296.46)
	04	Community Service	0.00	30,971.49	103,200.06	0%	0.00	0%	(103,200.06)
	05	Capital Outlay	0.00	24,293.58	251,067.17	0%	3,644.29	0%	(254,711.46)
	07	Debt Redemption	0.00	0.00	177,825.00	0%	0.00	0%	(177,825.00)
	18	Custodial	0.00	0.00	100.00	0%	0.00	0%	(100.00)
	21	Student Activities	0.00	2,541.71	4,356.88	0%	0.00	0%	(4,356.88)
	45	OPEB Irrevocable Trust	0.00	200.00	800.00	0%	0.00	0%	(800.00)
E		**Expenditure**	0.00	852,041.81	2,522,882.22	0%	5,074.29	0%	(2,527,956.51)
R		Revenue							
	01	General	(9,060,308.03)	(479,891.15)	(1,992,371.37)	22%	0.00	22%	(7,067,936.66)
	02	Food Service	(396,200.00)	(33,925.44)	(34,041.44)	9%	0.00	9%	(362,158.56)
	03	Transportation	(455,963.96)	0.00	0.00	0%	0.00	0%	(455,963.96)
	04	Community Service	(453,925.05)	(17,829.43)	(95,054.95)	21%	0.00	21%	(358,870.10)
	05	Capital Outlay	(357,655.12)	0.00	0.00	0%	0.00	0%	(357,655.12)
	07	Debt Redemption	(1,393,700.53)	(16,754.04)	(67,546.29)	5%	0.00	5%	(1,326,154.24)
	21	Student Activities	(50,000.00)	0.00	0.00	0%	0.00	0%	(50,000.00)
R		**Revenue**	(12,167,752.69)	(548,400.06)	(2,189,014.05)	18%	0.00	18%	(9,978,738.64)
		Report Totals:	(12,167,752.69)	303,641.75	333,868.17	(3%)	5,074.29	(3%)	(12,506,695.15)

Carlton-Wrenshall ISD #2918

Receipt Listing Report with Detail by Deposit

Fund Summary

Fund	Total
01	$768,875.59
02	$33,925.44
03	$32.50
04	$17,831.23
07	$16,754.04
Report Total	**$837,418.80**

Carlton-Wrenshall ISD #2918

Detail Payment Register By Check

Fund Summary

Fund	Description	Total
01	General	$203,732.94
02	Food Service	$2,516.50
03	Transportation	$19,819.15
04	Community Service	$1,228.62
05	Capital Outlay	$24,293.58
21	Student Activities	$2,541.71
Report Total		**$254,132.50**

Updated: 11/16/26	FY 27 Adopted				FY 27 In Process			
	Revenues	Expenses	Surplus (Deficit)		Revenues	Expenses	Surplus (Deficit)	
General Fund								
Fund 1 General	9,110,308				8,818,931			
Fund 3 Transportation	455,964				441,475			
Fund 5 Capital Expenditures	357,655				295,790			
Total General Fund	9,923,927	$ 9,347,594	576,334		9,556,196	9,472,342	83,854	0.89%
Food Service Fund	396,200	396,200	-		396,200	396,200	-	
Community Service Fund	453,925	479,307	(25,382)		453,925	479,307	(25,382)	
Debt Service Fund	1,393,701	1,270,535	123,166		1,274,712	1,270,535	4,177	
	12,167,753	$ 11,493,636	674,117	5.87%	11,681,033	11,618,384	62,649	0.54%
Net Change in Surplus (Deficit)					(486,720)	124,749	(611,469)	

Changes:

Revenues

	Fund 1			
001	Levies	$ 12,332.22		
010	County Apportionment	$ (16,787.06)		
050	Fees	$ 1,086.00	Decrease in Football Gate Receipts	
093	Rent	$ 90,000.00	No NLA Rent	
211	Gen Ed Aid	$ (105,951.96)	Based on 500 students	
229	Disparity Reduction	$ 1,275.00		
300	Rev State	$ 49,511.27	American Indian Ed, Student Support Co-Op Aid	
369	Misc State revenue	$ 35,574.09	No Solar Panel Grant	
400	Fed Aids & Grants	$ 215,772.00	FIN 414, 420, 422 not populating in MEGS (says no funding), No PCN Grant (183,832)	
401	Title ESEA	$ 18,850.00		
500	REAP	$ (9,907.00)		
			291,755	
	Fund 3			
211	Gen Ed Aid- Transportation	(55,512)		
360	Sped Transportation	70,000		
			$ 14,488.48	
	Fund 5			
099	Misc			
001	Levies			
211	Gen Ed Aid	$ 61,865.08	Op Cap	
			$ 61,865.08	
	Fund 7			
001	Levies	143,502		
229	Disparity Reduction	(14,253)		
234	Homestead Market Value	(950)		
258	Reduced Assessment	(9,310)		
317	LTFM Aid		118,989	
	Total increase/ (decrease)	**(486,720)**		

Expenses

	Fund 1		
1%,2%	Wages & Benefits	$ 124,748.47	
305	Consulting Fees/Services		
			124,748
	Total Increase	**124,749**	
	Net increase (decrease)	(611,469)	

Carlton-Wrenshall ISD #2918
Receipt Listing Report

Deposit Ctrl No	Batch	Co	Receipt No	Receipt Type	Bank	Check No	Date	Pmt Type	Grp	Code	Customer	Status	Amount
1037		2918	1050	Credit	1		10/01/26	Check	1	1500	Miscellaneous	Applied	1,795.00
		2918	1051	Credit	1		10/01/26	Check	1	1042	LATCH KEY	Applied	2,367.00
											Deposit Control Total:		**4,162.00**
1042		2918	1056	Credit	1		10/06/26	Check	1	1009	ISD 099 - Esko	Applied	554.99
		2918	1057	Credit	1		10/06/26	Check	1	1042	LATCH KEY	Applied	2,792.00
											Deposit Control Total:		**3,346.99**
1043		2918	1058	Credit	1		10/08/26	Check	1	1500	Miscellaneous	Applied	12,553.30
		2918	1059	Credit	1		10/08/26	Check	1	1110	Lunch Program	Applied	50.00
		2918	1060	Credit	1		10/08/26	Check	1	1042	LATCH KEY	Applied	832.63
		2918	1061	Credit	1		10/08/26	Check	1	1046	Community Ed	Applied	90.00
		2918	1062	Credit	1		10/08/26	Check	1	1044	PreSchool	Applied	2,800.00
											Deposit Control Total:		**16,325.93**
1044		2918	1063	Credit	1		10/08/26	Check	1	1042	LATCH KEY	Applied	3,164.00
											Deposit Control Total:		**3,164.00**
1045		2918	1064	Credit	1	0010700787	10/13/26	Wire	1	1002	State of MN	Applied	33,875.44
											Deposit Control Total:		**33,875.44**
1046		2918	1065	Credit	1	0010708848	10/15/26	Wire	1	1002	State of MN	Applied	124,479.84
											Deposit Control Total:		**124,479.84**
1047		2918	1066	Credit	1		10/08/26	Wire	1	1002	State of MN	Applied	47,816.06
		2918	1067	Credit	1		10/08/26	Wire	1	1002	State of MN	Applied	23,556.92
											Deposit Control Total:		**71,372.98**
1055		2918	1075	Credit	1		10/23/26	Check	1	1500	Miscellaneous	Applied	402.50
		2918	1076	Credit	1		10/23/26	Check	1	1042	LATCH KEY	Applied	118.65
		2918	1077	Credit	1		10/23/26	Check	1	1046	Community Ed	Applied	397.00
		2918	1078	Credit	1		10/23/26	Check	1	1008	ISD 094 - Cloquet	Applied	1,693.17
											Deposit Control Total:		**2,611.32**
1056		2918	1079	Credit	1		10/26/26	Check	1	1500	Miscellaneous	Applied	702.00
											Deposit Control Total:		**702.00**
1057		2918	1080	Credit	1	1st Adv Oct	10/28/26	Wire	1	1001	Carlton County	Applied	332,238.88
											Deposit Control Total:		**332,238.88**
1058		2918	1081	Credit	1		10/30/26	Wire	1	1002	State of MN	Applied	102,035.00
											Deposit Control Total:		**102,035.00**

Carlton-Wrenshall ISD #2918
Receipt Listing Report

Deposit Ctrl No	Batch	Co	Receipt No	Receipt Type	Bank	Check No	Date	Pmt Type	Grp	Code	Customer		Status	Amount
1059		2918	1082	Credit	1		10/30/26	Wire	1	1002	State of MN		Applied	110,894.84
												Deposit Control Total:		**110,894.84**
1060		2918	1083	Credit	1		10/30/26	Wire	1	1002	State of MN		Applied	16,754.04
												Deposit Control Total:		**16,754.04**
1061		2918	1084	Credit	1		10/30/26	Wire	1	1001	Carlton County		Applied	9,315.43
												Deposit Control Total:		**9,315.43**
1062		2918	1085	Credit	1		10/29/26	Check	1	1500	Miscellaneous		Applied	871.96
		2918	1086	Credit	1		10/29/26	Check	1	1042	LATCH KEY		Applied	4,631.02
												Deposit Control Total:		**5,502.98**
1063		2918	1087	Credit	1		10/29/26	Check	1	1042	LATCH KEY		Applied	637.13
												Deposit Control Total:		**637.13**
												Report Total:		837,418.80

EXPENSE SUMMARY - OCTOBER 2026

Check No	Vendor	Amount	Date	Description
7479	3P LEARNING INC	$684.00	10/13/2026 0:00	Instru Supplies-Title I
7480	ACP CREATIVIT LLC	$4,302.14	10/13/2026 0:00	Consult Fees/Tech Admin
7481	ADVANTAGE EMBLEM & SCREEN PRINT	$600.00	10/13/2026 0:00	Supplies-Football
7482	ALAINA LEIDER	$815.14	10/13/2026 0:00	Kids Care Food/Supplies
7483	ALYSSA HOLMES	$70.00	10/13/2026 0:00	Participation Fees - FB
7484	AMANDA WYMAN	$70.00	10/13/2026 0:00	Participation Fees - FB
7485	AMANDA ZBACHIK	$135.00	10/13/2026 0:00	Officiating Expense - VB
7486	ARCHKEY SOLUTIONS	$414.00	10/13/2026 0:00	Repairs & Maint-LTFM ELEC
7487	BRAYDEN BENDER	$135.00	10/13/2026 0:00	Officiating Expense - VB
7488	CAYSEE GOFF	$482.77	10/13/2026 0:00	Volleyball - Expense
7489	CENTURY LINK	$340.64	10/13/2026 0:00	Communication Srvc-phone
7490	CITY OF CARLTON	$1,172.24	10/13/2026 0:00	Purch Svcs-Bldgs & Grounds
7491	CLOQUET AUTOMOTIVE	$92.17	10/13/2026 0:00	Repairs & Maint Serv
7492	CLOQUET SANITARY SERVICE	$1,021.75	10/13/2026 0:00	Contr Svc- Garbage
7493	COMO OIL AND PROPANE	$514.97	10/13/2026 0:00	Fuel For Vehicles
7494	COMO OIL AND PROPANE	$553.55	10/13/2026 0:00	Fuel For Vehicles
7495	COMO OIL AND PROPANE	$486.47	10/13/2026 0:00	Fuel For Vehicles
7496	COMO OIL AND PROPANE	$158.68	10/13/2026 0:00	Fuel For Vehicles
7497	COMO OIL AND PROPANE	$1,156.26	10/13/2026 0:00	Fuel For Vehicles
7498	COMO OIL AND PROPANE	$172.96	10/13/2026 0:00	Fuel For Vehicles
7499	CRYSTAL LINE	$70.00	10/13/2026 0:00	Participation Fees - FB
7500	CRYSTAL LINE	$70.00	10/13/2026 0:00	Participation Fees - FB
7501	DAISY ROSE	$150.48	10/13/2026 0:00	Newspaper Editor
7502	DANIELLE MICKLE	$71.40	10/13/2026 0:00	Travel-Administration
7503	DSC COMMUNICATIONS	$574.34	10/13/2026 0:00	Communication Srvc-phone
7504	DSC COMMUNICATIONS	$460.00	10/13/2026 0:00	Communications Serv
7505	DSC COMMUNICATIONS	$70.00	10/13/2026 0:00	Communication Srvc-phone
7506	DSC COMMUNICATIONS	$140.00	10/13/2026 0:00	Communications Serv
7507	DSC COMMUNICATIONS	$70.00	10/13/2026 0:00	Communication Srvc-phone
7508	FELISHA JACKMAN	$70.00	10/13/2026 0:00	Participation Fees - FB
7509	FOOD FARM	$129.90	10/13/2026 0:00	First Bite Food purchases
7510	FUSIONTECH LLC	$450.00	10/13/2026 0:00	Consult Fees-Tech Admin
7511	GUARANTEED NETWORK SERVICES INC	$1,720.00	10/13/2026 0:00	Communication Srvc-phone
7512	ICS CONSULTING LLC 138006	$10,000.00	10/13/2026 0:00	Consult/Fees For Svc
7513	JOSTENS INC	$2,000.31	10/13/2026 0:00	Annual Yearbook-Supplies
7514	JULIE KETCHUM	$50.75	10/13/2026 0:00	Travel/Training-Transportation
7515	KARA WARD	$135.00	10/13/2026 0:00	Officiating Expense - VB
7516	KARISSA SANVIG	$70.00	10/13/2026 0:00	Participation Fees - FB
7517	KEMPS LLC	$388.00	10/13/2026 0:00	Milk
7518	KEMPS LLC	$316.50	10/13/2026 0:00	Milk
7519	KENNY MATTINEN	$24.95	10/13/2026 0:00	Textbooks-Elementary
7520	LAURA WALSH	$150.96	10/13/2026 0:00	Officiating Expense - VB
7521	LEES PRO SHOP	$1,410.00	10/13/2026 0:00	Supplies-BBB
7522	MADISON NATIONAL LIFE INS CO INC	$1,690.40	10/13/2026 0:00	Payroll Ded - LTD
7523	MN DEPARTMENT OF HUMAN SERVICES	$38.00	10/13/2026 0:00	General Supplies
7524	MN DEPT OF LABOR & INDUSTRY	$145.00	10/13/2026 0:00	Prof & Tech Services
7525	MN ENERGY RESOURCES	$803.16	10/13/2026 0:00	Fuel For Bldgs
7528	NORTHERN HARVEST FARM	$29.80	10/13/2026 0:00	First Bite Food purchases
7529	NORTHERN LIGHTS ACADEMY	$3,049.87	10/13/2026 0:00	Non-Instr Software Lic Agremt
7530	PATRICK MILINOVICH	$166.92	10/13/2026 0:00	Officiating Expense - VB
7531	PER MAR SECURITY SERVICES	$21.62	10/13/2026 0:00	Security System Fees
7532	RATWIK, ROSZAK & MALONEY	$29.00	10/13/2026 0:00	Travel-Admin Staff Dev
7533	REBECCA DAVIDSON	$20.39	10/13/2026 0:00	Supplies-HS Media
7534	RENAE HOUSE	$57.04	10/13/2026 0:00	Travel-Food Svc
7535	RYAN BERG	$100.00	10/13/2026 0:00	Participation Fees - FB

7536	SAMANTHA AMAN	$70.00	10/13/2026 0:00	Participation Fees - FB
7537	SFM	$1,903.00	10/13/2026 0:00	Payroll Ded - Workers Comp
7538	STACK BROTHERS	$3,255.03	10/13/2026 0:00	Repairs & Maint-LTFM ELEC
7539	STACK BROTHERS	$5,707.58	10/13/2026 0:00	Repairs & Maint-LTFM ELEC
7540	SUPERIOR HIGH SCHOOL	$250.00	10/13/2026 0:00	Entry Fees/Travel-XC RUN
7541	TED PERALA	$166.92	10/13/2026 0:00	Officiating Expense - VB
7542	TED PERALA	$150.96	10/13/2026 0:00	Officiating Expense - VB
7543	THERESA VERMEERSCH	$393.35	10/13/2026 0:00	Meetings/Travel-Elem SD
7544	THERESA SARKELA	$166.92	10/13/2026 0:00	Officiating Expense - VB
7545	TIFFANY MILLER	$100.00	10/13/2026 0:00	Participation Fees - FB
7546	US BANK EQUIPMENT FINANCE	$532.00	10/13/2026 0:00	Lease Principal
7547	VIKING AUTOMATIC SPRINKLER CO	$462.50	10/13/2026 0:00	Prof/Tech Svcs-ENVIR MGMT
7548	WELLS FARGO-PAYMENT REMITTANCE	$17.99	10/13/2026 0:00	Dues & Membership-Board
7549	WEX HEALTH, INC.	$67.50	10/13/2026 0:00	Consulting Fees/Bus Office
7550	WIEDIGER SPEECH & LANGUAGE	$13,992.00	10/13/2026 0:00	To Non-Ed Agency
7557	BRENTS BIFFIES INC	$361.00	10/28/2026 0:00	Supplies-Football
7558	BRENTS BIFFIES INC	$561.00	10/28/2026 0:00	Supplies-Football
7559	CARDMEMBER SERVICE	$7,250.46	10/28/2026 0:00	Curric-Supplies-Lic Agremt
7560	CARLTON COUNTY HUMAN SERVICES	$125.00	10/28/2026 0:00	Communication Srvc-phone
7561	CARLTON COUNTY SHERIFF OFFICE	$8.00	10/28/2026 0:00	Prof & Tech Services-Admin
7562	CAYSEE GOFF	$447.92	10/28/2026 0:00	Volleyball - Expense
7563	CHARMTECH LABS LLC	$1,200.00	10/28/2026 0:00	Textbooks-Elementary
7564	CITY OF WRENSHALL	$715.70	10/28/2026 0:00	Water & Sewage
7565	CLIFTONLARSONALLEN LLP	$1,575.00	10/28/2026 0:00	Audit Fees
7566	CLOQUET AUTOMOTIVE	$1,095.97	10/28/2026 0:00	Repairs & Maint Serv
7567	COMO OIL AND PROPANE	$1,839.22	10/28/2026 0:00	Fuel For Vehicles
7568	COMO OIL AND PROPANE	$132.36	10/28/2026 0:00	Fuel For Vehicles
7569	COMO OIL AND PROPANE	$336.36	10/28/2026 0:00	Fuel For Vehicles
7570	COMO OIL AND PROPANE	$701.20	10/28/2026 0:00	Fuel For Vehicles
7571	COMO OIL AND PROPANE	$693.11	10/28/2026 0:00	Fuel For Vehicles
7572	COMO OIL AND PROPANE	$470.55	10/28/2026 0:00	Fuel For Vehicles
7573	COMO OIL AND PROPANE	$855.69	10/28/2026 0:00	Fuel For Vehicles
7574	COMO OIL AND PROPANE	$231.03	10/28/2026 0:00	Fuel For Vehicles
7575	COMO OIL AND PROPANE	$145.02	10/28/2026 0:00	Fuel For Vehicles
7576	CONSTELLATION NEW ENERGY GAS DIV	$268.48	10/28/2026 0:00	Fuel For Bldgs
7577	CREATIVEDGE DESIGNS LLC	$146.50	10/28/2026 0:00	Volleyball - Expense
7578	DARRIN COIL	$150.96	10/28/2026 0:00	Officiating Expense - VB
7579	DELTA DENTAL OF MINNESOTA	$5,135.15	10/28/2026 0:00	Payroll Ded - Dental
7580	ECOLAB INC	$60.46	10/28/2026 0:00	Fees for Svc-Food Svc
7581	FOOD FARM	$14.50	10/28/2026 0:00	First Bite Food purchases
7582	FRANK SCHILL	$14,166.66	10/28/2026 0:00	Supt- Consulting Fees/Serv
7583	GLENN ANDERSON	$12.79	10/28/2026 0:00	Travel/Training-Transp
7584	GREAT MINDS PBC	$5,000.00	10/28/2026 0:00	HS curriculum
7585	GREAT MINDS PBC	$1,122.38	10/28/2026 0:00	Elem Math curricular tools
7586	IDEAL ENERGIES SOLAR LEASING	$741.15	10/28/2026 0:00	Electricity
7587	ISD #695 CHISHOLM	$150.00	10/28/2026 0:00	Entry Fees/Student Travel-VB
7588	JUNCTION TIRE SERVICE	$106.09	10/28/2026 0:00	Repairs & Maint Serv
7589	KARA WARD	$166.92	10/28/2026 0:00	Officiating Expense - VB
7590	KARA WARD	$150.96	10/28/2026 0:00	Officiating Expense - VB
7591	KEMPS LLC	$347.10	10/28/2026 0:00	Milk
7592	KEMPS LLC	$306.20	10/28/2026 0:00	Milk
7593	KEMPS LLC	$510.15	10/28/2026 0:00	Milk
7594	KIRK HILL	$161.44	10/28/2026 0:00	General Supplies
7595	LIGHTHOUSE CENTER FOR VITAL LIVING	$425.00	10/28/2026 0:00	Sp Ed Sal Pur F-Vis Impair
7596	MADISON NATIONAL LIFE INS CO INC	$2,630.24	10/28/2026 0:00	Payroll Ded - LTD
7597	MCGRAW HILL LLC	$1,023.04	10/28/2026 0:00	History Curriculum-Schmidt
7598	MINNESOTA ENERGY RESOURCES	$55.35	10/28/2026 0:00	Fuel For Bldgs
7599	MINNESOTA ENERGY RESOURCES	$133.69	10/28/2026 0:00	Fuel For Bldgs

7600	MINNESOTA POWER	$3,338.13	10/28/2026 0:00	Electricity
7601	MINNESOTA POWER	$8,610.59	10/28/2026 0:00	Electricity
7602	MINNESOTA POWER	$90.27	10/28/2026 0:00	Electricity
7603	MN DEPT OF EMPL & ECON DEV	$33,903.23	10/28/2026 0:00	Unemployment Comp.
7604	MN DEPT OF EMPL & ECON DEV	$20,884.35	10/28/2026 0:00	Unemployment Comp.
7605	NATL INSURANCE SVCS OF WI INC	$251.83	10/28/2026 0:00	Payroll Ded - Life Ins
7606	NORTHEAST SERVICE COOPERATIVE	$1,040.00	10/28/2026 0:00	Prof/Tech Svcs-ENVIR MGMT
7607	NORTHERN LIGHTS ACADEMY	$110.00	10/28/2026 0:00	General Supplies-HOH
7608	NORTHERN LIGHTS ACADEMY	$1,997.17	10/28/2026 0:00	Rprs&Maint for Comp&Tech
7609	NORTHERN LIGHTS ACADEMY	$1,926.85	10/28/2026 0:00	Rprs&Maint for Comp&Tech
7610	NORTHSPAN GROUP, INC.	$525.00	10/28/2026 0:00	A&I Consulting Fees/Fees
7611	PAN-O-GOLD BAKING	$154.05	10/28/2026 0:00	Food-Lunch
7612	PAN-O-GOLD BAKING	$202.80	10/28/2026 0:00	Food-Lunch
7613	RU RIDGE CORN MAZE	$263.00	10/28/2026 0:00	Kids Care Entry Fee
7614	SCAN AIR FILTER INC	$3,121.16	10/28/2026 0:00	Supplies-Ops & Maintenance
7615	SWEETWATER SOUND LLC	$532.87	10/28/2026 0:00	Local Grant Expense-District
7616	TYLT	$869.50	10/28/2026 0:00	Volleyball - Expense
7617	UHL / ABE	$2,213.00	10/28/2026 0:00	Repairs/Maint-MECH SYS
7618	UNITED TRUCK BODY CO INC	$1,214.34	10/28/2026 0:00	Repairs & Maint Serv
7619	UNITED TRUCK BODY CO INC	$1,359.58	10/28/2026 0:00	Repairs & Maint Serv
7620	UNITED TRUCK BODY CO INC	$1,334.17	10/28/2026 0:00	Repairs & Maint Serv
7621	UNITED TRUCK BODY CO INC	$616.47	10/28/2026 0:00	Repairs & Maint Serv
7622	UNITED TRUCK BODY CO INC	$250.00	10/28/2026 0:00	Repairs & Maint Serv
7623	UNITED TRUCK BODY CO INC	$2,263.34	10/28/2026 0:00	Repairs & Maint Serv
7624	WIPFLI LLP	$19,080.00	10/28/2026 0:00	Audit Fees
7625	US POSTMASTER	$522.30	10/29/2026 0:00	Postage/Printing-Images
7626	ACP CREATIVIT LLC	$11,274.68	10/29/2026 0:00	Consult Fees/Tech Admin
7627	ALAN JOHNSON PHOTOGRAPHY	$275.00	10/29/2026 0:00	Supplies-Volleyball
7628	AVIBEN BENEFIT PARTNERS	$71.04	10/29/2026 0:00	Consult Fees/Bus Office
7629	AFSCME COUNCIL 65	$169.06	10/30/2026 0:00	Payroll Ded AFSCME Dues
7630	NWEA	$2,432.53	10/30/2026 0:00	Payroll Ded - WEA Dues
7631	TREASURER LOCAL UNION 346	$255.00	10/30/2026 0:00	Payroll Ded - Dues Local
7632	AFSCME COUNCIL 65	$217.92	10/15/2026 0:00	Payroll Ded AFSCME Dues
7633	NWEA	$2,432.53	10/15/2026 0:00	Payroll Ded - WEA Dues
7634	TREASURER LOCAL UNION 346	$255.00	10/15/2026 0:00	Payroll Ded - Dues Local
9997554	ANGELA SJODIN	$595.02	10/26/2026 0:00	Volleyball - Expense
9997555	EMC INSURANCE COMPANIES	$9,754.44	10/26/2026 0:00	Insurance
9997556	LEAF CAPITAL FUNDING LLC	$1,839.20	10/26/2026 0:00	Lease Principal
99997554	REGION 7A	$800.00	10/27/2026 0:00	Entry Fees/Trav-XC-Track
	Total	**$254,132.50**		

CARLTON-WRENSHALL
PUBLIC SCHOOL DISTRICT
SMALL-TOWN VALUES. UNLIMITED POTENTIAL.

(218) 384-4274
ISD #2918

November 16, 2026

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.*

Appointments:
Serenity Schoonover – K-12 Guidance Counselor Long Term Sub effective Nov 6, 2026.
Theresa White – Assistant Cook Silver Creek – hire date October 22, 2026.
Jennifer Saletel – Assistant Cook Silver Creek – hire date December 1, 2026.

Lane Changes:

Changes of Assignment:

At-Will Agreements:

Leaves of Absence:

Resignations:
Deeanna Patnaude – Paraprofessional effective October 30, 2026.
Kyleah Schmidt – K-12 Guidance Counselor effective November 6, 2026.

WIPFLI

Independent School District No. 100

Wrenshall, Minnesota

Financial Statements and Supplementary Information

Year Ended June 30, 2026

Independent School District No. 100

Year Ended June 30, 2026

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Independent School District No. 100

Year Ended June 30, 2026

School Officials

Elective	Office	Term Expires
Mary Carlson	Chair	1/1/27
Eric Ankrum	Vice-Chair	1/1/27
Erin Riley	Treasurer	1/1/29
Ben Johnson	Clerk	1/1/27
Jon Beck	Member	1/1/29
Ashley Laveau	Member	1/1/29
Appointive		
Frank Schill	Superintendent	

WIPFLI

Independent Auditor's Report

Board of Directors
Independent School District No. 100
Wrenshall, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. 100 (the "District"), as of and for the year ended June 30, 2026, 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 accompanying 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 Independent School District No. 100 as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Independent School District No. 100 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the year ended June 30, 2026, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*, GASB Statement No. 104, *Disclosure of Certain Capital Assets*, and GASB Statement No. 105, *Subsequent Events*. These statements revise certain financial reporting, presentation, and disclosure requirements applicable to governmental entities. Our opinion is not modified with respect to this matter.

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, budgetary comparison information, information about the net pension liability, and information about the OPEB obligation as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 , on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Wipfli LLP

Billings, Montana

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Management's Discussion and Analysis

Independent School District No. 100

Management's Discussion and Analysis
Year Ended June 30, 2026

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 District's financial activities for the fiscal year ended June 30, 2026. This discussion should be read in conjunction with the District's basic financial statements and accompanying notes.

1. Overview of the Financial Statements

The financial section of the annual report consists of the independent auditor's report, this Management's Discussion and Analysis as required supplementary information, the basic financial statements, the notes to the basic financial statements, other required supplementary information, and supplementary information. The basic financial statements include government-wide financial statements, fund financial statements, and the related notes.

The government-wide financial statements report information about the District as a whole using the economic resources measurement focus and accrual basis of accounting, methods similar to those used by private-sector businesses. The statement of net position reports all assets and deferred outflows of resources and all liabilities and deferred inflows of resources, with the residual reported as net position. The statement of activities reports how the District's net position changed during the year. Revenues and expenses are reported when the underlying event occurs, regardless of when cash is received or paid.

The District's government-wide activities are reported as governmental activities because they are principally supported by property taxes and intergovernmental revenues. These activities include instruction, support services, operation and maintenance of plant, student transportation, food service, community service, and interest and fiscal charges on long-term debt.

Fund financial statements provide more detailed information about the District's funds. Governmental fund statements use the current financial resources measurement focus and modified accrual basis of accounting. They emphasize near-term inflows and outflows of spendable resources and balances available at year-end. Because this focus differs from the government-wide statements, reconciliations are provided between the governmental fund statements and the governmental activities reported in the government-wide statements.

Fiduciary fund statements report resources held for the benefit of parties outside the District. Fiduciary activities are not included in the government-wide statements because those resources are not available to finance the District's operations.

The notes provide information essential to a full understanding of the government-wide and fund financial statements. Other required supplementary information and supplementary schedules provide additional detail about selected financial statement amounts and compliance matters.

2. Financial Summary

The following condensed information summarizes the District's governmental activities for the current and prior fiscal year.

Statement of Net Position (Deficit)
June 30,

	2026	2025
Current and other assets	$ 2,733,872	$ 3,027,094
Capital assets	16,386,330	16,875,812
Total assets	19,120,202	19,902,906
Deferred outflows of resources	610,773	670,895
Other liabilities	984,386	936,869
Long-term liabilities	14,140,066	15,107,383
Total liabilities	15,124,452	16,044,252
Deferred inflows of resources	2,513,586	2,684,999
Net position		
Net investment in capital assets	4,680,835	4,473,970
Restricted	488,646	358,069
Unrestricted (deficit)	(3,076,544)	(2,987,489)
Total net position (deficit)	$ 2,092,937	$ 1,844,550

At June 30, 2026, the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $2,092,937. Net position increased by $248,387 during the year. The increase resulted primarily from a reduction in liabilities and deferred inflows of resources of $1,091,213 from the repayment of $645,000 principal on general obligation bonds and a decrease in lease, pension, compensated absence, and severance liabilities. The unrestricted deficit increased by $89,055, from $2,987,489 to $3,076,544. Management attributes this change primarily to operating results of the District's General Fund.

Change in Net Position
For the years ended June 30,

	2026	2025
Revenues		
Program revenues		
Charges for services	$ 259,477	$ 163,136
Operating grants and contributions	2,106,283	2,147,446
Capital grants and contributions		25,000
General revenues		
Property taxes	1,481,538	1,437,644
State aids	3,056,839	3,083,593
Other	102,350	214,480
Total revenues	7,006,487	7,071,299
Expenses		
District and school administration	499,573	345,539
District support services	402,125	350,162
Regular instruction	2,225,447	2,327,855
Vocational instruction	99,557	100,766
Exceptional instruction	1,000,206	949,100
Instructional support services	109,240	176,863
Pupil support services	587,635	748,881
Sites, building and equipment	942,676	738,222
Fiscal and other fixed cost programs	66,182	56,536
Food service	225,279	214,464
Community service	184,399	192,392
Interest and fiscal charges on long-term debt	280,847	301,344
Unallocated depreciation	134,934	144,676
Total expenses	6,758,100	6,646,800
Change in net position	248,387	424,499
Net position, beginning of year	1,844,550	1,420,051
Net position, end of year (deficit)	$ 2,092,937	$ 1,844,550

Total revenues decreased by $64,812. This change was primarily attributable to declining enrollment. Total expenses increased by $111,300, primarily because of increases in salaries and benefits.

3. Detailed Analyses

Government-Wide Results

The District's net position increased by $248,387 in 2026 compared with an increase of $424,499 in 2025. The smaller current-year increase was primarily due to decreased revenue and increased expenses. Significant changes by function or revenue source included the following:

- State aids decreased from $3,083,593 to $3,056,839 because of declining enrollment.
- District and school administration expenses increased by $154,034 due to an increase in salaries and contracted expenses.
- Sites, buildings, and equipment expenses increased by $204,454 because of increased fuel costs in the current year as well as the capitalization of certain purchases in the prior year.
- Pupil support services expense decreased by $161,246 because prior year expense included the recognition of the issuance of a promissory note.

Governmental Funds Results

At year-end, the District's governmental funds reported combined ending fund balances of $433,178, a decrease of $305,231 from the prior year. The balances consisted of $72,281 in the General Fund, $194,450 in the Debt Service Fund, $99,390 in the Food Service Fund, and $67,057 in the Community Service Fund. The overall decrease was primarily attributable to a decrease in the General Fund's total fund balance.

The General Fund's total fund balance decreased by $347,521. At June 30, 2026, its unassigned fund balance was a deficit of $199,467, equal to negative 3.42 percent of final budgeted expenditures of $5,826,849. The School Board's fund balance policy establishes a goal of maintaining a positive unassigned General Fund balance. The deficit and year-over-year decline resulted primarily from decreased enrollment and an increase in salaries and benefits. In response, management chose to consolidate with the Carlton School District beginning July 1, 2026 with the goal of improving financial stability and strengthening the district's long term financial position.

The Debt Service Fund balance increased by $1,590, the Food Service Fund balance increased by $7,775, and the Community Service Fund balance increased by $32,925. These changes resulted from increased participation in programs.

4. Significant Capital Asset and Long-Term Financing Activity

At June 30, 2026, the District had invested $23,999,127 in capital assets before accumulated depreciation and amortization, including land, school buildings, athletic facilities, buses, computer equipment, and leased equipment. Depreciation and amortization expense was $533,645 for the year. Significant current-year activity included the purchase of new staff computers, the installation of a new public address system, and new bleachers. Additional information is presented in Note 3 to the financial statements.

At June 30, 2026, the District had $11,290,000 of general obligation bonds payable. The District also reported notes payable of $94,306, a lease liability of $28,286, a net pension liability of $2,244,099, a total OPEB liability of $40,389, compensated absences of $109,808, and severance liabilities of $40,275. Significant current-year financing activity included the repayment of $645,000 principal on general obligation bonds and a decrease in lease, pension, compensated absence, and severance liabilities. The District was within its legal debt limitation. Additional information is presented in Note 4 to the financial statements.

5. Currently Known Facts, Decisions, or Conditions

The following facts, decisions, or conditions were known as of November 4, 2026, the date the MD&A was prepared, and are expected to have a significant effect on the District's financial position or results of operations:

- On July 1, 2026 the Wrenshall School District consolidated with Independent School District No. 93 Carlton. The two districts now operate as Independent School District No. 2918 Carlton-Wrenshall.

Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. Questions about this report or requests for additional financial information may be directed to the Business Office, 207 Pioneer Drive, Wrenshall, Minnesota 55797, or to the Business Manager at (218) 384-4274.

Government-Wide Financial Statements

Independent School District No. 100

Statement of Net Position

June 30, 2026

	Governmental Activities
Assets and Deferred Outflows of Resources	
Current assets	
Cash and investments	$ 1,516,671
Accounts receivable	10,918
Current property taxes receivable	513,441
Delinquent property taxes receivable	24,807
Due from other Minnesota school districts	66,932
Due from Minnesota Department of Education	463,160
Due from federal government through the Minnesota Department of Education	66,472
Due from other governmental units	21,282
Prepaid expenses	38,407
Inventory	11,782
Total current assets	2,733,872
Capital assets, net of depreciation	
Capital assets not being depreciated	22,760
Capital assets being depreciated, net of accumulated depreciation	16,363,570
Total capital assets, net of accumulated depreciation	16,386,330
Deferred outflows of resources	
Items related to pensions plans	610,773
Total assets and deferred outflow of resources	$ 19,730,975
Liabilities, Deferred Inflows of Resources, and Net Position	
Current liabilities	
Salaries payable	$ 439,994
Accounts payable	16,292
Accrued payroll liabilities	216,253
Due to other Minnesota school districts	159,869
Due to other governments	10,191
Interest payable	117,853
Unearned revenue	23,934
Total current liabilities	984,386
Long-term liabilities	
Long-term liabilities due within one year	721,210
Long-term liabilities due in more than one year	13,418,856
Total long-term liabilities	14,140,066
Total liabilities	15,124,452
Deferred inflows of resources	
Property taxes levied for subsequent year's expenditures	1,409,354
Items related to pension plans	1,104,232
Total deferred inflows of resources	2,513,586
Net position	
Net investment in capital assets	4,680,835
Restricted	488,646
Unrestricted	(3,076,544)
Total net position	2,092,937
Total liabilities, deferred inflows of resources, and net position	$ 19,730,975

See accompanying notes to financial statements.

Independent School District No. 100

Statement of Activities

For the Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Governmental Activities
Governmental activities					
District and school administration	$ 499,573	$ 937	$ 85,111	$	$ (413,525)
District support services	402,125	30,580	137,600		(233,945)
Regular instruction	2,225,447	1,340	502,563		(1,721,544)
Vocational instruction	99,557				(99,557)
Exceptional instruction	1,000,206		917,008		(83,198)
Instructional support services	109,240	123	1,968		(107,149)
Pupil support services	587,635	102,995	152,409		(332,231)
Sites, buildings and equipment	942,676		3,920		(938,756)
Fiscal and other fixed program costs	66,182				(66,182)
Food service	225,279	2,970	236,127		13,818
Community service	184,399	120,532	69,577		5,710
Interest and fiscal charges on long-term debt	280,847				(280,847)
Unallocated depreciation	134,934				(134,934)
Total governmental activities	$ 6,758,100	$ 259,477	$ 2,106,283	$	(4,392,340)
General revenues					
Taxes					
Property taxes, levied for general purposes					600,717
Property taxes, levied for community service					28,772
Property taxes, levied for debt service					852,049
State aid-formula grants					3,056,839
Investment earnings					45,510
Other					56,840
Total general revenues					4,640,727
Change in net position					248,387
Net position (deficit), beginning of the year					1,844,550
Net position (deficit), end of the year					$ 2,092,937

See accompanying notes to financial statements.

Independent School District No. 100

Governmental Funds – Balance Sheet

June 30, 2026

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	$ 534,874	$ 782,789	$ 199,008	$ 1,516,671
Accounts receivable	3,009		7,909	10,918
Current property taxes receivable	177,914	327,218	8,309	513,441
Delinquent property taxes receivable	9,012	15,342	453	24,807
Due from other Minnesota school districts	66,932			66,932
Due from the Minnesota Department of Education	447,328	10,043	5,789	463,160
Due from the federal government through the Minnesota Department of Education	66,472			66,472
Due from other governmental units	21,282			21,282
Prepaid expenses	38,407			38,407
Inventory	3,159		8,623	11,782
Total assets	$ 1,368,389	$ 1,135,392	$ 230,091	$ 2,733,872
Liabilities				
Salaries payable	$ 408,295	$	$ 31,699	$ 439,994
Accounts payable	14,553		1,739	16,292
Accrued payroll liabilities	216,253			216,253
Due to other Minnesota school districts	159,869			159,869
Due to other governments	10,191			10,191
Unearned revenue	21,286		2,648	23,934
Total liabilities	830,447		36,086	866,533
Deferred inflows of resources				
Delinquent property taxes	9,012	15,342	453	24,807
Property taxes levied for subsequent year's expenditures	456,649	925,600	27,105	1,409,354
Total deferred inflows of resources	465,661	940,942	27,558	1,434,161
Fund balances				
Nonspendable	41,566		8,623	50,189
Assigned	813			813
Restricted	229,369	194,450	166,885	590,704
Unassigned	(199,467)		(9,061)	(208,528)
Total fund balances	72,281	194,450	166,447	433,178
Total liabilities, deferred inflows of resources, and fund balances	$ 1,368,389	$ 1,135,392	$ 230,091	$ 2,733,872

See accompanying notes to financial statements.

Independent School District No. 100

Governmental Funds – Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2026

Total fund balances - governmental funds	$	433,178
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.		
Cost of capital assets		23,999,127
Less accumulated depreciation		(7,612,797)
Long-term liabilities, including bonds payable, notes payable, and other postemployment benefits are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
General obligation bonds		(11,290,000)
Notes payable		(94,306)
Lease liabilities		(28,286)
Unamortized bond premium		(292,903)
Total OPEB obligation		(40,389)
Compensated absences and severance liabilities not payable with current and available resources are not reported as fund liabilities in governmental fund statements. All liabilities, both current and long-term, are reported in the statement of net position.		
Compensated absences		(109,808)
Severance		(40,275)
The net pension liability and the deferred outflows of resources and inflows of resources related to pensions are only reported in the statement of net position		
Net pension liability		(2,244,099)
Deferred inflows of resources related to pensions		(1,104,232)
Deferred outflows related to pensions		610,773
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.		24,807
Interest on long-term debt is not accrued in governmental funds, but rather recognized as an expenditure when due.		(117,853)
Total net position - governmental activities	$	2,092,937

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, 2026

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Local property tax levies	$ 598,406	$ 848,589	$ 28,649	$ 1,475,644
Other local and county revenues	324,390		128,582	452,972
Revenue from state sources	4,462,328	99,986	185,612	4,747,926
Revenue from federal sources	163,062		112,241	275,303
Sales and other conversion of assets	268		2,970	3,238
Interest income	45,510			45,510
Total revenues	5,593,964	948,575	458,054	7,000,593
Expenditures				
Current				
District and school administration	499,573			499,573
District support services	405,350			405,350
Regular instruction	2,537,089			2,537,089
Vocational instruction	99,557			99,557
Exceptional instruction	994,950			994,950
Community education and services			184,398	184,398
Instructional support services	105,980			105,980
Pupil support services	545,942		241,809	787,751
Site, buildings, and equipment	598,106			598,106
Fiscal and other fixed cost programs	66,182			66,182
Capital outlay	41,686			41,686
Debt service				
Principal	30,088	645,000		675,088
Interest	8,129	301,985		310,114
Total expenditures	5,932,632	946,985	426,207	7,305,824
Excess of revenues over expenditures	(338,668)	1,590	31,847	(305,231)
Other financing sources				
Transfers in			10,486	10,486
Transfers out	(8,853)		(1,633)	(10,486)
Total other financing sources	(8,853)		8,853	
Net change in fund balances	(347,521)	1,590	40,700	(305,231)
Fund balances, beginning	419,802	192,860	125,747	738,409
Fund balances, ending	$ 72,281	$ 194,450	$ 166,447	$ 433,178

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, 2026

Total net changes in fund balances - governmental funds	$	(305,231)
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.		
Capital outlays		44,163
Depreciation expense		(533,645)
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		645,000
Principal payments on notes payable		21,935
Principal payments on lease liabilities		8,153
Amortization of bond premium		21,259
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 it is accrued, regardless of when it is due.		8,008
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 obligation		(10,000)
Change in compensated absences		63,015
Change in severance		18,702
Change in deferred outflows of resources related to pensions		(60,122)
Change in deferred inflows of resources related to pensions		122,003
Change in pension liability		199,253
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.		5,894
Change in net position - governmental activities	$	248,387

See accompanying notes to financial statements.

Independent School District No. 100

Fiduciary Fund – Statement of Fiduciary Net Position

June 30, 2026

		Custodial Fund
Assets		
Cash and investments	$	54,327
Net position		
Held in trust for scholarships	$	54,327
Total net position	$	54,327

See accompanying notes to financial statements.

Independent School District No. 100

Fiduciary Fund – Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2026

	Custodial Fund
Additions	
Donations	$ 1,500
Interest income	1,337
Total additions	2,837
Deductions	
Scholarships paid	290
Total deductions	290
Change in net position	2,547
Net position, beginning of the year	51,780
Net position, end of the year	$ 54,327

See accompanying notes to financial statements.

Independent School District No. 100

Notes to the Financial Statements

For the Year Ended June 30, 2026

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 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.

New Accounting Pronouncements

During the fiscal year ended June 30, 2026, the District implemented the following GASB Pronouncements:

GASB Statement No. 103: *Financial Reporting Model Improvements*: As of July 1, 2025, the District implemented GASB Statement No. 103. The statement improves key components of the governmental financial reporting model to enhance the effectiveness of information provided for decision-making and accountability. Significant provisions include revisions to management's discussion and analysis, requirements for reporting unusual or infrequent items, changes to budgetary comparison information, and updates to certain financial statement presentation and disclosure requirements.

GASB Statement No. 104: *Disclosure of Certain Capital Assets*: As of July 1, 2025, the District implemented GASB Statement No. 104. The statement enhances the usefulness of capital asset disclosures by requiring separate disclosure of certain types of capital assets, including lease assets, subscription-based information technology arrangement (SBITA) assets, certain right-to-use assets, and other intangible assets. The statement also establishes disclosure requirements for capital assets classified as held for sale. These changes are intended to improve the transparency, consistency, and comparability of information reported in governmental financial statements.

GASB Statement No. 105: *Subsequent Events:* For the year ended June 30, 2026, the District early adopted GASB Statement No. 105. The statement clarifies the definition of subsequent events, establishes requirements for evaluating events occurring after the financial statement date but before the financial statements are available to be issued, and provides guidance for distinguishing between recognized and non-recognized subsequent events. The statement also requires disclosure of the date through which subsequent events have been evaluated and establishes specific disclosure requirements for certain non-recognized subsequent events.

Note 1 Summary of Significant Accounting Policies (Continued)

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.

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 recognized in advance 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.

Note 1 Summary of Significant Accounting Policies (Continued)

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 12th 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.

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 aid 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

Custodial 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.

Note 1 Summary of Significant Accounting Policies (Continued)

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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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 and fuel have been recorded in the proper funds. The District values its inventories at cost, on a first-in, first-out basis.

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.

Note 1 Summary of Significant Accounting Policies (Continued)

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:

	Total Shift June 30, 2025	State Aid Adjustment	Revenue Adjustment	Total Shift June 30, 2026
General Fund	$ 70,437	$	$ (13,157)	$ 57,280

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.

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

Capital assets not being depreciated include land.

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 net 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.

Note 1 Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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 government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates 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.

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.

Note 1 Summary of Significant Accounting Policies (Continued)

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 7.

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 government-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. Amounts have been recorded consistent with the compensated absences reporting standards of GASB Statement No. 101, *Compensated Absences.*

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.

Fund Balance

In the fund financial statements, governmental funds report fund balance amounts within one of the following categories: non-spendable, restricted, committed, assigned or unassigned. Non-spendable 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, 2026, the District had no committed fund balances. The portion of the fund balance not non-spendable, 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 positive unassigned general fund balance. At June 30, 2026, the District had a General Fund unassigned fund balance of ($199,467).

Note 1 Summary of Significant Accounting Policies (Continued)

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.

Deposits

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

Note 2 Deposits and Investments

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, 2026, 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.

Note 2 Deposits and Investments (Continued)

The Minnesota School District Liquid Asset Fund (MSDLAF), the Minnesota Trust (MNTrust) Investment Shares Portfolio, and MNTrust Term Series-Flex are external investment pools regulated by Minnesota Statutes and are not registered with the Securities and Exchange Commission (SEC). The District's investments in these investment pools are 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.

MNTrust Term Series-Flex are intended to be held until maturity but can be fully or partially redeemed on the specified date for the weekly redemption provided that the notice of such redemption was provided to the Administrator at least one business day before such redemption date.

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, 2026, investments consisted of the following:

Investment		Less Than One Year
MNTrust Investment Shares Portfolio	$ 1,301,122	$ 1,301,122
MSDLAF+ Liquid Class	222	222
MSDLAF+ MAX Class	129	129
Money Market Fund	43,647	43,647
Total	$ 1,345,120	$ 1,345,120

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.

AAAm (S&P Global)	$ 1,301,473
Not rated	43,647
Total	$ 1,345,120

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, 2026, none of the District's investments were subject to custodial credit risk.

Note 2 Deposits and Investments (Continued)

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. At June 30, 2026, the District had 97% of its investments in the MNTrust Investment Shares Portfolio.

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, 2026:

		Fair Value Measurements Using		
Investments by fair value level	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market	$ 43,647		$ 43,647	
Total debt securities/investments by fair value level	43,647	$	$ 43,647	$
Investments measured at the net asset value (NAV)				
External investment pools	1,301,473			
Total investments	$ 1,345,120			

The following table sets forth additional disclosures about the District's investments whose values are estimated using net asset value (NAV) as of June 30, 2026:

	Total	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
External Investment Pool - MSDLAF+ Liquid Class	$ 222	$ 0	On Demand	2 P.M. Eastern Time transaction deadline.
External Investment Pool - MSDLAF+ MAX Class	129	$0	14 days, with the exception of direct investments of funds distributed by the State of Minnesota	24-hour notice
External Investment Pool - MNTrust Investment Shares Portfolio	1,301,122	$0	On Demand	None
Total External Pool Investments	$ 1,301,473			

Note 2 Deposits and Investments (Continued)

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

Petty cash	$ 1,025
Deposits	224,853
Investments	1,345,120
Total	$ 1,570,998

Presented in the basic financial statements as follows:

Statement of Net Position	
Cash and investments	$ 1,516,671
Statement of Fiduciary Net Position	
Custodial Fund	
Cash and investments	54,327
Total cash and investments	$ 1,570,998

Note 3 Capital Assets

Capital asset activity for the year ended June 30, 2026, is as follows:

	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026
Capital assets not being depreciated				
Land	$ 22,760			$ 22,760
Total capital assets not being depreciated	22,760			22,760
Capital assets being depreciated or amortized				
Land improvements	131,399			131,399
Buildings	22,255,525			22,255,525
Equipment	1,507,453	44,163		1,551,616
Lease assets - Equipment	37,827			37,827
Total capital assets being depreciated or amortized	23,932,204	44,163		23,976,367
Less accumulated depreciation/amortization				
Land improvements	123,013	941		123,954
Buildings	5,959,506	425,523		6,385,029
Equipment	995,111	98,154		1,093,265
Lease assets - Equipment	1,522	9,027		10,549
Total accumulated depreciation/amortization	7,079,152	533,645		7,612,797
Total capital assets being depreciated or amortized, net	16,853,052	(489,482)		16,363,570
Capital assets, net	$ 16,875,812	$ (489,482)	$	$ 16,386,330

Note 3 Capital Assets (Continued)

Depreciation/amortization is charged to governmental functions as follows:

District support services	$ 8,231
Regular instruction	21,210
Exceptional instruction	3,774
Instructional support services	3,260
Pupil support services	41,693
Sites, building and equipment	320,543
Unallocated	134,934
Total	$ 533,645

Note 4 Long-Term Obligations

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

	Balance July 1, 2025	Additions	Reductions	Balance June 30, 2026	Due Within One Year
General Obligation Bonds					
$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.	$ 7,895,000	$	$ 425,000	$ 7,470,000	$ 445,000
$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.	785,000		60,000	725,000	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.	3,255,000		160,000	3,095,000	165,000
Unamortized bond premium	314,162		21,259	292,903	21,259
Total general obligation bonds	12,249,162		666,259	11,582,903	691,259
Promissory Notes - Direct Borrowings					
$116,241 promissory note, due in annual installments of $27,905 including interest at 7.0% through December 20, 2029.	116,241		21,935	94,306	21,209
Total promissory notes - Direct borrowings	116,241	-	21,935	94,306	21,209
Lease liabilities	36,439		8,153	28,286	8,742
Pension liability	2,443,352		199,253	2,244,099	
Compensated absences	172,823		63,015	109,808	
Severance	58,977	67,050	85,752	40,275	
OPEB obligation	30,389	10,000		40,389	
Total	$ 15,107,383	$ 77,050	$ 1,044,367	$ 14,140,066	$ 721,210

General Obligation Facilities Maintenance Bonds are paid from the Debt Service Fund. The notes payable, pension liability, and OPEB obligation are paid from the General, Food Service, or Community Service Funds.

Note 4 Long-Term Obligations (Continued)

Annual amounts required to service outstanding general obligation bonds:

	General Obligation Bonds		
	Principal	Interest	Total
2027	$ 670,000	$ 274,750	$ 944,750
2028	690,000	251,340	941,340
2029	725,000	227,180	952,180
2030	735,000	213,102	948,102
2031	745,000	198,213	943,213
2032-2036	3,815,000	732,568	4,547,568
2037-2041	3,910,000	271,800	4,181,800
Total	$ 11,290,000	$ 2,168,953	$ 13,458,953

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

	Promissory Notes - Direct Borrowings		
	Principal	Interest	Total
2027	$ 21,209	$ 6,696	$ 27,905
2028	22,715	5,190	27,905
2029	24,327	3,577	27,904
2030	26,055	1,849	27,904
Total	$ 94,306	$ 17,312	$ 111,618

The buses purchased with the proceeds of the notes are collateral on the loans.

The District has also entered into lease agreements for equipment. The lease asset and related lease liability have been recorded in the government-wide financial statements. Annual amounts required to service the outstanding lease liabilities are as follows:

	Leases		
	Principal	Interest	Total
2027	$ 8,742	$ 1,680	$ 10,422
2028	7,662	1,077	8,739
2029	5,734	650	6,384
2030	6,148	236	6,384
Total	$ 28,286	$ 3,643	$ 31,929

Note 5 Interfund Transactions

There were no interfund receivable/payables at June 30, 2026. The District recorded an interfund transfer to restore resources to the Food Service Fund as a result of an MDE Resource Management Review.

Transfers Out	Transfers In	Total
General Fund	Food Service Fund	$ 8,853
Community Service Fund	Food Service Fund	1,633
		$ 10,486

Note 6 Net Position/Fund Balances

Fund balances were non-spendable for the following purposes at June 30, 2026:

Nonspendable		
General Fund - Prepaid expenses	$	38,407
General Fund - Inventory		3,159
Food Service Fund - Inventory		8,623
Total nonspendable	$	50,189

Fund balances were assigned for the following purposes at June 30, 2026:

Assigned		
General Fund - Kindergarten	$	600
General Fund - Football Scoreboard		68
General Fund - Business Class		145
	$	813

Net position and fund balance were restricted for the following purposes at June 30, 2026:

Restricted	Net Position	Fund Balance
General Fund		
Student activities	$ 61,716	$ 61,716
American Indian Education aid	4,205	4,205
Literacy incentive aid	36,456	36,456
LTFM	1	1
Medical assistance	79,090	79,090
Student support personnel	1,140	1,140
READ Act - Literacy aid	4,656	4,656
Staff development	42,105	42,105
Total general fund	229,369	229,369
Debt service	91,939	194,450
Other nonmajor governmental funds		
Food service	90,767	90,767
ECFE	67,994	67,994
Community service	5,159	4,706
Community education	3,418	3,418
Total other nonmajor governmental funds	167,338	166,885
Total restricted	$ 488,646	$ 590,704

Note 6 Net Position/Fund Balances (Continued)

The following funds had projects with fund balance deficits at June 30, 2026:

General Fund		
Q Comp	$	(9,866)
Community Service Fund		
School readiness	$	(9,061)

The project deficits in the community service and general funds are allowable by the Minnesota Department of Education and will be eliminated through revenues in future years. The deficits are included in unassigned fund balance on the fund financial statements.

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 chapters 353, 353D, 353E, 353G, 354 and 356. 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

The Teachers Retirement Association (TRA) is an administrator of a multiple employer, cost-sharing, defined benefit retirement fund. TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 354 and 356. TRA is a separate statutory entity and administered by a Board of Trustees. The Board consists of four active members, one retired member and three statutory officials.

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those teachers employed by St. Paul schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect TRA coverage within one year of eligible employment or elect coverage through the Defined Contribution Plan (DCR) administered by Minnesota State. A teacher employed by Minnesota State and electing DCR plan is not a member of TRA except for purposes of social security coverage.

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 consecutive 60 months of formula service, age and years of formula service credit at termination of service. TRA members belong to either the Basic or Coordinated Plan.

Note 7 Defined Benefit Pension Plans (Continued)

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

Tier I Benefits

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

With these provisions:

(a) Normal retirement age is 65 with less than 30 years of allowable service and age 60 with 30 or more years of allowable service.
(b) 3% per year early retirement reduction factor for all years under normal retirement age.
(c) Unreduced benefits for early retirement under a Rule-of-90 (age plus allowable service equals 90 or more).

Or

For years of service prior to July 1, 2006, a level formula of 1.7% per year for coordinated members and 2.7% per year for basic members is applied. For years of service July 1, 2006 and after, a level formula of 1.9% per year for Coordinated members and 2.7% per year for Basic members applies. An early retirement reduction is applied to members retiring prior to age 65. Beginning June 30, 2025, new reduction factors will apply, including special factors for members retiring at age 60 or later with at least 30 years of service.

Tier II Benefits

Members first employed after June 30, 1989 receive only the Tier II benefit calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 65 effective July 1, 2024. An early retirement reduction is applied to members retiring before age 65. Beginning June 30, 2025, new reduction factors will apply, including special factors for members retiring at age 60 or later with at least 30 years of service.

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

Note 7 Defined Benefit Pension Plans (Continued)

Any member terminating service is eligible for a refund of their employee contributions plus interest. The benefit provisions stated apply to active plan participants. Vested, terminated employees who are entitled to benefits but not yet receiving them are bound by the plan provisions in effect at the time they last terminated their public service.

3. Contributions

Per Minnesota Statutes, Chapter 354 sets the contribution rates for the employees and employers. Rates for the fiscal year 2025 for coordinated were 7.75% for the employee and 8.75% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2026 were $224,415. The District's contributions were equal to the required contributions for each year as set by state statute.

4. Actuarial Assumptions

The total pension liability in the July 1, 2025, 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:

Experience studies	August 2, 2023 (demographic and economic assumptions)*
Actuarial cost method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00%
Price Inflation	2.50%
Wage growth rate	2.85% before July 1, 2028 and 3.25% after June 30, 2028
Projected Salary Increase	2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028
Cost of living adjustment	1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

Mortality Assumption:

Pre-retirement	PubT-2010(A) Employee Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.
Healthy Retirees	*PubT-2010 (A) Retiree Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.*
Beneficiaries	*Pub-2010 (A) Contingent Survivor Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.*

**The assumptions prescribed are based on the experience study dated August 2, 2023. For GASB 67 purposes, the long-term rate of return assumption is selected by TRA management in consultation with actuary.*

Note 7 Defined Benefit Pension Plans (Continued)

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

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

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

Changes in actuarial assumptions since the 2023 valuation:

- Liability load for inactive non-vested members changed from 9% to 13% and the liability load for inactive vested members changed from 7% to 6%.

5. Discount Rate

The discount rate used to measure the total pension liability was 7%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2025 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. 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.

6. Net Pension Liability

At June 30, 2026, the District reported a liability of $1,886,483 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. 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 0.0329% at the end of the measurement period and 0.0325% for the beginning of the year.

Note 7 Defined Benefit Pension Plans (Continued)

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

District's proportionate share of net pension liability	$	1,886,483
State's proportionate share of the net pension liability associated with the District	$	117,162

For the year ended June 30, 2026, the District recognized pension expense of ($103,210). It also recognized $2,934 as a decrease to pension expense for the support provided by direct aid.

During the plan year ended June 30, 2025, the State of Minnesota contributed $28,462,000 to the Fund. The State of Minnesota is not included as a non-employer contributing entity in the plan pension allocation schedules for the $28,462,000 in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized $9,369 for the year ended June 30, 2026 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Fund.

At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual economic experience	$	86,992	$	18,527
Net difference between projected and actual investment earnings on pension plan investments				378,795
Changes in actuarial assumptions		106,561		199,554
Changes in proportion		51,036		212,794
District contributions paid to TRA subsequent to the measurement date		224,415		
Total	$	469,004	$	809,670

The $224,415 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ending June 30, 2027. Other amounts reported as deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

Year ended June 30,		Pension Expense Amount
2027	$	75,353
2028		(266,853)
2029		(251,463)
2030		(130,557)
2031		8,439
Total	$	(565,081)

Note 7 Defined Benefit Pension Plans (Continued)

7. Pension Liability Sensitivity

The following presents the net pension liability of TRA calculated using the discount rate of 7%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6%) and one percentage point higher (8%) than the current rate.

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Discount Rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	$ 3,558,432	$ 1,886,483	$ 510,480

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 https://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 800-657-3669.

B. Public Employee Retirement Association (PERA)

1. Plan Description

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than $425 in a month, unless the employee meets exclusion criteria.

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. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65.

Note 7 Defined Benefit Pension Plans (Continued)

Members can receive a reduced retirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2025 annual increase was 1.25%. 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 prorated increase.

3. Contributions

Minnesota Statutes chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2025 and the District was required to contribute 7.50% for General Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2026, were $74,715. The District's contributions were equal to the required contributions as set by state statute.

4. Pension Costs

At June 30, 2026, the District reported a liability of $357,616 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of $16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled $8,627.

District's proportionate share of the net pension liability	$	357,616
State of Minnesota's proportionate share of the net pension liability associated with the District		8,627
Total	$	366,243

Note 7 Defined Benefit Pension Plans (Continued)

The net pension liability was measured as of June 30, 2025, 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, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0108% at the end of the measurement period and 0.0102% for the beginning of the period.

For the year ended June 30, 2026, the District recognized pension expense of ($143,895) for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized $1,727 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.

At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 34,073	$
Changes in actuarial assumptions	8,616	82,286
Net difference between projected and actual earnings on pension plan investments		142,299
Changes in proportion	24,365	69,977
Employer contributions made to PERA subsequent to the measurement date	74,715	
Total	$ 141,769	$ 294,562

The $74,715 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, 2027. 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
2027	$ (84,883)
2028	(76,310)
2029	(40,895)
2030	(25,420)
Total	$ (227,508)

Note 7 Defined Benefit Pension Plans (Continued)

5. Long-term Expected Return on Investment

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

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

6. Actuarial Methods and Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2025, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

- Inflation is assumed to be 2.25% for the General Employees Plan.
- Benefit increases after retirement are assumed to be 1.50% for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 11.5% after one year of service to 3% after 27 years of service.

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2025:

Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.

Note 7 Defined Benefit Pension Plans (Continued)

- The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75% , beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.

- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

7. Discount Rate

The discount rate used to measure the total pension liability in 2025 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees was projected to be available to make all projected future benefit payments of current plan members. 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.

8. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Discount Rate	6.00%	7.00%	8.00%
District's proportionate share of the PERA net pension liability	$ 868,594	$ 357,616	$ (56,902)

9. Pension Plan Fiduciary Net Position

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

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. As of June 30, 2026, the date of the latest actuarial study, there were 64 active employees eligible to receive benefits and no retirees receiving benefits.

Total Other Postemployment Benefit Liability

The District's total OPEB liability of $40,389 was measured as of June 30, 2025 and was determined by an actuarial valuation dated June 30, 2025.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2025 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	2.50%
Discount rate	5.20%
Healthcare trend rates	8.1% for FY2026, gradually decreasing over several decades to an ultimate rate of 3.9% in FY2076 and later years.

The discount rate was determined using the Bond Buyer 20-Bond GO 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-2021 and other adjustments.

Change in the Total OPEB Liability

Balance at 6/30/2025	$	30,389
Changes for the year:		
Service Cost		3,387
Interest		1,320
Changes of assumptions		(453)
Difference between expected and actual experience		6,775
Benefit payments		(1,029)
Net change		10,000
Balance at 6/30/2026	$	40,389

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 one percentage point lower (4.20 percent) or one percentage point higher (6.20 percent) than the current discount rate:

	1% Decrease 4.20%	Discount Rate 5.20%	1% Increase 6.20%
Total OPEB Liability	$ 42,523	$ 40,389	$ 38,419

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 one percentage point lower or one 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	$ 37,960	$ 40,389	$ 43,254

OPEB Expense

For the year ended June 30, 2026 the District recognized OPEB expense of $11,029.

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.

Note 10 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.

Note 11 Subsequent Event

Management has evaluated the activities and transactions subsequent to June 30, 2026 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2026. Management has performed this evaluation through November 5, 2026, the date the financial statements were available to be issued.

Effective July 1, 2026, the Independent School District No. 100 (Wrenshall School District) consolidated with Independent School District No. 93 (Carlton School District) pursuant to Minnesota Statutes Section 123A.48. The consolidated school district operates as the Carlton-Wrenshall Public School District under District Identification No. 2918. As a result of the consolidation, the assets, liabilities, and operations of the participating districts became part of the consolidated district effective July 1, 2026. Because the consolidation occurred subsequent to fiscal-year end, no amounts related to the consolidation have been recognized in the accompanying June 30, 2026 financial statements.

Required Supplementary Information

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, 2026

	Original Budget	Final Budget	Variance Final to Original	Actual	Variance Over (Under)
Revenues					
Local property tax levies	$ 615,143	$ 620,941	$ 5,798	$ 598,406	$ (22,535)
Other local and county revenues	83,050	178,919	95,869	324,390	145,471
Revenue from state sources	4,482,505	4,446,599	(35,906)	4,462,328	15,729
Revenue from federal sources	170,780	163,396	(7,384)	163,062	(334)
Sales and conversion of assets	1,200	1,200		268	(932)
Interest income	50,000	42,000	(8,000)	45,510	3,510
Total revenues	5,402,678	5,453,055	50,377	5,593,964	140,909
Expenditures					
Current					
District and school administration	368,269	405,605	37,336	499,573	(93,968)
District support services	350,344	397,464	47,120	405,350	(7,886)
Regular instruction	2,167,134	2,513,785	346,651	2,537,089	(23,304)
Vocational instruction	115,846	97,276	(18,570)	99,557	(2,281)
Exceptional instruction	1,030,981	1,004,122	(26,859)	994,950	9,172
Instructional support services	126,048	73,549	(52,499)	105,980	(32,431)
Pupil support services	593,897	565,033	(28,864)	545,942	19,091
Site, buildings, and equipment	537,685	619,014	81,329	598,106	20,908
Fiscal and other fixed cost programs	62,317	66,504	4,187	66,182	322
Capital outlay	50,700	40,831	(9,869)	41,686	(855)
Debt service					
Principal	25,784	29,386	3,602	30,088	(702)
Interest	16,144	14,280	(1,864)	8,129	6,151
Total expenditures	5,445,149	5,826,849	381,700	5,932,632	(105,783)
Excess of revenues under expenditures	(42,471)	(373,794)	(331,323)	(338,668)	35,126
Other financing uses					
Transfers out				(8,853)	(8,853)
Total other financing sources				(8,853)	(8,853)
Net change in fund balance	(42,471)	(373,794)	(331,323)	(347,521)	26,273
Fund balance, beginning	419,802	419,802		419,802	
Fund balance, ending	$ 377,331	$ 46,008	$ (331,323)	$ 72,281	$ 26,273

Notes to Required Supplementary Information – Budgetary Comparison Schedule

The School Board adopted the District's budget before the beginning of the fiscal year and amended it during the year as updated information became available. The original General Fund revenue budget of $5,402,678 increased by $50,377 to $5,453,055. The original expenditure and other financing uses budget of $5,445,149 was increased by $381,700 to $5,826,849. The revenue revisions were primarily attributable to the district assuming fiscal host responsibilities for the sports cooperative and the use of conservative enrollment estimate for the preliminary budget. The expense revisions were primarily attributable to salaries and benefits, contracted expenses, and sports cooperative fiscal host expenses. Actual revenues exceeded the final budget by $140,909, primarily due to increased other local and county revenues from conservative estimates. Actual expenditures and other financing uses exceeded the final budget by $114,636, primarily due to contracted services.

See Independent Auditor's Report.

Independent School District No. 100

Information about the District's Other Postemployment Health Care Plan

Year Ended June 30, 2026

Schedule of Changes in Total OPEB Liability and Related Ratios

	2026	2025	2024	2023	2022	2021	2020	2019
Measurement date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability								
Service Cost	$ 3,387	$ 3,334	$ 3,302	$ 4,223	$ 5,553	$ 4,899	$ 3,018	$ 2,840
Interest	1,320	1,157	1,438	794	1,333	1,421	1,142	985
Changes of assumptions	(453)	(272)	1,164	(5,833)	(174)	2,576	3,626	(134)
Differences between expected and actual experience	6,775		(14,232)		(17,710)		4,352	
Benefit payments	(1,029)	(919)	(483)	(811)	(682)	(349)		
Net change in total OPEB liability	10,000	3,300	(8,811)	(1,627)	(11,680)	8,547	12,138	3,691
Total OPEB Liability - beginning of year	30,389	27,089	35,900	37,527	49,207	40,660	28,522	24,831
Total OPEB liability - end of year	$ 40,389	$ 30,389	$ 27,089	$ 35,900	$ 37,527	$ 49,207	$ 40,660	$ 28,522
Covered payroll	2,847,478	2,441,329	2,650,019	2,846,978	3,020,185	2,933,720	2,808,572	2,755,952
Total OPEB liability as a percentage of covered payroll	1.4%	1.2%	1.0%	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 3.97% to 5.20% based on updated 20-year municipal bond rates.
- Healthcare trend rates changed from at 7.6% to 8.1%, gradually decreasing over several decades to an ultimate rate of 3.9% in FY2076 and later years.
- Mortality rates were updated from the rates used in the 7/1/2022 PERA General Employees Plan and 7/1/2022 Teacher Retirement Association valuations to the rates used in the 2023 experience studies.
- The inflation assumption was unchanged at 2.50%
- The payroll growth rate assumption was unchanged at 3.00%

*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, 2026

Schedule of Employer's Contributions

Teacher's Retirement Association (TRA)

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
June 30, 2026	$224,415	$224,415	$0	$2,287,613	9.81%
June 30, 2025	$200,332	$200,332	$0	$2,289,508	8.75%
June 30, 2024	$188,190	$188,190	$0	$2,150,743	8.75%
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%

Public Employees Retirement Association (PERA)

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
June 30, 2026	$74,715	$74,715	$0	$996,196	7.50%
June 30, 2025	$73,302	$73,302	$0	$977,356	7.50%
June 30, 2024	$64,534	$64,534	$0	$860,448	7.50%
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%

Independent School District No. 100

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

Year Ended June 30, 2026

Schedule of Employer's Proportionate 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, 2025	0.0329%	$1,886,483	$117,162	$2,003,645	$2,289,508	82.4%	84.5%
June 30, 2024	0.0325%	$2,065,154	$134,970	$2,200,124	$2,150,743	96.0%	82.1%
June 30, 2023	0.0352%	$2,906,191	$203,760	$3,109,951	$2,235,467	130.0%	76.4%
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	$1,671,026	458.2%	44.9%

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, 2025	0.0108%	$357,616	$8,627	$366,243	$977,356	36.6%	90.8%
June 30, 2024	0.0102%	$378,198	$9,779	$387,977	$860,448	44.0%	89.1%
June 30, 2023	0.0113%	$631,883	$17,402	$649,285	$899,905	70.2%	74.6%
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%

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

Year Ended June 30, 2026

2025 Changes

Changes in Actuarial Assumptions

The following changes in assumptions are effective with the July 1, 2025 valuation, as recommended in the most recent experience study (dated June 30, 2025):

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.
- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024 Changes

Changes in Actuarial Assumptions

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023 Changes

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of $170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

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

Year Ended June 30, 2026

2022 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2021 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2019 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

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

Year Ended June 30, 2026

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from $31 million to $21 million per year. The State's special funding contribution was changed prospectively, requiring $16 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1 percent per year through 2044 and 2.5 percent per year thereafter to 1.25 percent per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4 percent to 3 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases were changed from 1 percent per year with a provision to increase to 2.5 percent upon attainment of 90 percent funding ratio to 50 percent of the Social Security Cost-of Living Adjustment, not less than 1 percent and not more than 1.5 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA load are now 0 percent for active member liability, 15 percent for vested deferred member liability, and 3 percent for non-vested deferred member liability.
- The assumed annual increase rate was changed for 1 percent per year for all years to 1 percent per year through 2044 and 2.50 percent per year thereafter.

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals $16.0 million in 2017 and 2018 and $6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from $21,000,000 to $31,000,000 in calendar years 2019 to 2031. The State's contribution changed from $16,000,000 to $6,000,000 in calendar years 2019 to 2031.

2016 Changes:

Changes in Actuarial Assumptions

- The assumed annual increase rate was changed from 1 percent per year through 2035 and 2.50 percent per year thereafter to 1 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

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

Year Ended June 30, 2026

Changes in Plan Provisions

- There have been no changes since the prior valuation.

Supplementary Financial Information

Independent School District No. 100

Nonmajor Governmental Funds – Combining Balance Sheet

June 30, 2026

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Food Service Fund	Community Service Fund	
Assets			
Cash and temporary cash investments	$ 101,444	$ 97,564	$ 199,008
Accounts receivable	7,909		7,909
Current property taxes receivable		8,309	8,309
Delinquent property taxes receivable		453	453
Due from the Minnesota Department of Education	1,454	4,335	5,789
Inventory	8,623		8,623
Total assets	$ 119,430	$ 110,661	$ 230,091
Liabilities			
Salaries payable	$ 17,392	$ 14,307	$ 31,699
Accounts payable		1,739	1,739
Unearned revenue	2,648		2,648
Total liabilities	20,040	16,046	36,086
Deferred inflows of resources			
Delinquent property taxes		453	453
Property taxes levied for subsequent year's expenditures		27,105	27,105
Total deferred inflows of resources		27,558	27,558
Fund balances			
Nonspendable	8,623		8,623
Restricted	90,767	76,118	166,885
Unassigned		(9,061)	(9,061)
Total fund balances	99,390	67,057	166,447
Total liabilities, deferred inflows of resources, and fund balances	$ 119,430	$ 110,661	$ 230,091

Independent School District No. 100

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

For the Year Ended June 30, 2026

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Food Service Fund	Community Service Fund	
Revenues			
Local property tax levies	$	$ 28,649	$ 28,649
Other local and county revenues		128,582	128,582
Revenue from state sources	123,887	61,725	185,612
Revenue from federal sources	112,241		112,241
Sales and other conversion of assets	2,970		2,970
Total revenues	239,098	218,956	458,054
Expenditures			
Current			
Community education and services		184,398	184,398
Pupil support services	241,809		241,809
Total expenditures	241,809	184,398	426,207
Excess (deficiency) of revenues over expenditures	(2,711)	34,558	31,847
Other financing sources (uses)			
Transfers in	10,486		10,486
Transfers out		(1,633)	(1,633)
Total other financing sources (uses)	10,486	(1,633)	8,853
Net change in fund balances	7,775	32,925	40,700
Fund balances, beginning	91,615	34,132	125,747
Fund balances, ending	$ 99,390	$ 67,057	$ 166,447

Independent School District No. 100

Fiscal Compliance Table

For the Year Ended June 30, 2026

	Audit	UFARS	Audit - UFARS
01 GENERAL FUND			
Total revenues	$ 5,593,964	$ 5,593,964	$
Total expenditures	5,932,632	5,932,631	1
Non spendable			
460 Non spendable fund balance	41,566	41,566	
Restricted/Reserve			
401 Student activities	61,716	61,716	
403 Staff development	42,105	42,105	
405 Deferred maintenance			
406 Health and safety			
407 Capital Projects Levy			
408 Cooperative revenue			
411 Severance pay			
412 Literacy incentive aid	36,456	36,456	
414 Operating debt			
416 Levy reduction			
417 Taconite building maintenance			
420 American Indian Ed Aid	4,205	4,205	
424 Operating capital	-		
426 $25 Taconite			
427 Disabled accessibility			
428 Learning and development			
434 Area learning center			
435 Contracted alt. Programs			
437 Q Comp	(9,866)	(9,866)	
438 Gifted & talented			
441 Basic skills program			
445 Career and technical Programs			
446 First Grade Preparedness			
449 Safe schools levy			
450 Prekindergarten			
451 QZAB payments			
452 OPEB liability not in trust			
456 Literacy Aid	4,656	4,656	
467 LTFM	1	1	
471 Student Support Personnel	1,140	1,140	
472 Medical Assistance	79,090	79,090	
Restricted			
464 Restricted fund balance			
Committed			
418 Committed for separation			
461 Committed fund balance			
Assigned			
462 Assigned fund balance	813	812	1
Unassigned			
422 Unassigned fund balance	(189,601)	(189,601)	
02 FOOD SERVICE			
Total revenues	239,098	239,097	1
Total expenditures	241,809	241,809	
Non spendable			
460 Non spendable fund balance	8,623	8,623	
Restricted			
452 OPEB liability not in trust			
464 Restricted fund balance	90,767	90,767	
Unassigned			
463 Unassigned fund balance	-		
04 COMMUNITY SERVICE			
Total revenues	218,956	218,956	
Total expenditures	184,398	184,399	(1)
Non spendable			
460 Non spendable fund balance			
Restricted/Reserve			
426 $25 taconite			
431 Community education	3,418	3,418	
432 ECFE	67,994	67,994	
444 School readiness	(9,061)	(9,060)	(1)
447 Adult Basic Education			
452 OPEB liability not in trust			
Restricted			
464 Restricted fund balance	4,706	4,706	
Unassigned			
463 Unassigned fund balance			

	Audit	UFARS	Audit - UFARS
06 BUILDING CONSTRUCTION			
Total revenues	$	$	$
Total expenditures			
Non spendable			
460 Non spendable fund balance			
Restricted/Reserve			
467 LTFM			
407 Down payment levy			
409 Alternative facility program			
413 Projects funded by COP			
Restricted			
464 Restricted fund balance			
Unassigned			
463 Unassigned fund balance			
07 DEBT SERVICE			
Total revenues	948,575	948,575	
Total expenditures	946,985	946,985	
Non spendable			
460 Non spendable fund balance			
Restricted/Reserve			
425 Bond refundings			
451 QZAB payments			
Restricted			
464 Restricted fund balance	194,450	194,450	
Unassigned			
463 Unassigned fund balance			
08 TRUST			
Total revenues			
Total expenditures			
422 Net position			
18 CUSTODIAL FUND			
Total revenues	2,837	2,837	
Total expenditures	290	290	
402 Scholarships	54,327	54,327	
20 INTERNAL SERVICE			
Total revenues			
Total expenditures			
422 Net position			
25 OPEB REVOCABLE TRUST FUND			
Total revenues			
Total expenditures			
422 Net position			
45 OPEB IRREVOCABLE TRUST FUND			
Total revenues			
Total expenditures			
422 Net position			
47 OPEB DEBT SERVICE FUND			
Total revenues			
Total expenditures			
Non spendable			
460 Non spendable fund balance			
Restricted			
425 Bond refundings			
464 Restricted fund balance			
Unassigned			
463 Unassigned fund balance			

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

WIPFLI

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

Board of Directors
Independent School District No. 100
Wrenshall, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. 100, Minnesota (the "District") as of and for the year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated .

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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.

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 reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Billings, Montana

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WIPFLI

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

Board of Directors
Independent School District No. 100
Wrenshall, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 100, Minnesota (the "District") as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated .

In connection with our audit, nothing came to our attention that caused us to believe that Independent School District No. 100 failed to comply with the provisions of the contracting-bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, miscellaneous provisions, and uniform financial accounting and reporting standards for Minnesota school districts (UFARS) sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

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.

Wipfli LLP

Billings, Montana

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Independent School District No. 100

Schedule of Findings and Responses

For the Year Ended June 30, 2026

Section I - Financial Statement Findings

None.

Section II - Minnesota Legal Compliance Findings

None.

Independent School District No. 100

Schedule of Prior Year Findings and Responses

For the Year Ended June 30, 2026

Financial Statement Findings

Item 2025-001 –Financial Statement Presentation and Disclosure

This finding has been resolved in fiscal year 2026.



Independent School District No. 100
Wrenshall
Audit Presentation
Year Ended June 30, 2026
Wipfli LLP

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Auditor Responsibility

- Issue an opinion on the basic financial statements
- Report on compliance and internal controls over financial reporting
- Report on compliance with Minnesota statutes tested

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Auditor Results

- Unmodified opinion on the basic financial statements
- No significant deficiencies or material weaknesses over compliance or internal controls over financial reporting
- No findings for noncompliance with Minnesota statutes tested

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Changes from FY25

- Prior Year included significant deficiency for *Financial Presentation and Disclosure*. No longer applicable in FY26.
- Prior year included “Other Comment” related to old items being included on the bank reconciliation. This was corrected.
- New GASB Standards
  - GASB No. 103, *Financial Reporting Model Improvements*
  - GASB No. 104, *Disclosure of Certain Capital Assets*
  - GASB No. 105, *Subsequent Events* (Early Implementation)
- Subsequent Event Disclosure – Consolidation

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Year Over Year Comparison – Overall District

Statement of Net Position (Deficit)

Statement of Net Position (Deficit) June 30,	2026	2025
Current and other assets	$ 2,733,872	$ 3,027,094
Capital assets	16,386,330	16,875,812
Total assets	19,120,202	19,902,906
Deferred outflows of resources	610,773	670,895
Other liabilities	984,386	936,869
Long-term liabilities	14,140,066	15,107,383
Total liabilities	15,124,452	16,044,252
Deferred inflows of resources	2,513,586	2,684,999
Net position		
Net investment in capital assets	4,680,835	4,473,970
Restricted	488,646	358,069
Unrestricted (deficit)	(3,076,544)	(2,987,489)
Total net position (deficit)	$ 2,092,937	$ 1,844,550

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Financial Snapshot by Fund - Balance Sheet

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	$ 534,874	$ 782,789	$ 199,008	$ 1,516,671
Accounts receivable	3,009		7,909	10,918
Current property taxes receivable	177,914	327,218	8,309	513,441
Delinquent property taxes receivable	9,012	15,342	453	24,807
Due from other Minnesota school districts	66,932			66,932
Due from the Minnesota Department of Education	447,328	10,043	5,789	463,160
Due from the federal government through the Minnesota Department of Education	66,472			66,472
Due from other governmental units	21,282			21,282
Prepaid expenses	38,407			38,407
Inventory	3,159		8,623	11,782
Total assets	$ 1,368,389	$ 1,135,392	$ 230,091	$ 2,733,872
Liabilities				
Salaries payable	$ 408,295	$	$ 31,699	$ 439,994
Accounts payable	14,553		1,739	16,292
Accrued payroll liabilities	216,253			216,253
Due to other Minnesota school districts	159,869			159,869
Due to other governments	10,191			10,191
Unearned revenue	21,286		2,648	23,934
Total liabilities	830,447		36,086	866,533
Deferred inflows of resources				
Delinquent property taxes	9,012	15,342	453	24,807
Property taxes levied for subsequent year's expenditures	456,649	925,600	27,105	1,409,354
Total deferred inflows of resources	465,661	940,942	27,558	1,434,161
Fund balances				
Nonspendable	41,566		8,623	50,189
Assigned	813			813
Restricted	229,369	194,450	166,885	590,704
Unassigned	(199,467)		(9,061)	(208,528)
Total fund balances	72,281	194,450	166,447	433,178
Total liabilities, deferred inflows of resources, and fund balances	$ 1,368,389	$ 1,135,392	$ 230,091	$ 2,733,872

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Financial Snapshot by Fund – Revenue, Expenses, and Changes in Fund Balance

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Local property tax levies	$ 598,406	$ 848,589	$ 28,649	$ 1,475,644
Other local and county revenues	324,390		128,582	452,972
Revenue from state sources	4,462,328	99,986	185,612	4,747,926
Revenue from federal sources	163,062		112,241	275,303
Sales and other conversion of assets	268		2,970	3,238
Interest income	45,510			45,510
Total revenues	5,593,964	948,575	458,054	7,000,593
Expenditures				
Current				
District and school administration	499,573			499,573
District support services	405,350			405,350
Regular instruction	2,537,089			2,537,089
Vocational instruction	99,557			99,557
Exceptional instruction	994,950			994,950
Community education and services			184,398	184,398
Instructional support services	105,980			105,980
Pupil support services	545,942		241,809	787,751
Site, buildings, and equipment	598,106			598,106
Fiscal and other fixed cost programs	66,182			66,182
Capital outlay	41,686			41,686
Debt service				
Principal	30,088	645,000		675,088
Interest	8,129	301,985		310,114
Total expenditures	5,932,632	946,985	426,207	7,305,824
Excess of revenues over expenditures	(338,668)	1,590	31,847	(305,231)
Other financing sources				
Transfers in			10,486	10,486
Transfers out	(8,853)		(1,633)	(10,486)
Total other financing sources	(8,853)		8,853	
Net change in fund balances	(347,521)	1,590	40,700	(305,231)
Fund balances, beginning	419,802	192,860	125,747	738,409
Fund balances, ending	$ 72,281	$ 194,450	$ 166,447	$ 433,178

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Budget to Actual – General Fund

	Original Budget	Final Budget	Variance Final to Original	Actual	Variance Over (Under)
Revenues					
Local property tax levies	$ 615,143	$ 620,941	$ 5,798	$ 598,406	$ (22,535)
Other local and county revenues	83,050	178,919	95,869	324,390	145,471
Revenue from state sources	4,482,505	4,446,599	(35,906)	4,462,328	15,729
Revenue from federal sources	170,780	163,396	(7,384)	163,062	(334)
Sales and conversion of assets	1,200	1,200		268	(932)
Interest income	50,000	42,000	(8,000)	45,510	3,510
Total revenues	5,402,678	5,453,055	50,377	5,593,964	140,909
Expenditures					
Current					
District and school administration	368,269	405,605	37,336	499,573	(93,968)
District support services	350,344	397,464	47,120	405,350	(7,886)
Regular instruction	2,167,134	2,513,785	346,651	2,537,089	(23,304)
Vocational instruction	115,846	97,276	(18,570)	99,557	(2,281)
Exceptional instruction	1,030,981	1,004,122	(26,859)	994,950	9,172
Instructional support services	126,048	73,549	(52,499)	105,980	(32,431)
Pupil support services	593,897	565,033	(28,864)	545,942	19,091
Site, buildings, and equipment	537,685	619,014	81,329	598,106	20,908
Fiscal and other fixed cost programs	62,317	66,504	4,187	66,182	322
Capital outlay	50,700	40,831	(9,869)	41,686	(855)
Debt service					
Principal	25,784	29,386	3,602	30,088	(702)
Interest	16,144	14,280	(1,864)	8,129	6,151
Total expenditures	5,445,149	5,826,849	381,700	5,932,632	(105,783)
Excess of revenues under expenditures	(42,471)	(373,794)	(331,323)	(338,668)	35,126
Other financing uses					
Transfers out				(8,853)	(8,853)
Total other financing sources				(8,853)	(8,853)
Net change in fund balance	(42,471)	(373,794)	(331,323)	(347,521)	26,273
Fund balance, beginning	419,802	419,802		419,802	
Fund balance, ending	$ 377,331	$ 46,008	$ (331,323)	$ 72,281	$ 26,273

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Non-Major Funds: Food Service and Community Service

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Food Service Fund	Community Service Fund	
Revenues			
Local property tax levies	$	$ 28,649	$ 28,649
Other local and county revenues		128,582	128,582
Revenue from state sources	123,887	61,725	185,612
Revenue from federal sources	112,241		112,241
Sales and other conversion of assets	2,970		2,970
Total revenues	239,098	218,956	458,054
Expenditures			
Current			
Community education and services		184,398	184,398
Pupil support services	241,809		241,809
Total expenditures	241,809	184,398	426,207
Excess (deficiency) of revenues over expenditures	(2,711)	34,558	31,847
Other financing sources (uses)			
Transfers in	10,486		10,486
Transfers out		(1,633)	(1,633)
Total other financing sources (uses)	10,486	(1,633)	8,853
Net change in fund balances	7,775	32,925	40,700
Fund balances, beginning	91,615	34,132	125,747
Fund balances, ending	$ 99,390	$ 67,057	$ 166,447

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Restricted Fund Balances

Restricted	Net Position	Fund Balance
General Fund		
Student activities	$ 61,716	$ 61,716
American Indian Education aid	4,205	4,205
Literacy incentive aid	36,456	36,456
LTFM	1	1
Medical assistance	79,090	79,090
Student support personnel	1,140	1,140
READ Act - Literacy aid	4,656	4,656
Staff development	42,105	42,105
Total general fund	229,369	229,369
Debt service	91,939	194,450
Other nonmajor governmental funds		
Food service	90,767	90,767
ECFE	67,994	67,994
Community service	5,159	4,706
Community education	3,418	3,418
Total other nonmajor governmental funds	167,338	166,885
Total restricted	$ 488,646	$ 590,704

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Notes of the Financial Statements

- Note 1 – Summary of Significant Accounting Policies
- Note 2 – Deposits and Investments
- Note 3 – Capital Assets
- Note 4 – Long Term Obligations (Debt, Leases, Compensated Absences, Net Pension Liabilities)
- Note 5 – Interfund Transactions (None in FY25)
- Note 6 – Net Position/Fund Balances
- Note 7 – Pension Plans (PERA & TRA)
- Note 8 – Postemployment Healthcare Plan
- Note 9 – Commitments and Contingencies
- Note 10 – Risk Management
- Note 11 – Subsequent Event

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Thank you for your time

For any questions regarding this report, please feel free to reach out to either:

- Kim Dare (Partner) kdare@wipfli.com or
- Zak Sharp (Manager) zsharp@wipfli.com



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423 EMPLOYEE-STUDENT RELATIONSHIPS

I. PURPOSE

The school district is committed to an educational environment in which all students are treated with respect and dignity. Every school district employee is to provide students with appropriate guidance, understanding, and direction while maintaining a standard of professionalism and acting within accepted standards of conduct.

II. GENERAL STATEMENT OF POLICY

A. This policy applies to all school district employees at all times, whether on or off duty and on or off of school district locations.

B. At all times, students will be treated by teachers and other school district employees with respect, courtesy, and consideration and in a professional manner. Each school district employee is expected to exercise good judgment and professionalism in all interpersonal relationships with students. Such relationships must be and remain on a teacher-student basis or an employee-student basis.

C. Teachers must be mindful of their inherent positions of authority and influence over students. Similarly, other school district employees also may hold positions of authority over students of the school district and must be mindful of their authority and influence over students.

D. Sexual relationships between school district employees and students, without regard to the age of the student, are strictly forbidden and may subject the employee to criminal liability.

E. Other actions that violate this policy include, but are not limited to, the following:

1. Dating students.

2. Having any interaction/activity of a sexual nature with a student.

3. Committing or attempting to induce students or others to commit an illegal act or act of immoral conduct which may be harmful to others or bring discredit to the school district.

4. Supplying alcohol or any illegal substance to a student, allowing a student access to such substances, or failing to take reasonable steps to prevent such access from occurring.

5. Grooming as prohibited under Minnesota Statutes, section 609.352.

F. School district employees shall, whenever possible, employ safeguards against improper relationships with students and/or claims of such improper relationships.

~~**[NOTE: Such safeguards may include the following: avoiding altogether or minimizing physical contact, keeping doors open when talking or meeting with students one-on-one, and/or making sure that such meetings with a student take place in rooms with windows and/or others nearby.]**~~

G. Excessive informal and social involvement with individual students is unprofessional, is not compatible with employee-student relationships, and is inappropriate.

H. School district employees will adhere to applicable standards of ethics and professional conduct in Minnesota law.

III. REPORTING AND INVESTIGATION

A. Complaints and/or concerns regarding alleged violations of this policy shall be handled in accordance with the school district's ~~Policy 103 (~~Complaints – Students, Employees, Parents, Other Persons policy~~)~~ unless other specific complaint procedures are provided within any other policy of the school district.

B. All employees shall cooperate with any investigation of alleged acts, conduct, or communications in violation of this policy.

IV. SCHOOL DISTRICT ACTION

Upon receipt of a report, the school district will take appropriate action. Such action may include, but is not limited to, warning, suspension, exclusion, expulsion, transfer, remediation, termination, or discharge. It also may include reporting to appropriate state or federal authorities, including the Minnesota Professional Educator Licensing and Standards Board or the appropriate licensing authority and appropriate agencies responsible for investigating reports of maltreatment of minors and/or vulnerable adults. School district action taken for violation of this policy will be consistent with requirements of applicable collective bargaining agreements, Minnesota and federal law, and school district policies.

V. SCOPE OF LIABILITY

Employees are placed on notice that if an employee acts outside the performance of the duties of the position for which the employee is employed or is guilty of malfeasance, willful neglect of duty, or bad faith, the school district is not required to defend and indemnify the employee for damages in school-related litigation.

Legal References:
Minn. Stat. § 13.43, Subd. 16 (Personnel Data)
Minn. Stat. § 122A.20, Subd. 2 (Suspension or Revocation of Licenses)
Minn. Stat. § 122A.40, Subds. 5(b) and 13(b) (Employment; Contracts; Termination)
Minn. Stat. §§ 609.341-609.352 (Definitions)
Minn. Stat. Ch. 260E (Reporting of Maltreatment of Minors)
Minn. Stat. § 626.557 (Reporting of Maltreatment of Vulnerable Adults)
Minn. Rules Part 3512.5200 (Code of Ethics for School Administrators)
Minn. Rules Part 8710.2100 (Code of Ethics for Minnesota Teachers)

Cross References:
MSBA/MASA Model Policy 103 (Complaints – Students, Employees, Parents, Other Persons)
MSBA/MASA Model Policy 211 (Criminal or Civil Action Against School District, School Board Member, Employee, or Student)
MSBA/MASA Model Policy 306 (Administrator Code of Ethics)
MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)
MSBA/MASA Model Policy 413 (Harassment and Violence)
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 421 (Gifts to Employees and School Board Members)

425 STAFF DEVELOPMENT AND MENTORING

[NOTE: The provisions of this policy substantially reflect statutory requirements.]

I. PURPOSE

The purpose of this policy is to establish a staff development program and structure to carry out planning and reporting on staff development that supports improved student learning.

II. ADVISORY STAFF DEVELOPMENT COMMITTEE AND SITE PROFESSIONAL DEVELOPMENT TEAMS

A. The school board will establish an Advisory Staff Development Committee to develop a Staff Development Plan, assist Site Professional Development Teams in developing a site plan consistent with the goals of the Staff Development Plan, and evaluate staff development efforts at the site level.

1. The majority of the membership of the Advisory Staff Development Committee shall consist of teachers representing various grade levels, subject areas, and special education. The Committee also will include nonteaching staff, parents, and administrators.

2. Members of the Advisory Staff Development Committee shall be appointed by the school administration. Committee members shall serve a [**two-year term**] based upon nominations by board members, teachers, and paraprofessionals. The school administration shall appoint replacement members of the Advisory Staff Development Committee as soon as possible following the resignation, death, serious illness, or removal of a member from the Committee.

[NOTE: The board may choose the Committee members' term of service.]

B. The school board will establish the Site Professional Development Teams.

1. Members of the Site Professional Development Teams will be appointed by the school administration. Team members shall serve a [**two-year term**] based upon nominations by board members, teachers, and paraprofessionals. The school administration shall appoint replacement members of the Site Professional Development Teams as soon as possible following the resignation, death, serious illness, or removal of a member from the Team.

2. The majority of the Site Professional Development Teams shall be teachers representing various grade levels, subject areas, and special education.

III. DUTIES OF THE ADVISORY STAFF DEVELOPMENT COMMITTEE

A. The Advisory Staff Development Committee will develop a Staff Development Plan that will be reviewed and subject to approval by the school board [**twice a year**].

B. The Staff Development Plan must contain the following elements:

1. Staff development outcomes that are consistent with the education outcomes as may be determined periodically by the school board;

[NOTE: The board-determined education outcomes for your district could be inserted here.]

2. The means to achieve the Staff Development outcomes;

3. The procedures for evaluating progress at each school site toward meeting educational outcomes consistent with relicensure requirements under Minnesota Statutes, section 122A.187;

4. Ongoing staff development activities that contribute toward continuous improvement in achievement of the following goals:

    a. Improve student achievement of state and local education standards in all areas of the curriculum, including areas of regular academic and applied and experiential learning, by using research-based best practices methods;

    b. Effectively meet the needs of a diverse student population, including at-risk children, children with disabilities, English learners, and gifted children, within the regular classroom, applied and experiential learning settings, and other settings;

    c. Provide an inclusive curriculum for a racially, ethnically, linguistically, and culturally diverse student population that is consistent with state education diversity rule and the district's education diversity plan;

    d. Improve staff collaboration and develop mentoring and peer coaching programs for teachers new to the school or district;

    e. Effectively teach and model violence prevention policy and curriculum that address early intervention alternatives, issues of harassment, and teach nonviolent alternatives for conflict resolution;

    f. Effectively deliver digital and blended learning and curriculum and engage students with technology; and

    g. Provide teachers and other members of site-based management teams with appropriate management and financial management skills.

5. The Staff Development Plan also must:

    a. Support stable and productive professional communities achieved through ongoing and schoolwide progress and growth in teaching practice;

    b. Emphasize coaching, professional learning communities, classroom action research, and other job-embedded models;

    c. Maintain a strong subject matter focus premised on students' learning goals consistent with Minnesota Statutes, section 120B.125;

    d. Ensure specialized preparation and learning about issues related to teaching English learners and students with special needs by focusing on long-term systemic efforts to improve educational services and opportunities and raise student achievement; and

    e. Reinforce national and state standards of effective teaching practice.

6. Staff development activities must:

   a. Focus on the school classroom and research-based strategies that improve student learning;

   b. Provide opportunities for teachers to practice and improve their instructional skills over time;

   c. Provide opportunities for teachers to use student data as part of their daily work to increase student achievement;

   d. Enhance teacher content knowledge and instructional skills, including to accommodate the delivery of digital and blended learning and curriculum and engage students with technology;

   e. Align with state and local academic standards;

   f. Provide opportunities to build professional relationships, foster collaboration among principals and staff who provide instruction, and provide opportunities for teacher-to-teacher mentoring;

   g. Align with the plan, if any, of the district or site for an alternative teacher professional pay system;

   h. Provide teachers of English learners, including English as a second language, and content teachers with differentiated instructional strategies critical for ensuring students long-term academic success, the means to effectively use assessment data on the academic literacy, oral academic language, and English language development of English learners, and skills to support native and English language development across the curriculum; and

   i. Provide opportunities for staff to learn about current workforce trends, the connections between workforce trends and postsecondary education, and training options, including career and technical education options.

7. Staff development activities may include curriculum development and curriculum training programs and activities that provide teachers and other members of site-based teams training to enhance team performance.

8. The school district may implement other staff development activities required by law and activities associated with professional teacher compensation models.

   [NOTE: To the extent the school board offers K-12 teachers the opportunity for more staff development training under Minnesota Statutes, section 122A.40, subdivisions 7 and 7a, or Minnesota Statutes, section 122A.41, subdivisions 4 and 4a, such additional days of staff development should include peer mentoring, peer gathering, continuing education, professional development, or other training which enable teachers to achieve the staff development outcomes enumerated above in Subparagraph III.B.4.]

C. The Advisory Staff Development Committee will assist Site Professional Development Teams in developing a site plan consistent with the goals and outcomes of the Staff Development Plan.

D. The Advisory Staff Development Committee will evaluate staff development efforts at the site level and will report to the school board [**on a quarterly basis**] the extent to which staff at the site have met the outcomes of the Staff Development Plan.

E. In addition to developing a Staff Development Plan, the Staff Development Advisory Committee also must develop teacher mentoring programs for teachers new to the profession or school district, including teaching residents, teachers of color, teachers who are American Indian, teachers in license shortage areas, teachers with special needs, or experienced teachers in need of peer coaching. Teacher mentoring programs must be included in or aligned with the school district's teacher evaluation and peer review processes under Minnesota Statutes, sections 122A.40, subdivision 8 or 122A.41, subdivision 5.

F. The Advisory Staff Development Committee shall assist the school district in preparing any reports required by the Minnesota Department of Education (MDE) relating to staff development or teacher mentoring including, but not limited to, the reports referenced in Article VII. below.

IV. DUTIES OF THE SITE PROFESSIONAL DEVELOPMENT TEAM

A. Each Site Professional Development Team shall develop a site plan, consistent with the goals of the Staff Development Plan. The school board will review the site plans for consistency with the Staff Development Plan [**twice a year**].

B. The Site Professional Development Team must demonstrate to the school board the extent to which staff at the site have met the outcomes of the Staff Development Plan. The actual reports to the school board can be made by the Advisory Staff Development Committee to avoid duplication of effort.

C. If the school board determines that staff development outcomes are not being met, it may withhold a portion of the initial allocation of revenue referenced in Article V. below.

V. STAFF DEVELOPMENT FUNDING

A. Unless the school district is in statutory operating debt or a majority of the school board and a majority of its licensed teachers annually vote to waive the requirement to reserve basic revenue for staff development, the school district will reserve an amount equal to at least two (2) percent of its basic revenue for: (1) teacher development and evaluation under Minnesota Statutes, section 122A.40, subdivision 8 or 122A.41, subdivision 5; (2) principal development and evaluation under section 123B.147, subdivision. 3; (3) professional development under section 122A.60; (4) in-service education for programs under section 120B.22, subdivision 2; and (5) teacher mentorship under section 122A.70, subdivision 1. To the extent extra funds remain, staff development revenue may be used for development plans, including plans for challenging instructional activities and experiences under section 122A.60, and for curriculum development and programs, other in-service education, teacher's workshops, teacher conferences, the cost of substitute teachers for staff development purposes, preservice and in-service education for special education professionals and paraprofessionals, and other related costs for staff development efforts. The school district also may use the revenue reserved for staff development for grants to the school district's teachers to pay for coursework and training leading to certification as either a college in the schools teacher or a concurrent enrollment teacher. To receive a grant, the teacher must be enrolled in a program that includes coursework and training focused on teaching a core subject.

B. The school district may, in its discretion, expend an additional amount of unreserved revenue for staff development based on its needs.

C. Release time provided for teachers to supervise students on field trips and school

activities, or independent tasks not associated with enhancing the teacher's knowledge and instructional skills, such as preparing report cards, calculating grades, or organizing classroom materials, may not be counted as staff development time that is financed with staff development reserved revenue under Minnesota Statutes, section 122A.61.

VI. PROCEDURE FOR USE OF STAFF DEVELOPMENT FUNDS

A. On a **[yearly]** basis, the Advisory Staff Development Committee, with the assistance of the Site Professional Development Teams, shall prepare a projected budget setting forth proposals for allocating staff development and mentoring funds reserved for each school site. Such budgets shall include, but not be limited to, projections as to the cost of building site training programs, costs of individual staff seminars, and cost of substitutes.

B. Upon approval of the budget by the school board, the Advisory Committee shall be responsible for monitoring the use of such funds in accordance with the Staff Development Plan and budget. The requested use of staff development funds must meet or make progress toward the goals and objectives of the Staff Development Plan. All costs/expenditures will be reviewed by the school board and/or superintendent for consistency with the Staff Development Plan **[on a quarterly basis]**.

C. Individual requests from staff for leave to attend staff development activities shall be submitted and reviewed according to school district policy, staff procedures, contractual agreement, and the effect on school district operations. Failure to timely submit such requests may be cause for denial of the request.

D. The school district may use staff development revenue, special grant programs established by the legislature, or another funding source to pay a stipend to a mentor who may be a current or former teacher who has taught at least three (3) years and is not on an improvement plan. Other initiatives using such funds or funds available under Minnesota Statutes, sections 124D.861 and 124D.862, may include:

1. additional stipends as incentives to mentors who are of color or who are American Indian;

2. financial supports for professional learning community affinity groups across schools within and between districts for teachers from underrepresented racial and ethnic groups to come together throughout the school year;

3. programs for induction aligned with the school district or school mentorship program during the first three (3) years of teaching, especially for teachers from underrepresented racial and ethnic groups; or

4. ~~grants supporting licensed and nonlicensed educator participation in professional development, such as workshops and graduate courses, related to increasing student achievement for students of color and American Indian students in order to close opportunity and achievement gaps.~~professional development focused on ways to close opportunity and achievement gaps for students of color and American Indian students; or

5. for teachers of color and American Indian teachers, graduate courses toward a first master's degree in a field related to their licensure or toward an additional license.

To the extent the school district receives a grant for any of the above purposes, it will negotiate additional retention strategies or protection from unrequested leave of absences in the beginning years of employment for teachers of color and teachers who are American Indian. Retention strategies may include providing financial incentives for

teachers of color and teachers who are American Indian to work in the school or district for at least five (5) years and placing American Indian educators at sites with other American Indian educators and educators of color at sites with other educators of color to reduce isolation and increase opportunity for collegial support.

VII. PARAPROFESSIONALS, TITLE I AIDES, AND OTHER INSTRUCTIONAL SUPPORT STAFF

A. The school district must provide a minimum of eight hours of paid orientation or professional development annually to all paraprofessionals, Title I aides, and other instructional support staff. Six (6) of the eight (8) hours must be completed before the first instructional day of the school year or within thirty (30) days of hire. The school district must consult the exclusive representative for employees receiving this training before creating or planning the training required under this section.

B. The orientation or professional development must be relevant to the employee's occupation and may include collaboration time with classroom teachers and planning for the school year.

C. For paraprofessionals who provide direct support to students, at least fifty (50) percent of the professional development or orientation must be dedicated to meeting the requirements of this section. Professional development for paraprofessionals may also address the requirements of Minnesota Statutes, section 120B.363, subdivision 3.

D. A school administrator must provide an annual certification of compliance with this requirement to the MDE Commissioner.

VIII. REPORTING

A. The school district and site staff development committee shall prepare a report of the previous fiscal year's staff development activities and expenditures as part of the school district's comprehensive achievement and civic readiness report.

1. The report must include assessment and evaluation data indicating progress toward district and site staff development goals based on teaching and learning outcomes, including the percentage of teachers and other staff involved in instruction who participate in effective staff development activities.

2. The report will provide a breakdown of expenditures for:

   a. Curriculum development and curriculum training programs;

   b. Staff development training models, workshops, and conferences; and

   c. The cost of releasing teachers or providing substitute teachers for staff development purposes.

   The report also must indicate whether the expenditures were incurred at the district level or the school site level and whether the school site expenditures were made possible by the grants to school sites that demonstrate exemplary use of allocated staff development revenue. These expenditures must be reported using the uniform financial and accounting and reporting standards (UFARS).

3. The report will be signed by the superintendent and staff development chair.

B. To the extent the school district receives a grant for mentorship activities described in Paragraph V.D., by June 30 of each year after receiving a grant, the site staff development committee must submit a report to the Professional Educator Licensing

and Standards Board on program efforts that describes mentoring and induction activities and assesses the impact of these programs on teacher effectiveness and retention.

Legal References: Minn. Stat. § 120A.41 (Length of School Year; Days of Instruction)
Minn. Stat. § 120A.415 (Extended School Calendar)
Minn. Stat. § 120B.125 (Planning for Students' Successful Transition to Postsecondary Education and Employment; Personal Learning Plans)
Minn. Stat. § 120B.22, Subd. 2 (Violence Prevention Education)
Minn. Stat. § 121A.642 (Paraprofessional Training)
Minn. Stat. § 122A.187 (Expiration and Renewal)
Minn. Stat. § 122A.40, Subds. 7, 7a and 8 (Employment; Contracts; Termination - Additional Staff Development and Salary)
Minn. Stat. § 122A.41, Subds. 4, 4a and 5 (Teacher Tenure Act; Cities of the First Class; Definitions - Additional Staff Development and Salary)
Minn. Stat. § 122A.60 (Staff Development Program)
Minn. Stat. § 122A.70 (Teacher Mentorship and Retention of Effective Teachers)
Minn. Stat. § 122A.61 (Reserved Revenue for Staff Development)
Minn. Stat. § 123B.147, Subd. 3 (Principals)
Minn. Stat. § 124D.861 (Achievement and Integration for Minnesota)
Minn. Stat. § 124D.862 (Achievement and Integration Revenue)
Minn. Stat. § 126C.10, Subds. 2 and 2b (General Education Revenue)
Minn. Stat. § 126C.13, Subd. 5 (General Education Levy and Aid)

Cross References: None

507.5 SCHOOL RESOURCE OFFICERS

[NOTE: The provisions of this policy substantially reflect statutory requirements. School districts utilizing school resource officers may choose to adopt this policy.]

I. PURPOSE

The purpose of this policy is to establish the contractual duties and training requirements of a school resource officer.

II. GENERAL STATEMENT OF POLICY

The school district, upon securing the services of one or more school resource officers, is committed to establishing the qualifications and duties required of these officers. A contract for the services of a school resources officer with the school district must meet the requirements of this policy.

III. DEFINITIONS

A. "School" means an elementary school, middle school or secondary school, as defined in Minnesota Statutes, section 120A.05, subdivisions 9, 11, and 13.

B. "School resource officer" means a peace officer who is assigned to work in an elementary school, middle school, or secondary school during the regular instructional school day as one of the officer's regular responsibilities through the terms of a contract entered between the peace officer's employer and the designated school district or charter school.

IV. CONTRACTUAL DUTIES

A. A school resource officer's contractual duties with the school district shall include:

1. fostering a positive school climate through relationship building and open communication;

2. protecting students, staff, and visitors to the school grounds from criminal activity;

3. serving as a liaison from law enforcement to school officials;

4. providing advice on safety drills;

5. identifying vulnerabilities in school facilities and safety protocols;

6. educating and advising students and staff on law enforcement topics; and,

7. enforcement of criminal laws.

B. The school district may contract with a school resource officer's employer for the officer to perform additional duties to those described in Paragraph IV.A.

C. A school resource officer must not use force or the authority of their office solely to

enforce school rules or policies or participate in the enforcement of discipline for violations of school rules.

D. Nothing in this Article limits any other duty or responsibility imposed on peace officers; limits the expectation that peace officers will exercise professional judgment and discretion to protect the health, safety, and general welfare of the public when carrying out their duties; or creates a duty for school resource officers to protect students, staff, or others on school grounds that is different from the duty to protect the public as a whole.

V. TRAINING

A. Except as provided for in Paragraphs V.B., V.C., and V.D. below, ~~beginning September 1, 2025,~~ a peace officer assigned to serve as a school resource officer must complete a training course that provides instruction on the learning objectives identified in Minnesota Statutes, section 626.8482, subdivision 4 prior to assuming the duties of a school resource officer.

B. A peace officer who has completed either the School Safety Center standardized Basic School Resource Officer Training or the National School Resource Officer Basic School Resource Officer course prior to September 1, 2025, must complete the training mandated under Paragraph V.A. above before June 1, 2027. A peace officer covered under this paragraph may complete a supplemental training course approved by the board pursuant to Minnesota Statutes, section 626.8482, subdivision 4, paragraph (b), to satisfy the training requirement.

C. If an officer's employer is unable to provide the required training course to the officer prior to the officer assuming the duties of a school resource officer, the officer must complete the required training within six (6) months of assuming the duties of a school resource officer. The officer is not required to perform the duties described in Minnesota Statutes, section 626.8482, subdivision 2, paragraph (a), clause (4) or (5), until the officer has completed the required training course. The officer must review any policy adopted by the officer's employer pursuant to section 626.8482, subdivision 6 before assuming the other duties of a school resource officer and must comply with that policy.

D. An officer who is serving as a substitute school resource officer for fewer than sixty (60) student contact days within a school year is not obligated to complete the required training or perform the duties described in Minnesota Statutes, section 626.8482 subdivision 2, paragraph (a), clause (4) or (5), but must review and comply with any policy adopted pursuant to subdivision 6 by the law enforcement agency that employs the substitute school resource officer.

E. For each school resource officer employed by an agency, the chief law enforcement officer must maintain a copy of the most recent training certificate issued to the officer for completion of the training mandated under this section.

VI. DUTY TO IDENTIFY

A. A law enforcement officer must identify the law enforcement agency or other entity employing the individual, the individual's last name, and the individual's identification number if the individual is:

1. licensed by the Board of Peace Officer Standards and Training; or

2. an officer employed by a federally recognized Tribe, as defined in 25 United States Code, section 450b(e).

B. A law enforcement officer satisfies the requirements of Paragraph A. above if:

1. the officer wears a uniform that clearly identifies the law enforcement agency or other entity employing the officer and displays any combination of a badge, nameplate, identification patch, or other label that clearly identifies the officer's last name and identification number;

2. the officer wears body armor or a protective suit for the purposes of crowd control or participation as a member of a special weapons and tactics team, and displays any combination of a badge, nameplate, identification patch, or other label that clearly identifies the law enforcement agency or other entity employing the officer and the officer's identification number; or

3. upon request, the officer states the required information or provides a card that includes the required information.

VII. USE OF CHEMICAL IRRITANTS

The school district must provide information about the use of any chemical irritant, smoke screen, or diversionary device deployed within a building as required under Minnesota Statutes, section 626.745.

Legal References:
Minn. Stat. § 120A.05, subds. 9, 11, and 13 (Definitions)
Minn. Stat. § 123B.02, subd. 25 (General Powers of Independent School Districts – School Resource Officers)
Minn. Stat. § 626.8482 (School Resource Officers; Duties; Training; Model Policy)

Cross References:
MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)
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 506 (Student Discipline)

Resources:
MN House of Representatives: School Resource Officers (accessed 10/02/25)
MN Department of Public Safety: School Resource Officer Training (accessed 10/02/25)
MN Department of Public Safety: FAQs for Mandated School Resource Officer (SRO) Requirements (accessed 10/02/25)
U.S. Department of Education: FAQs on Photos and Videos under FERPA (accessed 10/02/25)
U.S. Department of Education: School Resource Officers, School Law Enforcement Units, and the Family Educational Rights and Privacy Act (FERPA) (accessed 10/02/25)
U.S. Department of Education: Does FERPA distinguish between School Resource Officers (SROs) and other local police officers who work in a school? (accessed 10/02/25)

509 ENROLLMENT OF NONRESIDENT STUDENTS

[NOTE: The provisions of this policy substantially reflect statutory requirements.]

I. PURPOSE

The school district desires to participate in the Enrollment Options Program (Open Enrollment) established by Minnesota Statutes, section 124D.03. The purpose of this policy is to set forth the application and exclusion procedures used by the school district in making said determination.

II. GENERAL STATEMENT OF POLICY

The school board adopts specific standards for acceptance and rejection of Open Enrollment applications.

III. OPEN ENROLLMENT PROCESS

A. Open Enrollment applications will be approved provided that acceptance of the application will not exceed the capacity of a program, excluding special education services; class; ~~grade level;~~ or school building as established by school board resolution and provided that:

1. space is available for the applicant under enrollment cap standards established by school board policy or other directive; and

2. in considering the capacity of a grade level, the school district may ~~only~~ limit the enrollment of nonresident students in its schools or programs to a number not less than the lesser of:

   a. one (1) percent of the total enrollment at each grade level in the school district; or

   b. the number of school district resident students at that grade level enrolled in a nonresident school district according to~~in accordance with~~ Minnesota Statutes, section 124D.03.

3. the applicant is not otherwise excluded by action of the school district because of previous conduct in another school district.

B. If the school district limits enrollment of nonresident students pursuant to Paragraph A.~~this section~~, the school district shall report to the Commissioner of the Minnesota Department of Education (MDE) by July 15 on the number of nonresident pupils denied admission due to the limitations on the enrollment of nonresident pupils.

C. The parent of a student with a disability not yet enrolled in kindergarten and not open enrolled in a nonresident district may elect, in the same manner as the parent of a resident student with a disability, a school in the nonresident district where the child is enrolled in a Head Start program or a licensed child care setting in the nonresident district, provided the child can be served in the same setting as other children in the nonresident district with the same level of disability.

Under this paragraph, parents must demonstrate enrollment in a community preschool or childcare setting in a nonresident district.

[NOTE: MDE's *Birth up to Kindergarten Enrollment, Legislative Changes* states~~:~~: "There is no standard set for how parents must demonstrate enrollment in a community preschool or childcare setting. We recommend a written policy for this process." A district may choose to insert applicable local provisions here.]

D. A nonresident preschool aged child with a disability open enrolled in the district may be required to open enroll for kindergarten.

[NOTE: MDE's *Birth up to Kindergarten Enrollment, Legislative Changes* offers the following recommendation: "the non-resident district may elect to allow the child's enrollment status to continue without completing another application. MDE recommends that districts create policies around this election which must be non-discriminatory and in writing." A district may choose to insert applicable local provisions here.]

IV. BASIS FOR DECISIONS

A. Standards that may be used for rejection of application

In addition to the provisions above, the school district may refuse to allow a pupil who is expelled under Minnesota Statutes, section 121A.45 to enroll during the term of the expulsion if the student was expelled for:

1. possessing a dangerous weapon, including a weapon, device, instrument, material, or substance, animate or inanimate, that is used for, or is readily capable of, causing death or serious bodily injury, except that such term does not include a pocket knife with a blade less than two and one-half inches in length, at school or a school function;

2. possessing or using an illegal drug at school or a school function;

3. selling or soliciting the sale of a controlled substance while at school or a school function; or

4. committing a third-degree assault as described in Minnesota Statutes, section 609.223, subdivision 1. ~~involving assaulting another and inflicting substantial bodily harm.~~

B. Standards that may not be used for rejection of application

The school district may not use the following standards in determining whether to accept or reject an application for open enrollment:

1. the student's previous academic achievement ~~of a student~~;

2. the student's athletic or extracurricular ability ~~of a student~~;

3. the student's disabling conditions ~~of a student~~;

4. the student's proficiency in the English language;

5. the student's district of residence, except where the district of residence is directly included in an enrollment options strategy included in an approved achievement and integration program; or

6. previous disciplinary proceedings involving the student. This shall not preclude the school district from proceeding with exclusion as set out in this policy.

C. Application

The ~~student and~~ parent or guardian must complete and submit the "General Statewide Enrollment Options Application for K-12 and Early Childhood Special Education (or the Statewide Enrollment Options Application for State-funded Voluntary Prekindergarten (VPK) Application if applicable) developed by MDE and available on its website. The signed application must be submitted by January 15 for initial enrollment beginning the following school year.

The school district may require a nonresident student enrolled in a program under Minnesota Statutes, section 125A.13, or in a preschool program, except for a program under Minnesota Statutes, section 142D.08~~124D.151~~ to follow the application procedures under Minnesota Statutes, section 124D.03, subdivision 3~~this subdivision~~ to enroll in kindergarten. A school district must allow a nonresident student enrolled in a program under Minnesota Statutes, section 142D.08~~124D.151~~ or to remain enrolled in the school district when the student enters kindergarten without submitting annual or periodic applications, unless the district terminates the student's enrollment under Minnesota Statutes, section 124D.03, subdivision 12.

The school district shall notify the parent or guardian in writing by February 15 or within ninety (90) days for applications submitted after January 15 in the case of achievement and integration district transfers whether the application has been accepted or rejected. If an application is rejected, the school district must state in the notification the reason for rejection. The parent or guardian must notify the nonresident district by March 1 or within ten (10) business days whether the pupil intends to enroll in the nonresident district.

D. Lotteries

1. If a school district has more applications than available seats at a specific grade level, it must hold an impartial lottery following the January 15 deadline to determine which students will receive seats. The school district must give priority to enrolling siblings of currently enrolled students, students whose applications are related to an approved integration and achievement plan, children of the school district's staff, and students residing in that part of a municipality (a statutory or home rule charter city or town) where:

   a. the student's resident district does not operate a school building;

   b. the municipality is located partially or fully within the boundaries of at least five (5) school districts;

   c. the nonresident district in which the student seeks to enroll operates one (1) or more school buildings within the municipality; and

   d. no other nonresident, independent, special, or common school district operates a school building within the municipality.

2. The process for the school district lottery must be established by school board policy and posted on the school district's website.

E. Exclusion

1. Administrator's initial determination

   If a school district administrator knows or has reason to believe that an applicant has engaged in conduct that has subjected or could subject the applicant to expulsion or exclusion under law or school district policy, the administrator will transmit the application to the superintendent with a recommendation of

whether exclusion proceedings should be initiated.

2. Superintendent's review

The superintendent may make further inquiries. If the superintendent determines that the applicant should be admitted, he or she will notify the applicant and the school board chair. If the superintendent determines that the applicant should be excluded, the superintendent will notify the applicant and determine whether the applicant wishes to continue the application process. Although an application may not be rejected based on previous disciplinary proceedings, the school district reserves the right to initiate exclusion procedures pursuant to the Minnesota Pupil Fair Dismissal Act as warranted on a case-by-case basis.

F. Termination of Enrollment

The school district may terminate the enrollment of a nonresident student enrolled under an enrollment options program pursuant to Minnesota Statutes, section 124D.03 or 124D.08 at the end of a school year if the student meets the definition of a habitual truant under Minnesota Statutes, section 260C.007, subdivision 19, the student has been provided appropriate services for truancy under Minnesota Statutes, chapter 260A, and the student's case has been referred to juvenile court.

A "habitual truant" is a child who is at least twelve (12) years old and less than eighteen (18) years old~~under seventeen (17) years of age~~ who is absent from attendance at school without lawful excuse ~~for seven (7) school days in a school year if the child is in elementary school or~~ for one (1) or more class periods on seven (7) school days in a school year if the child is in middle school, junior high school, or high school, or a child who is seventeen (17) years of age who is absent from attendance at school without lawful excuse for one (1) or more class periods on seven (7) school days in a school year and who has not lawfully withdrawn from school. Pursuant to Minnesota Statutes, section 260C.163, subdivision 11, "habitual truant" also means a child under age twelve (12) who has been absent from school for seven (7) school days without lawful excuse, based on a showing by clear and convincing evidence that the child's absence is not due to the failure of the child's parent, guardian, or custodian to comply with compulsory instruction laws.

The school district may also terminate the enrollment of a nonresident student over seventeen (17) years of age if the student is absent without lawful excuse for one (1) or more periods on fifteen (15) school days and has not lawfully withdrawn from school under Minnesota Statutes, section 120A.22, subdivision 8.

A student who has not applied for and been accepted for open enrollment pursuant to this policy and if the school district reasonably believes that a student does not otherwise meet the residency requirements of the school district in which the student is attending school, the student may be ~~for enrollment may be terminated from enrollment and~~ removed from school~~. Prior to removal from school, the school district will send to the student's parents~~ only after the school district sends the student's parents ~~a~~ written notice of the school district's belief ~~that the student is not a resident of the school district. The notice shall~~ including the facts upon which the belief is based, and ~~notice to the parents of their~~ an opportunity to provide documentary evidence~~,~~ in person ~~or in writing, of residency~~ to the superintendent or the superintendent's designee, or, at the option of the parents, by sending the documentary evidence to the superintendent, or a designee, ~~The superintendent or the superintendent's designee~~ who will make ~~the~~ a final determination as to the residency status of the student.

Notwithstanding the requirement that an application must be approved by the board of the nonresident district, a student who has been enrolled in a district, who is identified as homeless, and whose parent or legal guardian moves to another district, or who is

placed in foster care in another school district, may continue to enroll in the nonresident district without the approval of the board of the nonresident district. The approval of the board of the student's resident district is not required.

Legal References:
Minn. Stat. § 120A.22, Subd. 3(e) and Subd. 8 (Compulsory Instruction)
Minn. Stat. § 121A.40-121A.56 (Pupil Fair Dismissal Act)
Minn. Stat. § 124D.03 (Enrollment Options Program)
Minn. Stat. § 124D.08 (School Board Approval to Enroll in Nonresident District; Exceptions)
Minn. Stat. § 124D.151 (Voluntary Prekindergarten Program)
Minn. Stat. § 124D.68 (Graduation Incentives Program)
Minn. Stat. § 125A.13 (School of Parents' Choice)
Minn. Stat. § 142D.08 (Voluntary Prekindergarten Program for Eligible Four-Year-Old Children)
Minn. Stat. Ch. 260A (Truancy)
Minn. Stat. § 260C.007, Subd. 19 (Definitions)
Minn. Stat. § 260C.163, Subd. 11 (Hearing)
Minn. Stat. § 609.223, Subd. 1 (Assault in the Third Degree)
Minn. Op. Atty. Gen. 169-f (Aug. 13, 1986)
Indep. Sch. Dist. No. 623 v. Minn. Dept. of Educ., Co. No. A05-361, 2005 WL 3111963 (Minn. Ct. App. 2005) (unpublished)
18 U.S.C. 930, para. (g)(2) (Definition of weapon)

Cross References:
MSBA/MASA Model Policy 506 (Student Discipline)
MSBA/MASA Model Policy 517 (Student Recruiting)

Resources:
Minnesota Department of Education: Open Enrollment (accessed 03/18/26)

521 STUDENT DISABILITY NONDISCRIMINATION

[NOTE: School districts are required by statute to have a policy addressing these issues.]

I. PURPOSE

The purpose of this policy is to protect students with disabilities from discrimination on the basis of disability and to identify and evaluate learners who, within the intent of Section 504 of the Rehabilitation Act of 1973 (Section 504), need services, accommodations, or programs in order that such learners may receive a free appropriate public education.

II. GENERAL STATEMENT OF POLICY

A. Students with disabilities who meet the criteria of Paragraph C. below are protected from discrimination on the basis of a disability.

B The responsibility of the school district is to identify and evaluate learners who, within the intent of Section 504, need services, accommodations, or programs in order that such learners may receive a free appropriate public education.

C. For this policy, a learner who is protected under Section 504 is one who:

1. has a physical or mental impairment that substantially limits one or more of such person's major life activities; or

2. has a record of such an impairment;

3. is regarded as having such an impairment; or

4. has an impairment that is episodic or in remission and would materially limit a major life activity when active.

D. Learners may be protected from disability discrimination and be eligible for services, accommodations, or programs under the provisions of Section 504 even though they are not eligible for special education pursuant to the Individuals with Disabilities Education Act.

E. Failure to engage in the process to determine if a reasonable accommodation exists that would allow people with disabilities as defined in Minnesota Statutes, section 363A.03, subdivision 12, to participate fully in education may be an unfair discriminatory practice under the Minnesota Human Rights Act.

III. COORDINATOR

Persons who have questions or comments should contact **[title, name, office address, and telephone number]**. This person is the school district's Americans with Disabilities Act/Section 504 coordinator. Persons who wish to make a complaint regarding a disability discrimination matter may use the accompanying Student Disability Discrimination Grievance Report Form. The form should be given to the ADA/Section 504 coordinator.

Legal References: Minn. Stat. § 363A.03, Subd. 12 (Definitions)
Minn. Stat. § 363A.02, Subd. 1 (Public Policy)
42 U.S.C. Ch. 126 (Equal Opportunity for Individuals with Disabilities)

29 U.S.C. § 794 *et seq.* (Rehabilitation Act of 1973, § 504)
34 C.F.R. Part 104 (Section 504 Implementing Regulations)

Cross References: MSBA/MASA Model Policy 402 (Disability Nondiscrimination)

524 INTERNET, TECHNOLOGY, AND CELL PHONE ACCEPTABLE USE AND SAFETY POLICY

[NOTE: School districts are required by statute to have a policy addressing these issues.

In 2025, MSBA published Model Policy 524.5 (Personal Electronic Communication Devices), a stand-along policy for cell phones and similar devices. School districts may adopt Model Policy 524.5 in lieu of establishing cell phone rules in this policy.]

I. PURPOSE

The purpose of this policy is to set forth policies and guidelines for access to the school district computer system and acceptable and safe use of the Internet, including electronic communications.

II. GENERAL STATEMENT OF POLICY

In making decisions regarding student and employee access to the school district computer system and the Internet, including electronic communications, the school district considers its own stated educational mission, goals, and objectives. Electronic information research skills are now fundamental to preparation of citizens and future employees. Access to the school district computer system and to the Internet enables students and employees to explore thousands of libraries, databases, bulletin boards, and other resources while exchanging messages with people around the world. The school district expects that faculty will blend thoughtful use of the school district computer system and the Internet throughout the curriculum and will provide guidance and instruction to students in their use.

III. LIMITED EDUCATIONAL PURPOSE

The school district is providing students and employees with access to the school district computer system, which includes Internet access. The purpose of the system is more specific than providing students and employees with general access to the Internet. The school district system has a limited educational purpose, which includes use of the system for classroom activities, educational research, and professional or career development activities. Users are expected to use Internet access through the district system to further educational and personal goals consistent with the mission of the school district and school policies. Uses which might be acceptable on a user's private personal account on another system may not be acceptable on this limited-purpose network.

IV. USE OF SYSTEM IS A PRIVILEGE

The use of the school district system and access to use of the Internet is a privilege, not a right. Depending on the nature and degree of the violation and the number of previous violations, unacceptable use of the school district system or the Internet may result in one or more of the following consequences: suspension or cancellation of use or access privileges; payments for damages and repairs; discipline under other appropriate school district policies, including suspension, expulsion, exclusion, or termination of employment; or civil or criminal liability under other applicable laws.

V. UNACCEPTABLE USES

A. While not an exhaustive list, the following uses of the school district system and Internet resources or accounts are considered unacceptable:

1. Users will not use the school district system to access, review, upload, download, store, print, post, receive, transmit, or distribute:

   a. pornographic, obscene, or sexually explicit material or other visual depictions that are harmful to minors;

   b. obscene, abusive, profane, lewd, vulgar, rude, inflammatory, threatening, disrespectful, or sexually explicit language;

   c. materials that use language or images that are inappropriate in the education setting or disruptive to the educational process;

   d. information or materials that could cause damage or danger of disruption to the educational process;

   e. materials that use language or images that advocate violence or discrimination toward other people (hate literature) or that may constitute harassment or discrimination.

2. Users will not use the school district system to knowingly or recklessly post, transmit, or distribute false or defamatory information about a person or organization, or to harass another person, or to engage in personal attacks, including prejudicial or discriminatory attacks.

3. Users will not use the school district system to engage in any illegal act or violate any local, state, or federal statute or law.

4. Users will not use the school district system to vandalize, damage, or disable the property of another person or organization, will not make deliberate attempts to degrade or disrupt equipment, software, or system performance by spreading computer viruses or by any other means, will not tamper with, modify, or change the school district system software, hardware, or wiring or take any action to violate the school district's security system, and will not use the school district system in such a way as to disrupt the use of the system by other users.

5. Users will not use the school district system to gain unauthorized access to information resources or to access another person's materials, information, or files without the implied or direct permission of that person.

6. Users will not use the school district system to post private information about another person, personal contact information about themselves or other persons, or other personally identifiable information, including, but not limited to, addresses, telephone numbers, school addresses, work addresses, identification numbers, account numbers, access codes or passwords, labeled photographs, or other information that would make the individual's identity easily traceable, and will not repost a message that was sent to the user privately without permission of the person who sent the message.

   [NOTE: School districts should consider the impact of this paragraph on present practices and procedures, including, but not limited to, practices pertaining to employee communications, school or classroom

websites, and student/employee use of social networking websites. Depending upon school district policies and practices, school districts may wish to add one or more of the following clarifying paragraphs.]

a. This paragraph does not prohibit the posting of employee contact information on school district webpages or communications between employees and other individuals when such communications are made for education-related purposes (i.e., communications with parents or other staff members related to students).

b. Employees creating or posting school-related webpages may include personal contact information about themselves on a webpage. However, employees may not post personal contact information or other personally identifiable information about students unless:

(1) such information is classified by the school district as directory information and verification is made that the school district has not received notice from a parent/guardian or eligible student that such information is not to be designated as directory information in accordance with the school district's Protection and Privacy of Pupil Records Policy; or

(2) such information is not classified by the school district as directory information but written consent for release of the information to be posted has been obtained from a parent/guardian or eligible student in accordance with the school district's Protection and Privacy of Pupil Records policy.

In addition, prior to posting any personal contact or personally identifiable information on a school-related webpage, employees shall obtain written approval of the content of the postings from the building administrator.

c. These prohibitions specifically prohibit a user from utilizing the school district system to post personal information about a user or another individual on social networks, including, but not limited to, social networks such as "Facebook," "Twitter," "Instagram," "Snapchat," "TikTok," "Reddit," and similar websites or applications.

7. Users must keep all account information and passwords on file with the designated school district official. Users will not attempt to gain unauthorized access to the school district system or any other system through the school district system, attempt to log in through another person's account, or use computer accounts, access codes, or network identification other than those assigned to the user. Messages and records on the school district system may not be encrypted without the permission of appropriate school authorities.

8. Users will not use the school district system to violate copyright laws or usage licensing agreements, or otherwise to use another person's property without the person's prior approval or proper citation, including the downloading or exchanging of pirated software or copying software to or from any school computer, and will not plagiarize works they find on the Internet.

9. Users will not use the school district system for conducting business, for unauthorized commercial purposes, or for financial gain unrelated to the mission

of the school district. Users will not use the school district system to offer or provide goods or services or for product advertisement. Users will not use the school district system to purchase goods or services for personal use without authorization from the appropriate school district official.

10. Users will not use the school district system to engage in bullying or cyberbullying in violation of the school district's Bullying Prohibition Policy. This prohibition includes using any technology or other electronic communication off school premises to the extent that student learning or the school environment is substantially and materially disrupted.

11. Users will not access, download, or use a school district website, application, software, program, or other service (1) to nudify an image or video; or (2) nudify an image or video on behalf of a user.

a. "Identifiable individual" means a person that is identifiable:

(1) from the image itself, by the person depicted in the image, or by another person; or

(2) from personal information displayed in connection with the image.

b. "Intimate part" has the meaning given in Minnesota Statutes, section 609.341, subdivision 5.

c. "Nudify" or "nudified" means the process by which:

(1) an image or video is altered or generated to depict an intimate part not depicted in an original unaltered image or video of an identifiable individual; and

(2) the altered or generated image or video is so realistic that a reasonable person would believe that the intimate part belongs to the identifiable individual.

B. The school district has a special interest in regulating off-campus speech that materially disrupts classwork or involves substantial disorder or invasion of the rights of others. A student or employee engaging in the foregoing unacceptable uses of the Internet when off school district premises also may be in violation of this policy as well as other school district policies.

Examples of such violations may include, but are not limited to, serious or severe bullying or harassment targeting particular individuals, threats aimed at teachers or other students, failure to follow rules concerning lessons, the writing of papers, the use of computers, or participation in other online school activities, and breaches of school security devices.

If the school district receives a report of an unacceptable use originating from a non-school computer or resource, the school district may investigate such reports to the best of its ability. Students or employees may be subject to disciplinary action for such conduct, including, but not limited to, suspension or cancellation of the use or access to the school district computer system and the Internet and discipline under other appropriate school district policies, including suspension, expulsion, exclusion, or termination of employment.

C. If a user inadvertently accesses unacceptable materials or an unacceptable Internet site, the user shall immediately disclose the inadvertent access to an appropriate school district official. In the case of a school district employee, the immediate disclosure shall be to the employee's immediate supervisor and/or the building administrator. This disclosure may serve as a defense against an allegation that the user has intentionally violated this policy. In certain rare instances, a user also may access otherwise unacceptable materials if necessary to complete an assignment and if done with the prior approval of and with appropriate guidance from the appropriate teacher or, in the case of a school district employee, the building administrator.

VI. FILTER

[NOTE: Pursuant to state law, school districts are required to restrict access to inappropriate materials on school computers with Internet access. School districts seeking technology revenue pursuant to Minnesota Statutes, section 125B.26 or certain federal funding, such as e-rate discounts, for purposes of Internet access and connection services and/or receive funds to purchase Internet accessible computers are subject to the federal Children's Internet Protection Act, effective in 2001. Those districts are required to comply with additional standards in restricting possible access to inappropriate materials. Therefore, school districts should select one of the following alternative sections depending upon whether the school district is seeking such funding and the type of funding sought.]

[NOTE: The 2025 Minnesota legislature amended Minnesota Statutes 125B.15 as follows: "A school district ~~receiving technology revenue under section 125B.26~~ must prohibit, including through use of available software filtering technology or other effective methods, adult access to material that under federal or state law is reasonably believed to be obscene or child pornography."]

ALTERNATIVE NO. 1

[NOTE: For a school district that does not seek either state or federal funding in connection with its computer system, the following language should be adopted. It reflects a mandatory requirement under Minnesota Statutes, section 125B.15.]

All computers equipped with Internet access and available for student use at each school site will be equipped to restrict, by use of available software filtering technology or other effective methods, all student access to materials that are reasonably believed to be obscene, child pornography or harmful to minors under state or federal law. Software filtering technology shall be narrowly tailored and shall not discriminate based on viewpoint.

[NOTE: The purchase of filtering technology is not required by state law if the school site would incur more than incidental expense in making the purchase. In the absence of filtering technology, school sites still are required to use "other effective methods" to restrict student access to such materials.]

ALTERNATIVE NO. 2

[NOTE: Technology revenue is available to school districts that meet the additional condition of also restricting adult access to inappropriate materials. School districts that seek such state technology revenue may adopt or retain the following language. However, the school district is not required to do so.]

A. All school district computers with Internet access and available for student use will be

equipped to restrict, by use of available software filtering technology or other effective methods, all student access to materials that are reasonably believed to be obscene, child pornography or harmful to minors under state or federal law.

B. All school district computers with Internet access, not just those accessible and available to students, will be equipped to restrict, by use of available software filtering technology or other effective methods, adult access to materials that are reasonably believed to be obscene or child pornography under state or federal law.

C. Software filtering technology shall be narrowly tailored and shall not discriminate based on viewpoint.

ALTERNATIVE NO. 3

[NOTE: School districts that receive certain federal funding, such as e-rate discounts, for purposes of Internet access and connection services and/or receive funds to purchase Internet accessible computers are subject to the federal Children's Internet Protection Act, effective in 2001. This law requires school districts to adopt an Internet safety policy that contains the provisions set forth below. Also, the Act requires such school districts to provide reasonable notice and hold at least one public hearing or meeting to address the proposed Internet safety policy prior to its implementation. School districts that do not seek such federal financial assistance need not adopt the alternative language set forth below nor meet the requirements with respect to a public meeting to review the policy. The following alternative language for school districts that seek such federal financial assistance satisfies both state and federal law requirements.]

A. With respect to any of its computers with Internet access, the school district will monitor the online activities of both minors and adults and employ technology protection measures during any use of such computers by minors and adults. The technology protection measures utilized will block or filter Internet access to any visual depictions that are:

1. Obscene;

2. Child pornography; or

3. Harmful to minors.

B. The term "harmful to minors" means any picture, image, graphic image file, or other visual depiction that:

1. Taken as a whole and with respect to minors, appeals to a prurient interest in nudity, sex, or excretion; or

2. Depicts, describes, or represents, in a patently offensive way with respect to what is suitable for minors, an actual or simulated sexual act or sexual contact, actual or simulated normal or perverted sexual acts, or a lewd exhibition of the genitals; and

3. Taken as a whole, lacks serious literary, artistic, political, or scientific value as to minors.

C. Software filtering technology shall be narrowly tailored and shall not discriminate based on viewpoint.

D. An administrator, supervisor, or other person authorized by the Superintendent may disable the technology protection measure, during use by an adult, to enable access for bona fide research or other lawful purposes.

E. The school district will educate students about appropriate online behavior, including interacting with other individuals on social networking websites and in chat rooms and cyberbullying awareness and response.

[NOTE: Although school districts are not required to adopt the more restrictive provisions contained in either Alternative No. 2 or No. 3 if they do not seek state or federal funding, they may choose to adopt the more restrictive provisions as a matter of school policy.]

VII. CONSISTENCY WITH OTHER SCHOOL POLICIES

Use of the school district computer system and use of the Internet shall be consistent with school district policies and the mission of the school district.

VIII. LIMITED EXPECTATION OF PRIVACY

A. By authorizing use of the school district system, the school district does not relinquish control over materials on the system or contained in files on the system. Users should expect only limited privacy in the contents of personal files on the school district system.

B. Routine maintenance and monitoring of the school district system may lead to a discovery that a user has violated this policy, another school district policy, or the law.

C. An individual investigation or search will be conducted if school authorities have a reasonable suspicion that the search will uncover a violation of law or school district policy.

D. Parents may have the right at any time to investigate or review the contents of their child's files and e-mail files in accordance with the school district's Protection and Privacy of Pupil Records Policy. Parents have the right to request the termination of their child's individual account at any time.

E. School district employees should be aware that the school district retains the right at any time to investigate or review the contents of their files and e-mail files. In addition, school district employees should be aware that data and other materials in files maintained on the school district system may be subject to review, disclosure, or discovery under Minnesota Statutes, chapter 13 (Minnesota Government Data Practices Act).

F. The school district will cooperate fully with local, state and federal authorities in any investigation concerning or related to any illegal activities or activities not in compliance with school district policies conducted through the school district system.

IX. INTERNET USE AGREEMENT

A. The proper use of the Internet, and the educational value to be gained from proper Internet use, is the joint responsibility of students, parents, and employees of the school district.

B. This policy requires the permission of and supervision by the school's designated professional staff before a student may use a school account or resource to access the

Internet.

C. The Internet Use Agreement form for students must be read and signed by the user, the parent or guardian, and the supervising teacher. The Internet Use Agreement form for employees must be signed by the employee. The form must then be filed at the school office. As supervising teachers change, the agreement signed by the new teacher shall be attached to the original agreement.

X. LIMITATION ON SCHOOL DISTRICT LIABILITY

Use of the school district system is at the user's own risk. The system is provided on an "as is, as available" basis. The school district will not be responsible for any damage users may suffer, including, but not limited to, loss, damage, or unavailability of data stored on school district diskettes, tapes, hard drives, or servers, or for delays or changes in or interruptions of service or misdeliveries or nondeliveries of information or materials, regardless of the cause. The school district is not responsible for the accuracy or quality of any advice or information obtained through or stored on the school district system. The school district will not be responsible for financial obligations arising through unauthorized use of the school district system or the Internet.

XI. USER NOTIFICATION

A. All users shall be notified of the school district policies relating to Internet use.

B. This notification shall include the following:

1. Notification that Internet use is subject to compliance with school district policies.

2. Disclaimers limiting the school district's liability relative to:

   a. Information stored on school district diskettes, hard drives, or servers.

   b. Information retrieved through school district computers, networks, or online resources.

   c. Personal property used to access school district computers, networks, or online resources.

   d. Unauthorized financial obligations resulting from use of school district resources/accounts to access the Internet.

3. A description of the privacy rights and limitations of school sponsored/managed Internet accounts.

4. Notification that, even though the school district may use technical means to limit student Internet access, these limits do not provide a foolproof means for enforcing the provisions of this acceptable use policy.

5. Notification that goods and services can be purchased over the Internet that could potentially result in unwanted financial obligations and that any financial obligation incurred by a student through the Internet is the sole responsibility of the student and/or the student's parents.

6. Notification that the collection, creation, reception, maintenance, and

dissemination of data via the Internet, including electronic communications, is governed by Public and Private Personnel Data Policy, and Protection and Privacy of Pupil Records Policy.

7. Notification that, should the user violate the school district's acceptable use policy, the user's access privileges may be revoked, school disciplinary action may be taken and/or appropriate legal action may be taken.

8. Notification that all provisions of the acceptable use policy are subordinate to local, state, and federal laws.

XII. PARENTS' RESPONSIBILITY; NOTIFICATION OF STUDENT INTERNET USE

A. Outside of school, parents bear responsibility for the same guidance of Internet use as they exercise with information sources such as television, telephones, radio, movies, and other possibly offensive media. Parents are responsible for monitoring their student's use of the school district system and of the Internet if the student is accessing the school district system from home or a remote location.

B. Parents will be notified that their students will be using school district resources/accounts to access the Internet and that the school district will provide parents the option to request alternative activities not requiring Internet access. This notification should include:

1. A copy of the user notification form provided to the student user.

2. A description of parent/guardian responsibilities.

3. A notification that the parents have the option to request alternative educational activities not requiring Internet access and the material to exercise this option.

4. A statement that the Internet Use Agreement must be signed by the user, the parent or guardian, and the supervising teacher prior to use by the student.

5. A statement that the school district's acceptable use policy is available for parental review.

XIII. NOTIFICATION REGARDING TECHNOLOGY PROVIDERS

A. "Technology provider" means a person who:

1. contracts with the school district, as part of a one-to-one program or otherwise, to provide a school-issued device for student use; and

2. creates, receives, or maintains educational data pursuant or incidental to a contract with the school district.

B. "Parent" means a parent of a student and includes a natural parent, a guardian, or an individual acting as a parent in the absence of a parent or a guardian.

C. Within thirty (30) days of the start of each school year, the school district must give parents and students direct and timely notice, by United States mail, e-mail, or other direct form of communication, of any curriculum, testing, or assessment technology provider contract affecting a student's educational data. The notice must:

1. identify each curriculum, testing, or assessment technology provider with access to educational data;

2. identify the educational data affected by the curriculum, testing, or assessment technology provider contract; and

3. include information about the contract inspection and provide contact information for a school department to which a parent or student may direct questions or concerns regarding any program or activity that allows a curriculum, testing, or assessment technology provider to access a student's educational data.

D. The school district must provide parents and students an opportunity to inspect a complete copy of any contract with a technology provider.

E. A contract between a technology provider and the school district must include requirements to ensure appropriate security safeguards for educational data. The contract must require that:

1. the technology provider's employees or contractors have access to educational data only if authorized; and

2. the technology provider's employees or contractors may be authorized to access educational data only if access is necessary to fulfill the official duties of the employee or contractor.

F. All educational data created, received, maintained, or disseminated by a technology provider pursuant or incidental to a contract with a public educational agency or institution are not the technology provider's property.

XIV. SCHOOL-ISSUED DEVICES

A. "School-issued device" means hardware or software that the school district, acting independently or with a technology provider, provides to an individual student for that student's dedicated personal use. A school-issued device includes a device issued through a one-to-one program.

B. Except as provided in Paragraph C, the school district or a technology provider must not electronically access or monitor:

1. any location-tracking feature of a school-issued device;

2. any audio or visual receiving, transmitting, or recording feature of a school-issued device; or

3. student interactions with a school-issued device, including but not limited to keystrokes and web-browsing activity.

C. The school district or a technology provider may only engage in activities prohibited by Paragraph B if:

1. the activity is limited to a noncommercial educational purpose for instruction, technical support, or exam-proctoring by school district employees, student teachers, staff contracted by the school district, a vendor, or the Minnesota Department of Education, and notice is provided in advance;

2. the activity is permitted under a judicial warrant;

3. the school district is notified or becomes aware that the device is missing or stolen;

4. the activity is necessary to respond to an imminent threat to life or safety and the access is limited to that purpose;

5. the activity is necessary to comply with federal or state law, including but not limited to Minnesota Statutes, section 121A.031; or

6. the activity is necessary to participate in federal or state funding programs, including but not limited to the E-Rate program.

D. If the school district or a technology provider interacts with a school-issued device as provided in Paragraph C, clause 4, it must, within seventy-two (72) hours of the access, notify the student to whom the school-issued device was issued or that student's parent and provide a written description of the interaction, including which features of the device were accessed and a description of the threat. This notice is not required at any time when the notice itself would pose an imminent threat to life or safety, but must instead be given within seventy-two (72) hours after that imminent threat has ceased.

XV. CELL PHONE USE

The school board directs the superintendent and school district administration to establish rules and procedures regarding student possession and use of cell phones in schools. These rules and procedures should seek to minimize the impact of cell phones on student behavior, mental health, and academic attainment. These rules and procedures may be designed for specific school buildings, grade levels, or similar criteria.

[NOTE: In 2024, the Minnesota legislature enacted a law requiring that school districts adopt a policy on students' possession and use of cell phones in school by March 15, 2025. This law does not state that school districts must incorporate specific language or provisions in the school district policy.

MSBA recognizes the common practice of setting forth cell phone rules in a student handbook or similar document. This Article directs school administration to establish cell phone rules, which the school board may require be presented to the board for approval. This approach enables administrators to craft flexible and specific rules that are specific to grade levels and buildings. The school board may choose to set forth general principles regarding cell phone use in this Article.

The Minnesota Elementary School Principals Association and the Minnesota Association of Secondary School Principals collaborated to make best practices available to schools on a range of different strategies to achieve the goals stated above.

In 2025, MSBA published Model Policy 524.5 (Personal Electronic Communication Devices), a stand-along policy for cell phones and similar devices. School districts may adopt Model Policy 524.5 in lieu of establishing cell phone rules in this policy.]

XVI. LIMIT ON SCREEN TIME FOR CHILDREN IN PRESCHOOL AND KINDERGARTEN

A child in a publicly funded preschool or kindergarten program may not use an individual-use

screen, such as a tablet, smartphone, or other digital media, without engagement from a teacher or other students. This section does not apply to a child for whom the school has an individualized family service plan, an individualized education program, or a 504 plan in effect.

XVII. IMPLEMENTATION; POLICY REVIEW

A. The school district administration may develop appropriate user notification forms, guidelines, and procedures necessary to implement this policy for submission to the school board for approval. Upon approval by the school board, such guidelines, forms, and procedures shall be an addendum to this policy.

B. The administration shall revise the user notifications, including student and parent notifications, if necessary, to reflect the adoption of these guidelines and procedures.

C. The school district Internet policies and procedures are available for review by all parents, guardians, staff, and members of the community.

D. Because of the rapid changes in the development of the Internet, the school board shall conduct an annual review of this policy.

Legal References:
Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act
Minn. Stat. § 13.32 (Educational Data)
Minn. Stat. § 121A.031 (School Student Bullying Policy)
Minn. Stat. § 121A.73 (School Cell Phone Policy)
Minn. Stat. § 124D.166 (Limit on Screen Time for Children in Preschool and Kindergarten)
Minn. Stat. § 125B.15 (Internet Access for Students)
Minn. Stat. § 125B.26 (Telecommunications/Internet Access Equity Act)
Minn. Stat. § 325E.91 (Prohibition on Nudification Technology)
Minn. Stat. § 609.341, Subd. 5 (Definitions)
15 U.S.C. § 6501 *et seq.* (Children's Online Privacy Protection Act)
17 U.S.C. § 101 *et seq.* (Copyrights)
20 U.S.C. § 1232g (Family Educational Rights and Privacy Act)
47 U.S.C. § 254 (Children's Internet Protection Act of 2000 (CIPA))
47 C.F.R. § 54.520 (FCC rules implementing CIPA)
Mahanoy Area Sch. Dist. v. B.L., 594 U.S. 180, 141 S. Ct. 2038 (2021)
Tinker v. Des Moines Indep. Cmty. Sch. Dist., 393 U.S. 503 (1969)
United States v. Amer. Library Assoc., 539 U.S. 1942003)
Sagehorn v. Indep. Sch. Dist. No. 728, 122 F.Supp.2d 842 (D. Minn. 2015)
R.S. v. Minnewaska Area Sch. Dist. No. 2149, 894 F.Supp.2d 1128 (D. Minn. 2012)
Tatro v. Univ. of Minnesota, 800 N.W.2d 811 (Minn. App. 2011), aff'd on other grounds 816 N.W.2d 509 (Minn. 2012)
S.J.W. v. Lee's Summit R-7 Sch. Dist., 696 F.3d 771 (8th Cir. 2012)
Parents, Families and Friends of Lesbians and Gays, Inc. v. Camdenton R-III Sch. Dist., 853 F.Supp.2d 888 (W.D. Mo. 2012)
M.T. v. Cent. York Sch. Dist., 937 A.2d 538 (Pa. Commw. Ct. 2007)

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 505 (Distribution of Nonschool-Sponsored Materials on School Premises by Students and Employees)
MSBA/MASA Model Policy 506 (Student Discipline)
MSBA/MASA Model Policy 514 (Bullying Prohibition Policy)

MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)
MSBA/MASA Model Policy 519 (Interviews of Students by Outside Agencies)
MSBA/MASA Model Policy 521 (Student Disability Nondiscrimination)
MSBA/MASA Model Policy 522 (Title IX Sex Nondiscrimination Grievance Procedures and Process)
MSBA/MASA Model Policy 524.5 (Personal Electronic Communication Devices)*
MSBA/MASA Model Policy 603 (Curriculum Development)
MSBA/MASA Model Policy 604 (Instructional Curriculum)
MSBA/MASA Model Policy 606 (Textbooks and Instructional Materials)
MSBA/MASA Model Policy 625 (Responsible Use of Artificial Intelligence)
MSBA/MASA Model Policy 806 (Crisis Management Policy)
MSBA/MASA Model Policy 904 (Distribution of Materials on School District Property by Nonschool Persons)

*If applicable

613 GRADUATION REQUIREMENTS

[NOTE: The requirements set forth in this policy govern the graduation standards that Minnesota public schools must require for a high school diploma for all students.]

I. PURPOSE

The purpose of this policy is to set forth requirements for graduation from the school district.

II. GENERAL STATEMENT OF POLICY

The policy of the school district is that all students must demonstrate, as determined by the school district, their satisfactory completion of the credit requirements and their understanding of academic standards. The school district must adopt graduation requirements that meet or exceed state graduation requirements established in law or rule.

III. DEFINITIONS

A. "Credit" means a student's successful completion of an academic year of study or a student's mastery of the applicable subject matter, as determined by the school district.

~~B. "English language learners" or "ELL" student means an individual whose first language is not English and whose test performance may be negatively impacted by lack of English language proficiency.~~

B. "Individualized Education Program" or "IEP" means a written statement developed for a student eligible by law for special education and services.

C. "Required standard" means a statewide adopted expectation for student learning in the content areas of language arts, mathematics, science, social studies, physical education, health, and the arts. Locally developed academic standards in health apply until statewide rules implementing statewide health standards under Minnesota Statutes, section 120B.021, subdivision 3, are required to be implemented in the classroom.

D. "Section 504 Accommodation" means the defined appropriate accommodations or modifications that must be made in the school environment to address the needs of an individual student with disabilities.

IV. DISTRICT ASSESSMENT COORDINATOR

[Position Title] shall be named the District Assessment Coordinator and~~. Said person~~ shall be in charge of all test procedures and shall bring recommendations to the school board annually for approval.

V. ASSESSMENT GRADUATION REQUIREMENTS

A. Graduation Requirements

Students' state graduation requirements, based on a longitudinal, systematic approach to student education and career planning, assessment, instructional support, and evaluation, include the following:

1. Achievement and career and college readiness in mathematics, reading, and writing, consistent with Minnesota Statutes, section 120B.307, subdivision 4,

paragraph (d), and to the extent available, to monitor students' continuous development of and growth in requisite knowledge and skills; analyze students' progress and performance levels, identifying students' academic strengths and diagnosing areas where students require curriculum or instructional adjustments, targeted interventions, or remediation; and, based on analysis of students' progress and performance data, determine students' learning and instructional needs and the instructional tools and best practices that support academic rigor for the student; and.

2. Consistent with this paragraph and Minnesota Statutes, section 120B.125, age-appropriate exploration and planning activities and career assessments to encourage students to identify personally relevant career interests and aptitudes and help students and their families develop a regularly reexamined transition plan for postsecondary education or employment without need for postsecondary remediation.

3. Based on appropriate state guidelines, students with an IEP may satisfy state graduation requirements by achieving an individual score on the state-identified alternative assessments.

B. Targeted Instruction Plan

1. A student under Subparagraph V.A.1. above must receive targeted, relevant, academically rigorous, and resourced instruction, which may include a targeted instruction and intervention plan focused on improving the student's knowledge and skills in core subjects so that the student has a reasonable chance to succeed in a career or college without need for postsecondary remediation.

2. Consistent with Minnesota Statutes, sections 120B.13, 120B.30, 124D.09, 124D.091, 124F.08, and related sections, an enrolling school or district must actively encourage a student in grade 11 or 12 who is identified as academically ready for a career or college to participate in courses and programs awarding college credit to high school students. Students are not required to achieve a specified score or level of proficiency on an assessment under this subdivision to graduate from high school.

~~**[NOTE: The 2025 Minnesota legislature renumbered the statutory reference above.]**~~

3. As appropriate, students through grade 12 must continue to participate in targeted instruction, intervention, or remediation and be encouraged to participate in courses awarding college credit to high school students.

C. A student's progress toward career and college readiness must be recorded on the student's high school transcript.

VI. GRADUATION CREDIT REQUIREMENTS

Students must successfully complete, as determined by the school district, the following high school level credits for graduation:

A. Credit Requirements

1. Four (4) credits of language arts sufficient to satisfy all academic standards in English language arts;

2. Three (3) credits of mathematics sufficient to satisfy all of the academic standards in mathematics;

3. Three (3) credits of science, including one (1) credit to satisfy all the earth and space science standards for grades 9 through 12, one (1) credit to satisfy all the life science standards for grades 9 through 12, and one (1) credit to satisfy all the chemistry or physics standards for grades 9 through 12;

4. Three and one-half (3.5) credits of social studies, encompassing at least United States history, geography, government and citizenship in either grade 11 or 12 for students beginning in grade 9 in the 2025-2026 school year and later or an advanced placement, international baccalaureate, or other rigorous course on government and citizenship under Minnesota Statutes, section 120B.21, subdivision 1a, and a combination of other credits encompassing at least United States history, geography, government and citizenship, world history, and economics sufficient to satisfy all of the academic standards in social studies;

5. One (1) credit in the arts sufficient to satisfy all of the academic standards in the arts;

6. Credit sufficient to satisfy the state standards in physical education; and

7. A minimum of seven (7) elective credits.

8. Students who begin grade 9 in the 2024-2025 school year and later must successfully complete a course for credit in personal finance in grade 10, 11, or 12. A teacher of a personal finance course that satisfies the graduation requirement must have a field license or out-of-field permission in agricultural education, business, family and consumer science, social studies, or math.

B. Credit Equivalencies

1. A one-half (.5) credit of economics taught in a school's agricultural, food, and natural resources education or business education program or department may fulfill a one-half (.5) credit in social studies under Paragraph A.4, above, if the credit is sufficient to satisfy all of the academic standards in economics.

2. An agriculture science or career and technical education credit may fulfill the elective science credit required under Paragraph A.3, above, if the credit meets the state physical science, life science, earth and space science, chemistry, or physics academic standards or a combination of these academic standards as approved by the school district. An agriculture or career and technical education credit may fulfill the credit in chemistry or physics required under Paragraph A.3, above, if the credit meets the state chemistry or physics academic standards as approved by the school district. A student must satisfy either all of the chemistry academic standards or all of the physics academic standards prior to graduation. An agriculture science or career and technical education credit may not fulfill the required biology credit under Paragraph A.3, above.

3. A career and technical education credit may fulfill a mathematics or arts credit requirement under Paragraph A.2 or Paragraph A.5, above.

4. A computer science credit may fulfill a mathematics credit requirement under Paragraph A.2, above, if the credit meets state academic standards in mathematics.

5. A Project Lead the Way credit may fulfill a mathematics or science credit requirement under Paragraph A.2 or Paragraph A.3, above, if the credit meets the state academic standards in mathematics or science.

6. An ethnic studies course may fulfill a social studies, language arts, arts, math, or science credit if the course meets the applicable state academic standards.

An ethnic studies course may fulfill an elective credit if the course meets applicable local standards or other requirements.

[Note: Starting in the 2026-27 school year, a high school must offer an ethnic studies course; in elementary and middle schools by the 2027-28 school year.]

VII. GRADUATION STANDARDS REQUIREMENTS

A. All students must demonstrate their understanding of the following academic standards:

1. School District Standards, Health (K-12);

2. School District Standards, Career and Technical Education (K-12); and

3. School District Standards, World Languages (K-12).

B. Academic standards in health, world languages, and career and technical education will be reviewed on an annual basis.* A school district must use the current world languages standards developed by the American Council on the Teaching of Foreign Languages.

[NOTE: * Reviews are required to be conducted on a periodic basis. Therefore, this time period may be changed to accommodate individual school district needs].

C. All students must satisfactorily complete the following required Academic Standards in accordance with the standards developed by the Minnesota Department of Education (MDE):

1. Minnesota Academic Standards, English Language Arts K-12;

2. Minnesota Academic Standards, Mathematics K-12;

3. Minnesota Academic Standards, Science K-12;

4. Minnesota Academic Standards, Social Studies K-12; and

5. Minnesota Academic Standards, Physical Education K-12.

D. State standards in the Arts K-12 are available, or school districts may choose to develop their own standards.

E. The academic standards for language arts, mathematics, and science apply to all students except the very few students with extreme cognitive or physical impairments for whom an IEP team has determined that the required academic standards are inappropriate. An IEP team that makes this determination must establish alternative standards.

VIII. EARLY GRADUATION

Students may be considered for early graduation, as provided for within Minnesota Statutes, section 120B.07, upon meeting the following conditions:

A. All course or standards and credit requirements must be met;

B. The principal or designee shall conduct an interview with the student and parent or guardian, familiarize the parties with opportunities available in post-secondary education, and arrive at a timely decision; and

C. The principal's decision shall be in writing and may be subject to review by the superintendent and school board.

IX. HIGH SCHOOL DIPLOMA FOR VETERANS

A. Diploma

The school district must, upon a request under Paragraph B. below issue a high school diploma to a veteran as defined in Minnesota Statutes, section 197.447 who was unable to complete their high school education for reasons related or unrelated to their military service, and who served:

1. during the Korean Conflict; or

2. during the Vietnam War.

B. Request

A veteran may request a diploma on their own behalf, or a family member may make a posthumous request on behalf of a deceased veteran or service member. The high school diploma is awarded based on the veteran's knowledge and experience gained while in service, or the veteran's other relevant lived experience. The school district may require the veteran or veteran's requestor to provide evidence that the veteran was a Minnesota public school student or is a current Minnesota resident.

C. No Report Required

The school district is not required to report on diplomas issued under Minnesota Statutes, section 127A.135.

D. Assistance

The Minnesota Department of Veterans Affairs and county veteran service officers may provide assistance to districts fulfilling diploma requests, including but not limited to verification of discharge paperwork.

Legal References:
Minn. Stat. § 120B.018 (Definitions)
Minn. Stat. § 120B.02 (Educational Expectations and Graduation Requirements for Minnesota's Students)
Minn. Stat. § 120B.021 (Required Academic Standards)
Minn. Stat. § 120B.023 (Benchmarks)
Minn. Stat. § 120B.024 (Credits)
Minn. Stat. § 120B.07 (Early Graduation)
Minn. Stat. § 120B.11 (School District Process for Reviewing Curriculum, Instruction, and Student Achievement Goals; Striving for Comprehensive Achievement and Civic Readiness)
Minn. Stat. § 120B.125 (Planning for Students' Successful Transition to Postsecondary Education and Employment; Personal Learning Plans)
Minn. Stat. § 120B.13 (Advanced Placement and International Baccalaureate Programs)
Minn. Stat. § 120B.251 (Ethnic Studies Requirements)
Minn. Stat. § 120B.30 (General Requirements; Statewide Assessments)
Minn. Stat. § 120B.303 (Assessment Graduation Requirements)
Minn. Stat. § 120B.307 (College and Career Readiness)
Minn. Stat. § 124D.09 (Postsecondary Enrollment Options Act)
Minn. Stat. § 124D.091 (Concurrent Enrollment Program Aid)
Minn. Stat. § 124F.08 (Education and Employment Transitions Partnerships)
Minn. Stat. § 127A.135 (High School Diploma for Veterans)
Minn. Rules Part 3501.0660 (Academic Standards for Kindergarten through

Grade 12)
Minn. Rules Parts 3501.0750 (Academic Standards for Mathematics)
Minn. Rules Part 3501.0820 (Academic Arts Standards for Kindergarten through Grade 12)
Minn. Rules Parts 3501.0960 (Academic Standards in Science)
Minn. Rules Parts 3501.1200-1210 (Academic Standards for English Language Development)
Minn. Rules Parts 3501.1350 (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 104 (School District Mission Statement)
MSBA/MASA Model Policy 601 (School District Curriculum and Instruction Goals)
MSBA/MASA Model Policy 614 (School District Testing Plan and Procedure)
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)

621 LITERACY AND THE READ ACT

[NOTE: By the 2026-2027 school year, the school district must provide evidence-based reading instruction through a focus on student mastery of the foundational reading skills of phonemic awareness, phonics, and fluency, as well as the development of oral language, vocabulary, and reading comprehension skills. Students must receive evidence-based instruction that is proven to effectively teach children to read, consistent with Minnesota Statutes, sections 120B.118 to 120B.124.]

I. PURPOSE

This policy aligns with Minnesota law established in the Read Act and on other topics related to reading.

II. GENERAL STATEMENT OF POLICY

The school district recognizes the centrality of reading in a student's educational experience.

III. DEFINITIONS

A. "Evidence-based" means the instruction or item described is based on reliable, trustworthy, and valid evidence and has demonstrated a record of success in increasing students' reading competency in the areas of phonological and phonemic awareness, phonics, vocabulary development, reading fluency, and reading comprehension. Evidence-based literacy instruction is explicit, systematic, and includes phonological and phonemic awareness, phonics and decoding, spelling, fluency, vocabulary, oral language, and comprehension that can be differentiated to meet the needs of individual students. Evidence-based instruction does not include the three-cueing system, as defined in Minnesota Statutes, section 120B.119, subdivision 16.

B. "Fluency" means the ability of students to read text accurately, automatically, and with proper expression.

C. "Foundational reading skills" includes phonological and phonemic awareness, phonics and decoding, and fluency. Foundational reading skills appropriate to each grade level must be mastered in kindergarten, grade 1, grade 2, and grade 3. Struggling readers in grades 4 and above who do not demonstrate mastery of grade-level foundational reading skills must continue to receive explicit, systematic instruction to reach mastery.

D. "Literacy specialist" means a person licensed by the Professional Educator Licensing and Standards Board ~~as a teacher of reading, a special education teacher, or a kindergarten through grade 6 teacher,~~ who has completed professional development approved by the Minnesota Department of Education (MDE) in structured literacy. ~~A literacy specialist employed by the department under Minnesota Statutes, section 120B.123, subdivision 7, or by a district as a literacy lead, is not required to complete the approved training before August 30, 2025.~~

E. "Literacy lead" means a literacy specialist with expertise in working with educators as adult learners. A district literacy lead must support the district's implementation of the

Read Act; provide support to school-based coaches; support the implementation of structured literacy, interventions, curriculum delivery, and teacher training; assist with the development of personal learning plans; and train paraprofessionals and other support staff to support classroom literacy instruction. A literacy lead may be employed by one (1) district, jointly by two (2) or more districts, or may provide services to districts through a partnership with the regional service cooperatives or another district.

F. "Multitiered system of support" or "MTSS" means a systemic, continuous improvement framework for ensuring positive social, emotional, behavioral, developmental, and academic outcomes for every student. The MTSS framework provides access to layered tiers of culturally and linguistically responsive, evidence-based practices and relies on the understanding and belief that every student can learn and thrive. Through an MTSS at the core (Tier 1), supplemental (Tier 2), and intensive (Tier 3) levels, educators provide high quality, evidence-based instruction and intervention that is matched to a student's needs; progress is monitored to inform instruction and set goals and data is used for educational decision making.

G. "Oral language," also called "expressive language" ~~or~~ and "receptive language," includes speaking and listening, and consists of five (5) components: phonology, morphology, syntax, semantics, and pragmatics. Oral language also includes sign language, in which speaking and listening skills are defined as expressive and receptive skills, and consists of phonology, including sign language phonological awareness, morphology, syntax, semantics, and pragmatics.

H. "Parent" means a student's parent or legal guardian.

I. "Phonemic awareness" means the ability to notice, think about, and manipulate individual sounds in spoken syllables and words.

J. "Phonics instruction" means the explicit, systematic, and direct instruction of the relationships between letters and the sounds they represent and the application of this knowledge in reading and spelling.

K. "Progress monitoring" means using data collected to inform whether interventions are working. Progress monitoring involves ongoing monitoring of progress that quantifies rates of improvement and informs instructional practice and the development of individualized programs using state-approved screening that is reliable and valid for the intended purpose.

L. "Reading comprehension" means a function of word recognition skills and language comprehension skills. It is an active process that requires intentional thinking during which meaning is constructed through interactions between the text and reader. Comprehension skills are taught explicitly by demonstrating, explaining, modeling, and implementing specific cognitive strategies to help beginning readers derive meaning through intentional, problem-solving thinking processes.

M. "Structured literacy" means an approach to reading instruction in which teachers carefully structure important literacy skills, concepts, and the sequence of instruction to facilitate children's literacy learning and progress. Structured literacy is characterized by the provision of systematic, explicit, sequential, and diagnostic instruction in phonemic awareness, phonics, fluency, vocabulary and oral language development, and reading comprehension. This approach is consistent with the principles identified in the science of reading and is designed to ensure all students develop strong foundational literacy skills.

N. "Three-cueing system," also known as "meaning structure visual (MSV)," means a method that teaches students to use meaning, structure and syntax, and visual cues when attempting to read an unknown word.

O. "Vocabulary development" means the process of acquiring new words. A robust vocabulary improves all areas of communication, including listening, speaking, reading, and writing. Vocabulary growth is directly related to school achievement and is a strong predictor for reading success.

IV. READING SCREENER; PARENT NOTIFICATION AND INVOLVEMENT

A. The school district must administer an approved reading screener to students in kindergarten through grade 3 within the first six (6) weeks of the school year, by February 15 each year, and again within the last six (6) weeks of the school year. A district must provide vendor-approved screening accommodations to students with documented accommodation plans.

A district must administer an approved reading screener to students in grades 4 and above who are not reading at grade level at least once per year until the student reaches grade-level proficiency. The screener must be one of the screening tools approved by MDE.

B. The school district must identify any screener it uses in the district's annual literacy plan, and submit screening data with the annual literacy plan by June 15.

C. Schools, after administering each screener, must follow the language access plan under Minnesota Statutes, section 123B.32 and give the parent of each student who is not reading at or above grade level information from the screener about:

1. the student's reading proficiency as measured by a screener approved by MDE;

2. reading-related services currently being provided to the student and the student's progress; and

3. strategies for parents to use at home in helping their student succeed in becoming grade-level proficient in reading in English and in their native language.

D. For students enrolled in dual language immersion programs, the school district must measure the student's reading proficiency in English or in the program's partner language, if available, according to Article V. below. Following its language access plan under Minnesota Statutes, section 123B.32, the school district must notify families with timely information about students' reading proficiency, including how the student's reading proficiency is assessed, any reading-related services or supports provided to the student and the student's progress, and strategies for families to use at home in helping students succeed in becoming grade-level proficient in reading in English or the partner language. The dual language immersion program may provide information about national research on reading proficiency for students in dual language immersion programs in the parent notification.

E. The school district may not use this section to deny a student's right to a special education evaluation.

V. IDENTIFICATION AND REPORT

A. Students enrolled in kindergarten, grade 1, grade 2, and grade 3, including multilingual learners and students receiving special education services, and students enrolled in dual language immersion programs, must be universally screened for mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, oral language, and for characteristics of dyslexia as measured by a screening tool approved by MDE. The screening for characteristics of dyslexia may be integrated with universal screening for mastery of foundational skills and expressive or receptive language mastery. The screening tool used must be a valid and reliable universal screener that is highly correlated with foundational reading skills. ~~For students reading at grade level, beginning in the winter of grade 2, the oral reading fluency screener may be used to assess reading difficulties, including characteristics of dyslexia, without requiring a separate screening of each subcomponent of foundational reading skills~~.

B. The school district must submit data on student performance in kindergarten, grade 1, grade 2, and grade 3 on foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language to MDE in the annual local literacy plan submission due on June 15.

C. For students enrolled in dual language immersion programs:

1. if students are screened in the partner language, they must be screened at the same interval as the screenings in English under Paragraph A above;

2. if the program provides instruction in foundational reading skills in English, the students receiving that instruction must be screened in English;

3. if the program provides instruction in foundational reading skills in the partner language, the students receiving that instruction must be screened in the partner language;

4. if no screener is available in the partner language, the school district must identify how students' reading proficiency is assessed and how the school district determines and provides targeted reading instruction in the partner language and supports to students identified as needing additional support in developing mastery of foundational reading skills; and

5. the partner language screening tool must be approved by the school district for kindergarten through grade 3 students.

D. Students in grades 4 and above, including multilingual learners and students receiving special education services, who are not reading at grade level must be screened for reading difficulties, including characteristics of dyslexia, using a screening tool approved by MDE and must continue to receive evidence-based instruction, interventions, and progress monitoring until the students achieve grade-level proficiency. A parent, in consultation with a teacher, may opt a student out of the literacy screener if the parent and teacher decide that continuing to screen would not be beneficial to the student. In such limited cases, the student must continue to receive progress monitoring and literacy interventions.

E. Reading screeners in English, and in the predominant languages of school district students where practicable, must identify and evaluate students' areas of academic need related to literacy. The school district also must monitor the progress and provide

reading instruction appropriate to the specific needs of multilingual learners. The school district must use an approved, developmentally appropriate, and culturally responsive screener and annually report summary screener results to the MDE Commissioner ("Commissioner") by June 15 in the form and manner determined by the Commissioner.

F. An English language learner must be screened for characteristics of dyslexia according to the vendor's assessment guidelines.

G. The school district must include in its local literacy plan a summary of the district's efforts to screen, identify, and provide interventions to students who demonstrate characteristics of dyslexia as measured by a screening tool approved by MDE. With respect to students screened or identified under Minnesota Statutes, section 120B.12, subdivision 2, paragraph (a), the report must include:

1. a summary of the school district's efforts to screen for characteristics of reading difficulties, including dyslexia;

2. the number of students universally screened for that reporting year;

3. the number of students demonstrating characteristics of dyslexia for that year; and

4. an explanation of how students identified under this subdivision are provided with alternate instruction and interventions under Minnesota Statutes, section 125A.56, subdivision 1.

VI. INTERVENTION

A. For each student identified under the screening identification process, the school district shall provide aligned and targeted reading intervention to accelerate student growth and reach the goal of reading at or above grade level by the end of the current grade and school year.

B. The school district must implement progress monitoring, as defined in Minnesota Statutes, section 120B.119, for a student not reading at grade level.

C. The school district must use evidence-based curriculum and intervention materials at each grade level that are designed to ensure student mastery of phonemic awareness, phonics, vocabulary development, reading fluency, and reading comprehension. If the school district purchases new literacy curriculum, or literacy intervention or supplementary materials, the curriculum or materials must be evidence-based as defined in Minnesota Statutes, section 120B.119.

[NOTE: Starting in the 2026-2027 school year, a school district must use only evidence-based literary interventions. The 2025 Minnesota legislature amended Minnesota Statutes, section 120B.12, subdivision 3, to delay the 2025-26 requirement for one school year.]

D. If a student does not read at or above grade level by the end of the current school year, the school district must continue to provide aligned and targeted reading intervention as defined by the MTSS framework until the student reads at grade level. School district intervention methods shall encourage family engagement and, where possible, collaboration with appropriate school and community programs that specialize in

evidence-based instructional practices and measure mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language.

E. By the 2025-2026 school year, intervention programs must be taught by an intervention teacher or special education teacher who has successfully completed training in evidence-based reading instruction approved by MDE. Intervention may include but is not limited to requiring student attendance in summer school, intensified reading instruction that may require that the student be removed from the regular classroom for part of the school day, extended-day programs, or programs that strengthen students' cultural connections.

F. The school district must determine the format of the personal learning plan in collaboration with the student's educators and other appropriate professionals. The school must develop the learning plan in consultation with the student's parent or guardian. The personal learning plan must include targeted instruction that is evidence-based and ongoing progress monitoring, and address knowledge gaps and skill deficiencies through strategies such as specific exercises and practices during and outside of the regular school day, group interventions, periodic assessments or screeners, and reasonable timelines. The personal learning plan may include grade retention, if it is in the student's best interest; a student may not be retained solely due to delays in literacy or not demonstrating grade-level proficiency. A school must maintain and regularly update and modify the personal learning plan until the student reads at grade level. This paragraph does not apply to a student under an individualized education program.

VII. LOCAL LITERACY PLAN

A. The school district must adopt a local literacy plan to have every child reading at or above grade level every year beginning in kindergarten and to support multilingual learners and students receiving special education services in achieving their individualized reading goals. The school district must update and submit the plan to the Commissioner by June 15 each year. The plan must be consistent with the Read Act, and include the following:

1. a process to assess students' foundational reading skills, oral language, and level of reading proficiency and the screeners used, by school site and grade level, under Minnesota Statutes, section 120B.123;

2. a process to notify and involve parents;

3. a description of how schools in the school district will determine the targeted reading instruction that is evidence-based and includes an intervention strategy for a student and the process for intensifying or modifying the reading strategy in order to obtain measurable reading progress;

4. evidence-based intervention methods for students who are not reading at or above grade level and progress monitoring to provide information on the effectiveness of the intervention;

5. identification of staff development needs, including a plan to meet those needs;

6. the curricula used by school site and grade level and, if applicable, the district plan and timeline for adopting evidence-based curricula and materials starting in the 2025-2026 school year;

7. a statement of whether the school district has adopted an MTSS framework;

8. student data using the measures of foundational literacy skills and mastery identified by MDE for the following students:

   a. students in kindergarten through grade 3;

   b. students who demonstrate characteristics of dyslexia; and

   c. students in grades 4 to 12 who are identified as not reading at grade level;

9. the number of teachers and other staff that have completed training approved by the department;

10. the number of teachers and other staff proposed for training in structured literacy;

11. how the district used funding provided under the Read Act to implement the requirements of the Read Act;

12. beginning as soon as practicable after the end of fiscal year 2026, how the district used literacy aid funding received under Minnesota Statutes, section 124D.98; ~~and~~

13. beginning on December 31, 2025, for a district with a dual language immersion program:

   a. the program's partner language;

   b. grade levels included in the program;

   c. the language used to screen students' foundational reading skills;

   d. the percentage of grade 3 students taking the Minnesota Comprehensive Assessments; and

   e. the number of students in the program in grades 4 to 12 who are identified as not reading at grade level, and~~.~~

14. beginning with the 2026-2027 school year, a description of how schools in the district will use the school library media center to complement students' foundational reading skills.

B. Annually by June 15, the school district must post its literacy plan on the official school district website and submit it to the Commissioner using the template developed by the Commissioner.

C. The school district must use a streamlined template developed by the Commissioner for local literacy plans that meets the requirements of Minnesota Statutes, section 120B.12, subdivision 4a, and requires all reading instruction and teacher training in reading instruction to be evidence-based.

VIII. STAFF TRAINING

A. The district must provide training from a menu of approved evidence-based training programs to the following teachers and staff by July 1, 2026:

1. reading intervention teachers working with students in kindergarten through grade 12;

2. all classroom teachers of students in kindergarten through grade 3 and children in prekindergarten programs;

3. kindergarten through grade 12 special education teachers responsible for foundational reading instruction;

4. curriculum directors;

5. instructional support staff, contractors, and volunteers who assist in providing reading interventions under the oversight and monitoring of a trained licensed teacher;

6. employees who select literacy instructional materials for a district; and

7. teachers holding English as a second language teaching licenses.

B. The school district must provide training from a menu of approved evidence-based training programs to the following teachers by July 1, 2027:

1. teachers who provide foundational reading instruction to students in grades 4 to 12;

2. teachers who provide instruction to students in a state-approved alternative program; and

3. teachers who provide instruction to students in dual language immersion programs.

The Commissioner may grant a school district an extension to these deadlines.

C. By August 30, 2025, the school district must employ or contract with a literacy lead, or be actively supporting a designated literacy specialist through the process of becoming a literacy lead. The school board may satisfy the requirements of this subdivision by contracting with another school board or cooperative unit under Minnesota Statutes, section 123A.24 for the services of a literacy lead by August 30, 2025. The school district literacy lead must collaborate with school district administrators and staff to support the school district's implementation of requirements under the Read Act.

D. Training provided by the following may satisfy the professional development requirements under this Article:

1. a certified trained facilitator; or

2. a training program that MDE has determined meets the professional development requirements under the Read Act.

E. Beginning July 1, 2027, an educator required to receive training under Minnesota Statutes, section 120B.23, subdivision 5, paragraph (a), who is new to the state of Minnesota or is a newly licensed teacher who did not receive instruction in the teaching of foundational reading skills based on structured literacy, must complete one (1) of the approved required trainings. Training must be offered through the regional literacy network and facilitated by a local certified trained facilitator. MDE must review district literacy lead waiver requests and grant waivers to educators new to the state or educators who provide reading instruction exclusively using alternatives to sound-based approaches, and who have completed the professional development requirements consistent with this subdivision.

F. For the 2024-2025, 2025-2026 and 2026-2027 school years only, the hours of instruction requirement under Minnesota Statutes, section 120A.41 for students in elementary and secondary school, as defined in Minnesota Statutes, section 120A.05, subdivisions 9 and 13, is reduced by 5-1/2 hours for a district that enters into an agreement with the exclusive representative of the teachers that requires teachers to receive at least 5-1/2 hours of approved evidence-based training required under this subdivision, on a day when other students in the district receive instruction.

The hours of instruction reduction for secondary school students is applicable only for the 2025-2026 and 2026-2027 school years.

G. An educator who was first enrolled in an elementary, special education, or early childhood education Minnesota-approved teacher preparation program on or after June 1, 2026, does not need to receive additional training according to Minnesota Statutes, section 120B.123, subdivision 5, paragraph (a).

H. All professional development and digital curriculum resources must comply with the accessibility standards developed according to Minnesota Statutes, section 16E.03, subdivision 9. Professional development provided in accordance with the Read Act is subject to the requirements of Minnesota Statutes, section 363A.43.

IX. STAFF DEVELOPMENT

A. The school district must provide training programs on evidence-based reading instruction to teachers and instructional staff in accordance with Minnesota Statutes, section 120B.12, subdivision 1, paragraphs (b) and (c). The training must include teaching in the areas of phonemic awareness, phonics, vocabulary development, reading fluency, reading comprehension, and culturally and linguistically responsive pedagogy.

B. The school district shall use the data under Article V. above to identify the staff development needs so that:

1. elementary teachers are able to implement explicit, systematic, evidence-based instruction in the five reading areas of phonemic awareness, phonics, fluency, vocabulary, and comprehension with emphasis on mastery of foundational reading skills as defined in Minnesota Statutes, section 120B.119 and other literacy-related areas including writing until the student achieves grade-level reading and writing proficiency;

2. elementary teachers have sufficient training to provide students with evidence-based reading and oral language instruction that meets students' developmental, linguistic, and literacy needs using the intervention methods or programs selected by the school district for the identified students;

3. licensed teachers employed by the school district have regular opportunities to improve reading and writing instruction;

4. licensed teachers recognize students' diverse needs in cross-cultural settings and are able to serve the oral language and linguistic needs of students who are multilingual learners by maximizing strengths in their native languages in order to cultivate students' English language development, including academic language development, and build academic literacy; and

5. licensed teachers are well trained in culturally responsive pedagogy that enables students to master content, develop skills to access content, and build relationships.

C. The school district must provide staff in early childhood programs sufficient training to provide children in early childhood programs with explicit, systematic instruction in phonological and phonemic awareness; oral language, including listening comprehension; vocabulary; and letter-sound correspondence.

X. LITERACY AID USES

The school district must use its literacy aid to meet the requirements and goals adopted in the school district's local literacy plan.

Legal References: Minn. Stat. § 120B.119 (Read Act Definitions)
Minn. Stat. § 120B.12 (Read Act Goal and Interventions)
Minn. Stat. § 120B.123 (Read Act Implementation)
Minn. Stat. § 123A.24 (Withdrawing from a Cooperative Unit; Appealing Denial of Membership)
Minn. Stat. § 124D.68 (Graduation Incentives Program)
Minn. Stat. § 124D.98 (Literacy Incentive Aid)
Minn. Stat. § 125A.56 (Alternate Instruction Required before Assessment Referral)
Minn. Stat. § 363A.43 (Continuing Education; Accessibility)

Cross References: None

624 ONLINE INSTRUCTION

[NOTE: In 2023, the Minnesota Legislature repealed the Online Learning Option Act (Minnesota Statutes, section 124D.095) and replaced it with the Online Instruction Act (Minnesota Statutes, section 124D.094). This policy fully replaces the old Model Policy 624].

I. PURPOSE

The purpose of this policy is to recognize and govern online instruction options of students enrolled in the school district for purposes of compulsory attendance and address enrollment of students with an online instruction site for supplemental or full-time online learning.

II. GENERAL STATEMENT OF POLICY

A. The school district shall not prohibit an enrolled student from applying to enroll in online instruction.

B. The school district shall grant academic credit for completing the requirements of an online instruction course or program.

III. DEFINITIONS

A. "Blended instruction" means a form of digital instruction that occurs when a student learns part time in a supervised physical setting and part time through online instruction under Paragraph E. below.

B. "Digital instruction" means instruction facilitated by technology that offers students an element of control over the time, place, path, or pace of learning and includes blended and online instruction.

C. "Enrolling district" means the school district in which a student is enrolled under Minnesota Statutes, section 120A.05, subdivision 8, or chapter 124E.

D. "Online course syllabus" means a written document that identifies the state academic standards taught and assessed in a supplemental online course under paragraph I; course content outline; required course assessments; instructional methods; communication procedures with students, guardians, and the enrolling district under Paragraph C. above; and supports available to the student.

E. "Online instruction" means a form of digital instruction that occurs when a student learns primarily through digital technology away from a supervised physical setting.

F. "Online instructional site" means a site that offers courses using online instruction under Paragraph E and may enroll students receiving online instruction under Paragraph E. above.

G. "Online teacher" means an employee of the enrolling district under Paragraph C. above or the supplemental online course provider under Paragraph J who holds the appropriate

licensure under Minnesota Rules, chapter 8710, and is trained to provide online instruction under Paragraph E. above.

H. "Student" means a Minnesota resident enrolled in a school defined under Minnesota Statutes, section 120A.22, subdivision 4, in kindergarten through grade 12 up to the age of 21.

I. "Supplemental online course" means an online learning course taken in place of a course provided by the student's enrolling district under Paragraph C. above.

J. "Supplemental online course provider" means a school district, an intermediate school district, a state-operated school, an organization of two (2) or more school districts operating under a joint powers agreement, or a charter school located in Minnesota that is authorized by the Minnesota Department of Education (MDE) to provide supplemental online courses under paragraph I. above.

IV. DIGITAL INSTRUCTION

A. An enrolling district may provide digital instruction, including blended instruction and online instruction, to the district's own enrolled students. Enrolling districts may establish agreements to provide digital instruction, including blended instruction and online instruction, to students enrolled in the cooperating schools.

B. When online instruction is provided, an online teacher shall perform all duties of teacher of record under Minnesota Rules, part 8710.0310. Unless the Commissioner of MDE grants a waiver, a teacher providing online instruction shall not instruct more than 40 students in any one online learning course or section.

C. Students receiving online instruction full time shall be reported as enrolled in an online instructional site.

D. Curriculum used for digital instruction shall be aligned with Minnesota's current academic standards and benchmarks.

E. Digital instruction shall be accessible to students under sections 504 and 508 of the federal Rehabilitation Act and Title II of the federal Americans with Disabilities Act.

F. An enrolling district providing digital instruction and a supplemental online course provider shall assist an enrolled student whose family qualifies for the education tax credit under Minnesota Statutes, section 290.0674 to acquire computer hardware and educational software so they may participate in digital instruction. Funds provided to a family to support digital instruction or supplemental online courses may only be used for qualifying expenses as determined by the provider. Nonconsumable materials purchased with public education funds remain the property of the provider. Records for any funds provided must be available for review by the public or MDE.

G. An enrolling district providing digital instruction shall establish and document procedures for determining attendance for membership and keep accurate records of daily attendance under Minnesota Statutes, section 120A.22~~120A.21~~.

V. SUPPLEMENTAL ONLINE COURSES

A. Notwithstanding Minnesota Statutes, sections 124D.03 and 124D.08 and Minnesota Statutes, chapter 124E, procedures for applying to take supplemental online courses

other than those offered by the student's enrolling district are as provided in this subdivision.

B. Any kindergarten through grade 12 student may apply to take a supplemental online course. The student, or the student's parent or guardian for a student under age 17, must submit an application for the proposed supplemental online course or courses. A student may:

1. apply to take an online course from a supplemental online course provider that meets or exceeds the academic standards of the course in the enrolling district they are replacing;

2. apply to take supplemental online courses for up to fifty (50) percent of the student's scheduled course load;

3. apply to take supplemental online courses no later than fifteen (15) school days after the student's enrolling district's term has begun. An enrolling district may waive the fifty (50) percent course enrollment limit or the 15-day time limit; and

4. enroll in additional courses with the online learning provider under a separate agreement that includes terms for paying any tuition or course fees.

C. A student taking a supplemental online course must have the same access to the computer hardware and education software available in a school as all other students in the enrolling district.

D. A supplemental online course provider must have a current, approved application to be listed by MDE as an approved provider. The supplemental online course provider must:

1. use an application form specified by MDE;

2. notify the student, the student's guardian if they are age seventeen (17) or younger, and enrolling district of the accepted application to take a supplemental online course within ten days of receiving a completed application;

3. notify the enrolling district of the course title, credits to be awarded, and the start date of the online course. A supplemental online course provider must make the online course syllabus available to the enrolling district;

4. request applicable academic support information for the student, including a copy of the IEP, EL support plan, or 504 plan; and

5. track student attendance and monitor academic progress and communicate with the student, the student's guardian if they are age seventeen (17) or younger, and the enrolling district's designated online learning liaison.

E. A supplemental online course provider may limit enrollment if the provider's school board or board of directors adopts by resolution specific standards for accepting and rejecting students' applications. The provisions may not discriminate against any protected class or students with disabilities.

F. A supplemental online course provider may request that MDE review an enrolling district's written decision to not accept a student's supplemental online course

application. The student may participate in the supplemental online course while the application is under review. Decisions shall be final and binding for both the enrolling district and the supplemental online course provider.

G. A supplemental online course provider must participate in continuous improvement cycles with MDE.

VI. ENROLLING DISTRICT

A. An enrolling district may not restrict or prevent a student from applying to take supplemental online courses.

B. An enrolling district may request an online course syllabus to review whether the academic standards in the online course meet or exceed the academic standards in the course it would replace at the enrolling district.

C. Within fifteen (15) days after receiving notice of a student applying to take a supplemental online course, the enrolling district must notify the supplemental online course provider whether the student, the student's guardian, and the enrolling district agree that academic standards in the online course meet or exceed the academic standards in the course it would replace at the enrolling district. If the enrolling district does not agree that the academic standards in the online course meet or exceed the academic standards in the course it would replace at the enrolling district, then:

1. the enrolling district must provide a written explanation of the district's decision to the student, the student's guardian, and the supplemental online course provider; and

2. the online provider must provide a response to the enrolling district explaining how the course or program meets the graduation requirements of the enrolling district.

D. An enrolling district may reduce the course schedule of a student taking supplemental online courses in proportion to the number of supplemental online learning courses the student takes.

E. An enrolling district must appoint an online learning liaison who:

1. provides information to students and families about supplemental online courses;

2. provides academic support information including IEPs, EL support plans, and 504 plans to supplemental online providers; and

3. monitors attendance and academic progress, and communicates with supplemental online learning providers, students, families, and enrolling district staff.

F. An enrolling district must continue to provide support services to students taking supplemental online courses as they would for any other enrolled student including support for English learners, case management of an individualized education program, and meal and nutrition services for eligible students.

G. An online learning student must receive academic credit for completing the requirements

of a supplemental online learning course. If a student completes an online learning course that meets or exceeds a graduation standard or the grade progression requirement at the enrolling district, that standard or requirement is met.

H. Secondary credits granted to a supplemental online learning student count toward the graduation and credit requirements of the enrolling district. The enrolling district must apply the same graduation requirements to all students, including students taking supplemental online courses.

I. An enrolling district must provide access to extracurricular activities for students taking supplemental online courses on the same basis as any other enrolled student.

VII. REPORTING

Courses that include blended instruction and online instruction must be reported in the manner determined by the Commissioner of MDE.

Legal References:
~~Minn. Stat. § 120A.21 (Enrollment of a Student in Foster Care)~~
Minn. Stat. § 120A.22 (Compulsory Instruction)
Minn. Stat. § 120A.24 (Reporting)
Minn. Stat. § 124D.03 (Enrollment Options Act)
Minn. Stat. § 124D.08 (School Board's Approval to Enroll in Nonresident District; Exceptions)
Minn. Stat. § 124D.094 (Online Instruction Act)
Minn. Rules Ch. 8710 (Teacher and Other School Professional Licensing)

Cross References:
MSBA/MASA Model Policy 613 (Graduation Requirements)
MSBA/MASA Model Policy 620 (Credit for Learning)

709 STUDENT TRANSPORTATION SAFETY 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 safe transportation for students and to educate students on safety issues and the responsibilities of school bus ridership.

II. PLAN FOR STUDENT TRANSPORTATION SAFETY TRAINING

A. School Bus Safety Week

The school district may designate a school bus safety week. The National School Bus Safety Week is the third week in October.

B. Student School Bus Safety Training

1. The school district shall provide students enrolled in grades kindergarten (K) through 10 with age-appropriate school bus safety training of the following concepts:

   a. transportation by school bus is a privilege, not a right;

   b. school district policies for student conduct and school bus safety;

   c. appropriate conduct while on the bus;

   d. the danger zones surrounding a school bus;

   e. procedures for safely boarding and leaving a school bus;

   f. procedures for safe vehicle lane crossing; and

   g. school bus evacuation and other emergency procedures.

2. All students in grades K through 6 who are transported by school bus and are enrolled during the first or second week of school must receive the school bus safety training by the end of the third week of school. All students in grades 7 through 10 who are transported by school bus and are enrolled during the first or second week of school must receive the school bus safety training or receive bus safety instruction materials by the end of the sixth week of school, if they have not previously received school bus training. Students in grades K through 10 who enroll in a school after the second week of school, are transported by school bus, and have not received training in their previous school districts shall undergo school bus safety training or receive bus safety instructional materials within four (4) weeks of their first day of attendance.

3. The school district and a nonpublic school with students transported by school bus at public expense must provide students enrolled in grades K through 3 school bus

safety training twice during the school year.

4. Students taking driver's training instructional classes must receive training in the laws and proper procedures for operating a motor vehicle in the vicinity of a school bus as required by Minnesota Statutes, section 169.446, subdivision 2.

5. The school district and a nonpublic school with students transported by school bus at public expense must conduct a school bus evacuation drill at least once during the school year.

6. The school district will make reasonable accommodations in training for students known to speak English as a second language and students with disabilities.

7. The school district may provide kindergarten students with school bus safety training before the first day of school.

8 The school district shall adopt and make available for public review a curriculum for transportation safety education.

9. Nonpublic school students transported by the school district will receive school bus safety training by their nonpublic school. The nonpublic schools may use the school district's school transportation safety education curriculum. Upon request by the school district superintendent, the nonpublic school must certify to the school district's school transportation safety director that all students enrolled in grades K through 10 have received the appropriate training.

C. Active Transportation Safety Training

1. Training Required

a. The school district must provide public school pupils enrolled in kindergarten through grade 3 with age-appropriate active transportation safety training. At a minimum, the training must include pedestrian safety, including crossing roads.

b. The school district must provide pupils enrolled in grades 4 through 8 with age-appropriate active transportation safety training. At a minimum, the training must include:

(1) pedestrian safety, including crossing roads safely using the searching left, right, left for vehicles in traffic technique;

(2) bicycle safety, including relevant traffic laws, use and proper fit of protective headgear, bicycle parts and safety features, and safe biking techniques; and

(3) electric-assisted bicycle safety, including that a person under the age of fifteen (15) is not allowed to operate an electric-assisted bicycle.

2. Instruction

a. The school district may provide active transportation safety training through distance learning.

b. The district and a nonpublic school must make reasonable accommodations for the active transportation safety training of pupils known to speak English as a second language and pupils with disabilities.

III. CONDUCT ON SCHOOL BUSES AND CONSEQUENCES FOR MISBEHAVIOR

A. Riding the school bus is a privilege, not a right. The school district's general student behavior rules are in effect for all students on school buses, including nonpublic and charter school students.

B. Consequences for school bus/bus stop misconduct will be imposed by the school district under adopted administrative discipline procedures. In addition, all school bus/bus stop misconduct will be reported to the school district's transportation safety director. Serious misconduct may be reported to local law enforcement.

1. School Bus and Bus Stop Rules

The school district school bus safety rules are to be posted on every bus. If these rules are broken, the school district's discipline procedures are to be followed. In most circumstances, consequences are progressive and may include suspension of bus privileges. It is the school bus driver's responsibility to report unacceptable behavior to the school district's Transportation Office/School Office.

2. Rules at the Bus Stop

a. Get to your bus stop five (5) minutes before your scheduled pick up time. The school bus driver will not wait for late students.

b. Respect the property of others while waiting at your bus stop.

c. Keep your arms, legs, and belongings to yourself.

d. Use appropriate language.

e. Stay away from the street, road, or highway when waiting for the bus.

f. Wait until the bus stops before approaching the bus.

g. After getting off the bus, move away from the bus.

h. If you must cross the street, always cross in front of the bus where the driver can see you. Wait for the driver to signal to you before crossing the street.

i. No fighting, harassment, intimidation, or horseplay.

j. No use of alcohol, tobacco, or drugs.

3. Rules on the Bus

a. Immediately follow the directions of the driver.

b. Sit in your seat facing forward.

c. Talk quietly and use appropriate language.

d. Keep all parts of your body inside the bus.

e. Keep your arms, legs, and belongings to yourself.

f. No fighting, harassment, intimidation, or horseplay.

g. Do not throw any object.

h. No eating, drinking, or use of alcohol, tobacco, or drugs.

i. Do not bring any weapons or dangerous objects on the school bus.

j. Do not damage the bus.

4. Consequences

a. Consequences for school bus/bus stop misconduct will apply to all regular and late routes. Decisions regarding a student's ability to ride the bus in connection with cocurricular and extracurricular events (for example, field trips or competitions) will be in the sole discretion of the school district. Parents or guardians will be notified of any suspension of bus privileges.

(1) Elementary (grades K-6)

1st offense	warning
2nd offense	three (3) school-day suspension from riding the bus
3rd offense	five (5) school-day suspension from riding the bus
4th offense	ten (10) school-day suspension from riding the bus/meeting with parent
Further offenses	individually considered. Students may be suspended for longer periods of time, including the remainder of the school year.

(2) Secondary (grades 7-12)

1st offense	warning
2nd offense	five (5) school-day suspension from riding the bus
3rd offense	ten (10) school-day suspension from riding the bus
4th offense	twenty (20) school-day suspension from riding the bus/meeting with parent
5th offense	suspended from riding the bus for the remainder of the school year

[Note: When any student goes sixty (60) transportation days without a report, the student's consequences may start over at the first offense.]

(3) Other Discipline

Based on the severity of a student's conduct, more serious consequences may be imposed at any time. Depending on the nature of the offense, consequences such as suspension or expulsion from school also may result from school bus/bus stop misconduct.

(4) Records

Records of school bus/bus stop misconduct will be forwarded to the individual school building and will be retained in the same manner as other student discipline records. Reports of student misbehavior on a school bus or in a bus-loading or unloading area that are reasonably believed to cause an immediate and substantial danger to the student or surrounding persons or property shall be provided by the school district to local law enforcement and the Department of Public Safety in accordance with state and federal law.

(5) Vandalism/Bus Damage

Students damaging school buses will be responsible for the damages. Failure to pay such damages (or make arrangements to pay) within two (2) weeks may result in the loss of bus privileges until damages are paid.

(6) Notice

School bus and bus stop rules and consequences for violations of these rules will be reviewed with students annually and copies of these rules will be made available to students. School bus rules are to be posted on each school bus.

(7) Criminal Conduct

In cases involving criminal conduct (for example, assault, weapons, drug possession, or vandalism), the appropriate school district personnel and local law enforcement officials will be informed.

IV. PARENT AND GUARDIAN INVOLVEMENT

A. Parent and Guardian Notification

The school district school bus and bus stop rules will be provided to each family. Parents and guardians are asked to review the rules with their children.

B. Parents/Guardians Responsibilities for Transportation Safety

Parents/Guardians are responsible to:

1. Become familiar with school district rules, policies, regulations, and the principles of school bus safety, and thoroughly review them with their children;

2. Support safe riding and walking practices, and recognize that students are responsible for their actions;

3. Communicate safety concerns to their school administrators;

4. Monitor bus stops, if possible;

5. Have their children at the bus stop five (5) minutes before the bus arrives;

6. Have their children properly dressed for the weather; and

7. Have a plan in case the bus is late.

V. SCHOOL BUS DRIVER DUTIES AND RESPONSIBILITIES

A. School bus drivers shall have a valid Class A, B, or C Minnesota driver's license with a school bus endorsement. A person possessing a valid driver's license, without a school bus endorsement, may drive a type III vehicle set forth in Paragraphs VII.B. and VII.C., below. Drivers with a valid Class D driver's license, without a school bus endorsement, may operate a "type A-I" school bus as set forth in Paragraph VII.D., below.

B. The school district shall conduct mandatory drug and alcohol testing of all school district bus drivers and bus driver applicants in accordance with state and federal law and school district policy.

C. A school bus driver, with the exception of a driver operating a type A-I school bus or type III vehicle, who has a commercial driver's license and who is convicted of a criminal offense, a serious traffic violation, or of violating any other state or local law relating to motor vehicle traffic control, other than a parking violation, in any type of motor vehicle in a state or jurisdiction other than Minnesota, shall notify the Minnesota Division of Driver and Vehicle Services (Division) of the conviction within thirty (30) days of the conviction. For purposes of this paragraph, a "serious traffic violation" means a conviction of any of the following offenses:

1. excessive speeding, involving any single offense for any speed of fifteen (15) miles per hour or more above the posted speed limit;

2. reckless driving;

3. improper or erratic traffic lane changes;

4. following the vehicle ahead too closely;

5. a violation of state or local law, relating to motor vehicle traffic control, arising in connection with a fatal accident;

6. driving a commercial vehicle without obtaining a commercial driver's license or without having a commercial driver's license in the driver's possession;

7. driving a commercial vehicle without the proper class of commercial driver's license

and/or endorsements for the specific vehicle group being operated or for the passengers or type of cargo being transported;

8. a violation of a state or local law prohibiting texting while driving a commercial vehicle; and

9. a violation of a state or local law prohibiting the use of a hand-held mobile telephone while driving a commercial vehicle.

D. A school bus driver, with the exception of a driver operating a type A-I school bus or type III vehicle, who has a commercial driver's license and who is convicted of violating, in any type of motor vehicle, a Minnesota state or local law relating to motor vehicle traffic control, other than a parking violation, shall notify the person's employer of the conviction within thirty (30) days of conviction. The notification shall be in writing and shall contain all the information set forth in Attachment A accompanying this policy.

E. A school bus driver, with the exception of a driver operating a type A-I school bus or type III vehicle, who has a Minnesota commercial driver's license suspended, revoked, or cancelled by the state of Minnesota or any other state or jurisdiction and who loses the right to operate a commercial vehicle for any period or who is disqualified from operating a commercial motor vehicle for any period shall notify the person's employer of the suspension, revocation, cancellation, lost privilege, or disqualification. Such notification shall be made before the end of the business day following the day the employee received notice of the suspension, revocation, cancellation, lost privilege, or disqualification. The notification shall be in writing and shall contain all the information set forth in Attachment B accompanying this policy.

F. A person who operates a type III vehicle and who sustains a conviction as described in Subparagraph VII.C.1.g. (i.e., driving while impaired offenses), VII.C.1.h. (i.e., felony, controlled substance, criminal sexual conduct offenses, or offenses for surreptitious observation, indecent exposure, use of minor in a sexual performance, or possession of child pornography or display of pornography to a minor), or VII.C.1.i. (multiple moving violations) while employed by the entity that owns, leases, or contracts for the school bus, shall report the conviction to the person's employer within ten (10) days of the date of the conviction. The notification shall be in writing and shall contain all the information set forth in Attachment C accompanying this policy.

VI. SCHOOL BUS DRIVER TRAINING

A. Training

1. All new school bus drivers shall be provided with pre-service training, including in-vehicle (actual driving) instruction, before transporting students and shall meet the competency testing specified in the Minnesota Department of Public Safety's *Minnesota Model School Bus Driver Training Program*. All school bus drivers shall receive in-service training annually. For purposes of this section, "annually" means at least once every 380 days from the initial or previous evaluation and at least once every 380 days from the initial or previous license verification. The school district shall retain on file an annual individual school bus driver "evaluation certification" form for each school district driver as contained in the *Minnesota Model School Bus Driver Training Program*.

[NOTE: The *Minnesota Model School Bus Driver Training Program* is available online through the Minnesota Department of Public Safety State Patrol web page listed under Resources below.]

2. All bus drivers operating a type III vehicle will be provided with annual training and certification as set forth in Subparagraph VII.C.1.b., below, by either the school district or the entity from whom such services are contracted by the school district.

B. Evaluation

School bus drivers with a Class D license will be evaluated annually and all other bus drivers will be assessed periodically for the following competencies:

1. Safely operate the type of school bus the driver will be driving;

2. Understand student behavior, including issues relating to students with disabilities;

3. Ensure orderly conduct of students on the bus and handling incidents of misconduct appropriately;

4. Know and understand relevant laws, rules of the road, and local school bus safety policies;

5. Handle emergency situations; and

6. Safely load and unload students.

The evaluation must include completion of an individual "school bus driver evaluation form" (road test evaluation) as contained in the *Minnesota Model School Bus Driver Training Program*.

[NOTE: The school district may use alternative assessments rather than those set forth in the *Minnesota Model School Bus Driver Training Program* for bus driver training competencies with the approval of the Commissioner of Public Safety. A driver also may receive at least eight (8) hours of school bus in-service training in any year as an alternative to being assessed for bus driver competencies after the initial year of being assessed for bus driver competencies.]

VII. OPERATING RULES AND PROCEDURES

A. General Operating Rules

1. School buses shall be operated in accordance with state traffic and school bus safety laws and the procedures contained in the *Minnesota Model School Bus Driver Training Program*.

2. Only students assigned to the school bus by the school district shall be transported. The number of students or other authorized passengers transported in a school bus shall not be more than the legal capacity for the bus. No person shall be allowed to stand when the bus is in motion.

3. The parent/guardian may designate, pursuant to school district policy, a day care facility, respite care facility, the residence of a relative, or the residence of a person chosen by the parent or guardian as the address of the student for transportation purposes. The address must be in the attendance area of the assigned school and meet all other eligibility requirements.

4. Bus drivers must minimize, to the extent practical, the idling of school bus engines and exposure of children to diesel exhaust fumes.

5. To the extent practical, the school district will designate school bus loading/unloading zones at a sufficient distance from school air-intake systems to avoid diesel fumes from being drawn into the systems.

[NOTE: A school district is not required to comply with Subparagraph VII.A.5. if the school board determines that alternative locations block traffic, impair student safety, or are not cost effective.]

6. A bus driver may not operate a school bus while communicating over, or otherwise operating, a cellular phone for personal reasons, whether hand-held or hands free, when the vehicle is in motion or a part of traffic.

For purposes of this paragraph, "school bus" has the meaning given in Minnesota Statutes, section 169.011, subdivision 71:

"School bus" means a motor vehicle used to: (1) transport pupils to or from a school defined in Minnesota Statutes, section 120A.22, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district; or (2) provide training on the operation of the vehicle for purposes specified in clause (1) to employees of the school, school district, or a person under agreement with the school or school district.

A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, a transit bus providing services as defined in Minnesota Statutes, section 174.22, subdivision 7, or a vehicle otherwise qualifying as a type III vehicle under Minnesota Statutes, section 169.011, subdivision 71, paragraph (h), when the vehicle is properly registered and insured and being driven by an employee or agent of a school district for nonscheduled or nonregular transportation.

In addition, "school bus" also includes type III vehicles when driven by employees or agents of the school district. "Cellular phone" means a cellular, analog, wireless, or digital telephone capable of sending or receiving telephone or text messages without an access line for service.

B. Type III Vehicles

1. Type III vehicles are restricted to passenger cars, station wagons, vans, and buses having a maximum manufacturer's rated seating capacity of ten (10) or fewer people including the driver and a gross vehicle weight rating of 10,000 pounds or less. A van or bus converted to a seating capacity of ten (10) or fewer and placed in service on or after August 1, 1999, must have been originally manufactured to comply with the passenger safety standards.

2. Type III vehicles must be painted a color other than national school bus yellow.

3. Type III vehicles shall be state inspected in accordance with legal requirements.

4. Vehicles model year 2007 or older must not be used as type III vehicles to transport school children, except those vehicles that are manufactured to meet the structural requirements of federal motor vehicle safety standard 222, 49 Code of

Federal Regulations, Part 571.

5. If a type III vehicle is school district owned, the school district name will be clearly marked on the side of the vehicle. The type III vehicle must not have the words "school bus" in any location on the exterior of the vehicle or in any interior location visible to a motorist.

6. A "type III vehicle" must not be outwardly equipped and identified as a type A, B, C, or D bus.

7. Eight-lamp warning systems and stop arms must not be installed or used on type III vehicles.

8. Type III vehicles must be equipped with mirrors as required by law.

9. Any type III vehicle may not stop traffic and may not load or unload before making a complete stop and disengaging gears by shifting into neutral or park. Any type III vehicle used to transport students must not load or unload so that a student has to cross the road, except where not possible or impractical, then the driver or assistant must escort a student across the road. If the driver escorts the student across the road, then the motor must be stopped, the ignition key removed, the brakes set, and the vehicle otherwise rendered immobile.

10. Any type III vehicle used to transport students must carry emergency equipment including:

    a. Fire extinguisher

       A minimum of one (1) 10BC rated dry chemical type fire extinguisher is required. The extinguisher must be mounted in a bracket and must be located in the driver's compartment and be readily accessible to the driver and passengers. A pressure indicator is required and must be easily read without removing the extinguisher from its mounted position.

    b. ~~First aid kit and b~~Body fluids cleanup kit

       A ~~minimum of a 10-unit first aid kit and a~~ body fluids cleanup kit is required. ~~They~~ The kit must be contained in a removable, moisture- and dust-proof container~~s~~ mounted in an accessible place within the driver's compartment and must be marked to indicate ~~their~~ the kit's identity~~. and location.~~

    c. First Aid Kit

       A first aid kit meeting the requirements as defined in the current version of the National School Transportation Specifications and Procedures (NSTSP) must be provided in vehicles model year 2027 and newer. All other vehicles may contain a minimum of a ten-unit first aid kit, as specified in Minnesota Rules 1993, part 3520.5120, or a first aid kit meeting the requirements of the NSTSP. After January 1, 2030, all type III vehicles must be equipped with a first aid kit meeting the requirements of the NSTSP.

    d. Passenger cars and station wagons may carry a fire extinguisher, a first aid kit, and warning triangles in the trunk or trunk area of the vehicle if a

label in the driver and front passenger area clearly indicates the location of these items.

11. Students will not be regularly transported in private vehicles that are not state inspected as type III vehicles. Only emergency, unscheduled transportation may be conducted in vehicles with a seating capacity of ten (10) or fewer without meeting the requirements for a type III vehicle. Also, parents may use a private vehicle to transport their own children under a contract with the district. The school district has no system of inspection for private vehicles.

12. All drivers of type III vehicles will be licensed drivers and will be familiar with the use of required emergency equipment. The school district will not knowingly allow a person to operate a type III vehicle if the person has been convicted of an offense that disqualifies the person from operating a school bus.

13. Type III vehicles will be equipped with child passenger restraints, and child passenger restraints will be utilized to the extent required by law.

C. Type III Vehicle Driven by Employees with a Driver's License Without a School Bus Endorsement

1. The holder of a Class A, B, C, or D driver's license, without a school bus endorsement, may operate a type III vehicle, described above, under the following conditions:

a. The operator is an employee of the entity that owns, leases, or contracts for the school bus, which may include the school district.

b. The operator's employer, which may include the school district, has adopted and implemented a policy that provides for annual training and certification of the operator in:

(1) safe operation of a type III vehicle;

(2) understanding student behavior, including issues relating to students with disabilities;

(3) encouraging orderly conduct of students on the bus and handling incidents of misconduct appropriately;

(4) knowing and understanding relevant laws, rules of the road, and local school bus safety policies;

(5) handling emergency situations;

(6) proper use of seat belts and child safety restraints;

(7) performance of pre-trip vehicle inspections;

(8) safe loading and unloading of students, including, but not limited to:

(a) utilizing a safe location for loading and unloading students at the curb, on the nontraffic side of the roadway, or at off-street loading areas, driveways, yards, and other areas

to enable the student to avoid hazardous conditions;

(b) refraining from loading and unloading students in a vehicular traffic lane, on the shoulder, in a designated turn lane, or a lane adjacent to a designated turn lane;

(c) avoiding a loading or unloading location that would require a student to cross a road, or ensuring that the driver or an aide personally escort the student across the road if it is not reasonably feasible to avoid such a location;

(d) placing the type III vehicle in "park" during loading and unloading;

(e) escorting a student across the road under clause (c) only after the motor is stopped, the ignition key is removed, the brakes are set, and the vehicle is otherwise rendered immobile; and

(9) compliance with Paragraph V.F. concerning reporting convictions to the employer within ten (10) days of the date of conviction.

c. A background check or background investigation of the operator has been conducted that meets the requirements under Minnesota Statutes, section 122A.18, subdivision 8, or Minnesota Statutes, section 123B.03 for school district employees; Minnesota Statutes, section 144.057 or Minnesota Statutes, chapter 245C for day care employees; or Minnesota Statutes, section 171.321, subdivision 3, for all other persons operating a type III vehicle under this section.

d. Operators shall submit to a physical examination as required by Minnesota Statutes, section 171.321, subdivision 2.

e. The operator's employer requires preemployment drug testing of applicants for operator positions. Current operators must comply with the employer's policy under Minnesota Statutes, section 181.951, subdivisions 2, 4, and 5. Notwithstanding any law to the contrary, the operator's employer may use a breathalyzer or similar device to fulfill random alcohol testing requirements.

f. The operator's driver's license is verified annually by the entity that owns, leases, or contracts for the type III vehicle as required by Minnesota Statutes, section 171.321, subdivision 5.

g. A person who sustains a conviction, as defined under Minnesota Statutes, 609.02, of violating Minnesota Statutes, section 169A.25, 169A.26, 169A.27 (driving while impaired offenses), or 169A.31 (alcohol-related school bus driver offenses), or whose driver's license is revoked under Minnesota Statutes, sections 169A.50 to 169A.53 of the implied consent law, or who is convicted of violating or whose driver's license is revoked under a similar statute or ordinance of another state, is precluded from operating a type III vehicle for five (5) years from the date of conviction.

h. A person who has ever been convicted of a disqualifying offense as defined in Minnesota Statutes, section 171.3215, subdivision 1(c), (i.e., felony,

controlled substance, criminal sexual conduct offenses, or offenses for surreptitious observation, indecent exposure, use of minor in a sexual performance, or possession of child pornography or display of pornography to a minor) may not operate a type III vehicle.

i. A person who sustains a conviction, as defined under Minnesota Statutes, section 609.02, of a moving offense in violation of Minnesota Statutes, chapter 169 within three (3) years of the first of three (3) other moving offenses is precluded from operating a type III vehicle for one (1) year from the date of the last conviction.

j. Students riding the type III vehicle must have training required under Minnesota Statutes, section 123B.90, subdivision 2 (See Paragraph II.B., above).

k. Documentation of meeting the requirements listed in this section must be maintained under separate file at the business location for each type III vehicle operator. The school district or any other entity that owns, leases, or contracts for the type III vehicle operating under this section is responsible for maintaining these files for inspection.

2. The Type III vehicle must bear a current certificate of inspection issued under Minnesota Statutes, section 169.451.

3. An employee of the school district who is not employed for the sole purpose of operating a type III vehicle may, in the discretion of the school district, be exempt from Subparagraphs VII.C.1.d. (physical examination) and VII.C.1.e. (drug testing), above.

D. Type A-I "Activity" Buses Driven by Employees with a Driver's License Without a School Bus Endorsement

1. The holder of a Class D driver's license, without a school bus endorsement, may operate a type A-I school bus or a Multifunction School Activity Bus (MFSAB) under the following conditions:

a. The operator is an employee of the school district or an independent contractor with whom the school district contracts for the school bus and is not solely hired to provide transportation services under this paragraph.

b. The operator drives the school bus only from points of origin to points of destination, not including home-to-school trips to pick up or drop off students.

c. The operator is prohibited from using the 8-light system if the vehicle is so equipped.

d. The operator has submitted to a background check and physical examination as required by Minnesota Statutes, section 171.321, subdivision 2.

e. The operator has a valid driver's license and has not sustained a conviction of a disqualifying offense as set forth in Minnesota Statutes, section 171.02, subdivisions 2a(h) - 2a(j).

f. The operator has been trained in the proper use of child safety restraints as set forth in the National Highway Traffic Safety Administration's *Guideline for the Safe Transportation of Pre-school Age Children in School Buses*, if child safety restraints are used by passengers, in addition to the training required in Article VI., above.

g. The bus has a gross vehicle weight rating of 14,500 pounds or less and is designed to transport fifteen (15) or fewer passengers, including the driver.

2. The school district shall maintain annual certification of the requirements listed in this section for each Class D license operator.

3. A school bus operated under this section must bear a current certificate of inspection.

4. The word "School" on the front and rear of the bus must be covered by a sign that reads "Activities" when the bus is being operated under authority of this section.

VIII. SCHOOL DISTRICT EMERGENCY PROCEDURES

A. If possible, school bus drivers or their supervisors shall call "911" or the local emergency phone number in the event of a serious emergency.

B. School bus drivers shall meet the emergency training requirements contained in Unit III "Crash & Emergency Preparedness" of the *Minnesota Model School Bus Driver Training Program*. This includes procedures in the event of a crash (accident).

C. School bus drivers and bus assistants for special education students requiring special transportation service because of a disability shall be trained in basic first aid procedures, shall within one (1) month after the effective date of assignment participate in a program of in-service training on the proper methods for dealing with the specific needs and problems of students with disabilities, assist students with disabilities on and off the bus when necessary for their safe ingress and egress from the bus; and ensure that protective safety devices are in use and fastened properly.

D. Emergency health information shall be maintained on the school bus for students requiring special transportation service because of a disability. The information shall state:

1. the student's name and address;

2. the nature of the student's disabilities;

3. emergency health care information; and

4. the names and telephone numbers of the student's physician, parents, guardians, or custodians, and some person other than the student's parents or custodians who can be contacted in case of an emergency.

IX. SCHOOL DISTRICT VEHICLE MAINTENANCE STANDARDS

A. All school vehicles shall be maintained in safe operating conditions through a systematic preventive maintenance and inspection program adopted or approved by the school district.

B. All school vehicles shall be state inspected in accordance with legal requirements.

C. A copy of the current daily pre-trip inspection report must be carried in the bus. Daily pre-trip inspections shall be maintained on file in accordance with the school district's record retention schedule. Prompt reports of defects to be immediately corrected will be submitted.

D. Daily post-trip inspections shall be performed to check for any children or lost items remaining on the bus and for vandalism.

X. SCHOOL TRANSPORTATION SAFETY DIRECTOR

The school board has designated an individual to serve as the school district's school transportation safety director. The school transportation safety director shall have day-to-day responsibility for student transportation safety, including transportation of nonpublic school children when provided by the school district. The school transportation safety director will assure that this policy is periodically reviewed to ensure that it conforms to law. The school transportation safety director shall certify annually to the school board that each school bus driver meets the school bus driver training competencies required Minnesota Statutes, section 171.321, subdivision 4.

The transportation safety director also shall annually verify or ensure that the private contractor utilized by the school has verified the validity of the driver's license of each employee who regularly transports students for the school district in a type A, B, C, or D school bus, type III vehicle, or MFSAB with the National Driver Register or the Department of Public Safety. Upon request of the school district superintendent or the superintendent of the school district where nonpublic students are transported, the school transportation safety director also shall certify to the superintendent that students have received school bus safety training in accordance with state law. The name, address and telephone number of the school transportation safety director are on file in the school district office. Any questions regarding student transportation or this policy may be addressed to the school transportation safety director.

XI. STUDENT TRANSPORTATION SAFETY COMMITTEE

The school board may establish a student transportation safety committee. The chair of the student transportation safety committee is the school district's school transportation safety director. The school board shall appoint the other members of the student transportation safety committee. Membership may include parents, school bus drivers, representatives of school bus companies, local law enforcement officials, other school district staff, and representatives from other units of local government.

Legal References:
Minn. Stat. § 122A.18, Subd. 8 (Board to Issue Licenses)
Minn. Stat. § 123B.03 (Background Check)
Minn. Stat. § 123B.42 (Textbooks; Individual Instruction or Cooperative Learning Material; Standard Tests)
Minn. Stat. § 123B.88 (Independent School Districts; Transportation)
Minn. Stat. § 123B.885 (Diesel School Buses; Operation of Engine; Parking)
Minn. Stat. § 123B.90 (School Bus Safety Training)
Minn. Stat. § 123B.91 (School District Bus Safety Responsibilities)
Minn. Stat. § 123B.935 (Active Transportation Safety Training)
Minn. Stat. § 144.057 (Background Studies on Licensees and Other Personnel)
Minn. Stat. Ch. 169 (Traffic Regulations)
Minn. Stat. § 169.011, Subds. 15, 16, and 71 (Definitions)
Minn. Stat. § 169.02 (Scope)
Minn. Stat. § 169.443 (Safety of School Children; Bus Driver's Duties)
Minn. Stat. § 169.446, Subd. 2 (Safety of School Children; Training and Education

Rules)
Minn. Stat. § 169.451 (Inspecting School and Head Start Buses; Rules; Misdemeanor)
Minn. Stat. § 169.454 (Type III Vehicle Standards)
Minn. Stat. § 169.4582 (Reportable Offense on School Buses)
Minn. Stat. §§ 169A.25-169A.27 (Driving While Impaired)
Minn. Stat. § 169A.31 (Alcohol-Related School Bus or Head Start Bus Driving)
Minn. Stat. §§ 169A.50-169A.53 (Implied Consent Law)
Minn. Stat. § 171.02, Subds. 2, 2a, and 2b (Licenses; Types, Endorsements, Restrictions)
Minn. Stat. § 171.168 (Notice of Violation by Commercial Driver)
Minn. Stat. § 171.169 (Notice of Commercial License Suspension)
Minn. Stat. § 171.321 (Qualifications of School Bus and Type III Vehicle Drivers)
Minn. Stat. § 171.3215, Subd. 1(c) (Canceling Bus Endorsement for Certain Offenses)
Minn. Stat. § 181.951 (Authorized Drug and Alcohol Testing)
Minn. Stat. Ch. 245C (Human Services Background Studies)
Minn. Stat. § 609.02 (Definitions)
Minnesota Rules 1993, part 3520.5120
Minn. Rules Parts 7470.1000-7470.1700 (School Bus Inspection)
49 C.F.R. Part 383 (Commercial Driver's License Standards; Requirements and Penalties)
49 C.F.R. § 383.31 (Notification of Convictions for Driver Violations)
49 C.F.R. § 383.33 (Notification of Driver's License Suspensions)
49 C.F.R. § 383.5 (Transportation Definitions)
49 C.F.R. § 383.51 (Disqualification of Drivers)
49 C.F.R. Part 571 (Federal Motor Vehicle Safety Standards)

Cross References:
MSBA/MASA Model Policy 416 (Drug, Alcohol, and Cannabis Testing)
MSBA/MASA Model Policy 506 (Student Discipline)
MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)
MSBA/MASA Model Policy 707 (Transportation of Public Students)
MSBA/MASA Model Policy 708 (Transportation of Nonpublic Students)
MSBA/MASA Model Policy 710 (Extracurricular Transportation)

Resources:
Minnesota Department of Public Safety: *School Bus Resources* (accessed 10/12/25)
National Highway Traffic Safety Administration: *Guideline for the Safe Transportation of Pre-school Age Children in School Buses* (Feb. 1999) (accessed 10/12/25)

721 PROCUREMENT POLICY

[NOTE: School districts are required by the federal Uniform Grant Guidance (UGG) regulations, 2 Code of Federal Regulations, part 200, to have the policies that establish uniform administrative requirements, cost principles, and audit requirements for federal awards to non-federal entities including school districts. In June 2018, the United States Office of Management and Budget increased the threshold dollar amounts for both simplified acquisition costs ($250,000) and micro-purchases ($10,000). In addition, school districts must comply with Minnesota laws on procurement.]

I. PURPOSE

The purpose of this policy is to ensure compliance with the requirements of the federal Uniform Grant Guidance regulations by establishing uniform administrative requirements, cost principles, and audit requirements for federal grant awards received by the school district. This policy also seeks to ensure compliance with Minnesota procurement laws governing school districts.

II. DEFINITIONS

A. "Compensation for personal services" includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the federal award, including, but not necessarily limited to, wages and salaries. Compensation for personal services may also include fringe benefits which are addressed in 2 Code of Federal Regulations, section 200.431 (Compensation - Fringe Benefits).

B. "Competitive procurement process" means a process for procurement by sealed bids or by proposals under Minnesota Statutes, section 471.345.

C. "Contract" means a legal instrument by which the school district purchases property or services needed to carry out the project or program under a federal award. The term, as used in 2 Code of Federal Regulations, Part 200, does not include a legal instrument, even if the school district considers it a contract, when the substance of the transaction meets the definition of a federal award or subaward.

D. "Direct costs" are those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

E. "Equipment" means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which exceeds the lesser of the capitalization level established by the school district for financial statement purposes, or $10,000.

F. "Federal award" has the meaning, depending on the context, in either paragraph 1. or 2. below:

1.

a. The federal financial assistance that the school district receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in 2 Code of Federal Regulations, section 200.101; or

b. The cost-reimbursement contract under the federal Acquisition Regulations that the school district receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in 2 Code of Federal Regulations, section 200.101.

2. The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (2) of the definition of *Federal financial assistance* in 2 Code of Federal Regulations 200.1, or the cost-reimbursement contract awarded under the federal Acquisition Regulations.

3. "Federal award" does not include other contracts that a federal agency uses to buy goods or services from a contractor or a contract to operate federal-government-owned, contractor-operated facilities.

G. "Grants" includes

1. "State-administered grants" are those grants that pass through a state agency such as the Minnesota Department of Education (MDE).

2. "Direct grants" are those grants that do not pass through another agency such as MDE and are awarded directly by the federal awarding agency to the grantee organization. These grants are usually discretionary grants that are awarded by the U.S. Department of Education (DOE) or by another federal awarding agency.

[NOTE: All requirements outlined in this policy apply to both direct grants and state-administered grants.]

H. "Non-federal entity" means a state, local government, Indian tribe, institution of higher education, or nonprofit organization that carries out a federal award as a recipient or subrecipient.

I. "Post-retirement health plans" refer to costs of health insurance or health services not included in a pension plan covered by 2 Code of Federal Regulations, section 200.431(g) for retirees and their spouses, dependents, and survivors.

J. "Severance pay" is a payment in addition to regular salaries and wages by the school district to workers whose employment is being terminated.

K. "Travel costs" are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the school district.

III. PROCUREMENT METHOD OPTIONS

A. Procurement by micro-purchase

The acquisition of supplies or services when the aggregate dollar amount of the procurement transaction does not exceed the micro-purchase threshold (generally $10,000, except as otherwise discussed in 48 Code of Federal Regulations, subpart 2.1 or as periodically adjusted for inflation).

[NOTE: Minnesota school districts may choose to increase their federal micro-purchase threshold to $25,000, which would align with the Minnesota limit. School districts choosing to adopt this increase must annually certify the higher threshold. The annual certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following: (1) a qualification as a low-risk auditee, in accordance with the criteria established in 2 Code of Federal Regulations, section 200.520 for the

most recent audit; (2) an annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or (3) a higher threshold consistent with state law.]

B. Procurement by small purchase procedures

This procurement method may be used when the value of the procurement transaction does not exceed the federal simplified acquisition threshold and is within the state threshold of $175,000. If a small purchase procedure is used, price or rate quotations must be obtained from an adequate number of qualified sources. Unless specified by the Federal agency, the school district may exercise judgment in determining what number is adequate.

[NOTE: Despite the federal government's increase in the dollar cap for small purchases to $250,000, Minnesota Statutes, section 471.345 limits the cap for small purchase procedures to $175,000.]

C. Procurement by sealed bids (formal advertising)

This procurement method involves a publicly solicited and a firm, fixed-price contract (lump sum or unit price) awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.

D. Procurement by competitive proposals

This procurement method is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. Competitive proposals are generally used when conditions are not appropriate for the use of sealed bids.

E. Procurement by noncompetitive proposals

This procurement method involves solicitation of a proposal from only one source.

[NOTE: Article IV. on Conflict of Interest has been moved to Article XI. to create a seamless set of Articles regarding procurement.]

IV. GENERAL PROCUREMENT STANDARDS

A. The school district must use its own documented procurement procedures that reflect applicable state laws, provided that the procurements conform to the applicable federal law and the standards identified in the Uniform Grant Guidance.

B. The school district must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

C. The school district's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach. Breaking up a procurement into smaller components to avoid the thresholds established in this policy is prohibited.

D. The school district must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

E. The school district must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: rationale for the method of procurement; selection of the contract type; contractor selection or rejection; and the basis for the contract price.

F. The school district alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the school district of any contractual responsibilities under its contracts.

G. The school district must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms are considered.

H. Thresholds for Employee Purchases

1. The superintendent and/or **[insert title(s) as appropriate]**, in conjunction with the school board, is responsible for overseeing the procurement process, including establishment of procedures, internal controls, quality assurance, methods of greatest economy, and compliance with all applicable laws. To be valid, all contracts must be approved by the board, except as otherwise provided in this policy. Nothing in this paragraph shall be construed to waive or supersede statutory requirements relating to public contracts, competitive bidding thresholds, or school board oversight, except as expressly permitted by law.

2. Individual school district employees may incur expenditures in the following amounts without prior board approval so long as such expenditures are consistent with the school board-approved budget, provided that in all cases the school board retains authority to disapprove any expenditure for any reason at its sole discretion:

a. Any school district employee may make a purchase for use in connection with school district operations when the expenditure is less than $1,000 and is consistent with this policy's requirements.

b. In addition to the foregoing, the following school district employees may execute a purchase or procurement that requires the expenditure of up to the following amounts:

(1). Superintendent: Up to **[insert dollar amount]**

(2). **[insert title]**: Up to **[insert dollar amount]**

[NOTE: The school board has the authority to determine whether to adopt Subparagraph H.2. In addition, the board may determine the employees to be included and the expenditure amounts to be authorized.]

3. Emergency expenditures and procurement authorization

Notwithstanding other provisions of this policy, including the threshold authorization above, the superintendent is authorized to approve emergency expenditures when the superintendent determines that a public exigency or emergency exists that threatens the health, safety, or welfare of students, staff, or school district property and that the expenditure cannot be delayed until the next regular or special meeting of the school board without material harm to the school district.

In an emergency, the Superintendent may authorize an expenditure in excess of the Superintendent's delegated purchasing authority, subject to the following conditions:

1. The procurement shall comply with applicable state and federal law, including the use of noncompetitive procurement when permitted by law;

2. The superintendent shall document the nature of the emergency, the basis for determining that immediate action was required, and the reason competitive procurement procedures were not used;

3. The expenditure shall be reported to the school board for ratification at the next regular or specially called school board meeting; and

4. Emergency authority under this paragraph is limited to the specific emergency circumstances and does not constitute a permanent increase in the superintendent's purchasing authority.

[**NOTE: Optional Dollar Limitation: Emergency expenditures authorized by the superintendent under this paragraph shall not exceed $_____ per occurrence, unless prior school board approval is obtained or such approval is impracticable due to the timing and nature of the emergency, in which case Board ratification shall be sought as soon as practicable.]**

V. PROCUREMENT METHODS WHEN USING STATE FUNDS

The school district must use one of the following methods of procurement when using state funds:

A. Procurements for $25,000 or less

If the amount of the contract is estimated to be $25,000 or less, the contract may be made either upon quotation or in the open market, in the school district's discretion. If the contract is made upon quotation it shall be based, so far as practicable, on at least two (2) quotations which shall be kept on file for a period of at least one (1) year after their receipt.

Alternatively, the school district may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in Minnesota Statutes, section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Procurements for $25,000 or less also may be conducted by micro-purchase.

B. Procurements Exceeding $25,000 but not $175,000

1. Sealed Bids or Direct Negotiation

If the amount of the contract is estimated to exceed $25,000 but not to exceed $175,000, the contract may be made either upon sealed bids or by direct negotiation, by obtaining two (2) or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding. All quotations obtained shall be kept on file for a period of at least one (1) year after receipt thereof.

2. Best Value Alternative

As an alternative to the procurement method described in Subparagraph B.1 above, the school district may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in Minnesota Statutes, section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

C. Procurements Exceeding $175,000

If the amount of the contract is estimated to exceed $175,000, sealed bids shall be solicited by public notice in the manner and subject to the requirements of the law governing school district contracts.

Procurement by Sealed Bids

Procurement by sealed bids means a process in which bids are publicly solicited and a firm fixed price contract by lump sum or unit price is awarded to the responsible bidder whose bid, conforming with all material terms and conditions of the invitation for bids, is the lowest in price. If sealed bids are used, the following requirements apply:

1. bids must be solicited from an adequate number of qualified sources, providing bidders sufficient response time prior to the date set for opening bids;

2. the invitation for bids, which includes any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

3. all bids will be opened at the time and place prescribed in the invitation for bids, and the bids must be opened publicly;

4. a firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that the discounts are usually taken advantage of;

5. any or all bids may be rejected if there is a sound documented reason; and

6. in order for a sealed bid to be feasible, the following conditions must be present:

   a. a complete, adequate, and realistic specification or purchase description is available;

   b. two (2) or more responsible bidders are willing and able to compete effectively for the business; and

   c. the procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the price.

D. Procurement by Proposals

"Procurement by proposals" means a process in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. They are awarded in accordance with the following requirements:

1. requests for proposals must be publicized and identify all evaluation factors and their relative importance. Proposals must be solicited from an adequate number

of qualified offerors. Any response to publicized requests for proposals must be considered to the maximum extent practical;

2. the school district must have a written method for conducting technical evaluations of the proposals received and for making selections; and

3. contracts must be awarded to the responsible offeror whose proposal is most advantageous to the school district, with price and other factors considered.

VI. PROCUREMENT METHODS WHEN USING FEDERAL FUNDS

A. Procurement by Competitive Proposals

This is a procurement method used when conditions are not appropriate for using sealed bids. This procurement method may result in either a fixed-price or cost-reimbursement contract. If this method is used, the following requirements apply:

1. Requests for proposals require public notice, and all evaluation factors and their relative importance must be identified. Proposals must be solicited from multiple qualified entities. To the maximum extent practicable, any proposals submitted in response to the public notice must be considered;

2. Proposals must be solicited from an adequate number of qualified sources;

3. The school district must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;

4. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

5. The school district may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method where price is not used as a selection factor can only be used in procurement of A/E professional services; it cannot be used to purchase other types of services, though A/E firms are a potential source to perform the proposed effort.

B. Procurement by Noncompetitive Proposals

Procurement by noncompetitive proposals may be used only when one (1) or more of the following circumstances apply:

1. The aggregate amount of the procurement transaction does not exceed the micro-purchase threshold;

2. The item is available only from a single source;

3. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

4. The DOE or MDE expressly authorizes noncompetitive proposals in response to a written request from the school district; or

5. After solicitation of a number of sources, competition is determined inadequate.

C. Competition

1. All procurement transactions under the Federal award must be conducted in a manner that provides full and open competition and is consistent with the standards of 2 Code of Federal Regulations, sections 200.319 and .320.

2. The school district must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

   a. are made in accordance with 2 Code of Federal Regulations, section 200.319(b);

   b. incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When making a clear and accurate description of the technical requirements is impractical or uneconomical, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and

   c. identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

D. The school district must ensure that all prequalified lists of persons, firms, or products used in procurement transactions are current and include enough qualified sources to ensure maximum open competition. When establishing or amending prequalified lists, the school district must consider objective factors that evaluate price and cost to maximize competition. The school must not preclude potential bidders from qualifying during the solicitation period.

E. The school district is prohibited from contracting with or making subawards under "covered transactions" to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include procurement contracts for goods and services awarded under a grant or cooperative agreement that are expected to equal or exceed $25,000.

F. All nonprocurement transactions entered into by a recipient (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 Code of Federal Regulations, section 180.215.

[NOTE: Thresholds are now set in Article IV.H above.]

G. Managing Property and Equipment and Safeguarding Assets

1. Property Standards

   The school district must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with federal funds as provided to other property owned by the school district. Federally owned property need not be insured unless required by the terms and conditions of the federal award.

The school district must adhere to the requirements concerning real property, equipment, supplies, and intangible property set forth in 2 Code of Federal Regulations, sections 200.311, 200.314, and 200.315.

2. Managing Equipment

Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a federal award, until disposition takes place will, at a minimum, meet the following requirements:

a. Property records must be maintained that include a description of the property; a serial number or other identification number; the source of the funding for the property (including the federal award identification number (FAIN)); who holds title; the acquisition date; the cost of the property; the percentage of the federal participation in the project costs for the federal award under which the property was acquired; the location, use, and condition of the property; and any ultimate disposition data, including the date of disposition and sale price of the property.

b. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two (2) years.

c. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.

d. Adequate maintenance procedures must be developed to keep property in good condition.

e. If the school district is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

H. Cybersecurity

The school district must take reasonable cybersecurity and other measures to safeguard

1. Personally identifiable information;

2. Information that the federal agency or pass-through entity designates as sensitive; and

3. other information that the school district considers sensitive and is consistent with applicable federal, state, local, and tribal laws regarding privacy and responsibility over confidentiality.

[NOTE: See 2 Code of Federal Regulations, section 200.303, which establishes internal controls that the school district must implement.]

VII. FINANCIAL MANAGEMENT REQUIREMENTS

A. Financial Management

The school district's financial management systems, including records documenting compliance with federal statues, regulations, and the terms and conditions of the federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and tracking expenditures to establish that funds have been used in accordance with federal statutes, regulations, and the terms and conditions of the federal award.

B. Payment

The school district must be paid in advance, provided it maintains or demonstrates the willingness to maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement between the school district and the financial management systems that meet the standards for fund control and accountability.

Advance payments to the school district must be limited to the minimum amounts needed and be timed with actual, immediate cash requirements of the school district in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the school district for direct program or project costs and the proportionate share of any allowable indirect costs. The school district must make timely payment to contractors in accordance with the contract provisions.

C. Internal Controls

The school district must establish and maintain effective internal control over the federal award that provides reasonable assurance that the school district is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should align with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States, or the "Internal Control Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The school district must comply with federal statutes, regulations, and the terms and conditions of the federal award.

The school district must evaluate and monitor the school district's compliance with statutes, regulations, and the terms and conditions of the federal award.

The school district must take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.

The school district must take reasonable measures to safeguard protected personally identifiable information and other information considered sensitive consistent with applicable federal and state laws regarding privacy and obligations of confidentiality.

VIII. ALLOWABLE USE OF FUNDS AND COST PRINCIPLES

A. Allowable Use of Funds

The school district administration and school board will enforce appropriate procedures and penalties for program, compliance, and accounting staff responsible for the allocation of federal grant costs based on their allowability and their conformity with federal cost principles to determine the allowability of costs.

B. Definitions

1. "Advance payment" means a payment that a federal agency or pass-through entity makes by any appropriate payment mechanism and payment method before the school district disburses the funds for program purposes.

2. "Allowable cost" means a cost that complies with all legal requirements that apply to a particular federal education program, including statutes, regulations, guidance, applications, and approved grant awards.

3. "Education Department General Administrative Regulations (EDGAR)" means a compilation of regulations that apply to federal education programs. These regulations contain important rules governing the administration of federal education programs and include rules affecting the allowable use of federal funds (including rules regarding allowable costs, the period of availability of federal awards, documentation requirements, and grants management requirements).

4. "Omni Circular"(also known as 2 Code of Federal Regulations, part 200, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, or the Uniform Grant Guidance means federal cost principles that provide standards for determining whether costs may be charged to federal grants.

C. Allowable Costs

The following items are costs that may be allowable under the 2 Code of Federal Regulations, part 200, subpart E under specific conditions (review the specific part of 2 Code of Federal Regulations 200, subpart E for allowability requirements for the specific cost):

1. Advertising and public relations;

2. Advisory councils;

3. Audit costs and related services;

4. Bonding costs;

5. Compensation - personal services;

6. Compensation – fringe benefits;

7. Conferences;

8. Contingency provisions;

9. Depreciation;

10. Employee health and welfare costs;

11. Equipment and other capital expenditures;

12. Gains and losses on disposition of depreciable assets;

13. Insurance and indemnification;

14. Intellectual property;

15. Maintenance and repair costs;

16. Materials and supplies costs, including costs of computing devices;

17. Memberships, subscriptions, and professional activity costs;

18. Organization costs;

19. Participant costs;

20. Plant and security costs;

21. Pre-award costs;

22. Professional service costs;

23. Proposal costs;

24. Publication and printing costs;

25. Rearrangement and reconversion costs;

26. Recruiting costs;

27. Relocation costs of employees;

28. Rental costs of buildings and equipment;

29. Scholarships, student aid costs, and tuition remission;

30. Specialized service facilities;

31. Taxes;

32. Telecommunication and video surveillance costs;

33. Termination and standard closeout costs;

34. Training and education costs;

35. Transportation costs; and

36. Travel costs.

D. Costs Forbidden by Federal Law

2 Code of Federal Regulations, part 200 and EDGAR identify certain costs that may never be paid with federal funds. The list below provides examples of such costs. If a cost is on this list, it may not be supported with federal funds unless an exception exists (review the specific part of 2 Code of Federal Regulations 200, subpart E for possible exceptions to unallowable costs). The fact that a cost is not on this list does not mean it is necessarily permissible. Other important restrictions apply to federal funds, such as those items detailed in the 2 Code of Federal Regulations, part 200, subpart E; thus, the following list is not exhaustive:

1. Alcoholic beverages;

2. Bad debts;

3. Contingency provisions (with limited exceptions);

4. Contributions and donations

5. Entertainment (with limited exception);

6. Fines, penalties, damages, and other settlements;

7. Fundraising and investment management costs (with limited exceptions);

8. General costs of government (with limited exceptions pertaining to Indian tribal governments and Councils of Government (COGs));

9. Goods or services for personal use;

10. Interest (except interest specifically stated in 2 Code of Federal Regulations, section 200.449 as allowable);

11. Lobbying;

12. Losses on other Federal awards or contracts;

13. Selling and marketing;

14. Student activity costs;

15. Religious use;

16. The acquisition of real property (unless specifically permitted by programmatic statute or regulations, which is very rare in federal education programs);

17. Construction (unless specifically permitted by programmatic statute or regulations, which is very rare in federal education programs); and

18. Tuition charged or fees collected from students applied toward meeting matching, cost sharing, or maintenance of effort requirements of a program.

E. Program Allowability

1. Any cost paid with federal education funds must be permissible under the federal program that would support the cost.

2. Many federal education programs detail specific required and/or allowable uses of funds for that program. Issues such as eligibility, program beneficiaries, caps or restrictions on certain types of program expenses, other program expenses, and other program specific requirements must be considered when performing the programmatic analysis.

3. The two largest federal K-12 programs, Title I, Part A, and the Individuals with Disabilities Education Act (IDEA), do not contain a use of funds section delineating the allowable uses of funds under those programs. In those cases, costs must be consistent with the purposes of the program in order to be allowable.

F. Federal Cost Principles

The Omni Circular defines the parameters for the permissible uses of federal funds. While many requirements are contained in the Omni Circular, it includes core principles that serve as an important guide for effective grant management. These core principles require all costs to be:

1. Necessary for the proper and efficient performance or administration of the program.

2. Reasonable. An outside observer should clearly understand why a decision to spend money on a specific cost made sense in light of the cost, needs, and requirements of the program.

3. Allocable to the federal program that paid for the cost. A program must benefit in proportion to the amount charged to the federal program – for example, if a teacher is paid 50% with Title I funds, the teacher must work with the Title I program/students at least 50% of the time. Recipients also need to be able to track items or services purchased with federal funds so they can prove they were used for federal program purposes.

4. Authorized under state and local rules. All actions carried out with federal funds must be authorized and not prohibited by state and local laws and policies.

5. Adequately documented. A recipient must maintain proper documentation so as to provide evidence to monitors, auditors, or other oversight entities of how the funds were spent over the lifecycle of the grant.

G. Program Specific Fiscal Rules

The Omni Circular also contains specific rules on selected items of costs. Costs must comply with these rules in order to be paid with federal funds.

1. All federal education programs have certain program specific fiscal rules that apply. Determining which rules apply depends on the program; however, rules such as supplement, not supplant, maintenance of effort, comparability, caps on certain uses of funds, etc., have an important impact when analyzing whether a particular cost is permissible.

2. Many state-administered programs require school districts to use federal program funds to supplement the amount of state, local, and, in some cases, other federal funds they spend on education costs and not to supplant (or replace) those funds. Generally, the "supplement, not supplant" provision means that federal funds must be used to supplement the level of funds from non-federal sources by providing additional services, staff, programs, or materials. In other words, federal funds normally cannot be used to pay for things that would otherwise be paid for with state or local funds (and, in some cases, with other federal funds).

3. Auditors generally presume supplanting has occurred in three (3) situations:

   a. The school district uses federal funds to provide services that the school district is required to make available under other federal, state, or local laws.

   b. The school district uses federal funds to provide services that the school district provided with state or local funds in the prior year.

   c. The school district uses Title I, Part A, or Migrant Education Program funds to provide the same services to Title I or Migrant students that the school district provides with state or local funds to nonparticipating students.

4. These presumptions apply differently in different federal programs and also in schoolwide program schools. Staff should be familiar with the supplement not supplant provisions applicable to their program.

H. Approved Plans, Budgets, and Special Conditions

1. As required by the Omni Circular, all costs must be consistent with approved program plans and budgets.

2. Costs must also be consistent with all terms and conditions of federal awards, including any special conditions imposed on the school district's grants.

I. Training

1. The school district will provide training on the allowable use of federal funds to all staff involved in federal programs.

2. The school district will promote coordination between all staff involved in federal programs through activities, such as routine staff meetings and training sessions.

J. Employee Sanctions

Any school district employee who violates this policy will be subject to discipline, as appropriate, up to and including the termination of employment.

K. Reduction in Aid

If the school district makes a purchase without a procurement policy adopted by the school board or makes a purchase not in conformity with the school district's procurement policy, the Commissioner may reduce that school district's state aid in an amount equal to the purchase.

L. Property, Financial Investments, and Contracting

The school district is subject to and must comply with Minnesota Statutes, sections 15.054 and 118A.01 to 118A.06 governing government property and financial investments and sections 471.38, 471.391, 471.392, and 471.425 governing municipal contracting.

M. Mandatory Disclosures

The school district must promptly disclose whenever, in connection with the federal award (including any activities or subawards thereunder), it has credible evidence of the commission of a violation of federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in 18 United States Code or a violation of the civil False Claims Act (31 United States Code, sections 3729–3733).

The disclosure must be made in writing to the DOE, MDE, and the MDE Office of Inspector General (if applicable). School districts are also required to report matters related to school district integrity and performance in accordance with Appendix XII of 2 Code of Federal Regulations, part 200. Failure to make required disclosures can result in any of the remedies described in 2 Code of Federal Regulations, section 200.339.

IX. COMPENSATION – PERSONAL SERVICES EXPENSES AND REPORTING

A. Compensation – Personal Services

Costs of compensation are allowable to the extent that they satisfy the specific requirements of the Uniform Grant Guidance and that the total compensation for individual employees:

1. Is reasonable for the services rendered and conforms to the established written school district policy consistently applied to both federal and non-federal activities; and

2. Follows an appointment made in accordance with the school district's written policies and meets the requirements of federal statute, where applicable.

Unless an arrangement is specifically authorized by a federal awarding agency, the school district must follow its written non-federal, entity wide policies and practices concerning the permissible extent of professional services that can be provided outside the school district for non-organizational compensation.

B. Compensation – Fringe Benefits

1. During leave

The costs of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, sick leave, holidays, court leave, military leave, administrative leave, and other similar benefits, are allowable if all of the following criteria are met:

a. They are provided under established written leave policies;

b. The costs are equitably allocated to all related activities, including federal awards; and

c. The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the school district.

2. The costs of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in 2 Code of Federal Regulations, section 200.447(d)); pension plan costs; and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits must be allocated to federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such federal awards and other activities and charged as direct or indirect costs in accordance with the school district's accounting practices.

3. Actual claims paid to or on behalf of employees or former employees for workers' compensation, unemployment compensation, severance pay, and similar employee benefits (e.g., post-retirement health benefits) are allowable in the year of payment provided that the school district follows a consistent costing policy.

4. Pension plan costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with the school district's written policies.

5. Post-retirement costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with established school district written policies.

6. Costs of severance pay are allowable only to the extent that, in each case, severance pay is required by law; employer-employee agreement; established policy that constitutes, in effect, an implied agreement on the school district's part; or circumstances of the particular employment.

C. Insurance and Indemnification

Types and extent and cost of coverage are in accordance with the school district's policy and sound business practice.

D. Recruiting Costs

Short-term, travel visa costs (as opposed to longer-term, immigration visas) may be directly charged to a federal award, so long as they are:

1. Critical and necessary for the conduct of the project;

2. Allowable under the cost principles set forth in the Uniform Grant Guidance;

3. Consistent with the school district's cost accounting practices and school district policy; and

4. Meeting the definition of "direct cost" in the applicable cost principles of the Uniform Grant Guidance.

E. Travel Costs

Under 2 Code of Federal Regulations, section 200.475, travel costs include the transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the school district.

Travel costs may be charged on an actual cost basis, on a per diem or mileage basis, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip. The method used must be consistent with those normally allowed in like circumstances in the school district's other activities and in accordance with the school district's established written policies.

Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the school district in its regular operations as a result of the school district's written policy.

In addition, when costs are charged directly to the federal award, documentation must justify that:

1. Participation of the individual is necessary to the federal award; and

2. The costs are reasonable and consistent with the school district's established written policy.

Temporary dependent care costs above and beyond regular dependent care are allowable provided that these costs are:

1. A direct result of the individual's travel for the federal award;

2. Consistent with the school district's established written policy for all school district travel; and

3. Only temporary during the travel period.

[NOTE: Noncompliance. If a school district fails to comply with federal statutes, regulations, or the terms and conditions of a federal award, the DOE or MDE may impose additional conditions, as described in 2 Code of Federal Regulations, section 200.208 (Specific Conditions).

If the DOE or MDE determines that noncompliance cannot be remedied by imposing specific conditions, the DOE or MDE may take one or more of the following actions, as appropriate under the circumstances: (1) Temporarily withhold payments until the school district takes corrective action;; (2)

Disallow (that is, deny both use of funds and any applicable matching credit for) costs for all or part of the activity associated with the noncompliance; (3) Wholly or partly suspend or terminate the federal award; (4) Initiate suspension or debarment proceedings as authorized under 2 Code of Federal Regulations, part 180 and DOE regulations (or, in the case of MDE, recommend such a proceeding be initiated by the DOE); (5) Withhold further federal awards (new awards or continuation funding) for the project or program; and/or (6) Take other remedies that may be legally available.]

X. SUBRECIPIENT MONITORING

[NOTE: MDE auditors have stated that subrecipient monitoring must be covered in policy.]

A. The school district will:

1. Verify that the subrecipient is not excluded or disqualified in accordance with 2 Code of Federal Regulations, section 180.300. Verification methods are provided in section 180.300, which include confirming in *SAM.gov* that a potential subrecipient is not suspended, debarred, or otherwise excluded from receiving federal funds.

2. Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the information provided below. A pass-through entity must provide the best available information when some of the information below is unavailable. A pass-through entity must provide the unavailable information when it is obtained.

    a. Required information includes:

        (1) <u>Federal award identification</u>

            i. Subrecipient's name (must match the name associated with its unique entity identifier);

            ii. Subrecipient's unique entity identifier;

            iii. Federal Award Identification Number (FAIN);

            iv. Federal Award Date;

            v. Subaward Period of Performance Start and End Date;

            vi. Subaward Budget Period Start and End Date;

            vii. Amount of Federal Funds Obligated in the subaward;

            viii. Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity, including the current financial obligation;

            ix. Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;

            x. Federal award project description, as required by the Federal Funding Accountability and Transparency Act (FFATA);

xi. Name of the Federal agency, pass-through entity, and contact information for awarding official of the pass-through entity;

xii. Assistance Listings title and number; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at the time of disbursement;

xiii. Identification of whether the federal award is for research and development; and

xiv. Indirect cost rate for the federal award (including if the de minimis rate is used in accordance with 2 Code of Federal Regulations, section 200.414).

(2) All requirements of the subaward, including requirements imposed by Federal statutes, regulations, and the terms and conditions of the Federal award;

(3) Any additional requirements that the pass-through entity imposes on the subrecipient for the pass-through entity to meet its responsibilities under the Federal award. This includes information and certifications (see 2 Code of Federal Regulations, section 200.415) required for submitting financial and performance reports that the pass-through entity must provide to the federal agency;

(4) Indirect cost rate:

(5) A requirement that the subrecipient permit the pass-through entity and auditors to access the subrecipient's records and financial statements for the pass-through entity to fulfill its monitoring requirements; and

(6) Appropriate terms and conditions concerning the closeout of the subaward.

3. Evaluate each subrecipient's fraud risk and risk of noncompliance with a subaward to determine the appropriate subrecipient monitoring described in 2 Code of Federal Regulations, section 200.332, paragraph (f). When evaluating a subrecipient's risk, a pass-through entity should consider the following:

a. The subrecipient's prior experience with the same or similar subawards;

b. The results of previous audits. This includes considering whether or not the subrecipient receives a Single Audit in accordance with 2 Code of Federal Regulations, part 200, subpart F and the extent to which the same or similar subawards have been audited as a major program;

c. Whether the subrecipient has new personnel or new or substantially changed systems; and

d. The extent and results of any federal agency monitoring (for example, if the subrecipient also receives federal awards directly from the federal agency).

4. If appropriate, consider implementing specific conditions in a subaward as described in 2 Code of Federal Regulations, section 200.208 and notify the Federal agency of the specific conditions.

5. Monitor the activities of a subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved. In monitoring a subrecipient, a pass-through entity must:

    a. Review financial and performance reports.

    b. Ensure that the subrecipient takes corrective action on all significant developments that negatively affect the subaward. Significant developments include Single Audit findings related to the subaward, other audit findings, site visits, and written notifications from a subrecipient of adverse conditions which will impact their ability to meet the milestones or the objectives of a subaward. When significant developments negatively impact the subaward, a subrecipient must provide the pass-through entity with information on their plan for corrective action and any assistance needed to resolve the situation.

    c. Issue a management decision for audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by 2 Code of Federal Regulations, section 200.521.

    d. Resolve audit findings specifically related to the subaward. However, the pass-through entity is not responsible for resolving cross-cutting audit findings that apply to the subaward and other Federal awards or subawards. If a subrecipient has a current Single Audit report and has not been excluded from receiving Federal funding (meaning, has not been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant agency for audit or oversight agency for audit to perform audit follow-up and make management decisions related to cross-cutting audit findings in accordance with 2 Code of Federal Regulations, section 200.513(a)(4)(viii). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.

6. Depending upon the pass-through entity's assessment of the risk posed by the subrecipient (as described in 2 Code of Federal Regulations, section 200.332, paragraph (c)), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

    a. Providing subrecipients with training and technical assistance on program-related matters;

    b. Performing site visits to review the subrecipient's program operations; and

    c. Arranging for agreed-upon-procedures engagements as described in 2 Code of Federal Regulations, section 200.425.

7. Verify that a subrecipient is audited as required by 2 Code of Federal Regulations, part 200, subpart F.

8. Consider whether the results of a subrecipient's audit, site visits, or other monitoring necessitate adjustments to the pass-through entity's records.

9. Consider taking enforcement action against noncompliant subrecipients as described in 2 Code of Federal Regulations, section 200.339 and in program regulations.

XI. CONFLICT OF INTEREST

A. Standards of Conduct

The school district will maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.

B. No employee, officer, agent, or board member may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, agent, or board member, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The employees, officers, agents, and board members of the school district may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, the school district may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by employees, officers, agents, or board members of the school district. Disciplinary actions may be undertaken pursuant to the school district's Discipline, Suspension, and Dismissal of School Employees policy.

The school district's Conflict of Interest policies and procedures provide additional measures regarding conflicts of interest.

[NOTE: The Minnesota Department of Education confirmed that the "written standards of conduct" required under 2 Code of Federal Regulations, section 200.318(c)(1) may appear in this policy, another policy and/or in an employee handbook. School boards may decide whether to adopt this section or address written standards of conduct elsewhere.]

C. Organizational Conflicts of Interest

If the school district has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the school district must maintain written standards concerning organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the school district is unable or appears to be unable to be impartial in conducting a procurement action involving the related organization.

D. Disclosing Conflicts of Interest

The school district will disclose in writing any potential conflict of interest to MDE in accordance with established federal agency policies.

Legal References: Minn. Stat. § 15.054 (Sale or Purchase of State Property; Penalty)
Minn. Stat. § 16C.28 (Contracts; Awards)
Minn. Stat. § 118A.01-.06 (Deposit and Investment of Local Public Funds)
Minn. Stat. § 123B.52 (Contracts)

Minn. Stat. § 471.345 (Uniform Municipal Contracting Law)
Minn. Stat. § 471.38 (Claims)
Minn. Stat. § 471.391 (Declaration Form)
Minn. Stat. § 471.392 (Penalty)
Minn. Stat. § 471.425 (Prompt Payment of Local Government Bills)
18 U.S.C. (Crimes and Criminal Procedures)
31 U.S.C. §§ 3729–3733 (False Claims)
2 C.F.R. § 180.215 (Which Nonprocurement Transactions are Not Covered Transactions)
2 C.F.R. § 180.300 (What Must I Do before I Enter Into a Covered Transaction with Another Person at the Next Lower Tier?)
2 C.F.R. 200 Subpart E (Cost Principles)
2 C.F.R. 200 Subpart F (Audit Requirements)
2 C.F.R. § 200.1 (Definitions)
2 C.F.R. § 200.101 (Applicability)
2 C.F.R. § 200.112 (Conflict of Interest)
2 C.F.R. § 200.113 (Mandatory Disclosures)
2 C.F.R. § 200.205(d) (Federal Awarding Agency Review of Merit of Proposals)
2 C.F.R. § 200.208 (Specific Conditions)
2 C.F.R. § 200.214 (Suspension and Debarment)
2 C.F.R. § 200.300(b) (Statutory and National Policy Requirements)
2 C.F.R. § 200.302 (Financial Management)
2 C.F.R. § 200.303 (Internal Controls)
2 C.F.R. § 200.305(b)(1) (Federal Payment)
2 C.F.R. § 200.310 (Insurance Coverage)
2 C.F.R. § 200.311 (Real Property)
2 C.F.R. § 200.312 (Federally-owned and Exempt Property)
2 C.F.R. § 200.313(d) (Equipment)
2 C.F.R. § 200.314 (Supplies)
2 C.F.R. § 200.315 (Intangible Property)
2 C.F.R. § 200.318 (General Procurement Standards)
2 C.F.R. § 200.319 (Competition)
2 C.F.R. § 200.320 (Methods of Procurement to be Followed)
2 C.F.R. § 200.321 (Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms)
2 C.F.R. § 200.328 (Financial Reporting)
2 C.F.R. § 200.332 (Requirements for Pass-Through Entities)
2 C.F.R. § 200.339 (Remedies for Noncompliance)
2 C.F.R. § 200.403(c) (Factors Affecting Allowability of Costs)
2 C.F.R. § 200.413 (Direct Costs)
2 C.F.R. § 200.414 (Indirect Costs)
2 C.F.R. § 200.415 (Required Certifications)
2 C.F.R. § 200.425 (Audit Services)
2 C.F.R. § 200.430 (Compensation – Personal Services)
2 C.F.R. § 200.431 (Compensation – Fringe Benefits)
2 C.F.R. § 200.447 (Insurance and Indemnification)
2 C.F.R. § 200.463 (Recruiting Costs)
2 C.F.R. § 200.464 (Relocation Costs of Employees)
2 C.F.R. § 200.474 (Transportation Costs)
2 C.F.R. § 200.475 (Travel Costs)
2 C.F.R. § 200.513 (Responsibilities)
2 C.F.R. § 200.521 (Management Decisions)
45 C.F.R. § 75.2 (Definitions)
45 C.F.R. § 75.317 (Insurance Coverage)
45 C.F.R. § 75.320 (Equipment)
48 C.F.R. Subpart 2.1 (Definitions)

Cross References: MSBA/MASA Model Policy 208 (Development, Adoption, and Implementation of Policies)

MSBA/MASA Model Policy 210 (Conflict of Interest-School Board Members)
MSBA/MASA Model Policy 412 (Expense Reimbursement)
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)

Resources:

Minnesota Department of Education (MDE): *Procurement Handbook* [January 8, 2025] (accessed 01/07/26)
MDE: *Competitive Proposal Method* [April 2020] (accessed 01/07/26)
Office of Management and Budget: *OMB Guidance for Federal Financial Assistance (Uniform Guidance)* (accessed 02/20/26)
U.S. DOE: *Education Department General Administrative Regulations (EDGAR) and Other Applicable Grant Regulations* (accessed 01/09/26)
U.S. DOE: *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (accessed 01/09/26)

722 PUBLIC DATA AND DATA SUBJECT REQUESTS

[NOTE: School districts are required by statute to establish procedures consistent with the Minnesota Government Data Practices Act for public data requests and data subject requests.]

I. PURPOSE

The school district recognizes its responsibility relative to the collection, maintenance, and dissemination of public data as provided in state statutes.

II. GENERAL STATEMENT OF POLICY

The school district will comply with the requirements of the Minnesota Government Data Practices Act, Minnesota Statutes, chapter 13 (MGDPA), and Minnesota Rules, parts 1205.0100-1205.2000 in responding to requests for public data.

III. DEFINITIONS

A. Confidential Data on Individuals

Data made not public by statute or federal law applicable to the data and are inaccessible to the individual subject of those data.

B. Data on Individuals

All government data in which any individual is or can be identified as the subject of that data, unless the appearance of the name or other identifying data can be clearly demonstrated to be only incidental to the data and the data are not accessed by the name or other identifying data of any individual.

C. Data Practices Compliance Officer

The data practices compliance official is the designated employee of the school district to whom persons may direct questions or concerns regarding problems in obtaining access to data or other data practices problems. The responsible authority may be the data practices compliance official.

D. Government Data

All data collected, created, received, maintained or disseminated by any government entity regardless of its physical form, storage media or conditions of use.

E. Individual

"Individual" means a natural person. In the case of a minor or an incapacitated person as defined in Minnesota Statutes, section 13D.02, subdivision 8, "individual" includes a parent or guardian or an individual acting as a parent or guardian in the absence of a parent or guardian, except that the responsible authority shall withhold data from parents or guardians, or individuals acting as parents or guardians in the absence of

parents or guardians, upon request by the minor if the responsible authority determines that withholding the data would be in the best interest of the minor.

F. Inspection

"Inspection" means the visual inspection of paper and similar types of government data. Inspection does not include printing copies by the school district, unless printing a copy is the only method to provide for inspection of the data. For data stored in electronic form and made available in electronic form on a remote access basis to the public by the school district, inspection includes remote access to the data by the public and the ability to print copies of or download the data on the public's own computer equipment.

G. Not Public Data

Any government data classified by statute, federal law, or temporary classification as confidential, private, nonpublic, or protected nonpublic.

H. Nonpublic Data

Data not on individuals made by statute or federal law applicable to the data: (a) not accessible to the public; and (b) accessible to the subject, if any, of the data.

I. Private Data on Individuals

Data made by statute or federal law applicable to the data: (a) not public; and (b) accessible to the individual subject of those data.

J. Protected Nonpublic Data

Data not on individuals made by statute or federal law applicable to the data (a) not public and (b) not accessible to the subject of the data.

K. Public Data

All government data collected, created, received, maintained, or disseminated by the school district, unless classified by statute, temporary classification pursuant to statute, or federal law, as nonpublic or protected nonpublic; or, with respect to data on individuals, as private or confidential.

L. Public Data Not on Individuals

Data accessible to the public pursuant to Minnesota Statutes, section 13.03.

M. Public Data on Individuals

Data accessible to the public in accordance with the provisions of Minnesota Statutes, section 13.03.

N. Responsible Authority

The individual designated by the school board as the individual responsible for the collection, use, and dissemination of any set of data on individuals, government data, or summary data, unless otherwise provided by state law. Until an individual is designated by the school board, the responsible authority is the superintendent.

O. Summary Data

Statistical records and reports derived from data on individuals but in which individuals are not identified and from which neither their identities nor any other characteristic that could uniquely identify an individual is ascertainable. Unless classified pursuant to Minnesota Statutes, section 13.06, another statute, or federal law, summary data is public.

IV. REQUESTS FOR PUBLIC DATA

A. All requests for public data must be made in writing directed to the responsible authority.

1. A request for public data must include the following information:

a. Date the request is made;

b. A clear description of the data requested;

c. Identification of the form in which the data is to be provided (e.g., inspection, copying, both inspection and copying, etc.); and

d. Method to contact the requestor (such as phone number, address, or email address).

2. Unless specifically authorized by statute, the school district may not require persons to identify themselves, state a reason for, or justify a request to gain access to public government data. A person may be asked to provide certain identifying or clarifying information for the sole purpose of facilitating access to the data.

3. The identity of the requestor is public, if provided, but cannot be required by the government entity.

4. The responsible authority may seek clarification from the requestor if the request is not clear before providing a response to the data request.

B. The responsible authority will respond to a data request at reasonable times and places as follows:

1. The responsible authority will notify the requestor in writing as follows:

a. The requested data does not exist; or

b. The requested data does exist but either all or a portion of the data is not accessible to the requestor; or

(1) If the responsible authority determines that the requested data is classified so that access to the requestor is denied, the responsible authority shall inform the requestor of the determination either orally or in writing at the time of the request, or in writing as soon after that time as possible, and shall cite the specific statutory section, temporary classification, or specific provision of federal law on which the denial was based.

(2) Upon the request of a requestor who is denied access to data, the responsible authority shall certify in writing that the request has been denied and cite the specific statutory section, temporary classification, or specific provision of federal law upon which the denial was based.

c. If the school district notifies the requesting person that responsive data or copies are available for inspection or collection, and the requesting person does not inspect the data or collect the copies within five (5) business days of the notification, the school district may suspend any further response to the request until the requesting person inspects the data that has been made available, or collects and pays for the copies that have been produced.

~~**[NOTE: The 2025 Minnesota legislature enacted Subparagraph C.]**~~

2. The school district's response time may be affected by the size and complexity of the particular request, including necessary redactions of the data, and also by the number of requests made within a particular period of time.

3. The school district will provide an explanation of technical terminology, abbreviations, or acronyms contained in the responsive data on request.

4. The school district is not required by the MGDPA to create or collect new data in response to a data request, or to provide responsive data in a specific form or arrangement if the school district does not keep the data in that form or arrangement.

5. The school district is not required to respond to questions that are not about a particular data request or requests for data in general.

V. REQUEST FOR SUMMARY DATA

A. A request for the preparation of summary data shall be made in writing directed to the responsible authority.

1. A request for the preparation of summary data must include the following information:

a. Date the request is made;

b. A clear description of the data requested;

c. Identify the form in which the data is to be provided (e.g., inspection, copying, both inspection and copying, etc.); and

d. Method to contact requestor (phone number, address, or email address).

B. The responsible authority will respond within ten (10) business days of the receipt of a request to prepare summary data and inform the requestor of the following:

1. The estimated costs of preparing the summary data, if any; and

2. The summary data requested; or

3. A written statement describing a time schedule for preparing the requested summary data, including reasons for any time delays; or

4. A written statement describing the reasons why the responsible authority has determined that the requestor's access would compromise the private or confidential data.

C. The school district may require the requestor to pre-pay all or a portion of the cost of creating the summary data before the school district begins to prepare the summary data.

VI. DATA ~~BY~~ABOUT AN INDIVIDUAL DATA SUBJECT

A. Collection and storage of all data on individuals and the use and dissemination of private and confidential data on individuals shall be limited to that necessary for the administration and management of programs specifically authorized by the legislature or local governing body or mandated by the federal government.

B. Private or confidential data on an individual shall not be collected, stored, used, or disseminated by the school district for any purposes other than those stated to the individual at the time of collection in accordance with Minnesota Statutes section 13.04, except as provided in Minnesota Statutes, section 13.05, subdivision 4.

C. Upon request to the responsible authority or designee, an individual shall be informed whether the individual is the subject of stored data on individuals, and whether it is classified as public, private or confidential. Upon further request, an individual who is the subject of stored private or public data on individuals shall be shown the data without any charge and, if desired, shall be informed of the content and meaning of that data.

D. After an individual has been shown the private data and informed of its meaning, the data need not be disclosed to that individual for six (6) months thereafter unless a dispute or action pursuant to this section is pending or additional data on the individual has been collected or created.

E. The responsible authority or designee shall provide copies of the private or public data upon request by the individual subject of the data. The responsible authority or designee may require the requesting person to pay the actual costs of making and certifying the copies.

F. The responsible authority or designee shall comply immediately, if possible, with any request made pursuant to this subdivision, or within ten (10) days of the date of the request, excluding Saturdays, Sundays and legal holidays, if immediate compliance is not possible.

G. An individual subject of the data may contest the accuracy or completeness of public or private data. To exercise this right, an individual shall notify in writing the responsible authority describing the nature of the disagreement. The responsible authority shall within thirty (30) days either: (1) correct the data found to be inaccurate or incomplete and attempt to notify past recipients of inaccurate or incomplete data, including recipients named by the individual; or (2) notify the individual that the authority believes the data to be correct. Data in dispute shall be disclosed only if the individual's statement of disagreement is included with the disclosed data.

H. The determination of the responsible authority may be appealed by a data subject pursuant to the provisions of the Administrative Procedure Act relating to contested cases. Upon receipt of an appeal by an individual, the Commissioner of the Minnesota Department of Administration ("Commissioner") shall, before issuing the order and notice of a contested case hearing required by Minnesota Statutes, chapter 14, try to resolve the dispute through education, conference, conciliation, or persuasion. If the parties consent, the Commissioner may refer the matter to mediation. Following these efforts, the Commissioner shall dismiss the appeal or issue the order and notice of hearing.

I. Data on individuals that have been successfully challenged by an individual must be completed, corrected, or destroyed by a government entity without regard to the requirements of Minnesota Statutes, section 138.17.

J. After completing, correcting, or destroying successfully challenged data, the school district may retain a copy of the Commissioner's order issued under Minnesota Statutes, chapter 14 or, if no order were issued, a summary of the dispute between the parties that does not contain any particulars of the successfully challenged data.

VII. REQUESTS FOR DATA BY AN INDIVIDUAL SUBJECT OF THE DATA

A. All requests for individual subject data must be made in writing directed to the responsible authority.

B. A request for individual subject data must include the following information:

1. Statement that one is making a request as a data subject for data about the individual or about a student for whom the individual is the parent or guardian;

2. Date the request is made;

3. A clear description of the data requested;

4. Proof that the individual is the data subject or the data subject's parent or guardian;

5. Identification of the form in which the data is to be provided (e.g., inspection, copying, both inspection and copying, etc.); and

6. Method to contact the requestor (such as phone number, address, or email address).

C. The identity of the requestor of private data is private.

D. The responsible authority may seek clarification from the requestor if the request is not clear before providing a response to the data request.

E. The school district's Protection and Privacy of Pupil Records policy addresses requests of students or their parents for educational records and data.

VIII. COSTS

A. <u>Public Data</u>

1. The school district will charge for copies provided as follows:

a. One hundred (100) or fewer pages of black and white, letter or legal sized paper copies will be charged at twenty-five (25) cents for a one-sided copy or fifty (50) cents for a two-sided copy.

b. More than one hundred (100) pages or copies of other materials are charged based upon the actual cost of searching for and retrieving the data and making the copies or electronically sending the data, unless the cost is specifically set by statute or rule.

(1) The actual cost of making copies includes employee time, the cost of the materials onto which the data is copied (paper, CD, DVD, etc.), and mailing costs (if any).

(2) Also, if the school district does not have the capacity to make the copies, e.g., photographs, the actual cost paid by the school district to an outside vendor will be charged.

2. All charges must be paid for **[in cash or by check]** in advance of receiving the copies.

[NOTE: The district should identify the payment methods that it will accept.]

B. Summary Data

1. Any costs incurred in the preparation of summary data shall be paid by the requestor prior to preparing or supplying the summary data.

2. The school district may assess costs associated with the preparation of summary data as follows:

a. The cost of materials, including paper, the cost of the labor required to prepare the copies, any schedule of standard copying charges established by the school district, any special costs necessary to produce such copies from a machine-based record-keeping system, including computers and microfilm systems;

b. The school district may consider the reasonable value of the summary data prepared and, where appropriate, reduce the costs assessed to the requestor.

C. Data Belonging to an Individual Subject

1. The responsible authority or designee may require the requesting person to pay the actual costs of making and certifying the copies.

The responsible authority shall not charge the data subject any fee in those instances where the data subject only desires to view private data.

The responsible authority or designee may require the requesting person to pay the actual costs of making and certifying the copies. Based on the factors set forth in Minnesota Rule, 1205.0300, subpart 4, the school district determines that a reasonable fee would be the charges set forth in Paragraph VIII.A of this policy that apply to requests for data by the public.

2. The school district may not charge a fee to search for or to retrieve educational records of a child with a disability by the child's parent or guardian or by the child upon the child reaching the age of majority.

IX. SAFE AT HOME PARTICIPANTS AND DATA PRIVACY

Prohibition of Discrimination

The school district must not, on the basis of an individual's status as an Address Confidentiality Program participant where a reasonable person, considering all the circumstances, would conclude that the refusal, different terms or requirements, or other action was motivated by the individual's status as a program participant rather than by a legitimate, nondiscriminatory business purpose, safety or operational concern, or a requirement of federal or state law:

A. refuse to provide education services to an individual;

B. provide services to an individual on different terms or with different requirements than an individual who is not a program participant; or

C. otherwise discriminate against an individual.

X. ANNUAL REVIEW AND POSTING

A. The responsible authority shall prepare a written data access policy and a written policy for the rights of data subjects (including specific procedures the school district uses for access by the data subject to public or private data on individuals). The responsible authority shall update the policies no later than August 1 of each year, and at any other time as necessary to reflect changes in personnel, procedures, or other circumstances that impact the public's ability to access data.

B. Copies of the policies shall be easily available to the public by distributing free copies to the public or by posting the policies in a conspicuous place within the school district that is easily accessible to the public or by posting them on the school district's website.

Data Practices Contacts

Responsible Authority:
[Name]
[Location]
[Phone number; email address]

Data Practices Compliance Official:
[Name]
[Location]
[Phone number; email address]

Data Practices Designee(s):
[Name]
[Location]
[Phone number; email address]

Legal References: Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)
Minn. Stat. § 13.01 (Government Data)
Minn. Stat. § 13.02 (Definitions)
Minn. Stat. § 13.025 (Government Entity Obligation)

Minn. Stat. § 13.03 (Access to Government Data)
Minn. Stat. § 13.04 (Rights of Subjects to Data)
Minn. Stat. § 13.05 (Duties of Responsible Authority)
Minn. Stat. § 13.32 (Educational Data)
Minn. Rules Part 1205.0300 (Access to Public Data)
Minn. Rules Part 1205.0400 (Access to Private Data)

Cross References: MSBA/MASA Model Policy 406 (Public and Private Personnel Data)
MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)

Resources: MN Department of Administration: *Actual Cost*
MN Department of Administration: *Copy Costs*
MN Department of Administration: *Education Data*

Adopted:_____

Revised:_____

MSBA/MASA Model Policy 806
Orig. 1999
Rev. 2026

806 CRISIS MANAGEMENT POLICY

[NOTE: The Commissioner of the Minnesota Department of Education (Commissioner) is required to maintain and make available to school boards and charter schools a Model Crisis Management Policy. See Minnesota Statutes, section 121A.035. School boards and charter schools must adopt a Crisis Management Policy to address potential crisis situations in their school districts or charter schools. Id. This Model Crisis Management Policy was originally the result of a collaborative effort among the Minnesota Department of Education, Division of Compliance and Assistance; the Minnesota Department of Public Safety, Division of Homeland Security and Emergency Management; and the Minnesota School Boards Association.]

I. PURPOSE

The purpose of this Model Crisis Management Policy is to act as a guide for school district and building administrators, school employees, students, school board members, and community members to address a wide range of potential crisis situations in the school district. The step-by-step procedures suggested by this Policy will provide guidance to each school building in drafting crisis management plans to coordinate protective actions prior to, during, and after any type of emergency or potential crisis situation. Each school district should develop tailored building-specific crisis management plans for each school building in the school district, and sections or procedures may be added or deleted in those crisis management plans based on building needs.

The school district will, to the extent possible, engage in ongoing emergency planning within the school district and with emergency responders and other relevant community organizations. The school district will ensure that relevant emergency responders in the community have access to their building-specific crisis management plans and will provide training to school district staff to enable them to act appropriately in the event of a crisis.

II. GENERAL INFORMATION

A. The Policy and Plans

The school district's Crisis Management Policy has been created in consultation with local community response agencies and other appropriate individuals and groups that would likely be involved in the event of a school emergency. It is designed so that each building administrator can tailor a building-specific crisis management plan to meet that building's specific situation and needs.

The school district's administration and/or the administration of each building shall present tailored building-specific crisis management plans to the school board for review and approval. The building-specific crisis management plans will include general crisis procedures and crisis-specific procedures. Upon approval by the school board, such crisis management plans shall be an addendum to this Crisis Management Policy. This Policy and the plans will be maintained and updated on an annual basis.

B. Elements of the District Crisis Management Policy

1. General Crisis Procedures

The Crisis Management Policy includes general crisis procedures for securing buildings, classroom evacuation, building evacuation, campus evacuation, and sheltering. The Policy designates the individual(s) who will determine when these actions will be taken. These district-wide procedures may be modified by building administrators when creating their building-specific crisis management plans. A communication system will be in place to enable the designated individual to be contacted at all times in the event of a potential crisis, setting forth the method to contact the designated individual, the provision of at least two designees when the contact person is unavailable, and the method to convey contact information to the appropriate staff persons. The alternative designees may include members of the emergency first responder response team. A secondary method of communication should be included in the plan for use when the primary method of communication is inoperable. Each building in the school district will have access to a copy of the Comprehensive School Safety Guide (2011 Edition) to assist in the development of building-specific crisis management plans.

All general crisis procedures will address specific procedures for the safe evacuation of children and employees with special needs such as physical, sensory, motor, developmental, and mental health challenges.

[NOTE: More specific information on planning for children with special needs can be found in the Comprehensive School Safety Guide (2011 Edition) and United States Department of Education's document entitled, "Practical Information on Crisis Planning, a Guide for Schools and Communities." A website link is provided in the resource section of this Policy.]

a. Lock-Down Procedures

Lock-down procedures will be used in situations where harm may result to persons inside the school building, such as a shooting, hostage incident, intruder, trespass, disturbance, or when determined to be necessary by the building administrator or his or her designee. The building administrator or designee will announce the lock-down over the public address system or other designated system. Code words will not be used. Provisions for emergency evacuation will be maintained even in the event of a lock-down. Each building administrator will submit lock-down procedures for their building as part of the building-specific crisis management plan.

[NOTE: Minnesota law requires a minimum of five school lock-down drills each school year. See Minnesota Statutes, section 121A.035.]

b. Evacuation Procedures

Evacuations of classrooms and buildings shall be implemented at the discretion of the building administrator or his or her designee. Each building's crisis management plan will include procedures for transporting students and staff a safe distance from harm to a designated safe area until released by the building administrator or designee. Safe areas may change based upon the specific emergency situation. The evacuation procedures should include specific procedures

for children with special needs, including children with limited mobility (wheelchairs, braces, crutches, etc.), visual impairments, hearing impairments, and other sensory, developmental, or mental health needs. The evacuation procedures should also address transporting necessary medications for students that take medications during the school day.

[NOTE: Minnesota law requires a minimum of five school fire drills, consistent with Minnesota Statutes, section 299F.30, and one school tornado drill each school year. See Minnesota Statutes, section121A.035.]

c. Sheltering Procedures

Sheltering provides refuge for students, staff, and visitors within the school building during an emergency. Shelters are safe areas that maximize the safety of inhabitants. Safe areas may change based upon the specific emergency. The building administrator or his or her designee will announce the need for sheltering over the public address system or other designated system. Each building administrator will submit sheltering procedures for his or her building as part of the building-specific crisis management plan.

[NOTE: The Comprehensive School Safety Guide (2011 Edition) has sample lock-down procedures, evacuation procedures, and sheltering procedures.]

2. Crisis-Specific Procedures

The Crisis Management Policy includes crisis-specific procedures for crisis situations that may occur during the school day or at school-sponsored events and functions. These district-wide procedures are designed to enable building administrators to tailor response procedures when creating building-specific crisis management plans.

[NOTE: The Comprehensive School Safety Guide (2011 Edition) includes crisis-specific procedures.]

[NOTE: The 2024 Minnesota legislature enacted permissive language stating that a school board "may adopt the model cardiac emergency response plan provided by" the Commissioner. See Resources below. ~~(as of June 4, 2024, a response plan is not yet available.~~]

3. School Emergency Response Teams

a. Composition

The building administrator in each school building will select a school emergency response team that will be trained to respond to emergency situations. All school emergency response team members will receive on-going training to carry out the building's crisis management plans and will have knowledge of procedures, evacuation routes, and safe areas. For purposes of student safety and accountability, to the extent possible, school emergency response team members will not have direct responsibility for the supervision of students. Team members must be

willing to be actively involved in the resolution of crises and be available to assist in any crisis situation as deemed necessary by the building administrator. Each building will maintain a current list of school emergency response team members which will be updated annually. The building administrator, and his or her alternative designees, will know the location of that list in the event of a school emergency. A copy of the list will be kept on file in the school district office, or in a secondary location in single building school districts.

[NOTE: The Comprehensive School Safety Guide (2011 Edition) has a sample School Emergency Response Team list.]

b. Leaders

The building administrator or his or her designee will serve as the leader of the school emergency response team and will be the primary contact for emergency response officials. In the event the primary designee is unavailable, the designee list should include more than one alternative designee and may include members of the emergency response team. When emergency response officials are present, they may elect to take command and control of the crisis. It is critical in this situation that school officials assume a resource role and be available as necessary to emergency response officials.

III. PREPARATION BEFORE AN EMERGENCY

A. Communication

1. District Employees

Teachers generally have the most direct contact with students on a day-to-day basis. As a result, they must be aware of their role in responding to crisis situations. This also applies to non-teaching school personnel who have direct contact with students. All staff shall be aware of the school district's Crisis Management Policy and their own building's crisis management plan. Each school's building-specific crisis management plan shall include the method and dates of dissemination of the plan to its staff. Employees will receive a copy of the relevant building-specific crisis management plans and shall receive periodic training on plan implementation.

2. Students and Parents

Students and parents shall be made aware of the school district's Crisis Management Policy and relevant tailored crisis management plans for each school building. Each school district's building-specific crisis management plan shall set forth how students and parents are made aware of the district and school-specific plans. Students shall receive specific instruction on plan implementation and shall participate in a required number of drills and practice sessions throughout the school year.

B. Planning and Preparing for Fire

1. Designate a safe area at least fifty (50) feet away from the building to enable students and staff to evacuate. The safe area should not interfere with emergency responders or responding vehicles and should not be in an area

where evacuated persons are exposed to any products of combustion. (Depending on the wind direction, where the building on fire is located, the direction from which the fire is arriving, and the location of fire equipment, the distance may need to be extended.)

[NOTE: Evacuation areas at least fifty (50) feet from school buildings are recommended but not mandated by statute or rule. Evacuation areas should be selected based on safety and the individual school site's proximity to streets, traffic patterns, and other hazards.]

2. Each building's facility diagram and site plan shall be available in appropriate areas of the building and shall identify the most direct evacuation routes to the designated safe areas both inside and outside of the building. The facility diagram and site plan must identify the location of the fire alarm control panel, fire alarms, fire extinguishers, hoses, water spigots, and utility shut offs.

3. Teachers and staff will receive training on the location of the primary emergency evacuation routes and alternate routes from various points in the building. During fire drills, students and staff will practice evacuations using primary evacuation routes and alternate routes.

4. Certain employees, such as those who work in hazardous areas in the building, will receive training on the locations and proper use of fire extinguishers and protective clothing and equipment.

5. Fire drills will be conducted periodically without warning at various times of the day and under different circumstances, e.g., lunchtime, recess, and during assemblies. State law requires a minimum of five fire drills each school year, consistent with Minnesota Statutes, section 299F.30. See Minnesota Statutes, section 121A.035.

   [NOTE: The State Fire Marshal advises schools to defer fire drills during the winter months.]

6. A record of fire drills conducted at the building will be maintained in the building administrator's office.

   [NOTE: The Comprehensive School Safety Guide (2011 Edition), under the Preparedness/Planning section, has a sample fire drills schedule and log.]

7. The school district will have prearranged sites for emergency sheltering and transportation as needed.

8. The school district will determine which staff will remain in the building to perform essential functions if safe to do so (e.g., switchboard, building engineer, etc.). The school district also will designate an administrator or his or her designee to meet local fire or law enforcement agents upon their arrival.

   [NOTE: The Comprehensive School Safety Guide (2011 Edition), under the Response section, has a sample fire procedure form, evacuation/relocation and student reunification/release procedures, and planning for student reunification.]

C. Facility Diagrams and Site Plans

All school buildings will have a facility diagram and site plan that includes the location of primary and secondary evacuation routes, exits, designated safe areas inside and outside of the building, and the location of fire alarm control panel, fire alarms, fire extinguishers, hoses, water spigots, and utility shut offs. All facility diagrams and site plans will be updated regularly and whenever a major change is made to a building. Facility diagrams and site plans will be maintained by the building administrator and will be easily accessible and on file in the school district office. Facility diagrams and site plans will be provided to first responders, such as fire and law enforcement personnel.

[NOTE: For single building school districts, such as charter schools, a secondary location for the diagrams and site plans will be included in the district's Crisis Management Policy and may include filing documents with a charter school sponsor, or compiling facility diagrams and site plans and distributing copies to first responders or sharing the documents with first responders during the crisis planning process.]

[NOTE: To the extent data contained in facility diagrams and site plans constitute security information pursuant to Minnesota Statutes, section 13.37, school districts are advised to consult with appropriate officials and/or legal counsel prior to dissemination of the facility diagrams or site plans to anyone other than first responders.]

D. Emergency Telephone Numbers

Each building will maintain a current list of emergency telephone numbers and the names and addresses of local, county, and state personnel who may be involved in a crisis situation. The list will include telephone numbers for local police, fire, ambulance, hospital, the Poison Control Center, county and state emergency management agencies, local public works departments, local utility companies, the public health nurse, mental health/suicide hotlines, and the county welfare agency. A copy of this list will be kept on file in the school district office, or at a secondary location for single building school districts and will be updated annually.

School district employees will receive training on how to make emergency contacts, including 911 calls, when the school district's main telephone number and location is electronically conveyed to emergency personnel instead of the specific building in need of emergency services.

School district plans will set forth a process to internally communicate an emergency, using telephones in classrooms, intercom systems, or two-way radios, as well as the procedure to enable the staff to rapidly convey emergency information to a building designee. Each plan will identify a primary and secondary method of communication for both internal and secondary use. It is recommended that the plan include several methods of communication because computers, intercoms, telephones, and cell phones may not be operational or may be dangerous to use during an emergency.

[NOTE: The Comprehensive School Safety Guide (2011 Edition), under the Preparedness/Planning section, has a sample Emergency Phone Numbers list.]

E. Warning and Notification Systems

The school district shall maintain a warning system designed to inform students, staff, and visitors of a crisis or emergency. This system shall be maintained on a regular basis under the maintenance plan for all school buildings. The school district should consider

an alternate notification system to address the needs of staff and students with special needs, such as vision or hearing.

The building administrator shall be responsible for informing students and employees of the warning system and the means by which the system is used to identify a specific crisis or emergency situation. Each school's building-specific crisis management plan will include the method and frequency of dissemination of the warning system information to students and employees.

F. Early School Closure Procedures

The superintendent will make decisions about closing school or buildings as early in the day as possible. The early school closure procedures will set forth the criteria for early school closure (e.g., weather-related, utility failure, or a crisis situation), will specify how closure decisions will be communicated to staff, students, families, and the school community (designated broadcast media, local authorities, e-mail, or district or school building web sites), and will discuss the factors to be considered in closing and reopening a school or building.

Early school closure procedures also will include a reminder to parents and guardians to listen to designated local radio and TV stations for school closing announcements, where possible.

[NOTE: The Comprehensive School Safety Guide (2011 Edition), under the Response section, provides universal procedures for severe weather shelter.]

G. Media Procedures

The superintendent has the authority and discretion to notify parents or guardians and the school community in the event of a crisis or early school closure. The superintendent will designate a spokesperson who will notify the media in the event of a crisis or early school closure. The spokesperson shall receive training to ensure that the district is in strict compliance with federal and state law relative to the release of private data when conveying information to the media.

[NOTE: The Comprehensive School Safety Guide (2011 Edition), under the Response section, has a sample Media Procedures form.]

H. Behavioral Health Crisis Intervention Procedures

Short-term behavioral health crisis intervention procedures will set forth the procedure for initiating behavioral health crisis intervention plans. The procedures will utilize available resources including the school psychologist, counselor, community behavioral health crisis intervention, or others in the community. Counseling procedures will be used whenever the superintendent or the building administrator determines it to be necessary, such as after an assault, a hostage situation, shooting, or suicide. The behavioral health crisis intervention procedures shall include the following steps:

1. Administrator will meet with relevant persons, including school psychologists and counselors, to determine the level of intervention needed for students and staff.

2. Designate specific rooms as private counseling areas.

3. Escort siblings and close friends of any victims as well as others in need of

emotional support to the counseling areas.

4. Prohibit media from interviewing or questioning students or staff.

5. Provide follow-up services to students and staff who receive counseling.

6. Resume normal school routines as soon as possible.

I. Long-Term Recovery Intervention Procedures

Long-term recovery intervention procedures may involve both short-term and long-term recovery planning:

1. Physical/structural recovery.

2. Fiscal recovery.

3. Academic recovery.

4. Social/emotional recovery.

[NOTE: The Comprehensive School Safety Guide (2011 Edition), under the Recovery section, addresses the recovery components in more detail.]

IV. ACTIVE SHOOTER DRILL

A. Definitions

1. "Active shooter drill" means an emergency preparedness drill designed to teach students, teachers, school personnel, and staff how to respond in the event of an armed intruder on campus or an armed assailant in the immediate vicinity of the school. An active shooter drill is not an active shooter simulation, nor may an active shooter drill include any sensorial components, activities, or elements which mimic a real life shooting.

2. "Active shooter simulation" means an emergency exercise including full-scale or functional exercises, designed to teach adult school personnel and staff how to respond in the event of an armed intruder on campus or an armed assailant in the immediate vicinity of the school which also incorporates sensorial components, activities, or elements mimicking a real life shooting. Activities or elements mimicking a real life shooting include, but are not limited to, simulation of tactical response by law enforcement. An active shooter simulation is not an active shooter drill.

3. "Evidence-based" means a program or practice that demonstrates any of the following:

a. a statistically significant effect on relevant outcomes based on any of the following:

i. strong evidence from one or more well designed and well implemented experimental studies;

ii. moderate evidence from one or more well designed and well implemented quasi-experimental studies; or

iii. promising evidence from one or more well designed and well implemented correlational studies with statistical controls for selection bias.

b. a rationale based on high-quality research findings or positive evaluations that the program or practice is likely to improve relevant outcomes, including the ongoing efforts to examine the effects of the program or practice.

4. "Full-scale exercise" means an operations-based exercise that is typically the most complex and resource-intensive of the exercise types and often involves multiple agencies, jurisdictions, organizations, and real-time movement of resources.

5. "Functional exercises" means an operations-based exercise designed to assess and evaluate capabilities and functions while in a realistic, real-time environment, however, movement of resources is usually simulated.

B. Criteria

An active shooter drill conducted according to Minnesota Statutes, section 121A.037 with students in early childhood through grade 12 must be:

1. accessible;

2 developmentally appropriate and age appropriate, including using appropriate safety language and vocabulary;

3. culturally aware;

4. trauma-informed; and

5. inclusive of accommodations for students with mobility restrictions, sensory needs, developmental or physical disabilities, mental health needs, and auditory or visual limitations.

C. Student Mental Health and Wellness

Active shooter drill protocols must include a reasonable amount of time immediately following the drill for teachers to debrief with their students. The opportunity to debrief must be provided to students before regular classroom activity may resume. During the debrief period, students must be allowed to access any mental health services available on campus, including counselors, school psychologists, social workers, or cultural liaisons. An active shooter drill must not be combined or conducted consecutively with any other type of emergency preparedness drill. An active shooter drill must be accompanied by an announcement prior to commencing. The announcement must use concise and age-appropriate language and, at a minimum, inform students there is no immediate danger to life and safety.

D. Notice

1. The school district must provide notice of a pending active shooter drill to every student's parent or legal guardian before an active shooter drill is conducted. Whenever practicable, notice must be provided at least twenty-four (24) hours

in advance of a pending active shooter drill and inform the parent or legal guardian of the right to opt their student out of participating.

2. If a student is opted out of participating in an active shooter drill, no negative consequence must impact the student's general school attendance record nor may nonparticipation alone make a student ineligible to participate in or attend school activities.

3. The Commissioner must ensure the availability of alternative safety education for students who are opted out of participating or otherwise exempted from an active shooter drill. Alternative safety education must provide essential safety instruction through less sensorial safety training methods and must be appropriate for students with mobility restrictions, sensory needs, developmental or physical disabilities, mental health needs, and auditory or visual limitations.

E. Participation in Active Shooter Drills

Any student in early childhood through grade 12 must not be required to participate in an active shooter drill that does not meet the Criteria set forth above.

F. Active Shooter Simulations

A student must not be required to participate in an active shooter simulation. An active shooter simulation must not take place during regular school hours if a majority of students are present, or expected to be present, at the school. A parent or legal guardian of a student in grades 9 through 12 must have the opportunity to opt their student into participating in an active shooter simulation.

G. Violence Prevention

1. A school district or charter school conducting an active shooter drill must provide students in middle school and high school at least one (1) hour, or one (1) standard class period, of violence prevention training annually.

2. The violence prevention training must be evidence-based and may be delivered in-person, virtually, or digitally. Training must, at a minimum, teach students the following:

   a. how to identify observable warning signs and signals of an individual who may be at risk of harming oneself or others;

   b. the importance of taking threats seriously and seeking help; and

   c. the steps to report dangerous, violent, threatening, harmful, or potentially harmful activity, including providing information about the Department of Public Safety's statewide anonymous threat reporting system and any local threat reporting systems.

   [NOTE: The Minnesota legislature enacted the addition to 2.c in 2025 (Session Law Chapter 35).]

3. A school district or charter school must ensure that students have the opportunity to contribute to their school's safety and violence prevention planning, aligned with the recommendations for multihazard planning for

schools, including but not limited to:

a. student opportunities for leadership related to prevention and safety;

b. encouragement and support to students in establishing clubs and programs focused on safety; and

c. providing students with the opportunity to seek help from adults and to learn about prevention connected to topics including bullying, sexual harassment, sexual assault, and suicide.

H. Board Meeting

At a regularly scheduled school board meeting, a school board of a district that has conducted an active shooter drill must consider the following:

1. the effect of active shooter drills on the safety of students and staff; and

2. the effect of active shooter drills on the mental health and wellness of students and staff.

V. SAMPLE PROCEDURES INCLUDED IN THIS POLICY

Sample procedures for the various hazards/emergencies listed below are attached to this Policy for use when drafting specific crisis management plans. Additional sample procedures may be found in the Response section of the *Comprehensive School Safety Guide* (2011 Edition). After approval by the school board, an adopted procedure will become an addendum to the Crisis Management Policy.

A. Fire

B. Hazardous Materials

C. Severe Weather: Tornado/Severe Thunderstorm/Flooding

D. Medical Emergency

E. Fight/Disturbance

F. Assault

G. Intruder

H. Weapons

I. Shooting

J. Hostage

K. Bomb Threat

L. Chemical or Biological Threat

M. Checklist for Telephone Threats

N. Demonstration

O. Suicide

P. Lock-down Procedures

Q. Shelter-In-Place Procedures

R. Evacuation/Relocation

S. Media Procedures

T. Post-Crisis Procedures

U. School Emergency Response Team

V. Emergency Phone Numbers

W. Highly Contagious Serious Illness or Pandemic Flu

VI. MISCELLANEOUS PROCEDURES

A. Chemical Accidents

Procedures for reporting chemical accidents shall be posted at key locations such as chemistry labs, art rooms, swimming pool areas, and janitorial closets.

[NOTE: School buildings must maintain Material Safety Data Sheets (M.S.D.S.) for all chemicals on campus. State law, federal law, and OSHA require that pertinent staff have access to M.S.D.S. in the event of a chemical accident.]

B. Visitors

The school district shall implement procedures mandating visitor sign in and visitors in school buildings pursuant to the school district's~~. See MSBA/MASA Model Policy 903 (~~Visitors to School District Buildings and Sites policy~~)~~.

The school district shall implement procedures to minimize outside entry into school buildings except at designated check-in points and assure that all doors are locked prior to and after regular building hours.

C. Student Victims of Criminal Offenses at or on School Property

The school district shall establish procedures allowing student victims of criminal offenses on school property the opportunity to transfer to another school within the school district.

[NOTE: The Every Student Succeeds Act, 20 United States Code, section 6301, et seq.; Title IX, 20 United States Code, section 1681, et seq.; and the Unsafe School Choice Option, 20 United States Code, section 7912, require school districts to establish such transfer procedures.]

D. Radiological Emergencies at Nuclear Generating Plants [OPTIONAL]

School districts within a 10-mile radius of the Monticello or Prairie Island nuclear power

plants will implement crisis plans in the event of an accident or incident at the power plant.

Questions relative to the creation or implementation of such plans will be directed to the Minnesota Department of Public Safety.

Legal References:
Minn. Stat. Ch. 12 (Emergency Management)
Minn. Stat. Ch. 12A (Natural Disaster; State Assistance)
Minn. Stat. § 121A.035 (Crisis Management Policy)
Minn. Stat. § 121A.038 (Students Safe at School)
Minn. Stat. § 121A.06 (Reports of Dangerous Weapon Incidents in School Zones)
Minn. Stat. § 299F.30 (Fire Drill in School; Doors and Exits)
Minn. Stat. § 326B.02, Subd. 6 (Powers)
Minn. Stat. § 326B.106 (General Powers of Commissioner of Labor and Industry)
Minn. Stat. § 609.605, Subd. 4 (Trespasses)
Minn. Rules Ch. 7511 (Fire Code)
20 U.S.C. § 1681, *et seq.* (Title IX)
20 U.S.C. § 6301, *et seq.* (Every Student Succeeds Act)
20 U.S.C. § 7912 (Unsafe School Choice Option)
42 U.S.C. § 5121 *et seq.* (Disaster Relief and Emergency Assistance)

Cross References:
MSBA/MASA Model Policy 407 (Employee Right to Know – Exposure to Hazardous Substances)
MSBA/MASA Model Policy 413 (Harassment and Violence)
MSBA/MASA Model Policy 501 (School Weapons Policy)
MSBA/MASA Model Policy 506 (Student Discipline)
MSBA/MASA Model Policy 532 (Use of Peace Officers and Crisis Teams to Remove Students with IEPs from School Grounds)
MSBA/MASA Model Policy 903 (Visitors to School District Buildings and Sites

Resources: MDE: Model Cardiac Emergency Response Plan [Rev. 11/25] (accessed 03/10/26)
MN Department of Public Safety: School Safety Resources (accessed 03/10/26)

[NOTE: The Minnesota Department of Public Safety has the following on its website:

Comprehensive school safety guide
The Minnesota Department of Homeland Security Emergency Management offers valuable guidance for school emergency planning. While the MnSSC Comprehensive School Safety Guide is being updated, we encourage you to explore resources from our partners at SchoolSafety.gov. Their Foundation Elements of School Safety can serve as a helpful framework for your planning efforts.]

U.S. Department of Education: Practical Information on Crisis Planning: A Guide for Schools and Communities [January 2007] (accessed 03/10/26)
I Love U Guys Foundation, Standard Response Protocol (accessed 03/10/26)
Safe and Sound Schools (accessed 03/10/26)

Adopted:_____

Revised:_____

MSBA/MASA Model Policy 901
Orig. 1995
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.

IV. School-Age Care Programs

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)

208 DEVELOPMENT, ADOPTION, AND IMPLEMENTATION OF POLICIES

[NOTE: The provisions of this policy are recommendations. The procedures for policy development, adoption, and implementation are not specifically provided by statute.]

I. PURPOSE

The purpose of this policy is to emphasize the importance of the policy-making role of the school board and provide the means for it to be an ongoing effort.

II. GENERAL STATEMENT OF POLICY

Formal guidelines are necessary to ensure the school community that the school system responds to its mission and operates in an effective, efficient, and consistent manner. A set of written policies shall be maintained and modified as needed. Policies should define the desire and intent of the school board and should be in a form that is sufficiently explicit to guide administrative action.

III. DEVELOPMENT OF POLICY

A. The school board has jurisdiction to legislate policy with the force and effect of law for the school district. School district policy provides the school board's general direction for the school district while delegating policy implementation to the administration.

B. The school district's policies provide guidelines and goals to the school community. The policies are the basis for guidelines and directives created by the administration. The school board shall determine the effectiveness of policies by evaluating periodic reports from the administration.

C. Policies may be proposed by a school board member, employee, student, or resident of the school district. Proposed policies or ideas shall be submitted to the superintendent for review prior to possible placement on the school board agenda.

IV. ADOPTION AND REVIEW OF POLICY

A. The school board shall give notice of proposed policy changes or adoption of new policies by placing the item on the agenda of two (2) school board meetings. The proposals shall be distributed and public comment will be allowed at both meetings.

B. The final action taken to adopt the proposed policy shall be approved by a simple majority vote of the school board at a meeting after the two (2) meetings at which public input was received. The policy will be effective on the latter of the date of passage or the date stated in the motion.

C. In an emergency, a new or modified policy may be adopted by a majority vote of a quorum of the school board in a single meeting. A statement regarding the emergency and the need for immediate adoption of the policy shall be included in the minutes. The policy adopted in an emergency shall expire within one (1) year following the emergency action unless the policy adoption procedure stated above is followed and the policy is reaffirmed. The school board shall have discretion to determine what constitutes an emergency.

D. If a policy is ~~modified~~ revised with minor, technical changes that do not affect the substance of the policy, the school board directs school district staff to incorporate the technical revisions in the relevant policy.

If a policy is revised ~~or~~ because of a legal change over which the school board has no control, the modified policy may be approved at one meeting at the discretion of the school board.

[Note: The school board may choose to direct school district staff or the school board's policy committee to incorporate technical revisions, such as statutory references, grammatical improvements, and similar matters without requiring formal school board approval of the technical revision.]

V. IMPLEMENTATION OF AND ACCESS TO POLICY

A. The superintendent shall be responsible for implementing school board policies, other than the policies that cover how the school board will operate. The superintendent shall develop administrative guidelines and directives to provide greater specificity and consistency in the process of implementation. These guidelines and directives, including employee and student handbooks, shall be subject to annual review and approval by the school board.

B. Each school board member shall have access to school district policies. A copy of the school district policies shall be placed in the office of each school attendance center and in the central school district office and shall be available for reference purposes to other interested persons.

C. The superintendent, employees designated by the superintendent, and individual school board members shall be responsible for keeping the policy current.

D. The school board shall review policies at least once every three (3) years. The superintendent shall be responsible for developing a system of periodic review, addressing approximately one third of the policies annually. In addition, the school board shall review the following policies annually: 506 Student Discipline; 722 Public Data Requests; and 806 Crisis Management Policy.

E. When no school board policy exists to provide guidance on a matter, the superintendent is authorized to act appropriately under the circumstances keeping in mind the mission, educational philosophy, and financial condition of the school district. Under such circumstances, the superintendent shall advise the school board of the need for a policy and present a recommended policy to the school board for approval.

Legal References: Minn. Stat. § 123B.02, Subd. 1 (School District Powers)
Minn. Stat. § 123B.09, Subd. 1 (School Board Powers)

Cross References: MSBA/MASA Model Policy 305 (Policy Implementation)

402 DISABILITY NONDISCRIMINATION 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 a fair employment setting for all persons and to comply with state and federal law.

II. GENERAL STATEMENT OF POLICY

A. The school district shall not discriminate against qualified individuals with disabilities because of the disabilities of such individuals in regard to job application procedures, hiring, advancement, discharge, compensation, job training, and other terms, conditions, and privileges of employment.

B. The school district shall not engage in contractual or other arrangements that have the effect of subjecting its qualified applicants or employees with disabilities to discrimination on the basis of disability. The school district shall not exclude or otherwise deny equal jobs or job benefits to a qualified individual because of the known disability of an individual with whom the qualified individual is known to have a relationship or association.

C. The school district shall make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or employee unless the accommodation would impose undue hardship on the operation of the business of the school district.

D. Any job applicant or employee wishing to discuss the need for a reasonable accommodation, or other matters related to a disability or the enforcement and application of this policy, should contact **[list the name, title, office address, telephone number, and e-mail address]**. This individual is the school district's appointed ADA/Section 504 coordinator.

E. Failure to engage in the process to determine if a reasonable accommodation exists that would allow people with disabilities as defined in Minnesota Statutes, section 363A.03, subdivision 12, to participate fully in employment may be an unfair discriminatory practice under the Minnesota Human Rights Act.

Legal References:
Minn. Stat. Ch. 363A (Minnesota Human Rights Act)
29 U.S.C. § 794 *et seq.* (Section 504 of the Rehabilitation Act of 1973)
42 U.S.C. § 12101 (Americans with Disabilities Act)
29 C.F.R. Part 32 (Nondiscrimination on the Basis of Handicap in Programs or Activities Receiving Federal Financial Assistance)
34 C.F.R. Part 104 (Nondiscrimination on the Basis of Handicap in Programs or Activities Receiving Federal Financial Assistance)

Cross References:
MSBA/MASA Model Policy 413 (Harassment and Violence)
MSBA/MASA Model Policy 521 (Student Disability Nondiscrimination)

Proposal for Managed Information Technology Services

Response to Independent School District 2918 (Carlton-Wrenshall Public Schools) RFP for Managed Information Technology Services

Submitted by Tusker Technology | Carter Nelson | November 2, 2026

1. Executive summary

Tusker Technology proposes to continue as CW2918's managed services partner. We offer two fixed-fee options with $0.00 onboarding and a weekly onsite technician day included in both:

	Option A – Comprehensive	Option B – Co-Managed
Fixed monthly fee	$12,750.00	$9,750.00
Annual cost (year 1)	$153,000	$117,000
Onboarding	$0.00	$0.00
Scheduled onsite day	1 per week, included	1 per week, included
Who handles day-to-day end-user, workstation and server support	Tusker	District IT staff

As the District's current provider, Tusker already knows its network, servers, wireless, Microsoft 365 and Google Workspace tenants, and security tooling. That means no discovery gap, no tool swap and no disruption to instruction when the new agreement starts on December 1, 2026.

What we understand CW2918 needs. The District needs a single accountable partner for a K-12 environment where instructional continuity, student data protection and cybersecurity come first. It wants predictable monthly costs, clear service levels, regular onsite presence, and long-range planning and budgeting help. It also wants every exclusion and separately billable item disclosed up front. This proposal is written to meet that last point directly: Section 13 lists every exclusion, and Section 15 lists every deviation from the RFP.

What both options include. A layered security stack monitored 24x7x365 by manufacturer Security Operations Centers: managed anti-virus, endpoint detection and response, SIEM, multi-factor authentication, vulnerability scanning, security awareness training and drive encryption. Both options also include network, firewall, wireless and host management; Microsoft 365 and Google Workspace administration and backup; and a Virtual Technology Advisor for budgeting, lifecycle planning and quarterly performance reporting.

2. Company background and K-12 experience

Tusker Technology has supported the District's technology environment since 2023 for Wrenshall and 2017 for Carlton.

Item	Detail
Headquarters and local office	Headquarters in Buffalo Grove, IL– Managed services based out of Duluth, MN
Years in business	73
Employees / engineers	450 total; 250+ technical staff

Item	Detail
K-12 districts currently supported	55 Districts
Minnesota K-12 districts supported	5 in MN and 33 more in WI
Years serving Minnesota and Wisconsin public schools	31 Years
Relevant partner status	Top Tier partner status with Microsoft, Fortinet, Dell, Lenovo, HP, HPE, Aruba, and many others.

3. Service model and staffing plan

CW2918 gets a named team: one account lead, a scheduled onsite technician with a named backup, Tusker's help desk, and escalation engineers for infrastructure and security. In Option A, Tusker is the District's IT department for day-to-day operations. In Option B, Tusker works alongside District technology staff, who handle end-user, workstation and server support (see Section 12).

Role	Name	Responsibilities
Account manager / technology lead	Carter Nelson	Single point of accountability; contract and service reviews
Virtual Technology Advisor (vTA)	Amber Blakely	Roadmap, budget, lifecycle planning, quarterly reviews
Primary onsite technician	Derek Born or Dan Murto	Weekly onsite day; onsite P1/P2 response
Backup onsite technician	Dan Murto, Dan Bass, Conor Haining	Covers absences and surge onsite needs
Help desk	System Support Team	Ticket intake, triage, remote support, user communication
Escalation engineer – infrastructure	Nick Stone	Servers, Hyper-V, network, firewall, wireless
Cybersecurity lead	Tregg Anderson	Security alerts, incident response coordination, vulnerability management
Service manager	Li KeaneRudolph	Escalations, SLA performance, corrective action

Help desk. Staff reach the help desk by phone, email or portal during hours, 7:00 a.m.–5:00 p.m. CT, Monday–Friday. Every request becomes a ticket, is prioritized P1–P4 (Section 5), and is tracked to resolution with updates to the requester.

Background checks. Tusker backgrounds employees in their hiring process. Tusker will meet any additional District background-check requirements for contractors.

4. Response to scope of services

Tusker meets most of Section 4 within the fixed fee. Where a response is partial, the table says so and points to the exclusions schedule (Section 13) or the deviations (Section 15).

RFP section	Tusker response – Option A	Option B difference

RFP section	Tusker response – Option A	Option B difference
4.1 Help desk and end-user support	Phone, email and remote help desk with no ticket cap, pooled hours or per-incident fee. Covers Windows (138) and Mac (9) workstations, printing up to physical repair, account, password and MFA support, and software installs. Chromebooks, tablets, smartphones and classroom AV are not covered devices (Section 13).	End-user and workstation support handled by District staff. Tusker patches workstations and supports District IT staff on Microsoft 365 and Google Workspace.
4.2 Onsite support	One scheduled onsite technician day per week, included. Additional onsite response for P1/P2 incidents that can't be resolved remotely.	Same weekly onsite day, focused on Tusker-managed systems.
4.3 Network, server, cloud and infrastructure	Monitoring, patching and support for the Hyper-V host, 6 virtual servers, 5 core and 20 access switches, the primary firewall, 65 wireless access points and the Meraki/Juniper Mist wireless environment, and 6 UPS units. 24x7 monitoring of 27 network devices. Microsoft 365 (100 mailboxes) and Google Workspace administration. Third-party vendor coordination.	Tusker patches the virtual servers; District staff support them. Network, firewall, wireless, host and cloud tenant management stay with Tusker.
4.4 Cybersecurity	ESET anti-virus (153 devices), EDR with 24x7 SOC (144 devices), Managed SIEM (180 devices), MFA, firewall security management, vulnerability scanning, security awareness training (35 users) and drive encryption. Details in Section 6.	Same security stack.
4.5 Backup and DR	Managed server backup, Microsoft 365 backup (120 mailboxes) and Google Workspace backup, with daily job monitoring and annual restore testing. Details in Section 7.	Microsoft 365 and Google Workspace backup included; server backups handled by District staff.
4.6 Device and systems management	Automated OS and third-party patching, agent-based monitoring of disk, hardware, services and security status, software deployment, and lifecycle and warranty tracking through the vTA.	Patching and monitoring by Tusker; device configuration and deployment by District staff.
4.7 Documentation and ownership	Tusker maintains network diagrams, inventories, configuration records, vendor contacts and procedures, updated as changes are made and available to authorized District staff on request. District administrative access is covered in Questionnaire Q12.	Same.
4.8 Strategic technology leadership	Virtual Technology Advisor: annual IT budget, lifecycle reporting, annual strategic planning, quarterly performance data, gap analysis, purchasing and vendor-comparison support, and help with RFPs and insurance questionnaires.	Same.
4.9 Projects, moves, adds and changes	Moves, adds and changes on covered equipment under 3 hours are included. New hardware installs and larger initiatives are quoted in writing before work begins (see Section 15).	Same threshold for Tusker-managed systems.
4.10 No surprise billing	No work outside scope is billed without a written quote. All exclusions are listed in Section 13; all rates in Section 11.	Same.

5. Service-level commitments

Tusker commits to the initial response times below in both options. These differ from the RFP's table, and the differences are listed in Section 15.

Priority	Example	Initial response	Target
P1 – Critical	Entire site down, district-wide outage	30 minutes (business hours)	Continuous effort until stabilized; onsite when remote resolution isn't possible
P2 – High	Multiple users unable to work, service severely degraded, no workaround	60 minutes (business hours)	Active work until restored; onsite when remote resolution isn't possible
P3 – Normal	Single function or single user affected	4 business hours	Resolution or documented plan
P4 – Request	Planned moves, adds and changes; scheduled maintenance	8 business hours	Scheduled and completed within an agreed timeframe

Response means the ticket is created, assigned and a technician has started diagnostics. Security tools are monitored 24x7x365 by the manufacturers' Security Operations Centers (Section 6).

Escalation path

1. Help desk technician
2. Service manager
3. Account manager / technology lead
4. System support manager and Engineering Manager Dan Murto and Cheri Russell

Reporting. Each month the District receives ticket volume, response times, open-ticket aging, SLA performance, major incidents, recurring issues, patch compliance, backup status and security events (sample in Section 9).

6. Cybersecurity and incident response

Tusker's security program follows the CISA K-12 guidance and NIST Cybersecurity Framework the RFP cites: identity protection with MFA, endpoint detection with 24x7 SOC monitoring, regular vulnerability scanning, staff awareness training, and encryption at rest. The same stack is included in both options.

NIST CSF function	Tusker service	Coverage
Identify	Vulnerability scanning with risk-rated findings and remediation estimates; vTA gap analysis	Option A: at least twice a year, up to monthly. Option B: twice a year. Both: after major infrastructure changes
Protect	Multi-factor authentication (Standard); firewall policy and VPN management; drive encryption; security awareness training with simulated phishing; automated patching	MFA for covered users; awareness training for 35 users, at least two campaigns a year
Detect	ESET anti-virus/anti-ransomware; EDR with 24x7 SOC; Managed SIEM log collection and correlation; 24x7 network monitoring	153 / 144 devices; 180 devices; 27 network devices
Respond	Manufacturer SOC triage, investigation and automated endpoint isolation; alerts to the District's designated contact and Tusker's team	SOCs operate 24x7x365; Tusker responds during business hours
Recover	Backup restores; recovery support (Section 7)	See exclusions in Section 13

Who responds to a critical alert. The manufacturer SOC triages it 24x7, can isolate an affected endpoint automatically, and notifies Tusker and the District's designated contact. Tusker's security team takes over during business hours. After-hours Tusker response is available at the after-hours rate in Section 11.

Ransomware response, from first alert to recovery

1. The EDR detects suspicious activity; the manufacturer SOC validates it and isolates the affected device.
2. The SOC alerts Tusker and the District's designated contact.
3. Tusker confirms scope, contains spread (network segmentation, account disablement, firewall rules) and preserves evidence.
4. Tusker coordinates with the District's cyber insurer, legal counsel and law enforcement as the District directs.
5. Systems are restored from clean backups in the District's recovery-priority order.
6. Tusker delivers an incident report with root cause and recommendations.

Steps 3–5 are billable: remediation and recovery labor for malware and ransomware is outside the fixed fee, except that Tusker may wipe and reload a single affected workstation where it has workstation responsibility. Full terms are in Sections 13 and 15.

Insurance and audits. The vTA helps answer cyber-insurance technical questionnaires and security due-diligence requests, using SIEM, scanning and awareness-training reports as evidence.

7. Backup and disaster recovery

Option A protects the District's servers and cloud data. Option B protects the cloud data, and District staff manage server backups.

Data	Option A	Option B	Protection
Servers (Hyper-V host and virtual servers)	Tusker: managed backup, job monitoring, restores, retention policy	District	Backup platform, offsite/immutable copy, retention schedule
Microsoft 365 mail, OneDrive, SharePoint (120 mailboxes)	Tusker	Tusker	Automatic backups three times daily plus on demand; granular restore; offsite, geo-replicated cloud storage
Google Workspace mail and files	Tusker	Tusker	Cloud-to-cloud backup and recovery

Monitoring and escalation. Tusker reviews managed backup jobs every business day, remediates failures, and notifies the District immediately of any condition that materially increases recovery risk.

Testing. Where Tusker manages backups, it maintains a written procedure for annual backup testing, up to a full server restore. Quarterly sample restores, an annual documented DR exercise, and a written DR plan with recovery priorities are available as a fixed-price project.

Recovery. Tusker restores data from managed backups as part of the fixed fee. Recovery labor after an environmental disaster, an event beyond Tusker's control, or a multi-system malware or ransomware attack is billable (Section 13).

8. Onboarding and transition plan

Because Tusker's monitoring, security and management tools are already deployed, service continues without interruption on December 1, 2026. Onboarding focuses on re-baselining the environment under the new agreement, at no charge ($0.00) in both options.

Phase	Timing	Activities	Deliverable

Phase	Timing	Activities	Deliverable
Kickoff	Award (Nov 16) to Dec 1	Kickoff with District leadership; confirm contacts, escalation path and onsite day; agree reporting format; for Option B, confirm the District/Tusker responsibility split with District IT staff	Kickoff summary and contact sheet
Days 1–30	Decembe r 2026	Validate device, user and server inventory against Appendix C; verify every covered device reports to monitoring and security agents; collect and validate administrative credentials; confirm District administrative access to its systems and tenants	Validated inventory and credential register
Days 31–60	January 2027	Baseline vulnerability scan; backup verification and recovery-risk review; review network architecture, licensing and vendor contracts; update network diagrams and documentation	Baseline security and backup findings; updated documentation
Days 61–90	February 2027	Present prioritized 30/60/90-day risk action plan; first quarterly technology review; lifecycle and budget inputs for FY2027–28	Risk action plan; first quarterly review

Knowledge transfer: Tusker will meet with District technology staff during the first 30 days to review documentation, open issues and, for Option B, the hand-off of day-to-day support responsibilities.

Each report covers the following:

Report	Audience	Contents
Monthly service report	Superintendent, Business Manager, District IT contact	Ticket volume by priority and category; average initial response vs. SLA; open-ticket aging; major incidents; recurring issues; patch compliance for workstations and servers; backup job success and failures; security events from EDR and SIEM; onsite visit log
Quarterly technology review	District leadership	Three-month service trends; security posture and vulnerability findings; lifecycle and warranty status; budget vs. plan; roadmap progress; recommendations and quotes for the next quarter
Annual roadmap and budget	District leadership, School Board as needed	Infrastructure, security, device and licensing roadmap; major risks; multi-year capital and replacement plan; estimated budget needs; grant, E-rate and cooperative-purchasing opportunities

10. References

Organization	Contact name and title	Phone / email	Services provided	Client since
ISD 700 – Hermantown Community Schools	Derrick Rohman	218-626-6010 drohman@isd700.org	Managed Services, hardware, services	2015
Western Lake Superior Sanitary District	Grant Brown	218-740-4777 grant.brown@resourcerenew.com	Co-Managed Services. Hardware, services	2013
Duluth Airport Authority	Ryan Welch	218-625-7767 rwelch@duluthairport.com	Managed Services, Hardware, services	2007

11. Pricing

Option A is $12,750.00 per month ($153,000 per year); Option B is $9,750.00 per month ($117,000 per year). Both include $0.00 onboarding, the weekly onsite day, the full security stack and vTA services.

Pricing item	Option A – Comprehensive	Option B – Co-Managed	Notes / what is included
One-time onboarding / transition	$0.00	$0.00	Discovery, setup, tool deployment, documentation, training (Section 8)
Fixed monthly managed-services fee	$12,750.00	$9,750.00	Based on the user, device and service counts in each agreement; annual CPI adjustment
Included onsite support (minimum 1 technician day/week)	Included	Included	One scheduled day per week; onsite P1/P2 response when remote resolution isn't possible
24x7 critical incident response	Included: 24x7 SOC monitoring and triage	Included: 24x7 SOC monitoring and triage	Manufacturer SOCs monitor EDR and SIEM 24x7; Tusker responds in business hours; after-hours Tusker labor at the after-hours rate
Cybersecurity / MDR / EDR	Included	Included	ESET AV (153), EDR with SOC (144), SIEM (180), MFA, vulnerability scanning, awareness training (35 users), drive encryption
Backup monitoring and restore testing	Included: server, Microsoft 365 and Google Workspace backup; annual restore test	Included: Microsoft 365 and Google Workspace backup. Server backup: District	Quarterly restore tests and annual DR exercise
Strategic technology / vCIO services	Included	Included	Virtual Technology Advisor (Section 4.8)
After-hours non-emergency labor, if excluded	$135-200/hour	$135-200/hour	Work outside business hours
Project labor rate	$135-200/hour	$135-200/hour	Projects are quoted in writing before work starts
Senior engineer / cybersecurity project rate	$135-200/hour	$135-200/hour	
Travel charges, if any	None (within 30 miles)	None (within 30 miles)	Weekly onsite day included

Total cost of the 36-month term (before annual CPI adjustments): Option A $459,000; Option B $351,000.

12. Option B responsibility matrix

In Option B, District technology staff handle day-to-day end-user, device and server support. Tusker keeps infrastructure, patching, cloud tenants, security and planning, and escalation support for District staff.

Area (RFP Q5)	District	Tusker
Help desk / end-user support	Primary: tickets, user support, device troubleshooting	Escalation support for Microsoft 365 and Google Workspace issues

Area (RFP Q5)	District	Tusker
Onsite support	Daily onsite needs	One scheduled day per week; onsite P1/P2 for Tusker-managed systems
Device management	Workstation support, configuration, deployment and replacement setup	Workstation OS and third-party patching (147 devices); security agents
Servers	Server support and management; server backups	Hyper-V host management; virtual server OS patching
Network	—	Switches, routers, firewall, wireless, UPS: monitoring, updates, support
Cloud platforms	User-level support	Microsoft 365 and Google Workspace tenant administration; Microsoft 365 and Google Workspace backup
Cybersecurity	Designated contact for alerts; user-facing follow-up	Full security stack (Section 6); vulnerability scanning; awareness training
Backups	Server backups and restores	Microsoft 365 and Google Workspace backup
Vendor coordination	Printers, phones, smart TVs, card access, cameras, business applications	Internet provider and vendors for Tusker-managed systems
Strategic planning	Decisions and budget approval	vTA: roadmap, budget, lifecycle planning, quarterly reviews
Projects	Approves scope and price	Quotes and delivers projects on request
After-hours coverage	Defines after-hours needs	Security tools monitored 24x7 by manufacturer SOCs; after-hours Tusker labor billable

Staffing assumption. The District maintains technology staff able to handle the District responsibilities above during school hours.

13. Exclusions schedule

This is the complete list of services, devices, platforms, circumstances and labor not included in the fixed monthly fee, as RFP Section 10.1 requires. Excluded work is billed only after the District approves a written quote.

#	Exclusion	Applies to	Billed as
1	Hardware, software, licenses, parts and supplies (purchases over $100 need prior District approval)	A, B	Cost of goods
2	New hardware and equipment installs, including PC and laptop setup	A, B	Project
3	Moves, adds and changes taking 3 hours or more	A, B	Project/hourly if out of scope
4	Equipment upgrades, full software/system version upgrades, and upgrades recommended under best practices	A, B	Project
5	Patches or updates that can't be delivered through Tusker's agent	A, B	Project
6	Line-of-business application support and application version upgrades not listed in the agreement	A, B	Project / hourly
7	SharePoint troubleshooting, setup and support	A, B	Hourly
8	Fixes to District-made changes when the District keeps Microsoft 365 Global Admin or elevated rights	A, B	Hourly
9	Chromebooks, tablets and smartphones (not covered devices)	A, B	Hourly / project

#	Exclusion	Applies to	Billed as
10	Printers, copiers and plotters beyond troubleshooting to the point of physical repair	A	Hourly
11	Phone systems (moves, adds and changes quoted by Tusker's voice team), card access, security cameras, audio-visual equipment, smart TVs and Chromecasts	A, B	Hourly / project
12	Personally owned devices and incidents arising from them	A, B	Project
13	Devices or systems altered by the District without Tusker's consent	A, B	Project
14	Devices on Tusker's "Do Not Resuscitate" list (repeated problems or end-of-life OS/firmware)	A, B	Time and materials
15	Network, equipment or services found not in good working order at the start date	A, B	Project
16	Malware, virus or ransomware remediation (single-workstation wipe and reload excepted where Tusker supports workstations)	A, B	Hourly / project
17	Remediation tied to user local admin rights, or to threats from devices without Tusker security tools	A, B	Project
18	Restoration of data stored on workstations (workstations aren't backed up)	A, B	Project
19	Server recovery after a security incident beyond 4 hours (and only with a functioning Tusker Datto BDR device)	A, B	Hourly
20	Disaster-recovery labor after environmental failure, events beyond Tusker's control, third-party acts, failure to act on Tusker recommendations, or attacks affecting servers, backups, network, cloud or more than one workstation	A, B	Hourly
21	Quarterly restore testing, annual DR exercise and DR plan development	A, B	Project
22	Remediation of vulnerabilities found by scanning: Option A beyond minor fixes (3 hours or more, or new hardware/software); Option B all remediation	A, B	Project
23	After-hours services, including after-hours security response	A, B	After-hours rate
24	End-user support, workstation support and management, server support and management, and server backups	B	District responsibility
25	Price adjustment if users change by more than 10% or the environment changes materially (added servers, locations); annual CPI increase	A, B	Monthly fee change

14. Sample contract and standard terms

The following are attached and together make up Tusker's proposed contract terms:

Attachment	Applies to
Managed Service Bundle Agreement, including Exhibit A (Preventative Maintenance and Support) and Exhibit B (Cyber Security Services)	Option A
Co-Managed IT Agreement, including Exhibits A and B	Option B

15. Assumptions and requested deviations

All assumptions and deviations from the RFP are listed in the attached "RFP Item 15 – Assumptions and Requested Deviations" document, which is part of this proposal. The main deviations are the 36-month term,

Tusker's standard service-level times, business-hours security response, and the incident-recovery and DR-testing exclusions above.

Vendor questionnaire

1. **K-12 districts supported, and how many in Minnesota.** Tusker supports 55 K-12 districts, 5 of them in Minnesota, including CW2918.
2. **Help-desk hours, after-hours coverage and 24x7 critical incident process.** The help desk is staffed regular business hours M-F 7am-5pm. Security tools are monitored 24x7x365 by manufacturer SOCs, which triage alerts, can isolate devices, and notify Tusker and the District. Tusker responds to P1 issues within 30 minutes during business hours. After-hours Tusker labor is billable at the after-hours rate (Section 11).
3. **Onsite schedule.** Confirmed: Option A includes one regularly scheduled onsite technician day per week, and so does Option B. Primary technician: Specified above. Additional onsite response is provided for P1/P2 incidents that can't be resolved remotely.
4. **Unlimited support.** Normal help-desk tickets, remote support, routine troubleshooting and ordinary administrative support are included with no ticket cap, pooled-hour limit or per-incident fee. Tusker tracks work monthly and may propose a price adjustment in writing (Section 15). In Option B, end-user support is the District's responsibility.
5. **Option B responsibility matrix.** See Section 12.
6. **Moves, adds, changes and deployments.** Moves, adds and changes on covered equipment taking under 3 hours are included, along with account setup and software deployment through Tusker's tools. New device installs and deployments are quoted as projects (Section 13, items 2–3).
7. **When work becomes a billable project.** Work becomes a project when it takes 3 hours or more, involves new hardware or equipment, is a version or equipment upgrade, or falls outside the covered devices and services. Tusker provides a written quote with scope and price, and work starts only after District approval.
8. **24x7 security monitoring and who responds.** EDR and Managed SIEM are monitored 24x7x365 by the manufacturers' SOC analysts. They triage and contain, then hand off to Tusker's security team during business hours.
9. **EDR/MDR, vulnerability management, patching, MFA, and firewall security.** See Section 6: EDR with SOC on 144 devices, scanning at least twice a year, automated OS and third-party patching with nightly reboot windows, Standard MFA, and managed firewall with config backups and VPN management.
10. **Backup review and restore testing.** Managed backup jobs are reviewed every business day. Tusker performs an annual restore test where it manages backups. Quarterly restore tests and an annual DR exercise are available as a project (Section 7).
11. **Ransomware response.** See the six-step response in Section 6.
12. **District administrative access.** The District keeps administrative access to its systems, cloud tenants, documentation and credentials. Tusker recommends least-privilege access; if the District keeps Microsoft 365 Global Admin rights, fixes to District-made changes are billable.
13. **Documentation.** Tusker maintains network diagrams, inventories, configuration records, vendor contacts and procedures in its documentation platform . Documentation is updated as changes are made and reviewed at least quarterly.
14. **Quarterly reviews and annual budget planning.** The vTA leads a quarterly technology review (Section 9) and an annual strategic planning session that produces the roadmap and multi-year budget.
15. **Services excluded from the monthly fee.** See Section 13.

16. **Hourly rates.** See Section 11: project $135-200/hr, senior engineer/cybersecurity $135-300/hr, after-hours $270-400/hr.
17. **Annual escalators.** The monthly fee rises annually by the Consumer Price Index. Tusker may also increase its base hourly rates periodically, and the monthly fee may change if users change by more than 10% or the environment changes materially.
18. **Termination and transfer of documentation and data.** The agreement runs 36 months, then renews for 12-month periods unless either party gives 60 days' notice. On termination, Tusker hands over documentation, credentials and configurations at no charge. Assistance beyond the ordinary handoff is quoted at the project rate.

Appendix A – Minimum coverage checklist

Service	Option A	Option B	Comments
Help desk / remote support	Included	District (Tusker escalation)	No ticket cap
Regular onsite support (minimum 1 technician day/week)	Included	Included	One scheduled day per week
Emergency onsite response	Included	Included	P1/P2 when remote resolution isn't possible
Windows / Mac / ChromeOS support	Windows, Mac included; ChromeOS Optional/Extra	Patching included; support by District	138 Windows, 9 Mac
Chromebooks / tablets / smartphones	Optional/Extra	Optional/Extra	Not covered devices
Printers / copiers connectivity	Included	District	Troubleshooting up to physical repair
Interactive panels / classroom AV	Optional/Extra	District	
Servers / virtualization / storage	Included	Host and patching included; server support by District	Hyper-V host, 6 virtual servers
Switches / routers / firewalls	Included	Included	25 switches, primary firewall
Wireless infrastructure	Included	Included	65 access points
Microsoft 365 / Google Workspace	Included	Included (tenant administration)	100 mailboxes
Identity / directory / MFA	Included	Included	Standard MFA
Endpoint management / patching	Included	Included (patching)	
EDR / MDR / security monitoring	Included	Included	24x7 manufacturer SOC
Vulnerability management	Included	Included	Remediation limits in Section 13
Backup monitoring	Included	Cloud backups included; servers by District	
Quarterly restore testing	Optional/Extra	Optional/Extra	Annual test included where Tusker manages backups
Annual disaster-recovery exercise	Optional/Extra	Optional/Extra	Project

Service	Option A	Option B	Comments
Incident response / ransomware support	Optional/Extra	Optional/Extra	SOC detection and containment included; remediation and recovery billable
Phone / VoIP coordination	Optional/Extra	District	Tusker voice team quotes changes
Security camera / access-control coordination	Optional/Extra	District	
Third-party vendor coordination	Included	Included (Tusker-managed systems)	
New-user setup / offboarding	Included	District (account changes in tenants by Tusker)	
Device deployment / replacement setup	Optional/Extra	District	New installs quoted as projects
Software deployment	Included	District	Through Tusker's agent
Routine moves/adds/changes	Included	Included (Tusker-managed systems)	Under 3 hours
Technology documentation	Included	Included	
Asset inventory / lifecycle planning	Included	Included	vTA
Quarterly technology reviews	Included	Included	vTA
Annual technology roadmap / budget plan	Included	Included	vTA
Cyber-insurance / audit assistance	Included	Included	vTA

Fully Managed IT Services Proposal

Carlton-Wrenshall Public Schools | Independent School District 2918
Proposed by FUSIONTech LLC | November 2, 2026

FUSIONTech LLC proposes fully managed technology services for Carlton-Wrenshall Public Schools at $12,000 per month, or $144,000 for a full twelve-month term, plus the per-device charge described below. We will provide the technical services described below while the District retains purchasing authority, signs supplier agreements, and pays District suppliers directly. The price is conditioned on the District accepting the stated service allocation and requested contract exceptions in a signed agreement.

Price and included service

Item	Proposed terms
Fixed monthly support fee	$12,000
Annual support fee	$144,000 for twelve months
Per-device service charge	The rate for this District is $20 per month per non-student computer and server. Student devices are excluded. The covered device count and final pricing will be determined after requirements are discussed, using a per-device model similar to FUSIONTech's standard contract, and set in the signed agreement.
Scheduled onsite service	Two full days weekly, at least 16 onsite hours per normal workweek
Travel for scheduled visits	Included, assuming approximately two hours each way
Remote support and administration	Included for the responsibilities assigned to FUSIONTech
Onboarding and ordinary exit handoff	$0 additional labor charge
Service delivery tools	FUSIONTech internal tools covered by the monthly fee and per-device charge; District products handled as disclosed direct purchases
Payment and annual changes	Monthly invoices, due within 30 days; no automatic increase during initial term. The per-device charge changes only as the number of covered devices changes.

Understanding the District need

We will provide day-to-day technology operations across Otter Creek Elementary and Silver Creek Secondary. District employees will not be assigned routine technical support duties. The District remains responsible for organizational priorities, access approvals, policies, budgets, purchasing, and supplier payments.

The historical workload report identifies 660 Wrenshall tickets over eleven months, averaging 60 per month, with approximately 48% concerning alerts. It does not establish consolidated District labor hours or Carlton workload. These historical figures and any internal staffing estimate are not service caps, included-hour limits, or grounds for automatic overages. The fixed fee covers ordinary workload variation within the agreed service scope.

RFP pricing options

For the first RFP pricing comparison, this proposal is the comprehensive Option A at $12,000 monthly and $144,000 annually. It also addresses the second RFP service model, subject to the expressly requested risk and insurance exceptions.

Support staffing and service levels

Support requests will use the client portal, helpdesk@fusiontech.org, or the agreed emergency telephone contacts. Primary account contacts are Justin at 218-259-6310 and Josh at 218-259-6444. The final staffing schedule will identify the assigned onsite technician, qualified backup, remote escalation resources, and coverage calendar. Personnel will be subject to agreed District background-check and access requirements. Qualifications, certifications, and staffing availability must be confirmed before execution; no unverified credential or certification is represented here.

Two eight-hour onsite days per normal workweek will cover both District sites. Additional onsite response needed for the contracted technology work is included without separate labor, mileage, travel-time, or dispatch charges. Travel does not count toward the 16 onsite hours.

Priority	**Proposed initial response target**
P1 Critical outage or security incident	Two hours, 24x7; remote triage first
P2 Major degradation	Two hours during ordinary coverage hours
P3 Individual user or device issue	Two business hours
P4 Routine request	One business day

Ordinary coverage is proposed as Monday through Friday, 8 AM to 5 PM Central, excluding an agreed holiday calendar. P1 requests use the designated emergency channel. Response means human acknowledgment and triage; it does not mean onsite arrival. With approximately two hours of driving each way, physical attendance requires travel and safe dispatch time. These are reasonable-efforts targets, not unconditional response, uptime, restoration, or resolution guarantees. This is an express exception to guaranteed SLA commitments. No automatic service credits, liquidated damages, or performance penalties are proposed.

Security backups and recovery

FUSIONTech will administer the agreed endpoint protection and 24x7 critical-alert monitoring service, review alerts, coordinate patch and vulnerability remediation, support MFA and firewall configuration, and escalate suspected incidents. We will perform or coordinate technical containment and recovery within our assigned responsibilities. No service guarantees prevention of every intrusion, outage, or data loss. Third-party product warranties remain with their suppliers.

Backup labor includes daily job monitoring, failure remediation, quarterly sample restores, and an annual documented recovery exercise for the systems identified at onboarding. We will document retention, recovery priorities, procedures, and critical risks. Security-awareness support, annual risk review, and technical assistance with insurance questionnaires are included.

The District retains counsel, public communications, insurance claims, and decisions about ransom or settlement payments. Those financial and legal decisions are not technical support services. FUSIONTech remains responsible for its own legally required notices and cooperation. Technical investigation and recovery within the agreed scope remain included; this distinction does not create an additional labor charge under the fully managed offer.

Service responsibilities and changes

All technology labor required by RFP Sections 4.1 through 4.10 is included: help desk and end-user support across applicable operating systems; classroom technology and printer connectivity; device configuration, deployment and patching; server, storage, virtualization, network, firewall and wireless administration; Microsoft 365, Google Workspace, identity and access management; vendor coordination; documentation; lifecycle planning; and strategic technology leadership.

Projects, migrations, upgrades, infrastructure replacement, summer deployments, engineering, new installations, incident response, recovery, after-hours work, overtime, and additional onsite technical response are included. There is no pooled-hour cap, project threshold, labor overage, or separately payable technology labor. FUSIONTech supplies the personnel and technical capacity for this scope; any approved subcontractor labor is included in the fixed fee. Access by subcontractors requires District approval and equivalent security obligations.

Included labor and separate product costs

Service or cost	Treatment
Onsite remote administration and engineering	Included in $12,000 monthly fee
Projects migrations installations and upgrades	All labor included
Security monitoring administration and response	All contracted technical labor included
Backup monitoring testing recovery and exercise	All labor included
After hours emergency travel and dispatch	Included; no surcharges
Hardware software storage and external subscriptions	Disclosed District-direct product costs only
Onboarding ordinary handoff and knowledge transfer	Included at $0 additional labor

The standard contract's $150 hourly rate, daily minimum, emergency rate, additional-technician charge, and travel billing do not apply to this package. FUSIONTech's internal service delivery tools are covered by the fee. The per-device rate for this District is $20 per non-student device, and the optional $54 user package will not be added automatically. Separately purchased District products must not duplicate tools already included in the fee.

Onboarding documentation and reviews

During the first 30 days we will discover both sites, validate inventory and administrative access, review security and backups, and document critical risks. By day 60 we will establish the agreed maintenance, documentation, and restore-testing routines. By day 90 we will review performance and present a prioritized roadmap. Onboarding labor within the contracted scope is included at $0 additional charge. For the fully managed offer this applies to all transition and implementation labor required by the RFP.

Monthly reporting will identify ticket counts and aging, incidents, response performance, patch and backup status, security events, pending decisions, and corrective actions. Quarterly technology meetings and an annual written roadmap and budget review are included. A sample report format is: period; tickets opened and closed; oldest outstanding items; priority response results; major incidents; patch compliance; backup and restore results; security issues; District decisions needed; next actions and owners.

District purchasing and financial obligations

FUSIONTech will assess needs, prepare specifications, compare quotes, coordinate technical requirements, and configure and support approved purchases. The District selects suppliers, approves spending, places orders, accepts terms, authorizes renewals, and pays invoices. District purchases, accounts, subscriptions, and warranties must identify the District as the customer.

Cost category	Payment and pricing method
Equipment parts and consumable materials	District orders and pays supplier at approved quoted price
District software licenses and subscriptions	District contracts and pays supplier at approved product price and term
Backup storage and manufacturer support	District-direct approved supplier quote; no duplicate bundled charges
Shipping taxes and other direct product charges	District-direct charges disclosed in supplier quote
FUSIONTech product markup or purchasing commission	$0 under this direct purchasing model
FUSIONTech internal operating and delivery costs	Included in the monthly fee and per-device charge; remain FUSIONTech obligations

No advances guarantees or supplier debts

FUSIONTech has no obligation to fund, finance, lease, insure, purchase, or replace District assets at its own expense; extend credit; use its own credit card or credit accounts for District purchases; guarantee payment; or assume District debts, cancellation charges, minimum purchase commitments, subscriptions, renewals, or supplier disputes. Emergency conditions and District expense approval do not create a duty to advance funds. FUSIONTech has no authority to bind the District financially. District-specific purchases will not be placed on FUSIONTech supplier accounts.

Before purchase, FUSIONTech will help obtain a written item description, supplier, quantities, available prices, term, recurring charges, and other known costs. The Superintendent, Business Manager, or administrator designated in writing must approve spending. An authorized District employee submits the order, accepts supplier terms, and supplies District payment information.

Delivery warranties and purchasing delays

Ownership, shipping risk, returns, and product warranties are governed by the District's supplier agreements. FUSIONTech provides technical diagnosis and warranty coordination within its service scope and does not issue its own product warranty. The District handles supplier refunds, return charges, replacement purchases, and vendor disputes. FUSIONTech remains responsible for the professional performance of its own services subject to the proposed liability terms.

If the District delays or declines necessary equipment, licenses, access, or funding, FUSIONTech will document the specific risk, notify District leadership, recommend alternatives, and continue reasonable mitigation within its authorized scope. Work dependent on the missing item will be rescheduled. Any service-level adjustment is limited to the effect actually caused by the missing dependency; unrelated obligations continue. FUSIONTech does not guarantee results for a remedy the District declines or prevents it from implementing.

District control of accounts and data

The District retains its systems, data, administrative credentials, configurations, inventories, documentation, and scripts created specifically for it. District-owned information will not be withheld for a billing dispute. FUSIONTech will limit access to authorized personnel, protect confidentiality, promptly escalate suspected data incidents, and return or securely dispose of data as legally required. Applicable FERPA and Minnesota government data obligations remain in effect. District data will not be sold or used for advertising or unrelated commercial purposes.

Requested risk terms and RFP exceptions

These proposed terms require express District acceptance and legal review. The price is conditional on resolving them in the signed agreement. They do not eliminate all liability, transfer FUSIONTech's legal duties, or bind insurers or third-party claimants.

Limited contractual exposure

To the maximum extent permitted by law, FUSIONTech's aggregate liability to the District arising from the agreement, whether in contract, tort including ordinary negligence, or otherwise, will not exceed one monthly support fee of $12,000 for all claims collectively. FUSIONTech will not be liable for indirect, incidental, special, consequential, exemplary, or punitive damages, or lost profits, lost revenue, lost use, business interruption, or lost data, to the extent such exclusions are lawful. Insurance availability or proceeds do not increase the agreed contractual cap. These limitations do not apply to gross negligence, willful or intentional misconduct, or liability or remedies that applicable law does not permit the parties to limit or exclude.

Each party remains responsible for its own acts and omissions as provided by law. No contractual duty for FUSIONTech to defend, indemnify, or hold harmless the District or its officials, employees, or other parties is proposed. The broad mutual indemnification in the sample standard contract is expressly deleted for this engagement. No personal guarantee, performance bond, guarantee of District debts, or guarantee of uninterrupted operations is offered. Service remedies and damages remain subject to enforceable agreed limitations and applicable law.

Insurance exception

FUSIONTech requests that insurance obligations be limited to coverage required by applicable law, including legally required workers' compensation and motor-vehicle coverage. No obligation to buy or increase cyber liability, technology errors and omissions, general liability, umbrella, or other coverage solely for this engagement is included unless expressly negotiated in a signed amendment. No additional-insured status, primary and noncontributory endorsement, or waiver of subrogation is offered. Any coverage actually maintained will be described accurately with available evidence before execution; no policy, limit, or insured status is represented by this proposal.

This is a material exception to RFP Section 6, which requires appropriate cyber liability, technology errors and omissions, general liability, and workers' compensation insurance. The District may reject or negotiate this exception. District property and cyber insurance do not replace FUSIONTech's own legal obligations, and this proposal does not establish a District insurer's coverage or consent.

Service exceptions and term

Service exceptions are the reasonable-efforts SLA targets and the requested risk and insurance terms above; there are no separately billable technology labor categories. All required onboarding labor is included, resolving the RFP Section 8 and Section 10 onboarding difference in favor of $0 additional labor.

Proposed initial term is December 1, 2026 through November 30, 2027. Either party may terminate on 30 days' written notice; a material breach has a 10-day written cure period. The fee remains fixed for the initial term. Renewal and any price adjustment require a signed agreement. Ordinary documentation, credential handoff, and knowledge transfer are included on exit, with no early termination penalty for FUSIONTech service delivery licenses. Approved District-direct supplier commitments remain governed by the District's vendor contracts.

The signed District schedule will control over conflicting sample contracts, earlier drafts, purchasing addenda, purchase orders, and incorporated RFP language. Exceptions require express acceptance. Scope or price changes require a mutually signed amendment.

FUSIONTech LLC | 213 Ethel Street, Marble, MN 55764
helpdesk@fusiontech.org | Justin 218-259-6310 | Josh 218-259-6444

Co-Managed IT Services Proposal

Carlton-Wrenshall Public Schools | Independent School District 2918
Proposed by FUSIONTech LLC | November 2, 2026

FUSIONTech LLC proposes co managed technology services for Carlton-Wrenshall Public Schools at $5,000 per month, or $60,000 for a full twelve-month term, plus the per-device charge described below. We will provide the technical services described below while the District retains purchasing authority, signs supplier agreements, and pays District suppliers directly. The price is conditioned on the District accepting the stated service allocation and requested contract exceptions in a signed agreement.

Price and included service

Item	Proposed terms
Fixed monthly support fee	$5,000
Annual support fee	$60,000 for twelve months
Per-device service charge	The rate for this District is $20 per month per non-student computer and server. Student devices are excluded. The covered device count and final pricing will be determined after requirements are discussed, using a per-device model similar to FUSIONTech's standard contract, and set in the signed agreement.
Scheduled onsite service	Two scheduled eight-hour onsite visits per month, 16 onsite hours total
Travel for scheduled visits	Included, assuming approximately two hours each way
Remote support and administration	Included for the responsibilities assigned to FUSIONTech
Onboarding and ordinary exit handoff	$0 additional labor charge
Service delivery tools	FUSIONTech internal tools covered by the monthly fee and per-device charge; District products handled as disclosed direct purchases
Payment and annual changes	Monthly invoices, due within 30 days; no automatic increase during initial term. The per-device charge changes only as the number of covered devices changes.

Understanding the District need

We will work with designated District technology staff. District staff provide first-line support, daily onsite assistance, physical device handling, and the duties retained in the responsibility matrix. FUSIONTech supplies remote escalation, agreed infrastructure administration, monitoring review, planning, and scheduled onsite assistance. This model depends on qualified District staff being available during school operating hours.

The historical workload report identifies 660 Wrenshall tickets over eleven months, averaging 60 per month, with approximately 48% concerning alerts. It does not establish consolidated District labor hours or Carlton workload. These historical figures and any internal staffing estimate are not service caps, included-hour limits, or grounds for automatic overages. The fixed fee covers ordinary workload variation within the agreed service scope.

RFP pricing options

For the first RFP pricing comparison, this proposal is the co-managed Option B at $5,000 monthly and $60,000 annually. It is an alternative to the second RFP service model and requires express District acceptance.

Support staffing and service levels

Support requests will use the client portal, helpdesk@fusiontech.org, or the agreed emergency telephone contacts. Primary account contacts are Justin at 218-259-6310 and Josh at 218-259-6444. The final staffing schedule will identify the assigned onsite technician, qualified backup, remote escalation resources, and coverage calendar. Personnel will be subject to agreed District background-check and access requirements. Qualifications, certifications, and staffing availability must be confirmed before execution; no unverified credential or certification is represented here.

Two eight-hour onsite visits per month will be coordinated across the two District sites. Travel does not count toward the 16 onsite hours. District staff handle day-to-day physical intervention between visits. Additional onsite visits are separately billable only under a written District authorization stating the scope and estimated labor and travel.

Priority	**Proposed initial response target**
P1 Critical outage or security incident	Two hours, 24x7; remote triage first
P2 Major degradation	Two hours during ordinary coverage hours
P3 Individual user or device issue	Two business hours
P4 Routine request	One business day

Ordinary coverage is proposed as Monday through Friday, 8 AM to 5 PM Central, excluding an agreed holiday calendar. P1 requests use the designated emergency channel. Response means human acknowledgment and triage; it does not mean onsite arrival. With approximately two hours of driving each way, physical attendance requires travel and safe dispatch time. These are reasonable-efforts targets, not unconditional response, uptime, restoration, or resolution guarantees. This is an express exception to guaranteed SLA commitments. No automatic service credits, liquidated damages, or performance penalties are proposed.

Security backups and recovery

FUSIONTech will administer the agreed endpoint protection and 24x7 critical-alert monitoring service, review alerts, coordinate patch and vulnerability remediation, support MFA and firewall configuration, and escalate suspected incidents. We will perform or coordinate technical containment and recovery within our assigned responsibilities. No service guarantees prevention of every intrusion, outage, or data loss. Third-party product warranties remain with their suppliers.

District staff retain daily backup-status checks and immediate onsite response. FUSIONTech provides backup configuration review, escalation remediation, quarterly sample restore testing, and annual recovery planning and an exercise with District staff. FUSIONTech also provides annual security risk review and technical guidance on staff awareness resources. The District assigns and enforces employee training.

The District retains counsel, public communications, insurance claims, and decisions about ransom or settlement payments. Those financial and legal decisions are not technical support services. FUSIONTech remains responsible for its own legally required notices and cooperation. Technical investigation and recovery within the agreed scope remain included; this distinction does not create an additional labor charge for that included work.

Service responsibilities and changes

Function	District retained responsibility	FUSIONTech included responsibility
Help desk and onsite	First-line intake, daily user assistance, physical intervention	Remote escalation and two scheduled visits monthly
Devices and classroom systems	Distribution, physical inventory updates, routine local tasks	Remote configuration, deployment support, patch administration and troubleshooting
Network servers and cloud	Local access, power and cabling checks, incident reporting	Agreed administration, remote diagnosis, maintenance and escalation
Cybersecurity	Policy decisions, employee compliance, immediate local action	Alert review, technical response, hardening and remediation coordination
Backups	Daily checks, retention approval, local access	Configuration review, escalated remediation, quarterly testing and annual exercise
Vendors and planning	Purchasing, contracts, payment and organizational priorities	Technical coordination, quarterly reviews and annual roadmap

Included recurring support and separately authorized work

Ordinary remote help-desk escalation, administration, troubleshooting, account changes, software deployment, and routine device changes assigned to FUSIONTech are included with no ticket cap or hourly meter. Security escalation and reasonable-efforts after-hours critical remote response for those assigned duties are included. Routine work will not become a project solely because it takes longer than expected.

Separately billable work is limited to additional onsite visits beyond the two monthly visits, and substantial new infrastructure, major migrations, or new-construction implementation requiring more than eight cumulative labor hours for one planned initiative. A written scope, estimated hours, price basis, and District approval are required before such work begins. If approved as a separate project, all project hours are billed at the disclosed rate; hours do not automatically become billable when a threshold is crossed. Unapproved work does not create an additional charge.

Authorized additional work is $150 per hour, including approved travel time. The minimum applies once per District service day for the separately authorized work: one hour for the first service incident, with aggregate time beyond that hour billed in 15-minute increments. Included services do not generate an extra minimum. There is no automatic emergency premium, additional-technician surcharge, or mileage fee; any different arrangement requires a signed amendment.

Onboarding documentation and reviews

During the first 30 days we will discover both sites, validate inventory and administrative access, review security and backups, and document critical risks. By day 60 we will establish the agreed maintenance, documentation, and restore-testing routines. By day 90 we will review performance and present a prioritized roadmap. Onboarding labor within the contracted scope is included at $0 additional charge.

Monthly reporting will identify ticket counts and aging, incidents, response performance, patch and backup status, security events, pending decisions, and corrective actions. Quarterly technology meetings and an annual written roadmap and budget review are included. A sample report format is: period; tickets opened and closed; oldest outstanding items; priority response results; major incidents; patch compliance; backup and restore results; security issues; District decisions needed; next actions and owners.

District purchasing and financial obligations

FUSIONTech will assess needs, prepare specifications, compare quotes, coordinate technical requirements, and configure and support approved purchases. The District selects suppliers, approves spending, places orders, accepts terms, authorizes renewals, and pays invoices. District purchases, accounts, subscriptions, and warranties must identify the District as the customer.

Cost category	Payment and pricing method
Equipment parts and consumable materials	District orders and pays supplier at approved quoted price
District software licenses and subscriptions	District contracts and pays supplier at approved product price and term
Backup storage and manufacturer support	District-direct approved supplier quote; no duplicate bundled charges
Shipping taxes and other direct product charges	District-direct charges disclosed in supplier quote
FUSIONTech product markup or purchasing commission	$0 under this direct purchasing model
FUSIONTech internal operating and delivery costs	Included in the monthly fee and per-device charge; remain FUSIONTech obligations

No advances guarantees or supplier debts

FUSIONTech has no obligation to fund, finance, lease, insure, purchase, or replace District assets at its own expense; extend credit; use its own credit card or credit accounts for District purchases; guarantee payment; or assume District debts, cancellation charges, minimum purchase commitments, subscriptions, renewals, or supplier disputes. Emergency conditions and District expense approval do not create a duty to advance funds. FUSIONTech has no authority to bind the District financially. District-specific purchases will not be placed on FUSIONTech supplier accounts.

Before purchase, FUSIONTech will help obtain a written item description, supplier, quantities, available prices, term, recurring charges, and other known costs. The Superintendent, Business Manager, or administrator designated in writing must approve spending. An authorized District employee submits the order, accepts supplier terms, and supplies District payment information.

Delivery warranties and purchasing delays

Ownership, shipping risk, returns, and product warranties are governed by the District's supplier agreements. FUSIONTech provides technical diagnosis and warranty coordination within its service scope and does not issue its own product warranty. The District handles supplier refunds, return charges, replacement purchases, and vendor disputes. FUSIONTech remains responsible for the professional performance of its own services subject to the proposed liability terms.

If the District delays or declines necessary equipment, licenses, access, or funding, FUSIONTech will document the specific risk, notify District leadership, recommend alternatives, and continue reasonable mitigation within its authorized scope. Work dependent on the missing item will be rescheduled. Any service-level adjustment is limited to the effect actually caused by the missing dependency; unrelated obligations continue. FUSIONTech does not guarantee results for a remedy the District declines or prevents it from implementing.

District control of accounts and data

The District retains its systems, data, administrative credentials, configurations, inventories, documentation, and scripts created specifically for it. District-owned information will not be withheld for a billing dispute. FUSIONTech will limit access to authorized personnel, protect confidentiality, promptly escalate suspected data incidents, and return or securely dispose of data as legally required. Applicable FERPA and Minnesota government data obligations remain in effect. District data will not be sold or used for advertising or unrelated commercial purposes.

Requested risk terms and RFP exceptions

These proposed terms require express District acceptance and legal review. The price is conditional on resolving them in the signed agreement. They do not eliminate all liability, transfer FUSIONTech's legal duties, or bind insurers or third-party claimants.

Limited contractual exposure

To the maximum extent permitted by law, FUSIONTech's aggregate liability to the District arising from the agreement, whether in contract, tort including ordinary negligence, or otherwise, will not exceed one monthly support fee of $5,000 for all claims collectively. FUSIONTech will not be liable for indirect, incidental, special, consequential, exemplary, or punitive damages, or lost profits, lost revenue, lost use, business interruption, or lost data, to the extent such exclusions are lawful. Insurance availability or proceeds do not increase the agreed contractual cap. These limitations do not apply to gross negligence, willful or intentional misconduct, or liability or remedies that applicable law does not permit the parties to limit or exclude.

Each party remains responsible for its own acts and omissions as provided by law. No contractual duty for FUSIONTech to defend, indemnify, or hold harmless the District or its officials, employees, or other parties is proposed. The broad mutual indemnification in the sample standard contract is expressly deleted for this engagement. No personal guarantee, performance bond, guarantee of District debts, or guarantee of uninterrupted operations is offered. Service remedies and damages remain subject to enforceable agreed limitations and applicable law.

Insurance exception

FUSIONTech requests that insurance obligations be limited to coverage required by applicable law, including legally required workers' compensation and motor-vehicle coverage. No obligation to buy or increase cyber liability, technology errors and omissions, general liability, umbrella, or other coverage solely for this engagement is included unless expressly negotiated in a signed amendment. No additional-insured status, primary and noncontributory endorsement, or waiver of subrogation is offered. Any coverage actually maintained will be described accurately with available evidence before execution; no policy, limit, or insured status is represented by this proposal.

This is a material exception to RFP Section 6, which requires appropriate cyber liability, technology errors and omissions, general liability, and workers' compensation insurance. The District may reject or negotiate this exception. District property and cyber insurance do not replace FUSIONTech's own legal obligations, and this proposal does not establish a District insurer's coverage or consent.

Service exceptions and term

Material co-managed exceptions are two scheduled onsite days per month instead of the first RFP's minimum one day per week; District-retained daily technical duties; separately authorized additional onsite visits and defined major projects; reasonable-efforts SLA targets; and the requested risk and insurance terms above. This offer does not satisfy the second RFP's fully outsourced staffing and unlimited included labor requirements.

Proposed initial term is December 1, 2026 through November 30, 2027. Either party may terminate on 30 days' written notice; a material breach has a 10-day written cure period. The fee remains fixed for the initial term. Renewal and any price adjustment require a signed agreement. Ordinary documentation, credential handoff, and knowledge transfer are included on exit, with no early termination penalty for FUSIONTech service delivery licenses. Approved District-direct supplier commitments remain governed by the District's vendor contracts.

The signed District schedule will control over conflicting sample contracts, earlier drafts, purchasing addenda, purchase orders, and incorporated RFP language. Exceptions require express acceptance. Scope or price changes require a mutually signed amendment.

FUSIONTech LLC | 213 Ethel Street, Marble, MN 55764
helpdesk@fusiontech.org | Justin 218-259-6310 | Josh 218-259-6444

WIPFLI

Independent School District No. 100

Wrenshall, Minnesota

Financial Statements and Supplementary Information

Year Ended June 30, 2026

Independent School District No. 100

Year Ended June 30, 2026

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Independent School District No. 100

Year Ended June 30, 2026

School Officials

Elective	Office	Term Expires
Mary Carlson	Chair	1/1/27
Eric Ankrum	Vice-Chair	1/1/27
Erin Riley	Treasurer	1/1/29
Ben Johnson	Clerk	1/1/27
Jon Beck	Member	1/1/29
Ashley Laveau	Member	1/1/29
Appointive		
Frank Schill	Superintendent	

WIPFLI

Independent Auditor's Report

Board of Directors
Independent School District No. 100
Wrenshall, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. 100 (the "District"), as of and for the year ended June 30, 2026, 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 accompanying 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 Independent School District No. 100 as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Independent School District No. 100 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the year ended June 30, 2026, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*, GASB Statement No. 104, *Disclosure of Certain Capital Assets*, and GASB Statement No. 105, *Subsequent Events*. These statements revise certain financial reporting, presentation, and disclosure requirements applicable to governmental entities. Our opinion is not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, budgetary comparison information, information about the net pension liability, and information about the OPEB obligation as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 , on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Wipfli LLP

Billings, Montana

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Management's Discussion and Analysis

Independent School District No. 100

Management's Discussion and Analysis
Year Ended June 30, 2026

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 District's financial activities for the fiscal year ended June 30, 2026. This discussion should be read in conjunction with the District's basic financial statements and accompanying notes.

1. Overview of the Financial Statements

The financial section of the annual report consists of the independent auditor's report, this Management's Discussion and Analysis as required supplementary information, the basic financial statements, the notes to the basic financial statements, other required supplementary information, and supplementary information. The basic financial statements include government-wide financial statements, fund financial statements, and the related notes.

The government-wide financial statements report information about the District as a whole using the economic resources measurement focus and accrual basis of accounting, methods similar to those used by private-sector businesses. The statement of net position reports all assets and deferred outflows of resources and all liabilities and deferred inflows of resources, with the residual reported as net position. The statement of activities reports how the District's net position changed during the year. Revenues and expenses are reported when the underlying event occurs, regardless of when cash is received or paid.

The District's government-wide activities are reported as governmental activities because they are principally supported by property taxes and intergovernmental revenues. These activities include instruction, support services, operation and maintenance of plant, student transportation, food service, community service, and interest and fiscal charges on long-term debt.

Fund financial statements provide more detailed information about the District's funds. Governmental fund statements use the current financial resources measurement focus and modified accrual basis of accounting. They emphasize near-term inflows and outflows of spendable resources and balances available at year-end. Because this focus differs from the government-wide statements, reconciliations are provided between the governmental fund statements and the governmental activities reported in the government-wide statements.

Fiduciary fund statements report resources held for the benefit of parties outside the District. Fiduciary activities are not included in the government-wide statements because those resources are not available to finance the District's operations.

The notes provide information essential to a full understanding of the government-wide and fund financial statements. Other required supplementary information and supplementary schedules provide additional detail about selected financial statement amounts and compliance matters.

2. Financial Summary

The following condensed information summarizes the District's governmental activities for the current and prior fiscal year.

Statement of Net Position (Deficit)
June 30,

	2026	2025
Current and other assets	$ 2,733,872	$ 3,027,094
Capital assets	16,386,330	16,875,812
Total assets	19,120,202	19,902,906
Deferred outflows of resources	610,773	670,895
Other liabilities	984,386	936,869
Long-term liabilities	14,140,066	15,107,383
Total liabilities	15,124,452	16,044,252
Deferred inflows of resources	2,513,586	2,684,999
Net position		
Net investment in capital assets	4,680,835	4,473,970
Restricted	488,646	358,069
Unrestricted (deficit)	(3,076,544)	(2,987,489)
Total net position (deficit)	$ 2,092,937	$ 1,844,550

At June 30, 2026, the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $2,092,937. Net position increased by $248,387 during the year. The increase resulted primarily from a reduction in liabilities and deferred inflows of resources of $1,091,213 from the repayment of $645,000 principal on general obligation bonds and a decrease in lease, pension, compensated absence, and severance liabilities. The unrestricted deficit increased by $89,055, from $2,987,489 to $3,076,544. Management attributes this change primarily to operating results of the District's General Fund.

Change in Net Position
For the years ended June 30,

	2026	2025
Revenues		
Program revenues		
Charges for services	$ 259,477	$ 163,136
Operating grants and contributions	2,106,283	2,147,446
Capital grants and contributions		25,000
General revenues		
Property taxes	1,481,538	1,437,644
State aids	3,056,839	3,083,593
Other	102,350	214,480
Total revenues	7,006,487	7,071,299
Expenses		
District and school administration	499,573	345,539
District support services	402,125	350,162
Regular instruction	2,225,447	2,327,855
Vocational instruction	99,557	100,766
Exceptional instruction	1,000,206	949,100
Instructional support services	109,240	176,863
Pupil support services	587,635	748,881
Sites, building and equipment	942,676	738,222
Fiscal and other fixed cost programs	66,182	56,536
Food service	225,279	214,464
Community service	184,399	192,392
Interest and fiscal charges on long-term debt	280,847	301,344
Unallocated depreciation	134,934	144,676
Total expenses	6,758,100	6,646,800
Change in net position	248,387	424,499
Net position, beginning of year	1,844,550	1,420,051
Net position, end of year (deficit)	$ 2,092,937	$ 1,844,550

Total revenues decreased by $64,812. This change was primarily attributable to declining enrollment. Total expenses increased by $111,300, primarily because of increases in salaries and benefits.

3. Detailed Analyses

Government-Wide Results

The District's net position increased by $248,387 in 2026 compared with an increase of $424,499 in 2025. The smaller current-year increase was primarily due to decreased revenue and increased expenses. Significant changes by function or revenue source included the following:

- State aids decreased from $3,083,593 to $3,056,839 because of declining enrollment.
- District and school administration expenses increased by $154,034 due to an increase in salaries and contracted expenses.
- Sites, buildings, and equipment expenses increased by $204,454 because of increased fuel costs in the current year as well as the capitalization of certain purchases in the prior year.
- Pupil support services expense decreased by $161,246 because prior year expense included the recognition of the issuance of a promissory note.

Governmental Funds Results

At year-end, the District's governmental funds reported combined ending fund balances of $433,178, a decrease of $305,231 from the prior year. The balances consisted of $72,281 in the General Fund, $194,450 in the Debt Service Fund, $99,390 in the Food Service Fund, and $67,057 in the Community Service Fund. The overall decrease was primarily attributable to a decrease in the General Fund's total fund balance.

The General Fund's total fund balance decreased by $347,521. At June 30, 2026, its unassigned fund balance was a deficit of $199,467, equal to negative 3.42 percent of final budgeted expenditures of $5,826,849. The School Board's fund balance policy establishes a goal of maintaining a positive unassigned General Fund balance. The deficit and year-over-year decline resulted primarily from decreased enrollment and an increase in salaries and benefits. In response, management chose to consolidate with the Carlton School District beginning July 1, 2026 with the goal of improving financial stability and strengthening the district's long term financial position.

The Debt Service Fund balance increased by $1,590, the Food Service Fund balance increased by $7,775, and the Community Service Fund balance increased by $32,925. These changes resulted from increased participation in programs.

4. Significant Capital Asset and Long-Term Financing Activity

At June 30, 2026, the District had invested $23,999,127 in capital assets before accumulated depreciation and amortization, including land, school buildings, athletic facilities, buses, computer equipment, and leased equipment. Depreciation and amortization expense was $533,645 for the year. Significant current-year activity included the purchase of new staff computers, the installation of a new public address system, and new bleachers. Additional information is presented in Note 3 to the financial statements.

At June 30, 2026, the District had $11,290,000 of general obligation bonds payable. The District also reported notes payable of $94,306, a lease liability of $28,286, a net pension liability of $2,244,099, a total OPEB liability of $40,389, compensated absences of $109,808, and severance liabilities of $40,275. Significant current-year financing activity included the repayment of $645,000 principal on general obligation bonds and a decrease in lease, pension, compensated absence, and severance liabilities. The District was within its legal debt limitation. Additional information is presented in Note 4 to the financial statements.

5. Currently Known Facts, Decisions, or Conditions

The following facts, decisions, or conditions were known as of November 4, 2026, the date the MD&A was prepared, and are expected to have a significant effect on the District's financial position or results of operations:

- On July 1, 2026 the Wrenshall School District consolidated with Independent School District No. 93 Carlton. The two districts now operate as Independent School District No. 2918 Carlton-Wrenshall.

Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. Questions about this report or requests for additional financial information may be directed to the Business Office, 207 Pioneer Drive, Wrenshall, Minnesota 55797, or to the Business Manager at (218) 384-4274.

Government-Wide Financial Statements

Independent School District No. 100

Statement of Net Position

June 30, 2026

	Governmental Activities
Assets and Deferred Outflows of Resources	
Current assets	
Cash and investments	$ 1,516,671
Accounts receivable	10,918
Current property taxes receivable	513,441
Delinquent property taxes receivable	24,807
Due from other Minnesota school districts	66,932
Due from Minnesota Department of Education	463,160
Due from federal government through the Minnesota Department of Education	66,472
Due from other governmental units	21,282
Prepaid expenses	38,407
Inventory	11,782
Total current assets	2,733,872
Capital assets, net of depreciation	
Capital assets not being depreciated	22,760
Capital assets being depreciated, net of accumulated depreciation	16,363,570
Total capital assets, net of accumulated depreciation	16,386,330
Deferred outflows of resources	
Items related to pensions plans	610,773
Total assets and deferred outflow of resources	$ 19,730,975
Liabilities, Deferred Inflows of Resources, and Net Position	
Current liabilities	
Salaries payable	$ 439,994
Accounts payable	16,292
Accrued payroll liabilities	216,253
Due to other Minnesota school districts	159,869
Due to other governments	10,191
Interest payable	117,853
Unearned revenue	23,934
Total current liabilities	984,386
Long-term liabilities	
Long-term liabilities due within one year	721,210
Long-term liabilities due in more than one year	13,418,856
Total long-term liabilities	14,140,066
Total liabilities	15,124,452
Deferred inflows of resources	
Property taxes levied for subsequent year's expenditures	1,409,354
Items related to pension plans	1,104,232
Total deferred inflows of resources	2,513,586
Net position	
Net investment in capital assets	4,680,835
Restricted	488,646
Unrestricted	(3,076,544)
Total net position	2,092,937
Total liabilities, deferred inflows of resources, and net position	$ 19,730,975

See accompanying notes to financial statements.

Independent School District No. 100

Statement of Activities

For the Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Governmental Activities
Governmental activities					
District and school administration	$ 499,573	$ 937	$ 85,111	$	$ (413,525)
District support services	402,125	30,580	137,600		(233,945)
Regular instruction	2,225,447	1,340	502,563		(1,721,544)
Vocational instruction	99,557				(99,557)
Exceptional instruction	1,000,206		917,008		(83,198)
Instructional support services	109,240	123	1,968		(107,149)
Pupil support services	587,635	102,995	152,409		(332,231)
Sites, buildings and equipment	942,676		3,920		(938,756)
Fiscal and other fixed program costs	66,182				(66,182)
Food service	225,279	2,970	236,127		13,818
Community service	184,399	120,532	69,577		5,710
Interest and fiscal charges on long-term debt	280,847				(280,847)
Unallocated depreciation	134,934				(134,934)
Total governmental activities	$ 6,758,100	$ 259,477	$ 2,106,283	$	(4,392,340)
General revenues					
Taxes					
Property taxes, levied for general purposes					600,717
Property taxes, levied for community service					28,772
Property taxes, levied for debt service					852,049
State aid-formula grants					3,056,839
Investment earnings					45,510
Other					56,840
Total general revenues					4,640,727
Change in net position					248,387
Net position (deficit), beginning of the year					1,844,550
Net position (deficit), end of the year					$ 2,092,937

See accompanying notes to financial statements.

Independent School District No. 100

Governmental Funds – Balance Sheet

June 30, 2026

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	$ 534,874	$ 782,789	$ 199,008	$ 1,516,671
Accounts receivable	3,009		7,909	10,918
Current property taxes receivable	177,914	327,218	8,309	513,441
Delinquent property taxes receivable	9,012	15,342	453	24,807
Due from other Minnesota school districts	66,932			66,932
Due from the Minnesota Department of Education	447,328	10,043	5,789	463,160
Due from the federal government through the Minnesota Department of Education	66,472			66,472
Due from other governmental units	21,282			21,282
Prepaid expenses	38,407			38,407
Inventory	3,159		8,623	11,782
Total assets	$ 1,368,389	$ 1,135,392	$ 230,091	$ 2,733,872
Liabilities				
Salaries payable	$ 408,295	$	$ 31,699	$ 439,994
Accounts payable	14,553		1,739	16,292
Accrued payroll liabilities	216,253			216,253
Due to other Minnesota school districts	159,869			159,869
Due to other governments	10,191			10,191
Unearned revenue	21,286		2,648	23,934
Total liabilities	830,447		36,086	866,533
Deferred inflows of resources				
Delinquent property taxes	9,012	15,342	453	24,807
Property taxes levied for subsequent year's expenditures	456,649	925,600	27,105	1,409,354
Total deferred inflows of resources	465,661	940,942	27,558	1,434,161
Fund balances				
Nonspendable	41,566		8,623	50,189
Assigned	813			813
Restricted	229,369	194,450	166,885	590,704
Unassigned	(199,467)		(9,061)	(208,528)
Total fund balances	72,281	194,450	166,447	433,178
Total liabilities, deferred inflows of resources, and fund balances	$ 1,368,389	$ 1,135,392	$ 230,091	$ 2,733,872

See accompanying notes to financial statements.

Independent School District No. 100

Governmental Funds – Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2026

Total fund balances - governmental funds	$	433,178
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.		
Cost of capital assets		23,999,127
Less accumulated depreciation		(7,612,797)
Long-term liabilities, including bonds payable, notes payable, and other postemployment benefits are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
General obligation bonds		(11,290,000)
Notes payable		(94,306)
Lease liabilities		(28,286)
Unamortized bond premium		(292,903)
Total OPEB obligation		(40,389)
Compensated absences and severance liabilities not payable with current and available resources are not reported as fund liabilities in governmental fund statements. All liabilities, both current and long-term, are reported in the statement of net position.		
Compensated absences		(109,808)
Severance		(40,275)
The net pension liability and the deferred outflows of resources and inflows of resources related to pensions are only reported in the statement of net position		
Net pension liability		(2,244,099)
Deferred inflows of resources related to pensions		(1,104,232)
Deferred outflows related to pensions		610,773
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.		24,807
Interest on long-term debt is not accrued in governmental funds, but rather recognized as an expenditure when due.		(117,853)
Total net position - governmental activities	$	2,092,937

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, 2026

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Local property tax levies	$ 598,406	$ 848,589	$ 28,649	$ 1,475,644
Other local and county revenues	324,390		128,582	452,972
Revenue from state sources	4,462,328	99,986	185,612	4,747,926
Revenue from federal sources	163,062		112,241	275,303
Sales and other conversion of assets	268		2,970	3,238
Interest income	45,510			45,510
Total revenues	5,593,964	948,575	458,054	7,000,593
Expenditures				
Current				
District and school administration	499,573			499,573
District support services	405,350			405,350
Regular instruction	2,537,089			2,537,089
Vocational instruction	99,557			99,557
Exceptional instruction	994,950			994,950
Community education and services			184,398	184,398
Instructional support services	105,980			105,980
Pupil support services	545,942		241,809	787,751
Site, buildings, and equipment	598,106			598,106
Fiscal and other fixed cost programs	66,182			66,182
Capital outlay	41,686			41,686
Debt service				
Principal	30,088	645,000		675,088
Interest	8,129	301,985		310,114
Total expenditures	5,932,632	946,985	426,207	7,305,824
Excess of revenues over expenditures	(338,668)	1,590	31,847	(305,231)
Other financing sources				
Transfers in			10,486	10,486
Transfers out	(8,853)		(1,633)	(10,486)
Total other financing sources	(8,853)		8,853	
Net change in fund balances	(347,521)	1,590	40,700	(305,231)
Fund balances, beginning	419,802	192,860	125,747	738,409
Fund balances, ending	$ 72,281	$ 194,450	$ 166,447	$ 433,178

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, 2026

Total net changes in fund balances - governmental funds	$	(305,231)
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.		
Capital outlays		44,163
Depreciation expense		(533,645)
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		645,000
Principal payments on notes payable		21,935
Principal payments on lease liabilities		8,153
Amortization of bond premium		21,259
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 it is accrued, regardless of when it is due.		8,008
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 obligation		(10,000)
Change in compensated absences		63,015
Change in severance		18,702
Change in deferred outflows of resources related to pensions		(60,122)
Change in deferred inflows of resources related to pensions		122,003
Change in pension liability		199,253
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.		5,894
Change in net position - governmental activities	$	248,387

See accompanying notes to financial statements.

Independent School District No. 100

Fiduciary Fund – Statement of Fiduciary Net Position

June 30, 2026

		Custodial Fund
Assets		
Cash and investments	$	54,327
Net position		
Held in trust for scholarships	$	54,327
Total net position	$	54,327

See accompanying notes to financial statements.

Independent School District No. 100

Fiduciary Fund – Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2026

	Custodial Fund
Additions	
Donations	$ 1,500
Interest income	1,337
Total additions	2,837
Deductions	
Scholarships paid	290
Total deductions	290
Change in net position	2,547
Net position, beginning of the year	51,780
Net position, end of the year	$ 54,327

See accompanying notes to financial statements.

Independent School District No. 100

Notes to the Financial Statements

For the Year Ended June 30, 2026

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 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.

New Accounting Pronouncements

During the fiscal year ended June 30, 2026, the District implemented the following GASB Pronouncements:

GASB Statement No. 103: *Financial Reporting Model Improvements*: As of July 1, 2025, the District implemented GASB Statement No. 103. The statement improves key components of the governmental financial reporting model to enhance the effectiveness of information provided for decision-making and accountability. Significant provisions include revisions to management's discussion and analysis, requirements for reporting unusual or infrequent items, changes to budgetary comparison information, and updates to certain financial statement presentation and disclosure requirements.

GASB Statement No. 104: *Disclosure of Certain Capital Assets*: As of July 1, 2025, the District implemented GASB Statement No. 104. The statement enhances the usefulness of capital asset disclosures by requiring separate disclosure of certain types of capital assets, including lease assets, subscription-based information technology arrangement (SBITA) assets, certain right-to-use assets, and other intangible assets. The statement also establishes disclosure requirements for capital assets classified as held for sale. These changes are intended to improve the transparency, consistency, and comparability of information reported in governmental financial statements.

GASB Statement No. 105: *Subsequent Events:* For the year ended June 30, 2026, the District early adopted GASB Statement No. 105. The statement clarifies the definition of subsequent events, establishes requirements for evaluating events occurring after the financial statement date but before the financial statements are available to be issued, and provides guidance for distinguishing between recognized and non-recognized subsequent events. The statement also requires disclosure of the date through which subsequent events have been evaluated and establishes specific disclosure requirements for certain non-recognized subsequent events.

Note 1 Summary of Significant Accounting Policies (Continued)

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.

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 recognized in advance 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.

Note 1 Summary of Significant Accounting Policies (Continued)

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 12th 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.

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 aid 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

Custodial 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.

Note 1 Summary of Significant Accounting Policies (Continued)

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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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 and fuel have been recorded in the proper funds. The District values its inventories at cost, on a first-in, first-out basis.

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.

Note 1 Summary of Significant Accounting Policies (Continued)

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:

	Total Shift June 30, 2025	State Aid Adjustment	Revenue Adjustment	Total Shift June 30, 2026
General Fund	$ 70,437	$	$ (13,157)	$ 57,280

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.

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

Capital assets not being depreciated include land.

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 net 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.

Note 1 Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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 government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates 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.

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.

Note 1 Summary of Significant Accounting Policies (Continued)

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 7.

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 government-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. Amounts have been recorded consistent with the compensated absences reporting standards of GASB Statement No. 101, *Compensated Absences.*

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.

Fund Balance

In the fund financial statements, governmental funds report fund balance amounts within one of the following categories: non-spendable, restricted, committed, assigned or unassigned. Non-spendable 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, 2026, the District had no committed fund balances. The portion of the fund balance not non-spendable, 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 positive unassigned general fund balance. At June 30, 2026, the District had a General Fund unassigned fund balance of ($199,467).

Note 1 Summary of Significant Accounting Policies (Continued)

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.

Deposits

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

Note 2 Deposits and Investments

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, 2026, 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.

Note 2 Deposits and Investments (Continued)

The Minnesota School District Liquid Asset Fund (MSDLAF), the Minnesota Trust (MNTrust) Investment Shares Portfolio, and MNTrust Term Series-Flex are external investment pools regulated by Minnesota Statutes and are not registered with the Securities and Exchange Commission (SEC). The District's investments in these investment pools are 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.

MNTrust Term Series-Flex are intended to be held until maturity but can be fully or partially redeemed on the specified date for the weekly redemption provided that the notice of such redemption was provided to the Administrator at least one business day before such redemption date.

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, 2026, investments consisted of the following:

Investment		Less Than One Year
MNTrust Investment Shares Portfolio	$ 1,301,122	$ 1,301,122
MSDLAF+ Liquid Class	222	222
MSDLAF+ MAX Class	129	129
Money Market Fund	43,647	43,647
Total	$ 1,345,120	$ 1,345,120

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.

AAAm (S&P Global)	$ 1,301,473
Not rated	43,647
Total	$ 1,345,120

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, 2026, none of the District's investments were subject to custodial credit risk.

Note 2 Deposits and Investments (Continued)

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. At June 30, 2026, the District had 97% of its investments in the MNTrust Investment Shares Portfolio.

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, 2026:

		Fair Value Measurements Using		
Investments by fair value level	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market	$ 43,647		$ 43,647	
Total debt securities/investments by fair value level	43,647	$	$ 43,647	$
Investments measured at the net asset value (NAV)				
External investment pools	1,301,473			
Total investments	$ 1,345,120			

The following table sets forth additional disclosures about the District's investments whose values are estimated using net asset value (NAV) as of June 30, 2026:

	Total	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
External Investment Pool - MSDLAF+ Liquid Class	$ 222	$ 0	On Demand	2 P.M. Eastern Time transaction deadline.
External Investment Pool - MSDLAF+ MAX Class	129	$0	14 days, with the exception of direct investments of funds distributed by the State of Minnesota	24-hour notice
External Investment Pool - MNTrust Investment Shares Portfolio	1,301,122	$0	On Demand	None
Total External Pool Investments	$ 1,301,473			

Note 2 Deposits and Investments (Continued)

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

Petty cash	$ 1,025
Deposits	224,853
Investments	1,345,120
Total	$ 1,570,998

Presented in the basic financial statements as follows:

Statement of Net Position	
Cash and investments	$ 1,516,671
Statement of Fiduciary Net Position	
Custodial Fund	
Cash and investments	54,327
Total cash and investments	$ 1,570,998

Note 3 Capital Assets

Capital asset activity for the year ended June 30, 2026, is as follows:

	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026
Capital assets not being depreciated				
Land	$ 22,760			$ 22,760
Total capital assets not being depreciated	22,760			22,760
Capital assets being depreciated or amortized				
Land improvements	131,399			131,399
Buildings	22,255,525			22,255,525
Equipment	1,507,453	44,163		1,551,616
Lease assets - Equipment	37,827			37,827
Total capital assets being depreciated or amortized	23,932,204	44,163		23,976,367
Less accumulated depreciation/amortization				
Land improvements	123,013	941		123,954
Buildings	5,959,506	425,523		6,385,029
Equipment	995,111	98,154		1,093,265
Lease assets - Equipment	1,522	9,027		10,549
Total accumulated depreciation/amortization	7,079,152	533,645		7,612,797
Total capital assets being depreciated or amortized, net	16,853,052	(489,482)		16,363,570
Capital assets, net	$ 16,875,812	$ (489,482)	$	$ 16,386,330

Note 3 Capital Assets (Continued)

Depreciation/amortization is charged to governmental functions as follows:

District support services	$ 8,231
Regular instruction	21,210
Exceptional instruction	3,774
Instructional support services	3,260
Pupil support services	41,693
Sites, building and equipment	320,543
Unallocated	134,934
Total	$ 533,645

Note 4 Long-Term Obligations

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

	Balance July 1, 2025	Additions	Reductions	Balance June 30, 2026	Due Within One Year
General Obligation Bonds					
$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.	$ 7,895,000	$	$ 425,000	$ 7,470,000	$ 445,000
$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.	785,000		60,000	725,000	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.	3,255,000		160,000	3,095,000	165,000
Unamortized bond premium	314,162		21,259	292,903	21,259
Total general obligation bonds	12,249,162		666,259	11,582,903	691,259
Promissory Notes - Direct Borrowings					
$116,241 promissory note, due in annual installments of $27,905 including interest at 7.0% through December 20, 2029.	116,241		21,935	94,306	21,209
Total promissory notes - Direct borrowings	116,241	-	21,935	94,306	21,209
Lease liabilities	36,439		8,153	28,286	8,742
Pension liability	2,443,352		199,253	2,244,099	
Compensated absences	172,823		63,015	109,808	
Severance	58,977	67,050	85,752	40,275	
OPEB obligation	30,389	10,000		40,389	
Total	$ 15,107,383	$ 77,050	$ 1,044,367	$ 14,140,066	$ 721,210

General Obligation Facilities Maintenance Bonds are paid from the Debt Service Fund. The notes payable, pension liability, and OPEB obligation are paid from the General, Food Service, or Community Service Funds.

Note 4 Long-Term Obligations (Continued)

Annual amounts required to service outstanding general obligation bonds:

	General Obligation Bonds		
	Principal	Interest	Total
2027	$ 670,000	$ 274,750	$ 944,750
2028	690,000	251,340	941,340
2029	725,000	227,180	952,180
2030	735,000	213,102	948,102
2031	745,000	198,213	943,213
2032-2036	3,815,000	732,568	4,547,568
2037-2041	3,910,000	271,800	4,181,800
Total	$ 11,290,000	$ 2,168,953	$ 13,458,953

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

	Promissory Notes - Direct Borrowings		
	Principal	Interest	Total
2027	$ 21,209	$ 6,696	$ 27,905
2028	22,715	5,190	27,905
2029	24,327	3,577	27,904
2030	26,055	1,849	27,904
Total	$ 94,306	$ 17,312	$ 111,618

The buses purchased with the proceeds of the notes are collateral on the loans.

The District has also entered into lease agreements for equipment. The lease asset and related lease liability have been recorded in the government-wide financial statements. Annual amounts required to service the outstanding lease liabilities are as follows:

	Leases		
	Principal	Interest	Total
2027	$ 8,742	$ 1,680	$ 10,422
2028	7,662	1,077	8,739
2029	5,734	650	6,384
2030	6,148	236	6,384
Total	$ 28,286	$ 3,643	$ 31,929

Note 5 Interfund Transactions

There were no interfund receivable/payables at June 30, 2026. The District recorded an interfund transfer to restore resources to the Food Service Fund as a result of an MDE Resource Management Review.

Transfers Out	Transfers In	Total
General Fund	Food Service Fund	$ 8,853
Community Service Fund	Food Service Fund	1,633
		$ 10,486

Note 6 Net Position/Fund Balances

Fund balances were non-spendable for the following purposes at June 30, 2026:

Nonspendable		
General Fund - Prepaid expenses	$	38,407
General Fund - Inventory		3,159
Food Service Fund - Inventory		8,623
Total nonspendable	$	50,189

Fund balances were assigned for the following purposes at June 30, 2026:

Assigned		
General Fund - Kindergarten	$	600
General Fund - Football Scoreboard		68
General Fund - Business Class		145
	$	813

Net position and fund balance were restricted for the following purposes at June 30, 2026:

Restricted	Net Position	Fund Balance
General Fund		
Student activities	$ 61,716	$ 61,716
American Indian Education aid	4,205	4,205
Literacy incentive aid	36,456	36,456
LTFM	1	1
Medical assistance	79,090	79,090
Student support personnel	1,140	1,140
READ Act - Literacy aid	4,656	4,656
Staff development	42,105	42,105
Total general fund	229,369	229,369
Debt service	91,939	194,450
Other nonmajor governmental funds		
Food service	90,767	90,767
ECFE	67,994	67,994
Community service	5,159	4,706
Community education	3,418	3,418
Total other nonmajor governmental funds	167,338	166,885
Total restricted	$ 488,646	$ 590,704

Note 6 Net Position/Fund Balances (Continued)

The following funds had projects with fund balance deficits at June 30, 2026:

General Fund		
Q Comp	$	(9,866)
Community Service Fund		
School readiness	$	(9,061)

The project deficits in the community service and general funds are allowable by the Minnesota Department of Education and will be eliminated through revenues in future years. The deficits are included in unassigned fund balance on the fund financial statements.

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 chapters 353, 353D, 353E, 353G, 354 and 356. 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

The Teachers Retirement Association (TRA) is an administrator of a multiple employer, cost-sharing, defined benefit retirement fund. TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 354 and 356. TRA is a separate statutory entity and administered by a Board of Trustees. The Board consists of four active members, one retired member and three statutory officials.

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those teachers employed by St. Paul schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect TRA coverage within one year of eligible employment or elect coverage through the Defined Contribution Plan (DCR) administered by Minnesota State. A teacher employed by Minnesota State and electing DCR plan is not a member of TRA except for purposes of social security coverage.

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 consecutive 60 months of formula service, age and years of formula service credit at termination of service. TRA members belong to either the Basic or Coordinated Plan.

Note 7 Defined Benefit Pension Plans (Continued)

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

Tier I Benefits

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

With these provisions:

(a) Normal retirement age is 65 with less than 30 years of allowable service and age 60 with 30 or more years of allowable service.
(b) 3% per year early retirement reduction factor for all years under normal retirement age.
(c) Unreduced benefits for early retirement under a Rule-of-90 (age plus allowable service equals 90 or more).

Or

For years of service prior to July 1, 2006, a level formula of 1.7% per year for coordinated members and 2.7% per year for basic members is applied. For years of service July 1, 2006 and after, a level formula of 1.9% per year for Coordinated members and 2.7% per year for Basic members applies. An early retirement reduction is applied to members retiring prior to age 65. Beginning June 30, 2025, new reduction factors will apply, including special factors for members retiring at age 60 or later with at least 30 years of service.

Tier II Benefits

Members first employed after June 30, 1989 receive only the Tier II benefit calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 65 effective July 1, 2024. An early retirement reduction is applied to members retiring before age 65. Beginning June 30, 2025, new reduction factors will apply, including special factors for members retiring at age 60 or later with at least 30 years of service.

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

Note 7 Defined Benefit Pension Plans (Continued)

Any member terminating service is eligible for a refund of their employee contributions plus interest. The benefit provisions stated apply to active plan participants. Vested, terminated employees who are entitled to benefits but not yet receiving them are bound by the plan provisions in effect at the time they last terminated their public service.

3. Contributions

Per Minnesota Statutes, Chapter 354 sets the contribution rates for the employees and employers. Rates for the fiscal year 2025 for coordinated were 7.75% for the employee and 8.75% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2026 were $224,415. The District's contributions were equal to the required contributions for each year as set by state statute.

4. Actuarial Assumptions

The total pension liability in the July 1, 2025, 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:

Experience studies	August 2, 2023 (demographic and economic assumptions)*
Actuarial cost method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00%
Price Inflation	2.50%
Wage growth rate	2.85% before July 1, 2028 and 3.25% after June 30, 2028
Projected Salary Increase	2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028
Cost of living adjustment	1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

Mortality Assumption:

Pre-retirement	PubT-2010(A) Employee Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.
Healthy Retirees	*PubT-2010 (A) Retiree Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.*
Beneficiaries	*Pub-2010 (A) Contingent Survivor Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.*

**The assumptions prescribed are based on the experience study dated August 2, 2023. For GASB 67 purposes, the long-term rate of return assumption is selected by TRA management in consultation with actuary.*

Note 7 Defined Benefit Pension Plans (Continued)

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

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

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

Changes in actuarial assumptions since the 2023 valuation:

- Liability load for inactive non-vested members changed from 9% to 13% and the liability load for inactive vested members changed from 7% to 6%.

5. Discount Rate

The discount rate used to measure the total pension liability was 7%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2025 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. 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.

6. Net Pension Liability

At June 30, 2026, the District reported a liability of $1,886,483 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. 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 0.0329% at the end of the measurement period and 0.0325% for the beginning of the year.

Note 7 Defined Benefit Pension Plans (Continued)

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

District's proportionate share of net pension liability	$	1,886,483
State's proportionate share of the net pension liability associated with the District	$	117,162

For the year ended June 30, 2026, the District recognized pension expense of ($103,210). It also recognized $2,934 as a decrease to pension expense for the support provided by direct aid.

During the plan year ended June 30, 2025, the State of Minnesota contributed $28,462,000 to the Fund. The State of Minnesota is not included as a non-employer contributing entity in the plan pension allocation schedules for the $28,462,000 in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized $9,369 for the year ended June 30, 2026 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Fund.

At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual economic experience	$	86,992	$	18,527
Net difference between projected and actual investment earnings on pension plan investments				378,795
Changes in actuarial assumptions		106,561		199,554
Changes in proportion		51,036		212,794
District contributions paid to TRA subsequent to the measurement date		224,415		
Total	$	469,004	$	809,670

The $224,415 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ending June 30, 2027. Other amounts reported as deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

Year ended June 30,		Pension Expense Amount
2027	$	75,353
2028		(266,853)
2029		(251,463)
2030		(130,557)
2031		8,439
Total	$	(565,081)

Note 7 Defined Benefit Pension Plans (Continued)

7. Pension Liability Sensitivity

The following presents the net pension liability of TRA calculated using the discount rate of 7%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6%) and one percentage point higher (8%) than the current rate.

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Discount Rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	$ 3,558,432	$ 1,886,483	$ 510,480

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 https://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 800-657-3669.

B. Public Employee Retirement Association (PERA)

1. Plan Description

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than $425 in a month, unless the employee meets exclusion criteria.

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. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65.

Note 7 Defined Benefit Pension Plans (Continued)

Members can receive a reduced retirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2025 annual increase was 1.25%. 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 prorated increase.

3. Contributions

Minnesota Statutes chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2025 and the District was required to contribute 7.50% for General Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2026, were $74,715. The District's contributions were equal to the required contributions as set by state statute.

4. Pension Costs

At June 30, 2026, the District reported a liability of $357,616 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of $16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled $8,627.

District's proportionate share of the net pension liability	$	357,616
State of Minnesota's proportionate share of the net pension liability associated with the District		8,627
Total	$	366,243

Note 7 Defined Benefit Pension Plans (Continued)

The net pension liability was measured as of June 30, 2025, 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, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0108% at the end of the measurement period and 0.0102% for the beginning of the period.

For the year ended June 30, 2026, the District recognized pension expense of ($143,895) for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized $1,727 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.

At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 34,073	$
Changes in actuarial assumptions	8,616	82,286
Net difference between projected and actual earnings on pension plan investments		142,299
Changes in proportion	24,365	69,977
Employer contributions made to PERA subsequent to the measurement date	74,715	
Total	$ 141,769	$ 294,562

The $74,715 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, 2027. 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
2027	$ (84,883)
2028	(76,310)
2029	(40,895)
2030	(25,420)
Total	$ (227,508)

Note 7 Defined Benefit Pension Plans (Continued)

5. Long-term Expected Return on Investment

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

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

6. Actuarial Methods and Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2025, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

- Inflation is assumed to be 2.25% for the General Employees Plan.
- Benefit increases after retirement are assumed to be 1.50% for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 11.5% after one year of service to 3% after 27 years of service.

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2025:

Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.

Note 7 Defined Benefit Pension Plans (Continued)

- The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75% , beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.

- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

7. Discount Rate

The discount rate used to measure the total pension liability in 2025 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees was projected to be available to make all projected future benefit payments of current plan members. 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.

8. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Discount Rate	6.00%	7.00%	8.00%
District's proportionate share of the PERA net pension liability	$ 868,594	$ 357,616	$ (56,902)

9. Pension Plan Fiduciary Net Position

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

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. As of June 30, 2026, the date of the latest actuarial study, there were 64 active employees eligible to receive benefits and no retirees receiving benefits.

Total Other Postemployment Benefit Liability

The District's total OPEB liability of $40,389 was measured as of June 30, 2025 and was determined by an actuarial valuation dated June 30, 2025.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2025 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	2.50%
Discount rate	5.20%
Healthcare trend rates	8.1% for FY2026, gradually decreasing over several decades to an ultimate rate of 3.9% in FY2076 and later years.

The discount rate was determined using the Bond Buyer 20-Bond GO 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-2021 and other adjustments.

Change in the Total OPEB Liability

Balance at 6/30/2025	$	30,389
Changes for the year:		
Service Cost		3,387
Interest		1,320
Changes of assumptions		(453)
Difference between expected and actual experience		6,775
Benefit payments		(1,029)
Net change		10,000
Balance at 6/30/2026	$	40,389

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 one percentage point lower (4.20 percent) or one percentage point higher (6.20 percent) than the current discount rate:

	1% Decrease 4.20%	Discount Rate 5.20%	1% Increase 6.20%
Total OPEB Liability	$ 42,523	$ 40,389	$ 38,419

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 one percentage point lower or one 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	$ 37,960	$ 40,389	$ 43,254

OPEB Expense

For the year ended June 30, 2026 the District recognized OPEB expense of $11,029.

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.

Note 10 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.

Note 11 Subsequent Event

Management has evaluated the activities and transactions subsequent to June 30, 2026 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2026. Management has performed this evaluation through November 5, 2026, the date the financial statements were available to be issued.

Effective July 1, 2026, the Independent School District No. 100 (Wrenshall School District) consolidated with Independent School District No. 93 (Carlton School District) pursuant to Minnesota Statutes Section 123A.48. The consolidated school district operates as the Carlton-Wrenshall Public School District under District Identification No. 2918. As a result of the consolidation, the assets, liabilities, and operations of the participating districts became part of the consolidated district effective July 1, 2026. Because the consolidation occurred subsequent to fiscal-year end, no amounts related to the consolidation have been recognized in the accompanying June 30, 2026 financial statements.

Required Supplementary Information

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, 2026

	Original Budget	Final Budget	Variance Final to Original	Actual	Variance Over (Under)
Revenues					
Local property tax levies	$ 615,143	$ 620,941	$ 5,798	$ 598,406	$ (22,535)
Other local and county revenues	83,050	178,919	95,869	324,390	145,471
Revenue from state sources	4,482,505	4,446,599	(35,906)	4,462,328	15,729
Revenue from federal sources	170,780	163,396	(7,384)	163,062	(334)
Sales and conversion of assets	1,200	1,200		268	(932)
Interest income	50,000	42,000	(8,000)	45,510	3,510
Total revenues	5,402,678	5,453,055	50,377	5,593,964	140,909
Expenditures					
Current					
District and school administration	368,269	405,605	37,336	499,573	(93,968)
District support services	350,344	397,464	47,120	405,350	(7,886)
Regular instruction	2,167,134	2,513,785	346,651	2,537,089	(23,304)
Vocational instruction	115,846	97,276	(18,570)	99,557	(2,281)
Exceptional instruction	1,030,981	1,004,122	(26,859)	994,950	9,172
Instructional support services	126,048	73,549	(52,499)	105,980	(32,431)
Pupil support services	593,897	565,033	(28,864)	545,942	19,091
Site, buildings, and equipment	537,685	619,014	81,329	598,106	20,908
Fiscal and other fixed cost programs	62,317	66,504	4,187	66,182	322
Capital outlay	50,700	40,831	(9,869)	41,686	(855)
Debt service					
Principal	25,784	29,386	3,602	30,088	(702)
Interest	16,144	14,280	(1,864)	8,129	6,151
Total expenditures	5,445,149	5,826,849	381,700	5,932,632	(105,783)
Excess of revenues under expenditures	(42,471)	(373,794)	(331,323)	(338,668)	35,126
Other financing uses					
Transfers out				(8,853)	(8,853)
Total other financing sources				(8,853)	(8,853)
Net change in fund balance	(42,471)	(373,794)	(331,323)	(347,521)	26,273
Fund balance, beginning	419,802	419,802		419,802	
Fund balance, ending	$ 377,331	$ 46,008	$ (331,323)	$ 72,281	$ 26,273

Notes to Required Supplementary Information – Budgetary Comparison Schedule

The School Board adopted the District's budget before the beginning of the fiscal year and amended it during the year as updated information became available. The original General Fund revenue budget of $5,402,678 increased by $50,377 to $5,453,055. The original expenditure and other financing uses budget of $5,445,149 was increased by $381,700 to $5,826,849. The revenue revisions were primarily attributable to the district assuming fiscal host responsibilities for the sports cooperative and the use of conservative enrollment estimate for the preliminary budget. The expense revisions were primarily attributable to salaries and benefits, contracted expenses, and sports cooperative fiscal host expenses. Actual revenues exceeded the final budget by $140,909, primarily due to increased other local and county revenues from conservative estimates. Actual expenditures and other financing uses exceeded the final budget by $114,636, primarily due to contracted services.

See Independent Auditor's Report.

Independent School District No. 100

Information about the District's Other Postemployment Health Care Plan

Year Ended June 30, 2026

Schedule of Changes in Total OPEB Liability and Related Ratios

	2026	2025	2024	2023	2022	2021	2020	2019
Measurement date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability								
Service Cost	$ 3,387	$ 3,334	$ 3,302	$ 4,223	$ 5,553	$ 4,899	$ 3,018	$ 2,840
Interest	1,320	1,157	1,438	794	1,333	1,421	1,142	985
Changes of assumptions	(453)	(272)	1,164	(5,833)	(174)	2,576	3,626	(134)
Differences between expected and actual experience	6,775		(14,232)		(17,710)		4,352	
Benefit payments	(1,029)	(919)	(483)	(811)	(682)	(349)		
Net change in total OPEB liability	10,000	3,300	(8,811)	(1,627)	(11,680)	8,547	12,138	3,691
Total OPEB Liability - beginning of year	30,389	27,089	35,900	37,527	49,207	40,660	28,522	24,831
Total OPEB liability - end of year	$ 40,389	$ 30,389	$ 27,089	$ 35,900	$ 37,527	$ 49,207	$ 40,660	$ 28,522
Covered payroll	2,847,478	2,441,329	2,650,019	2,846,978	3,020,185	2,933,720	2,808,572	2,755,952
Total OPEB liability as a percentage of covered payroll	1.4%	1.2%	1.0%	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 3.97% to 5.20% based on updated 20-year municipal bond rates.
- Healthcare trend rates changed from at 7.6% to 8.1%, gradually decreasing over several decades to an ultimate rate of 3.9% in FY2076 and later years.
- Mortality rates were updated from the rates used in the 7/1/2022 PERA General Employees Plan and 7/1/2022 Teacher Retirement Association valuations to the rates used in the 2023 experience studies.
- The inflation assumption was unchanged at 2.50%
- The payroll growth rate assumption was unchanged at 3.00%

*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, 2026

Schedule of Employer's Contributions

Teacher's Retirement Association (TRA)

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
June 30, 2026	$224,415	$224,415	$0	$2,287,613	9.81%
June 30, 2025	$200,332	$200,332	$0	$2,289,508	8.75%
June 30, 2024	$188,190	$188,190	$0	$2,150,743	8.75%
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%

Public Employees Retirement Association (PERA)

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
June 30, 2026	$74,715	$74,715	$0	$996,196	7.50%
June 30, 2025	$73,302	$73,302	$0	$977,356	7.50%
June 30, 2024	$64,534	$64,534	$0	$860,448	7.50%
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%

Independent School District No. 100

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

Year Ended June 30, 2026

Schedule of Employer's Proportionate 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, 2025	0.0329%	$1,886,483	$117,162	$2,003,645	$2,289,508	82.4%	84.5%
June 30, 2024	0.0325%	$2,065,154	$134,970	$2,200,124	$2,150,743	96.0%	82.1%
June 30, 2023	0.0352%	$2,906,191	$203,760	$3,109,951	$2,235,467	130.0%	76.4%
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	$1,671,026	458.2%	44.9%

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, 2025	0.0108%	$357,616	$8,627	$366,243	$977,356	36.6%	90.8%
June 30, 2024	0.0102%	$378,198	$9,779	$387,977	$860,448	44.0%	89.1%
June 30, 2023	0.0113%	$631,883	$17,402	$649,285	$899,905	70.2%	74.6%
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%

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

Year Ended June 30, 2026

2025 Changes

Changes in Actuarial Assumptions

The following changes in assumptions are effective with the July 1, 2025 valuation, as recommended in the most recent experience study (dated June 30, 2025):

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.
- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024 Changes

Changes in Actuarial Assumptions

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023 Changes

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of $170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

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

Year Ended June 30, 2026

2022 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2021 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2019 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

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

Year Ended June 30, 2026

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from $31 million to $21 million per year. The State's special funding contribution was changed prospectively, requiring $16 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1 percent per year through 2044 and 2.5 percent per year thereafter to 1.25 percent per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4 percent to 3 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases were changed from 1 percent per year with a provision to increase to 2.5 percent upon attainment of 90 percent funding ratio to 50 percent of the Social Security Cost-of Living Adjustment, not less than 1 percent and not more than 1.5 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA load are now 0 percent for active member liability, 15 percent for vested deferred member liability, and 3 percent for non-vested deferred member liability.
- The assumed annual increase rate was changed for 1 percent per year for all years to 1 percent per year through 2044 and 2.50 percent per year thereafter.

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals $16.0 million in 2017 and 2018 and $6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from $21,000,000 to $31,000,000 in calendar years 2019 to 2031. The State's contribution changed from $16,000,000 to $6,000,000 in calendar years 2019 to 2031.

2016 Changes:

Changes in Actuarial Assumptions

- The assumed annual increase rate was changed from 1 percent per year through 2035 and 2.50 percent per year thereafter to 1 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

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

Year Ended June 30, 2026

Changes in Plan Provisions

- There have been no changes since the prior valuation.

Supplementary Financial Information

Independent School District No. 100

Nonmajor Governmental Funds – Combining Balance Sheet

June 30, 2026

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Food Service Fund	Community Service Fund	
Assets			
Cash and temporary cash investments	$ 101,444	$ 97,564	$ 199,008
Accounts receivable	7,909		7,909
Current property taxes receivable		8,309	8,309
Delinquent property taxes receivable		453	453
Due from the Minnesota Department of Education	1,454	4,335	5,789
Inventory	8,623		8,623
Total assets	$ 119,430	$ 110,661	$ 230,091
Liabilities			
Salaries payable	$ 17,392	$ 14,307	$ 31,699
Accounts payable		1,739	1,739
Unearned revenue	2,648		2,648
Total liabilities	20,040	16,046	36,086
Deferred inflows of resources			
Delinquent property taxes		453	453
Property taxes levied for subsequent year's expenditures		27,105	27,105
Total deferred inflows of resources		27,558	27,558
Fund balances			
Nonspendable	8,623		8,623
Restricted	90,767	76,118	166,885
Unassigned		(9,061)	(9,061)
Total fund balances	99,390	67,057	166,447
Total liabilities, deferred inflows of resources, and fund balances	$ 119,430	$ 110,661	$ 230,091

Independent School District No. 100

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

For the Year Ended June 30, 2026

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Food Service Fund	Community Service Fund	
Revenues			
Local property tax levies	$	$ 28,649	$ 28,649
Other local and county revenues		128,582	128,582
Revenue from state sources	123,887	61,725	185,612
Revenue from federal sources	112,241		112,241
Sales and other conversion of assets	2,970		2,970
Total revenues	239,098	218,956	458,054
Expenditures			
Current			
Community education and services		184,398	184,398
Pupil support services	241,809		241,809
Total expenditures	241,809	184,398	426,207
Excess (deficiency) of revenues over expenditures	(2,711)	34,558	31,847
Other financing sources (uses)			
Transfers in	10,486		10,486
Transfers out		(1,633)	(1,633)
Total other financing sources (uses)	10,486	(1,633)	8,853
Net change in fund balances	7,775	32,925	40,700
Fund balances, beginning	91,615	34,132	125,747
Fund balances, ending	$ 99,390	$ 67,057	$ 166,447

Independent School District No. 100

Fiscal Compliance Table

For the Year Ended June 30, 2026

	Audit	UFARS	Audit - UFARS
01 GENERAL FUND			
Total revenues	$ 5,593,964	$ 5,593,964	$
Total expenditures	5,932,632	5,932,631	1
Non spendable			
460 Non spendable fund balance	41,566	41,566	
Restricted/Reserve			
401 Student activities	61,716	61,716	
403 Staff development	42,105	42,105	
405 Deferred maintenance			
406 Health and safety			
407 Capital Projects Levy			
408 Cooperative revenue			
411 Severance pay			
412 Literacy incentive aid	36,456	36,456	
414 Operating debt			
416 Levy reduction			
417 Taconite building maintenance			
420 American Indian Ed Aid	4,205	4,205	
424 Operating capital	-		
426 $25 Taconite			
427 Disabled accessibility			
428 Learning and development			
434 Area learning center			
435 Contracted alt. Programs			
437 Q Comp	(9,866)	(9,866)	
438 Gifted & talented			
441 Basic skills program			
445 Career and technical Programs			
446 First Grade Preparedness			
449 Safe schools levy			
450 Prekindergarten			
451 QZAB payments			
452 OPEB liability not in trust			
456 Literacy Aid	4,656	4,656	
467 LTFM	1	1	
471 Student Support Personnel	1,140	1,140	
472 Medical Assistance	79,090	79,090	
Restricted			
464 Restricted fund balance			
Committed			
418 Committed for separation			
461 Committed fund balance			
Assigned			
462 Assigned fund balance	813	812	1
Unassigned			
422 Unassigned fund balance	(189,601)	(189,601)	
02 FOOD SERVICE			
Total revenues	239,098	239,097	1
Total expenditures	241,809	241,809	
Non spendable			
460 Non spendable fund balance	8,623	8,623	
Restricted			
452 OPEB liability not in trust			
464 Restricted fund balance	90,767	90,767	
Unassigned			
463 Unassigned fund balance	-		
04 COMMUNITY SERVICE			
Total revenues	218,956	218,956	
Total expenditures	184,398	184,399	(1)
Non spendable			
460 Non spendable fund balance			
Restricted/Reserve			
426 $25 taconite			
431 Community education	3,418	3,418	
432 ECFE	67,994	67,994	
444 School readiness	(9,061)	(9,060)	(1)
447 Adult Basic Education			
452 OPEB liability not in trust			
Restricted			
464 Restricted fund balance	4,706	4,706	
Unassigned			
463 Unassigned fund balance			

	Audit	UFARS	Audit - UFARS
06 BUILDING CONSTRUCTION			
Total revenues	$	$	$
Total expenditures			
Non spendable			
460 Non spendable fund balance			
Restricted/Reserve			
467 LTFM			
407 Down payment levy			
409 Alternative facility program			
413 Projects funded by COP			
Restricted			
464 Restricted fund balance			
Unassigned			
463 Unassigned fund balance			
07 DEBT SERVICE			
Total revenues	948,575	948,575	
Total expenditures	946,985	946,985	
Non spendable			
460 Non spendable fund balance			
Restricted/Reserve			
425 Bond refundings			
451 QZAB payments			
Restricted			
464 Restricted fund balance	194,450	194,450	
Unassigned			
463 Unassigned fund balance			
08 TRUST			
Total revenues			
Total expenditures			
422 Net position			
18 CUSTODIAL FUND			
Total revenues	2,837	2,837	
Total expenditures	290	290	
402 Scholarships	54,327	54,327	
20 INTERNAL SERVICE			
Total revenues			
Total expenditures			
422 Net position			
25 OPEB REVOCABLE TRUST FUND			
Total revenues			
Total expenditures			
422 Net position			
45 OPEB IRREVOCABLE TRUST FUND			
Total revenues			
Total expenditures			
422 Net position			
47 OPEB DEBT SERVICE FUND			
Total revenues			
Total expenditures			
Non spendable			
460 Non spendable fund balance			
Restricted			
425 Bond refundings			
464 Restricted fund balance			
Unassigned			
463 Unassigned fund balance			

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

WIPFLI

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

Board of Directors
Independent School District No. 100
Wrenshall, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. 100, Minnesota (the "District") as of and for the year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated .

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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.

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 reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Billings, Montana

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

WIPFLI

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

Board of Directors
Independent School District No. 100
Wrenshall, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 100, Minnesota (the "District") as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated .

In connection with our audit, nothing came to our attention that caused us to believe that Independent School District No. 100 failed to comply with the provisions of the contracting-bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, miscellaneous provisions, and uniform financial accounting and reporting standards for Minnesota school districts (UFARS) sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

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.

Wipfli LLP

Billings, Montana

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Independent School District No. 100

Schedule of Findings and Responses

For the Year Ended June 30, 2026

Section I - Financial Statement Findings

None.

Section II - Minnesota Legal Compliance Findings

None.

Independent School District No. 100

Schedule of Prior Year Findings and Responses

For the Year Ended June 30, 2026

Financial Statement Findings

Item 2025-001 –Financial Statement Presentation and Disclosure

This finding has been resolved in fiscal year 2026.