



DETROIT LAKES PUBLIC SCHOOLS
AGENDA
REGULAR SCHOOL BOARD MEETING
Monday, November 27, 2023 - 5:30 PM
M State Room C101 , 900 Hwy 34 E, Detroit Lakes, MN 56501

The mission of the Detroit Lakes Public schools is to fill our sails with Laker PRIDE.

District Office ~ 702 Lake Avenue, Detroit Lakes, MN 56501 ~ 218.847.9271 ~ Website: www.dlschools.net
Superintendent: Mark Jenson Director of Finance & Operations: Jason Kuehn Education Director: Renee Kerzman

BOARD MEMBERS:

Amy Erickson, Vice-Chair
1380 East Shore Drive
Detroit Lakes, MN 56501
218.841.2944

Ethan Walz
21762 244th Ave
Detroit Lakes, MN 56501
218.371.7619

Michelle Okeson
24842 County Rd 113
Detroit Lakes, MN 56501
218.841.6065

Mary Rotter- Treasurer
23625 Pebble Beach LN
Detroit Lakes, MN 56501
651.335.0396

John Steffl, Chair
22370 Steffl Road
Callaway, MN 56521
218.850.5060

Student Representative: Jady Wimmer- 25bwimmejady@detlakes.k12.mn.us Marian Martin 26martimari@detlakes.k12.mn.us

I. CALL TO ORDER

Presenter: Steffl, Board Chair

A. Laker Pride

II. ROLL CALL

Presenter: Steffl, Board Chair

III. PLEDGE OF ALLEGIANCE

Presenter: Steffl, Board Chair

IV. APPROVAL OF AGENDA

Presenter: Steffl, Board Chair

A. Agenda Approval

Approval of the Agenda for the November 27, 2023 Regular School Board Meeting as presented.

V. RECOGNITIONS

Presenter: Steffl, Board Chair

A. 2023 Fall Recognitions

VI. COMMENTS AND REQUESTS FROM VISITORS

Presenter: Steffl, Board Chair

A fifteen-minute time limit will be allowed for audience comment. Those requesting audiences will inform either the Board Chairman or the Superintendent prior to the meeting that you wish to address the Board.

VII. DONATIONS

A. \$250 from Augustana Lutheran Church of Lake Eunice for Laker Cupboard.

B. \$812.25 from Pelican River Watershed District towards Elementary Field Trip Transportation.

C. \$1,000 from Team Foundation for ALC Leadership Grant.

D. \$1,900 from United Way of Becker County for a Quarterly ALC Leadership Grant.

E. \$5,000 from Detroit Lakes Area Community Foundation for Adult Basic Education Office

Furniture Project.

F. \$18,900 from Team Foundation for 3D Printer at the High School.

VIII. PROGRAM PRESENTATIONS

Presenter:

A. Community Education

Andrew Lesch

B. Audit

Presenter: John Hagen Eide Bailly, LLP

IX. CONSENT ITEMS

Presenter: Steffl, Board Chair

Action is requested on the following items of the consent agenda. Consent agenda items are typically adopted without discussion of the individual items because they are routine or ordinary in action. Any consent agenda item may be removed for further discussion and deliberation by any member of the board.

A. Approve the Minutes of the October 23, 2023 Regular School Board Meeting.

B. Approve District Bills

C. Approve District Hand Payable Bills

D. Approve Personnel Agenda Items

E. **Approve Second Reading of Policies:**

1. 701- Establishment and Adoption of School District Budget

2. 701.1- Modification of School District Budget

3. 702- Accounting

4. 703- Annual Audit

5. 704- Development and Maintenance of an Inventory of Fixed Assets and Fixed Accounting System.

6. 705- Investments

7. 706- Acceptance of Gifts

8. 706- Form

F. Approve the 2023-2024 Student Activities Transportation Contract with Anderson Bus & Coach of Frazee, Inc.

G. Approve the Construction Management Services Agreement.

X. DISCUSSION ITEMS

Discussion items receive individual attention because of the nature of the issues and need for introductory or other discussion in order to review the information prior to taking action. This is also the agenda location for items which simply need school board review, but no formal action on the items is required. Discussion items will typically return to the agenda at a future point for more specific action.

A. **First Reading of Policies:**

Presenter: Steffl, Board Chair

1. 510.6- Adding/Eliminating a School Sponsored Activity.

2. 691- Adult Education

3. 712- Video Surveillance Other Than on Buses

4. 713- Student Activity Accounting

5. 714- Fund Balance

6. 720- Vending Machines

7. 721- Uniform Grant Guidance Policy Regarding Federal Revenue Sources

8. 726- Use of Electronic Signature to Conduct Official Business

9. 790- Credit Card Use

10. 791- District Provided Cell Phone Guidelines

XI. ACTION ITEMS

Action items receive individual attention because of the nature of the issues, the need to discuss or review the information prior to taking action, or the specific kind of action required for the item.

A. Motion to Approve the Resolution Stating the Intention to Request for Proposals of Facilities Maintenance Projects

Presenter: Steffl, Board Chair

- B. Motion to Approve the Dissolution of the Boys High School Swim and Dive Cooperative Agreement between Detroit Lakes High School and Frazee High School.

Presenter: Steffl, Board Chair

- C. Motion to Approve the Boys Swim and Dive Cooperative Agreement Between Detroit Lakes High School, Perham, Frazee, and New York Mills.

Presenter: Steffl, Board Chair

XII. ADMINISTRATIVE AND BOARD REPORTS

A. Superintendent Report

Presenter: Mark Jenson, Superintendent

1. Monthly Enrollment Report
2. District Update

B. Board Committee and Representative Reports

1. Student Report

Presenter: Hougum, Student Board Representative

2. Finance Committee
- Presenter: Rotter, Board Treasurer

3. Transportation Committee
- Presenter: Steffl, Board Chair

4. Facilities Committee
- Presenter: Erickson- Vice Chair

5. Wellness Committee
- Presenter: Rotter, Board Treasurer

- XIII. **CLOSE MEETING-** At this time, the board will go into a closed session to get an update on Negotiations.

XIV. UPCOMING EVENTS AND ACTIVITIES

Presenter: Steffl, Board Chair

- A. Board Work Session- 12/04/23 5:30PM Laker Transitions
- B. Finance Committee Meeting- 12/14/23 12:00PM District Office
- C. Regular School Board Meeting- 12/18/23 5:30PM MState C101

XV. MEETING ADJOURNED

Presenter: Steffl, Board Chair

Laker PRIDE

| | | |
|---|--|---|
|  | <p>Purpose our intention, what drives us</p> | <p>Deliver educational excellence.</p> |
|  | <p>Relationships the ways we connect and behave toward each other</p> | <p>Care and communicate positively and respectfully within and across our schools and community.</p> <ul style="list-style-type: none"> • District ↔ parents and community members • District ↔ building • Building ↔ teacher • Building ↔ parents • Teacher ↔ parent • Teacher ↔ students |
|  | <p>Innovation the creation, development and implementation of a new idea or concept to enhance educational opportunities</p> | <p>Embrace creativity and critical thinking.</p> <ul style="list-style-type: none"> • Renew and bring up to date all systems and practices • Utilize growth mindset to hone existing intentions/objectives and explore new ideas • Support diverse ways of thinking and doing • Embed equity continually in every facet of our work |
|  | <p>Development a process that creates growth, progress, positive change or the addition of physical, economic, environmental, social and demographic components</p> | <p>Foster the academic, social, emotional, and cultural needs of all learners.</p> <ul style="list-style-type: none"> • Implement and sustain PBIS at all levels • Hone our support for social/emotional health • Further learning and implementation of equitable feedback, assessment, grading and reporting • Provide professional development that supports PRIDE |
|  | <p>Equity the quality of being fair (not equal) and impartial</p> | <p>Ensure that our values, policies, and practices are equitable for our students, staff, and community.</p> <ul style="list-style-type: none"> • Clarify and support understanding of equity vs. equality for all • Actively promote equity (institutional, personal, and instructional) • Remove systemic barriers • Accommodate different learning styles • Give students a voice |

I pledge allegiance to the flag
of the United States of America,
and to the Republic
for which it stands,
one Nation under God,
indivisible,
with Liberty and Justice
for all.



DETROIT LAKES
LAKERS



TENNIS

Mid-State All Conference

Anna Askelson
Claire Pazdernik

Mid-State Honorable Mention

Isabella Wolfe
Natalie Carlson
Allie Bolar

BOYS SOCCER

Lakes to Prairie All Conference

Zeke Blow
Erick Ziegler

Lakes to Prairie Honorable Mention

Chase Housholder
Jaxon Borash
Noah Larson
Jackson Maajso
Tyler Pratt

GIRLS SOCCER

Pine to Prairie All Conference

Elle Bettcher
Addie Lowell
Haydon King

Pine to Prairie Honorable Mention

Maren Skadsem
Sedrah Krogsgaard
Stormy Maaninga
Addy Laux

SWIMMING

All Conference

Grace Hamm
Marian Martin

Honorable Mention

Rylie Wendt
Emily Peterson
Peggy Whitteron

State Qualifiers

Grace Hamm
Hope Hamm

CROSS COUNTRY

All Conference

Natalie Mohr
Sadie Johnson
Braydon Francis

All Conference Honorable Mention

Karli Skarie
Andrew barberg
Micah Barberg

FOOTBALL

Academic Gold Team

All District

Mason Carrier
Charlie Zok
Isaac Cariveau
Cody Bartnes
Will Martin

All District Honorable Mention

Mason Goodrich
Easton Wahl
Breck Winter

Mid Northwest District Red Defensive Back of the Year

Cody Bartnes

Mid Northwest District Offensive Back of the Year

Mason Carrier

Mid Northwest District Red Offensive Lineman of the Year

Isaac Cariveau

Mid Northwest District Red Player of the Year

Mason Carrier

Mid Northwest District Red Assistant Coach of the Year

Vern Schnathorst

VOLLEYBALL

4th Place MSHSL State Tournament

All Conference

Grace Gunderson

Ava Jones

Rylee Johnson

Helena Daggett

Hailey Thielen

All Conference Honorable Mention

Logan Fredrickson

Addie Wills

All-State Tournament Team

Grace Gunderson

MNVBCA All-State

Grace Gunderson

Ava Jones

Board Presentation November 27th, 2023

Detroit Lakes Community Education



Community Education Programs

- ECFE
- School Readiness
- School Age Childcare
- Youth Enrichment
- Drivers Education
- Adult Enrichment



ECFE (Early Childhood Family Education)

- ECFE Mixed Ages Weekly Classes current enrollment - 60 children, 48 adults
- Out and Abouts: Bluebird Books, Fire Station, Night at the Museum
- Open Gym (Partnership @ Boys & Girls Club): 36 families attended
- Special Events: Fall Festival - 279 total*
 - Santa's Workshop - Dec. 7th & 8th
 - Polar Fest - Feb. 14

School Readiness (PreK)

- School Readiness classes - 82 children
- Offer 2 Full Day - 4 & 5 year olds (36 total)
- Offer 3 Part Time options - 46

Future Needs - More offerings to meet the needs of families and work schedules

School Age Childcare (Laker Kids SACC)

Currently enrolled - 108 students

Offering Full Day programming option on Non-School Days

Working on Summer (Revisoning)



Youth Enrichment

Offered 6 classes and had 113 sign up

Drivers Education: February Classes upcoming!

New offering include:

- Cheer Camp (44 youth)
- Drawing & Painting Class
- Dance Camp



Adult Enrichment

We ran 15 classes since September with 71 enrollment

New offerings include:

- Darkia Cooking
- Financial Planning Workshops
- Reverse Mortgage class

Upcoming Class (Winter) - Darkia Cooking Class, Yoga & Painting



Conclusion

Questions?





INDEPENDENT SCHOOL DISTRICT NO. 22

Executive Summary - June 30, 2023



CPAs & BUSINESS ADVISORS



AUDIT RESULTS AND FINDINGS

AUDIT OPINION

- The District received a “clean” audit opinion
 - Unmodified opinion – financial statements are prepared using accounting principles generally accepted in the U.S. (GAAP)
 - Financial statements do not contain material misstatements and are fairly presented
- Opinion is merely the auditor’s professional opinion, based on audit work, on whether the financial statements were prepared in accordance with GAAP, free from material misstatement, and fairly presented



AUDIT OF FEDERAL FUNDS

- All entities with federal award expenditures of \$750,000+ in a year are required to obtain an annual audit
- Single audit – considers compliance with rules and regulation of applicable federal awards
- The District received an unmodified opinion on compliance for the major federal awards programs report



During 2023, the District expended approximately \$4.9 million in Federal awards.

FINDINGS

Financial Statements:

- 1. Preparation of Financial Statements, including SEFA**
- 2. Material Journal Entries**
- 3. Segregation of Duties**

Federal Awards:

- 1. None**

Minnesota Legal Compliance:

- 1. None**



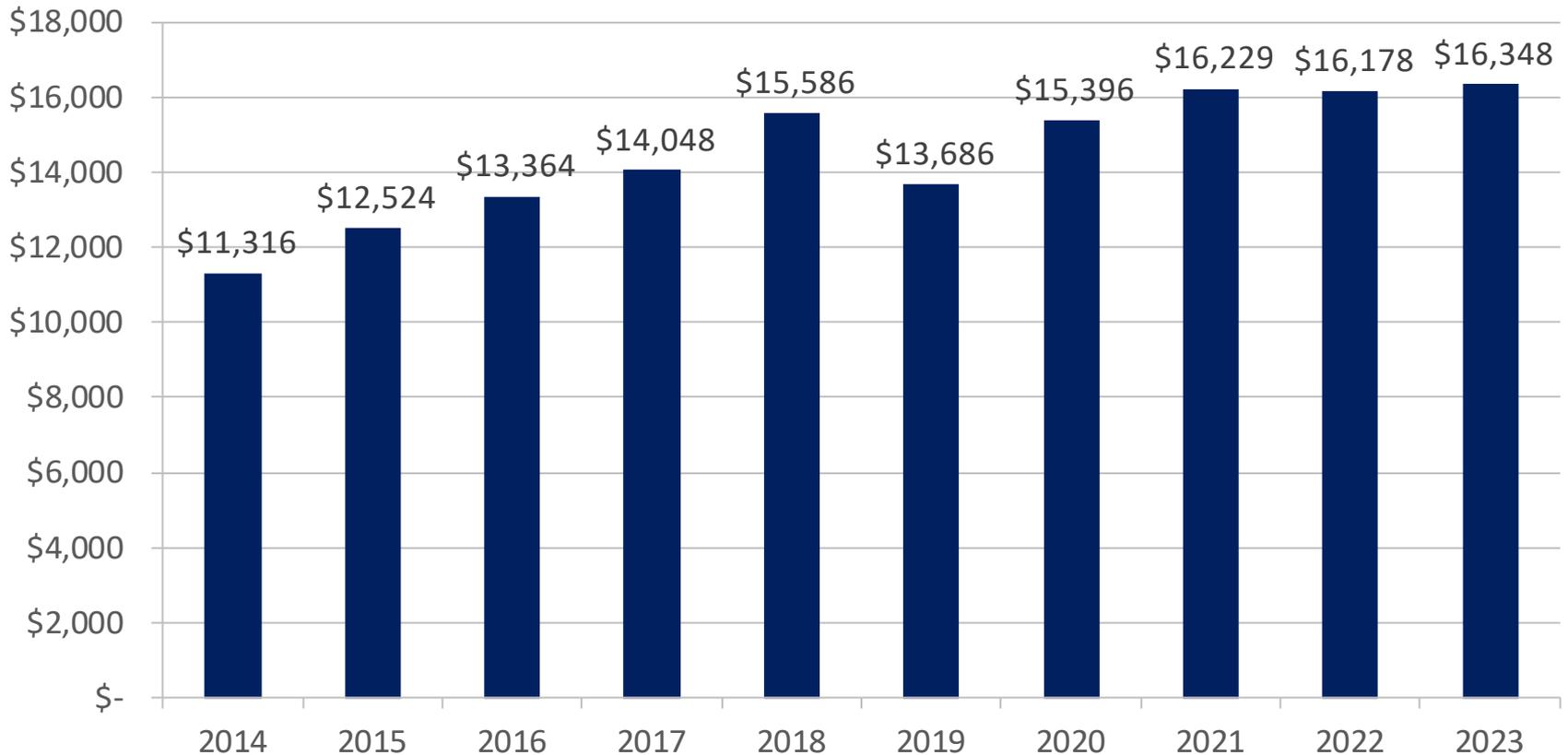


CASH AND INVESTMENTS

CASH/INVESTMENTS

Most significantly affected by the state aid payments structure.

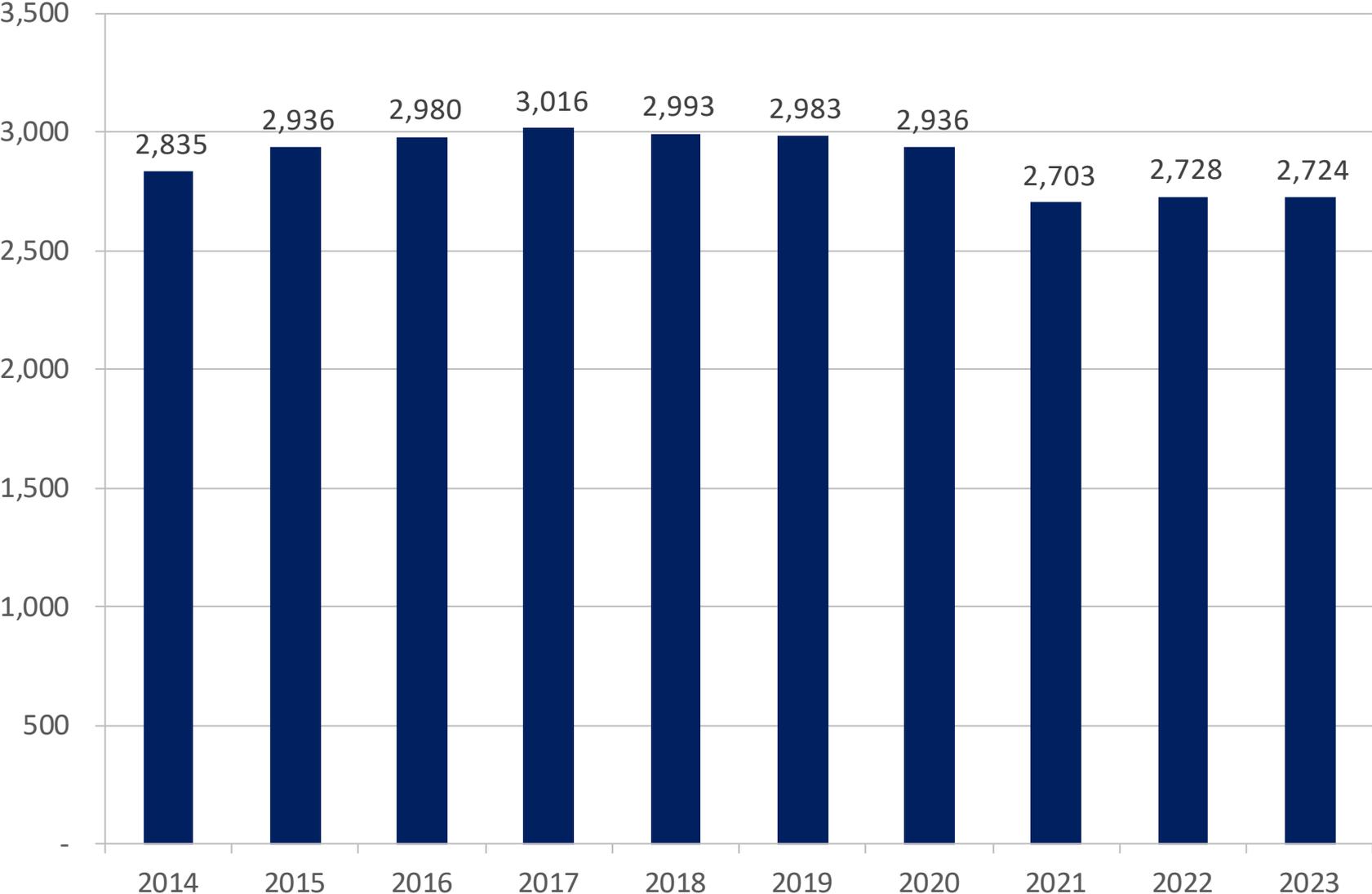
Balances (in thousands) of the District for the past ten years:





GENERAL FUND

ADM SERVED



BUDGET TO ACTUAL

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|--|-----------------------|-----------------------|----------------------|-------------------------------|
| Revenues | | | | |
| State sources | \$ 30,086,129 | \$ 30,086,129 | \$ 30,422,036 | \$ 335,907 |
| Local levies | 4,595,881 | 4,595,881 | 4,699,001 | 103,120 |
| Federal sources | 3,490,396 | 3,595,896 | 3,692,716 | 96,820 |
| Other | 942,291 | 942,291 | 2,188,944 | 1,246,653 |
| Total revenues | <u>39,114,697</u> | <u>39,220,197</u> | <u>41,002,697</u> | <u>1,782,500</u> |
| | | | | 4.5% Over |
| Expenditures | | | | |
| Current | | | | |
| Regular and vocational instruction | 17,819,903 | 17,819,903 | 17,466,657 | 353,246 |
| Administration and district support services | 3,651,410 | 3,651,410 | 3,376,043 | 275,367 |
| Special education instruction | 8,382,367 | 8,382,367 | 7,695,722 | 686,645 |
| Instructional and pupil support services | 6,624,072 | 6,624,072 | 6,906,883 | (282,811) |
| Sites and buildings | 2,735,990 | 2,735,990 | 3,427,576 | (691,586) |
| Other | 174,000 | 174,000 | 199,430 | (25,430) |
| Debt service | - | - | 686,083 | (686,083) |
| Capital outlay | 1,119,310 | 1,119,310 | 2,826,828 | (1,707,518) |
| Total expenditures | <u>40,507,052</u> | <u>40,507,052</u> | <u>42,585,222</u> | <u>(2,078,170)</u> |
| | | | | 5.1% Over |
| Deficiency of Revenues under Expenditures | <u>(1,392,355)</u> | <u>(1,286,855)</u> | <u>(1,582,525)</u> | <u>(295,670)</u> |
| Other Financing Sources | | | | |
| Direct borrowing proceeds | - | - | 11,398 | 11,398 |
| Sale of equipment | - | 15,000 | 17,446 | 2,446 |
| Total other financing sources | <u>-</u> | <u>15,000</u> | <u>28,844</u> | <u>13,844</u> |
| Net Change in Fund Balance | <u>\$ (1,392,355)</u> | <u>\$ (1,271,855)</u> | (1,553,681) | <u>\$ (281,826)</u> |
| Fund Balance, Beginning of Year | | | <u>13,781,316</u> | |
| Fund Balance, End of Year | | | <u>\$ 12,227,635</u> | |

A POSITIVE FUND BALANCE:

- 1** Contributes to a favorable bond rating
- 2** Produces investment income and provides a source of working capital to meet cash flow needs
- 3** Offers a cushion for unexpected expenditures or revenue shortfalls



FUND BALANCE CATEGORIES

Nonspendable

Represents amounts that cannot be spent

Not in spendable form

Inventory, prepaid expenses

Restricted

Legally restricted by outside parties

Cannot be appropriated for other spending

Committed

Intended for a specific activity

Imposed by formal action of the school board but is not legally restricted

Assigned

Intended for a specific activity by school board or designated individuals

Not legally restricted

Unassigned

Reserves

“Rainy day” fund

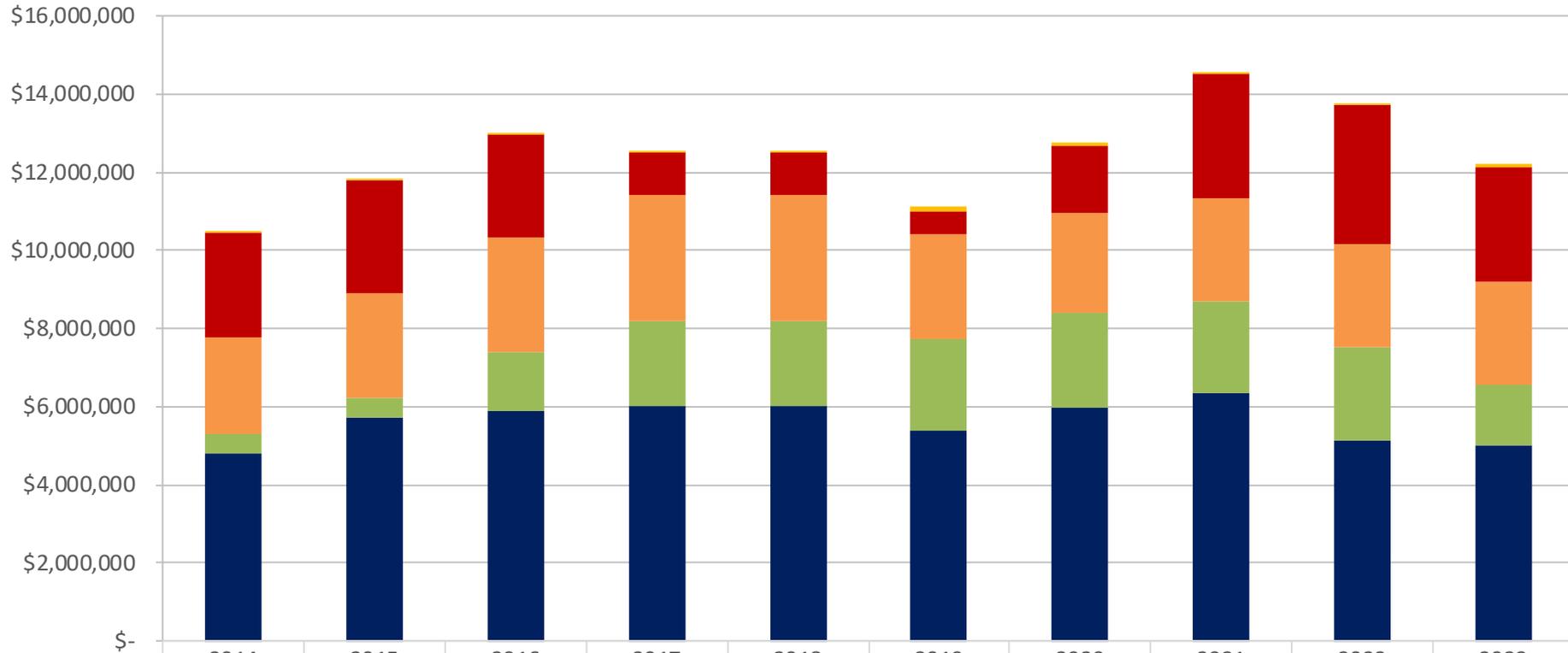
CHANGES IN UFARS FUND BALANCES

Fund Balance: cumulative difference between fund assets and fund liabilities

| | Fund Balance Beginning of Year | Net Change in Fund Balance | Fund Balance End of Year |
|---|--------------------------------------|-------------------------------|--------------------------------|
| Nonspendable | \$ 60,009 | \$ 33,034 | \$ 93,043 |
| Restricted for student activities | 237,344 | (5,892) | 231,452 |
| Restricted for staff development | 694,224 | (237,561) | 456,663 |
| Restricted for operating capital | 1,341,472 | (112,201) | 1,229,271 |
| Restricted for gifted and talented | 43,339 | (29,631) | 13,708 |
| Restricted for safe schools levy | 259,182 | (30,629) | 228,553 |
| Restricted for long term facilities maintenance | (397,462) | 65,683 | (331,779) |
| Restricted for medical assistance | 1,396,664 | (280,452) | 1,116,212 |
| Committed for separation/retirement benefits | 2,619,414 | - | 2,619,414 |
| Assigned for construction | 2,379,685 | (827,045) | 1,552,640 |
| Unassigned | 5,147,445 | (128,987) | 5,018,458 |
| | <u>\$ 13,781,316</u> | <u>\$ (1,553,681)</u> | <u>\$ 12,227,635</u> |

TOTAL FUND BALANCES

Total fund balances of the General Fund for the past 10 years:



| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Nonspendable | \$27,778 | \$46,625 | \$38,876 | \$36,805 | \$36,805 | \$96,869 | \$97,746 | \$60,483 | \$60,009 | \$93,043 |
| Restricted | \$2,654,902 | \$2,915,053 | \$2,616,594 | \$1,064,545 | \$1,064,545 | \$620,109 | \$1,711,785 | \$3,186,679 | \$3,574,763 | \$2,944,080 |
| Committed | \$2,499,218 | \$2,680,204 | \$2,950,320 | \$3,224,655 | \$3,224,655 | \$2,674,249 | \$2,558,467 | \$2,619,415 | \$2,619,414 | \$2,619,414 |
| Assigned | \$500,000 | \$500,000 | \$1,500,000 | \$2,200,000 | \$2,200,000 | \$2,333,837 | \$2,428,302 | \$2,364,446 | \$2,379,685 | \$1,552,640 |
| Unassigned | \$4,797,193 | \$5,707,848 | \$5,882,356 | \$6,015,088 | \$6,015,088 | \$5,393,503 | \$5,975,199 | \$6,336,203 | \$5,147,445 | \$5,018,458 |

RECOMMENDATIONS REGARDING FUND BALANCES

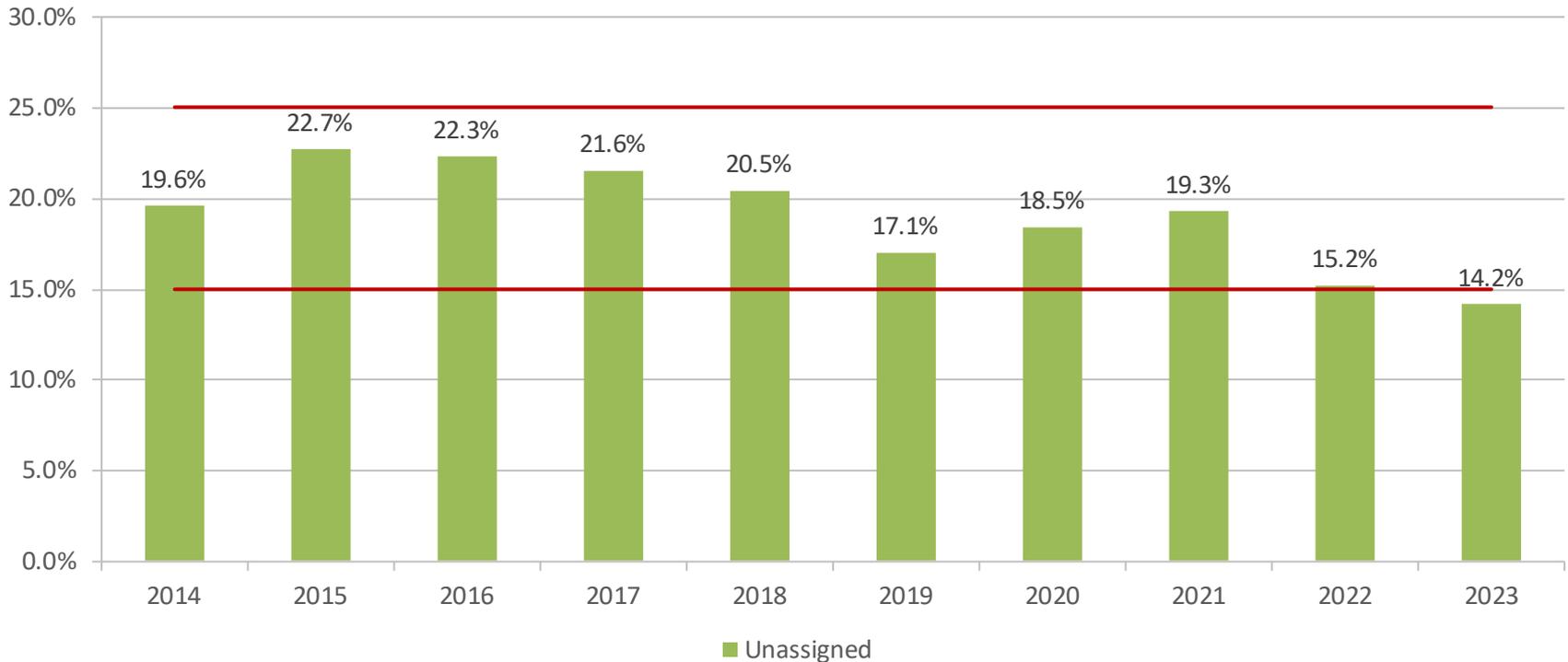
The District's Policy: strive to maintain a minimum unassigned fund balance in a range of 15% to 25% of the annual Statutory Operating Debt expenditures. For the current year that target amount is \$5.3 million - \$8.8 million.

**6/30/23 SOD Expenditures per MDE - \$35,392,415

Government Finance Officers Association (GFOA): recommends, at a minimum, that governments maintain unrestricted fund balances in their general fund of no less than two months (16.67%) of regular general fund expenditures.

UNRESTRICTED AND UNASSIGNED FUND BALANCE

The District's unrestricted fund balance and unassigned fund balance as a percentage of expenditures in the General Fund for the last 10 years:



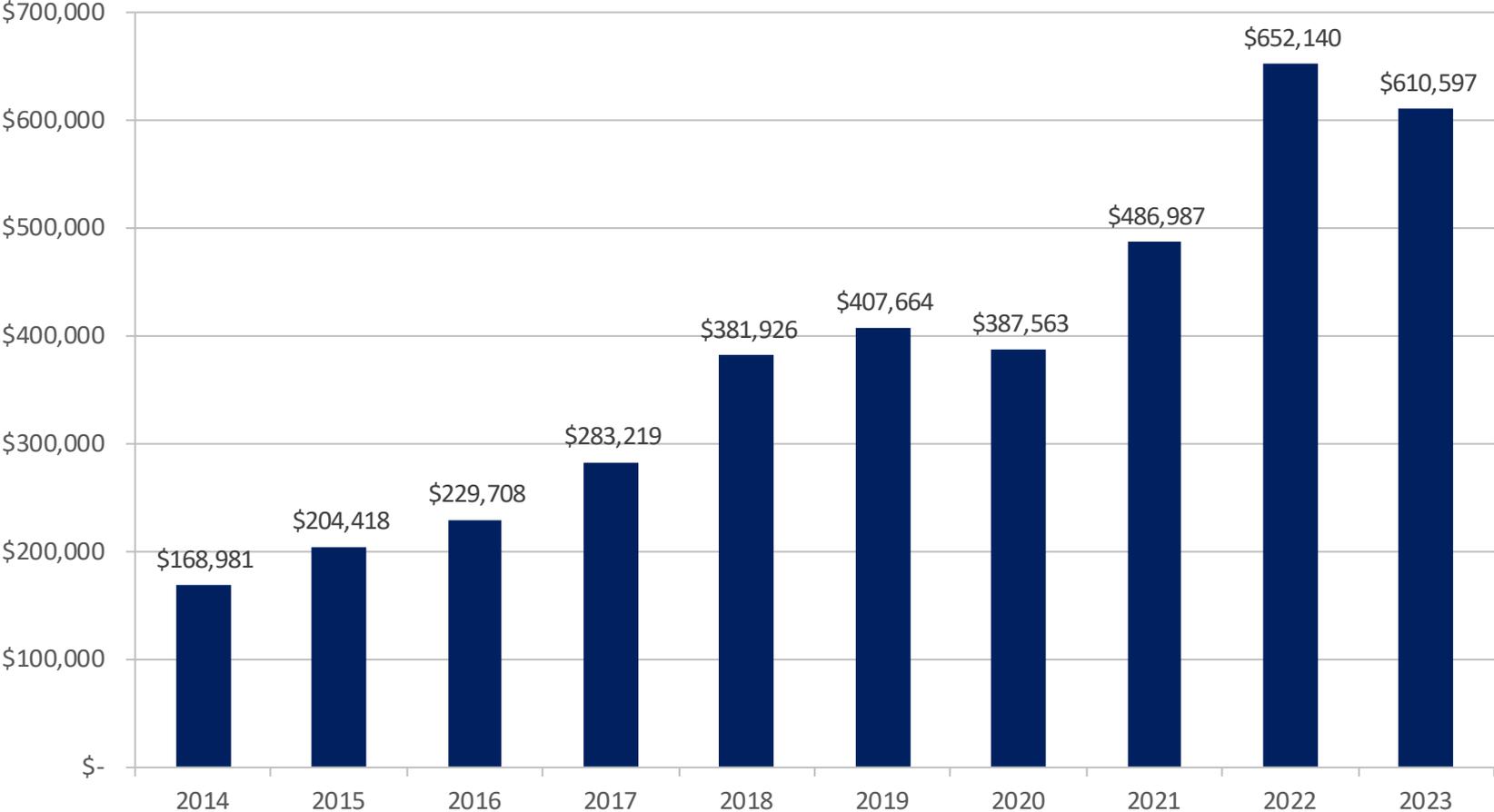
The maroon lines indicate the District's fund balance policy of maintaining an Unassigned General Fund Balance range of 15% - 25% of SOD expenditures.



OTHER FUNDS

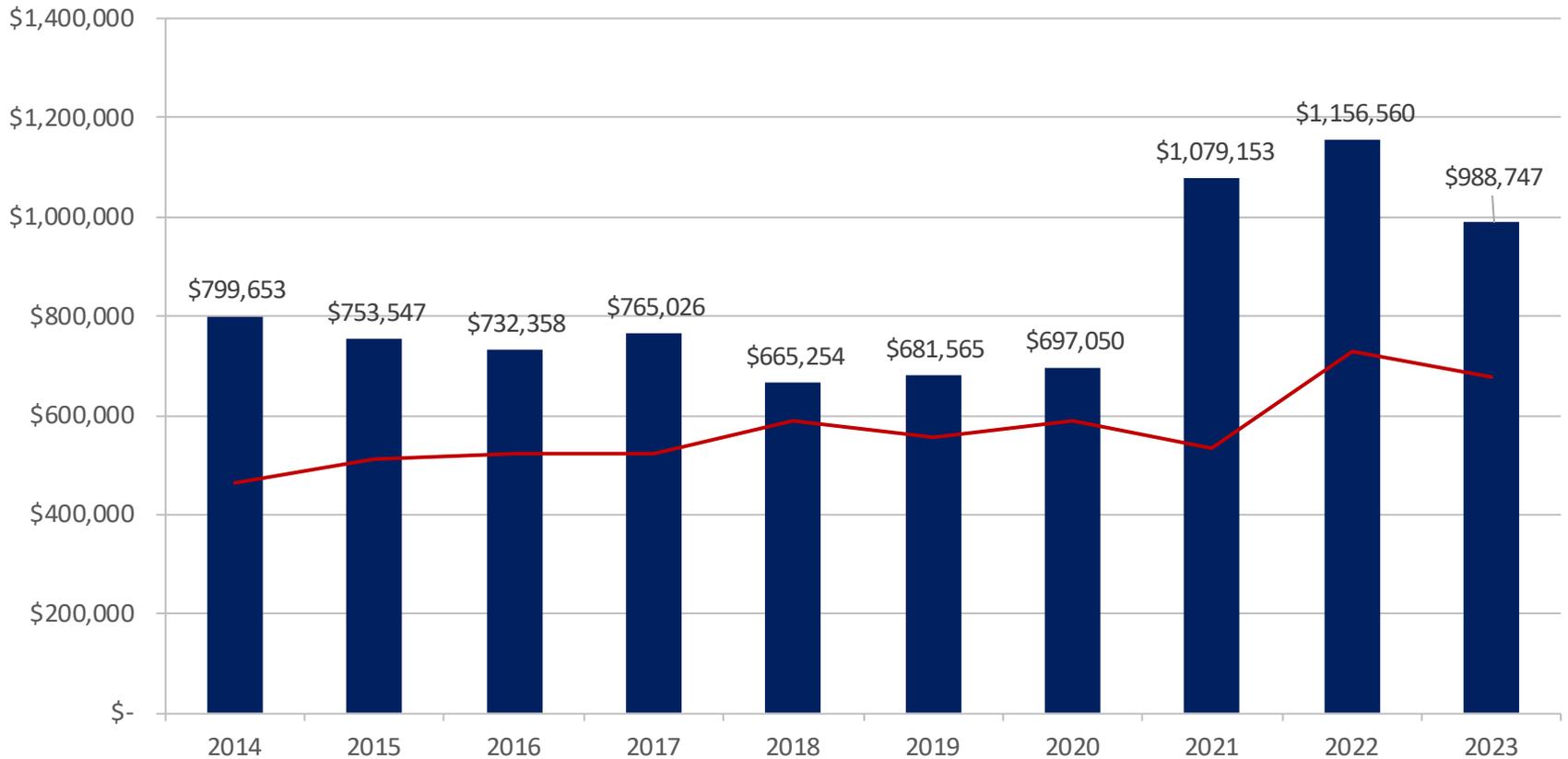
YEAR-END FUND BALANCE – COMMUNITY SERVICE FUND

Positive fund balance indicates that revenues of the community service programs are sufficient to cover the expenditures of the programs.



YEAR END FUND BALANCE – FOOD SERVICE FUND

Positive fund balance indicates that revenues of the food service program are sufficient to cover the expenditures of the program.



The maroon line indicates the maximum allowable fund balance of three months expenditures.

WHAT'S NEXT AND OTHER TOPICS

- **Inflation Reduction Act (IRA) of 2022**
 - Incentives related to energy efficient construction projects, equipment, or vehicles
 - For the first time governments can benefit
- **Ongoing Communication – throughout the year**
 - Online publications
 - Webinars
 - Access to specialists



QUESTIONS?

This presentation is presented with the understanding that the information contained does not constitute legal, accounting or other professional advice. It is not intended to be responsive to any individual situation or concerns, as the contents of this presentation are intended for general information purposes only. Viewers are urged not to act upon the information contained in this presentation without first consulting competent legal, accounting or other professional advice regarding implications of a particular factual situation. Questions and additional information can be submitted to your Eide Bailly representative, or to the presenter of this session.



THANK YOU

eidebailly.com

Financial Statements
June 30, 2023

**Independent School District No. 22
Detroit Lakes Public Schools**

DRAFT

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DRAFT

| Name | Position | Term Expires |
|---------------------|------------------|--------------|
| School Board | | |
| John Steffl | Chairperson | 2024 |
| Amy Erickson | Vice Chairperson | 2024 |
| April Thomas | Clerk | 2026 |
| Mary Rotter | Treasurer | 2026 |
| Ethan Walz | Director | 2024 |
| Michelle Okeson | Director | 2026 |

Administration

| | |
|-------------|------------------------------------|
| Mark Jenson | Superintendent |
| Jason Kuehn | Director of Finance and Operations |

DRAFT

Independent Auditor's Report

The School Board of
Independent School District No. 22
Detroit Lakes Public Schools
Detroit Lakes, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 22 Detroit Lakes Public Schools ("the District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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 the District, as of June 30, 2023, and the respective changes in financial position, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; schedule of changes in the District's total OPEB liability and related ratios; schedule of employer's share of net pension liability; and schedule of employer's contributions 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 basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining balance sheet-nonmajor governmental funds; combining schedule of revenues, expenditures and changes in fund balance-nonmajor governmental funds; schedule of changes in UFARS fund balances-general fund; uniform financial accounting and reporting standards compliance table; and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining balance sheet-nonmajor governmental funds; combining schedule of revenues, expenditures and changes in fund balance-nonmajor governmental funds; schedule of changes in UFARS fund balances-general fund; uniform financial accounting and reporting standards compliance table; and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the school board and administration listing but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, 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.

Report on Other Legal and Regulatory Requirements

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

Fargo, North Dakota
REPORT DATE

DRAFT

Independent School District No. 22
 Detroit Lakes Public Schools
 Statement of Net Position
 June 30, 2023

| | |
|--|---------------------|
| Assets | |
| Cash and investments | \$ 16,347,994 |
| Receivables | |
| Current property taxes | 4,206,000 |
| Delinquent property taxes | 56,797 |
| Accounts | 40,512 |
| Due from other governmental units | 3,914,122 |
| Prepaid items | 66,088 |
| Inventories | 78,212 |
| | <u>24,709,725</u> |
| Capital assets | |
| Capital assets not being depreciated | |
| Land | 720,909 |
| Construction in progress | 102,542 |
| Capital assets, net of accumulated depreciation/amortization | |
| Buildings and improvements | 73,370,193 |
| Land improvements | 2,938,326 |
| Equipment | 2,397,257 |
| Right-to-use lease assets | 1,285,333 |
| Total capital assets | <u>80,814,560</u> |
| Total assets | <u>105,524,285</u> |
| Deferred Outflows of Resources | |
| Other postemployment benefits | 182,449 |
| Pension plans | 8,776,867 |
| Total deferred inflows of resources | <u>8,959,316</u> |
| Liabilities | |
| Accounts payable | 407,330 |
| Salaries payable | 982,451 |
| Accrued interest payable | 820,098 |
| Long-term liabilities | |
| Due within one year - other than pensions and OPEB | 3,481,258 |
| Due in more than one year - other than pensions and OPEB | 52,853,201 |
| Due in more than one year - other postemployment benefits | 1,489,475 |
| Due in more than one year - net pension liability | 30,090,033 |
| Total liabilities | <u>90,123,846</u> |
| Deferred Inflows of Resources | |
| Property taxes levied for subsequent year | 8,741,015 |
| Other postemployment benefits | 370,153 |
| Pension plans | 6,439,303 |
| Total deferred inflows of resources | <u>15,550,471</u> |
| Net Position | |
| Net investment in capital assets | 24,617,518 |
| Restricted for specific purposes | 4,724,671 |
| Unrestricted | (20,532,905) |
| Total net position | <u>\$ 8,809,284</u> |

Independent School District No. 22
 Detroit Lakes Public Schools
 Statement of Activities
 Year Ended June 30, 2023

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position |
|---|----------------------|-------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | |
| Governmental Activities | | | | |
| Administration | \$ 1,798,181 | \$ - | \$ - | \$ (1,798,181) |
| District support services | 1,587,000 | 28,451 | - | (1,558,549) |
| Regular instruction | 10,696,593 | 692,077 | - | (10,004,516) |
| Vocational instruction | 1,022,459 | 59,538 | - | (962,921) |
| Special education instruction | 7,874,809 | 228,842 | - | (7,645,967) |
| Community education and services | 1,366,685 | 480,967 | 618,883 | (266,835) |
| Instructional support services | 3,090,535 | - | - | (3,090,535) |
| Pupil support services | 6,878,937 | 654,728 | 1,211,879 | (5,012,330) |
| Sites and buildings | 5,694,923 | - | 161,863 | (5,533,060) |
| Fiscal and other fixed-cost programs | 1,946,594 | - | - | (1,946,594) |
| Total governmental activities | \$ 41,956,716 | \$ 2,144,603 | \$ 1,992,625 | \$ (37,819,488) |
| General Revenues | | | | |
| Property taxes, levied for general purposes | | | | 4,735,910 |
| Property taxes, levied for community education and services | | | | 223,954 |
| Property taxes, levied for debt service | | | | 3,772,658 |
| Aids and payments from state sources | | | | 30,351,838 |
| Aids and payments from federal sources | | | | 3,692,716 |
| County apportionment | | | | 86,244 |
| Unrestricted investment earnings | | | | 404,656 |
| Proceeds on disposal of property and equipment | | | | 34,673 |
| Miscellaneous revenues | | | | 994,720 |
| Total general revenues | | | | 44,297,369 |
| Change in Net Position | | | | 6,477,881 |
| Net Position - Beginning | | | | 2,331,403 |
| Net Position - Ending | | | | \$ 8,809,284 |

Independent School District No. 22
 Detroit Lakes Public Schools
 Governmental Funds
 Balance Sheet
 June 30, 2023

| | General | Debt Service | Other Governmental Funds | Totals |
|---|----------------------|---------------------|--------------------------------|----------------------|
| Assets | | | | |
| Cash and investments | \$ 11,481,775 | \$ 3,175,158 | \$ 1,691,061 | \$ 16,347,994 |
| Receivables | | | | |
| Current property taxes | 1,879,768 | 2,228,763 | 97,469 | 4,206,000 |
| Delinquent property taxes | 31,127 | 24,338 | 1,332 | 56,797 |
| Accounts | 18,539 | - | 21,973 | 40,512 |
| Due from other governmental units | 3,841,652 | 15,526 | 56,944 | 3,914,122 |
| Prepaid items | 66,088 | - | - | 66,088 |
| Inventories | 26,955 | - | 51,257 | 78,212 |
| Total assets | \$ 17,345,904 | \$ 5,443,785 | \$ 1,920,036 | \$ 24,709,725 |
| Liabilities | | | | |
| Accounts payable | \$ 359,123 | \$ - | \$ 48,207 | \$ 407,330 |
| Salaries payable | 942,060 | - | 40,391 | 982,451 |
| Total liabilities | 1,301,183 | - | 88,598 | 1,389,781 |
| Deferred Inflows of Resources | | | | |
| Unavailable revenue-property taxes | 31,127 | 24,338 | 1,332 | 56,797 |
| Property taxes levied for subsequent year | 3,785,959 | 4,724,294 | 230,762 | 8,741,015 |
| Total deferred inflows of resources | 3,817,086 | 4,748,632 | 232,094 | 8,797,812 |
| Fund Balance | | | | |
| Nonspendable | 93,043 | - | 51,257 | 144,300 |
| Restricted | 3,275,859 | 695,153 | 1,548,087 | 5,519,099 |
| Committed | 2,619,414 | - | - | 2,619,414 |
| Assigned | 1,552,640 | - | - | 1,552,640 |
| Unassigned | 4,686,679 | - | - | 4,686,679 |
| Total fund balance | 12,227,635 | 695,153 | 1,599,344 | 14,522,132 |
| Total liabilities, deferred inflows of resources, and fund balance | \$ 17,345,904 | \$ 5,443,785 | \$ 1,920,036 | \$ 24,709,725 |

Independent School District No. 22
Detroit Lakes Public Schools
Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2023

| | |
|--|----------------------------|
| Total Fund Balances - Governmental Funds | \$ 14,522,132 |
| Amounts reported for governmental activities in the statement of net position is different because: | |
| Capital assets used in governmental activities are not financial resources, and, therefore, are not reported as assets in the governmental funds. | 80,814,560 |
| Accrued interest payable for long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. | (820,098) |
| Delinquent property taxes are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. | 56,797 |
| Deferred outflows and inflows of resources related to pension and OPEB plans are applicable to future periods and, therefore, are not reported in the funds. | 2,149,860 |
| Long-term liabilities, including bonds payable, leases, direct borrowing payable, bond premiums, compensated absences, other post-employment benefits, and pension liabilities are not due and payable in the current period and, therefore are not reported in the funds. | <u>(87,913,967)</u> |
| Total Net Position - Governmental Activities | <u><u>\$ 8,809,284</u></u> |

Independent School District No. 22
 Detroit Lakes Public Schools
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Year Ended June 30, 2023

| | General | Debt Service | Other Governmental Funds | Totals |
|--|----------------------|-------------------|--------------------------------|----------------------|
| Revenues | | | | |
| Local property tax levies | \$ 4,699,001 | \$ 3,772,658 | \$ 223,954 | \$ 8,695,613 |
| Other local and county sources | 1,749,108 | - | 1,030,803 | 2,779,911 |
| Investment earnings | 382,764 | - | 21,892 | 404,656 |
| State sources | 30,422,036 | 155,228 | 651,660 | 31,228,924 |
| Federal sources | 3,692,716 | - | 1,163,139 | 4,855,855 |
| Sales and other conversion of assets | 57,072 | - | 374,468 | 431,540 |
| Total revenues | 41,002,697 | 3,927,886 | 3,465,916 | 48,396,499 |
| Expenditures | | | | |
| Current | | | | |
| Administration | 1,771,482 | - | - | 1,771,482 |
| District support services | 1,604,561 | - | - | 1,604,561 |
| Regular instruction | 16,446,034 | - | - | 16,446,034 |
| Vocational instruction | 1,020,623 | - | - | 1,020,623 |
| Special education instruction | 7,695,722 | - | - | 7,695,722 |
| Community education and service | - | - | 1,338,487 | 1,338,487 |
| Instructional support services | 2,217,526 | - | - | 2,217,526 |
| Pupil support services | 4,689,357 | - | 2,005,275 | 6,694,632 |
| Sites and buildings | 3,427,576 | - | - | 3,427,576 |
| Fiscal and other fixed cost programs | 199,430 | 5,127 | 53,148 | 257,705 |
| Debt service | | | | |
| Principal | 632,284 | 1,955,000 | - | 2,587,284 |
| Interest | 53,799 | 1,888,081 | - | 1,941,880 |
| Capital outlay | 2,826,828 | - | 1,434,619 | 4,261,447 |
| Total expenditures | 42,585,222 | 3,848,208 | 4,831,529 | 51,264,959 |
| Excess (Deficiency) of Revenues over (under) Expenditures | (1,582,525) | 79,678 | (1,365,613) | (2,868,460) |
| Other Financing Sources | | | | |
| Sale of property | 17,446 | - | 17,227 | 34,673 |
| Bond issued | - | - | 2,435,000 | 2,435,000 |
| Premium on bonds issued | - | - | 126,810 | 126,810 |
| Total other financing sources | 28,844 | - | 2,579,037 | 2,607,881 |
| Net Change in Fund Balance | (1,553,681) | 79,678 | 1,213,424 | (260,579) |
| Fund Balance, Beginning of Year | 13,781,316 | 615,475 | 385,920 | 14,782,711 |
| Fund Balance, End of Year | \$ 12,227,635 | \$ 695,153 | \$ 1,599,344 | \$ 14,522,132 |

Independent School District No. 22

Detroit Lakes Public Schools

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ (260,579)

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

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

| | |
|-----------------------------------|-------------|
| Capital outlay | 3,070,032 |
| Depreciation/amortization expense | (2,603,439) |

The net effect of the disposal of capital assets is to decrease net position. (7,813)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 3,425

In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. (9,222)

In the statement of activities, OPEB liabilities are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. 25,354

In the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, the contributions are reported as an expense. 6,099,998

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. 160,125

Change in Net Position of Governmental Activities \$ 6,477,881

Independent School District No. 22

Detroit Lakes Public Schools

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – General Fund
Year Ended June 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget</u> |
|--|------------------------|-----------------------|----------------------|---------------------------------------|
| Revenues | | | | |
| Local property tax levies | \$ 4,595,881 | \$ 4,595,881 | \$ 4,699,001 | \$ 103,120 |
| Other local and county sources | 848,041 | 848,041 | 1,749,108 | 901,067 |
| Investment earnings | 40,000 | 40,000 | 382,764 | 342,764 |
| State sources | 30,086,129 | 30,086,129 | 30,422,036 | 335,907 |
| Federal sources | 3,490,396 | 3,595,896 | 3,692,716 | 96,820 |
| Sales and other conversion of assets | 52,250 | 52,250 | 57,072 | 4,822 |
| Total revenues | <u>39,112,697</u> | <u>39,218,197</u> | <u>41,002,697</u> | <u>1,784,500</u> |
| Expenditures | | | | |
| Current | | | | |
| Administration | 1,903,843 | 1,903,843 | 1,771,482 | 132,361 |
| District support services | 1,747,567 | 1,747,567 | 1,604,561 | 143,006 |
| Regular instruction | 16,896,164 | 16,896,164 | 16,446,034 | 450,130 |
| Vocational instruction | 923,739 | 923,739 | 1,020,623 | (96,884) |
| Special education instruction | 8,382,367 | 8,382,367 | 7,695,722 | 686,645 |
| Instructional support services | 2,298,832 | 2,298,832 | 2,217,526 | 81,306 |
| Pupil support services | 4,325,240 | 4,325,240 | 4,689,357 | (364,117) |
| Sites and buildings | 2,735,990 | 2,735,990 | 3,427,576 | (691,586) |
| Fiscal and other fixed cost programs | 174,000 | 174,000 | 199,430 | (25,430) |
| Debt Service | | | | |
| Principal | - | - | 632,284 | (632,284) |
| Interest | - | - | 53,799 | (53,799) |
| Capital outlay | 1,119,310 | 1,119,310 | 2,826,828 | (1,707,518) |
| Total expenditures | <u>40,507,052</u> | <u>40,507,052</u> | <u>42,585,222</u> | <u>(2,078,170)</u> |
| Deficiency of Revenues under Expenditures | (1,394,355) | (1,288,855) | (1,582,525) | (293,670) |
| Other Financing Sources | | | | |
| Sale of property | - | 15,000 | 17,446 | 2,446 |
| Leases (as lessee) | - | - | 11,398 | 11,398 |
| Total Other Financing Sources | <u>-</u> | <u>15,000</u> | <u>28,844</u> | <u>13,844</u> |
| Net Change in Fund Balance | <u>\$ (1,394,355)</u> | <u>\$ (1,273,855)</u> | <u>(1,553,681)</u> | <u>\$ (279,826)</u> |
| Fund Balance, Beginning of Year | | | 13,781,316 | |
| Fund Balance, End of Year | | | <u>\$ 12,227,635</u> | |

Independent School District No. 22
Detroit Lakes Public Schools
Statement of Fiduciary Net Position
June 30, 2023

| | <u>Custodial Funds</u> |
|------------------------------------|----------------------------|
| Assets | |
| Cash and cash equivalents | <u>\$ 15,923</u> |
| Liabilities | |
| Accounts payable | <u>2,737</u> |
| Net position | |
| Unrestricted | <u>13,186</u> |
| Total liabilities and net position | <u><u>\$ 15,923</u></u> |

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Independent School District No. 22
Detroit Lakes Public Schools
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2023

| | <u>Custodial Funds</u> |
|---------------------------------|----------------------------|
| Additions | <u>\$ 17,395</u> |
| Deductions | <u>87,445</u> |
| Net Change in Net Position | (70,050) |
| Net Position, Beginning of Year | <u>83,236</u> |
| Net Position, End of Year | <u><u>\$ 13,186</u></u> |

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Note 1 - Summary of Significant Accounting Policies

A. Organization

Independent School District No. 22, Detroit Lakes Public Schools, Detroit Lakes, Minnesota (“the District”) was formed and operates pursuant to applicable Minnesota laws and statutes. The District is governed by a School Board elected by voters of the District. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The accompanying financial statements include all funds, departments, agencies, boards, commissions, and other organizations that comprise the District, along with any component units.

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

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

C. Government-Wide Financial Statement Presentation

The government-wide financial statements (Statement of Net Position and 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 fund is reported in the Statement of Fiduciary Net Position at the fund financial statement level. Generally, the effect of interfund activity has been removed from the government-wide financial statements.

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 internally directed revenues are reported as general revenues.

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

The District applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available. For capital assets that can be specifically identified with, or allocated to functional areas, depreciation expense is included as a direct expense in the functional areas that utilize the related capital assets. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

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

The fiduciary fund is presented in the fiduciary fund financial statement. The District has one type of fiduciary fund, the custodial fund. Since, by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, this fund is excluded from the government-wide statements.

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

Revenue Recognition – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to Minnesota Statutes. Federal revenue is recorded in the year in which the related expenditure is made. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

Description of Funds

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

Major Governmental Funds

General Fund – The general fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the District, as well as the capital related activities such as maintenance of facilities, equipment purchases, and health and safety projects. The District’s Student Activity Funds are under board control and are reported in the general fund.

Debt Service Fund – The debt service fund is used to account for the accumulation of resources for, and payment of, general obligation bond principal, interest, and related costs.

Nonmajor Governmental Funds

Food Service Fund – The food service fund is used to account for food service revenues and expenditures.

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

Capital Projects Fund – The capital projects fund is used to account for capital projects within the District. The District projects were completed and the fund was closed out during the year ended June 30, 2023.

Fiduciary Fund

Custodial Fund – The custodial fund is a fiduciary fund used to administer resources received and held by the District as trustee for others. The custodial fund is used for District events in which the District has no administrative involvement.

E. Other Significant Accounting Policies

Budgeting

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

Cash and Investments

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

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

The District has an approved investment policy in place to ensure compliance with state laws relating to investments, and to guarantee that investments meet certain primary criteria.

Receivables

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

Prepaid Items

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

Inventories

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method. Surplus commodities are stated at standardized costs, as determined by the U.S. Department of Agriculture.

Property Taxes

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

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

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

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

Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historic cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would have been paid to acquire an asset with equivalent service potential on the date of the donation. The District maintains a threshold level of \$10,000 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 recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 3 to 50 years. Land and construction in progress are not depreciated.

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

Right to use leased assets are recognized at the lease commencement date and represent the District's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any indirect costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 2 to 15 years.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the District.

Accrued Employee Benefits

Vacation – The District compensates substantially all full-time employees upon termination of employment for unused vacation up to a maximum. As of June 30, 2023, this amount did not exceed a normal year's accumulation. In the fund financial statements, the expenditure for vacation pay is recognized when payment is made, and a liability is recorded only for amounts payable in the current period. In the district-wide statements, vacation expense is recognized as earned and a liability is recorded for all earned vacation pay.

Sick Leave – Substantially all employees are entitled to sick leave. Noncertified employees are not compensated for unused sick leave upon a qualified termination of employment. Certified employees are compensated for unused sick leave upon termination of employment, in conjunction with severance pay. Sick leave pay is shown as an expenditure in the year paid in the governmental funds.

The liability for such vacation or sick leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

Postemployment Benefits Other Than Pensions (OPEB)

Under the provisions of the various employee and union contracts, the District provides certain postemployment benefits other than pensions to eligible retirees. These OPEB obligations are funded on a pay-as-you-go basis. The total OPEB liability, deferred outflows/inflows of resources, and OPEB expense were actuarially determined in accordance with GASB Statement No. 75. Additional information can be found in Note 8.

Pensions

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

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis and Minneapolis School District. This direct aid is a result of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015. Additional information can be found in Note 9.

Deferred Outflows of Resources

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

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

Deferred Inflows of Resources

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

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

Net Position

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

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The District's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- Nonspendable fund balance amounts are comprised of funds that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. They include items that are inherently unspendable, such as, but not limited to, inventories, prepaid items, long-term receivables, non-financial assets held for resale, or the permanent principal of endowment funds.
- Restricted fund balance amounts are comprised of funds that have legally enforceable constraints placed on their use that either are externally imposed by resource providers or creditors (such as through debt covenants), grantors, contributors, voters, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.

- Committed fund balance amounts are comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action of the school board and that remain binding unless removed by the school board by subsequent formal action. The formal action to commit a fund balance must occur prior to fiscal year end; however, the specific amounts actually committed can be determined in the subsequent fiscal year. A majority vote of the school board is required to commit a fund balance to a specific purpose and subsequently to remove or change any constraint so adopted by the board. A committed fund balance cannot be a negative number.
- Assigned fund balance amounts are comprised of unrestricted funds constrained by the school district's intent that they be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, the assigned fund balance represents the remaining amount that is not restricted or committed. The assigned fund balance category will cover the portion of a fund balance that reflects the school district's intended use of those resources. The action to assign a fund balance may be taken after the end of the fiscal year. The school board, by majority vote, may assign fund balances to be used for specific purposes when appropriate. An appropriation of an existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance. The board also delegates the power to assign fund balances to the following: the Finance Committee. Assignments so made shall be reported to the school board on a monthly basis, either separately or as part of ongoing reporting by the assigning party if other than the school board. An assigned fund balance cannot be a negative number.
- Unassigned fund balance amounts are the residual amounts in the general fund not reported in any other classification. Unassigned amounts in the general fund are technically available for expenditure for any purpose. The general fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources of that fund.

If resources from more than one fund balance classification could be spent, the school district will strive to spend resources from fund balance classifications in the following order (first to last): unassigned, assigned, committed, restricted. The School District will strive to maintain an Unassigned General Fund Balance in the range of 15% to 25% of the annual Statutory Operating Debt (SOD) expenditures calculated by Minnesota Department of Education.

Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage in fiscal year 2023.

Estimates

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

Reclassifications

Certain reclassifications of amounts previously reported have been made in the accompanying financial statements to maintain consistency between periods presented. The reclassification had no impact on fund balance or net position.

Note 2 - Stewardship, Compliance, and Accountability

Expenditures in Excess of Appropriations

Budget control for the fund is established by its total appropriations. The General Fund had expenditures exceeding appropriations in the amount of \$2,078,170 for the year ended June 30, 2023. These over expenditures were funded by greater than anticipated revenues and existing fund balance.

Note 3 - Deposits and Investments

Deposits

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the District's School Board. All such depositories are members of the Federal Reserve System.

The following is considered the most significant risk associated with deposits:

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may be lost.

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

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

Concentration of Credit Risk – The District maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank for each account ownership category. At June 30, 2023, the District had approximately \$2,800,000 in excess of FDIC insured limits that were appropriately collateralized.

Investments

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

Credit Risk - Investments – Minnesota Statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, bankers' acceptances, certain repurchase agreements and commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record.

Custodial Credit Risk - Investments – The investment in the Minnesota School District Liquid Asset Fund is not subject to the credit risk classifications as noted in paragraph 9 of GASB Statement No. 40.

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

The following table presents the District’s investments held at fair value:

| Type | Level 1 | Level 2 | Level 3 | Total |
|-----------------------|--------------|---------|---------|--------------|
| Government securities | \$ 3,856,416 | \$ - | \$ - | \$ 3,856,416 |

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

| Type | Fair Value | Investment Maturities (in Years) | | |
|----------------------------|----------------------|----------------------------------|---------------------|---------------------|
| | | N/A | < 1 | 1 - 5 |
| Cash and cash equivalents | | | | |
| Minnesota School | | | | |
| District Liquid Asset Fund | \$ 6,830,857 | \$ 6,830,857 | \$ - | \$ - |
| Deposits | 3,089,536 | 3,089,536 | - | - |
| Money market | 998,700 | 998,700 | - | - |
| Certificates of deposit | 1,588,408 | - | 676,370 | 912,038 |
| Investments | | | | |
| Government securities | 3,856,416 | - | 1,693,095 | 2,163,321 |
| | <u>\$ 16,363,917</u> | <u>\$ 10,919,093</u> | <u>\$ 2,369,465</u> | <u>\$ 3,075,359</u> |

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

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

| | |
|---|----------------------|
| Cash and Cash Equivalents - Statement of Net Position | \$ 16,347,994 |
| Cash and Cash Equivalents - Fiduciary Fund | <u>15,923</u> |
| | <u>\$ 16,363,917</u> |

Note 4 - Due from Other Governmental Units

Amounts receivable from other governments as of June 30, 2023, include:

| Fund | Federal | State | Total |
|-----------------|-------------------|---------------------|---------------------|
| Major funds | | | |
| General | \$ 681,716 | \$ 3,159,936 | \$ 3,841,652 |
| Debt service | - | 15,526 | 15,526 |
| Non-major funds | 3,765 | 53,179 | 56,944 |
| | <u>\$ 685,481</u> | <u>\$ 3,228,641</u> | <u>\$ 3,914,122</u> |

Note 5 - Capital Assets

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

| | Balance July 1, 2022 | Additions | Deletions | Balance June 30, 2023 |
|--|-------------------------|---------------|---------------|--------------------------|
| Capital assets not being depreciated/amortized | | | | |
| Land | \$ 720,909 | \$ - | \$ - | \$ 720,909 |
| Construction in progress | 30,860,585 | 2,229,461 | 32,987,504 | 102,542 |
| Total capital assets, not being depreciated/amortized | 31,581,494 | 2,229,461 | 32,987,504 | 823,451 |
| Capital assets being depreciated/amortized: | | | | |
| Buildings and improvements | 60,507,701 | 33,575,805 | - | 94,083,506 |
| Equipment | 5,091,273 | 240,872 | 227,214 | 5,104,931 |
| Land improvements | 4,701,697 | - | - | 4,701,697 |
| Right-to-use leased assets | 2,007,455 | 11,398 | - | 2,018,853 |
| Total capital assets being depreciated/amortized | 72,308,126 | 33,828,075 | 227,214 | 105,908,987 |
| Less accumulated depreciation/amortization for | | | | |
| Buildings and improvements | 18,796,162 | 1,917,151 | - | 20,713,313 |
| Equipment | 2,807,053 | 120,022 | 219,401 | 2,707,674 |
| Land improvements | 1,556,324 | 207,047 | - | 1,763,371 |
| Right-to-use leased assets | 374,301 | 359,219 | - | 733,520 |
| Total accumulated depreciation/amortization | 23,533,840 | 2,603,439 | 219,401 | 25,917,878 |
| Net capital assets, depreciated/amortized | 48,774,286 | 31,224,636 | 7,813 | 79,991,109 |
| Total capital assets, net | \$ 80,355,780 | \$ 33,454,097 | \$ 32,995,317 | \$ 80,814,560 |

Depreciation/amortization expense for the year ended June 30, 2023 was charged to the following functions/programs:

| | |
|---|--------------|
| District support services | \$ 2,895 |
| Regular instruction | 40,670 |
| Pupil support services | 107,585 |
| Sites and buildings | 2,452,289 |
| Total depreciation/amortization expense | \$ 2,603,439 |

Note 6 - Leases Payable

The District has entered into lease agreements as lessee for the acquisition and use of various athletic facilities, classroom and kitchen space, and technology equipment. The District is required to make principal and interest payments through June 2036 with interest rates of 3.50%. Remaining useful lives range from 2 to 15 years. During the year ended June 30, 2023, the District recognized interest expense of \$53,799 related to leases.

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

| <u>Years Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> |
|----------------------------------|---------------------|-------------------|
| 2024 | \$ 243,957 | \$ 45,122 |
| 2025 | 214,227 | 36,535 |
| 2026 | 66,115 | 29,885 |
| 2027 | 68,449 | 27,551 |
| 2028 | 70,866 | 25,134 |
| 2029-2033 | 393,672 | 86,328 |
| 2034-2036 | 271,151 | 16,848 |
| | <u>\$ 1,328,437</u> | <u>\$ 267,403</u> |

Note 7 - Long-Term Liabilities

Changes in long-term liabilities during the year ended June 30, 2023 are as follows:

| | Balance July 1, 2022 | Additions | Deletions | Balance June 30, 2023 | Due Within One Year |
|--------------------------|-------------------------|---------------------|---------------------|--------------------------|------------------------|
| Bonds payable | \$ 50,955,000 | \$ 2,435,000 | \$ 1,955,000 | \$ 51,435,000 | \$ 2,660,000 |
| Unamortized bond premium | 2,661,977 | 126,810 | 179,446 | 2,609,341 | 165,129 |
| Direct borrowings | 1,099,019 | - | 274,755 | 824,264 | 274,755 |
| Leases | 1,674,568 | 11,398 | 357,529 | 1,328,437 | 243,957 |
| Compensated absences | 128,195 | 92,357 | 83,135 | 137,417 | 137,417 |
| | <u>\$ 56,518,759</u> | <u>\$ 2,665,565</u> | <u>\$ 2,849,865</u> | <u>\$ 56,334,459</u> | <u>\$ 3,481,258</u> |

Bonds Payable

Following is a summary of bonds payable as of June 30, 2023:

| Bond Description | Final Maturity | Interest Rate | Original Principal | Outstanding Balance |
|---|-------------------|---------------|-----------------------|------------------------|
| General Obligation Abatement Bonds, Series 2018A | 2033 | 3.00% | \$ 4,725,000 | \$ 3,565,000 |
| General Obligation School Building Bonds, Series 2019A | 2039 | 3.00-5.00% | 47,445,000 | 41,495,000 |
| General Obligation Facilities Maintenance Bonds, Series 2020A | 2035 | 2.00-4.00% | 3,940,000 | 3,940,000 |
| General Obligation School Building Bonds, Series 2022A | 2028 | 5.00% | 2,435,000 | <u>2,435,000</u> |
| | | | | <u>\$ 51,435,000</u> |

The bonds are general obligations of the District for which the full faith and credit and unlimited taxing powers of the district are pledged. Bond principal and interest payments are made by the debt service fund.

During the year ended June 30, 2023, the District issued \$2,435,000 of General Obligation School Building Bonds, Series 2022A to finance the betterment of school sites and facilities. The bonds bear an interest rate of 5.00% and call for semiannual interest payments commencing August 2023 and annual principal payments commencing February 2024 through February 2028.

Direct Borrowings

During the year ended June 30, 2023, the District entered into a direct borrowing agreement to finance upgrades to technology infrastructure. The agreement bears an interest rate of 0% and calls for annual payments of principal commencing June 2022 through June 2026.

Following is a summary of direct borrowing payable as of June 30, 2023:

| <u>Direct Borrowing Description</u> | <u>Final Maturity</u> | <u>Interest Rate</u> | <u>Original Principal</u> | <u>Outstanding Balance</u> |
|-------------------------------------|-----------------------|----------------------|---------------------------|----------------------------|
| Cisco technology infrastructure | 2026 | 0.00% | \$ 1,373,774 | <u>\$ 824,264</u> |

At June 30, 2023, the total cost of the asset was \$1,373,774, with accumulated depreciation of \$274,755. Principal payments for direct borrowings are made out of the general fund.

Leases Payable

Leases payable consists of long-term lease agreements as described in Note 6. Payments are made from the general fund.

Compensated Absences

Compensated absences consists of vested vacation and sick leave as discussed in Note 1. These expenditures are paid out of the general fund.

Remaining principal and interest payments on bonds and capital leases are as follows:

| <u>Years Ending June 30,</u> | <u>Bonds Payable</u> | | <u>Direct Borrowing Payable</u> | | <u>Total</u> | |
|------------------------------|----------------------|----------------------|---------------------------------|-----------------|----------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2024 | \$ 2,660,000 | \$ 1,943,208 | \$ 274,755 | \$ - | \$ 2,934,755 | \$ 1,943,208 |
| 2025 | 2,900,000 | 1,799,781 | 274,755 | - | 3,174,755 | 1,799,781 |
| 2026 | 3,040,000 | 1,664,031 | 274,754 | - | 3,314,754 | 1,664,031 |
| 2027 | 3,205,000 | 1,521,631 | - | - | 3,205,000 | 1,521,631 |
| 2028 | 3,350,000 | 1,371,281 | - | - | 3,350,000 | 1,371,281 |
| 2029-2033 | 15,580,000 | 5,027,206 | - | - | 15,580,000 | 5,027,206 |
| 2034-2038 | 17,085,000 | 2,368,638 | - | - | 17,085,000 | 2,368,638 |
| 2039-2039 | 3,615,000 | 126,525 | - | - | 3,615,000 | 126,525 |
| | <u>\$ 51,435,000</u> | <u>\$ 15,822,301</u> | <u>\$ 824,264</u> | <u>\$ -</u> | <u>\$ 52,259,264</u> | <u>\$ 15,822,301</u> |

Note 8 - Other Post-Employment Benefits

A. Plan Description

The Independent School District No. 22 other post-employment benefits plan is a defined benefit OPEB plan that provides a single employer defined benefit health care plan to eligible retirees. This plan covers active and retired employees who have reached age 55, with teachers, principals and superintendent needing at least 3 years of service and all other district employees needing 5 years of service. Benefit provisions are established through negotiations between the District and the union representing District employees and are renegotiated at the end of each contract period. Medical coverage is administered by Gravie. The plan does not issue a publicly available financial report. No assets are accumulated in a trust.

B. Benefits Provided

The contract groups have access to other post-retirement benefits of blended medical premiums of \$678 for single and \$1,810 for family coverage. The implicit rate subsidy is only until Medicare eligibility. There are no subsidized post-employment medical, dental, or life insurance benefits, except for one participant with a special agreement to receive a lump sum of \$21,000 less accumulated District matching contributions paid to an HRA upon retirement.

C. Employees Covered by Benefit Terms

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

| | |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefit payments | 16 |
| Inactive employees entitled to but not yet receiving benefit payments | - |
| Active employees | 365 |
| | 381 |

D. Total OPEB Liability

The District's total OPEB liability of \$1,489,475 was measured as of July 1, 2022, and was determined by an actuarial valuation of July 1, 2021.

E. Actuarial Assumptions

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

| | |
|--|---|
| Inflation | 2.50 percent |
| Salary increases | Service graded table |
| Discount rate | 3.80 percent |
| Healthcare cost trend rates | 6.25 percent, grading to 5.00 percent over 5 years, then to 4.00 percent over the next 48 years |
| Retiree plan participation | |
| Pre-65 subsidy available | 100% |
| Pre-65 subsidy not available | 50% |
| Percent of married retirees electing spouse coverage | |
| Spouse subsidy available | N/A |
| Spouse subsidy not available | 15% |

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-Year Municipal Bond Yield.

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

The actuarial assumptions used in the July 1, 2021, valuation were based on inputs from a variety of published sources of historical and projected future financial data.

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

The following changes in assumptions were made for the year ending June 30, 2023:

- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.10% to 3.80%.

F. Changes in the Total OPEB Liability

| | |
|------------------------------|----------------------------|
| Balance at June 30, 2022 | \$ 1,561,126 |
| Changes from the Prior Year: | |
| Service cost | 123,686 |
| Interest cost | 34,246 |
| Assumption changes | (120,931) |
| Benefit payments | <u>(108,652)</u> |
| Total Net Changes | <u>(71,651)</u> |
| Balance at June 30, 2023 | <u><u>\$ 1,489,475</u></u> |

The measurement date of the OPEB liability was July 1, 2022; the date of the actuarial valuation on which the total OPEB liability is based was July 1, 2021.

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

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

| | <u>1% Decrease in Discount Rate</u> | <u>Discount Rate</u> | <u>1% Increase in Discount Rate</u> |
|----------------------|---|----------------------|---|
| Discount rate | 2.80% | 3.80% | 4.80% |
| Total OPEB Liability | \$ 1,578,713 | \$ 1,489,475 | \$ 1,403,806 |

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

| | 1% Decrease in Healthcare Trend Rate | Selected Healthcare Trend Rate | 1% Increase in Healthcare Trend Rate |
|----------------------|---|---|---|
| Medical trend rate | 5.25%, decreasing to 4.00% over 5 years then to 3.00% over the next 48 years | 6.25%, decreasing to 5.00% over 5 years then to 4.00% over the next 48 years | 7.25%, decreasing to 6.00% over 5 years then to 5.00% over the next 48 years |
| Total OPEB Liability | \$ 1,336,826 | \$ 1,489,475 | \$ 1,670,325 |

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$91,043. At June 30, 2023, the District reported deferred outflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Liability gains | \$ - | \$ 253,192 |
| Assumption changes | 65,953 | 116,961 |
| Employer contributions made after the measurement date | 116,496 | - |
| | <u>\$ 182,449</u> | <u>\$ 370,153</u> |

The \$116,496 reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2024.

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

| Years Ended June 30, | OPEB Expense Amount |
|----------------------|------------------------|
| 2024 | \$ (66,889) |
| 2025 | (66,889) |
| 2026 | (66,884) |
| 2027 | (39,734) |
| 2028 | (46,529) |
| Thereafter | (17,275) |

Note 9 - Defined Benefit Pension Plans

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

For the year ended June 30, 2023, the District reported its proportionate share of deferred outflows of resources, net pension liabilities, deferred inflows of resources, and pension expense for each of the plans as follows:

| | Deferred Outflows of Resources | Net Pension Liability | Deferred Inflows of Resources | Pension Expense (Income) |
|-----------------|--------------------------------------|--------------------------|-------------------------------------|--------------------------------|
| PERA | \$ 1,975,556 | \$ 5,987,545 | \$ 159,728 | \$ 933,699 |
| TRA | 6,801,311 | 24,102,488 | 6,279,575 | 3,538,853 |
| Total all plans | \$ 8,776,867 | \$ 30,090,033 | \$ 6,439,303 | \$ 4,472,552 |

Disclosures relating to these plans are as follows:

Public Employees Retirement Association (PERA)

A. Plan Descriptions

The District participates in the General Employees Retirement Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

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

B. Benefits Provided

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

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

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

C. Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2023 and the District was required to contribute 7.50 percent for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2023, were \$437,910. The District's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

At June 30, 2023, the District reported a liability of \$5,987,545 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 \$175,500.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0756 percent at the end of the measurement period and 0.0750 percent for the beginning of the period.

| | |
|---|--------------|
| District's proportionate share of net pension liability | \$ 5,987,545 |
| State of Minnesota's proportionate share of the net pension liability associated with the District | 175,500 |
| Total | \$ 6,163,045 |

For the year ended June 30, 2023, the District recognized pension expense of \$933,699 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized \$26,224 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the annual \$16 million contribution.

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience | \$ 50,012 | \$ 63,537 |
| Changes in actuarial assumptions | 1,344,660 | 24,514 |
| Net collective difference between projected and actual investment earnings | 123,757 | - |
| Change in proportion | 19,217 | 71,677 |
| Contributions paid to PERA subsequent to the measurement date | 437,910 | - |
| Total | \$ 1,975,556 | \$ 159,728 |

The \$437,910 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Years Ended June 30, | Pension Expense Amount |
|----------------------|---------------------------|
| 2024 | \$ 476,423 |
| 2025 | 538,363 |
| 2026 | (178,352) |
| 2027 | 541,484 |

E. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. 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 Allocations | 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% |
| | 100.0% | |

F. Actuarial Methods and Assumptions

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

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

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

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

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

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

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

G. Discount Rate

The discount rate used to measure the total pension liability in 2022 was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Pension Liability Sensitivity

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

Sensitivity Analysis
Net Pension Liability (Asset) at Different Discount Rates

| | General Employees Fund | |
|-----------------------|------------------------|--------------|
| 1% Lower | 5.50% | \$ 9,457,641 |
| Current Discount Rate | 6.50% | \$ 5,987,545 |
| 1% Higher | 7.50% | \$ 3,141,531 |

I. Pension Plan Fiduciary Net Position

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

Teachers Retirement Association (TRA)

A. Plan Descriptions

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

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

B. Benefits Provided

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

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

Tier I Benefits

| Tier 1 | Step Rate Formula | Percentage |
|-------------|---|---------------|
| Basic | First ten years of service | 2.2% per year |
| | All years after | 2.7% per year |
| Coordinated | First ten years if service years are up to July 1, 2006 | 1.2% per year |
| | First ten years if service years are July 1, 2006 or after | 1.4% per year |
| | All other years of service if service years are up to July 1, 2006 | 1.7% per year |
| | All other years of service if service years are July 1, 2006 or after | 1.9% per year |

With these provisions:

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

or

Tier II Benefits

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

Members first employed after June 30, 1989, receive only the Tier II benefit calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 66.

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

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

C. Contribution Rate

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

| | June 30, 2021 | | June 30, 2022 | | June 30, 2023 | |
|-------------|---------------|-----------|---------------|-----------|---------------|-----------|
| | Employees | Employers | Employees | Employers | Employees | Employers |
| Basic | 11.00% | 12.13% | 11.00% | 12.34% | 11.00% | 12.55% |
| Coordinated | 7.50% | 8.13% | 7.50% | 8.34% | 7.50% | 8.55% |

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

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

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

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D. Actuarial Assumptions

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

| Key Methods and Assumptions Used in Valuation of Total Pension Liability | |
|---|---|
| Actuarial Information | |
| Valuation Date | July 1, 2022 |
| Measurement Date | June 30, 2022 |
| Experience Study | June 28, 2019 (demographic 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 2020 through January 2023, then increasing by 0.1% each year up to 1.5% annually |
| Mortality Assumptions | |
| Pre-retirement | RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale. |
| Post-retirement | RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale. |
| Post-disability | RP-2014 disabled retiree mortality table, without adjustment. |

The 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 Allocations | Long-Term Expected Real Rate of Return |
|----------------------|--------------------|--|
| Domestic Equity | 33.5% | 5.10% |
| International Equity | 16.5% | 5.30% |
| Private Markets | 25.0% | 5.90% |
| Fixed Income | 25.0% | 0.75% |
| Total | 100.0% | |

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

Changes in actuarial assumptions since the 2021 valuation

- None

E. Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. There were no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2022 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

F. Net Pension Liability

On June 30, 2023, the District reported a liability of \$24,102,488 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. District proportionate share was 0.3010 percent at the end of the measurement period and 0.3083 percent for the beginning of the year.

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

| | |
|---|---------------|
| District's proportionate share of net pension liability | \$ 24,102,488 |
| State's proportionate share of the net pension liability associated with the district | \$ 1,787,292 |

For the year ended June 30, 2023, the District recognized pension income of \$3,538,853. It also recognized \$245,758 as a decrease to pension expense for the support provided by direct aid.

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 356,283 | \$ 216,647 |
| Net difference between projected and actual investment earnings on pension plan investments | 466,610 | - |
| Changes of assumptions | 3,954,697 | 5,249,260 |
| Changes in proportion | 361,530 | 813,668 |
| District's contributions to TRA subsequent to the measurement date | 1,662,191 | - |
| Total | \$ 6,801,311 | \$ 6,279,575 |

The \$1,662,191 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Other amounts reported as deferred outflows and inflows of resources related to TRA pensions will be recognized in pension expense as follows:

| Years Ended June 30, | Pension Expense Amount |
|----------------------|---------------------------|
| 2024 | \$ (4,643,022) |
| 2025 | 440,556 |
| 2026 | 69,692 |
| 2027 | 3,101,806 |
| 2028 | (109,487) |

G. Pension Liability Sensitivity

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

Sensitivity of Net Pension Liability (NPL) to changes in the discount rate

| 1% decrease (6.00%) | Current (7.00%) | 1% increase (8.00%) |
|------------------------|--------------------|------------------------|
| \$ 37,996,259 | \$ 24,102,488 | \$ 12,713,927 |

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

H. Pension Plan Fiduciary Net Position

Detailed information about TRA’s fiduciary net position is available in a separately issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org, by writing to TRA at 60 Empire Drive, Suite 400, St. Paul, MN, 55103-4000; or by calling (651)-296-2409 or (800)-657-3669.

Note 10 - Fund Balance

Certain portions of fund balances are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties.

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

| | General | Debt Service | Other Government Funds | Totals |
|--------------------------------------|----------------------|-------------------|------------------------------|----------------------|
| Nonspendable | | | | |
| Inventories | \$ 26,955 | \$ - | \$ 51,257 | \$ 78,212 |
| Prepaid items | 66,088 | - | - | 66,088 |
| Total nonspendable | <u>93,043</u> | <u>-</u> | <u>51,257</u> | <u>144,300</u> |
| Restricted | | | | |
| Student activities | 231,452 | - | - | 231,452 |
| Staff development | 456,663 | - | - | 456,663 |
| Operating capital | 1,229,271 | - | - | 1,229,271 |
| Community education | - | - | 112,247 | 112,247 |
| Early childhood and family education | - | - | 122,391 | 122,391 |
| Gifted and talented | 13,708 | - | - | 13,708 |
| School readiness | - | - | 236,046 | 236,046 |
| Adult basic education | - | - | 103,560 | 103,560 |
| Safe schools levy | 228,553 | - | - | 228,553 |
| Food service | - | - | 937,490 | 937,490 |
| Community service | - | - | 36,353 | 36,353 |
| Debt service | - | 695,153 | - | 695,153 |
| Medical assistance | 1,116,212 | - | - | 1,116,212 |
| Total restricted | <u>3,275,859</u> | <u>695,153</u> | <u>1,548,087</u> | <u>5,519,099</u> |
| Committed | | | | |
| Seperation/retirement benefit | 2,619,414 | - | - | 2,619,414 |
| Assigned | | | | |
| Construction | 1,552,640 | - | - | 1,552,640 |
| Unassigned | | | | |
| | 4,686,679 | - | - | 4,686,679 |
| Total fund balance | <u>\$ 12,227,635</u> | <u>\$ 695,153</u> | <u>\$ 1,599,344</u> | <u>\$ 14,522,132</u> |

Independent School District No. 22

Detroit Lakes Public Schools

Notes to Financial Statements

June 30, 2023

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

| | GASB Balance | Reconciling Items | UFARS Balance |
|--------------------------------------|-----------------------------|----------------------|-----------------------------|
| Nonspendable | | | |
| Inventory | \$ 78,212 | \$ - | \$ 78,212 |
| Prepaid items | 66,088 | - | 66,088 |
| Total nonspendable | <u>144,300</u> | <u>-</u> | <u>144,300</u> |
| Restricted | | | |
| Student activities | 231,452 | - | 231,452 |
| Staff development | 456,663 | - | 456,663 |
| Operating capital | 1,229,271 | - | 1,229,271 |
| Community education | 112,247 | - | 112,247 |
| Early childhood and family education | 122,391 | - | 122,391 |
| Gifted and talented | 13,708 | - | 13,708 |
| School readiness | 236,046 | - | 236,046 |
| Adult basic education | 103,560 | - | 103,560 |
| Safe schools levy | 228,553 | - | 228,553 |
| Food service | 937,490 | - | 937,490 |
| Community service | 36,353 | - | 36,353 |
| Debt service | 695,153 | - | 695,153 |
| Long-term facilities maintenance | | | |
| General fund | - | (331,779) | (331,779) |
| Medical assistance | <u>1,116,212</u> | <u>-</u> | <u>1,116,212</u> |
| Total restricted | <u>5,519,099</u> | <u>(331,779)</u> | <u>5,187,320</u> |
| Committed | | | |
| Separation/retirement benefits | <u>2,619,414</u> | <u>-</u> | <u>2,619,414</u> |
| Assigned | | | |
| Construction | <u>1,552,640</u> | <u>-</u> | <u>1,552,640</u> |
| Unassigned | | | |
| | <u>4,686,679</u> | <u>331,779</u> | <u>5,018,458</u> |
| Total fund balance | <u><u>\$ 14,522,132</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 14,522,132</u></u> |

Note 11 - Flexible Benefit Plan

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

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

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

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

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

Note 12 - Employee Benefit Plan 403(b)

All teachers are eligible to participate in the matching 403(b) program. The maximum amount of the Elective Deferral under the Plan for any calendar year shall not exceed the lesser of (a) \$18,500 or (b) the Participant’s Includible Compensation. Includible Compensation means an Employee’s actual wages in box 1 of Form W-2 for a year for services to the employer, but subject to a maximum of \$230,000 (or such higher maximum as may apply under Section 401(a)(17) of the Code and increased (up to the dollar maximum) by a compensation reduction election under Section 125, 132(f), 401(k), 403(b) or 457(b) of the Code). The amount of Includible Compensation is determined without regard to any community property laws. Contributions are invested in tax deferred annuities selected and owned by Plan participants. The District contributions for the years ended June 30, 2023, 2022, and 2021 were \$276,526, \$257,910, and \$268,659, respectively.

Note 13 - Commitments and Contingencies

Federal and State Revenue

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

Construction Commitments

The District had construction commitments during the year ended June 30, 2023, for the District's greenhouse project. The total work completed on this project as of June 30, 2023 was \$102,542. The project is expected to be completed in the Spring of 2024, with the total estimated project cost of approximately \$275,000.

Litigation and Potential Exposure

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

Required Supplementary Information
June 30, 2023

**Independent School District No. 22
Detroit Lakes Public Schools**

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Independent School District No. 22
 Detroit Lakes Public Schools
 Schedule of Changes in the District's Total OPEB Liability and Related Ratios
 June 30, 2023

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

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Service cost | \$ 123,686 | \$ 150,971 | \$ 131,982 | \$ 115,027 | \$ 116,805 | \$ 113,403 |
| Interest | 34,246 | 43,221 | 51,788 | 62,549 | 61,834 | 61,615 |
| Changes of assumptions | (120,931) | 54,289 | 47,558 | (31,050) | - | - |
| Changes in plan provisions | - | - | 36,836 | (21,274) | - | - |
| Differences between expected and actual experience | - | (259,054) | - | (159,030) | - | - |
| Benefit payments | (108,652) | (155,468) | (157,992) | (146,527) | (164,966) | (178,919) |
| Net change in total OPEB liability | (71,651) | (166,041) | 110,172 | (180,305) | 13,673 | (3,901) |
| Total OPEB liability - beginning | 1,561,126 | 1,727,167 | 1,616,995 | 1,797,300 | 1,783,627 | 1,787,528 |
| Total OPEB liability - ending | <u>\$ 1,489,475</u> | <u>\$ 1,561,126</u> | <u>\$ 1,727,167</u> | <u>\$ 1,616,995</u> | <u>\$ 1,797,300</u> | <u>\$ 1,783,627</u> |
| Covered payroll | \$ 20,913,084 | \$ 20,303,965 | \$ 19,050,262 | \$ 18,495,400 | \$ 18,238,706 | \$ 17,707,482 |
| District's total OPEB liability as a percentage of covered payroll | 7.12% | 7.69% | 9.07% | 8.74% | 9.85% | 10.07% |

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

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Notes to the Schedule of Changes in the District's Total OPEB Liability and Related Ratios

2023 Changes

Changes in Actuarial Assumptions

- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.10% to 3.80%.

Changes in Plan Provisions

- None

2022 Changes

Changes in Actuarial Assumptions

- Health care trend rates, mortality rates, and withdrawal rates were updated.
- The salary increase rates for non-teachers were updated.
- The inflation rate was changed from 2.50% to 2.00%.
- The discount rate was changed from 2.40% to 2.10%.

Changes in Plan Provisions

- None

2021 Changes

Changes in Actuarial Assumptions

- The discount rate was changed from 3.40% to 3.10%.

Changes in Plan Provisions

- Two additional participants have special agreements to receive a lump sum paid to a Health Care Savings Plan (HCSP) upon retirement.

2020 Changes

Changes in Actuarial Assumptions

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.
- The discount rate was changed from 3.40% to 3.10%.

Changes in Plan Provisions

- OPEB benefits for the remaining participants entitled to a lump sum contribution at retirement were changed to instead provide the benefit while still in active service. As a result, these benefits are no longer included in the Net OPEB Liability.

2019 Changes

Changes in Actuarial Assumptions

- None

Changes in Plan Provisions

- None

Independent School District No. 22
 Detroit Lakes Public Schools
 Schedule of Employer's Share of Net Pension Liability
 June 30, 2023

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

| Pension Plan | Measurement Date | Employer's Proportion (Percentage) of the Net Pension Liability (Asset) | Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a) | State's Proportionate Share (Amount) of the Net Pension Liability Associated With District (b) | Total (d) (a+b) | Employer's Covered Payroll (e) | Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/e) | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|--------------|------------------|---|--|--|-----------------|--------------------------------|--|--|
| PERA | 6/30/2014 | 0.0841% | \$ 3,950,597 | N/A | \$ 3,950,597 | \$ 4,500,965 | 87.8% | 78.8% |
| PERA | 6/30/2015 | 0.0803% | 4,161,563 | N/A | 4,161,563 | 4,456,052 | 93.4% | 78.2% |
| PERA | 6/30/2016 | 0.0780% | 6,333,213 | 82,695 | 6,415,908 | 4,503,492 | 140.6% | 68.9% |
| PERA | 6/30/2017 | 0.0806% | 5,145,451 | 64,700 | 5,210,151 | 4,962,530 | 103.7% | 75.9% |
| PERA | 6/30/2018 | 0.0779% | 4,321,573 | 141,834 | 4,463,407 | 4,906,777 | 88.1% | 79.5% |
| PERA | 6/30/2019 | 0.0789% | 4,362,204 | 135,494 | 4,497,698 | 5,147,242 | 84.7% | 80.2% |
| PERA | 6/30/2020 | 0.0761% | 4,562,543 | 140,778 | 4,703,321 | 5,097,752 | 89.5% | 79.1% |
| PERA | 6/30/2021 | 0.0750% | 3,202,836 | 97,820 | 3,300,656 | 5,071,016 | 63.2% | 87.0% |
| PERA | 6/30/2022 | 0.0756% | 5,987,545 | 175,500 | 6,163,045 | 5,659,120 | 105.8% | 70.5% |
| TRA | 6/30/2014 | 0.3018% | \$ 13,906,727 | \$ 978,225 | \$ 14,884,952 | \$ 13,775,757 | 101.0% | 81.5% |
| TRA | 6/30/2015 | 0.2849% | 17,623,883 | 2,161,428 | 19,785,311 | 14,457,520 | 121.9% | 76.8% |
| TRA | 6/30/2016 | 0.2868% | 68,408,643 | 6,866,720 | 75,275,363 | 14,917,907 | 458.6% | 44.9% |
| TRA | 6/30/2017 | 0.3029% | 60,464,335 | 5,845,239 | 66,309,574 | 16,308,080 | 370.8% | 51.6% |
| TRA | 6/30/2018 | 0.3098% | 19,458,340 | 1,828,135 | 21,286,475 | 17,178,227 | 113.3% | 78.1% |
| TRA | 6/30/2019 | 0.3071% | 19,574,618 | 1,732,412 | 21,307,030 | 17,435,383 | 112.3% | 78.1% |
| TRA | 6/30/2020 | 0.3052% | 22,548,585 | 1,889,770 | 24,438,355 | 17,735,833 | 127.1% | 75.5% |
| TRA | 6/30/2021 | 0.3083% | 13,492,130 | 1,137,904 | 14,630,034 | 18,446,888 | 73.1% | 86.6% |
| TRA | 6/30/2022 | 0.3010% | 24,102,488 | 1,787,292 | 25,889,780 | 18,608,537 | 129.5% | 76.2% |

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

Independent School District No. 22
 Detroit Lakes Public Schools
 Schedule of Employer's Contributions
 June 30, 2023

**Schedule of Employer's Contributions
 Last 10 Fiscal Years ***

| Pension Plan | 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) |
|--------------|-----------------------|---|--|--|------------------------|---|
| PERA | 6/30/2015 | \$ 334,204 | \$ 334,204 | \$ - | \$ 4,456,052 | 7.5% |
| PERA | 6/30/2016 | 337,762 | 337,762 | - | 4,503,492 | 7.5% |
| PERA | 6/30/2017 | 372,190 | 372,190 | - | 4,962,530 | 7.5% |
| PERA | 6/30/2018 | 368,008 | 368,008 | - | 4,906,777 | 7.5% |
| PERA | 6/30/2019 | 386,043 | 386,043 | - | 5,147,242 | 7.5% |
| PERA | 6/30/2020 | 382,331 | 382,331 | - | 5,097,752 | 7.5% |
| PERA | 6/30/2021 | 380,326 | 380,326 | - | 5,071,016 | 7.5% |
| PERA | 6/30/2022 | 424,434 | 424,434 | - | 5,659,120 | 7.5% |
| PERA | 6/30/2023 | 437,911 | 437,911 | - | 5,838,813 | 7.5% |
| TRA | 6/30/2015 | \$ 1,084,314 | \$ 1,084,314 | \$ - | \$ 14,457,520 | 7.5% |
| TRA | 6/30/2016 | 1,118,843 | 1,118,843 | - | 14,917,907 | 7.5% |
| TRA | 6/30/2017 | 1,223,106 | 1,223,106 | - | 16,308,080 | 7.5% |
| TRA | 6/30/2018 | 1,288,367 | 1,288,367 | - | 17,178,227 | 7.5% |
| TRA | 6/30/2019 | 1,344,268 | 1,344,268 | - | 17,435,383 | 7.7% |
| TRA | 6/30/2020 | 1,404,678 | 1,404,678 | - | 17,735,833 | 7.9% |
| TRA | 6/30/2021 | 1,499,732 | 1,499,732 | - | 18,446,888 | 8.1% |
| TRA | 6/30/2022 | 1,551,952 | 1,551,952 | - | 18,608,537 | 8.3% |
| TRA | 6/30/2023 | 1,662,191 | 1,662,191 | - | 19,440,830 | 8.6% |

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

Notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions**PERA****2022 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

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

Changes in Plan Provisions

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

2019 Changes**Changes in Actuarial Assumptions**

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

Changes in Plan Provisions

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

2018 Changes**Changes in Actuarial Assumptions**

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes**Changes in Actuarial Assumptions**

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

Changes in Plan Provisions

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

2016 Changes**Changes in Actuarial Assumptions**

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes**Changes in Actuarial Assumptions**

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

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increase the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

TRA**2022 Changes****Changes in Actuarial Assumptions**

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021 Changes**Changes in Actuarial Assumptions**

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next 6 years, (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next 6 years, (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

- The discount rate was decreased to 4.66% from 8.0%.
- The cost of living adjustment (COLA) was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% on January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending July 1, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers was reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2017 Changes

Changes in Actuarial Assumptions

- The discount rate was decreased to 5.12% from 4.66%.
- The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the non-vested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 2.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions

- The discount rate was decreased to 4.66% from 8.0%.
- The COLA was not assumed to increase for funding or the GASB calculation. It remained at 2% for all future years.
- The price inflation assumption was lowered from 3% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes as some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP 2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP 2015 scale.
- The post-retirement mortality assumption was changed to the RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP 2015 scale.
- The post-disability mortality assumption was changed to the RP 2014 disabled retiree mortality table, without adjustment.
- Augmentation in the early retirement reduction factors is phased out o Separate retirement assumptions for members hired before or after July 1, 1989, were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional form of annuity payment at retirement were made.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes of benefit terms

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

Changes in Actuarial Assumptions

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

PERA's Comprehensive Annual Financial Report may be obtained on the PERA's website at www.mnpera.org for notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions.

Additional financial and actuarial information can be found in TRA's GASB 67-68 report. Both reports can be obtained at <https://minnesotatra.org>.

Combining and Individual Fund Schedules
June 30, 2023

**Independent School District No. 22
Detroit Lakes Public Schools**

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Independent School District No. 22
 Detroit Lakes Public Schools
 General Fund
 Schedule of Changes in UFARS Fund Balances
 Year Ended June 30, 2023

| | Fund Balance (Deficit), Beginning of Year | Net Change in Fund Balance | Fund Balance (Deficit), End of Year |
|---|--|-------------------------------|--|
| Nonspendable | \$ 60,009 | \$ 33,034 | \$ 93,043 |
| Restricted for student activities | 237,344 | (5,892) | 231,452 |
| Restricted for staff development | 694,224 | (237,561) | 456,663 |
| Restricted for operating capital | 1,341,472 | (112,201) | 1,229,271 |
| Restricted for gifted and talented | 43,339 | (29,631) | 13,708 |
| Restricted for safe schools levy | 259,182 | (30,629) | 228,553 |
| Restricted for long term facilities maintenance | (397,462) | 65,683 | (331,779) |
| Restricted for medical assistance | 1,396,664 | (280,452) | 1,116,212 |
| Committed for separation/retirement benefits | 2,619,414 | - | 2,619,414 |
| Assigned for construction | 2,379,685 | (827,045) | 1,552,640 |
| Unassigned | 5,147,445 | (128,987) | 5,018,458 |
| | <u>\$ 13,781,316</u> | <u>\$ (1,553,681)</u> | <u>\$ 12,227,635</u> |

Independent School District No. 22
 Detroit Lakes Public Schools
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2023

| | Food Service | Community Service | Capital Projects | Totals |
|---|---------------------|----------------------|---------------------|---------------------|
| Assets | | | | |
| Cash and investments | \$ 972,864 | \$ 718,197 | \$ - | \$ 1,691,061 |
| Receivables | | | | |
| Current property taxes | - | 97,469 | - | 97,469 |
| Delinquent property taxes | - | 1,332 | - | 1,332 |
| Accounts | 3,985 | 17,988 | - | 21,973 |
| Due from other governmental units | 5,718 | 51,226 | - | 56,944 |
| Inventories | 51,257 | - | - | 51,257 |
| Total assets | \$ 1,033,824 | \$ 886,212 | \$ - | \$ 1,920,036 |
| Liabilities | | | | |
| Accounts payable | \$ 38,902 | \$ 9,305 | \$ - | \$ 48,207 |
| Salaries payable | 6,175 | 34,216 | - | 40,391 |
| Total liabilities | 45,077 | 43,521 | - | 88,598 |
| Deferred Inflows of Resources | | | | |
| Unavailable revenue-property taxes | - | 1,332 | - | 1,332 |
| Property taxes levied for subsequent year | - | 230,762 | - | 230,762 |
| Total deferred inflows of resources | - | 232,094 | - | 232,094 |
| Fund Balance | | | | |
| Nonspendable | 51,257 | - | - | 51,257 |
| Restricted | 937,490 | 610,597 | - | 1,548,087 |
| Total fund balance | 988,747 | 610,597 | - | 1,599,344 |
| Total liabilities, deferred inflows of resources, and fund balance | \$ 1,033,824 | \$ 886,212 | \$ - | \$ 1,920,036 |

Independent School District No. 22
 Detroit Lakes Public Schools
 Nonmajor Governmental Funds
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended June 30, 2023

| | Food Service | Community Service | Capital Projects | Totals |
|---|-------------------|-------------------|------------------|---------------------|
| Revenues | | | | |
| Local property tax levies | \$ - | \$ 223,954 | \$ - | \$ 223,954 |
| Other local and county sources | 278,940 | 480,967 | 270,896 | 1,030,803 |
| Investment earnings | - | - | 21,892 | 21,892 |
| State sources | 83,382 | 568,278 | - | 651,660 |
| Federal sources | 1,111,194 | 51,945 | - | 1,163,139 |
| Sales and other conversion of assets | 374,468 | - | - | 374,468 |
| Total revenues | 1,847,984 | 1,325,144 | 292,788 | 3,465,916 |
| Expenditures | | | | |
| Current | | | | |
| Community education and service | - | 1,338,487 | - | 1,338,487 |
| Pupil support services | 2,005,275 | - | - | 2,005,275 |
| Fiscal and other fixed cost programs | - | - | 53,148 | 53,148 |
| Capital outlay | 27,749 | 28,200 | 1,378,670 | 1,434,619 |
| Total expenditures | 2,033,024 | 1,366,687 | 1,431,818 | 4,831,529 |
| Deficiency of Revenues under Expenditures | (185,040) | (41,543) | (1,139,030) | (1,365,613) |
| Other Financing Sources | | | | |
| Sale of property | 17,227 | - | - | 17,227 |
| Bonds issued | - | - | 2,435,000 | 2,435,000 |
| Premium on bonds issued | - | - | 126,810 | 126,810 |
| Total other financing sources | 17,227 | - | 2,561,810 | 2,579,037 |
| Net Change in Fund Balance | (167,813) | (41,543) | 1,422,780 | 1,213,424 |
| Fund Balance (Deficit), Beginning of Year | 1,156,560 | 652,140 | (1,422,780) | 385,920 |
| Fund Balance, End of Year | \$ 988,747 | \$ 610,597 | \$ - | \$ 1,599,344 |

Other Supplementary Information
June 30, 2023

**Independent School District No. 22
Detroit Lakes Public Schools**

DRAFT

Independent School District No. 22
 Detroit Lakes Public Schools
 Uniform Financial Accounting and Reporting Standards Compliance Table
 Year Ended June 30, 2023

Fiscal Compliance Report - 6/30/2023

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District: DETROIT LAKES (22-1) [Back](#) [Print](#)

| | Audit | UFARS | Audit - UFARS | | Audit | UFARS | Audit - UFARS |
|---|--------------|---------------------|------------------|--|-------|-------|------------------|
| 01 GENERAL FUND | | | | | | | |
| Total Revenue | \$41,002,897 | <u>\$41,002,894</u> | \$3 | | | | |
| Total Expenditures | \$42,585,222 | <u>\$42,585,218</u> | \$4 | | | | |
| <i>Non Spendable:</i> | | | | | | | |
| 4.60 Non Spendable Fund Balance | \$93,043 | <u>\$93,043</u> | \$0 | | | | |
| <i>Restricted / Reserved:</i> | | | | | | | |
| 4.01 Student Activities | \$231,452 | <u>\$231,452</u> | \$0 | | | | |
| 4.02 Scholarships | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.03 Staff Development | \$456,663 | <u>\$456,663</u> | \$0 | | | | |
| 4.07 Capital Projects Levy | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.08 Cooperative Revenue | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.13 Funded by COP/FP | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.14 Operating Debt | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.16 Levy Reduction | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.17 Taconite Building Maint | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.24 Operating Capital | \$1,229,271 | <u>\$1,229,271</u> | \$0 | | | | |
| 4.26 \$25 Taconite | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.27 Disabled Accessibility | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.28 Learning & Development | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.34 Area Learning Center | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.35 Contracted Alt. Programs | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.36 State Approved Alt. Program | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.38 Gifted & Talented | \$13,708 | <u>\$13,708</u> | \$0 | | | | |
| 4.40 Teacher Development and Evaluation | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.41 Basic Skills Programs | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.48 Achievement and Integration | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.49 Safe Schools Levy | \$228,553 | <u>\$228,553</u> | \$0 | | | | |
| 4.51 QZAB Payments | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.52 OPEB Liab Not In Trust | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.53 Unfunded Sev & Retirement Levy | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.59 Basic Skills Extended Time | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.67 LTFM | (\$331,779) | <u>(\$331,779)</u> | \$0 | | | | |
| 4.72 Medical Assistance | \$1,116,212 | <u>\$1,116,212</u> | \$0 | | | | |
| <i>Restricted:</i> | | | | | | | |
| 4.64 Restricted Fund Balance | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.75 Title VII Impact Aid | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.76 Payments in Lieu of Taxes | \$0 | <u>\$0</u> | \$0 | | | | |
| <i>Committed:</i> | | | | | | | |
| 4.18 Committed for Separation | \$2,619,414 | <u>\$2,619,414</u> | \$0 | | | | |
| 4.61 Committed Fund Balance | \$0 | <u>\$0</u> | \$0 | | | | |
| <i>Assigned:</i> | | | | | | | |
| 4.62 Assigned Fund Balance | \$1,552,640 | <u>\$1,552,640</u> | \$0 | | | | |
| <i>Unassigned:</i> | | | | | | | |
| 4.22 Unassigned Fund Balance | \$5,018,458 | <u>\$5,018,459</u> | (\$1) | | | | |
| 06 BUILDING CONSTRUCTION | | | | | | | |
| Total Revenue | \$292,788 | <u>\$292,788</u> | \$0 | | | | |
| Total Expenditures | \$1,431,818 | <u>\$1,431,817</u> | \$1 | | | | |
| <i>Non Spendable:</i> | | | | | | | |
| 4.60 Non Spendable Fund Balance | \$0 | <u>\$0</u> | \$0 | | | | |
| <i>Restricted / Reserved:</i> | | | | | | | |
| 4.07 Capital Projects Levy | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.13 Funded by COP/FP | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.67 LTFM | \$0 | <u>\$0</u> | \$0 | | | | |
| <i>Restricted:</i> | | | | | | | |
| 4.64 Restricted Fund Balance | \$0 | <u>\$0</u> | \$0 | | | | |
| <i>Unassigned:</i> | | | | | | | |
| 4.63 Unassigned Fund Balance | \$0 | <u>\$0</u> | \$0 | | | | |
| 07 DEBT SERVICE | | | | | | | |
| Total Revenue | \$3,927,886 | <u>\$3,927,885</u> | \$1 | | | | |
| Total Expenditures | \$3,848,208 | <u>\$3,848,206</u> | \$2 | | | | |
| <i>Non Spendable:</i> | | | | | | | |
| 4.60 Non Spendable Fund Balance | \$0 | <u>\$0</u> | \$0 | | | | |
| <i>Restricted / Reserved:</i> | | | | | | | |
| 4.25 Bond Refundings | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.33 Maximum Effort Loan Aid | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.51 QZAB Payments | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.67 LTFM | \$0 | <u>\$0</u> | \$0 | | | | |
| <i>Restricted:</i> | | | | | | | |
| 4.64 Restricted Fund Balance | \$695,153 | <u>\$695,153</u> | \$0 | | | | |
| <i>Unassigned:</i> | | | | | | | |
| 4.63 Unassigned Fund Balance | \$0 | <u>\$0</u> | \$0 | | | | |
| 08 TRUST | | | | | | | |
| Total Revenue | \$0 | <u>\$0</u> | \$0 | | | | |
| Total Expenditures | \$0 | <u>\$0</u> | \$0 | | | | |
| <i>Restricted / Reserved:</i> | | | | | | | |
| 4.01 Student Activities | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.02 Scholarships | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.22 Unassigned Fund Balance (Net Assets) | \$0 | <u>\$0</u> | \$0 | | | | |
| 18 CUSTODIAL | | | | | | | |
| Total Revenue | \$17,395 | <u>\$17,395</u> | \$0 | | | | |
| Total Expenditures | \$87,445 | <u>\$87,444</u> | \$1 | | | | |
| <i>Restricted / Reserved:</i> | | | | | | | |
| 4.01 Student Activities | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.02 Scholarships | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.48 Achievement and Integration | \$0 | <u>\$0</u> | \$0 | | | | |
| 4.64 Restricted Fund Balance | \$13,186 | <u>\$13,186</u> | \$0 | | | | |

Independent School District No. 22
 Detroit Lakes Public Schools
 Uniform Financial Accounting and Reporting Standards Compliance Table
 Year Ended June 30, 2023

02 FOOD SERVICES

| | | | |
|---------------------------------|-------------|--------------------|--------------|
| Total Revenue | \$1,847,984 | <u>\$1,847,980</u> | <u>\$4</u> |
| Total Expenditures | \$2,033,024 | <u>\$2,033,018</u> | <u>\$6</u> |
| <i>Non Spendable:</i> | | | |
| 4.60 Non Spendable Fund Balance | \$51,257 | <u>\$51,257</u> | <u>\$0</u> |
| <i>Restricted / Reserved:</i> | | | |
| 4.52 OPEB Liab Not In Trust | \$0 | <u>\$0</u> | <u>\$0</u> |
| <i>Restricted:</i> | | | |
| 4.64 Restricted Fund Balance | \$937,490 | <u>\$937,491</u> | <u>(\$1)</u> |
| <i>Unassigned:</i> | | | |
| 4.63 Unassigned Fund Balance | \$0 | <u>\$0</u> | <u>\$0</u> |

04 COMMUNITY SERVICE

| | | | |
|---|-------------|--------------------|------------|
| Total Revenue | \$1,325,144 | <u>\$1,325,143</u> | <u>\$1</u> |
| Total Expenditures | \$1,366,687 | <u>\$1,366,684</u> | <u>\$3</u> |
| <i>Non Spendable:</i> | | | |
| 4.60 Non Spendable Fund Balance | \$0 | <u>\$0</u> | <u>\$0</u> |
| <i>Restricted / Reserved:</i> | | | |
| 4.26 \$25 Taconite | \$0 | <u>\$0</u> | <u>\$0</u> |
| 4.31 Community Education | \$112,247 | <u>\$112,247</u> | <u>\$0</u> |
| 4.32 E.C.F.E | \$122,391 | <u>\$122,391</u> | <u>\$0</u> |
| 4.40 Teacher Development and Evaluation | \$0 | <u>\$0</u> | <u>\$0</u> |
| 4.44 School Readiness | \$236,046 | <u>\$236,046</u> | <u>\$0</u> |
| 4.47 Adult Basic Education | \$103,560 | <u>\$103,560</u> | <u>\$0</u> |
| 4.52 OPEB Liab Not In Trust | \$0 | <u>\$0</u> | <u>\$0</u> |
| <i>Restricted:</i> | | | |
| 4.64 Restricted Fund Balance | \$36,353 | <u>\$36,351</u> | <u>\$2</u> |
| <i>Unassigned:</i> | | | |
| 4.63 Unassigned Fund Balance | \$0 | <u>\$0</u> | <u>\$0</u> |

20 INTERNAL SERVICE

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

25 OPEB REVOCABLE TRUST

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

45 OPEB IRREVOCABLE TRUST

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

47 OPEB DEBT SERVICE

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



Independent School District No. 22
 Detroit Lakes Public Schools
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2023

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal Financial Assistance Listing | Pass-through Entity Identifying Number | Expenditures |
|--|--|--|---------------------|
| Department of Agriculture | | | |
| <i>Passed through Minnesota Department of Education</i> | | | |
| Child Nutrition Cluster | | | |
| Non-Cash Assistance (Commodities): | | | |
| National School Lunch Program | 10.555 | 0022-01-000 FIN 701 | \$ 145,275 |
| Cash Assistance: | | | |
| School Breakfast Program | 10.553 | 0022-01-000 FIN 705 | 185,898 |
| National School Lunch Program | 10.555 | 0022-01-000 FIN 701 | 692,201 |
| National School Lunch Program | 10.555 | 0022-01-000 FIN 714 | 81,173 |
| Summer Food Service Program for Children | 10.559 | 0022-01-000 FIN 709 | <u>5,198</u> |
| Total Child Nutrition Cluster | | | \$ 1,109,745 |
| COVID-19 Pandemic EBT Administrative Costs | 10.649C | 0022-01-000 FIN 499 | <u>3,135</u> |
| Total Department of Agriculture | | | \$ 1,112,880 |
| Department of Treasury | | | |
| <i>Passed through Minnesota Department of Education</i> | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | 21.027 | 0022-01-000 FIN 150 | 39,001 |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | 21.027 | 0022-01-000 FIN 165 | 44,913 |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | 21.027 | 0022-01-000 FIN 166 | 7,032 |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | 21.027 | 0022-01-000 FIN 171 | 282,950 |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | 21.027 | 0022-01-000 FIN 499 | <u>13,000</u> |
| Total 21.027 | | | <u>386,896</u> |
| Total Department of Treasury | | | 386,896 |
| Department of Education | | | |
| <i>Passed through Minnesota Department of Education</i> | | | |
| Title I Grants to Local Educational Agencies | 84.010 | 0022-01-000 FIN 401 | 568,987 |
| Indian Education Grants to Local Educational Agencies | 84.060 | 0022-01-000 FIN 510 | 152,850 |
| Supporting Effecton Instruction State Grants | 84.367 | 0022-01-000 FIN 414 | 96,079 |
| Student Support and Academic Enrichment | 84.424 | 0022-01-000 FIN 433 | 54,523 |
| Special Education Grants - Grants for Infants and Families | 84.181 | 0022-01-000 FIN 422 | 37,880 |
| Adult Education - Basic Grants to States | 84.002 | 0022-01-000 FIN 438 | 11,420 |
| COVID-19 Education Stabilization Fund | 84.425W | 0022-01-000 FIN 159 | 25,794 |
| COVID-19 Education Stabilization Fund | 84.425U | 0022-01-000 FIN 160 | 1,302,453 |
| COVID-19 Education Stabilization Fund | 84.425U | 0022-01-000 FIN 161 | 172,424 |
| COVID-19 Education Stabilization Fund | 84.425C | 0022-01-000 FIN 499 | 8,896 |
| COVID-19 Education Stabilization Fund | 84.425D | 0022-01-000 FIN 163 | <u>96,543</u> |
| Total 84.425 | | | 1,606,110 |
| Special Education Cluster | | | |
| Special Education Grants to States | 84.027 | 0022-01-000 FIN 419 | 647,444 |
| COVID-19 Special Education Grants to States | 84.027X | 0022-01-000 FIN 140 | 58,546 |
| COVID-19 Special Education Grants to States | 84.027X | 0022-01-000 FIN 143 | 23,755 |
| Special Education Grants to States | 84.027A | 0022-01-000 FIN 425 | 46,333 |
| COVID-19 Special Education Grants to States | 84.173X | 0022-01-000 FIN 141 | 12,451 |
| Special Education Preschool Grants | 84.173 | 0022-01-000 FIN 420 | <u>37,267</u> |
| Total Special Education Cluster | | | <u>825,796</u> |
| Total Department of Education | | | <u>3,353,645</u> |
| Total Federal Financial Assistance | | | <u>\$ 4,853,421</u> |

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position or fund balance of the District.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 – Indirect Cost Rate

The District has not elected to use the 10% de minimis cost rate.

Note 4 – Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of commodities received and disbursed. At June 30, 2023 the District had food commodities totaling \$51,257 in inventory.

Additional Reports

June 30, 2023

Independent School District No. 22

Detroit Lakes Public Schools

DRAFT

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

The School Board of
Independent School District No. 22
Detroit Lakes Public Schools
Detroit Lakes, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 22, Detroit Lakes Public Schools (“the District”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated REPORT DATE.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001, 2023-002, and 2023-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Fargo, North Dakota
REPORT DATE

DRAFT

Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance

The School Board of
Independent School District No. 22
Detroit Lakes Public Schools
Detroit Lakes, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Independent School District No. 22’s (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2023. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Fargo, North Dakota
REPORT DATE

Independent Auditor's Report on Minnesota Legal Compliance

The School Board of
Independent School District No. 22
Detroit Lakes Public Schools
Detroit Lakes, 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 Detroit Lakes Public Schools (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated REPORT DATE.

In connection with our audit, nothing came to our attention that caused us to believe that (district name) failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards (delete sections not required to test) sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

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.

Fargo, North Dakota
REPORT DATE

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

| | |
|--|---------------|
| Type of auditor's report issued | Unmodified |
| Internal control over financial reporting: | |
| Material weaknesses identified | Yes |
| Significant deficiencies identified not considered to be material weaknesses | None Reported |
| Noncompliance material to financial statements noted? | No |

FEDERAL AWARDS

| | |
|--|---------------|
| Internal control over major program: | |
| Material weaknesses identified | No |
| Significant deficiencies identified not considered to be material weaknesses | None Reported |
| Type of auditor's report issued on compliance for major programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516: | No |

Identification of major programs:

| <u>Name of Federal Program</u> | <u>Federal Financial Assistance Listing</u> |
|---------------------------------------|---|
| Special Education Cluster | 84.027 and 84.173 |
| COVID-19 Education Stabilization Fund | 84.425 |

| | |
|--|------------|
| Dollar threshold used to distinguish between type A and type B programs: | \$ 750,000 |
| Auditee qualified as low-risk auditee? | No |

Section II – Financial Statement Findings

**2023-001 Preparation of Financial Statements and Schedule of Expenditures of Federal Awards
Material Weakness**

Criteria – A good system of internal accounting control contemplates an adequate system for internally preparing the District’s financial statements and schedule of expenditures of federal awards (SEFA).

Condition – The District does not have an internal control system designed to provide for the preparation of the financial statements being audited. The auditors were requested to, and did, draft the financial statements, accompanying notes to the financial statements, and SEFA.

Cause – The District does not have an internal control system designed to provide for the preparation of the financial statements and SEFA being audited.

Effect – The disclosures in the financial statements could be incomplete.

Recommendation – It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Views of Responsible Officials – There is no disagreement with the audit finding.

**2023-002 Material Journal Entries
Material Weakness**

Criteria – A good system of internal accounting control contemplates an adequate system for recording and processing entries material to the financial statements.

Condition – During the course of our engagement, we proposed material audit adjustments that were not identified as a result of the District’s existing internal controls, and therefore could have resulted in a material misstatement of the District’s financial statements.

Cause – The District does not have an internal control system designed to identify all necessary adjustments.

Effect – This deficiency could result in a misstatement to the financial statements that would not be prevented or detected.

Recommendation – A thorough review and reconciliation of accounts in each fund should take place prior to the beginning of the audit. This review should be done at both the accounting staff and accounting supervisor levels.

Views of Responsible Officials – There is no disagreement with the audit finding.

**2023-003 Segregation of Duties
Material Weakness**

Criteria – A good system of internal control requires an adequate segregation of duties so that no one individual has incompatible responsibilities. No one person should have more than one duty relating to the authorization (approval), custody of assets (check signers), record keeping and reconciliation functions.

Condition – The District does not have enough staff to adequately separate duties in cash receipts, cash disbursements, payroll and related liabilities, and general ledger maintenance and reconciliation.

Cause – There is a limited amount of office employees involved in the internal control process.

Effect – Inadequate segregation of duties could adversely affect the District's ability to detect misstatements in amounts that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned functions.

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

Views of Responsible Officials – There is no disagreement with the audit finding.

Section III – Federal Award Findings and Questioned Costs

None reported

Section IV – Minnesota Legal Compliance Findings

None reported

This section of Detroit Lakes Public Schools – Independent School District No. 22's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

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

- *General Fund 01* – The overall revenues were \$41,002,697 while the overall expenditures were \$42,585,222. These, along with net other financing sources of \$28,844, decreased the fund balance by \$1,553,681.
- *Food Service Fund 02* – The overall revenues were \$1,847,984 while the overall expenditures were \$2,033,024. These, along with net other financing sources of \$17,227, decreased the fund balance by \$167,813.
- *Community Service Fund 04* – The overall revenues were \$1,325,144 while the overall expenditures were \$1,366,687. These decreased the fund balance by \$41,543.
- *Capital Projects Fund 06* – The overall revenues were \$292,788 while the overall expenditures were \$1,431,818. These, along with other financing sources of \$2,561,810 increased the fund balance by \$1,422,780.
- *Debt Service Fund 07* – The overall revenues were \$3,927,886 while the overall expenditures were \$3,848,208. These increased the fund balance by \$79,678.

Overview of the Financial Statements

Government-Wide Statements

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

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

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

In the government-wide financial statement the District's activities are shown in one category:

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

Fund Financial Statements

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

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

The District has two kinds of funds:

- *Governmental Funds* – All of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information following the governmental funds statements that explains the relationship (or differences) between them.
- *Fiduciary Funds* – The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only by those to whom the assets belong.

Financial Analysis of the District as a Whole

Net Position

The District's combined net position was \$8,809,284 on June 30, 2023.

Statement of Net Position
 June 30, 2023 and 2022

| | 2023 | 2022 |
|----------------------------------|---------------|---------------|
| Assets | | |
| Current assets | \$ 24,709,725 | \$ 26,029,434 |
| Capital assets | 80,814,560 | 80,355,780 |
| Total assets | 105,524,285 | 106,385,214 |
| Deferred Outflows of Resources | 8,959,316 | 10,258,714 |
| Liabilities | | |
| Other liabilities | 2,209,879 | 3,506,935 |
| Long-term liabilities | 87,913,967 | 74,774,851 |
| Total liabilities | 90,123,846 | 78,281,786 |
| Deferred Inflows of Resources | 15,550,471 | 36,030,739 |
| Net Position | | |
| Net investment in capital assets | 24,617,518 | 22,542,436 |
| Restricted for specific purposes | 4,724,671 | 5,553,302 |
| Unrestricted | (20,532,905) | (25,764,335) |
| Total net position | \$ 8,809,284 | \$ 2,331,403 |

Independent School District No. 22
 Detroit Lakes Public Schools
 Management's Discussion and Analysis
 Year Ended June 30, 2023

Changes in Net Position – The District's total revenues were approximately \$48.4 million for the year ended June 30, 2023. Property taxes and state formula aid accounted for 88.5% of total revenue for the year. Another 8.5% came from program revenues.

The total cost of all programs and services was approximately \$42.0 million. The District's expenses are predominantly related to educating and caring for students. The purely administrative activities of the District accounted for just 4.3% of total costs.

The total revenues exceeded expenses, increasing the net position by approximately \$6.5 million for fiscal year 2023.

Statement of Activities
 Years Ended June 30, 2023 and 2022

| | 2023 | 2022 |
|--|--------------|--------------|
| Revenues | | |
| Program revenues | | |
| Charges for service | \$ 2,144,603 | \$ 1,353,946 |
| Operating grants and contributions | 1,992,625 | 2,821,291 |
| General | | |
| Property taxes | 8,732,522 | 8,831,643 |
| Aids and payments from state and other | 34,130,798 | 32,848,792 |
| Miscellaneous revenues | 1,434,049 | 870,049 |
| Total revenues | 48,434,597 | 46,725,721 |
| Expenses | | |
| Administration | 1,798,181 | 2,021,738 |
| District support services | 1,587,000 | 1,187,911 |
| Regular instruction | 10,696,593 | 16,385,800 |
| Vocational instruction | 1,022,459 | 887,309 |
| Special education instruction | 7,874,809 | 8,059,915 |
| Community education and services | 1,366,685 | 1,189,246 |
| Instructional support services | 3,090,535 | 2,183,791 |
| Pupil support services | 6,878,937 | 6,701,404 |
| Sites and buildings | 5,694,923 | 3,534,012 |
| Fiscal and other fixed-cost programs | 1,946,594 | 1,924,327 |
| Total expenses | 41,956,716 | 44,075,453 |
| Change in Net Position (Deficit) | 6,477,881 | 2,650,268 |
| Net Position (Deficit) - Beginning | 2,331,403 | (318,865) |
| Net Position - Ending | \$ 8,809,284 | \$ 2,331,403 |

Independent School District No. 22
 Detroit Lakes Public Schools
 Management's Discussion and Analysis
 Year Ended June 30, 2023

General Fund

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

The following schedule presents a summary of General Fund Revenues.

| | Year Ended June 30, | | Amount of Increase (Decrease) | Percent Increase (Decrease) |
|------------------------------------|----------------------|----------------------|-------------------------------------|-----------------------------------|
| | 2023 | 2022 | | |
| Local property taxes | \$ 4,699,001 | \$ 4,849,724 | \$ (150,723) | -3.1% |
| Other local sources | 2,131,872 | 1,228,290 | 903,582 | 73.6% |
| State sources | 30,422,036 | 29,531,989 | 890,047 | 3.0% |
| Federal sources | 3,692,716 | 3,271,621 | 421,095 | 12.9% |
| Miscellaneous | 57,072 | 63,556 | (6,484) | -10.2% |
| Total general fund revenues | \$ 41,002,697 | \$ 38,945,180 | \$ 2,057,517 | 5.3% |

Total General Fund revenue increased by \$2,057,517 or 5.3% from the previous year. Basic general education revenue is determined by a state per student funding formula and consists of an equalized mix of property tax and state aid revenue. The mix of property tax and state aid can change significantly from year to year without any net change on revenue. Federal sources increased as a result of additional spending and reimbursement of COVID-19 pandemic relief funding.

The following schedule presents a summary of General Fund expenditures.

| | Year Ended June 30, | | Amount of Increase (Decrease) | Percent Increase (Decrease) |
|--|----------------------|----------------------|-------------------------------------|-----------------------------------|
| | 2023 | 2022 | | |
| Salaries and benefits | \$ 31,213,725 | \$ 30,426,769 | \$ 786,956 | 2.6% |
| Purchased services | 5,741,399 | 5,095,169 | 646,230 | 12.7% |
| Supplies and materials | 1,767,042 | 1,874,218 | (107,176) | -5.7% |
| Capital expenditures | 2,826,828 | 4,346,914 | (1,520,086) | -35.0% |
| Other expenditures | 1,036,228 | 478,419 | 557,809 | 116.6% |
| Total general fund expenditures | \$ 42,585,222 | \$ 42,221,489 | \$ 363,733 | 0.9% |

Total General Fund expenditures increased by \$363,733 or 0.9% from the previous year. The majority of the increase related to salaries and benefits for additional staff hirings and general wage increases. The District saw an increase in purchased services due to increased transportation costs in 2023. The District also had a decrease in capital expenditures as the District had less building and technology infrastructure upgrades in 2023.

General Fund Budgetary Highlights

The District's general fund results when compared to the final budget are:

- Actual revenues were \$1,784,500 more than budget, primarily due to higher than expected enrollment thereby increasing state aids and also additional interest income from increased interest rates.
- Actual expenditures were \$2,078,170 more than budget, primarily due to higher than expected capital outlay expenditures.

Other Non-Major Funds

The Food Service Fund incurred a current year deficit of \$167,813. The Community Service Fund incurred a current year deficit of \$41,543. From the standpoint of maintaining current operating expenditures within the range of annual revenue, the Community Service Fund and Food Service Fund continue to operate on a sound financial basis.

Capital Assets

By the end of fiscal year 2023, the District had invested approximately \$106.7 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and school vehicles. Total depreciation/amortization expense for the year was \$2,603,439. Note 5 presents the detail of the District's capital assets.

Capital Assets Governmental Activities June 30, 2023 and 2022

| | 2023 | 2022 |
|---------------------------------------|----------------------|----------------------|
| Land | \$ 720,909 | \$ 720,909 |
| Construction in Progress | 102,542 | 30,860,585 |
| Buildings | 94,083,506 | 60,507,701 |
| Improvements | 4,701,697 | 4,701,697 |
| Equipment | 5,104,931 | 5,091,273 |
| Right-to-Use Lease Assets | 2,018,853 | 2,007,455 |
| Accumulated Depreciation/Amortization | (25,917,878) | (23,533,840) |
| Total capital assets | <u>\$ 80,814,560</u> | <u>\$ 80,355,780</u> |

Long-Term Liabilities

At year end the District had \$56,334,459 of long term debt, excluding pension and OPEB liabilities. This consisted of bonded indebtedness of \$51,435,000, unamortized bond premiums of \$2,609,341, direct borrowing payable of \$824,264, leases payable of \$1,328,437, and vacation and sick leave payable of \$137,417. Note 7 presents the detail of the District's long-term debt. Note 6 presents the details of the District's leases. The District has \$1,489,475 in liabilities for other postemployment benefits. See Note 8 for further information on OPEB obligations. The District has \$30,090,033 in net pension liability at June 30, 2023. See Note 9 for further information on pensions.

Factors Bearing on the District's Future

With the exception of voter-approved excess operating referendum, the District is dependent on the State of Minnesota for its revenue authority. The state did allocate additional resources to school districts at a much greater level in the next two years than has been seen for quite some time. However, with the continuing uncertainty of funding sustainability, the District will continue to monitor its spending to remain fiscally responsible.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or would like additional information, contact the Business Office, Independent School District No. 22, Detroit Lakes, Minnesota.

OFFICIAL PROCEEDINGS
SCHOOL BOARD OF INDEPENDENT SCHOOL DISTRICT NO. 22
BECKER AND OTTERTAIL COUNTIES, DETROIT LAKES, MINNESOTA 56501

Regular School Board Meeting
Monday, October 23, 2023, 5:30 PM
M State C101 ~ 900 Hwy 34 E, Detroit Lakes, MN, 56501

Present: John Steffl, April Thomas, Amy Erickson, Mary Rotter, Michelle Okeson, Ethan Walz

Absent: None

The meeting was called to order at 5:30 PM by Board Chair Steffl.

The Pledge of Allegiance was recited.

A motion was made by Erickson, seconded by Walz, to approve the agenda. Motion carried unanimously.

A motion was made by Rotter, seconded by Thomas, to approve the following consent agenda items. Motion carried unanimously.

- A. Approve the Minutes of the September 25 2023 Regular School Board Meeting.
- B. Approve K-12 Computer Checks #704273-704361 and Checks #704448-704572 for a total of \$626,157.50. Approve Hand Payable Checks #703854-703865, #703972-704003, #704006-704048, #704178-704265, Voided Checks #703499, Wire Transfers #6077-6081, #6095-6096, #6216-6220, #6241, #6262-6264, #6270-6273, #6290-6294, #6315-6316, #6446-6451, #6474-6493, #6504-6510, 6537-6546, #6568-6569, #6594-6608, in the amount of \$1,308,007.22. Approve Net Payroll Transfers on 9/29/23 and 10/13/23 in the amount of \$1,416,542.62 for a total of \$3,350,707.34. (EXHIBIT)
- C. Approve the Personnel Agenda Items.
- D. Approve the Second Reading of Policies:
 - a. 514- Bullying Prohibition
 - b. 532- Use of Peace Officers and Crisis Teams.
 - c. 601- School District Curriculum and Instruction Goals
 - d. 602- Organization of the School Calendar and School Day
 - e. 603- Curriculum Development
 - f. 613- Graduation Requirements
 - g. 616- School District System Accountability
 - h. 618- Assessment of Student Achievement
 - i. 620- Credit for Learning
 - j. 708- Transportation of Nonpublic School Students.
- E. Approve the one year contract extension for Pepsi.
- F. Approve the LCSC Audiology and Blind/Visually Impaired Service Agreement for the 23-24 school year.
- G. Approve the contract with Connect Speech Therapy for the 23-24 school year.

Discussion was held on:

- A. First Reading of Policies:
 - a. 1. 701- Establishment and Adoption of School District Budget. 2
 - b. 701.1- Modification of School District Budget.
 - c. 702- Accounting
 - d. 703- Annual Audit
 - e. 704- Development and Maintenance of an Inventory of Fixed Assets and a Fixed Asset Accounting System.
 - f. 705- Investments
 - g. 706- Acceptance of Gifts

- h. 706-Form
- B. 2023 Payable 2024 Preliminary Levy Update.

A motion was made by Walz, seconded by Erickson to approve the Flex Learning Plans for DLHS, ALC, DLMS, Laker Transitions, Project SEARCH, Rossman, & Roosevelt. (EXHIBIT) Motion carried unanimously.

A motion was made by Okeson, seconded by Thomas to approve the 2023-2024 World's Best Workforce Plan.(EXHIBIT) Motion carried unanimously.

A motion was made by Thomas, seconded by Rotter to approve the 2022-2023 World's Best Workforce (WBWF) & Achievement and Integration (A&I) Summary/Progress Report. (EXHIBIT) Motion carried unanimously.

A motion was made by Thomas, seconded by Walz to approve the Fall 2023 Lane Change Requests. (EXHIBIT) Motion carried unanimously.

A motion was made by Erickson, seconded by Rotter to approve the Additional Staffing Request for 1 Girls and 1 Boys Middle School Basketball Coach and Special Education Assistant at Roosevelt Elementary School.

Student representatives Buboltz gave an update.

Superintendent Jenson reported on happenings in the School District

Board Treasurer Rotter gave an update on the Finance Committee and BCCI.

Board Director Walz gave an update on the Community Advisory Committee.

Board Chair Steffl gave an update on the Sports Arena and Transportation Committee.

Board Director Okeson gave an update on the District Advisory Committee

Board Director Walz gave an update on the ECFE and School Readiness Advisory Committee and the Health and Safety Committee.

Board Chair Steffl announced upcoming meetings and events .

A motion by Erickson, to adjourn the meeting at 6:27 PM, seconded by Walz. Motion carried unanimously.

Respectfully submitted,

April Thomas, Clerk

PERSONNEL AGENDA

October 23, 2023

1) Resignations:

Kelsey Helbling– Rossman Admin Assistant, effective October 19, 2023.

Andrea Leitheiser– Rossman Special Education Para, effective October 27, 2023.

Tim Murray– Rossman Noon Duty, effective May 26, 2023.

Emma Ortloff– Laker Dance Team B Squad Coach, effective October 10, 2023.

2) Retirements:

Jon Freeman– High School Ag Teacher, effective December 1, 2023.

Rick Holmes– Bus Driver, effective September 5, 2023.

3) Appointments:

Katie Aligada– Holy Rosary Title I Interventionist, at the rate of \$30 per hour, working 2 hours per week, effective October 23, 2023.

Rose Anderson– Lincoln ECSE Paraprofessional, at the rate of \$15.60 per hour, working 37.5 hours per week, effective October 23, 2023.

Anna Bolte– Rossman Laker Kids Assistant, at the rate of \$16.00 per hour, working 12.5 hours per week, effective September 25, 2023.

Shelley Cervantes– Middle School Volleyball Coach, at the rate of 4.5% of Step one or a contract amount of \$1,873.35 per season, effective August 22, 2023.

Nicole Kugler– Rossman Special Education Para, at the rate of \$15.25 per hour, working 29.75 hours per week, effective October 24, 2023.

Peter Lamm– High School Custodian, at the rate of \$18.33 per hour plus \$1.00 Differential pay, working 40 hours per week, effective October 16, 2023.

Josi Oppegard– Rossman Special Education Para, at the rate of \$15.25 per hour, working 29.75 hours per week, effective October 16, 2023.

Lisa Provo– Laker Transitions Job Coach, at the rate of \$17.80 per hour, working 18 hours per week, effective October 16, 2023.

Irene Skaaland– Roosevelt Kindergarten Long Term Substitute, the rate of pay is as per sub policy, effective November 8, 2023.

Amanda Germundson– High School Special Education Para, at the rate of \$16.30 per hour working 37.5 hours per week, effective October 9, 2023.

4) Amended Assignment:

Natasha Dahring– is amending her assignment from 32.5 hours per week to 18.75 hours per week, effective November 1, 2023.

Sherry DeLair– is amending her assignment from 7.5 hours per week to 20 hours per week, effective October 23, 2023.

Morgan Eiter– is amending her assignment from 37.5 hours per week to up to 25 hours per week, effective September 5, 2023.

Mary Alberts Lee– is amending her assignment from 20 hours per week to 15 hours per week, effective October 23, 2023.

Deb Marweg– is amending her assignment from 27.5 hours per week to on call as needed, effective November 1, 2023.

Debbra Olk– is amending her assignment from 28.75 hours per week to 32.5 hours per week, effective October 23, 2023.

Heather Pepek– is amending her assignment from 29.75 hours per week to 37.5 hours per week, effective October 23, 2023.

DeeLaine Sperl– is amending her assignment from 25 hours per week at Roosevelt to 27.5 hours per week at Rossman, effective November 1, 2023.

5) Leave of Absence:

Rebecca Frosig– is requesting a leave of absence from approximately January 22, 2024 through March 15, 2024.

Jennifer Jackson– is requesting a leave of absence from November 28, 2023 through January 8, 2024.

Allison Knutson– is requesting a leave of absence from approximately March 27, 2024 through May 24, 2024.

SMART Finance

Check Register by Bank and Check

| Batch | Co | Bank | Pymt No | Check No | Pay Type | Grp | Code | Rcd | Vendor | Print | Recon | Void | Currency | Pmt/Void Date | Amount |
|-------|----|------|---------|----------|----------|-----|------|-------|-------------------------------|-------|-------|------|----------|---------------|-----------|
| 0022 | | MW | 7061 | 704617 | Check | 1 | 1016 | REMIT | ACME TOOLS | Yes | No | No | USD | 11/13/2023 | 97.66 |
| | | | 7060 | 704618 | Check | 1 | 1005 | | ADVANCED BUSINESS METHODS | Yes | No | No | USD | 11/13/2023 | 754.65 |
| | | | 7062 | 704619 | Check | 1 | 1023 | | ADVENTIST CHRISTIAN SCHOOL | Yes | No | No | USD | 11/13/2023 | 669.83 |
| | | | 7168 | 704620 | Check | 1 | 3191 | | AEP CONNECTIONS | Yes | No | No | USD | 11/13/2023 | 165.00 |
| | | | 7063 | 704621 | Check | 1 | 1035 | | ALLIANCE PEST PROTECTION | Yes | No | No | USD | 11/13/2023 | 60.00 |
| | | | 7176 | 704622 | Check | 1 | 3225 | REMIT | AMERICAN ENGINEERING TESTING, | Yes | No | No | USD | 11/13/2023 | 3,347.50 |
| | | | 7064 | 704623 | Check | 1 | 1041 | | AMERICAN TIME & SIGNAL CO. | Yes | No | No | USD | 11/13/2023 | 366.01 |
| | | | 7178 | 704624 | Check | 1 | 3230 | | ARONSON, TRACY | Yes | No | No | USD | 11/13/2023 | 148.73 |
| | | | 7065 | 704625 | Check | 1 | 1064 | | ARROW ELECTRIC SUPPLY COMPAN | Yes | No | No | USD | 11/13/2023 | 472.00 |
| | | | 7066 | 704626 | Check | 1 | 1076 | | AUTO VALUE DETROIT LAKES | Yes | No | No | USD | 11/13/2023 | 11.98 |
| | | | 7169 | 704627 | Check | 1 | 3193 | REMIT | BADLANDS DISTRIBUTION INC | Yes | No | No | USD | 11/13/2023 | 840.56 |
| | | | 7171 | 704628 | Check | 1 | 3209 | | BEAUDRY OIL & PROPANE | Yes | No | No | USD | 11/13/2023 | 4,798.13 |
| | | | 7067 | 704629 | Check | 1 | 1094 | | BECKER COUNTY TRANSIT | Yes | No | No | USD | 11/13/2023 | 450.00 |
| | | | 7182 | 704630 | Check | 1 | 3236 | | BEMENT, SARAH | Yes | No | No | USD | 11/13/2023 | 125.00 |
| | | | 7069 | 704631 | Check | 1 | 1143 | | BRENCO CORP. | Yes | No | No | USD | 11/13/2023 | 1,107.62 |
| | | | 7070 | 704632 | Check | 1 | 1161 | | BURLINGTON ENGLISH INC. | Yes | No | No | USD | 11/13/2023 | 1,440.00 |
| | | | 7174 | 704633 | Check | 1 | 3219 | | BUTLER TECHNOLOGY & CAREER D | Yes | No | No | USD | 11/13/2023 | 5,000.00 |
| | | | 7071 | 704634 | Check | 1 | 1176 | | CARRIER, JOSEPH | Yes | No | No | USD | 11/13/2023 | 444.70 |
| | | | 7072 | 704635 | Check | 1 | 1192 | | CENTRAL MARKET | Yes | No | No | USD | 11/13/2023 | 734.20 |
| | | | 7165 | 704636 | Check | 1 | 3155 | REMIT | CENTRAL MCGOWAN | Yes | No | No | USD | 11/13/2023 | 813.99 |
| | | | 7157 | 704637 | Check | 1 | 2770 | | CHILEDIA INSTITUTE, LLC | Yes | No | No | USD | 11/13/2023 | 10,472.91 |
| | | | 7073 | 704638 | Check | 1 | 1202 | | CITY OF DETROIT LAKES | Yes | No | No | USD | 11/13/2023 | 6,541.75 |
| | | | 7163 | 704639 | Check | 1 | 2978 | | CLARK, JASMINE | Yes | No | No | USD | 11/13/2023 | 28.63 |
| | | | 7181 | 704640 | Check | 1 | 3234 | | CONNECT SPEECH THERAPY, PLLC | Yes | No | No | USD | 11/13/2023 | 5,760.00 |
| | | | 7074 | 704641 | Check | 1 | 1231 | | CULINEX | Yes | No | No | USD | 11/13/2023 | 391.12 |
| | | | 7068 | 704642 | Check | 1 | 1107 | | CWIKLA ACE HARDWARE | Yes | No | No | USD | 11/13/2023 | 48.10 |
| | | | 7075 | 704643 | Check | 1 | 1238 | | D & D APPLIANCE | Yes | No | No | USD | 11/13/2023 | 1,098.00 |
| | | | 7076 | 704644 | Check | 1 | 1244 | | DACOTAH PAPER COMPANY | Yes | No | No | USD | 11/13/2023 | 1,247.63 |
| | | | 7154 | 704645 | Check | 1 | 2619 | | DALY, MICHAEL | Yes | No | No | USD | 11/13/2023 | 25.00 |
| | | | 7077 | 704646 | Check | 1 | 1250 | | DAN SCHLAUDERAFF SERVICES LLC | Yes | No | No | USD | 11/13/2023 | 2,447.29 |
| | | | 7148 | 704647 | Check | 1 | 2322 | | DELL MARKETING L.P. | Yes | No | No | USD | 11/13/2023 | 834.00 |
| | | | 7079 | 704648 | Check | 1 | 1293 | | DL TRAVEL BASKETBALL | Yes | No | No | USD | 11/13/2023 | 1,240.00 |
| | | | 7164 | 704649 | Check | 1 | 3043 | REMIT | DR DRONE AERIAL IMAGES LLC | Yes | No | No | USD | 11/13/2023 | 2,520.00 |
| | | | 7080 | 704650 | Check | 1 | 1305 | | EAST SIDE JERSEY DAIRY ESJD | Yes | No | No | USD | 11/13/2023 | 7,329.10 |
| | | | 7081 | 704651 | Check | 1 | 1313 | | ECKHOFF, KEITH | Yes | No | No | USD | 11/13/2023 | 15.66 |
| | | | 7156 | 704652 | Check | 1 | 2718 | REMIT | ECKROTH MUSIC | Yes | No | No | USD | 11/13/2023 | 1,716.00 |
| | | | 7147 | 704653 | Check | 1 | 2317 | | EDUCATORS BENEFIT CONSULTANT | Yes | No | No | USD | 11/13/2023 | 626.01 |
| | | | 7183 | 704654 | Check | 1 | 3237 | | EVEN, BEVERLY | Yes | No | No | USD | 11/13/2023 | 84.00 |
| | | | 7082 | 704655 | Check | 1 | 1349 | | FAR FROM NORMAL | Yes | No | No | USD | 11/13/2023 | 629.00 |
| | | | 7184 | 704656 | Check | 1 | 3238 | | FREEMAN, JON | Yes | No | No | USD | 11/13/2023 | 113.94 |
| | | | 7083 | 704657 | Check | 1 | 1409 | | GERRELL'S SPORT CENTER | Yes | No | No | USD | 11/13/2023 | 323.00 |

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Check Register by Bank and Check

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|-------|----|------|---------|----------|----------|-----|------|-------|-------------------------------|-------|-------|------|----------|---------------|------------|
| 0022 | | MW | 7084 | 704658 | Check | 1 | 1421 | | GOPHER SPORT | Yes | No | No | USD | 11/13/2023 | 208.52 |
| | | | 7085 | 704659 | Check | 1 | 1426 | | GRAINGER, INC. | Yes | No | No | USD | 11/13/2023 | 190.76 |
| | | | 7162 | 704660 | Check | 1 | 2952 | | GRAPHICS USA 1 | Yes | No | No | USD | 11/13/2023 | 1,035.00 |
| | | | 7086 | 704661 | Check | 1 | 1432 | | GREEN'S PLUMBING & MODERN HE/ | Yes | No | No | USD | 11/13/2023 | 9,394.07 |
| | | | 7087 | 704662 | Check | 1 | 1437 | | GRUCHOW, BRANDON | Yes | No | No | USD | 11/13/2023 | 200.00 |
| | | | 7175 | 704663 | Check | 1 | 3220 | | G-SPORTS WRESTLING | Yes | No | No | USD | 11/13/2023 | 1,037.34 |
| | | | 7185 | 704664 | Check | 1 | 3239 | | HAZEL REINHARDT CONSULTING SE | Yes | No | No | USD | 11/13/2023 | 3,000.00 |
| | | | 7088 | 704665 | Check | 1 | 1465 | | HEIMARK, JENNIFER | Yes | No | No | USD | 11/13/2023 | 21.55 |
| | | | 7089 | 704666 | Check | 1 | 1487 | | HILLYARD / HUTCHINSON | Yes | No | No | USD | 11/13/2023 | 12,367.72 |
| | | | 7090 | 704667 | Check | 1 | 1502 | | HOLMQUIST, MELANIE | Yes | No | No | USD | 11/13/2023 | 33.24 |
| | | | 7167 | 704668 | Check | 1 | 3189 | | HOVINEN, MEGAN | Yes | No | No | USD | 11/13/2023 | 250.00 |
| | | | 7091 | 704669 | Check | 1 | 1514 | | HOWIES HOCKEY, INC. | Yes | No | No | USD | 11/13/2023 | 525.60 |
| | | | 7152 | 704670 | Check | 1 | 2409 | REMIT | HUT AMERICAN GROUP LLC | Yes | No | No | USD | 11/13/2023 | 1,010.97 |
| | | | 7092 | 704671 | Check | 1 | 1529 | | ICS CONSULTING, LLC -138006 | Yes | No | No | USD | 11/13/2023 | 2,000.00 |
| | | | 7107 | 704672 | Check | 1 | 1843 | | INDIGENOUS REFLECTIONS INC | Yes | No | No | USD | 11/13/2023 | 4,310.78 |
| | | | 7093 | 704673 | Check | 1 | 1596 | | JOHNSON, JACOB | Yes | No | No | USD | 11/13/2023 | 44.65 |
| | | | 7094 | 704674 | Check | 1 | 1602 | | JOHNSON'S LOCK & KEY | Yes | No | No | USD | 11/13/2023 | 585.00 |
| | | | 7095 | 704675 | Check | 1 | 1608 | | JOSTENS | Yes | No | No | USD | 11/13/2023 | 12.50 |
| | | | 7096 | 704676 | Check | 1 | 1624 | | KERZMAN, RENEE | Yes | No | No | USD | 11/13/2023 | 49.78 |
| | | | 7159 | 704677 | Check | 1 | 2890 | | KUEHN, JASON | Yes | No | No | USD | 11/13/2023 | 282.54 |
| | | | 7097 | 704678 | Check | 1 | 1673 | | LEIGHTON BROADCASTING | Yes | No | No | USD | 11/13/2023 | 219.00 |
| | | | 7098 | 704679 | Check | 1 | 1676 | | LESSMAN, JENNY | Yes | No | No | USD | 11/13/2023 | 98.55 |
| | | | 7099 | 704680 | Check | 1 | 1695 | | MACKIN EDUCATION RESOURCES | Yes | No | No | USD | 11/13/2023 | 2,000.00 |
| | | | 7100 | 704681 | Check | 1 | 1707 | | MARK'S ELECTRIC INC. | Yes | No | No | USD | 11/13/2023 | 3,399.95 |
| | | | 7101 | 704682 | Check | 1 | 1736 | | MENARDS - DETROIT LAKES | Yes | No | No | USD | 11/13/2023 | 4,217.57 |
| | | | 7102 | 704683 | Check | 1 | 1739 | REMIT | METROPOLITAN MECHANICAL CONT | Yes | No | No | USD | 11/13/2023 | 2,134.00 |
| | | | 7103 | 704684 | Check | 1 | 1764 | | MINNKOTA RECYCLING | Yes | No | No | USD | 11/13/2023 | 41.30 |
| | | | 7078 | 704685 | Check | 1 | 1263 | | MN DEPARTMENT OF HUMAN SERVI | Yes | No | No | USD | 11/13/2023 | 735.00 |
| | | | 7149 | 704686 | Check | 1 | 2353 | | MN DEPT OF EMPLOYMENT & ECON | Yes | No | No | USD | 11/13/2023 | 102,067.61 |
| | | | 7104 | 704687 | Check | 1 | 1787 | | MN STATE COMMUNITY & TECHNICA | Yes | No | No | USD | 11/13/2023 | 52,282.30 |
| | | | 7153 | 704688 | Check | 1 | 2541 | | MSUM BUSINESS SERVICES | Yes | No | No | USD | 11/13/2023 | 3,300.00 |
| | | | 7105 | 704689 | Check | 1 | 1827 | | MYERS, CARA | Yes | No | No | USD | 11/13/2023 | 80.84 |
| | | | 7106 | 704690 | Check | 1 | 1832 | REMIT | NARDINI FIRE EQUIPMENT CO. | Yes | No | No | USD | 11/13/2023 | 376.00 |
| | | | 7160 | 704691 | Check | 1 | 2916 | | NATIVE HARVEST | Yes | No | No | USD | 11/13/2023 | 233.00 |
| | | | 7179 | 704692 | Check | 1 | 3231 | | NEMEC, CONNIE | Yes | No | No | USD | 11/13/2023 | 50.00 |
| | | | 7108 | 704693 | Check | 1 | 1850 | | NERESON AUTOMOTIVE INC. | Yes | No | No | USD | 11/13/2023 | 256.32 |
| | | | 7151 | 704694 | Check | 1 | 2370 | REMIT | NEW READERS PRESS | Yes | No | No | USD | 11/13/2023 | 115.24 |
| | | | 7180 | 704695 | Check | 1 | 3232 | | NEWMAN, SARAH | Yes | No | No | USD | 11/13/2023 | 47.76 |
| | | | 7109 | 704696 | Check | 1 | 1859 | | NIELSEN, ROBERT | Yes | No | No | USD | 11/13/2023 | 396.93 |
| | | | 7110 | 704697 | Check | 1 | 1866 | | NORSEMAN MOTORS, INC. | Yes | No | No | USD | 11/13/2023 | 92.95 |
| | | | 7111 | 704698 | Check | 1 | 1875 | | NUDELL, KAREN | Yes | No | No | USD | 11/13/2023 | 201.74 |

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Check Register by Bank and Check

| Batch | Co | Bank | Pymt No | Check No | Pay Type | Grp | Code | Rcd | Vendor | Print | Recon | Void | Currency | Pmt/Void Date | Amount |
|-------|----|------|---------|----------|----------|-----|------|-------|--------------------------------|-------|-------|------|----------|---------------|-----------|
| 0022 | | MW | 7170 | 704699 | Check | 1 | 3194 | | OLIVER PACKAGING & EQUIPMENT C | Yes | No | No | USD | 11/13/2023 | 4,786.99 |
| | | | 7112 | 704700 | Check | 1 | 1896 | | OLYMPUS LOCKERS & STORAGE PR | Yes | No | No | USD | 11/13/2023 | 30,548.00 |
| | | | 7113 | 704701 | Check | 1 | 1901 | | OTIS ELEVATOR COMPANY | Yes | No | No | USD | 11/13/2023 | 375.00 |
| | | | 7114 | 704702 | Check | 1 | 1903 | | P.F. PETTIBONE & CO. | Yes | No | No | USD | 11/13/2023 | 658.55 |
| | | | 7115 | 704703 | Check | 1 | 1907 | | PAN-O-GOLD BAKING CO. | Yes | No | No | USD | 11/13/2023 | 1,091.08 |
| | | | 7116 | 704704 | Check | 1 | 1908 | | PAPA MURPHY'S | Yes | No | No | USD | 11/13/2023 | 877.46 |
| | | | 7117 | 704705 | Check | 1 | 1920 | | PEPSI | Yes | No | No | USD | 11/13/2023 | 5,642.17 |
| | | | 7118 | 704706 | Check | 1 | 1929 | | PIEPKORN, GREGORY | Yes | No | No | USD | 11/13/2023 | 913.54 |
| | | | 7155 | 704707 | Check | 1 | 2665 | | PIPEK, JENNA | Yes | No | No | USD | 11/13/2023 | 15.73 |
| | | | 7119 | 704708 | Check | 1 | 1943 | | POPPLERS MUSIC STORE | Yes | No | No | USD | 11/13/2023 | 264.95 |
| | | | 7150 | 704709 | Check | 1 | 2356 | | PRECISION CONCRETE CUTTING | Yes | No | No | USD | 11/13/2023 | 343.00 |
| | | | 7120 | 704710 | Check | 1 | 1954 | | PREMIUM WATERS, INC. | Yes | No | No | USD | 11/13/2023 | 74.79 |
| | | | 7121 | 704711 | Check | 1 | 1980 | | RDO EQUIPMENT CO. | Yes | No | No | USD | 11/13/2023 | 315.24 |
| | | | 7122 | 704712 | Check | 1 | 1986 | | REDWOOD TOXICOLOGY LABORATC | Yes | No | No | USD | 11/13/2023 | 124.07 |
| | | | 7146 | 704713 | Check | 1 | 2306 | | REGION 1 | Yes | No | No | USD | 11/13/2023 | 3,714.00 |
| | | | 7123 | 704714 | Check | 1 | 2002 | | RIEKES EQUIPMENT CO. | Yes | No | No | USD | 11/13/2023 | 112.27 |
| | | | 7124 | 704715 | Check | 1 | 2004 | | RIVERSIDE INSIGHTS | Yes | No | No | USD | 11/13/2023 | 439.65 |
| | | | 7125 | 704716 | Check | 1 | 2025 | | SAFETYFIRST PLAYGROUND MAINTI | Yes | No | No | USD | 11/13/2023 | 17,283.12 |
| | | | 7166 | 704717 | Check | 1 | 3184 | | SCHLENNER, BRANDON | Yes | No | No | USD | 11/13/2023 | 108.08 |
| | | | 7126 | 704718 | Check | 1 | 2042 | | SCHMITT DIRECTOR CENTER | Yes | No | No | USD | 11/13/2023 | 1,232.19 |
| | | | 7127 | 704719 | Check | 1 | 2045 | | SCHNATHORST, VERNON | Yes | No | No | USD | 11/13/2023 | 65.87 |
| | | | 7128 | 704720 | Check | 1 | 2056 | | SCHOOL SPECIALTY LLC | Yes | No | No | USD | 11/13/2023 | 31.05 |
| | | | 7129 | 704721 | Check | 1 | 2074 | | SEPTIC VAC | Yes | No | No | USD | 11/13/2023 | 385.00 |
| | | | 7130 | 704722 | Check | 1 | 2079 | | SHI INTERNATIONAL CORP. | Yes | No | No | USD | 11/13/2023 | 600.00 |
| | | | 7131 | 704723 | Check | 1 | 2120 | | STAPLES | Yes | No | No | USD | 11/13/2023 | 95.57 |
| | | | 7132 | 704724 | Check | 1 | 2128 | | STELLHER HUMAN SERVICES, INC. | Yes | No | No | USD | 11/13/2023 | 26,800.00 |
| | | | 7133 | 704725 | Check | 1 | 2129 | | STENERSON BROS. LUMBER CO. | Yes | No | No | USD | 11/13/2023 | 78.00 |
| | | | 7134 | 704726 | Check | 1 | 2139 | | SUMMIT FIRE PROTECTION | Yes | No | No | USD | 11/13/2023 | 1,117.50 |
| | | | 7135 | 704727 | Check | 1 | 2141 | | SUNRAM, APRIL | Yes | No | No | USD | 11/13/2023 | 51.74 |
| | | | 7136 | 704728 | Check | 1 | 2146 | | SWAN, MICHAEL | Yes | No | No | USD | 11/13/2023 | 106.00 |
| | | | 7137 | 704729 | Check | 1 | 2149 | | SWANSON'S REPAIR | Yes | No | No | USD | 11/13/2023 | 350.57 |
| | | | 7161 | 704730 | Check | 1 | 2942 | | SYSCO NORTH DAKOTA, INC | Yes | No | No | USD | 11/13/2023 | 2,937.90 |
| | | | 7138 | 704731 | Check | 1 | 2168 | | TEAM LAB | Yes | No | No | USD | 11/13/2023 | 1,600.00 |
| | | | 7158 | 704732 | Check | 1 | 2872 | REMIT | THE MATH LEARNING CENTER | Yes | No | No | USD | 11/13/2023 | 3,564.00 |
| | | | 7139 | 704733 | Check | 1 | 2197 | | TRANSFINDER CORP. | Yes | No | No | USD | 11/13/2023 | 4,950.00 |
| | | | 7140 | 704734 | Check | 1 | 2203 | | TROPHY HOUSE | Yes | No | No | USD | 11/13/2023 | 747.28 |
| | | | 7177 | 704735 | Check | 1 | 3228 | | TURF TANK | Yes | No | No | USD | 11/13/2023 | 1,700.00 |
| | | | 7141 | 704736 | Check | 1 | 2207 | | TWEETON REFRIGERATION, INC. | Yes | No | No | USD | 11/13/2023 | 26,498.81 |
| | | | 7172 | 704737 | Check | 1 | 3215 | | UNIVERSAL ATHLETIC, LLC | Yes | No | No | USD | 11/13/2023 | 447.19 |
| | | | 7142 | 704738 | Check | 1 | 2226 | | UPPER LAKES FOODS, INC. | Yes | No | No | USD | 11/13/2023 | 32,622.60 |
| | | | 7143 | 704739 | Check | 1 | 2255 | REMIT | WENGER CORPORATION | Yes | No | No | USD | 11/13/2023 | 1,942.28 |

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Check Register by Bank and Check

| Batch | Co | Bank | Pymt No | Check No | Pay Type | Grp | Code | Rcd | Vendor | Print | Recon | Void | Currency | Pmt/Void Date | Amount |
|-------|----|------|---------|----------|----------|-----|------|-----|--------------------------|-------|-------|------|----------|----------------|--------------|
| 0022 | | MW | 7144 | 704740 | Check | 1 | 2264 | | WILLIAM V. MACGILL & CO. | Yes | No | No | USD | 11/13/2023 | 320.66 |
| | | | 7173 | 704741 | Check | 1 | 3216 | | YOUR THERAPY SOURCE INC | Yes | No | No | USD | 11/13/2023 | 54.00 |
| | | | 7145 | 704742 | Check | 1 | 2283 | | ZORBAZ | Yes | No | No | USD | 11/13/2023 | 322.50 |
| | | | | | | | | | | | | | | Bank Total: MW | \$450,553.18 |
| | | | | | | | | | | | | | | Report Total: | \$450,553.18 |

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Check Register by Bank and Check

| Batch | Co | Bank | Pymt No | Check No | Pay Type | Grp | Code | Rcd | Vendor | Print | Recon | Void | Currency | Pmt/Void Date | Amount |
|-------|----|------|---------|----------|----------|-----|------|-------|--------------------------------|-------|-------|------|----------|---------------|----------|
| 0022 | | MW | 7278 | 704809 | Check | 1 | 1035 | | ALLIANCE PEST PROTECTION | Yes | No | No | USD | 11/27/2023 | 190.00 |
| | | | 7279 | 704810 | Check | 1 | 1056 | | APPLE COMPUTER, INC. | Yes | No | No | USD | 11/27/2023 | 3,603.00 |
| | | | 7362 | 704811 | Check | 1 | 3217 | | AUTISM COMMUNITY STORE | Yes | No | No | USD | 11/27/2023 | 37.53 |
| | | | 7359 | 704812 | Check | 1 | 3183 | | AV FOR YOU LLC | Yes | No | No | USD | 11/27/2023 | 99.64 |
| | | | 7361 | 704813 | Check | 1 | 3193 | REMIT | BADLANDS DISTRIBUTION INC | Yes | No | No | USD | 11/27/2023 | 756.28 |
| | | | 7280 | 704814 | Check | 1 | 1091 | | BECKER COUNTY ENVIRONMENTAL | Yes | No | No | USD | 11/27/2023 | 383.00 |
| | | | 7281 | 704815 | Check | 1 | 1128 | | BOBCAT COMPANY | Yes | No | No | USD | 11/27/2023 | 6,771.76 |
| | | | 7282 | 704816 | Check | 1 | 1163 | | BURNSIDE, JENNIFER | Yes | No | No | USD | 11/27/2023 | 60.26 |
| | | | 7283 | 704817 | Check | 1 | 1192 | | CENTRAL MARKET | Yes | No | No | USD | 11/27/2023 | 189.70 |
| | | | 7358 | 704818 | Check | 1 | 3155 | REMIT | CENTRAL MCGOWAN | Yes | No | No | USD | 11/27/2023 | 1,593.36 |
| | | | 7284 | 704819 | Check | 1 | 1201 | | CITI CARGO & STORAGE | Yes | No | No | USD | 11/27/2023 | 150.00 |
| | | | 7285 | 704820 | Check | 1 | 1231 | | CULINEX | Yes | No | No | USD | 11/27/2023 | 520.65 |
| | | | 7286 | 704821 | Check | 1 | 1244 | | DACOTAH PAPER COMPANY | Yes | No | No | USD | 11/27/2023 | 2,617.81 |
| | | | 7352 | 704822 | Check | 1 | 2619 | | DALY, MICHAEL | Yes | No | No | USD | 11/27/2023 | 15.69 |
| | | | 7287 | 704823 | Check | 1 | 1261 | | DEMCO INC. | Yes | No | No | USD | 11/27/2023 | 217.20 |
| | | | 7288 | 704824 | Check | 1 | 1270 | | DETROIT LAKES DISPOSAL | Yes | No | No | USD | 11/27/2023 | 4,971.67 |
| | | | 7289 | 704825 | Check | 1 | 1291 | | DL REGIONAL CHAMBER OF COMME | Yes | No | No | USD | 11/27/2023 | 250.00 |
| | | | 7290 | 704826 | Check | 1 | 1305 | | EAST SIDE JERSEY DAIRY ESJD | Yes | No | No | USD | 11/27/2023 | 6,291.52 |
| | | | 7354 | 704827 | Check | 1 | 2718 | REMIT | ECKROTH MUSIC | Yes | No | No | USD | 11/27/2023 | 112.00 |
| | | | 7346 | 704828 | Check | 1 | 2317 | | EDUCATORS BENEFIT CONSULTANT | Yes | No | No | USD | 11/27/2023 | 231.56 |
| | | | 7353 | 704829 | Check | 1 | 2621 | | EVANS, HEIDI | Yes | No | No | USD | 11/27/2023 | 143.26 |
| | | | 7291 | 704830 | Check | 1 | 1358 | | FELDT PLUMBING LLP | Yes | No | No | USD | 11/27/2023 | 8,285.00 |
| | | | 7292 | 704831 | Check | 1 | 1400 | | G & R CONTROLS, INC. | Yes | No | No | USD | 11/27/2023 | 2,550.00 |
| | | | 7355 | 704832 | Check | 1 | 2806 | | GEORGAKOPOULOS, TESS | Yes | No | No | USD | 11/27/2023 | 185.00 |
| | | | 7293 | 704833 | Check | 1 | 1416 | | GIVEN, RIKKI | Yes | No | No | USD | 11/27/2023 | 50.00 |
| | | | 7294 | 704834 | Check | 1 | 1426 | | GRAINGER, INC. | Yes | No | No | USD | 11/27/2023 | 265.14 |
| | | | 7295 | 704835 | Check | 1 | 1432 | | GREEN'S PLUMBING & MODERN HE/ | Yes | No | No | USD | 11/27/2023 | 9,047.96 |
| | | | 7349 | 704836 | Check | 1 | 2547 | | GRIMCO INC. | Yes | No | No | USD | 11/27/2023 | 988.73 |
| | | | 7296 | 704837 | Check | 1 | 1443 | | H&B SPECIALIZED PRODUCTS, INC. | Yes | No | No | USD | 11/27/2023 | 2,635.20 |
| | | | 7363 | 704838 | Check | 1 | 3226 | | H2I GROUP | Yes | No | No | USD | 11/27/2023 | 756.00 |
| | | | 7364 | 704839 | Check | 1 | 3227 | | HALF-PINT KIDS, INC. | Yes | No | No | USD | 11/27/2023 | 1,425.60 |
| | | | 7366 | 704840 | Check | 1 | 3245 | | HCI CLEANING PRODUCTS, LLC | Yes | No | No | USD | 11/27/2023 | 54.87 |
| | | | 7297 | 704841 | Check | 1 | 1487 | | HILLYARD / HUTCHINSON | Yes | No | No | USD | 11/27/2023 | 4,264.18 |
| | | | 7298 | 704842 | Check | 1 | 1502 | | HOLMQUIST, MELANIE | Yes | No | No | USD | 11/27/2023 | 68.91 |
| | | | 7299 | 704843 | Check | 1 | 1511 | | HOUGH INC. | Yes | No | No | USD | 11/27/2023 | 1,163.19 |
| | | | 7300 | 704844 | Check | 1 | 1532 | | IDENTISYS, INC. | Yes | No | No | USD | 11/27/2023 | 143.74 |
| | | | 7351 | 704845 | Check | 1 | 2550 | | IKI INC. | Yes | No | No | USD | 11/27/2023 | 196.00 |
| | | | 7365 | 704846 | Check | 1 | 3243 | | INSPIRE TO CREATE ENTERPRISES | Yes | No | No | USD | 11/27/2023 | 530.93 |
| | | | 7301 | 704847 | Check | 1 | 1563 | | INTERQUEST DETECTION CANINES | Yes | No | No | USD | 11/27/2023 | 1,020.00 |
| | | | 7302 | 704848 | Check | 1 | 1567 | | IXL LEARNING | Yes | No | No | USD | 11/27/2023 | 7,225.00 |
| | | | 7303 | 704849 | Check | 1 | 1615 | | KANKAKEE SPIKEBALL INC. | Yes | No | No | USD | 11/27/2023 | 385.00 |

SMART Finance

Check Register by Bank and Check

| Batch | Co | Bank | Pymt No | Check No | Pay Type | Grp | Code | Rcd | Vendor | Print | Recon | Void | Currency | Pmt/Void Date | Amount |
|-------|----|------|---------|----------|----------|-----|------|-------|--------------------------------|-------|-------|------|----------|---------------|-----------|
| 0022 | | MW | 7368 | 704850 | Check | 1 | 3262 | | KOVALA, CONNIE | Yes | No | No | USD | 11/27/2023 | 75.00 |
| | | | 7304 | 704851 | Check | 1 | 1638 | REMIT | L&M FLEET SUPPLY, INC. | Yes | No | No | USD | 11/27/2023 | 766.85 |
| | | | 7305 | 704852 | Check | 1 | 1639 | | LA BARISTA | Yes | No | No | USD | 11/27/2023 | 471.95 |
| | | | 7306 | 704853 | Check | 1 | 1648 | | LAKER LOCKER | Yes | No | No | USD | 11/27/2023 | 200.00 |
| | | | 7307 | 704854 | Check | 1 | 1683 | | LINK, SAMANTHA | Yes | No | No | USD | 11/27/2023 | 157.74 |
| | | | 7308 | 704855 | Check | 1 | 1731 | | MEADOWLAND SURVEYING INC. | Yes | No | No | USD | 11/27/2023 | 2,647.50 |
| | | | 7309 | 704856 | Check | 1 | 1736 | | MENARDS - DETROIT LAKES | Yes | No | No | USD | 11/27/2023 | 29.78 |
| | | | 7310 | 704857 | Check | 1 | 1739 | REMIT | METROPOLITAN MECHANICAL CONT | Yes | No | No | USD | 11/27/2023 | 181.89 |
| | | | 7311 | 704858 | Check | 1 | 1753 | | MILLER YARD CARE AND CONSTRU | Yes | No | No | USD | 11/27/2023 | 560.00 |
| | | | 7312 | 704859 | Check | 1 | 1759 | | MINNESOTA FLYERS GYMNASTICS, I | Yes | No | No | USD | 11/27/2023 | 120.00 |
| | | | 7313 | 704860 | Check | 1 | 1764 | | MINNKOTA RECYCLING | Yes | No | No | USD | 11/27/2023 | 241.90 |
| | | | 7314 | 704861 | Check | 1 | 1781 | | MN REGION 1 FFA | Yes | No | No | USD | 11/27/2023 | 685.00 |
| | | | 7315 | 704862 | Check | 1 | 1787 | | MN STATE COMMUNITY & TECHNICA | Yes | No | No | USD | 11/27/2023 | 15,210.65 |
| | | | 7316 | 704863 | Check | 1 | 1792 | | MN SWIM COACHES ASSOCIATION | Yes | No | No | USD | 11/27/2023 | 170.00 |
| | | | 7348 | 704864 | Check | 1 | 2420 | REMIT | MRI SOFTWARE LLC | Yes | No | No | USD | 11/27/2023 | 2.00 |
| | | | 7317 | 704865 | Check | 1 | 1840 | | NATIONAL FOOD GROUP, INC | Yes | No | No | USD | 11/27/2023 | 7,137.20 |
| | | | 7324 | 704866 | Check | 1 | 1917 | REMIT | NCS PEARSON INC | Yes | No | No | USD | 11/27/2023 | 117.84 |
| | | | 7318 | 704867 | Check | 1 | 1853 | | NEWLING ASPHALT SERVICES | Yes | No | No | USD | 11/27/2023 | 8,640.00 |
| | | | 7350 | 704868 | Check | 1 | 2549 | | NINHAM, DAN | Yes | No | No | USD | 11/27/2023 | 650.00 |
| | | | 7356 | 704869 | Check | 1 | 2856 | | NORTHLAND GLASS & GLAZING LLC | Yes | No | No | USD | 11/27/2023 | 13,900.00 |
| | | | 7319 | 704870 | Check | 1 | 1875 | | NUDELL, KAREN | Yes | No | No | USD | 11/27/2023 | 238.39 |
| | | | 7320 | 704871 | Check | 1 | 1876 | | NUMOTION | Yes | No | No | USD | 11/27/2023 | 4,885.00 |
| | | | 7321 | 704872 | Check | 1 | 1907 | | PAN-O-GOLD BAKING CO. | Yes | No | No | USD | 11/27/2023 | 887.68 |
| | | | 7322 | 704873 | Check | 1 | 1908 | | PAPA MURPHY'S | Yes | No | No | USD | 11/27/2023 | 504.25 |
| | | | 7323 | 704874 | Check | 1 | 1911 | | PAR INC. | Yes | No | No | USD | 11/27/2023 | 311.04 |
| | | | 7325 | 704875 | Check | 1 | 1920 | | PEPSI | Yes | No | No | USD | 11/27/2023 | 229.41 |
| | | | 7326 | 704876 | Check | 1 | 1929 | | PIEPKORN, GREGORY | Yes | No | No | USD | 11/27/2023 | 235.97 |
| | | | 7327 | 704877 | Check | 1 | 1943 | | POPPLERS MUSIC STORE | Yes | No | No | USD | 11/27/2023 | 56.95 |
| | | | 7328 | 704878 | Check | 1 | 1951 | | PRECISION PRINTING | Yes | No | No | USD | 11/27/2023 | 220.00 |
| | | | 7329 | 704879 | Check | 1 | 1954 | | PREMIUM WATERS, INC. | Yes | No | No | USD | 11/27/2023 | 129.98 |
| | | | 7330 | 704880 | Check | 1 | 1972 | | QUALITY INN & SUITES | Yes | No | No | USD | 11/27/2023 | 89.99 |
| | | | 7331 | 704881 | Check | 1 | 1980 | | RDO EQUIPMENT CO. | Yes | No | No | USD | 11/27/2023 | 1,938.51 |
| | | | 7332 | 704882 | Check | 1 | 1986 | | REDWOOD TOXICOLOGY LABORATC | Yes | No | No | USD | 11/27/2023 | 38.20 |
| | | | 7333 | 704883 | Check | 1 | 2008 | | ROGERS, DENNIS | Yes | No | No | USD | 11/27/2023 | 1,600.00 |
| | | | 7335 | 704884 | Check | 1 | 2028 | | SANFORD HEALTH OCCUPATIONAL I | Yes | No | No | USD | 11/27/2023 | 188.00 |
| | | | 7360 | 704885 | Check | 1 | 3184 | | SCHLENNER, BRANDON | Yes | No | No | USD | 11/27/2023 | 326.45 |
| | | | 7336 | 704886 | Check | 1 | 2056 | | SCHOOL SPECIALTY LLC | Yes | No | No | USD | 11/27/2023 | 31,744.95 |
| | | | 7337 | 704887 | Check | 1 | 2065 | | SCHWARTZ, JEAN | Yes | No | No | USD | 11/27/2023 | 575.72 |
| | | | 7334 | 704888 | Check | 1 | 2018 | | SQUIRES, WALDSPURGER & MACE, | Yes | No | No | USD | 11/27/2023 | 503.50 |
| | | | 7347 | 704889 | Check | 1 | 2372 | | STAR AUTISM SUPPORT | Yes | No | No | USD | 11/27/2023 | 930.60 |
| | | | 7367 | 704890 | Check | 1 | 3261 | | STEICHEN, DARIKA | Yes | No | No | USD | 11/27/2023 | 455.00 |

SMART Finance

Check Register by Bank and Check

| Batch | Co | Bank | Pymt No | Check No | Pay Type | Grp | Code | Rcd | Vendor | Print | Recon | Void | Currency | Pmt/Void Date | Amount |
|----------------|----|------|---------|----------|----------|-----|------|-----|-----------------------------|-------|-------|------|----------|---------------|-----------|
| 0022 | | MW | 7338 | 704891 | Check | 1 | 2138 | | SUCKERT, MICHAEL | Yes | No | No | USD | 11/27/2023 | 193.23 |
| | | | 7357 | 704892 | Check | 1 | 2942 | | SYSCO NORTH DAKOTA, INC | Yes | No | No | USD | 11/27/2023 | 3,049.01 |
| | | | 7339 | 704893 | Check | 1 | 2168 | | TEAM LAB | Yes | No | No | USD | 11/27/2023 | 800.00 |
| | | | 7340 | 704894 | Check | 1 | 2178 | | THERAPRO INC. | Yes | No | No | USD | 11/27/2023 | 759.99 |
| | | | 7341 | 704895 | Check | 1 | 2200 | | TRICORNE AUDIO INC. | Yes | No | No | USD | 11/27/2023 | 320.79 |
| | | | 7342 | 704896 | Check | 1 | 2203 | | TROPHY HOUSE | Yes | No | No | USD | 11/27/2023 | 384.00 |
| | | | 7343 | 704897 | Check | 1 | 2207 | | TWEETON REFRIGERATION, INC. | Yes | No | No | USD | 11/27/2023 | 852.80 |
| | | | 7344 | 704898 | Check | 1 | 2226 | | UPPER LAKES FOODS, INC. | Yes | No | No | USD | 11/27/2023 | 17,900.87 |
| | | | 7345 | 704899 | Check | 1 | 2236 | | VOIGT, JAMES | Yes | No | No | USD | 11/27/2023 | 57.20 |
| Bank Total: MW | | | | | | | | | | | | | | \$192,819.12 | |
| Report Total: | | | | | | | | | | | | | | \$192,819.12 | |

HAND PAYABLE SUMMARY

OCTOBER 2023

| Bank | Pmt No | Check No | Pay Type | Vendor | Date | Amount |
|------|--------|----------|----------|--|------------|---------------|
| MW | 6567 | | Wire | CORPORATE PAYMENT SYSTEMS | 10/2/2023 | \$ 22,195.76 |
| MW | 6580 | | Wire | WEX HEALTH INC - HSA/FLEX | 10/3/2023 | \$ 13,762.64 |
| MW | 6581 | | Wire | AVIBEN | 10/3/2023 | \$ 38,013.81 |
| MW | 6589 | | Wire | CONSTELLATION NEW ENERGY GAS D | 10/3/2023 | \$ 957.01 |
| MW | 6590 | | Wire | EMC INSURANCE COMPANIES | 10/3/2023 | \$ 16,935.06 |
| MW | 6591 | | Wire | PERFORMANCE FOODSERVICE | 10/3/2023 | \$ 2,994.89 |
| MW | 6592 | | Wire | PERFORMANCE FOODSERVICE | 10/3/2023 | \$ 283.29 |
| MW | 6593 | | Wire | LAKES COUNTRY SERVICE CO-OP INSURANCE POOL | 10/3/2023 | \$ 291,023.74 |
| MW | 6698 | | Wire | MINNESOTA STATE RETIREMENT SYS | 10/4/2023 | \$ 13,915.18 |
| MW | 6699 | | Wire | PUBLIC EMPLOYEES RETIREMENT ASSOC | 10/4/2023 | \$ 40,554.36 |
| MW | 6700 | | Wire | MN TEACHERS RETIREMENT ASSOC. | 10/4/2023 | \$ 126,464.94 |
| MW | 6701 | | Wire | BIX PRODUCE | 10/5/2023 | \$ 5,179.44 |
| MW | 6702 | | Wire | CASH-WA DISTRIBUTING CO. | 10/5/2023 | \$ 1,765.39 |
| MW | 6703 | | Wire | CITY OF DETROIT LAKES | 10/5/2023 | \$ 1,441.38 |
| MW | 6704 | | Wire | PERFORMANCE FOODSERVICE | 10/5/2023 | \$ 3,199.14 |
| MW | 6725 | | Wire | AMAZON | 10/6/2023 | \$ 18,748.75 |
| MW | 6726 | | Wire | CAPITAL ONE TRADE CREDIT | 10/10/2023 | \$ 227.54 |
| MW | 6727 | | Wire | MINNESOTA ENERGY RESOURCES | 10/10/2023 | \$ 63.22 |
| MW | 6728 | | Wire | MINNESOTA ENERGY RESOURCES | 10/10/2023 | \$ 64.95 |
| MW | 6729 | | Wire | PERFORMANCE FOODSERVICE | 10/10/2023 | \$ 1,980.63 |
| MW | 6730 | | Wire | PERFORMANCE FOODSERVICE | 10/10/2023 | \$ 9.60 |
| MW | 6731 | | Wire | MN DEPT OF REVENUE -SALES TAX | 10/10/2023 | \$ 1,655.00 |
| MW | 6743 | | Wire | INTERNAL REVENUE SERVICE | 10/3/2023 | \$ 63.60 |
| MW | 6744 | | Wire | MN DEPT OF REVENUE -PAYROLL TAXES | 10/3/2023 | \$ 3.64 |
| MW | 6774 | | Wire | BIX PRODUCE | 10/12/2023 | \$ 3,215.28 |
| MW | 6775 | | Wire | CASH-WA DISTRIBUTING CO. | 10/12/2023 | \$ 1,259.80 |
| MW | 6776 | | Wire | MINNESOTA ENERGY RESOURCES | 10/12/2023 | \$ 289.49 |
| MW | 6777 | | Wire | MINNESOTA ENERGY RESOURCES | 10/12/2023 | \$ 28.13 |
| MW | 6778 | | Wire | PERFORMANCE FOODSERVICE | 10/12/2023 | \$ 1,836.34 |
| MW | 6779 | | Wire | INTERNAL REVENUE SERVICE | 10/13/2023 | \$ 204,358.41 |
| MW | 6780 | | Wire | MN DEPT OF REVENUE -PAYROLL TAXES | 10/13/2023 | \$ 32,801.58 |
| MW | 6806 | | Wire | CASH-WA DISTRIBUTING CO. | 10/16/2023 | \$ 61.64 |
| MW | 6807 | | Wire | CITY OF DETROIT LAKES | 10/16/2023 | \$ 21,105.24 |
| MW | 6808 | | Wire | CITY OF DETROIT LAKES | 10/16/2023 | \$ 145.32 |
| MW | 6809 | | Wire | CITY OF DETROIT LAKES | 10/16/2023 | \$ 2,283.60 |
| MW | 6810 | | Wire | CITY OF DETROIT LAKES | 10/16/2023 | \$ 525.26 |
| MW | 6811 | | Wire | CITY OF DETROIT LAKES | 10/16/2023 | \$ 7,676.00 |
| MW | 6812 | | Wire | LAKES COMMUNITY COOPERATIVE | 10/16/2023 | \$ 4,075.01 |
| MW | 6813 | | Wire | MINNESOTA ENERGY RESOURCES | 10/16/2023 | \$ 68.59 |
| MW | 6814 | | Wire | MINNESOTA ENERGY RESOURCES | 10/16/2023 | \$ 69.79 |
| MW | 6815 | | Wire | PERFORMANCE FOODSERVICE | 10/16/2023 | \$ 5,828.07 |
| MW | 6944 | | Wire | BIX PRODUCE | 10/20/2023 | \$ 4,013.71 |
| MW | 6945 | | Wire | CASH-WA DISTRIBUTING CO. | 10/20/2023 | \$ 613.31 |
| MW | 6946 | | Wire | PERFORMANCE FOODSERVICE | 10/20/2023 | \$ 2,571.76 |
| MW | 6947 | | Wire | PERFORMANCE FOODSERVICE | 10/20/2023 | \$ 201.66 |
| MW | 6951 | | Wire | WEX HEALTH INC - HSA/FLEX | 10/23/2023 | \$ 14,311.79 |
| MW | 6952 | | Wire | MINNESOTA STATE RETIREMENT SYS | 10/23/2023 | \$ 13,835.18 |
| MW | 6953 | | Wire | AVIBEN | 10/23/2023 | \$ 38,367.17 |
| MW | 6954 | | Wire | PUBLIC EMPLOYEES RETIREMENT ASSOC | 10/25/2023 | \$ 41,579.53 |
| MW | 6955 | | Wire | MN TEACHERS RETIREMENT ASSOC. | 10/25/2023 | \$ 119,493.81 |
| MW | 6956 | | Wire | MINNESOTA ENERGY RESOURCES | 10/24/2023 | \$ 321.32 |
| MW | 6957 | | Wire | PERFORMANCE FOODSERVICE | 10/24/2023 | \$ 3,939.65 |
| MW | 6958 | | Wire | QUADIENT LEASING USA, INC. | 10/24/2023 | \$ 722.10 |
| MW | 6959 | | Wire | QUADIENT LEASING USA, INC. | 10/24/2023 | \$ 80.85 |
| MW | 6960 | | Wire | VERIZON WIRELESS | 10/24/2023 | \$ 637.05 |
| MW | 6961 | | Wire | VERIZON WIRELESS | 10/24/2023 | \$ 555.74 |
| MW | 6962 | | Wire | MIDCO COMMUNICATIONS | 10/24/2023 | \$ 200.00 |
| MW | 6963 | | Wire | MIDCO COMMUNICATIONS | 10/24/2023 | \$ 200.00 |
| MW | 6964 | | Wire | MIDCO COMMUNICATIONS | 10/24/2023 | \$ 200.00 |
| MW | 6965 | | Wire | MIDCO COMMUNICATIONS | 10/24/2023 | \$ 200.00 |
| MW | 6966 | | Wire | MIDCO COMMUNICATIONS | 10/24/2023 | \$ 200.00 |
| MW | 6967 | | Wire | MIDCO COMMUNICATIONS | 10/24/2023 | \$ 200.00 |
| MW | 6968 | | Wire | MIDCO COMMUNICATIONS | 10/24/2023 | \$ 200.00 |
| MW | 6969 | | Wire | MIDCO COMMUNICATIONS | 10/24/2023 | \$ 2,200.39 |
| MW | 6970 | | Wire | BIX PRODUCE | 10/27/2023 | \$ 3,044.14 |

| | | | | | | | |
|----|------|--------|-------|-----------------------------------|------------|----|------------|
| MW | 6971 | | Wire | CASH-WA DISTRIBUTING CO. | 10/27/2023 | \$ | 772.63 |
| MW | 6972 | | Wire | CITY OF DETROIT LAKES | 10/27/2023 | \$ | 118.54 |
| MW | 6973 | | Wire | CITY OF DETROIT LAKES | 10/27/2023 | \$ | 24,590.27 |
| MW | 6974 | | Wire | CITY OF DETROIT LAKES | 10/27/2023 | \$ | 1,336.50 |
| MW | 6975 | | Wire | CITY OF DETROIT LAKES | 10/27/2023 | \$ | 1,054.46 |
| MW | 6976 | | Wire | CITY OF DETROIT LAKES | 10/27/2023 | \$ | 312.32 |
| MW | 6977 | | Wire | CITY OF DETROIT LAKES | 10/27/2023 | \$ | 575.87 |
| MW | 6978 | | Wire | MINNESOTA ENERGY RESOURCES | 10/27/2023 | \$ | 3,454.00 |
| MW | 6979 | | Wire | MINNESOTA ENERGY RESOURCES | 10/27/2023 | \$ | 888.79 |
| MW | 6980 | | Wire | MINNESOTA ENERGY RESOURCES | 10/27/2023 | \$ | 855.81 |
| MW | 6981 | | Wire | PERFORMANCE FOODSERVICE | 10/27/2023 | \$ | 2,772.53 |
| MW | 6982 | | Wire | QUADIENT FINANCE USA, INC. | 10/27/2023 | \$ | 1,000.00 |
| MW | 6983 | | Wire | METLIFE | 10/27/2023 | \$ | 6,085.49 |
| MW | 7000 | | Wire | INTERNAL REVENUE SERVICE | 10/30/2023 | \$ | 246,584.58 |
| MW | 7001 | | Wire | MN DEPT OF REVENUE -PAYROLL TAXES | 10/30/2023 | \$ | 40,424.40 |
| MW | 7013 | | Wire | CORPORATE PAYMENT SYSTEMS | 10/31/2023 | \$ | 14,675.87 |
| MW | 7014 | | Wire | PERFORMANCE FOODSERVICE | 10/31/2023 | \$ | 1,652.13 |
| MW | 7015 | | Wire | PERFORMANCE FOODSERVICE | 10/31/2023 | \$ | 207.90 |
| MW | 7016 | | Wire | ND STATE TAX COMMISSIONER | 10/31/2023 | \$ | 326.20 |
| MW | 7020 | | Wire | MIDWEST BANK | 10/31/2023 | \$ | 4.00 |
| MW | 7021 | | Wire | MIDWEST BANK | 10/31/2023 | \$ | 10.00 |
| MW | 7022 | | Wire | MIDWEST BANK | 10/31/2023 | \$ | 10.00 |
| MW | 7023 | | Wire | MIDWEST BANK | 10/31/2023 | \$ | 10.00 |
| MW | 7024 | | Wire | MIDWEST BANK | 10/31/2023 | \$ | 4.00 |
| MW | 7025 | | Wire | MIDWEST BANK | 10/31/2023 | \$ | 100.00 |
| MW | 7026 | | Wire | MIDWEST BANK | 10/31/2023 | \$ | 10.00 |
| MW | 7027 | | Wire | AUTHORIZE.NET GATEWAY BILLING | 10/31/2023 | \$ | 25.00 |
| MW | 7028 | | Wire | VANTIV BILLING / WORLDPAY | 10/31/2023 | \$ | 137.85 |
| MW | 7029 | | Wire | REVTRAK | 10/31/2023 | \$ | 29.95 |
| MW | 7030 | | Wire | REVTRAK | 10/31/2023 | \$ | 229.50 |
| MW | 7031 | | Wire | REVTRAK | 10/31/2023 | \$ | 58.50 |
| MW | 7032 | | Wire | TRANSFIRST AFFINETY | 10/31/2023 | \$ | 361.53 |
| MW | 7033 | | Wire | WEX HEALTH INC | 10/31/2023 | \$ | 7,104.03 |
| MW | 7034 | | Wire | WEX HEALTH INC | 10/31/2023 | \$ | 423.50 |
| MW | 7035 | | Wire | USPS.COM | 10/31/2023 | \$ | 68.27 |
| MW | 7036 | | Wire | WIX.COM / WIXPOS | 10/31/2023 | \$ | 49.95 |
| MW | 7037 | | Wire | WIX.COM / WIXPOS | 10/31/2023 | \$ | 49.95 |
| MW | 6035 | 703819 | Check | WEST FARGO HIGH SCHOOL | 10/26/2023 | \$ | (100.00) |
| MW | 6419 | 704156 | Check | SKYWARD USERS OF MINNESOTA | 10/4/2023 | \$ | (195.00) |
| MW | 6532 | 704211 | Check | ALOMAR, ALI | 10/6/2023 | \$ | (181.83) |
| MW | 6564 | 704247 | Check | CARLSON, DAULTON | 10/6/2023 | \$ | (82.50) |
| MW | 6557 | 704253 | Check | SCHOENBERGER, JENNA | 10/6/2023 | \$ | (180.00) |
| MW | 6560 | 704254 | Check | SCOLLEY, MIKE | 10/6/2023 | \$ | (82.50) |
| MW | 6559 | 704255 | Check | SPECHT, ART | 10/6/2023 | \$ | (82.50) |
| MW | 6582 | 704266 | Check | CAULFIELD STUDIO | 10/3/2023 | \$ | 650.00 |
| MW | 6588 | 704267 | Check | GULSETH, JAEGER | 10/3/2023 | \$ | 80.00 |
| MW | 6583 | 704268 | Check | JB'S CUSTOM APPAREL | 10/3/2023 | \$ | 924.00 |
| MW | 6584 | 704269 | Check | LAKER LOCKER | 10/3/2023 | \$ | 325.00 |
| MW | 6587 | 704270 | Check | SCOLLEY, MIKE | 10/3/2023 | \$ | 80.00 |
| MW | 6587 | 704270 | Check | SCOLLEY, MIKE | 10/5/2023 | \$ | (80.00) |
| MW | 6585 | 704271 | Check | STEVICK BUSINESS SPECIALTIES | 10/3/2023 | \$ | 115.00 |
| MW | 6586 | 704272 | Check | TUCKER, STEVE | 10/3/2023 | \$ | 80.00 |
| MW | 6705 | 704362 | Check | ANDERSON COACH OF FRAZEE, INC. | 10/5/2023 | \$ | 20,767.80 |
| MW | 6714 | 704363 | Check | BELLEFEUILLE, JEROME | 10/5/2023 | \$ | 175.00 |
| MW | 6706 | 704364 | Check | C.T. BRUNS LLC | 10/5/2023 | \$ | 3,332.50 |
| MW | 6715 | 704365 | Check | CALVIN AND ANNE SCHOW | 10/5/2023 | \$ | 852.00 |
| MW | 6720 | 704366 | Check | CARLSON, DAULTON | 10/5/2023 | \$ | 82.50 |
| MW | 6722 | 704367 | Check | HARTZE, STEVEN | 10/5/2023 | \$ | 66.50 |
| MW | 6716 | 704368 | Check | ISD #206 | 10/5/2023 | \$ | 200.00 |
| MW | 6710 | 704369 | Check | LAKEVIEW GREENHOUSES | 10/5/2023 | \$ | 226.00 |
| MW | 6724 | 704370 | Check | LOWELL, ADDISON | 10/5/2023 | \$ | 171.64 |
| MW | 6707 | 704371 | Check | OLANDER BUS SERVICE INC. | 10/5/2023 | \$ | 233,847.90 |
| MW | 6723 | 704372 | Check | PIZZA RANCH | 10/5/2023 | \$ | 739.38 |
| MW | 6721 | 704373 | Check | SABANOVIC, KEMAL | 10/5/2023 | \$ | 82.26 |
| MW | 6718 | 704374 | Check | SCHORNACK, JENNA | 10/5/2023 | \$ | 60.00 |
| MW | 6719 | 704375 | Check | SCHORNACK, JENNA | 10/5/2023 | \$ | 180.00 |
| MW | 6708 | 704376 | Check | SCHULTZ BUS COMPANY | 10/5/2023 | \$ | 96,834.90 |
| MW | 6713 | 704377 | Check | SCOLLEY, MIKE | 10/5/2023 | \$ | 162.50 |
| MW | 6711 | 704378 | Check | SKYWARD USERS OF MINNESOTA | 10/5/2023 | \$ | 750.00 |
| MW | 6712 | 704379 | Check | SPECHT, ART | 10/5/2023 | \$ | 82.50 |
| MW | 6717 | 704380 | Check | STORRUSTEN, DAN | 10/5/2023 | \$ | 185.00 |

| | | | | | | | |
|----|------|--------|-------|-----------------------------------|------------|----|----------|
| MW | 6709 | 704381 | Check | STUEWE, LUKE | 10/5/2023 | \$ | 80.00 |
| MW | 6740 | 704382 | Check | ALVERSON, KAI | 10/10/2023 | \$ | 60.00 |
| MW | 6732 | 704383 | Check | CARRIER, JOSEPH | 10/10/2023 | \$ | 350.00 |
| MW | 6733 | 704384 | Check | CAULFIELD STUDIO | 10/10/2023 | \$ | 50.00 |
| MW | 6741 | 704385 | Check | DANIEL, CARLI | 10/10/2023 | \$ | 208.89 |
| MW | 6737 | 704386 | Check | DUNN, CONNOR | 10/10/2023 | \$ | 576.00 |
| MW | 6734 | 704387 | Check | GERRELL'S SPORT CENTER | 10/10/2023 | \$ | 4,660.00 |
| MW | 6742 | 704388 | Check | HATCH, JODI | 10/10/2023 | \$ | 163.03 |
| MW | 6738 | 704389 | Check | MinneTESOL | 10/10/2023 | \$ | 610.00 |
| MW | 6739 | 704390 | Check | PRATT, ASHER | 10/10/2023 | \$ | 20.00 |
| MW | 6735 | 704391 | Check | SCHWEIGART, JOYCE | 10/10/2023 | \$ | 1,047.24 |
| MW | 6736 | 704392 | Check | WORLD'S FINEST CHOCOLATES | 10/10/2023 | \$ | 2,820.00 |
| MW | 6745 | 704393 | Check | AASTUEN, BENJAMIN | 10/12/2023 | \$ | 229.65 |
| MW | 6758 | 704394 | Check | CALVIN AND ANNE SCHOW | 10/12/2023 | \$ | 574.50 |
| MW | 6746 | 704395 | Check | CAULFIELD STUDIO | 10/12/2023 | \$ | 595.00 |
| MW | 6747 | 704396 | Check | CENTRAL FLORAL | 10/12/2023 | \$ | 374.40 |
| MW | 6752 | 704397 | Check | DILLARD, MARY | 10/12/2023 | \$ | 275.98 |
| MW | 6752 | 704397 | Check | DILLARD, MARY | 10/18/2023 | \$ | (275.98) |
| MW | 6760 | 704398 | Check | ENGEL, ROD | 10/12/2023 | \$ | 135.00 |
| MW | 6768 | 704399 | Check | FENSKE, BRADY | 10/12/2023 | \$ | 82.50 |
| MW | 6762 | 704400 | Check | GOODRICH, CANDI | 10/12/2023 | \$ | 30.00 |
| MW | 6757 | 704401 | Check | GOODRICH, JACK | 10/12/2023 | \$ | 30.00 |
| MW | 6773 | 704402 | Check | GOODRICH, MASON | 10/12/2023 | \$ | 30.00 |
| MW | 6761 | 704403 | Check | GRAHAM, HUNTER | 10/12/2023 | \$ | 135.00 |
| MW | 6754 | 704404 | Check | HALL, MICHAEL | 10/12/2023 | \$ | 180.96 |
| MW | 6765 | 704405 | Check | HAMAR, TERRY | 10/12/2023 | \$ | 30.00 |
| MW | 6748 | 704406 | Check | HAUS, MARY | 10/12/2023 | \$ | 533.47 |
| MW | 6756 | 704407 | Check | JACOBSON, JAMES | 10/12/2023 | \$ | 135.00 |
| MW | 6750 | 704408 | Check | LAKEVIEW GREENHOUSES | 10/12/2023 | \$ | 216.00 |
| MW | 6755 | 704409 | Check | MARTIN, MICHAEL | 10/12/2023 | \$ | 135.00 |
| MW | 6769 | 704410 | Check | MARTIN, TIM | 10/12/2023 | \$ | 30.00 |
| MW | 6770 | 704411 | Check | OLSEN, JESSIE | 10/12/2023 | \$ | 89.35 |
| MW | 6767 | 704412 | Check | SCHORNACK, JENNA | 10/12/2023 | \$ | 240.00 |
| MW | 6751 | 704413 | Check | SCOLLEY, MIKE | 10/12/2023 | \$ | 135.00 |
| MW | 6772 | 704414 | Check | SIDERS, BILL | 10/12/2023 | \$ | 150.00 |
| MW | 6753 | 704415 | Check | SLACK, DEB | 10/12/2023 | \$ | 260.26 |
| MW | 6766 | 704416 | Check | STORRUSTEN, DAN | 10/12/2023 | \$ | 180.96 |
| MW | 6749 | 704417 | Check | STUEWE, LUKE | 10/12/2023 | \$ | 80.00 |
| MW | 6759 | 704418 | Check | VONRUDEN, MARY | 10/12/2023 | \$ | 179.72 |
| MW | 6764 | 704419 | Check | WHEELING, DARREN | 10/12/2023 | \$ | 30.00 |
| MW | 6763 | 704420 | Check | WHEELING, NICOLE | 10/12/2023 | \$ | 30.00 |
| MW | 6771 | 704421 | Check | WREN, IRENE | 10/12/2023 | \$ | 301.96 |
| MW | 6783 | 704422 | Check | AFSCME COUNCIL 65 | 10/13/2023 | \$ | 310.45 |
| MW | 6781 | 704423 | Check | AMERICAN FAMILY LIFE ASSURANCE CO | 10/13/2023 | \$ | 230.25 |
| MW | 6785 | 704424 | Check | D. L. ATHLETIC FOUNDATION | 10/13/2023 | \$ | 155.00 |
| MW | 6786 | 704425 | Check | D.L. PUBLIC EDUC FOUNDATION | 10/13/2023 | \$ | 30.00 |
| MW | 6782 | 704426 | Check | MINNESOTA CHILD SUPPORT | 10/13/2023 | \$ | 742.50 |
| MW | 6788 | 704427 | Check | MN SCHOOL EMPLOYEES ASSOC. | 10/13/2023 | \$ | 182.76 |
| MW | 6787 | 704428 | Check | SUPPORT PAYMENT CLEARINGHOUSE | 10/13/2023 | \$ | 335.91 |
| MW | 6784 | 704429 | Check | UNITED WAY OF BECKER COUNTY | 10/13/2023 | \$ | 270.00 |
| MW | 6789 | 704430 | Check | DL COMMUNITY & CULTURAL CENTER | 10/16/2023 | \$ | 320.00 |
| MW | 6804 | 704431 | Check | DUMAS, ANDY | 10/16/2023 | \$ | 135.00 |
| MW | 6790 | 704432 | Check | EITER, TERRY | 10/16/2023 | \$ | 80.00 |
| MW | 6800 | 704433 | Check | FENSKE, BRADY | 10/16/2023 | \$ | 165.00 |
| MW | 6798 | 704434 | Check | GULSETH, JAEGER | 10/16/2023 | \$ | 82.50 |
| MW | 6796 | 704435 | Check | HAMM, MACKENZIE | 10/16/2023 | \$ | 60.00 |
| MW | 6795 | 704436 | Check | HAMM, MIKE | 10/16/2023 | \$ | 60.00 |
| MW | 6802 | 704437 | Check | HOFFMAN, LINDA | 10/16/2023 | \$ | 254.80 |
| MW | 6791 | 704438 | Check | HOGANSON, MICHAEL | 10/16/2023 | \$ | 82.50 |
| MW | 6797 | 704439 | Check | JOHNSON, BRANDON | 10/16/2023 | \$ | 80.00 |
| MW | 6805 | 704440 | Check | MOSCA, JEFF | 10/16/2023 | \$ | 135.00 |
| MW | 6799 | 704441 | Check | NUDELL, ROB | 10/16/2023 | \$ | 135.00 |
| MW | 6794 | 704442 | Check | PETERSON, JEREMY | 10/16/2023 | \$ | 30.00 |
| MW | 6801 | 704443 | Check | ROGERS ATHLETIC COMPANY | 10/16/2023 | \$ | 1,145.00 |
| MW | 6793 | 704444 | Check | SCOLLEY, MIKE | 10/16/2023 | \$ | 82.50 |
| MW | 6803 | 704445 | Check | SYLLIAASEN, BRAD | 10/16/2023 | \$ | 135.00 |
| MW | 6792 | 704446 | Check | UNRUH, GREGORY | 10/16/2023 | \$ | 461.02 |
| MW | 6816 | 704447 | Check | PIZZA RANCH | 10/16/2023 | \$ | 656.00 |
| MW | 6942 | 704573 | Check | CARLSON, DAULTON | 10/17/2023 | \$ | 82.50 |
| MW | 6943 | 704574 | Check | WEISNER, RYAN | 10/17/2023 | \$ | 135.00 |
| MW | 6948 | 704575 | Check | ARVIG COMMUNICATION SYSTEMS | 10/20/2023 | \$ | 690.70 |

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|----|------|--------|-------|------------------------------------|------------|----|-----------|
| MW | 6949 | 704576 | Check | KROON, MATTHYS | 10/20/2023 | \$ | 229.88 |
| MW | 6950 | 704577 | Check | MADISON NATIONAL LIFE INSURANCE | 10/20/2023 | \$ | 2,249.15 |
| MW | 6989 | 704578 | Check | CALVIN AND ANNE SCHOW | 10/27/2023 | \$ | 1,114.25 |
| MW | 6984 | 704579 | Check | CENTRAL FLORAL | 10/27/2023 | \$ | 279.95 |
| MW | 6993 | 704580 | Check | HAMMER, KENNETH | 10/27/2023 | \$ | 168.75 |
| MW | 6985 | 704581 | Check | HOGIE, BRAEDEN | 10/27/2023 | \$ | 112.74 |
| MW | 6991 | 704582 | Check | KROON, MATTHYS | 10/27/2023 | \$ | 184.88 |
| MW | 6988 | 704583 | Check | LAKEVIEW GREENHOUSES | 10/27/2023 | \$ | 216.00 |
| MW | 6994 | 704584 | Check | MADISON NATIONAL LIFE INSURANCE | 10/27/2023 | \$ | 2,268.08 |
| MW | 6990 | 704585 | Check | MN FFA ASSOCIATION | 10/27/2023 | \$ | 500.00 |
| MW | 6986 | 704586 | Check | REGION 8AA MSHSL | 10/27/2023 | \$ | 3,100.00 |
| MW | 6987 | 704587 | Check | TROPHY HOUSE | 10/27/2023 | \$ | 150.00 |
| MW | 6992 | 704588 | Check | WEST FARGO HIGH SCHOOL | 10/27/2023 | \$ | 100.00 |
| MW | 6999 | 704589 | Check | BAUKOL, DEANNA | 10/30/2023 | \$ | 600.00 |
| MW | 6998 | 704590 | Check | CIHAK, TED | 10/30/2023 | \$ | 60.00 |
| MW | 6997 | 704591 | Check | GILSON, MIKE | 10/30/2023 | \$ | 120.00 |
| MW | 6995 | 704592 | Check | RIEKES EQUIPMENT CO. | 10/30/2023 | \$ | 770.16 |
| MW | 6996 | 704593 | Check | STUEWE, LUKE | 10/30/2023 | \$ | 60.00 |
| MW | 7004 | 704594 | Check | AFSCME COUNCIL 65 | 10/30/2023 | \$ | 310.45 |
| MW | 7002 | 704595 | Check | AMERICAN FAMILY LIFE ASSURANCE CO | 10/30/2023 | \$ | 230.25 |
| MW | 7006 | 704596 | Check | D. L. ATHLETIC FOUNDATION | 10/30/2023 | \$ | 155.00 |
| MW | 7009 | 704597 | Check | D.L. EDUCATION MINNESOTA (TEACHER) | 10/30/2023 | \$ | 19,389.44 |
| MW | 7007 | 704598 | Check | D.L. PUBLIC EDUC FOUNDATION | 10/30/2023 | \$ | 30.00 |
| MW | 7003 | 704599 | Check | MINNESOTA CHILD SUPPORT | 10/30/2023 | \$ | 742.50 |
| MW | 7008 | 704601 | Check | SUPPORT PAYMENT CLEARINGHOUSE | 10/30/2023 | \$ | 335.91 |
| MW | 7005 | 704602 | Check | UNITED WAY OF BECKER COUNTY | 10/30/2023 | \$ | 269.00 |
| MW | 7011 | 704603 | Check | D.L. EDUCATION MINNESOTA (PARA) | 10/30/2023 | \$ | 1,069.21 |
| MW | 7012 | 704604 | Check | MN SCHOOL EMPLOYEES ASSOC. | 10/30/2023 | \$ | 183.81 |
| MW | 7018 | 704605 | Check | CARRIER, JOSEPH | 10/31/2023 | \$ | 150.00 |
| MW | 7017 | 704606 | Check | ISD #11 | 10/31/2023 | \$ | 450.00 |
| MW | 7019 | 704607 | Check | REGION 8AA MSHSL | 10/31/2023 | \$ | 5,785.00 |

TOTAL **\$ 1,915,909.73**

PERSONNEL AGENDA

November 27, 2023

1) **Resignations:**

Tylor Bement– Roosevelt Network Engineer, effective November 10, 2023.

Jessica Carlson– Rossman Special Education Paraprofessional, effective November 11, 2023.

Brent Eidenschink– High School Assistant Wrestling Coach, effective November 10, 2023.

Mike Fiedler– Middle School Wrestling Coach, effective November 16, 2023.

Crystal Grossman– Rossman Special Education Paraprofessional, effective October 26, 2023.

Christi Lokken– Middle Special Education Paraprofessional, effective November 2, 2023.

Tatum Mercer– Roosevelt Paraprofessional, October 27, 2023.

Donna Stroeing– Lincoln ECFE Teaching Assistant, effective November 3, 2023.

Ethan Walz– Adaptive Bowling Coach, effective November 4, 2023.

Aaron Wittrock– High School Custodian, effective November 3, 2023.

Jim Ziegler– Assistant Ski Coach, effective October 26, 2023.

Kristen Swenson– is requesting to rescind her resignation as the 9th Grade Girls Basketball Coach, effective November 22, 2023.

2) **Retirements:**

3) **Appointments:**

Shannon Avery– Rossman Special Education Paraprofessional, at the rate of \$15.95 per hour, working 29.75 hours per week, effective November 13, 2023.

Melyssa Belland– High School/ALC Quiz Bowl Coach, at the rate of \$28 per hour, working up to 5 hours per week, effective November 2, 2023.

Jenifer Braunschweig– Middle School Special Education Paraprofessional, at the rate of \$16.30 per hour, working 37.5 hours per week, effective November 7, 2023.

Jeremy Clark– Roosevelt Drum and Dance Coach, at the rate of \$28 per hour, working up to 5 hours per week, effective November 2, 2023.

Ashley Disse– Lincoln ECFE Educational Assistant, at the rate of \$15.95 per hour, working 37.5 hours per week, effective December 11, 2023.

Cassandra Feldt– Rossman ADSIS Education Assistant/Noon Duty, at the rate of \$15.25 per hour, working 27.5 hours per week, effective December 7, 2023.

Haily Felker– Rossman Special Education Paraprofessional, at the rate of \$15.25 per hour, working 29.75 hours per week, effective November 1, 2023.

Robb Flint– Middle School Girls Basketball Coach, at the rate of 5% of Step 7 or a contract amount of \$2,388.25 per season, effective October 30, 2023.

Reed Hefta– High School Winter Speed & Strength Coordinator, at the rate of \$3,343.55 per season, effective November 20, 2023.

Leah Honer– High School Assistant Girls Hockey Coach, at the rate of \$3,746.70 per season, effective October 30, 2023.

Matthew Jenson– High School Winter Speed & Strength Coach, at the rate of \$2,965.90 per season, effective November 20, 2023.

Mary Kvebak– 9th Grade Girls Basketball Coach, at the rate of \$2,914.10 per season, effective November 13, 2023.

Kyle Pope– High School Custodian, at the rate of \$18.33 per hour plus \$1.00 night differential , working 40 hours per week, effective October 30, 2023.

Mikel Renteria– Middle School Wrestling Coach, at the rate of \$2,914.10 per season, effective November 20, 2023.

Julie Wake– Middle School Assistant Dance Coach, at the rate of \$1,574.75 per season, effective October 30, 2023.

Nicole Wallace– Rossman Administrative Assistant, at the rate of \$17.16 per hour, working 40 hours per week, effective November 1, 2023.

Nathan Weber– Middle School Wrestling Coach, at the rate of \$3,210.48 per season, effective November 20, 2023.

Kellie Wolf– High School Assistant Nordic Ski Coach, at the rate of \$2,914.10 per season, effective November 13, 2023.

4) Amended Assignment:

Shiloh Barrows– Roosevelt Title One/Noon Duty is amending her assignment from 5.75 hours per day to 5 hours per day, effective November 7, 2023.

Josh Bettcher– is amending his assignment from Assistant Girls Basketball Coach to High School Co-Head Girls Basketball Coach at the rate of \$5,016.96 per season, effective November 20, 2023.

Casey Berntson– is amending his assignment from Middle School Wrestling Coach to Assistant Varsity Wrestling Coach, at the rate of \$4,298.85 per season, effective November 20, 2023.

Leanne M Comstock– Roosevelt Food Service worker is amending her assignment 3 hours per day to 5.5 hours per day, effective November 1, 2023.

Rachel Johnson– is amending her assignment from High School Girls Head Coach to Co-Head Girls Basketball Coach, at the rate of \$3,135.60(prorated to 10 weeks), effective November 20, 2023.

Sandra Westrum– Food Service Worker is amending her assignment from substitute to 3 hours per day at Roosevelt, effective November 1, 2023.

5) Leave of Absence:

Morgan Eiter– is requesting a leave of absence from October 13, 2023 through November 21, 2023.

Andrea Judisch– is requesting a leave of absence from March 18, 2024 through May 23, 2024.

Jessica Olsen– is requesting a leave of absence November 8, 2023 through November 27, 2023.

Kathryn Swanhorst– is requesting a leave of absence from January 16, 2024 through April 15, 2024.

6) Terminations:

Nicole Kugler– Rossman Special Education Paraprofessional, effective November 17, 2023.

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| Date Adopted: 09/11/00 | File Number: Detroit Lakes Policy - 701 |
| Date Revised: 02/09/04; 01/10/05; <u>10/04/23</u> | |

701 - ESTABLISHMENT AND ADOPTION OF SCHOOL DISTRICT BUDGET

I. PURPOSE

The purpose of this policy is to establish lines of authority and procedures for the establishment of the school district's revenue and expenditure budgets.

II. GENERAL STATEMENT OF POLICY

It is the policy of this school district to establish its revenue and expenditure budgets in accordance with the applicable provisions of law. Budget planning is an integral part of program planning so that the annual budget will effectively express and implement school board goals and the priorities of the school district.

III. REQUIREMENT

A. The superintendent or such other school official as designated by the superintendent or the school board shall each year prepare preliminary revenue and expenditure budgets for review by the school board or its designated committee or committees. The preliminary budgets shall be accompanied by such written commentary as may be necessary for them to be clearly understood by the members of the school board and the public. The school board shall review the projected revenues and expenditures for the school district for the next fiscal year and make such adjustments in the expenditure budget as necessary to carry out the education program within the revenues projected.

~~B. Prior to the adoption of the initial budget for a school year, the school board must inform the principal or other responsible authority of each site the amount of general education and referendum revenue that will be generated by the pupils in attendance at that site. These estimates may be adjusted in accordance with law.~~

BC. The school district must maintain separate accounts to identify revenues and expenditures for each building. Expenditures shall be reported in compliance with Minnesota Statutes section- § 123B.76.

CD. Prior to July 1 of each year, the school board shall approve and adopt its initial ~~and reallocated~~ revenue and expenditure budgets for the next school year. The adopted expenditure budget document shall be considered the school board's expenditure authorization for that school year. No funds may be expended for any purpose in any school year prior to the adoption of the budget document which authorizes that expenditure for that year, or prior to the adoption of an amendment to that budget document by the school board to authorize that expenditure for that year.

DE.

Each year, the school district shall publish its adopted revenue and expenditure budgets for the current year, the actual revenues, expenditures, and fund balances for the prior year, and the projected fund balances for the current year in the form prescribed by the Minnesota Commissioner of Education within one week of the acceptance of the final audit by the school board, or November 30, whichever is earlier. A statement shall be included in the publication that the complete budget in detail may be inspected by any resident of the school district upon request to the superintendent. A summary of this information and the address of the school district's official website where the information can be found must be published in a newspaper of general circulation in the school district. At the same time of this publication, the school district shall publish the other information required by Minnesota Statutes section 123B.10.

~~The school district shall, prior to October 1 of each year, publish its adopted revenue and expenditure budgets for the current year, the actual revenues, expenditures and fund balances for the prior year, and the projected fund balances for the current year in a qualified newspaper of general circulation in the school district. The publication shall be made in the form prescribed by the Commissioner. A statement shall be included in the publication that the complete budget in detail may be inspected by any resident of the school district upon request to the superintendent. At the same time as this publication, the school district shall publish the other information required by Minn. Stat. § 123B.10.~~

EF. At the public hearing on the adoption of the school district's proposed property tax levy, the school board shall review its current budget and the proposed property taxes payable in the following calendar year.

F. The school district must also post the materials specified in Paragraph III.D. above on the school district's official website, including a link to the school district's school report card on the Minnesota Department of Education's website, and publish a summary of information and the address of the school district's website where the information can be found in a qualified newspaper of general circulation in the district.

IV. IMPLEMENTATION

A. The school board places the responsibility for administering the adopted budget with the superintendent. The superintendent may delegate duties related thereto to other school officials, but the superintendent maintains the ultimate responsibility for this function.

B. The program-oriented budgeting system will be supported by a program-oriented accounting structure organized and operated on a fund basis as provided for in Minnesota statutes through the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts (UFARS).

C. The superintendent or the superintendent's designee is authorized to make payments of claims or salaries authorized by the adopted or amended budget prior to school board approval.

D. Supplies and capital equipment can be ordered prior to budget adoption only by authority of the school board. If additional personnel are provided in the proposed budget, actual hiring may not occur until the budget is adopted unless otherwise approved by the school board. Other funds to be expended in a subsequent school year may not be encumbered prior to budget adoption unless specifically approved by the school board.

E. The school district shall make such reports to the Minnesota Commissioner of Education as required relating to initial allocations of revenue, reallocations of revenue and expenditures of funds.

Legal References: Minn. Stat. § 123B.76 (Expenditures; Reporting)
Minn. Stat. § 123B.77 (Accounting, Budgeting and Reporting Requirements)
Minn. Stat. § 123B.10 (Publication of Financial Information)
Minn. Stat. § 126C.23 (Allocation of General Education Revenue)
Minn. Stat. § 275.065 (Truth in Taxation; Proposed Property Taxes; Notice)

Cross References: MSBA/MASA Model Policy 701.1 (Modification of School District Budget)

MSBA/MASA Model Policy 702 (Accounting)

~~MSBA Service Manual, Chapter 7, Education Funding~~

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| Date Adopted: | File Number: |
| Date Revised: <u>11/27/23</u> | Detroit Lakes Policy - 701.1 |

701.1 - MODIFICATION OF SCHOOL DISTRICT BUDGET

I. PURPOSE

The purpose of this policy is to establish procedures for the modification of the school district's adopted revenue and expenditure budgets.

II. GENERAL STATEMENT OF POLICY

It is the policy of this school district to modify its revenue and expenditure budgets in accordance with the applicable provisions of law.

III. REQUIREMENT

A. The school district's adopted expenditure budget shall be considered the school board's expenditure authorization for that school year.

B. If revisions or modifications in the adopted expenditure budget are determined to be advisable by the administration, the superintendent shall recommend the proposed changes to the school board. The proposed changes shall be accompanied by sufficient and appropriate background information on the revenue and policy issues involved to allow the school board to make an informed decision. A school board member may also propose modifications on that board member's own motion, provided, however, the school board member is encouraged to review the proposed modifications with the superintendent prior to their being proposed so that the administration may prepare necessary background materials for the school board prior to its consideration of those proposed modifications.

C. If sufficient funds are not included in the expenditure budget in a particular fund to allow the proposed expenditure, funds for this purpose may not be expended from that fund prior to the adoption of an amendment to the expenditure budget by the school board to authorize that expenditure for that school year. An amended expenditure shall not exceed the projected revenues available for that purpose in that fund.

D. The school district's revenue budget shall be amended from time to time during a fiscal year to reflect updated or revised revenue estimates. The superintendent shall make recommendations to the school board for appropriate revisions. If necessary, the school board shall also make necessary revisions in the expenditure budget if it appears that expenditures would otherwise exceed revenues and fund balances in a fund.

Legal References: ~~Minn. Stat. 123B.231 (Allocation of General Education Revenue)~~
Minn. Stat. 123B.77 (Accounting, Budgeting and Reporting Requirements)

Cross References: ~~MSBA Service Manual, Chapter 9, Public School Finance~~
MSBA/MASA Policy 701 (Establishment and Adoption of School District Budget)

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| Date Adopted: 8/11/02 | File Number: Detroit Lakes Policy - 702 |
| Date Revised: 02/09/04; <u>11/27/23</u> | |

702 - ACCOUNTING

I. PURPOSE

The purpose of this policy is to adopt the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts (UFARS) provided for in guidelines adopted by the Minnesota Department of Children, Families and Learning.

II. GENERAL STATEMENT OF POLICY

It is the policy of this school district to comply with the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts.

III. MAINTENANCE OF BOOKS AND ACCOUNTS

The school district shall maintain its books and records and do its accounting in compliance with the Uniform Accounting and Reporting Standards for Minnesota School Districts (UFARS) provided for in the guidelines adopted by the Minnesota Department of Children, Families and Learning, and in compliance with applicable state laws and rules relating to reporting of revenues and expenditures.

IV. PERMANENT FUND TRANSFERS

Unless otherwise authorized pursuant to ~~Minnesota- Statute.~~ 123B.80, as amended, or any other law, fund transfers shall be made in compliance with UFARS and permanent fund transfers shall only be made in compliance with ~~Minnesota- Statute section-~~ 123B.79, as amended or other applicable statute.

V. REPORTING

The school board shall provide for an annual audit of the books and records of the school district to assure compliance of its records with UFARS. The school district shall also, on or before October 1 of each year, provide for the publication of the financial information specified in ~~Minnesota- Statute-~~ section§ 123B.10.

Legal References: Minn. Stat. § 123B.75 (Revenue; Reporting)
Minn. Stat. § 123B.76 (Expenditures; Reporting)
Minn. Stat. § 123B.77 (Accounting, Budgeting and Reporting Requirements)
Minn. Stat. § 123B.78 (Cash Flow; School District; Revenues; Borrowing for Current Operating Costs; Capital Expenditure; Deficits)
Minn. Stat. § 123B.79 (Permanent Fund Transfers)
Minn. Stat. § 123B.80 (Exceptions for Permanent Fund Transfers)
Minn. Stat. § 123B.09 (~~School~~ Board of Independent School Districts Powers)
Minn. Stat. § 123B.14, Subd. 7 (~~Duties of School Board Clerk~~ Officers of Independent School Districts)
Minn. Stat. § 123B.02 (~~School District General~~ Powers of Independent School Districts)
Minn. Stat. § 123B.10 (Publication of Financial Information)

Cross References: MSBA/MASA Model Policy 703 (Annual Audit)
~~MSBA Service Manual, Chapter 7, Education Funding~~

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| Date Adopted: 02/08/99 | File Number: Detroit Lakes Policy - 703 |
| Date Revised: 02/09/04; <u>11/27/23</u> | |

703 - ANNUAL AUDIT

I. PURPOSE

The purpose of this policy is to provide for an annual audit of the books and records of the school district in order to comply with law, to provide a permanent record of the financial position of the school district, and to provide guidance to the school district to correct any errors and discrepancies in its practices.

II. GENERAL STATEMENT OF POLICY

~~It is the~~ The policy of this school district to comply with all laws relating to the annual audit of the books and records of the school district.

III. REQUIREMENT

A. The school board shall appoint independent certified public accountants to audit, examine, and report upon the books and records of the school district. The school board may enter into a contract with a person or firm to provide the agreed upon services.

B. After the close of each fiscal year, the books, records and accounts of the school district shall be audited by said independent certified public accountants in accordance with applicable standards and legal requirements. The superintendent and members of the administration shall cooperate with the auditors.

C. The school district shall, prior to September 15 of each year, submit ~~its~~ unaudited financial data for the preceding year to the Minnesota Commissioner of Education on forms prescribed by the Commissioner. The report shall also include those items required by ~~Minnesota~~ Statutes, section§ 123B.14, subdivisionSubd. 7.

D. The school district shall, prior to November 30 of each year, provide to the Commissioner audited financial data for the preceding fiscal year. The school district shall, prior to December 31 of each year, provide to the Commissioner and the State Auditor an audited financial statement in a form that will allow comparison with and correction of material differences in the unaudited data. The audited financial statement must also provide a statement of assurance pertaining to

compliance with uniform financial accounting and reporting standards and a copy of the management letter submitted to the school district by itsthe auditor. ~~The school district shall, prior to November 30 of each year, provide to the Commissioner audited financial data for the preceding fiscal year. The school board must approve the audit report by resolution or require a further or amended report.~~

E. The audit must be conducted in compliance with generally accepted governmental auditing standards, the Federal Single Audit Act, and the Minnesota Legal Compliance Audit Guide for School Districts issued by the Office of the State Auditor.

F. The school board must approve the audit report by resolution or require a further or amended report.

~~F~~E. The administration shall report to the school board regarding any actions necessary to correct any deficiencies or exceptions noted in the audit.

F. The accounts and records of the school district shall also be subject to audit and inspection by the State Auditor to the extent provided in Minnesota- Statute- Chapter- 6.

Legal References: Minn. Stat. Ch. 6 (State Auditor)

Minn. Stat. § 123B.09 (~~School Boards of Independent School Districts Powers~~)

Minn. Stat. § 123B.14, Subd. 7 (~~Officers of Independent school Districts Duties of School Board Clerk~~)

Minn. Stat. § 123B.02 (~~School District General Powers of Independent School Districts~~)

Minn.Stat. § 123B.77, Subds. 2 and 3 (Accounting, Budgeting, and Reporting Requirement Audited Financial Statements; Statement for Comparison and Correction)

Cross References: MSBA/MASA Model Policy 702 (Accounting)

~~MSBA Service Manual, Chapter 7, Education Funding~~

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| Date Adopted: 02/12/2007 | File Number: Detroit Lakes Policy - 704 |
| Date Revised: 01/11/2016; 11/13/18; <u>11/27/23</u> | |

704 – Development and Maintenance of an Inventory of Fixed Assets and a Fixed Asset Accounting System

I. PURPOSE

The purpose of this policy is to provide for the development and maintenance of an inventory of the fixed assets of the School District and the establishment and maintenance of a fixed asset accounting system.

II. GENERAL STATEMENT OF POLICY

It is the policy of this School District that a fixed asset accounting system and an inventory of fixed assets be developed and maintained.

III. DEVELOPMENT OF INVENTORY AND ACCOUNTING SYSTEM

The Business Manager or such other school official as designated by the Superintendent ~~or~~ the School Board shall be responsible for the development and maintenance of an inventory of the fixed assets of the School District, and for the establishment and maintenance of a formal fixed asset accounting system. The accounting system shall be operated in compliance with the applicable provisions of the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts (UFARS). In addition, the inventory shall specify the location of all continued abstracts showing the conveyance of the property to the school district; certificates of title showing title to the property in the school district; title insurance policies; surveys; and other property records relating to the real property of the school district.

~~IV. CAPITALIZATION~~

~~Detroit Lakes Public Schools General Fixed Asset Account Group includes assets valued at \$10,000 and above with a useful life of more than one year. A limited number of equipment items such as “high risk” electronic equipment may be placed on the fixed asset list even though the original cost is less than \$10,000. The District’s policy will be to record only those items greater than \$10,000 as a fixed asset, but may charge items of a value greater than \$100 and have a useful life greater than one year to Operating Capital.~~

~~V. DEPRECIABLE LIVES~~

~~In determining the useful life of an asset the District uses ASBO (Association of School Business Officials) GASB 34 Implementation Recommendations for School Districts guidelines. The guidelines are listed below.~~

| Estimated | | Estimated | |
|----------------------------------|-------------------------------|--------------------------------------|-------------------------------|
| Asset Class | Useful Life (Yrs.) | Asset Class | Useful Life (Yrs.) |
| Land | N/A | Business Machines | 10 |
| Site Improvements | 20 | Copiers | 5 |
| School Buildings | 50 | Communication Equipment | 10 |
| Building Improvements | 20 | Computer Hardware | 5 |
| Portable Classrooms | 25 | Computer Software (inst.) | 5 |
| Outdoor Equipment | 20 | Computer Software (Adm.) | 10 |

| | | | |
|-----------------------|----|------------------------|----|
| Machinery & Tools | 15 | Audio Visual Equipment | 10 |
| Kitchen Equipment | 15 | Athletic Equipment | 10 |
| Custodial Equipment | 15 | Musical Instruments | 10 |
| Science & Engineering | 10 | Grounds Equipment | 10 |
| Furniture & Access. | 20 | | |
| Licensed Vehicles | 8 | | |

VI. DEPRECIATION METHOD

All classes of fixed assets will be depreciated based on the straight line depreciation method.

VII. DONATION/GIFTS

The District will assign a value to donations or gifts based on the current market value of that item at the time of receipt.

VIII. MAINTENANCE

The Fixed Asset inventory database is to be maintained and updated annually. The District will perform an internal physical inventory of its Fixed Assets at least every three years and will hire an outside professional appraisal firm at least every six years.

Asset additions will be done by Business Office Staff reviewing expenditure records and adding appropriate fixed asset purchases throughout the fiscal year. The Head Custodian in each building, Director of Community Education, Director of the ALC, Food Service Director, and Supervisor of Operations will be responsible for tagging new fixed asset purchases, completing fixed asset disposal forms, and completing transfer forms throughout the year.

The District will tag all assets that are practical to tag with sequentially numbered asset tags labeled Detroit Lakes Public Schools. When possible the asset tags will be placed on the right side of the asset or the back side of the asset.

IX. REPORT

The Business Manager shall annually update the property records of the School District and provide an inventory of thea report of the fixed assets for the School District to the School Board, as part of the School District's audit. This report may be utilized to prepare the annual report to the Commissioner of Education required by Minn. Stat. 123B.14, Subd.7.

Legal References:

- Minn. Stat. 123B.09 (~~School Boards Powers of Independent School Districts~~)
- Minn. Stat. 123B.14 Subd. 7 (Duties of School Board Clerk)
- Minn. Stat. 123B.02 (~~General School District Powers of Independent School Districts~~)
- Minn. Stat. 123B.51 (Schoolhouse and Sites; ~~Uses for School and Nonschool Purposes~~ Access for Noncurricular Purposes)

Cross References:

- MSBA Model Policy 702 (Accounting)
- ~~MSBA Service Manual Chapter 9, Public School Finance~~

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|---|--|
| Date Adopted: 09/11/2000 | File Number: Detroit Lakes Policy - 705 |
| Date Revised: 12/08/2014; <u>11/27/23</u> | |

705 - INVESTMENTS

I. PURPOSE

The purpose of this policy is to establish guidelines for the investment of school district funds.

II. GENERAL STATEMENT OF POLICY

The policy of this school district **is** to comply with all state laws relating to investments and to guarantee that investments meet certain primary criteria.

III. SCOPE

This policy applies to all investments of the surplus funds of the school district, regardless of the fund accounts in which they are maintained, unless certain investments are specifically exempted by the school board through formal action.

IV. AUTHORITY; OBJECTIVES

A. The funds of the school district shall be deposited or invested in accordance with this policy, ~~Minnesota- Statutes-~~ Chapter 118A and any other applicable law or written administrative procedures.

B. The primary criteria for the investment of the funds of the school district, in priority order, are as follows

1. **Safety and Security-** ~~Safety of the principal is the first priority~~~~The foremost objective of this investment policy is to ensure the safety of the principal of public funds.~~ The School District’s investments shall be undertaken in a manner that seeks to ensure **the** preservation of capital in the overall portfolio. ~~The objective will be to mitigate credit risk and interest rate risk.~~

~~**A. Custodial Credit Risk**~~

~~Detroit Lakes Public Schools will minimize investment Custodial Credit Risk which is the risk of loss due to the failure of the security issuer or backer, by permitting brokers/dealers that obtained investments for the School District to hold them only to the extent there is SIPC and excess SIPC coverage available, limiting investments to the types of securities listed in Section 6 and 9 of this Investment Policy, and obtaining necessary documentation (e.g. broker certification forms and documentation of perfected security interests in pledged collateral) from the financial institutions, broker/dealers, intermediaries and advisors, as applicable, with which the School District will do business in accordance with Section 6 of this investment policy.~~

~~School District will minimize deposit Custodial Credit Risk, which is the risk of loss due to failure of the financial institution (as defined in section 6), by obtaining collateral or bond for all uninsured amounts on deposit, and obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law.~~

~~**B. Concentration Credit Risk**~~

~~School District will minimize concentration of credit risk, which is the risk of loss due to the magnitude of the School District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. This will be based on the applicable opinion units.~~

~~**C. Interest Rate Risk**~~

~~School District will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by: 1) structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and 2) investing operating funds primarily in shorter term securities, money market mutual funds, or similar investment pools.~~

~~**D. Foreign Currency Risk**~~

~~The School District is not authorized to invest in investments which have this type of risk.~~

~~**Liquidity.** School District's investment portfolio will remain sufficiently liquid to enable the School District to meet its cash flow requirements.~~

~~**Yield.** School District's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. It is understood that return on investment is of secondary importance when compared to the safety and liquidity objectives described above. Securities may be sold prior to maturity if a security with declining credit is sold early to~~

~~minimize loss of principal or a security swap would improve the quality, yield, or target duration in the portfolio.~~

2. Liquidity. The funds shall be invested to assure that funds are available to meet immediate payment requirements, including payroll, accounts payable, and debt service.

3. Return and Yield. The investments shall be managed in a manner to attain a market rate of return through various economic and budgetary cycles, while preserving and protecting the capital in the investment portfolio and taking into account constraints on risk and cash flow requirements.

V. DELEGATION OF AUTHORITY

A. The Business Manager of the school district is designated as the investment officer of the school district and is responsible for investment decisions and activities under the direction of the school board. The business manager shall operate the school district's investment program consistent with this policy. The business manager may delegate certain duties to a designee or designees, but shall remain responsible for the operation of the program.

B. All officials and employees that are a part of the investment process shall act professionally and responsibly as custodians of the public trust, and shall refrain from personal business activity that could conflict with the investment program or which could reasonably cause others to question the process and integrity of the investment program. The business manager shall avoid any transaction that could impair public confidence in the school district.

VI. STANDARD OF CONDUCT

The standard of conduct regarding school district investments to be applied by the business manager shall be the "prudent person standard." Under this standard, the business manager shall exercise that degree of judgment and care, under the circumstances then prevailing, that persons of prudence, discretion and intelligence would exercise in the management of their own affairs, investing not for speculation and considering the probable safety of their capital as well as the probable investment return to be derived from their assets. The prudent person standard shall be applied in the context of managing the overall investment portfolio of the school district. The business manager, acting in accordance with this policy and exercising due diligence, judgment and care commensurate with the risk, shall not be held personally responsible for a specific security's performance or for market price changes. Deviations from expectations shall be reported in a timely manner and appropriate actions shall be taken to control adverse developments.

VII. MONITORING AND ADJUSTING INVESTMENTS

The business manager shall routinely monitor existing investments and the contents of the school district's investment portfolio, the available markets and the relative value of competing investment instruments.

VIII. INTERNAL CONTROLS

The business manager shall establish a system of internal controls which shall be documented in writing. The internal controls shall be reviewed by the school board and shall be annually reviewed for compliance by the school district's independent auditors. The internal controls shall be designed to prevent and control losses of public funds due to fraud, error, misrepresentation, unanticipated market changes or imprudent actions by officers, employees or others. The internal controls may include, but shall not be limited to, provisions relating to control of collusion, separation of functions, separation of transaction authority from accounting and record keeping, custodial safekeeping, avoiding bearer form securities, clear delegation of authority to applicable staff members, limiting securities losses and remedial action, written confirmation of telephone transactions, in writing, supervising and controlling employee actions, minimizing the number of authorized investment officials, and documentation of transactions and strategies.

IX. PERMISSIBLE INVESTMENT INSTRUMENTS

The school district may invest its available funds in those instruments specified in Minn. Stat. § 118A.04 and 118A.05, as these sections may be amended from time to time, or any other law governing the investment of school district funds. The assets of an other postemployment benefits (OPEB) a trust or trust account established pursuant to Minnesota Statutes section 471.6175 to pay postemployment benefits to employees or officers after their termination of service, with a trust administrator other than the Public Employees Retirement Association, may be invested in instruments authorized under Minnesota Statutes Chapter 118A or Minnesota Statutes Section 356A.06, Subdivision 7. Investment of funds in an OPEB trust account under Minnesota Statutes section 356A.06, subdivision 7, as well as the overall asset allocation strategy for OPEB investments, shall be governed by an OPEB Investment Policy Statement (IPS) developed between the business manager, as designed herein, and the trust administrator.

X. PORTFOLIO DIVERSIFICATION; MATURITIES

A. Limitations on instruments, diversification and maturity scheduling shall depend on whether the funds being invested are considered short-term or long-term funds. All funds shall normally be considered short-term except those reserved for building construction projects or specific future projects and any unreserved funds used to provide financial-related managerial flexibility for future fiscal years.

B. The school district shall diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities.

1. The investment officer shall prepare and present a table to the school board for review and approval. The table shall specify the maximum percentage of the school district's investment portfolio that may be invested in a single type of investment instrument, such as U.S. Treasury Obligations, certificates of deposit, repurchase agreements, banker's acceptances, commercial paper, etc. The approved table shall be attached as an exhibit to this policy and shall be incorporated herein by reference.

2. The investment officer shall prepare and present to the school board for its review and approval a recommendation as to the maximum percentage of the total investment portfolio that may be held in any one depository. The approved recommendation shall be attached as an exhibit or part of an exhibit to this policy and shall be incorporated herein by reference.

3. Investment maturities shall be scheduled to coincide with projected school district cash flow needs, taking into account large routine or scheduled expenditures, as well as anticipated receipt dates of anticipated revenues. Maturities for short-term and long-term investments shall be timed according to anticipated need. Within these parameters, portfolio maturities shall be staggered to avoid undue concentration of assets and a specific maturity sector. The maturities selected shall provide for stability of income and reasonable liquidity.

~~1. Positions in securities having potential default risk (e.g. commercial paper) shall be limited in size so in case of default, the portfolio's annual investment income will exceed a loss on a single issuer's securities.~~

~~2. Risks of market price volatility shall be controlled through maturity diversification such that aggregate price losses on instruments with maturities exceeding one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.~~

~~Portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector. Maturities selected shall provide for stability of income and reasonable liquidity.~~

XI. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS

Before the school district invests any surplus funds in a specific investment instrument, a competitive bid or quotation process shall be utilized. If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, quotations or bids shall be requested for instruments which meet the maturity requirement. If no specific maturity is required, a market trend analysis, which includes a yield curve, will normally be used to determine which maturities would be most advantageous. Quotations or bids shall be requested for various options with regard to term and instrument. The school district will accept the quotation or bid which provides the highest rate of return within the maturity required and within the limits of this policy. Generally all quotations or bids will be computed on a consistent basis, i.e., a 360-day or a 365-day yield. Records will be kept of the quotations or bids received, the quotations or bids accepted, and a brief explanation of the decision that was made regarding the investment. If the school district contracts with an investment advisor, bids are not required in those circumstances specified in the contract with the advisor.

XII. QUALIFIED INSTITUTIONS AND BROKER-DEALERS

A. The school district shall maintain a list of the financial institutions that are approved for investment purposes.

B. Prior to completing an initial transaction with a broker, the school district shall provide to the broker a written statement of investment restrictions which shall include a provision that all future investments are to be made in accordance with Minnesota Statutes governing the investment of public funds. The broker must annually acknowledge receipt of the statement of investment restrictions and agree to handle the school district's account in accordance with these restrictions. The school district may not enter into a transaction with a broker until the broker has provided this annual written agreement to the school district. The notification form to be used shall be that prepared by the State Auditor. A copy of this investment policy, including any amendments thereto, shall be provided to each such broker.

XIII. SAFEKEEPING AND COLLATERALIZATION

A. All investment securities purchased by the school district shall be held in third-party safekeeping by an institution designated as custodial agent. The custodial agent may be any ~~F~~federal ~~R~~reserve ~~B~~bank, any bank authorized under the laws of the United States or any state to exercise corporate trust powers, a primary reporting dealer in United States Government securities to the Federal Reserve Bank of New York, or a securities broker-dealer defined in ~~Minnesota- Statutes- section~~§ 118A.06. The institution or dealer shall issue a safekeeping receipt to the school district listing the specific instrument, the name of the issuer, the name in which the security is held, the rate, the maturity, serial numbers and other distinguishing marks, and other pertinent information.

B. Deposit-type securities shall be collateralized as required by ~~Minnesota Statutes, section~~ § 118A.03 for any amount exceeding FDIC, SAIF, BIF, FCUA, or other federal deposit coverage.

C. Repurchase agreements shall be secured by the physical delivery or transfer against payment of the collateral securities to a third party or custodial agent for safekeeping. The school district may accept a safekeeping receipt instead of requiring physical delivery or third-party safekeeping of collateral on overnight repurchase agreements of less than \$1,000,000.

XIV. REPORTING REQUIREMENTS

A. The business manager shall ~~generate~~ submit daily and monthly transaction investment reports for management purposes. ~~to the School District Board.~~ In addition, the school board shall be provided a monthly ~~The reports that shall include data on investment instruments being held as well as any narrative necessary for clarification., at a minimum, the following information for each individual investment:~~

- ~~1. Description of investment instrument~~
- ~~2. Interest rate or yield to maturity~~
- ~~3. Maturity date~~
- ~~4. Purchase price or remaining principle(Book Value)~~
- ~~5. Market value at time of last statement~~
- ~~6. Total fair market value adjustment~~

B. When the portfolio exceeds 25 investments, the business manager shall prepare and submit to the school board quarterly an investment report that summarizes recent market conditions, economic developments, and anticipated investment conditions. The report shall summarize the investment strategies employed in the most recent quarter, and describe the investment portfolio in terms of investment securities, maturities, risk characteristics and other features. The report shall summarize explain the quarter's total investment strategies employed in the most recent quarter and describe the investment portfolio in terms of investment securities, maturities, risk characteristics, and other features ~~return and compare the return with budgetary expectations.~~ The report shall summarize changes in investment instruments and asset allocation strategy approved by the investment officer for an OPEB trust in the most recent quarter. The report shall explain the quarter's total investment return and compare the return with budgetary expectations. The report shall include an appendix that discloses all transactions during the past quarter. Each quarterly report shall indicate any areas of policy concern and suggested or planned revisions of investment strategies. Copies of the report shall be provided to the school district's auditor.

C. Within ninety (90) days after the end of each fiscal year of the school district ~~then the portfolio exceeds an average 25 investments for the year, within forty five (45) days after the end of each fiscal year of the school district,~~ the business manager shall prepare and submit to

the school board a comprehensive annual report on the investment program and investment activity of the school district for that fiscal year. The annual report shall include 12-month and separate quarterly comparisons of return and shall suggest revisions and improvements that might be made in the investment program.

D. If necessary, the business manager shall establish systems and procedures to comply with applicable federal laws and regulations governing the investment of bond proceeds and funds in a debt service account for a bond issue. The record keeping system shall be reviewed annually by the independent auditor or by another party contracted or designated to review investments for arbitrage rebate or penalty calculation purposes.

XV. DEPOSITORIES

The school board shall annually designate one or more official depositories for school district funds. The business manager of the school district may also exercise the power of the school board to designate a depository. The school board shall be provided notice of any such designation by its next regular meeting. The school district and the depository shall each comply with the provisions of ~~Minnesota Statutes, section~~ § 118A.03 and any other applicable law, including any provisions relating to designation of a depository, qualifying institutions, depository bonds, and approval, deposit, assignment, substitution, addition and withdrawal of collateral.

XVI. ELECTRONIC FUNDS TRANSFER OF FUNDS FOR INVESTMENT

The school district may make electronic fund transfers for investments of excess funds upon compliance with ~~Minnesota Statutes, section~~ § 471.38.

Legal References: Minn. Stat. § 118A.01 (~~Definitions Public Funds; Depositories and Investments~~)

Minn. Stat. § 118A.02 (~~Depositories; Investing; Sales, Proceeds, Immunity Authorization for Deposit and Investment~~)

Minn. Stat. § 118A.03 (~~When Depositories~~ and What Collateral Required)

Minn. Stat. § 118A.04 (Investments)

Minn. Stat. § 118A.05 (Contracts and Agreements)

Minn. Stat. § 118A.06 (~~Delivery and Safekeeping; Acknowledgements~~)

Minn. Stat. § 356A.06, Subd. 7 (~~Authorized Investments; Additional Duties Securities~~)

Minn. Stat. § 471.38 (Claims)

Minn. Stat. § 471.6175 (Trust for Postemployment Benefits)

Cross References: MSBA Model Policy 703 (Annual Audit)

~~MSBA Service Manual, Chapter 7, Education Funding~~

Minnesota Legal Compliance Audit Guide for School Districts prepared by the Office of the State Auditor

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| Date Adopted: | File Number: Detroit Lakes Policy - 706 |
| Date Revised: 03/09/2015; 5/17/2021; <u>11/27/23</u> | |

706 - ACCEPTANCE OF GIFTS

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

I. PURPOSE

The purpose of this policy is to provide guidelines for the acceptance of gifts by the school board.

II. GENERAL STATEMENT OF POLICY

It is the policy of this school district to accept gifts only in compliance with state law.

III. ACCEPTANCE OF GIFTS GENERALLY

The school board may receive, for the benefit of the school district, bequests, donations or gifts for any proper purpose. The school board shall have the sole authority to determine whether any gift or any precondition, condition, or limitation on use included in a proposed gift furthers the interests of or benefits the school district and whether it should be accepted or rejected.

IV. GIFTS OF REAL OR PERSONAL PROPERTY

The school board may accept a gift, grant or devise of real or personal property only by the adoption of a resolution approved by two-thirds of its members. The resolution must fully describe any conditions placed on the gift as well as location for placement if applicable. To facilitate Board approval, a written proposal is required for all contributions exceeding \$5,000.00 or for contributions being permanently placed on School District property. The real or personal property so accepted may not be used for religious or sectarian purposes.

[Note: This voting requirement and gift use provision is specified by Minnesota Statutes, section § 465.03.]

V. ADMINISTRATION IN ACCORDANCE WITH TERMS

If the school board agrees to accept a bequest, donation, gift, grant or devise which contains preconditions, conditions or limitations on use, the school board shall administer it in accordance with those terms. Once accepted, a gift shall be the property of the school district unless otherwise provided in the agreed upon terms.

Legal References: Minn. Stat. § 123B.02, Subd. 6, (General Powers of Independent School Boards~~Bequests, Donations, Gifts~~)
Minn. Stat. § 465.03 (Gifts to Municipalities)

Cross References: None

Appendix I to Policy 706

CONTRIBUTION PROPOSAL

A written contribution proposal is required for all contributions exceeding \$5,000.00. Please complete the following questionnaire and submit to the site principal or program director.

Amount/value of gift: _____

1. Describe how the gift furthers the mission of the district.

2. Are there any restrictions on the district's use of the gift?

3. Does the gift imply an endorsement of any business or product?

4. Describe in detail any ongoing expenses the district may incur if the gift is accepted.

5. Does the gift create inequities between programs or sites?

DATE: November 15, 2023

TO: Mark Jenson, Superintendent and Board of Education

FROM: Jason Kuehn, Director of Finance and Operations

SUBJECT: **2023-24 Student Activities Transportation Contract with Anderson Bus & Coach of Frazee, Inc.**

This contract allows for the District to access additional options for Student Activities transportation services outside of our current Motor Coach agreement with Anderson Bus & Coach of Frazee for the 2023-24 school year.

District Administration and Transportation Committee recommend approval for the contract.

SCHOOL BUS TRANSPORTATION CONTRACT

Independent School District #22
and
Anderson Bus & Coach Inc.

2023-2024

THIS AGREEMENT made and entered this 1st day of December, 2023 by and between Independent School District No. 22 of Becker County, Minnesota, hereinafter referred to as "School District", and Anderson Bus & Coach Inc. of Frazee, Minnesota, hereinafter referred to as "Contractor".

For the consideration herein expressed, Contractor agrees with the School District:

A. CONTRACT DURATION and CONDITIONS

1. To transport public and non-public school pupils, as designated by the School Board, to transport students to and from extra-curricular activities or events between schools/sites as specified or requested by the School District.

It is mutually agreed that the term of this contract shall be for a period of two school years, commencing on the 1st day of December, 2023, and ending on the 30th day of June, 2024, for which transportation service the School District agrees to pay and the Contractor agrees to receive the sum of \$ See rate schedule under Section M per route or extra-curricular activity, payable monthly.

Transportation equipment that will be used is listed on the Vehicle Roster and includes the bus number, year model, chassis make, body make, capacity, and bus mileage.

2. A tentative school calendar for each school year detailing vacation days and actual school days is attached.
3. Should the schools be closed for any cause whatsoever, the Board of Education shall not be liable for payment for service under the contract during the period of such closing.
4. Pursuant to Minnesota Statute 123B.52, contracts shall be for a one-year term (2023-2024 school year).
 - This is the contract between the School District and Bus Contractor for 2023-24.
 - In order to establish justification and to make decisions as to the validity of Contractor requests for increased charges to the District for services, the District reserves the right to have a qualified third party evaluate the Contractor's operating cost records and issue an opinion relative to the justification for cost increases.

- Special requirements of either party to the contract not covered in specifications may be negotiated at the option of the District.
 - Other reasons for review shall include, but are not limited to, the District's continued need for the contracted service.
 - It shall be understood that in no way will provisions of contract supersede or exclude any provisions, conditions or specifications included in the District's Invitation to Bidders. The District reserves the right to accept or reject any contract or term of conditions thereof.
5. Contract not Assignable - The Contractor shall not assign or sublet said contract or any part of said contract without the written consent of the School District and, in the event of violation of such provision of contract, the same is forthwith subject to cancellation by the Board of Education.

B. INSURANCE

6. Public Liability Insurance

A) The Contractor shall maintain during the life of this contract, Automobile Public Liability Insurance in the amount of at least \$1,500,000/per person/per incident bodily injury/liability. Property damage liability insurance shall be \$250,000 with personal injury protection (no fault), \$20,000 medical and \$20,000 work loss. The Contractor shall also furnish a \$1,500,000 umbrella. The Contractor shall file with the Business Manager of the School District a certificate issued by the insurance company certifying to the insurance coverage and limits of such insurance coverage by no later than August 15th, prior to the start of each school year, and within 30 days after the anniversary date of the insurance policy.

B) The District, for the period of December 1, 2023, through June 30, 2024, shall cost share in the insurance premium increase to the extent of reimbursing the bus contractor for 50% of the premium increase on the \$1,500,000 umbrella when and if the insurance premium increase exceeds \$3,000 over the previous year's premium.

7. The Contractor shall come under the Minnesota Employee's Liability Laws as provided by law and shall maintain such insurance as will protect him and the School District from claims under the Workers' Compensation Act, and from any other claims or damages for personal injury, including death, which may arise from operations under the contract; whether such operations be by himself or anyone directly or indirectly employed. Certificate of such insurance shall be filed with the Clerk of the School District.
8. Bus drivers are to report all accidents involving buses used for transportation of District pupils immediately to the bus company, whose duty it will be to inform the Transportation Supervisor via telephone within one-half hour of any accident, regardless of extent, which involves any bus with pupils aboard or not.
9. A written report of all accidents shall be sent to the Transportation Supervisor so that it is received at the District within 48 hours of the accident.

C. INDEMNIFICATION

10. Contractor shall hold District, its governing board, officers and employees harmless and does hereby indemnify District, its governing board, officers and employees from and against every claim or demand which may be made by any person, firm or corporation, or other entity arising from or caused by any act of neglect, default or omission of Contractor in the performance of this Agreement, except to the extent that such claim or demand arises from or is caused by the negligence or willful misconduct of District, its agents or employees. The Contractor also agrees to indemnify and save the District harmless from any claims involving personal injury or property damage arising out of, or in the course of, Contractor's acts in providing transportation of assigned pupils.

To the extent permitted by law, District shall hold Contractor, its officers, employees, agents, successors and assigns harmless and does hereby indemnify Contractor, its officers, employees, agents and successors and assigns from and against every claim or demand which may be made by any act neglect, default or omission of District, its governing board, officers, employees or agents, except to the extent that such claim or demand arises from or is caused by the negligence or willful misconduct of Contractor, its agents or employees.

D. BUS DRIVERS

11. The contractor will require all bus drivers to attend at least one county or regional school bus driver's instruction workshop per year and each driver will be subject to all State and Federal requirements for licensure, drug, alcohol testing and all other requirements. Further, all vehicles used for the transportation of pupils shall be ready and available for inspection as determined by the Minnesota State Highway Patrol. Compensation therefore to be not in addition to what is prescribed in Section K.
12. Student Ridership and Evacuation Drills - Continuing programs will be implemented within the District as a joint responsibility between the Contractor and the District to make the students aware of the rules and regulations of school bus ridership. Evacuation drills and training classes will be held during the year at locations and time identified by the District.
13. Employment Provision - All personnel necessary to perform Contractor's obligations under this Agreement shall be employees of the Contractor and no employee of the Contractor shall be deemed to be an employee of the School District. Contractor shall be responsible for hiring and discharging personnel to perform its obligations under this Agreement, provided, however, that the School District shall have the right to require Contractor to remove from service under this Agreement any employee who, in the School District's sole discretion, is deemed unsuitable for the performance of the transportation services under this Agreement.

Equal Employment Opportunity: Contractor must show evidence of a non-discriminatory equal employment opportunity program in the selection of employees that follow the guidelines established by District E.E.O. program. Such program must provide E.E.O. opportunities regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, sexual orientation, age, family care leave status, or veteran status.

E. ASSIGNMENT OF ROUTES

14. The School District reserves the right to change or alter the routes of travel by giving at least ten days written notice to Contractor. Contractor is given right to cancel this contract on that ground, but shall give immediate notice in writing or intention to terminate, to take effect at the end of the contract school year.
15. All pupils will be picked up on county and township roads and driveways providing the road is in operating condition for bus transportation and proper and adequate turn-arounds and within reasonable distances from homes and roadways or as otherwise specified by District policy or as directed by the Transportation Supervisor.
16. The Contractor is strictly prohibited from allowing transportation on school buses to passengers other than students attending the public schools, those attending non-public schools, or those authorized by state rules and regulations, board policy and approved by the Transportation Supervisor. The Transportation Supervisor will determine eligibility requirements as stipulated by Board Policy for riding on a school bus.
17. It is further stipulated that the School District reserves the right to make such changes in said assignments or bus runs and bus routes that shall be most advantageous to the transportation service. This may mean consolidating two or three runs into one if this results in a savings to the District.
18. Routes and mileage will be directed by the Transportation Supervisor or designee. All scheduling, routing and coordination with the schools will be handled by the Transportation Supervisor. It is, however, understood and agreed that each route and students shall be subject to such changes or corrections as the Transportation Supervisor may direct. The Transportation Supervisor will provide time schedule and route information which will be subject to changes that best suit the transportation service.
19. All buses shall include video surveillance equipment. Any bus added to the fleet will require at least three interior cameras pursuant to District policy.
20. The School District may run a mock disaster drill each year and the contractor and District will collaborate in conducting the drills in the most efficient manner to determine the time and sequence of the events.

F. PURCHASE OF MOTOR FUEL

21. When the price of the fuel, including all taxes, is less than the stated escalator clause, the contractor will order and pay the vendor for the fuel.
22. When the price of the fuel, including all taxes, is more than the stated escalator clause, the contractor, with approval from the District, will order and pay the vendor for the fuel. The cost of the fuel in excess of the stated escalator clause will be billed to the District. The District will pay the contractor within 10 calendar days of the receipt of the bill. A copy of the fuel invoice will be attached to the fuel bill.
23. Only fuel used for the transportation of students is subject to the escalator clause.

| | | |
|-----|---------------------------------------|----------------|
| 24. | <u>Fuel Escalation Clause</u> | <u>2023-24</u> |
| | School District pays to Contractor | |
| | the cost of diesel fuel that exceeds: | \$4.10/gal. |
| | gasoline that exceeds: | \$4.10/gal. |
| | propane that exceeds: | \$3.00/gal. |

G. VEHICLE REPLACEMENT SCHEDULE

25. In general, any Type C equipment will be subject to the following replacement schedule:
- | | |
|---------------------------|---|
| Gas conventional buses | -- 8 years or 120,000 miles |
| Diesel conventional buses | -- 10 years or 150,000 miles (or 12 yrs., 200,000 miles for buses manufactured 1990 or later) |
| Diesel transit buses | -- 10 years or 200,000 miles |
| Gas transit buses | -- 10 years or 150,000 miles |

No buses older than 12 years will be used on a regular route and no buses older than 15 years will be used as a spare.

- a) The School Board reserves the right to make exceptions to this rule on an individual bus basis regarding the suitability of the equipment (i.e. miles, age of vehicle, condition, etc.) when in the judgment of the District the vehicle would appear to meet the District's criteria for safety and service.

All vehicles will pass the annual fall inspection by the Transportation Supervisor and are subject to inspection by the Minnesota State Highway Patrol.

- b) Failure to maintain these standards is cause for the District, at their discretion, to terminate a school bus route with the Contractor and take over that route.
- c) Transportation Supervisor/Contractor shall jointly determine which vehicles are most appropriate to replace.
26. In general, diesel equipped and transit style buses will be considered for a longer depreciable life than gas or propane fueled buses.
27. Type C school buses will be replaced on the same schedule as the Type A school buses.
28. District #22 reserves the right to require the Contractor to replace any bus during the school year should the school be given reason to suspect the capability or condition of the bus. Contractors shall be required to furnish evidence of correct bus mileage such as former assignments, inspection records, etc.
Used buses must be in good mechanical condition including engine, transmission, drive assembly, steering assembly, brakes, etc.

29. Used buses must be available for Highway Patrol inspection by August 16, 2022, and at least

annually thereafter.

H. OPERATION, MAINTENANCE and STORAGE of BUSES

30. Contractors will furnish drivers and pay all operating expenses incidental to the operation of the equipment. Contractors operating more than one bus will be responsible for the supervision of their drivers.
31. Contractors operating six (6) to eleven (11) buses shall be required to furnish one (1) spare bus of not less than 60 passenger capacity.

Contractors operating eleven (11) to twenty (20) buses shall be required to furnish two (2) spare buses of not less than 60 passenger capacity.
32. Contractors will be required to inaugurate a system of road failure relief, including instructions to personnel with sufficient personnel and equipment to restore service.
33. All fleets of more than three (3) buses must operate from a single dispatching center, chosen by the Contractor, and such dispatching center shall be available by telephone at all times during the actual operation of the buses. All buses assigned to a regular route will be radio equipped on an emergency narrow band frequency. Contractor will be required to submit reports to the Business Manager regarding the operation of buses. These reports will include Mileage Claim, Time and Mileage Check, Road Failure of Vehicles, Accident Reports and any other necessary information in connection with the transportation of pupils that may be required.
34. School Bus identification must be covered when buses are used for passenger transportation other than pupil contract operation or field trip assignments within the District.
35. Contractor will provide heated facilities for storage of equipment above freezing. Good heating equipment will be functioning properly in all buses. Contractor note any buses which are not stored in a protected environment.
36. Buses must be swept daily and be kept neat and clean both inside and outside. Buses must be serviced regularly to factory recommendations.
37. All buses shall be numbered pursuant to state and school district requirements.

I. VANDALISM

38. The prices quoted in this transportation contract are based upon the premise that all intentional damage done to the Contractor's equipment by students will be paid for by the students responsible. Drivers will be required to make a physical check of each vehicle before and after each run. If verification cannot be obtained as to who damaged the equipment, the School District will share equally in the repair or replacement of the vandalism.

J. STUDENT DISCIPLINE

39. The ultimate responsibility and authority to suspend or expel any student from transportation services hereunder shall rest with District. Contractor's drivers are responsible only for such discipline as is required to safely and properly operate Contractor's buses. Each driver shall handle all disciplinary matters in strict accordance with District policy. In no case will a driver eject a student from a bus without authorization. All discipline problems shall be reported in writing following completion of the route and submitted on the District's Google reporting form. Procedures and regulations for the administration of discipline shall be established cooperatively between District and Contractor.

K. RECORDS, REPORTS, DRIVER QUALIFICATIONS

40. The Contractor will maintain records and reports as requested by the School District such as accident reports, load counts, route mileage charts, fuel consumption, bus maintenance, route sheets, driver qualifications, etc.

The Contractor shall submit all reports required by the Minnesota Department of Education (MDE), the State of Minnesota and all other reports or requests for information by the School District.

41. Specific reports which must be submitted to the District are as follows:

- All Minnesota State Highway Patrol School Bus Inspection Reports
- Driver qualification information including driver's license number, social security number, date of birth, drug and alcohol testing information, criminal background check information must be provided to the District prior to driving a bus. The District must also be notified any time changes occur to a driver's qualifications to drive a bus.
- Bus cards
- Monthly bills showing extra-curricular charges
- Route mileage and mileage report for each activity
- Route changes
- Driver evaluations
- Other reports required by the state or federal government or District

The contractor hereby agrees to provide the district with duly licensed and qualified bus drivers at all times. It is the contractor's responsibility to provide the district with drivers who meet all the requirements for driver licensure and other standards, such as drug/alcohol testing, criminal background checks, and vehicle driving records. The district shall have access to any and all driver records upon demand.

L. FAILURE TO DELIVER & PENALTIES

42. If by any reason of any acts of nature, fires, strikes, present or future laws, ordinances, government orders, rules or regulations, the Contractor shall be prevented from carrying out the terms of this Agreement, District shall have the right to hire others to continue service, and operating expenses incurred will be deducted from payments owed to Contractor.

M. CONTRACT RATES

43. **Rates:**

| | |
|---|---|
| Extra-Curricular Trip Rates | 2023-24 |
| Extra-Curricular (outside city limits) | \$725/Trip - Up to 6 Hours \$120/HR for each additional hour |

44. All billings must be submitted within thirty (30) days or payment will not be made by the District to the Contractor. For example, the last date a Contractor can bill the District for transportation services for October transportation shall be December 1st.

N. PAYMENT SCHEDULE

46. **Payments** - The School District shall pay the Contractor on or about the 5th working day of the month if invoices are submitted by the end of the 1st working day of the month. If the invoices are not submitted by the deadline, the invoices will be included in the regular claims submitted to the Board meeting on the 3rd Monday of the month, mailed the following day.
47. The District reserves the right to withhold payment if the contract is not being completed to the satisfaction of the District.

IN WITNESS WHEREOF we have hereunto set our hands and seals this

____ day of _____, 2023.

Chairman

Clerk

Treasurer

Executed pursuant to resolution of School Board

Contractor

DATE: November 15, 2023

TO: Mark Jenson, Superintendent and Board of Education

FROM: Jason Kuehn, Director of Finance and Operations

SUBJECT: **Construction Management Services Agreement**

The proposed professional service agreement with ICS is for the construction management services for upcoming Long-Term Facilities Maintenance (LTFM) improvement projects at Rossman Elementary School and Detroit Lakes High School.

Services will be provided to assist with the design and pre-construction phase, including the coordination of the bidding process. Additionally, services will continue through the construction and post-construction phase of the project through final closeout.

Administration recommends approval of the agreement.

cc: Colin Gedrose



A LEGENCE Company

Professional Service Agreement for:
Comprehensive Project Representation
and Management Services



November 21, 2023

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November 21, 2023

Jason Kuehn
Director of Finance and Operations
Detroit Lakes Public Schools
702 Lake Avenue
Detroit Lakes, MN 56501

Re: Owner Representative and Project Management Service

Dear Mr. Kuehn:

At your request, ICS Consulting, Inc. is pleased to provide you with this professional service agreement to provide Owner Representation and Project Management Services on behalf of the District for the upcoming improvements projects based on the following understanding of the overall project scope and timeline of a district facilities project:

Rossman Elementary School

- 1965 South facing window replacement
- Work to be completed summer of 2024.

DL High School

- Replace 1996 Condensing Units and associated coils
- Units 1 – 6 and 12 included
- Work to be phased and completed by end of 2024.

We would be happy to discuss this proposal with you for any clarity and understanding when you see appropriate. Thank you for your consideration and we look forward to partnering with the Detroit Lakes School District.

Sincerely,



Lori Christensen
Account Executive
ICS



PROJECT OVERVIEW

Rossman Elementary School

Project Scope of work:

- 1965 South facing window replacement

Project Schedule:

- Design Phase – January 2024
- RFP Bidding Phase – Winter 2024
- Construction Phase – Summer 2024

DL High School

Project Scope of work:

- Replace 1996 Condensing Units and associated cooling coils
- Units 1 – 6 and 12 included

Project Schedule:

- Design Phase – January - February 2024
- RFP Bidding Phase – Project will be broken into three separate RFP's and sent out for contractor pricing over the course of 2024
- Construction will be phased between spring 2024 with projected completion December 2024.

Project Budget Estimate utilizing LTFM dollars:

- Construction Cost estimate with contingency: \$272,000
- Design and Project Management Fees: \$68,000
- Total: \$340,000

DESIGN AND PRE-CONSTRUCTION

Upon approval, we will work collaboratively with district administration to further review and evaluate the proposed improvement scopes, budgets, and timelines for both the window replacement project at Rossman Elementary with the condensing unit and associated coil replacement for units 1-6 and 12 at the High School. Design and pre-construction services shall include the following:

- Explore all options for consideration to meet standards and qualifying projects in accordance with the Minnesota Department of Education.

- Provide all required submittals to the Department of Education and the State of Minnesota.
- On-going interaction and coordination with district staff.
- Develop construction documents or request for proposals as needed for projects to be bid per state statute.
- Develop the overall project schedule and phasing.
- Cost estimating and overall budget development, including updates at each phase of the design process.
- Review of design documents and request for proposals (RFP) for coordination and scope issues.
- Facilitation of a pre-bid walk-thru(s).
- Coordination of bidding process and award process(es) for all work scopes including post-bid analysis and contract award process.

CONSTRUCTION & POST-CONSTRUCTION PHASE SERVICES

Upon approval of project construction, ICS will continue in its role as an extension of and advocate for the district, working on the district's behalf to manage, coordinate all aspects of the construction phases of the overall effort. ICS will provide comprehensive services including procurement/bid and award activities, coordination of pre-construction activities, budget tracking, project-related documentation and communications reporting, construction phase oversight and management, and related close-out and warranty activities. A summary of related services includes:

- On-going interaction and coordination with district staff.
- Develop and administer owner construction contract(s) for the projects.
- Coordination of on-site trade contractor work and project-related activities
- Processing and tracking of project-related communications including RFP's, RFI's, CO's etc.
- Interface with on-site trade contractors and design team for resolution of on-going construction-related issues.
- Bi-weekly onsite visits to review contract progress and quality control.
- On-going project budget tracking and accounting on behalf of the District.
- Coordination of final punch-list and final closeout completion by trade contractors for the projects.
- Coordination of all close-out needs.

- Facilitation of an 11-month walk-thru.

BASIS OF COMPENSATION

Our total compensation for project related professional services described above during design, pre-construction, construction and post construction are proposed as a lump sum fixed fee equivalent to \$68,000.

Billings

The actual amount billed for ICS's services on a monthly basis will be based on ICS's estimate of the proportion of total services completed during the billing period on a percentage of completion methodology.

Reimbursables

Reimbursable expenses will be billed on a direct basis and will include such items as travel, reproduction of reports, drawings, specifications, bidding documents, safety and similar project-related items. General conditions will be budgeted as part of construction. Any general conditions items provided and/or procured through the ICS team during the construction phase as directed by the Owner will also be billed as a reimbursable (i.e. construction trailer, temporary barricades, etc.) at a cost plus 5% administrative fee.

Appendix A

General Conditions

General Conditions

The word "Consultant" refers to ICS Consulting, Inc., the company with which Owner is contracting. "Owner" is our client. The Agreement with you, the client, is comprised of this Agreement, the Master Service Agreement and accompanying project fee letter.

1. Scope of Work and Duration of Services

Consultant will furnish and perform the services specified in Consultant's Master Service Agreement (the "Agreement"). If any portion of the proposal is inconsistent with this Agreement, this Agreement shall control.

The commencement date for basic services shall be the date of approval of this agreement.

Consultant's obligation to perform the Services shall terminate upon completion of the 1-year statutory warranty period for the project or upon completion of all specified services described in Fee Letter unless mutually agreed upon to extend the services by both parties.

2. General Provisions

In addition to the Agreement, Consultant and Owner agree as follows:

A. Right of Access

Unless otherwise agreed in writing, Owner will furnish Consultant with right-of-access to the Site and accurate information necessary to conduct the Services, as requested by Consultant.

B. Confidential & Proprietary Information

The Consultant and Owner agree not to disclose to others or use any confidential or proprietary information or trade secrets of the other, which may become known to each prior to, during or after the performance of this Agreement without the prior written consent of the other. "Confidential or proprietary information" and "trade secrets" shall mean any information about the other which is neither publicly known nor legally accessible to the other parties from third parties. Prior to the disclosure of any such confidential or proprietary information or trade secrets, each shall obtain the written approval of the other. Neither Owner nor Consultant shall use the specification or other



materials produced under this Agreement for any purpose beyond the scope of this project, without prior written agreement of the other.

C. Quality

Consultant warrants that the Services it performs under this Agreement will be performed with the care and skill ordinarily exercised by reputable members of its profession practicing under similar conditions during the period of this Agreement and in the same or similar locality.

2. Payment for Services

- A. Invoices will be submitted monthly for services performed during the previous month.
- B. Payments will be considered due and payable 30 days from the date of the associated invoice. If payments are not received upon becoming due and payable, interest may be assessed on the outstanding balance at a rate of the US Bank Reference Rate plus 5%, with interest accruing beginning 30 days from the original date of the invoice.

3. Indemnity & Insurance

A. Indemnity

Consultant agrees, to the fullest extent permitted by law, to indemnify and hold harmless Owner, its agents, and employees, from all claims, losses, costs, and damages arising in any way out of Consultant's performance of work under this agreement, but only to the extent caused in whole or in part by negligent acts or omissions or intentional fault on the part of the consultant, regardless of whether such claim, loss, cost, or damage is caused in part by the Owner.

Owner agrees, to the fullest extent permitted by law, to indemnify and hold harmless Consultant, its agents, and employees, from all claims, losses, costs, and damages arising in any way out of Owner's performance of work under this agreement, but only to the extent caused in whole or in part by negligent acts or omissions or intentional fault on the part of the Owner, regardless of whether such claim, loss, cost, or damage is caused in part by the Consultant.

B. Insurance



Insurance Provided by Consultant. Before the start of its work, the Consultant shall procure and maintain in force coverage and limits of insurance for its own negligence as follows:

| COVERAGES | LIMITS OF LIABILITY |
|--|--|
| Workers' Compensation, including Employer's Liability Insurance | Statutory |
| Comprehensive General Bodily Injury Liability Insurance, including Contractual | \$1,000,000 |
| Comprehensive General Property Damage Liability Insurance, including Contractual | \$1,000,000 Per Claim \$2,000,000 Aggregate |
| Comprehensive Automobile Injury Liability Insurance | \$500,000 Per Claim \$500,000 Aggregate |
| Comprehensive Automobile Property Damage Liability Insurance | \$500,000 |
| Professional Liability Insurance | \$5,000,000 Per Claim \$5,000,000 Aggregate |

4. Limitations on Liability

- A. The obligations of the Owner under this Agreement do not constitute personal obligations of Owner or its directors, officers or agents. Consultant will look solely to Owner's assets for satisfaction of any liability in respect of this Agreement and will not seek recourse against the directors, officers or agents of Owner or any of their personal assets for such satisfaction, unless there is a written agreement which makes an individual personally liable, executed by that individual. The provisions of this Paragraph 4 are not intended to relieve Owner from the performance of its obligations under this Agreement, but only to limit personal liability in the case of recovery of judgment. They do not limit Consultant's rights to obtain injunctive relief and specific performance or to maintain any other action not involving the personal liability of Owner or its directors, officers or agents.

- B. In any event, the financial liability of the Consultant for any alleged breach of this Contract, or for any tort committed in performance of this contract, shall not exceed 25% of the total contract amount due to Consultant as payment to it for services performed under this Contract.

C. ICS shall not be responsible for the acts or omissions of any consultant, contractor or any subcontractor, supplier or other individuals or entities performing design and/or furnishing any portions of the work. ICS shall not be responsible for the failure of any Contractor to perform or furnish the work in accordance with the Contract Documents.

5. Assignment

This Agreement shall not be assigned by Consultant without prior written consent of the Owner.

6. Authorities for Action

Owner designates a responsible employee for administration and coordination of the work. Consultant designates a responsible employee to act on its behalf in any matter under this Agreement. Either party may designate in writing one or more persons to act on its behalf in any manner under this Agreement, provided notice is given according to the provisions set forth in Paragraph 8 below.

7. Independent Contractor

It is specifically understood and agreed that at all times pertinent to this Agreement, Consultant shall be an independent Contractor and shall not be considered an employee of the Owner.

8. Notices

Any notice under this Agreement shall be in writing and shall be deemed to be properly given when delivered to an officer of Owner or Consultant or upon receipt by the other party, when mailed by registered or certified mail, postage prepaid, return receipt requested.

Either party shall have the right to designate by notice, in the manner set forth above, a different address to which notices are to be mailed.

9. Applicable Law

This Agreement shall be governed by and construed under the laws of the State of Minnesota.

10. Extent of Agreement

This Agreement represents the entire Agreement between Owner and Consultant, and supersedes all prior obligations, representations or agreements, either written or oral. This

Agreement may be amended only by written instrument, dated and executed by both Owner and Consultant.

11. Termination

This Agreement may be terminated for proper cause by either party upon thirty (30) days written notice to the other party. Upon termination, Consultant will deliver to Owner or its designee all records, documents or materials in its possession or control of Consultant which relate to the Project and for which payment has been received. If Services have been prepared for, or performed, for which payment has not been received as of the date of termination, Owner shall be entitled to purchase the products of those Services, such as records, materials and documents, for the consideration due therefore under this Agreement. If Owner does not purchase the products of these Services, Owner remains liable to Consultant for any incurred but unpaid charges for Services performed.

12. Hazardous Materials

It is acknowledged by both parties that ICS Consulting, Inc.'s scope of services does not include any services related to asbestos, hazardous, or toxic materials that may be encountered or found to be present at or in areas adjacent to the site. Any such materials that are encountered shall be immediately brought to the attention of the owner, who will be solely responsible for any required abatement and/or removal of the materials in full compliance with applicable laws and regulations.

Appendix B

Rate Schedule

| <u>Description</u> | <u>Rate per hour</u> |
|------------------------|----------------------|
| Construction Executive | \$180.00 |
| Project Director | \$150.00 |
| Safety Director | \$130.00 |
| Senior Project Manager | \$130.00 |
| Project Manager | \$125.00 |
| General Superintendent | \$130.00 |
| Site Superintendent | \$120.00 |
| Project Engineer | \$95.00 |
| Clerical / Accounting | \$70.00 |
| Construction Executive | \$180.00 |
| Project Director | \$150.00 |

Appendix C

Signature Page

Detroit Lakes Public Schools
Professional Service Agreement
November 21, 2023

Proposal Terms

Terms are continual with termination executed as noted in General Conditions.

Signature includes acceptance of attached proposal, fee schedule, and general conditions.

Authorization to Proceed

We appreciate the opportunity to present this proposal for Comprehensive Project Representation and Management Services. Please sign and return this document to our office. Upon receipt of signed copy, a fully executed original copy will be forwarded back to you for your records. We will begin the project at the time of signature acceptance of this proposal.

* * *

Please proceed according to the above stated terms, attached general conditions and the proposal.

For Detroit Lakes Public Schools:

For ICS Consulting, Inc.

Date

Date

Printed Name

Printed Name

Authorized Signature

Authorized Signature

| | |
|------------------------|--|
| Date Adopted: 12/18/23 | File Number: Detroit Lakes Policy - 510.6 |
| Date Revised: | |

510.6 - Adding/Eliminating a School Sponsored Activity

I. Purpose

To establish criteria by which the Detroit Lakes School District may decide to add or eliminate Minnesota State High School League(MSHSL) athletic or fine art activities to its offerings

II. General Statement of Policy

The Board recognizes that student interest and participation changes over time, and that offerings available to students must change in response to interest. In addition, the board supports the goal of gender equity in athletic competition.

Therefore proposals to add or eliminate an activity will be presented by administration for Board approval. The proposals will be based on student interest and if appropriate, gender equity considerations. The proposals will include a programmatic and financial analysis.

Detroit Lakes School District may add MSHSL sponsored activities in one of three ways. All decisions must be approved at the board level

III Process for Adding a Sport or Activity

A. Offer the activity at Detroit Lakes School District. In order to be considered by the District, all new activity proposals must meet the following minimal criteria:

1. The activity must currently exist at the youth level.
2. The activity has participants to sustain a program now and into the future.
3. The District has necessary facilities needed to offer the activity.
4. The activity will not create an imbalance of participation rates by males and females that would put the district out of Title IX compliance.
5. The District has the financial resources available to implement and sustain the cost as determined by the District.
6. Assess the availability of qualified Coaches/Advisors as determined by the District.

7. Approval of the School Board.

B. Sponsor the activity as a host school of a cooperative sponsorship. The above minimum criteria, in addition to the following, must be met before pursuing a cooperative sponsorship.

1. The District will be responsible for the financial administration of the activity
2. As the host school, the District will calculate the costs of the program and bill each member school on a per participant ratio.
 - a. Costs that will be included in the expenses of the program will include but are not limited to MSHSL fees, coaching salaries, transportation, officials, contest workers, uniforms, equipment, custodial services and administrative services.
3. Approval of the school board

C. Participate in the activity as a member of a cooperative sponsorship with another school serving as the host school.

1. This option does not need to meet the minimum criteria mentioned above.
2. The District may or may not participate in the financial administration of the activity.
3. The activity will not create an imbalance of participation rates by males and females that would put the district out of Title IX compliance.
4. The addition of the activity is consistent with the District's goals and objectives.
5. The district determines the host school of the cooperative sponsorship agreement holds similar expectations as the District.
6. Approval of the school board

IV Responsibility

The following process will be utilized for review and potential approval of a new activity:

- A. A person or group will submit a request to the Activities Director. The Activities Director and Principal will determine if the above minimum criteria are met. If the Activities Director and the Principal support the proposal, it will be brought to the Superintendent for discussion.
- B. Upon Superintendent approval, the proposal will be brought to the appropriate board committees for discussion.

- C. Upon board committee approval, the proposal will be brought to the school board for discussion and/or action.

V Process for Eliminating a Sport or Activity

A. Conditions

Any of the following conditions may call for a Building or District to consider eliminating or temporarily suspending an interscholastic sport or activity:

- a. Lack of student interest, diminishing participation, or overall viability of a program.
- b. Downward trend in the sport or activity in the Conference and/or in the MSHSL.
- c. Sport or activity is not sponsored by the MSHSL or the Conference(high school).
- d. Sport or activity is not linked to a high school program(MS level).
- e. Facility overuse or capacity is challenged.
- f. Lack of qualified coaching/advising candidates or applicants.
- g. Cost of the sport or activity exceeds the available resources to support the program.
- h. The sport or activity is available to students in the community in a non-school sponsored program.

B. Process

- a. Activities Director conducts an inventory of current programs
- b. Activity Director conducts a financial audit of the program with the District Business Manager
- c. Activity Director determines whether deleting the sport or activity will create an imbalance in offerings for boys/girls as required by Title IX laws.
- d. Activity Director prepares a recommendation, which may include combining activities with another school or district.

C. Recommendation

- a. The Activity Director will forward a recommendation to the Superintendent.
- b. If the recommendation is to eliminate or temporarily suspend a sport/activity the Superintendent will review the request and forward it with a recommendation and supporting data to the school board for action.

| | |
|---|--|
| Date Adopted: 11/12/84 | File Number: Detroit Lakes Policy - 691 |
| Date Revised: 03/09/98; 12/14/2009, <u>12/18/23</u> | |

691 - Adult Education~~GED TESTING~~

I. PURPOSE~~GED HISTORY AND BACKGROUND~~

~~The State Department of Education will not authorize individuals under the age of 19 to take the G.E.D. exam unless the high school principal of the district in which the student resides agrees to a waiver of the age requirement.~~

~~Waivers have been authorized from time to time by the high school principal for 17 and 18 year olds who have dropped out of school and as a matter of course pursuant to state regulations in absence of a school district policy.~~

~~The granting of a waiver and the passing of a G.E.D. permits a high school drop out to receive a high school equivalency diploma and enables this person to enter college, vocational training, or the military. While this makes it easier for a high school drop out to enter these areas, it also makes the decision to drop out an easier one to make.~~

~~Based on Detroit Lakes experiences with drop outs, the establishment of the Alternative School, and related considerations, the Board of Education believes the adoption of a policy prohibiting the granting of G.E.D. age waivers by District #22 students (except in the case of hardship) will reduce the drop out rate of Detroit Lakes High School age students.~~

Adult Education is a state-wide system that serves adults who are working towards a high school credential, learning English, improving basic skills such as literacy and math, and/or preparing for post-secondary education or employment. Adult Education is funded with both federal and state funds, and services are delivered through a network of the consortia comprising all Minnesota school districts as well as other partners including the correctional system and community-based organizations.

The mission of Adult Education in Minnesota is to provide adults with educational opportunities to acquire and improve the literacy skills needed to become self-sufficient and to participate effectively as productive workers, family members, and citizens.

II. GENERAL STATEMENT OF THE POLICY **PHILOSOPHY**

It is the belief of the Board of Education of Independent School District #22 that every student should be supplied with a core of general education. That core will supply them with the opportunity to acquire basic competencies, as well as broader elective experiences, while pursuing completion of the planned educational experiences of the school district. It is also the belief of the Board of Education that the acquisition of a high school diploma as a result of the completion of requirements established by the Board is important and valuable and in the best interest of students.

Adult Education supports students as they work towards one or more of the following goals:

- Obtain employment or improve employment by getting a new job or getting a promotion
- Achieve a high school equivalency (GED or Diploma)
- Gain or improve skills necessary to enter post-secondary education and training
- Improve ability to speak, read, write and understand the English language
- Master basic academic skills to help support their children in school
- Become a U.S. citizen
- Become a more active and engaged community member
- Gain self-esteem, confidence and achieve personal educational goals

III. DEFINITIONS

High School Diploma:

- Credit completion, also sometimes called credit recovery, programs allow Adult Education students to finish credits they are missing from their high school education in order to receive a diploma from a local school district.

High School Diploma Option 2- Minnesota Standard Adult High School Diploma:

- Minnesota's standard adult high school diploma is a competency-based secondary credential that is issued by the state department of education for adults that complete an authorized Standard Adult Diploma program in Adult Education with an approved electronic portfolio.
- The Standard Adult Diploma has:
 - 5 Domains:
 - English Language Arts
 - Mathematics
 - Science

- Social Studies
- Employability, Career Awareness and Digital Literacy
- Each domain has 4 Areas
- Each area has Competencies (1-17 competencies per area)
- Competencies are based on Standards

Student Eligibility and Process:

- An adult can be eligible for this diploma program if they
- do not have a diploma
- are not participating with K-12 services
- are age 19 and older
- are eligible for ABE program services.

GED — General Educational Development Diploma:

- The GED is a high school equivalency assessment, and GED preparation helps adults prepare to take and pass the assessment in order to obtain a high school credential. GED prep supports students in preparing for all four of the tests:
- Mathematics
- Reasoning through Language Arts (RLA)
- Science
- Social Studies

High School Equivalency:

- The HiSET has been operational since January 2014, is recognized by the US Department of Education, and has been adopted by 30 states and US territories as the sole HSE test or one of two HSE tests with a state-issued credential.

The full HiSET battery consists of 5 tests:

- Reading
- Writing
- Social Studies
- Science
- Math

Age Waiver:

Seventeen- and 18-year- olds in Minnesota must obtain an age waiver before they will be able to test. The age waiver process must be completed before the online account creation/registration can be completed. Once your age waiver application is sent and approved by GED staff at the Minnesota Department of Education (MDE) they ... will then receive an email instructing you to continue with registration, scheduling, and payment on that site...

If you are under the age of 19, you will need to obtain an age waiver to test in Minnesota. Age waivers are granted by Minnesota Department of education when the following conditions are met:

- must not be enrolled in high school
- must meet at least one of the following six conditions to qualify for an age waiver:
 - have been dropped from your school's attendance rolls for at least one full calendar year.
 - high school class has graduated.
 - An employer indicates on signed/dated letterhead that you must successfully complete the GED Battery to qualify for employment.
 - A postsecondary institution or financial aid office indicates on signed/dated letterhead that you must successfully complete the GED Battery to qualify for acceptance or to begin the financial aid process.
 - The military indicates on signed/dated letterhead that you must successfully complete the GED Battery to qualify for acceptance.
 - An Adult Education program or other recognized educational (includes home schools), social service, or correctional agency indicated that successful completion of the GED Test Battery is a part of your written individual learning plan, and provided signed/dated documentation showing you have, under the supervision of a proctor, earned a minimum score on both an approved reading and math test:
 - Reading: Earned at least a likely to pass on the official practice test; at least a 617 on the Reading TABE 11/12 (Form A); or at least a 249 on the CASAS GOALS Reading; and
 - Math: Earned at least a likely to pass on the official practice test; at least a 617 on the Math TABE 11/12 (Form A); or at least a 231 on the CASAS GOALS Math.

IV. POLICY

It is, therefore, the policy of the Board of Education of Independent School District #22 not to grant requests for age waivers for the General Education Diploma (GED) or for enrollment in post-secondary programs for non-high school graduates.

- Determining Adult Education Student Eligibility

- An individual is eligible for Adult Education programming as an official Adult Education student if he/she/they is:
 - At least 17 years of age; and
 - Not enrolled in K-12 instruction; and
 - Not required to be enrolled in K-12 instruction under state statute (see details below); and
 - Who qualify under one or more of the following conditions:
 - Are unable to speak, read or write the English language;
 - Do not have a high school diploma or its recognized equivalent, and have not achieved an equivalent level of education;
 - Lack sufficient mastery of basic educational skills to enable the individual to function effectively in society.
- Adult Education programs cannot enroll ineligible students as official Adult Education students generating contact hours for Table A for Adult Education grant funding.
- Individuals are not eligible for Adult Education services if they are enrolled in a public or private K-12 program – this includes public or private regular high schools, charter schools, area learning centers, and other alternative or high school programs.
- Students who are enrolled in postsecondary institutions are eligible for Adult Education services if they meet the conditions above. Please note the individual cannot be dually enrolled in a K-12 program (e.g. postsecondary enrollment option (PSEO), concurrent enrollment, or an early/middle college program).

Adult Education services in Minnesota are delivered through a network of providers which are organized into consortia based on public school districts. All 300+ public school districts in Minnesota belong to one of the Adult Education consortia. Some consortia consist of only one district, while others contain dozens.

In addition to school districts, Adult Education consortia often include other members such as tribal nations, community based organizations (CBOs) and county correctional facilities. Many consortia have both school district and CBO partners, while a few Adult Education consortia are comprised of a single CBO with no school district member.

Detroit Lakes Public Schools is the fiscal agent and operational authority for Lakes Area Adult Education (LAAE). In 2023-2024, LAAE consists of 10 school districts and 2 community based organizations:

1. Ada-Borup-West Public Schools
2. Becker County Jail
3. Detroit Lakes Public Schools
4. Frazee-Vergas Public Schools
5. Lake Park-Audubon Public Schools

6. Maadaadizi Workforce Center
 7. New York Mills Public Schools
 8. Norman County East Public Schools
 9. Pelican Rapids Public Schools
 10. Perham-Dent Public Schools
 11. Rothsay Public Schools
 12. Ulen-Hitterdal Public Schools
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~~HARDSHIP EXCEPTION~~

~~The Board reserves to itself the right to review the merits of extreme hardship cases upon the recommendation of the Superintendent.~~

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| Date Adopted: 09/11/00 | File Number: Detroit Lakes Policy - 712 |
| Date Revised: | |

712 - VIDEO SURVEILLANCE OTHER THAN ON BUSES

(See Transportation Policy 709 for videotaping on school buses)

I. PURPOSE

Maintaining the health, welfare, and safety of students, staff, and visitors while on school district property and the protection of school district property are important functions of the school district. The behavior of individuals who come on to school property is a significant factor in maintaining order and discipline and protecting students, staff, visitors, and school district property. The school board recognizes the value of video/electronic surveillance systems in monitoring activity on school property in furtherance of protecting the health, welfare, and safety of students, staff, visitors, and school district property.

II. GENERAL STATEMENT OF POLICY

A. Placement.

1. School district buildings and grounds may be equipped with video cameras.
2. Video surveillance may occur in any school district building or on any school district property.
3. Video surveillance will normally not be used in bathrooms or locker rooms, although these areas may be placed under surveillance by individuals of the same sex as the occupants of the bathrooms or locker rooms. Video surveillance in bathrooms or locker rooms will only be utilized in extreme situations, with extraordinary controls, and only as expressly approved by the superintendent.

B. Use of Videotape Recordings.

1. Videotapes Recordings will be viewed by school district personnel on a random basis and/or when problems have been brought to the attention of the school district.

A videotape Recording will be released only in conformance with the Minnesota Government Data Practices Act, ~~Minnesota Statutes Chapter 13~~, and the Family Educational Rights and Privacy Act, 20 ~~United States Code~~ § 1232g and the rules and/or regulations promulgated thereunder.

C. Security and Maintenance

1. The school district shall establish appropriate security safeguards to ensure that video recordings are maintained and stored in conformance with the Minnesota Government Data Practices Act, Minnesota Statutes chapter 13, and the Family Educational Rights and Privacy Act, 20 United States Code section 1232g, and the rules and/or regulations promulgated thereunder.

2. The school district shall ensure that video recordings are retained in accordance with the school district's records retention schedule.

Legal References: Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)
Minn. Stat. 121A.585 (Notice of Recording Device)

Minn. Stat. § 138.17 (Government Records; Administration)

Minn. Stat. § 609.746 (Interference with Privacy)

20 U.S.C. § 1232g (Family Educational Rights and Privacy Act)

34 C.F.R. Secs. 99.199.67

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

MSBA/MASA Model Policy 406 (Public and Private Personnel Data)

MSBA/MASA Model Policy 502 (Search of Student Lockers, Desks, Personal Possessions, and Student's Person)

MSBA Model Policy 506 (Student Discipline)

MSBA Model Policy 515 (Protection and Privacy of Student Records)

MSBA Model Policy 709 (Student Transportation Safety Policy)

MSBA Model Policy 711 (Videotaping Recording on School Buses)

~~MSBA Service Manual, Chapter 10, Transportation~~

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| Date Adopted: 10/21/19 | File Number: Detroit Lakes Policy - 713 |
| Date Revised: <u>12/18/23</u> | |

713 STUDENT ACTIVITY ACCOUNTING

I. PURPOSE

The school board recognizes the need to provide alternative paths to learning, skill development for its students, and activities for student enjoyment. It also understands its commitment to and obligation for assuring maximum accountability for public funds and student activity funds. For these reasons, the school board will assume control over and/or oversee funds for student activities as set forth in this policy.

II. GENERAL STATEMENT OF POLICY

A. Curricular and Cocurricular Activities

The school board shall take charge of, control over, and account for all student activity funds that relate to curricular and cocurricular activities.

[Note: The school board is required by Minnesota Statutes, section § 123B.49, Subdivision 2, to take charge of and control over all cocurricular activities, including all money received for such activities.]

B. Extracurricular Activities

The school board shall take charge of and control over all student activity accounting that relates to extracurricular activities.

[Note: The school board is required by Minnesota Statutes, section § 123B.49, Subd. 4, to take charge of and control over all extracurricular activities, including all money received for such activities.]

C. Non-Student Activities

In overseeing student activity accounts under this policy, the school board shall not maintain or account for funds generated by non-students including, but not limited to, convenience funds of staff members, booster club funds, parent-teacher organization or association funds, or funds donated to the school district for specified purposes other than student activities.

III. DEFINITIONS

A. Cocurricular Activity

A “cocurricular activity” means those portions of the school-sponsored and directed activities designed to provide opportunities for students to participate in such experiences on an individual basis or in groups, at school and at public events, for improvement of skills (i.e., interscholastic sports, band, etc.). Cocurricular activities are not offered for school credit, cannot be counted toward graduation, and have *one or more* of the following characteristics:

1. They are conducted at regular and uniform times during school hours, or at times established by school authorities;
2. They are directed or supervised by instructional staff in a learning environment similar to that found in courses offered for credit; and
3. They are partially, primarily, or totally funded by public moneys for general instructional purposes under direction and control of the school board.

B. Curricular Activity

A “curricular activity” means those portions of the school program for which credit is granted, whether the activity is part of a required or elective program.

C. Extracurricular (Noncurricular/Supplementary) Activity

An “extracurricular (noncurricular/supplementary) activity” means all direct and personal services for students for their enjoyment that are managed and operated under the guidance of an adult or staff member. Extracurricular activities have *all* of the following characteristics:

1. They are not offered for school credit nor required for graduation;
2. They generally are conducted outside school hours or, if partly during school hours, at times agreed by the participants and approved by school authorities;
3. The content of the activities is determined primarily by the student participants under the guidance of a staff member or other adult.

D. Public Purpose Expenditure

A “public purpose expenditure” is one which benefits the community as a whole, is directly related to the functions of the school district, and does not have as its primary objective the benefit of private interest.

IV. MANAGEMENT AND CONTROL OF ACTIVITY FUNDS

A. Curricular and Cocurricular Activities

1. All money received on account of cocurricular activities shall be turned over to the treasurer, who shall deposit such funds in the general fund, to be disbursed for expenses and salaries connected with the activities, or otherwise, by the school board upon properly allowed itemized claims.

2. The treasurer shall account for all revenues and expenditures related to curricular and cocurricular activities in accordance with the Uniform Financial Accounting and Reporting Standards (UFARS) and school district policies and procedures.

B. Extracurricular Activities

1. Any and all costs of extracurricular activities may be provided from school revenues.

2. All money received or expended for extracurricular activities shall be recorded in the same manner as other revenues and expenditures of the school district and shall be turned over to the treasurer, who shall deposit such funds in the general fund, to be disbursed for expenses and salaries connected with the activities, or otherwise, by the school board upon properly allowed itemized claims.

3. The treasurer shall account for all revenues and expenditures related to extracurricular activities in accordance with UFARS and school district policies and procedures.

4. All student activity funds will be collected and expended:

a. in compliance with school district policies and procedures;

b. under the general direction of the principal and with the participation of students and faculty members who are responsible for generating the revenue;

c. in a manner which does not produce a deficit or an unreasonably large accumulation of money to a particular student activity fund;

d. for activities which directly benefit the majority of those students making the contributions in the year the contributions were made whenever possible; and

e. in a manner which meets a public purpose.

5. Activity accounts of a graduated class will be terminated prior to the start of the school year following graduation. Any residual money from a graduating class activity fund will remain in the general fund and may be used for any school district purpose. Prior to depositing such accounts, all donations or gifts accepted for the specific purpose of the student activity account shall be administered in accordance with the terms of the gift or donation and school district policy.

V. DEMONSTRATION OF ACCOUNTABILITY

A. Annual External Audit

The school board shall direct its independent certified public accountants to audit, examine, and report upon student activity accounts as part of its annual school district audit in accordance with state law.

Legal References: Minn. Stat. § 123B.02, Subd. 6 (General Powers of Independent School Districts)

Minn. Stat. § 123B.09 (Boards of Independent School Districts)

Minn. Stat. § 123B.15, Subd. 7 (Officers of Independent School Districts)

Minn. Stat. § 123B.35 (General Policy)

Minn. Stat. § 123B.36 (Authorized Fees)

Minn. Stat. § 123B.37 (Prohibited Fees)

Minn. Stat. § 123B.38 (Hearing)

Minn. Stat. § 123B.49 (Extracurricular Activities; Insurance)

Minn. Stat. § 123B.52 (Contracts)

Minn. Stat. § 123B.76 (Expenditures; Reporting)

Minn. Stat. § 123B.77 (Accounting, Budgeting, and Reporting Requirement)

Minn. Rules Part 3500.1050 (Definitions for Pupil Fees)

Visina v. Freeman, 252 Minn. 177, 89 N.W.2d 635 (1958)

Minn. Op. Atty. Gen. 159a-16 (May 10, 1966)

Cross References: Uniform Financial Accounting and Reporting Standards (UFARS)

MSBA/MASA Model Policy 510 (School Activities)

MSBA/MASA Model Policy 511 (Student Fundraising)

MSBA/MASA Model Policy 701 (Establishment and Adoption of School District Budget)

MSBA/MASA Model Policy 701.1 (Modification of School District Budget)

MSBA/MASA Model Policy 702 (Accounting)

MSBA/MASA Model Policy 703 (Annual Audit)

MSBA/MASA Model Policy 704 (Development and Maintenance of an Inventory of Fixed Assets and a Fixed Asset Accounting System)

MSBA/MASA Model Policy 706 (Acceptance of Gifts)

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| Date Adopted: 05/09/2011 | File Number: Detroit Lakes Policy - 714 |
| Date Revised: 11/26/2018, <u>12/18/23</u> | |

714 FUND BALANCES

I. PURPOSE

The purpose of this policy is to create new fund balance classifications to allow for more useful fund balance reporting and for compliance with the reporting guidelines specified in Statement No. 54 of the Governmental Accounting Standards Board (GASB).

II. GENERAL STATEMENT OF POLICY

The policy of this school district is to comply with GASB Statement No. 54. To the extent a specific conflict occurs between this policy and the provisions of GASB Statement No. 54, the GASB Statement shall prevail.

III. DEFINITIONS

- A. “Assigned” fund balance amounts are comprised of unrestricted funds constrained by the school district’s intent that they be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, the assigned fund balance represents the remaining amount that is not restricted or committed. The assigned fund balance category will cover the portion of a fund balance that reflects the school district’s intended use of those resources. The action to assign a fund balance may be taken after the end of the fiscal year. An assigned fund balance cannot be a negative number.
- B. “Committed” fund balance amounts are comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action of the school board and that remain binding unless removed by the school board by subsequent formal action. The formal action to commit a fund balance must occur prior to fiscal year end; however, the specific amounts actually committed can be determined in the subsequent fiscal year. A committed fund balance cannot be a negative number.
- C. “Enabling legislation” means legislation that authorizes a school district to assess, levy, charge, or otherwise mandate payment of resources from external providers and includes a legally enforceable requirement that those resources be used only for the specific purposes listed in the legislation.
- D. “Fund balance” means the arithmetic difference between the assets and liabilities reported in a school district fund.

- E. “Nonspendable” fund balance amounts are comprised of funds that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. They include items that are inherently unspendable, such as, but not limited to, inventories, prepaid items, long-term receivables, non-financial assets held for resale, or the permanent principal of endowment funds.
- F. “Restricted” fund balance amounts are comprised of funds that have legally enforceable constraints placed on their use that either are externally imposed by resource providers or creditors (such as through debt covenants), grantors, contributors, voters, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.
- G. “Unassigned” fund balance amounts are the residual amounts in the general fund not reported in any other classification. Unassigned amounts in the general fund are technically available for expenditure for any purpose. The general fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources of that fund.
- H. “Unrestricted” fund balance is the amount of fund balance left after determining both nonspendable and restricted net resources. This amount can be determined by adding the committed, assigned, and unassigned fund balances.

I. CLASSIFICATION OF FUND BALANCES

The school district shall classify its fund balances in its various funds in one or more of the following five classifications: nonspendable, restricted, committed, assigned, and unassigned.

II. MINIMUM FUND BALANCE

The School District will strive to maintain an Unassigned General Fund Balance in the range of 15% to 25% of the annual Statutory Operating Debt (SOD) expenditures calculated by Minnesota Department of Education.

III. ORDER OF RESOURCE USE

If resources from more than one fund balance classification could be spent, the school district will strive to spend resources from fund balance classifications in the following order (first to last): unassigned, assigned, committed, restricted.

IV. COMMITTING FUND BALANCE

A majority vote of the school board is required to commit a fund balance to a specific purpose and subsequently to remove or change any constraint so adopted by the board.

V. ASSIGNING FUND BALANCE

The school board, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The board also delegates the power to assign fund balances to the following: Finance Committee. Assignments so made shall be reported to the school board on a monthly basis, either separately or as part of ongoing reporting by the assigning party if other than the school board.

An appropriation of an existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance.

VI. REVIEW

The school board will conduct an annual review of the sufficiency of the minimum unassigned general fund balance level.

Legal References: Statement No. 54 of the Governmental Accounting Standards Board

Cross References: ~~MSBA Service Manual, Chapter 7, Education Funding~~

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| Date Adopted: 09/11/00 | File Number: Detroit Lakes Policy - 720 |
| Date Revised: <u>12/18/23</u> | |

720 - VENDING MACHINES

I. PURPOSE

The purpose of this policy is to establish procedures to govern vending machines installed in school facilities in the school district.

II. GENERAL STATEMENT OF POLICY

~~It is~~ The policy of the school district is to contract for, supervise, maintain, and account for the proceeds from vending machines located in school facilities in a manner that is fair, that maximizes the revenues from those machines, that allows those revenues to be included in the budget of the facility in which they are generated, and that establishes controls to avoid fraud, theft, or the appearance of impropriety.

III. AUTHORIZATION

Automatic vending machines for the dispensing of food, beverages or other approved items are authorized in any school facility in the school district provided that all contracts for such vending machines must be approved by the school board as provided in this policy.

[Note: This provision can be narrowed to apply only to specific facilities.]

III. SUPERVISION; APPROVAL; LOCATION

A. All vending machines shall be under the supervision of the school principal or other person in charge of the facility in which the machine is located. That administrator shall be responsible to supervise the machine in compliance with this policy and any applicable laws.

B. The items to be dispensed from a vending machine located in a school facility shall be approved by the principal or other person in charge of that facility. All food, beverages or other items approved shall be appropriate to the school setting. Machines dispensing cigarettes or tobacco products are not authorized under any circumstances. In the event a written complaint

is filed with the superintendent regarding the approval or disapproval of any item, the school board, after proper review, shall make the final determination.

C. Vending machines may be approved that will dispense items only during certain hours, through the use of timers or otherwise. Vending machines should not be operated in competition with the school cafeteria or food service. The principal or other person in charge of the school facility may regulate the hours of operation of any machine.

D. Vending machines shall be located to meet any applicable building or fire or life/safety codes and to provide convenience of operation, accessibility and ease of maintenance. The principal or other person in charge of the facility shall review the location of each machine with appropriate maintenance and food service staff.

V. CONTRACT APPROVAL

A. All contracts for the purchase or rental of vending machines shall be considered by the school board on a facility-by-facility basis.

[Note: These provisions may need to be amended if the school board determines to contract for vending machine services on an exclusive and district-wide basis.]

B. If it is estimated that the aggregate receipts from all vending machines located in a school **facility** ~~facilities~~ will be **\$10,000** ~~\$50,000~~ or more in a fiscal year, the contract for vending machine **in that facility** must be awarded after the receipt of sealed bids and compliance with ~~Minnesota- Statutes- section~~§ 123B.52.

[Note: This dollar figure is lower than the ~~\$17500,000~~ statutory requirement for sealed bids but is recommended to protect the interests of the public.]

C. If it is estimated that the aggregate receipts from all vending machines located in a school **facility** ~~facilities~~ will be less than **\$10,000** ~~\$50,000~~ in a fiscal year, the contract for vending machines **in that facility** may be awarded after the receipt of two or more quotations after taking into consideration conformity with the specifications, terms of delivery, other conditions imposed in the call for quotations, and compliance with ~~Minnesota- Statutes- section~~§ 123B.52.

[Note: This dollar figure is lower than the ~~\$25,000~~ statutory requirement for quotations but is recommended to protect the interests of the public.]

D. The contracting process shall be conducted in compliance with ~~Minnesota- Statutes- section~~§ 123B.52. A copy of this policy shall be included in any specifications or request for

proposals or quotations. A record shall be kept of all bids or quotations received with the names, amounts and successful bidder indicated. All bids and quotations shall be kept on file as a public record for a period of at least one year after their receipt.

E. Any bid or quotation must specify all commissions to be paid from the machine and any other noncommission amounts to be paid as a result of the award of the contract. The noncommission amounts include, but are not limited to, cash payments, inkind payments, equipment donations, scholarship contributions, bonus payments, or other payments or contributions of any kind or nature. The noncommission amounts shall be reduced to a cash equivalency and shall be specified on the bid or quotation as an additional amount to be paid for the award of the contract.

F. If a contract contains a provision allowing exclusivity, such as all machines in the building carrying only a certain manufacturer's brand of pop, that provision must be reviewed by the administration prior to requesting bids or quotations to ensure that it does not conflict with other contracts of the school district.

G. All contracts for vending machines must be approved by the school board. Any contract not made in compliance with this policy shall be void. Any district employee signing an unauthorized contract may be subject to personal liability thereon and may be disciplined for said action.

H. All vending machines are to be installed at the expense of the facility in which located. All financial responsibility for the maintenance and repair of machines shall remain with the facility in which located to the extent not addressed in the contract.

I. No teacher, administrator, school district employee or school board member shall be interested, directly or indirectly, in a vending machine contract with the school district or personally benefit financially therefrom.

VI. ACCOUNTING

A. Proceeds from vending machine sales and contracts shall be under the control of the school board, shall be accounted for in one of the regular school district funds, and must be accounted for and reported in compliance with UFARS.

B. An amount equal to the amount of the proceeds from the machines in each facility shall be included in the budget of the facility in which the proceeds are generated. That amount may be expended in accordance with established expenditure procedures.

C. Pursuant to the vending machine contract or otherwise, proper auditing and inventory control procedures shall be established to ensure that commissions are being correctly calculated

and paid. These controls must include daily, weekly or other periodic inventories and written reconciliations of variances between inventory and cash. Each time cash is removed from, or inventory is added to a machine, a written reconciliation between cash and inventory must be performed by the person taking the cash from the machine and must be signed by the principal or other person in charge of the facility. The original written reconciliation reports shall be filed with the business office monthly and a copy shall be retained by the principal's office.

Legal References: Minn. Stat. § 123B.20 (Dealing in School Supplies)

Minn. Stat. § 123B.52 (Contracts)

Minn. Stat. § 471.345 (Uniform Municipal Contracting Law~~Contracts~~)

Minn. Stat. § 471.87 (Public Officers, Interest in Contract; Penalty~~Conflict of Interest~~)

Cross References: MSBA/MASA Model Policy 210 (Conflict of Interest School Board Members)

MSBA/MASA Model Policy 702 (Accounting)

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| Date Adopted: 08/08/2016 | File Number: Detroit Lakes Policy - 721 |
| Date Revised: | |

721 UNIFORM GRANT GUIDANCE POLICY REGARDING FEDERAL REVENUE SOURCES

[Note: School districts are required by the federal Uniform Grant Guidance regulations, 2 Code of Federal Regulations, Part 200, to have the policies which establish uniform administrative requirements, cost principles, and audit requirements for federal awards to non-federal entities including school districts. The United States Office of Management and Budget published the final regulations December 26, 2013. The Uniform Grant Guidance is effective for new and continuation federal grant awards issued on or after December 26, 2014. The regulations do not affect grant funds awarded prior to December 26, 2014, unless funds made available under those grants are carried forward into a new federal fiscal year or a continuation grant. 2 C.F.R. § 200.110.]

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.

II. DEFINITIONS

A. Grants

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 of the requirements outlined in this policy apply to both direct grants and state-administered grants.]

- B. “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.

C. “Federal award” has the meaning, depending on the context, in either paragraph 1. or 2. of this definition:

1. a. The federal financial assistance that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in 2 [Code of Federal Regulations section ~~C.F.R.~~ § 200.101](#) (Applicability); or
- b. The cost-reimbursement contract under the federal Acquisition Regulations that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in 2 [Code of Federal Regulations section ~~C.F.R.~~ § 200.101](#) (Applicability).
2. The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (b) of 2 [Code of Federal Regulations section ~~C.F.R.~~ § 200.40](#) (Federal Financial Assistance), 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.

D. “Contract” means a legal instrument by which a non-federal entity 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 ~~C.F.R.~~ Part 200](#), does not include a legal instrument, even if the non-federal entity considers it a contract, when the substance of the transaction meets the definition of a federal award or subaward.

E. Procurement Methods

1. “Procurement by micro-purchase” is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (generally \$3,000, except as otherwise discussed in 48 [Code of Federal Regulations ~~C.F.R.~~ 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 and the justification for using the higher threshold. Acceptable reasons for justification must meet one of the following criteria: \(1\) a qualification as a low-risk auditee, in accordance with the criteria established in 2 Code of Federal Regulations section 200.520; \(2\) an annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or \(3\) a](#)

higher threshold consistent with state law.]

4.

2. “Procurement by small purchase procedures” are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$~~2~~150,000 (periodically adjusted for inflation).
 3. “Procurement by sealed bids (formal advertising)” is 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.
 4. “Procurement by competitive proposals” 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.
 5. “Procurement by noncompetitive proposals” is procurement through solicitation of a proposal from only one source.
- F. “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 non-federal entity for financial statement purposes, or \$5,000.
- G. “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~~C.F.R.~~ § 200.431 (Compensation - Fringe Benefits).
- H. “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~~C.F.R.~~ § 200.431(g) for retirees and their spouses, dependents, and survivors.
- I. “Severance pay” is a payment in addition to regular salaries and wages by the non-federal entities to workers whose employment is being terminated.
- J. “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.

- K. “Relocation costs” are costs incident to the permanent change of duty assignment (for an indefinite period or for a stated period not less than 12 months) of an existing employee or upon recruitment of a new employee.
- L. “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. CONFLICT OF INTEREST

- A. Employee Conflict of Interest. No employee, officer, or agent 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, or agent, 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, and agents 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, or agents of the school district.
- B. Organizational Conflicts of Interest. The school district is unable or appears to be unable to be impartial in conducting a procurement action involving the related organization because of relationships with a parent company, affiliate, or subsidiary organization.
- C. Disclosing Conflicts of Interest. The school district must disclose in writing any potential conflict of interest to MDE in accordance with applicable federal awarding agency policy.

IV. ACCEPTABLE METHODS OF PROCUREMENT

- A. General Procurement Standards. The school district must use its own documented procurement procedures which 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.

- 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, and labor surplus area firms are used when possible.
- H. Methods of Procurement. The school district must use one of the following methods of procurement:
 - 1. Procurement by micro-purchases. To the extent practicable, the school district must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the school district considers the price to be reasonable.
 - 2. Procurement by small purchase procedures. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.
 - 3. Procurement by sealed bids (formal advertising).
 - 4. Procurement by competitive proposals. If this method is used, the following requirements apply:
 - a. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
 - b. Proposals must be solicited from an adequate number of qualified sources;

- c. The school district must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
 - d. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
 - e. 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.
5. Procurement by noncompetitive proposals. Procurement by noncompetitive proposals may be used only when one or more of the following circumstances apply:
- a. The item is available only from a single source;
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - c. The DOE or MDE expressly authorizes noncompetitive proposals in response to a written request from the school district; or
 - d. After solicitation of a number of sources, competition is determined inadequate.
- I. Competition. The school district must have written procedures for procurement transactions. These procedures must ensure that all solicitations:
- 1. 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

2. Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
- J. The school district must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the school district must not preclude potential bidders from qualifying during the solicitation period.
- K. Non-federal entities are 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.
- L. 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 C.F.R. section §-180.215](#).

V. MANAGING EQUIPMENT AND SAFEGUARDING ASSETS

- A. 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 property owned by the non-federal entity. 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 C.F.R. §§ 200.311, 200.314, and 200.315](#).

- B. Equipment

Management requirements. 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:

1. 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.

2. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
3. 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.
4. Adequate maintenance procedures must be developed to keep property in good condition.
5. If the school district is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

VI. FINANCIAL MANAGEMENT REQUIREMENTS

A. Financial Management. The school district's financial management systems, including records documenting compliance with federal statutes, 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 the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the 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.

Advance payments to a school district must be limited to the minimum amounts needed and timed to be in accordance with the 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 non-federal entity 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 be in compliance 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 also evaluate and monitor the school district's compliance with statutes, regulations, and the terms and conditions of the federal award.

The school district must also 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 considered sensitive consistent with applicable federal and state laws regarding privacy and obligations of confidentiality.

VII. ALLOWABLE USE OF FUNDS AND COST PRINCIPLES

A. Allowable Use of Funds. The school district administration and 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. "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.
2. "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). EDGAR can be accessed at: <http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>.
3. "Omni Circular" or "2 Code of Federal Regulations~~C.F.R.~~ Part 200s" or "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" means federal cost principles that provide standards for determining whether costs may be charged to federal grants.
4. "Advance payment" means a payment that a federal awarding agency or passthrough entity makes by any appropriate payment mechanism, including a predetermined payment schedule, before the non-federal entity disburses the funds for program purposes.

C. Allowable Costs. The following items are costs that may be allowable under the 2 Code of Federal Regulations~~C.F.R.~~ Part 200s under specific conditions:

1. Advisory councils;
2. Audit costs and related services;
3. Bonding costs;
4. Communication costs;
5. Compensation for personal services;
6. Depreciation and use allowances;
7. Employee morale, health, and welfare costs;
8. Equipment and other capital expenditures;
9. Gains and losses on disposition of depreciable property and other capital assets and substantial relocation of federal programs;
10. Insurance and indemnification;
11. Maintenance, operations, and repairs;
12. Materials and supplies costs;
13. Meetings and conferences;
14. Memberships, subscriptions, and professional activity costs;
15. Security costs;
16. Professional service costs;
17. Proposal costs;
18. Publication and printing costs;
19. Rearrangement and alteration costs;
20. Rental costs of building and equipment;
21. Training costs; and
22. Travel costs.

D. Costs Forbidden by Federal Law. 2 Code of Federal Regulations~~CFR~~ Part 200s and EDGAR identify certain costs that may never be paid with federal funds. The following list provides examples of such costs. If a cost is on this list, it may not be supported with federal funds. 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~~CFR~~ Part 200s; thus, the following list is not exhaustive:

1. Advertising and public relations costs (with limited exceptions), including promotional items and memorabilia, models, gifts, and souvenirs;
2. Alcoholic beverages;
3. Bad debts;
4. Contingency provisions (with limited exceptions);
5. Fundraising and investment management costs (with limited exceptions);
6. Donations;
7. Contributions;
8. Entertainment (amusement, diversion, and social activities and any associated costs);
9. Fines and penalties;
10. General government expenses (with limited exceptions pertaining to Indian tribal governments and Councils of Government (COGs));
11. Goods or services for personal use;
12. Interest, except interest specifically stated in 2 Code of Federal Regulations section~~C.F.R.~~ § 200.441 as allowable;
13. Religious use;
14. The acquisition of real property (unless specifically permitted by programmatic statute or regulations, which is very rare in federal education programs);
15. Construction (unless specifically permitted by programmatic statute or regulations, which is very rare in federal education programs); and
16. 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

1. The Omni Circular defines the parameters for the permissible uses of federal funds. While many requirements are contained in the Omni Circular, it includes five core principles that serve as an important guide for effective grant management. These core principles require all costs to be:
 - a. Necessary for the proper and efficient performance or administration of the program.
 - b. 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.
 - c. 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.
 - d. 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.
 - e. 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 local education agencies (LEAs) 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 situations:
 - a. 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. School district uses federal funds to provide services that the school district provided with state or local funds in the prior year.
 - c. 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.

VIII. 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 policy of the school district consistently applied to both federal and non-federal activities; and
2. Follows an appointment made in accordance with a 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, a school district must follow its written non-federal, ~~entity-wide~~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 C.F.R. § 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 written policies of the school district.
 5. Post-retirement costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with established written policies of the school district.
 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. Relocation Costs of Employees. Relocation costs are allowable, subject to the limitations described below, provided that reimbursement to the employee is in accordance with the school district’s reimbursement policy.
- F. Travel Costs. Travel costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, 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, and results in charges consistent with those normally allowed in like circumstances in the school district’s non-federally funded activities and in accordance with the school district’s reimbursement 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 according to the school district’s written reimbursement and/or travel policies.

In addition, when costs are charged directly to the federal award, documentation must justify the following:

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 travel policy.

Temporary dependent care costs above and beyond regular dependent care that directly results from travel to conferences is allowable provided the costs are:

1. A direct result of the individual’s travel for the federal award;
2. Consistent with the school district’s documented travel 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 C.F.R. § 200.207 (Specific Conditions). If the DOE or MDE determines that noncompliance cannot be remedied by imposing additional conditions, the DOE or MDE may take one or more of the following actions, as appropriate under the circumstances: 1) Temporarily withhold cash payments pending correction of the deficiency by the school district or more severe enforcement action by the DOE or MDE; 2) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance; 3) Wholly or partly suspend or terminate the

federal award; 4) Initiate suspension or debarment proceedings as authorized under 2 Code of Federal Regulations ~~C.F.R.~~ 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 for the project or program; and/or 6) Take other remedies that may be legally available.]

- Legal References:**
- 2 C.F.R. § 200.1~~2~~ (~~Definitions~~; Capital Assets)
 - 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 Risk Posed by Applicants)
 - 2 C.F.R. § 200.21~~4~~2 (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 (~~Federally-Owned and Exempt~~~~Real~~ 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(c) (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~~~~Monitoring~~~~and~~ Reporting~~Program~~ Performance)
 - 2 C.F.R. § 200.33~~9~~8 (~~Remedies for Noncompliance~~)
 - 2 C.F.R. § 200.403(c) (Factors Affecting Allowability of Costs)
 - 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. § 200.47~~4~~3 (Transportation Costs)
 - 2 C.F.R. § 200.47~~5~~4 (Travel Costs)

- 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 210.1 (Conflict of Interest – Charter 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)

| | |
|-------------------------|--|
| Date Adopted: 7/19/2021 | File Number: Detroit Lakes Policy – 726 |
| Date Revised: | |

726 USE OF ELECTRONIC SIGNATURES TO CONDUCT OFFICIAL BUSINESS

I. PURPOSE

The purpose of this policy is to document the school board’s desire to allow school district representatives to send and accept electronic signatures for the purpose of conducting official business to the extent permitted by law and to outline the extent to which the school district will send, accept, and rely on electronic signatures.

II. GENERAL STATEMENT OF POLICY

The school board delegates to the Superintendent and the Superintendent’s delegee the authority to determine the extent to which the School District will send, accept, and otherwise create, generate, communicate, store, process, use, and rely upon electronic signatures to and from other persons. For an electronic transaction to be valid, each party must agree to conduct the transaction electronically. If a law prohibits a transaction from occurring electronically, the transaction must occur in the manner specified by law.

III. DEFINITIONS

- A. Authentication. Authentication means the process used to ascertain the identity of a person or the integrity of specific information. Authentication ensures that the user applying an electronic signature is in fact who they say they are and is authorized to sign.
- B. Electronic signature. Electronic signature means a digital or digitized signature made by electronic sound, symbol or process that is attached to or logically associated with a record and that is executed or adopted with the intent to sign the record.
- C. Transaction. Transaction means an action or set of actions occurring between two or more persons relating to the conduct of business, commercial, or governmental affairs.

IV. GENERAL STANDARDS

- A. This policy shall only apply to transactions between the District and parties that have consented to conduct transactions by electronic means. Consent to conduct transactions by electronic means is determined from the context of the transaction

and surrounding circumstances, including the parties' conduct.

- B. An electronic signature is attributable to a person if it was the act of the person. The act of the person may be shown in any manner, including a showing of the efficacy of any authentication or other security procedure the District applies to determine the person to which the electronic signature was attributable. The effect of an electronic signature shall be determined from the context and surrounding circumstances at the time of its creation, execution, or adoption, including the parties' agreement to engage in an electronic transaction, if any.
- C. Electronic signatures shall be retained with their associated records according to the school district's regular records retention schedule.

V. AUTHORITY AND RESPONSIBILITIES

- A. The Superintendent and the Superintendent's delegee is delegated authority to determine the extent to which the school district will accept and use electronic signatures to facilitate transactions involving official school district business.
- B. The Superintendent shall adopt and implement all system procedures necessary to accept and use electronic signatures to the extent determined by the Superintendent. The District's system procedures shall be developed in consultation with other appropriate District personnel and shall ensure that all legal requirements are met. Any potential operational risk associated with the use of an electronic signature must be offset by the anticipated benefit of receiving electronic signatures. Consistent with Minnesota law, these system procedures may specify:
 - 1. The manner and format in which the electronic records attached to the electronic signatures will be created, generated, sent, communicated, received, and stored and the systems established for those purposes;
 - 2. The type of electronic signature required, the manner and format in which the electronic signature must be affixed to the electronic record, and the identity of, or criteria that must be met by, any third party used by a person filing a document to facilitate a transaction;
 - 3. Control processes and procedures that will ensure adequate preservation, disposition, integrity, security, confidentiality, and auditability of electronic records; and
 - 4. Any other required attributes for electronic records which are specified for corresponding nonelectric records or reasonably necessary under the circumstances.
- C. Nothing in this policy is intended to authorize any individual to provide an electronic signature on behalf of the school board or school district, unless he or

she has been granted such authority pursuant to a delegation of authority by the school board, a specific school board policy, or a law.

- D. The District may maintain official records in an electronic format provided that the relevant record retention schedule is updated to reflect electronic record management and the electronic records are trustworthy, complete, accessible, and

Legal References: Minn. Stat. § 325L.01 *et. Seq.* (Uniform Electronic Transactions Act)
Minn. Stat. § 123B.09, Subd. 1 (School Boards Powers)
Minn. Stat. § 123B.02, Subd. 1 (School District Powers)
Minn. Stat. § 15.17 (Official Records)
SN4, LLC v. Anchor Bank, fsb, 848 N.W. 2d 559, 562 (Minn. App. 2014)

| | |
|--------------------------|--|
| Date Adopted: 07/14/2008 | File Number: Detroit Lakes Policy - 790 |
| Date Revised: 05/20/2019 | |

790 – CREDIT CARD USE

- I.** The ISD #22 Detroit Lakes School Board annually shall authorize the Superintendent and/or Business Manager to make credit card purchases on behalf of the school district. With this authorization, the Superintendent and/or Business Manager may designate any employee who is otherwise authorized and approved to make purchases on behalf of the district the right to use a school credit card.

- II.** No personal use of a school credit card is permitted. If a district employee makes or directs a purchase by school district credit card that is not approved by the school board, the employee is personally liable for the amount of the purchase. They may also face disciplinary consequences. A purchase by school credit card must otherwise comply with all statutes, rules, or district policy applicable to school district purchases.

Legal References: Minn. Stat. 123B.02, Subd. 23 (Credit Cards)

| | |
|---------------------------------------|--|
| Date Adopted: February 11, 2019 (new) | File Number: Detroit Lakes Policy - 791 |
| Date Revised: | |

#791 DISTRICT PROVIDED CELL PHONE GUIDELINES

I. COVERAGE

These guidelines and its appended procedures apply to all employees issued a District owned cell phone.

II. BACKGROUND

The District has determined that use of a cell phone or smartphone (hereinafter referred to as cell phone unless otherwise stated) will contribute to the overall effectiveness of business communication and increase the safety of staff while away from their offices. Cell phones provide mobile voice and/or data communication services (e.g., email, text, internet access). The additional communication cost of District cell phones is significant; therefore, issuance and use of this equipment is limited to specific staff whose programmatic responsibilities require these devices for effective job performance. The District Business Office administers cell phone assignment and Information Technology administers the plans. These guidelines are intended to provide cell phone usage procedures for employees.

III. GUIDELINES

District cell phones are issued to employees for the purpose of conducting official District business. Cell phones and all cell phone features shall be used in accordance with these guidelines and the District Technology Acceptable Use Policy #524. This includes voice, text, data and camera capabilities. Examples of official District business use include: contacting a family while in the field or phoning a supervisor while in the field, coordinating a meeting with a colleague while traveling between District offices, or checking work voice mail or email while on official travel or in training.

Employees are allowed limited, de minimis personal use of cell phones. This personal use must not:

- 1) result in the loss of work productivity, 2) interfere with official duties, 3) result in additional expense to the School District, or 4) violate the Standards of Employee Conduct.
 - De Minimis Personal Use: Minimal use of the cell phone for personal reasons in emergency situations further explained in General Procedures. Personal use should be on an irregular basis for a short (e.g., 2-3 minutes) conversation.

District cell phones may be issued to employees whose responsibilities include frequent work communication while on travel and/or away from their permanent workstation, or where landline telephone service is not available.

Requests for cell phones must be made from the overseeing Administrator to the Business Manager. The Business Manager will communicate approved cell phone requests to Information Technology. Cell phones may be denied based on District funds availability, determined lack of need, an employee's prior misuse of District resources or for any other reason as determined by the District.

Cell phones are official District property. Employees are responsible for proper safeguarding of their assigned cell phone device. Employees must reimburse the District if improper or negligent care leads to damage or loss of a cell phone.

The use of District cell phones to place calls while driving is generally prohibited. However, cell phones equipped with a built in hands-free device must be used for mobile voice calls in critical and time sensitive situations as allowed under law. Examples of critical and time sensitive situations include but are not limited to, being late for a scheduled meeting. The use of District cell phones to text message, check email or browse the internet while driving is strongly prohibited.

District employees with cell phones are not authorized to make any changes to their District cell phone service or account. Information Technology is the only authorized agent to make any changes to the District cell phone accounts or services with the cell phone service provider.

The use of a District cell phone is a privilege, not a right. Depending on the nature and degree of any violation(s) and the number of previous violations, unacceptable use of District issued cell phones may result in one or more of the following consequences: removal of access privileges; payments for loss, damages and repairs; discipline under other appropriate District policies, including but not limited to: written reprimand, suspension or termination of employment; or civil or criminal liability under other applicable laws.

Employees separating from the District must return their cell phone to Information Technology. Failure of a separating employee to return an assigned cell phone device may result in a deduction from the employee's final paycheck.

APPENDIX A

GENERAL PROCEDURES

A. Requesting a District Cell Phone.

To request a District cell phone, the overseeing Administrator will submit a written request (e-mail or memo) to the Business Manager. The request must contain the designated employee's name, position, office location, and the reason a cell phone is needed for job performance. If the cell phone request is approved, the Business Manager will inform Information Technology who will arrange for issuance of the approved cell phones and smartphones, respectively, to the employee.

B. Issuance of District Cell Phones.

Information Technology is responsible for administering all District cell phones including proper recording in Follet prior to issuance.

A list of cellphones issued will be maintained by the Information Technology. The list will contain the cellphone "ESN" number; unit status (issued, turned in, discontinued) and the employee's name.

Information Technology will create an Apple ID for the phone and create the four-digit passcode. If the passcode is changed, the new passcode shall be given to Information Technology. The device is required to have a passcode as it is being used for District business and may have protected data on it. Fingerprint access in combination with the passcode is permissible.

Information Technology will notify the employee approved to receive a cell phone when the device is ready for pick-up. Cell phones will not be issued to alternate employees or sent via interoffice mail. The cell phone will be issued to the approved employee with case and charger. The employee will be required to sign the Cell Phone Procedures Memorandum for receipt of the phone and accessories, and certify that he/she has received, read, and understands these Guidelines.

C. Personal Use.

De Minimis and Emergency Use

Employees are permitted *de minimis* personal use only of the District cell phone, except in cases of a personal emergency, in which case extended use is temporarily permitted. An example of a personal emergency would be vehicle mechanical problems or concerns for his/her personal safety. All calls made for emergency reasons should be documented in writing and retained by the employee for potential future inquiry. Excessive personal use of a District cell phone is making daily or regular calls for any reason to family members or friends under non-emergency circumstances.

D. Proper Care and Repair.

The District cell phone and its accessories are defined as official government property. Therefore, employees are responsible for proper care of the phones and accessories. Proper care means that the cell

phones and accessories are maintained in the condition in which they were issued, absent normal wear. Upon separation from the District or reassignment to a new position within the District that does not require a District cell phone; the device and accessories must be returned immediately to Information Technology.

E. Cell Phone Loss or Theft.

Employees are responsible for proper care and safeguarding of the cell phone. Employees assigned cell phones should maintain the phone on their person at all times during duty hours or, if the cell phone is not in use, maintain the cell phone out of sight. If an employee is charging the cell phone at his/her desk, the cell phone shall not be left unattended without proper safeguards against loss or theft. At all times, the employee must safeguard the cell phone against loss or theft.

If the District cell phone is lost or stolen, the employee must contact Information Technology as soon as possible.

In cases of theft, the employee must complete and file a Police Report and provide a copy of the Official Police Report and a completed District Stolen Property Report and submit it through his or her chain of command to the Business Office.

The Business Manager, Information Technology Coordinator and the Administrator overseeing the cell phone holder will review each instance of a lost or stolen cell phone to determine whether the loss of the device was a result of gross negligence or reckless conduct on the part of the employee. If gross negligence or reckless conduct is determined, the employee will be required to reimburse the District the replacement cost of the phone. As stated, the replacement cost will be determined by the repair provider. If the employee is determined to be responsible for the loss or theft, the Business Office will notify the employee in writing, with a copy to the employees Supervisor. Employees may appeal the decision by submitting a written appeal to the Business Manager within five (5) workdays of receipt of notification.

If the employee is determined to not be responsible for the loss, Information Technology Coordinator will order a replacement phone at no cost to the employee.

Reporting Cell Phone Loss or Theft

Step 1: As soon as possible, you must notify Information Technology ext. 1119 or email the help desk, that your phone is lost or stolen.

Step 2: As soon as possible, you must notify your Administrator explaining the circumstances of the lost or stolen phone.

Step 3: Your explanation and other documentation, i.e. Police Report, will be reviewed and District Officials will ascertain whether you must pay for a replacement phone at the retail cost as determined by the contractor. The determination will be based on the explanation provided to the overseeing Administrator and whether the loss was in part or entirely due to your failure to properly safeguard District property.

Cell Phone Damages

Should your cell phone be damaged and require repair, you must hand-deliver the phone to the Information Technology office at the District Office with a written explanation of the damage. Please do not use inter-office mail to transmit the phone. If the problem can be repaired, Information Technology will ship it to vendor for repair. The repair process could be a minimum of two weeks. Information Technology will notify you via e-mail when your phone is ready for pick up.

To request repair services for damaged or non-operational cell phones, the employee must deliver the cell phone to Information Technology, with a written description of the problems. If the repair service provider determines that the cell phone cannot be repaired, a replacement cell phone will be provided. If it is determined the damage was caused by the employee, the retail cost of the replacement phone as determined by the provider will be charged to the employee. The employee may appeal payment of this cost by submitting a memorandum of explanation to the Business Office within five (5) workdays of notification of the charge.

F. Cell Phone Invoice Review.

The Information Technology staff is responsible for administration of District cell phones and will forward monthly cell phone invoices to the overseeing Administrator to review for accuracy and appropriate cell phone use. The District shall take prompt corrective action on any inappropriate information on the invoice. Cell phone use or charges for an employee that may be inappropriate include abnormally large number of cell phone voice minutes, repeated calls to the same phone number, significant usage before or after regular duty hours or on weekends, and excessive text messaging and/or data usage.

Invoices with questionable employee cell phone use will be forwarded to the employee with a request for an explanation from the employee. Within five (5) workdays of receipt, the employee must explain the usage, highlighting all personal calls and/or text messages, in a written memorandum submitted through his/her chain of command. The District will seek reimbursement for excessive cell phone use if deemed appropriate. Such reimbursement will be requested in writing to the employee, and the employee may appeal the determination to the Business Manager within five (5) workdays of receipt.

Information Technology and Administrators will report suspected or repeated violations of the cell phone guidelines to the overseeing Administrator and/or Business Office.

G. Low Usage Cell Phones.

Information Technology staff will periodically review vendor invoices and other cell phone reports to identify employees with "zero or limited" usage on their cell phones. If a cell phone is determined to have "zero or limited" usage, the overseeing Administrator will investigate. Absent a response with adequate justification, Information Technology will cancel services with the cell phone vendor and retrieve the cell phone device from the employee.

If your employment is interrupted by extended sick or annual leave, for a period of 6 weeks or more, you must report your situation to Information Technology. Your phone service may be suspended while you are not on official duty.

H. Cell Phone Accessories.

The District may provide a case and charger, for your cell phone. You may obtain other accessories at your own expense.

I. Text Messaging.

Text messaging on a District cell phone is restricted to official District business only. It is considered as cell phone usage and has the same restrictions as making calls.

J. Data Usage.

Browsing the internet and App utilization on a District cell phone is restricted to official District business only. Only business related Apps should be loaded on the device.

K. Use of Cell Phone Camera.

The camera on a District cell phone is restricted to official District business only.

L. Separation from District.

When an employee voluntarily separates from the District, all District issued cell phones must be returned to Information Technology.

When an employee is involuntarily separated, their immediate supervisor must collect cell phone and cell phone accessories purchased by the District and ensure the items are returned to Information Technology.

APPENDIX B

EMPLOYEE CELL PHONE ACKNOWLEDGEMENT

MEMORANDUM

To: Employee Name:
Cell Phone:
From: Ryan Tangen, Business Manager
Subject: Cell Phone Acknowledgement

Based on your assigned work duties, you have been issued a cell phone for official District use. The District Guidelines for use of the assigned cell phone and your responsibility for safeguarding it, are described in the attached documents. Please read the guidelines carefully and sign this acknowledgement. Your signature on this acknowledgement certifies that you understand and agree to comply with all the rules and guidelines governing use of this cell phone.

Employee Acknowledgement

My signature below certifies that I have read the above rules, guidelines and procedures and agree to abide by them. I understand that if I violate these rules, guidelines or procedures, I may be referred for a misconduct investigation and/or be held fiscally responsible for my actions. If I have any questions regarding any aspect of these procedures, I will contact the Business Office for clarification.

Signature: _____ Date: _____

Printed Name: _____

Program/Building: _____

**EXTRACT OF MINUTES OF A MEETING
OF THE SCHOOL BOARD OF
DETROIT LAKES PUBLIC SCHOOL, ISD 22
DETROIT LAKES, MINNESOTA**

Pursuant to due call and notice thereof, a regular meeting of the School Board of Independent School District No. 22 (DETROIT LAKES PUBLIC SCHOOLS), State of Minnesota, was held on November 27, 2023 at 5:30 p.m.

Member _____ introduced the following resolution and moved their adoption:

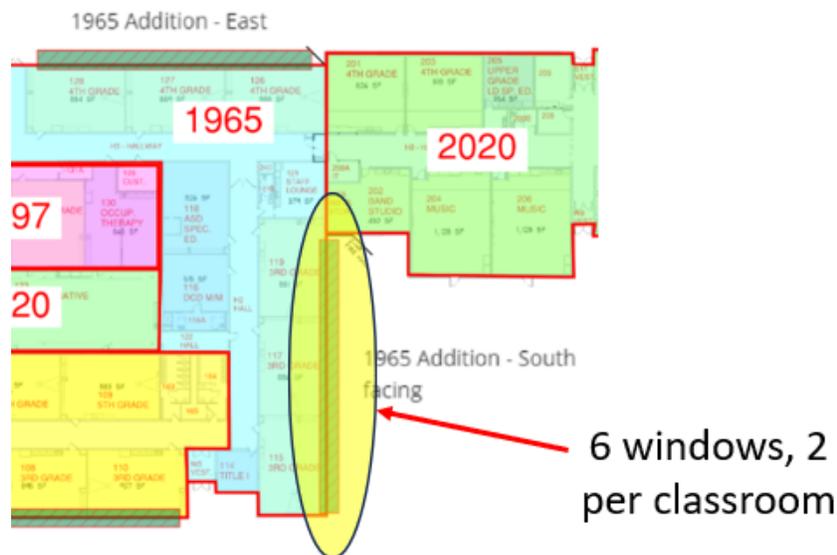
**RESOLUTION STATING THE INTENTION OF
THE SCHOOL BOARD TO REQUEST FOR PROPOSALS OF CERTAIN PROJECTS**

BE IT RESOLVED by the School Board of Independent School District No. 22, State of Minnesota, intends to proceed with the following project scope of work. The Board will comply with procurement standards per MN Statute for project implementation upon project funding.

The Board intends to proceed forward with a request for proposals (RFP) for the following scope of work (The Projects) for the betterment of school facilities:

Rossman Elementary School

- 1965 South Facing Window Replacement



- Work to be completed in the summer of 2024.

I, the undersigned, being the fully qualified and acting Clerk of Independent School District No. 22, State of Minnesota, hereby certify that the attached and foregoing is a full, true, and correct transcript of the minutes of a meeting of the School Board of Independent School District No. 22, duly called and held on the date therein indicated insofar as said minutes relate to the adoption of a resolution approving the implementation of the scope and that said resolution included therein is a full, true, and correct copy of the original thereof.

WITNESS MY HAND officially as such Clerk this 27th day of November, 2023.

Clerk of the School Board
Independent School District 22

Minnesota State High School League
 2100 Freeway Blvd., Brooklyn Center, MN 55430-1735
 763-560-2262, Fax: 763.569.0499

Application for DISSOLUTION of Cooperative Sponsorship

Deadline: Not later than the first day of practice for that sport season.
 PLEASE SEE BYLAW 403.2 (A-C) and 403.4 (A-D) (amended May 15, 2017) FOR INFORMATION REGARDING REQUIRED DOCUMENTATION AND APPLICATION PROCEDURE

The governing boards of each participating school must jointly make application for dissolution of cooperative sponsorship.

On behalf of the following schools, we hereby apply for dissolution of the cooperative sponsorship of

Boys Swim & Dive beginning with the **2023 - 2024** school year.
 (activity) (boys' or girls') (Adapted-CI or PI)

List **ALL** schools included in the cooperative sponsorship. *Attach another form if necessary.*

| | School | City |
|-----------------|---------------|---------------|
| High School #1: | Detroit Lakes | Detroit Lakes |
| High School #2: | Frazee | Frazee |
| High School #3: | | |
| High School #4: | | |

1. Has the school board of each member school of the existing co-op approved a resolution to dissolve the co-op?

- Yes** A copy of the resolution approved by the school board of each member school, stating the reason to dissolve the co-op, **MUST** be included with this application.
- No** DO NOT SUBMIT this application until a resolution, stating the reason to dissolve the existing co-op, has been approved by the school board of each member school.

2. Please circle appropriate letter.

| | <u>Member School</u> | | <u>Reason for the Dissolution</u> |
|----------------|----------------------|----------------------------------|---|
| High School #1 | A B | <input checked="" type="radio"/> | A. Our school is dropping the activity. |
| High School #2 | A B | <input checked="" type="radio"/> | B. Our school will sponsor this activity without a cooperative sponsorship. |
| High School #3 | A B | <input type="radio"/> | C. Our school will sponsor this activity as part of a new cooperative sponsorship. Please submit an Application for Cooperative Sponsorship for the new co-p. |
| High School #4 | A B | <input type="radio"/> | |

Signature of the person duly authorized by the member school to act on behalf of the member school.

| | | |
|-----------------|----------------------------------|---|
| High School #1: | _____ | _____ |
| | Designated School Representative | Title of the Designated School Representative |
| High School #2: | _____ | _____ |
| | Designated School Representative | Title of the Designated School Representative |
| High School #3: | _____ | _____ |
| | Designated School Representative | Title of the Designated School Representative |
| High School #4: | _____ | _____ |
| | Designated School Representative | Title of the Designated School Representative |

Official Action of the MSHSL Board of Directors

- Approved Not Approved

Signature: _____ Date: _____
 MSHSL Executive Director

Application for Cooperative Sponsorship

Deadline: Not later than 30 days prior to the first day of practice for that sport season.
 PLEASE SEE BYLAW 403.2 (A-C) and 403.4 (A-D) (amended May 15, 2017) FOR INFORMATION REGARDING REQUIRED DOCUMENTATION
 AND APPLICATION PROCEDURE

The governing boards of each participating school must jointly make application for cooperative sponsorship.

On behalf of the following schools, we hereby apply for cooperative sponsorship of **Boys Swim & Dive**
 beginning with the **2023 – 2024** school year. (activity) (boys' or girls') (Adapted-CI or PI)

List **ALL** schools included in the cooperative sponsorship. *Attach another form if necessary.*

| | School | Enrollment (9-12)* | City | Administrative Region** | Competitive Section** |
|-----------------|---------------------------|-----------------------|----------------|----------------------------|--------------------------|
| High School #1: | Detroit Lakes High School | 865 | Detroit Lakes | 8AA | 4A |
| High School #2: | Frazee High School | 254 | Frazee | 6A | None |
| High School #3: | Perham | 537 | Perham | 6A | None |
| High School #4: | New York Mills | 216 | New York Mills | 6A | None |

*Enrollment reported to the State of Minnesota on October 1 of the previous school year.

**Current (Number and Class)

- Do any of the above schools belong to a conference in this activity?
 Yes This application must include a review and comments from the conference(s) of which the schools are members.
 No Approved by Mid-State Conference
- Do any of the above schools currently have a cooperative agreement in this activity?
 Yes An application for dissolution must be submitted for the existing agreement.
 No
- Describe the conditions which have prompted your request to co-sponsor this activity. (See model resolution at [www.mshsl.org/About/MSHSL/Membership Information: A History & Model Resolution for School Boards](http://www.mshsl.org/About/MSHSL/Membership%20Information%20-%20A%20History%20&%20Model%20Resolution%20for%20School%20Boards)) Hawley currently does not have a swim program and approached Detroit Lakes for an opportunity.
- List the number of students, by grade level, who participated in this activity during the previous year. *If the school did not sponsor the program last year, indicate the number of students expected to participate in this cooperatively-sponsored activity this year if approved.*

| | 7th | 8th | 9th | 10th | 11th | 12th |
|----------------|-----|-----|-----|------|------|------|
| High School #1 | 0 | 5 | 2 | 1 | 6 | 6 |
| High School #2 | 0 | 0 | 0 | 0 | 0 | 0 |
| High School #3 | 0 | 3 | 1 | 1 | 2 | 0 |
| High School #4 | 0 | 0 | 1 | 0 | 0 | 0 |

5. Team Identification: (Indicate how cooped schools should be identified in tournament programs): **Detroit Lakes** _____

6. Team Colors: **Red & White** _____ Team Mascot: **Lakers** _____

7. Host School (school that will receive revenue share check): **Detroit Lakes High School**

| Board of Education (or designee) | School | Date |
|----------------------------------|--------|-------|
| Signed _____ | _____ | _____ |

Official Action of the MSHSL Board of Directors

Approved Not Approved

Signature: _____ Date: _____
 MSHSL Executive Director



Detroit Lakes Public Schools

Monthly Enrollment Summary

2023-2024

Month: November

D.L. Preschool Special Ed.

| | EIC | ECSE | Total |
|-----------|-----|------|-------|
| Roosevelt | 33 | 70 | 103 |

Non-resident Preschool Special Ed.

| | EIC | ECSE | Total |
|-----------|-----|------|-------|
| Roosevelt | 0 | 7 | 7 |

KINDERGARTEN

| | Kind. | Kind SpEd | Total |
|---------------|-------|-----------|-------|
| Roosevelt | 67 | 22 | 89 |
| Rossman | 77 | 28 | 105 |
| Totals | 144 | 50 | 194 |

GRADES 1 - 5

| | Grade 1 | Grade 2 | Grade 3 | Grade 4 | Grade 5 | Total |
|---------------|---------|---------|---------|---------|---------|-------|
| Roosevelt | 95 | 93 | 100 | 96 | 110 | 494 |
| Rossman | 94 | 96 | 94 | 97 | 103 | 484 |
| Totals | 189 | 189 | 194 | 193 | 213 | 978 |

ELEMENTARY TOTALS

| Kindergarten | Gr.1-5 | Total |
|--------------|--------|-------|
| 194 | 978 | 1172 |

MIDDLE SCHOOL

| | Grade 6 | Grade 7 | Grade 8 | Total |
|---------------|---------|---------|---------|-------|
| Middle School | 197 | 211 | 204 | 612 |

SENIOR HIGH

| | Grade 9 | Grade 10 | Grade 11 | Grade 12 | Subtotal | PSEO/F | PSEO/P | Total |
|-------------|---------|----------|----------|----------|----------|--------|--------|-------|
| Senior High | 207 | 202 | 228 | 209 | 846 | 0 | 0 | 846 |

2023-2024

K-12 Total

2716

2022-2023

K-12 Total

2702

2021-2022

K-12 Total

2730

MONTHLY TOTALS*

| | |
|----------------|-------------|
| EIC | 33 |
| ECSE | 77 |
| Kind. Sp. Ed. | 50 |
| Kindergarten | 144 |
| Grades 1-5 | 978 |
| Middle School | 612 |
| Senior High | 846 |
| ALC | 61 |
| E-Laker Online | 14 |
| Transitions | 11 |
| TOTAL | 2826 |

*Does not include non-resident students on tuition agreement

ALC

| | |
|--------------|-----------|
| D.L. | 41 |
| Other | 20 |
| Total | 61 |

LAKER TRANSITIONS

| | |
|--------------|-----------|
| D.L. | 10 |
| Other | 1 |
| Total | 11 |



Detroit Lakes Public Schools Yearly Enrollment Summary 2023-2024

Date: November

| EIC | | | | | | | | | | ECSE | | | | | | | | | |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|--|------|-----|-----|-----|-----|-----|-----|-----|-----|--|
| Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | |
| 49 | 28 | 33 | | | | | | | | 58 | 61 | 70 | | | | | | | |

| EIC -- Non Resident | | | | | | | | | | ECSE -- Non Resident | | | | | | | | | |
|---------------------|-----|-----|-----|-----|-----|-----|-----|-----|--|----------------------|-----|-----|-----|-----|-----|-----|-----|-----|--|
| Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | |
| 2 | 0 | 0 | | | | | | | | 4 | 6 | 7 | | | | | | | |

| Kindergarten - Special Ed. | | | | | | | | | | Kindergarten | | | | | | | | | |
|----------------------------|-----|-----|-----|-----|-----|-----|-----|-----|---|---------------|-----|-----|-----|-----|-----|-----|-----|-----|---|
| Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | |
| Roosevelt | 22 | 22 | 22 | | | | | | | Roosevelt | 69 | 68 | 67 | | | | | | |
| Rossman | 28 | 28 | 28 | | | | | | | Rossman | 83 | 78 | 77 | | | | | | |
| Totals | 50 | 50 | 50 | - | - | - | - | - | - | Totals | 152 | 146 | 144 | - | - | - | - | - | - |

| Kindergarten Total | | | | | | | | | |
|--------------------|-----|-----|-----|-----|-----|-----|-----|-----|---|
| Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | |
| Roosevelt | 91 | 90 | 89 | - | - | - | - | - | - |
| Rossman | 111 | 106 | 105 | - | - | - | - | - | - |
| Totals | 202 | 196 | 194 | - | - | - | - | - | - |

| Grade One | | | | | | | | | | Grade Two | | | | | | | | | |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|---|---------------|-----|-----|-----|-----|-----|-----|-----|-----|---|
| Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | |
| Roosevelt | 97 | 97 | 95 | - | - | - | - | - | - | Roosevelt | 93 | 93 | 93 | - | - | - | - | - | - |
| Rossman | 97 | 95 | 94 | - | - | - | - | - | - | Rossman | 102 | 96 | 96 | - | - | - | - | - | - |
| Totals | 194 | 192 | 189 | - | - | - | - | - | - | Totals | 195 | 189 | 189 | - | - | - | - | - | - |

| Grade Three | | | | | | | | | | Grade Four | | | | | | | | | |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|---|---------------|-----|-----|-----|-----|-----|-----|-----|-----|---|
| Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | |
| Roosevelt | 98 | 98 | 100 | - | - | - | - | - | - | Roosevelt | 96 | 95 | 96 | - | - | - | - | - | - |
| Rossman | 96 | 94 | 94 | - | - | - | - | - | - | Rossman | 100 | 98 | 97 | - | - | - | - | - | - |
| Totals | 194 | 192 | 194 | - | - | - | - | - | - | Totals | 196 | 193 | 193 | - | - | - | - | - | - |

| Grade Five | | | | | | | | | |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|---|
| Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | |
| MS | 110 | 110 | 110 | - | - | - | - | - | - |
| Rossman | 107 | 103 | 103 | - | - | - | - | - | - |
| Totals | 217 | 213 | 213 | - | - | - | - | - | - |



Detroit Lakes Public Schools

Yearly Enrollment Summary

2023-2024

Date: November

| Grades 1 - 5 Totals | | | | | | | | | | ALC | | | | | | | | | |
|---------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May |
| Rsvlt/MS | 494 | 493 | 494 | - | - | - | - | - | - | Resident | 47 | 44 | 41 | | | | | | |
| Rossman | 502 | 486 | 484 | - | - | - | - | - | - | Non-Resid. | 15 | 18 | 20 | | | | | | |
| Totals | 996 | 979 | 978 | - | - | - | - | - | - | Total | 62 | 62 | 61 | | | | | | |

| Middle School | | | | | | | | | | E-Laker Online | | | | | | | | | |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May |
| Gr. Six | 196 | 197 | 197 | - | - | - | - | - | - | Resident | 2 | 10 | 10 | | | | | | |
| Gr. Seven | 213 | 212 | 211 | - | - | - | - | - | - | Non-Resid. | 2 | 5 | 4 | | | | | | |
| Gr. Eight | 207 | 206 | 204 | - | - | - | - | - | - | Total | 4 | 15 | 14 | | | | | | |
| Totals | 616 | 615 | 612 | - | - | - | - | - | - | | | | | | | | | | |

| Senior High | | | | | | | | | |
|------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May |
| Gr. Nine | 212 | 209 | 207 | - | - | - | - | - | - |
| Gr. Ten | 207 | 204 | 202 | - | - | - | - | - | - |
| Gr. Eleven | 235 | 233 | 228 | - | - | - | - | - | - |
| Gr. Twelve | 220 | 213 | 209 | - | - | - | - | - | - |
| Subtotals | 874 | 859 | 846 | - | - | - | - | - | - |
| PSEO-FT | 0 | - | - | - | - | - | - | - | - |
| PSEO-PT | 0 | - | - | - | - | - | - | - | - |
| Totals | 874 | 859 | 846 | - | - | - | - | - | - |



Detroit Lakes Public Schools Elementary Grade Sections 2023-2024

Month: November

| | | Roosevelt | | Rossman | | Grade Average |
|---------------------|-------------|-----------|----|---------|----|---------------|
| Kindergarten | | | | | | 21.56 |
| | Section 1&3 | 22 | 23 | 20 | 21 | |
| | Section 2&4 | 22 | 22 | 22 | 21 | |
| | Section 5 | | | 21 | | |
| Building Average | | 22.25 | | 21.00 | | |
| Grade 1 | | | | | | 18.90 |
| | Section 1&3 | 17 | 20 | 19 | 19 | |
| | Section 2&4 | 19 | 19 | 19 | 18 | |
| | Section 5 | 20 | | 19 | | |
| Building Average | | 19.00 | | 18.80 | | |
| Grade 2 | | | | | | 23.63 |
| | Section 1&3 | 23 | 23 | 24 | 24 | |
| | Section 2&4 | 23 | 24 | 24 | 24 | |
| | Section 5 | | | | | |
| Building Average | | 23.25 | | 24.00 | | |
| Grade 3 | | | | | | 24.25 |
| | Section 1&3 | 25 | 25 | 24 | 23 | |
| | Section 2&4 | 25 | 25 | 24 | 23 | |
| | Section 5 | | | | | |
| Building Average | | 25.00 | | 23.50 | | |
| Grade 4 | | | | | | 24.13 |
| | Section 1&3 | 24 | 24 | 25 | 25 | |
| | Section 2&4 | 24 | 24 | 22 | 25 | |
| | Section 5 | | | | | |
| Building Average | | 24.00 | | 24.25 | | |
| Grade 5 | | | | | | 26.63 |
| | Section 1&3 | 28 | 28 | 26 | 25 | |
| | Section 2&4 | 28 | 26 | 26 | 26 | |
| | Section 5 | | | | | |
| Building Average | | 27.50 | | 25.75 | | |

The district class size average for K-5 is:

20.95

The class size average on this page is different than the class size average calculated by the State. The class size average on this page reflects students in a classroom with the regular classroom teacher and does not count specialists such as music, phy.ed. and art teachers which the state uses in calculating class size average.

**INDEPENDENT SCHOOL DISTRICT #22
FINANCE COMMITTEE MEETING AGENDA
Finance Committee Meeting - November 20, 2023**

Members Present:

April Thomas Mary Rotter Ethan Walz Mark Jenson Jason Kuehn

A Finance Committee Meeting was held on Monday, November 20th at the District Office.. The agenda was as follows:

1. Fund Balances Review

Director of Finance Kuehn reviewed the fund balances through the month of October and receipts for the month of October. District expenditures and revenues through October were reviewed in comparison to the budget.

2. Review of Disbursements

Two sets of disbursement were reviewed by the Finance Committee. The committee recommends approval of the hand payables for October. The committee also recommends approval of the check summaries for November 13th and November 27th.

3. FY 2023 Audit Draft Summary

Eide Bailly will be presenting the draft summary of the Audit of the 2022-23 (FY2023) fiscal year at the November Board meeting. Director of Finance Kuehn reviewing preliminary information from the draft summary and expected financial balances for all funds.

4. Other Topics

Kuehn reviewed Student Activity Account balances through October and provided other general updates.

Next Meeting: Thursday, December 14th at 12:00 PM (District Office)

INDEPENDENT SCHOOL DISTRICT #22
TRANSPORTATION COMMITTEE MEETING AGENDA
Transportation Committee Meeting - November 10, 2023

A Transportation Committee Meeting was held on Friday, November 10, 2023 at the District Office. In attendance were Mark Jenson (Superintendent), John Steffl (School Board Chair), Mary Rotter (School Board Treasurer), Justin Hegg (Middle School Principal), Colin Gedrose (Operations Supervisor) and Jason Kuehn (Director of Finance and Operations).

1. Activities Transportation Update

Kuehn and Gedrose provided an update following discussions from the October Transportation committee meeting. The district will work to proactively send trip requests to current contractors as well identify other options for Activities transportation using district vehicles and contractors.

2. Transportation Software Discussion

Kuehn and Gedrose provided an update to the committee in regards to options for Transportation software systems. The District currently uses Transfinder and has explored other software companies. Kuehn and Gedrose will continue to work with Transfinder to enhance training and usage of our current system.

3. District Transportation Policy Discussion

Kuehn reviewed policy options related to Transportation with the committee. Currently the district has policy language combined from two model MSBA policies related to Transportation Safety and Transportation Eligibility. Kuehn recommended following the model MSBA policies and separating the policy language.

4. 2024-26 Pupil Transportation Agreement - Request for Proposals Review

The committee reviewed a draft of the documents related to Request for Proposals (RFP) for Pupil Transportation. Kuehn provided an updated timeline for the committee - including the release of the RFP on November 20th, 2023 and a submission deadline of December 20th, 2023.

INDEPENDENT SCHOOL DISTRICT #22
FACILITIES COMMITTEE MEETING
October 31, 2023

A Facilities Committee Meeting was held at 8:30 AM on Tuesday, October 31, 2023 at the District Office. In attendance were Colin Gedrose, Mark Jenson, John Steffl, Amy Erickson, Mickey Okeson, and Jason Kuehn.

1. FY2025 Long-Term Facilities Maintenance Project List

Kuehn and Gedrose proposed a finalized list of FY2025 Long-Term Facilities Maintenance projects for all sites. Included were routine projects like gym floor refinishing, carpeting, and painting. Larger projects include window replacements at Rossman and the replacement of an air-condensing unit at Detroit Lakes High School. Kuehn and Gedrose recommended contracting with ICS for the two larger summer projects.

2. Field Striping Services

Kuehn and Gedrose provided an update after the first year of outside contracting field painting services. The district maintained a majority of the fields using existing equipment, outside of Mollberg Field. Kuehn and Gedrose proposed entering a lease agreement with Turf Tank and training existing staff on using their equipment.

3. Long-Range Facilities Planning

The committee prioritized topics to be discussed at an upcoming School Board work session. Included would be results from the district's demographic study and outlining a timeline for future projects.