

Business Meeting

Tuesday, November 15, 2022 7:30 PM

Fridley Community Center, 6085 7th Street NE, Fridley, MN 55432

A. Call to Order, Pledge of Allegiance	Presenter: Ross Meisner
B. Approval of Agenda with Suggested Motions and Resolutions	Presenter: Ross Meisner
B.1. Suggested Motions and Resolutions	
C. Spotlight on Recognition	
C.1. Employee of the Month - October 2022	Presenter: Dr. Kim Hiel
D. Superintendent and Staff Reports	
D.1. Native American Month Presentation	Presenter: Alma Lora
D.2. 2021-2022 Audit Review Presentation	Presenter: Craig Wieber
E. Business Action Items	
E.1. Motion: Approval of the 2021-2022 Audit Report	Presenter: Craig Wieber
E.2. RESOLUTION - Consolidated Polling Place at FCC	Presenter: Dr. Kim Hiel
E.3. Second Readings and Adoption of Policies	
E.3.a. Policy 601 School District Curriculum and Instruction Goals	Presenter: Dr. Jason Bodey
E.3.b. Policy 603 Curriculum Development	Presenter: Dr. Jason Bodey
E.3.c. Policy 604 Instructional Curriculum	Presenter: Dr. Jason Bodey
E.3.d. Policy 515.1 Data Request Policy for Subjects of Data	Presenter: S. Ike Isaacson
E.3.e. Policy 722 Public Data Requests	Presenter: S. Ike Isaacson
E.4. One Reading (Non Substantive Changes) Reading and Adoption of Policies	
E.4.a. Policy 104 School District Mission	Presenter: Dr. Kim Hiel
E.4.b. Policy 404 Background Checks	Presenter: S. Ike Isaacson
E.4.c. Policy 420 Students and Employees with Sexually Transmitted Infections and Diseases	Presenter: Laura Seifert-Hertling
E.4.d. Policy 506 Student Discipline	Presenter: Laura Seifert-Hertling
E.4.e. Policy 508 Extended School Year for Certain Students with Individual Education Plans	Presenter: Laura Seifert-Hertling
E.4.f. Policy 509 Enrollment of Nonresident Students	Presenter: Dr. Jason Bodey
E.4.g. Policy 517 Student Recruitment	Presenter: Dr. Jason Bodey
F. Consent Agenda	Presenter: Ross Meisner

F.1. Minutes of the School Board Business Meeting
and Work Session Held on October 18, 2022

F.2. Monthly Financial Reports

F.3. New Contracts, Amendments, Leaves of Absence,
Terminations, Resignations, and Retirements

F.4. Memorandum of Agreement with Custodians

G. Written Information

G.1. First Reading of Policies

G.1.a. Policy 610 Field Trips **Presenter:** Dr. Jason Bodey

G.1.b. Policy 612 Development of Parent and Family Engagement Policies for Title I Programs **Presenter:** Dr. Jason Bodey

G.1.c. Policy 708 Transportation of Nonpublic Students **Presenter:** Craig Wieber

G.1.d. Policy 709 Student Transportation Safety **Presenter:** Craig Wieber

G.1.e. Policy 898 Lease Accounting Policy - NEW **Presenter:** Craig Wieber

H. Important Future School Board Dates **Presenter:** Ross Meisner

H.1. FHS Fall Musical - Newsies
November 17, 18, 19, 2022 7:00 PM
FHS Auditorium

H.2. No School - Thanksgiving Holiday
November 24, 25, 2022

H.3. Schools for Equity in Education
December 2, 2022 9:00 AM
Doubletree - Roseville

H.4. Free Family Movie Night - Bad Guys
December 2, 2022 7:00 PM
FHS Auditorium

H.5. Fridley School Board Work Session
December 6, 2022 at 5:00 PM
Fridley High School

H.6. Fridley Public Schools Board Meeting
December 20, 2022
Work Session, 5:30 PM
Truth in Taxation, 7:00 PM
Business Meeting, 7:30 PM
Fridley Community Center

I. Adjournment **Presenter:** Ross Meisner

Tuesday, November 15, 2022
School Board Business Meeting
Motions

A. Call to Order, Pledge of Allegiance

B. Approval of Agenda with Suggested Motions and Resolutions

1. Suggested Motions and Resolutions – Board Chair

Suggested Motion: Motion by _____, seconded by _____ to approve the agenda for November 15, 2022.

C. Spotlight on Recognition

D. Superintendent and Staff Reports

E. Business Action Items

1. Motion: Approval of the 2021-2022 Audit Report

Suggested Motion: Motion by _____, seconded by _____, to approve the 2021-2022 Audit Report.

2. RESOLUTION: Consolidated Polling Places

RESOLUTION ESTABLISHING A COMBINED POLLING PLACE FOR MULTIPLE PRECINCTS AND DESIGNATING HOURS DURING WHICH THE POLLING PLACES WILL REMAIN OPEN FOR VOTING FOR SCHOOL DISTRICT ELECTIONS NOT HELD ON THE DAY OF A STATEWIDE, COUNTY, OR MUNICIPAL ELECTION

BE IT RESOLVED by the School Board of ISD #14, State of Minnesota, as follows:

1. Pursuant to Minnesota Statutes, Section 205A.11, the precincts and polling places for school district elections are those precincts or parts of precincts located within the boundaries of the school district which have been established by the cities or towns located in whole or in part within the school district. The board hereby confirms those precincts and polling places so established by those municipalities.

2. Pursuant to Minnesota Statutes, Section 205A.11, the board may establish a combined polling place for several precincts for school elections not held on the day of a statewide, county, or municipal election. Combined polling places are hereby established to serve the precincts specified for all school district special and general elections not held on the same day as a statewide, county, or municipal election, as listed below:

County	Combination Name	Polling Place	Comprised of City Precincts
Anoka	ISD #14 P1	FRIDLEY COMMUNITY CENTER 6085 7th St NE FRIDLEY MN 55433	FRIDLEY W-1 P-1 FRIDLEY W-1 P-2 FRIDLEY W-1 P-3 FRIDLEY W-1 P-4 FRIDLEY W-2 P-1 FRIDLEY W-2 P-2 FRIDLEY W-2 P-3 FRIDLEY W-2 P-4 FRIDLEY W-3 P-1 FRIDLEY W-3 P-2 FRIDLEY W-3 P-3 FRIDLEY W-3 P-4

3. Pursuant to Minnesota Statutes, Section 205A.09, the polling places will remain open for voting for school district elections between the hours of 7:00 a.m. and 8:00 p.m.

4. The clerk is directed to prepare a map illustrating the boundaries of each combined precinct, to post the map of the combined precincts in the administrative offices of the school district and to file a copy of the map and a certified copy of this resolution with the county auditor of each county in which the school district is located in whole or in part.

5. As required by Minnesota Statutes, Section 204B.16, Subdivision 1a, the clerk is hereby authorized and directed to give written notice of new polling place locations to all registered voters in the school district whose school district polling place locations have been changed. The notice must be a non-forwardable notice mailed at least twenty-five (25) days before the date of the first election to which it will apply.

Suggested Motion: Motion by _____, seconded by _____, to approve a combined polling place for voting on School District Elections not held on the day of a statewide, county, or municipal election.

3. Motion: Second Reading and Adoption of Policies

- Policy 601 School District Curriculum and Instruction Goals
- Policy 603 Curriculum Development
- Policy 604 Instructional Curriculum
- Policy 515.1 Data Request Policy for Subjects of Data
- Policy 722 Public Data Requests

Suggested Motion: Motion by _____, seconded by _____, to approve the second reading and adoption of policies 601, 603, 604, 515.1, and 722.

4. Motion: ONE Reading (Non Substantive Changes) and Adoption of Policies

- Policy 104 School District Mission
- Policy 404 Background Checks
- Policy 420 Students and Employees with Sexually Transmitted Infections and Diseases

- Policy 506 Student Discipline
- Policy 508 Extended School Year for Certain Students with Individual Education Plans
- Policy 509 Enrollment of Nonresident Students
- Policy 517 Student Recruitment

Suggested Motion: Motion by _____, seconded by _____, to approve the reading and adoption of non-substantive changes to policies 104, 404, 420, 506, 508, 509, and 517.

F. Consent Agenda

Suggested Motion: Motion by _____, seconded by _____ to approve the consent agenda of routine action items including minutes of the work session and business meeting held on October 18, 2022; Monthly Financial Reports; and New Contracts, Amendments, Leaves of Absence, Resignations, Retirements and Terminations; and MOA with Custodians regarding Double Time Pay.

G. Written Information

H. Important Future School Board Dates

I. Adjournment

Suggested Motion: Motion by _____, seconded by _____, to adjourn at _____.

Fridley Public Schools Employee of the Month – October 2022

The Fridley School District #14, and the Fridley Maintenance Team is very proud to present Rabbit Rexhepi with the employee of the month award. This award is for your hard work, your great attitude, your attention to detail, and outstanding customer service. Your politeness and can-do attitude are reflected in the increased quality of interactions with staff and students. Furthermore, your patience and helpfulness represents the core values of the Fridley School District. Rabbit works at many of the buildings across the district, whenever you see him, he always has a smile on his face, and a willing to help personality. Thank you again for your skills, hard work and professionalism in serving the Fridley School community

---Bryan Brown, Director of Buildings and Grounds



Employee of the Month

October 2022

**Employee of the Month for
October 2022:**

Rabit Rexhepi



NATIONAL

*Native
American*

HERITAGE MONTH

N O V E M B E R



FRIDLEY
PUBLIC SCHOOLS

A World-Class Community of Learners



Fridley Public Schools Land Acknowledgement

“We collectively acknowledge that Minnesota is located on the traditional, ancestral, contemporary and occupied lands of the Dakota Oyate and Ojibwe Anishinaabe Indigenous peoples. We make this acknowledgement to honor and respect the Ojibwe Anishinaabe and Dakota Oyate peoples, the original stewards of lands and waters, their ancestors, descendants, traditions as well as the land itself.

We have a moral responsibility to advocate and be in alliance with our Indigenous communities as we continue our equity and inclusion journey.”

Acknowledging Land....

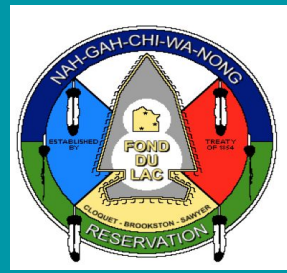


For a lot of Indigenous Peoples like Native Americans, land, water, mountains, and the Earth in general are very important. Respecting what surrounds you is a teaching in Native/Indigenous cultures. The earth provides a lot for us today and without the earth providing its foods, habitats, water, air, etc we would not be here today.

Being a Federally Recognized Tribes

What does the term
'Federally-Recognized Tribe' mean?
"Recognition" is a legal term meaning
that **the United States recognizes a
government-to-government
relationship with a Tribe and that a
Tribe exists politically in a "domestic
dependent nation" status.**

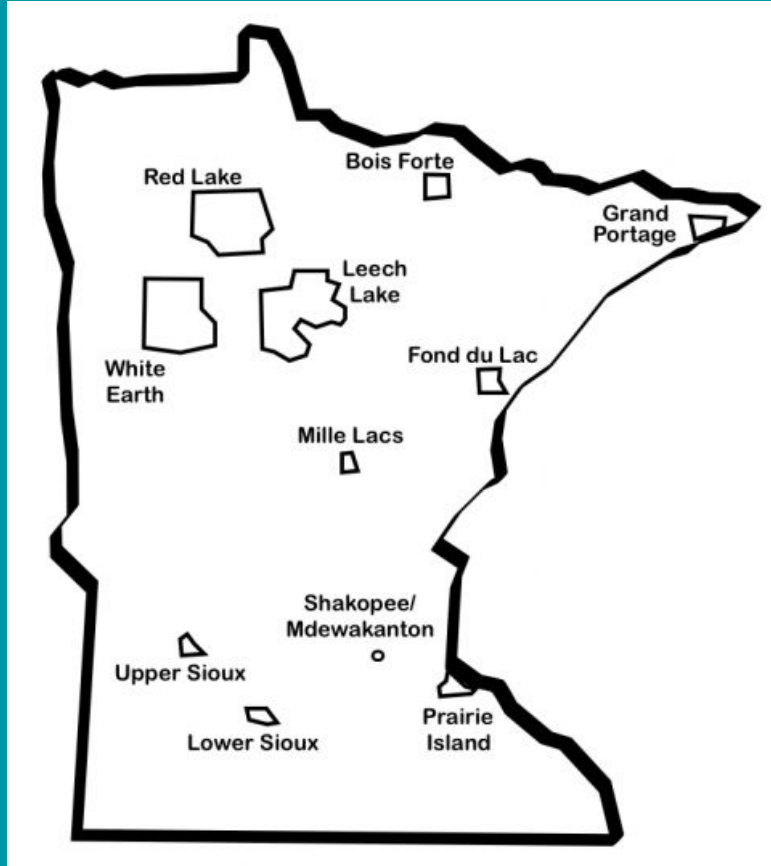




11 Federally Recognized Tribes in Minnesota



Where are the 11 tribes located in Minnesota?



1. Red Lake
2. Bois Forte
3. Grand Portage
4. White Earth
5. Fond Du Lac
6. Mille Lacs
7. Shakopee/Modewakanton
8. Upper Sioux
9. Lower Sioux
10. Prairie Island
11. Leech Lake

Bois Forte Band of Chippewa

The Bois Forte Band of Chippewa is located in northern Minnesota, approximately sixty miles south and west of International Falls, MN.

Fond Du Lac Reservation

The Fond du Lac Band of Lake Superior Chippewa Reservation lies in Northeastern Minnesota adjacent to the city of Cloquet, MN, approximately 20 miles west of Duluth, MN. The Fond du Lac Reservation, established by the LaPointe Treaty of 1854, is one of six Reservations inhabited by members of the Minnesota Chippewa Tribe.



Gichi-Onigaming / Grand Portage Band of Lake Superior Chippewa

The Grand Portage Reservation is located in Cook County in the extreme northeast corner of Minnesota, approximately 150 miles from Duluth. It is bordered on the north by Canada, on the south and east by Lake Superior and on the west by Grand Portage State Forest.

Leech Lake Band of Ojibwe

The Leech Lake Reservation, located in the forests of north-central Minnesota, offers an oasis of natural beauty. Towering pines fringe the reservations many lakes, two of which are among the largest in the state.

Red Lake Band of Chippewa Indians

The Red Lake Nation, with its unique lineage of Ojibwe people, will protect, preserve, and maintain its status as an independent nation that is federally recognized as an Indian tribe, which possesses all the powers of a Sovereign Nation.

Shakopee Mdewakanton Sioux (Dakota) Community

The Shakopee-Mdewakanton Reservation is located entirely within the city limits of Prior Lake, in Scott County, Minnesota. The reservation was known as the Prior Lake Reservation until its reorganization under the Indian Reorganization Act on November 28, 1969. The tribal headquarters is in Prior Lake, Minnesota.



Lower Sioux Indian Community

The Lower Sioux Indian Community is located on the south side of the Minnesota River at the site of the U.S. Indian Agency and the Bishop Whipple Mission, a part of the original reservation established in the 1851 Treaty. It is in Redwood County, two miles south of Morton and six miles east of Redwood Falls.

Mille Lacs Band of Ojibwe

Our homelands are comprised of three Districts throughout East Central Minnesota, from our 1855 Mille Lacs Reservation east to the St. Croix River and north to Rice Lake and Sandy Lake.



White Earth Reservation

The White Earth Reservation is located in the northwestern Minnesota counties of Mahnomen, Becker, and Clearwater. The reservation is located 68 miles from Fargo and 225 miles from Minneapolis/St. Paul. Tribal headquarters are in White Earth, Minnesota

Prairie Island Indian Community

Prairie Island Indian Community is located in southeastern Minnesota, north of Red Wing, between Highway 61 and the Mississippi River. The people of Prairie Island are Mdewakanton Dakota and have lived on Prairie Island for countless generations.

What might you see at a Powwow?

You might see different vendors, dancing, songs, and drums during a powwow. Some known foods you might try are Fry Bread and Indian Tacos. You will see many designs and colors and tribes present at a Powwow. You also might hear different languages spoken

Some common dances you might see are:

- *Fancy Shawl*
- *Jingle Dress*
- *Grass Dance*
- *Hoop Dance*



Remembering the heritage

Native American people still exist, they have not vanished or disappeared. They are strong, resistant, and resilient. Take the time to learn and understand new cultures, traditions, and languages of Native peoples this month. Knowledge is one of the strongest powers you can obtain, learn something new every day.



"Opening yourself to
another worldview
will assist you
in understanding
what occurs
both in and outside
of native communities."

--Lakota Elder Dottie LeBeau

People you may know from Minnesota....



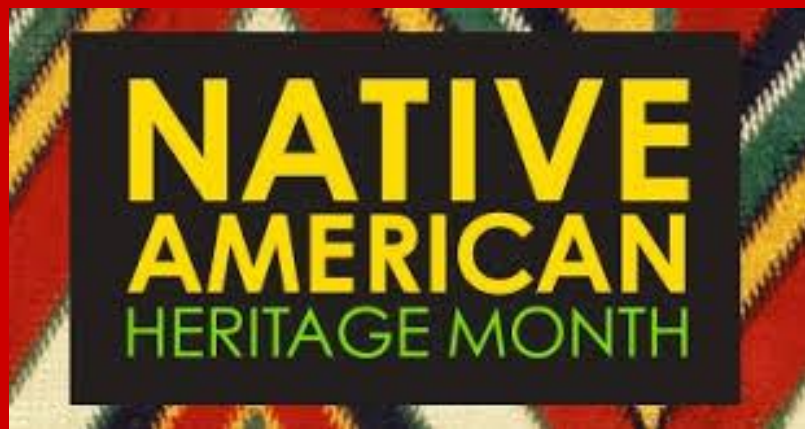
Peggy Flanagan is Minnesota's 50th Lieutenant Governor, a member of the White Earth Band of Ojibwe, and currently the country's highest ranking Native woman elected to executive office



Sean Sherman, 46, founder of the Sioux Chef and Indigenous Food Lab, is working to teach Indigenous people about ancestral food traditions. Sherman's approach to education incorporates foraging, ancestral recipes and business training, in hopes that someday soon, there will be more people creating Native cuisine in Minnesota.



Native American land rights activist, environmentalist, economist, politician, and author Winona LaDuke has spent her career working on a national level to advocate, raise public support and create funding for environmental groups. LaDuke is an Anishinaabekwe (Ojibwe) enrolled member of the Mississippi Band Anishinaabeg and current resident in Minnesota.





**DO
MORE.**

Independent School District
No. 14
Fridley, MN

Audit Presentation

June 30, 2022

bergankov

Independent Audit's Report

- Financial statements are management's responsibility; auditor's responsibility to express an opinion on them.
- Unmodified opinion on the basic financial statements

Audit Communications

- Report in Accordance with *Government Auditing Standards*
 - Internal Control
 - Finding - Lack of segregation of accounting duties
 - Compliance
 - No findings
- Report on Compliance in Accordance with The Uniform Guidance
 - Unmodified opinion on compliance with requirements of major federal programs
 - Education stabilization
- Report on Minnesota Legal Compliance
 - No findings on compliance with legal provisions contained in the *Minnesota Legal Compliance Audit Guide for Local Governments*

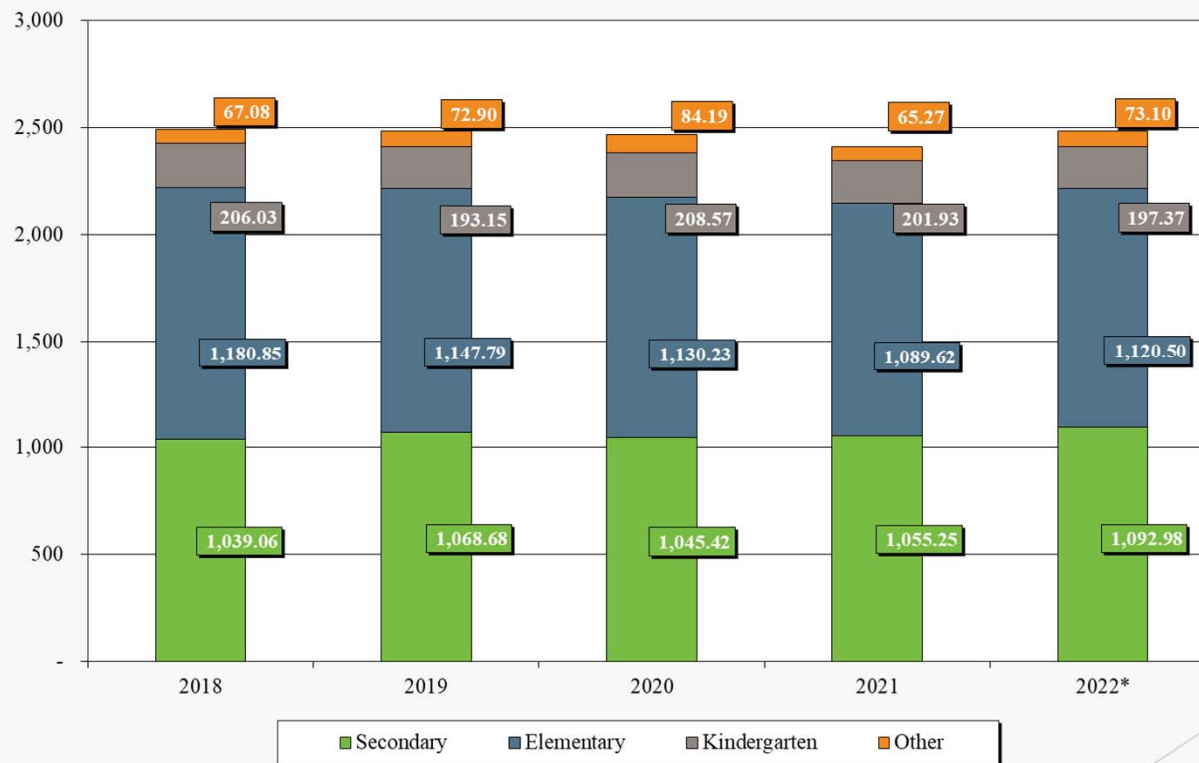
Average Daily Membership

Resident ADM

Resident ADM	2018	2019	2020	2021	2022*
Other	67.08	72.90	84.19	65.27	73.10
Kindergarten	206.03	193.15	208.57	201.93	197.37
Elementary	1,180.85	1,147.79	1,130.23	1,089.62	1,120.50
Secondary	1,039.06	1,068.68	1,045.42	1,055.25	1,092.98
Total Resident ADM	2,493.02	2,482.52	2,468.41	2,412.07	2,483.95

Average Daily Membership

Resident ADM



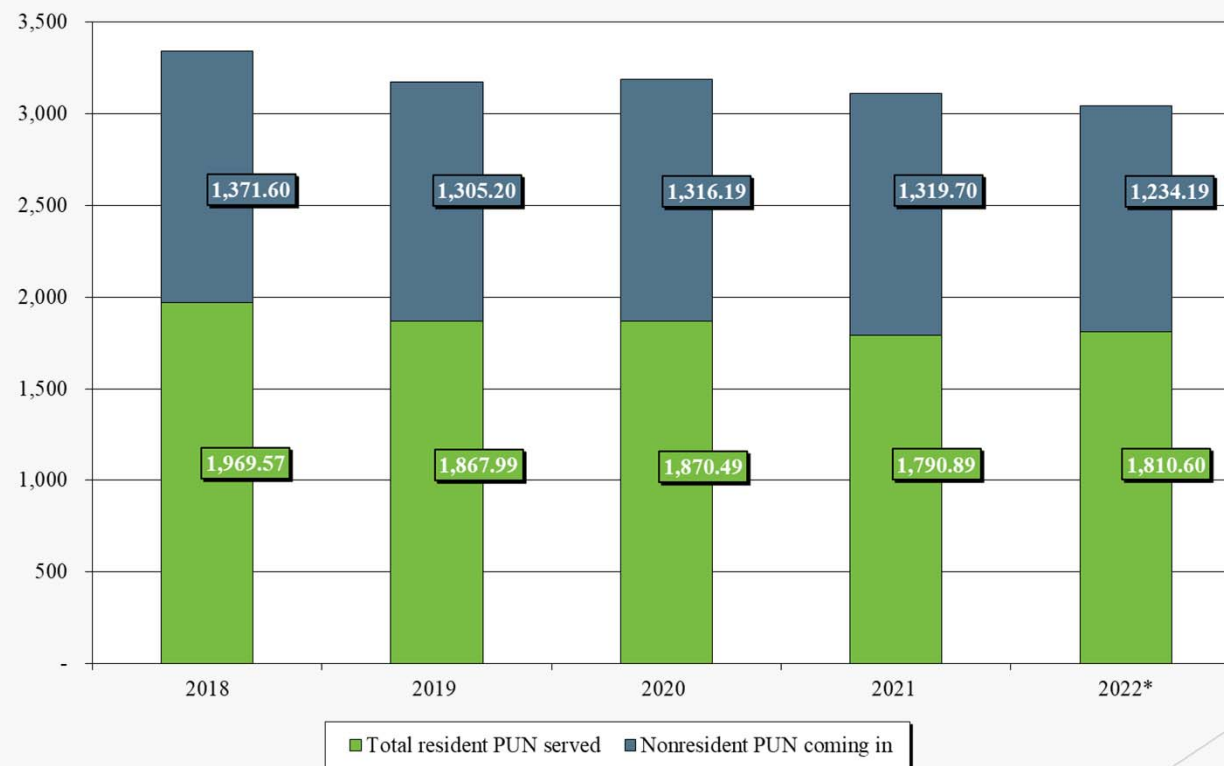
Pupil Units

PUN

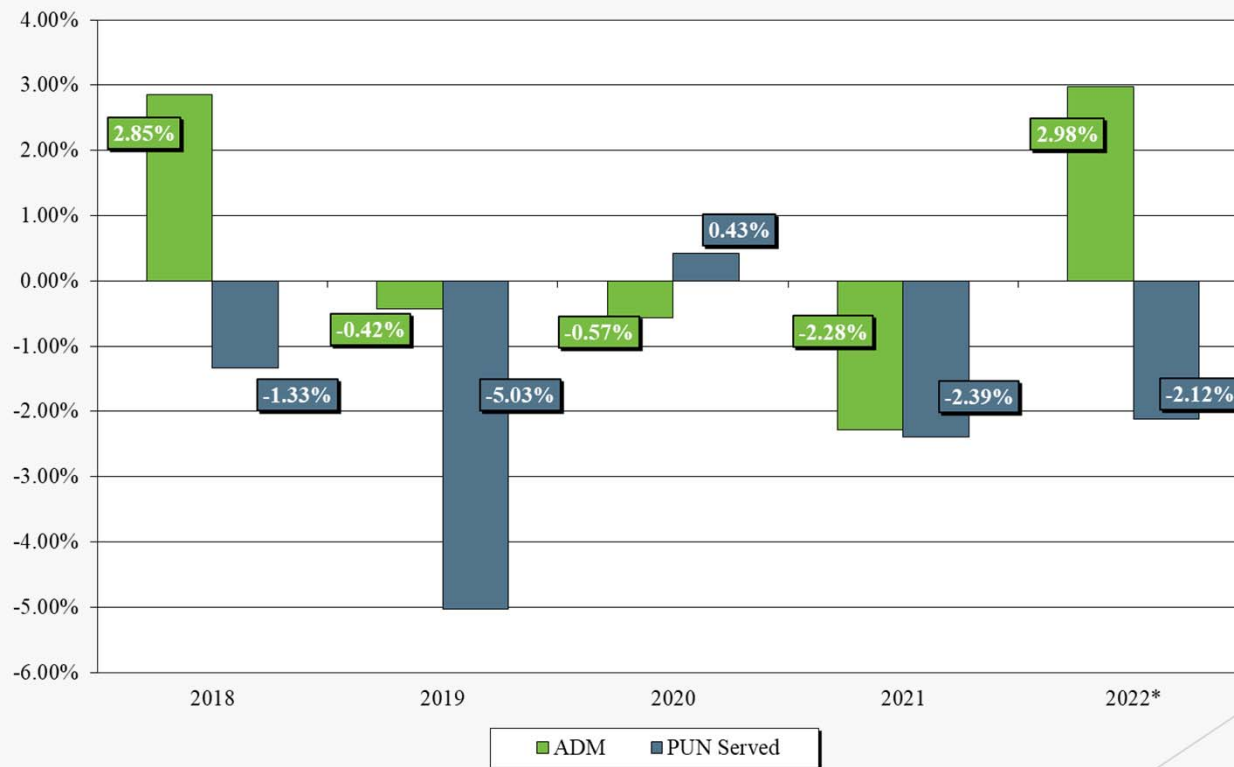
	Pre-Kindergarten	Handicapped Kindergarten	Kindergarten Half	Kindergarten Full	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
2018-2022	1.000	1.000	0.550	1.000	1.000	1.000	1.200

PUN	2018	2019	2020	2021	2022*
Residents	2,700.85	2,695.88	2,677.49	2,623.03	2,702.55
Resident PUN going elsewhere	(731.28)	(827.89)	(807.00)	(832.14)	(891.95)
Total resident PUN served	1,969.57	1,867.99	1,870.49	1,790.89	1,810.60
Nonresident PUN coming in	1,371.60	1,305.20	1,316.19	1,319.70	1,234.19
Total Adjusted PUN	3,341.17	3,173.19	3,186.68	3,110.59	3,044.79

Pupil Units PUN



Average Daily Membership Change in ADM and PUN Served



General Fund

Budget and Actual

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Local property taxes	\$ 7,674,176	\$ 7,674,176	\$ 7,579,755	\$ (94,421)
Other local revenues	1,028,034	1,007,278	1,151,735	144,457
Revenue from state sources	35,580,456	36,388,951	35,102,954	(1,285,997)
Revenue from federal sources	1,263,401	1,263,401	2,806,497	1,543,096
Sales and other conversion of assets	500	4,456	7,571	3,115
Total revenues	45,546,567	46,338,262	46,648,512	310,250
Expenditures				
Administration	2,017,969	1,935,516	1,895,255	(40,261)
District support services	2,192,831	2,044,757	2,464,226	419,469
Regular instruction	17,286,143	19,759,966	19,634,964	(125,002)
Vocational instruction	551,003	551,003	502,231	(48,772)
Special education instruction	9,808,954	9,437,644	8,793,616	(644,028)
Instructional support services	2,913,577	3,347,389	3,486,827	139,438
Pupil support services	5,167,980	4,716,993	5,253,969	536,976
Sites and buildings	4,233,665	4,680,655	5,638,539	957,884
Fiscal and other fixed cost programs	1,056,597	1,056,597	1,233,101	176,504
Total expenditures	45,228,719	47,530,520	48,902,728	1,372,208
Excess of revenues over (under) expenditures	317,848	(1,192,258)	(2,254,216)	(1,061,958)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	4,876	4,876
Proceeds from leases	-	-	126,171	126,171
Proceeds from financed purchases	322,535	322,535	580,145	257,610
Transfers out	(690,994)	(690,994)	(827,336)	(136,342)
Total other financing sources (uses)	(368,459)	(368,459)	(116,144)	252,315
Net change in fund balances	\$ (50,611)	\$ (1,560,717)	\$ (2,370,360)	\$ (809,643)

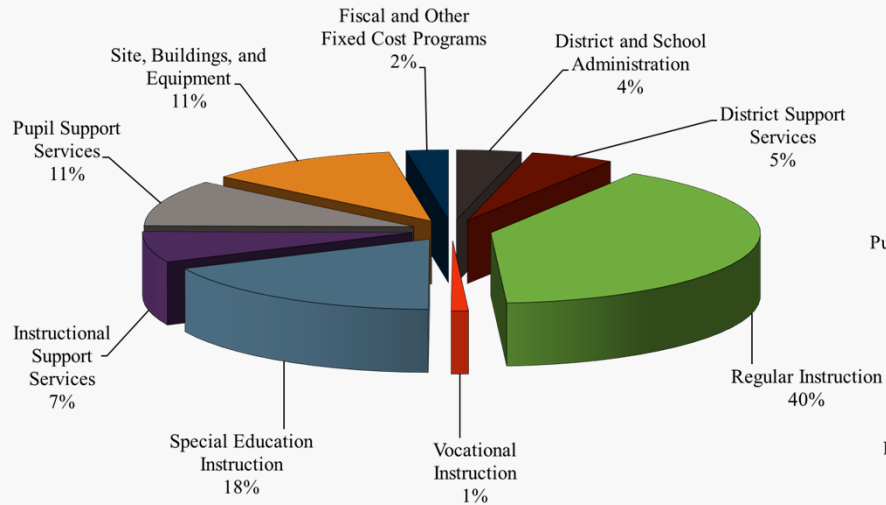
General Fund

Sources of Revenue

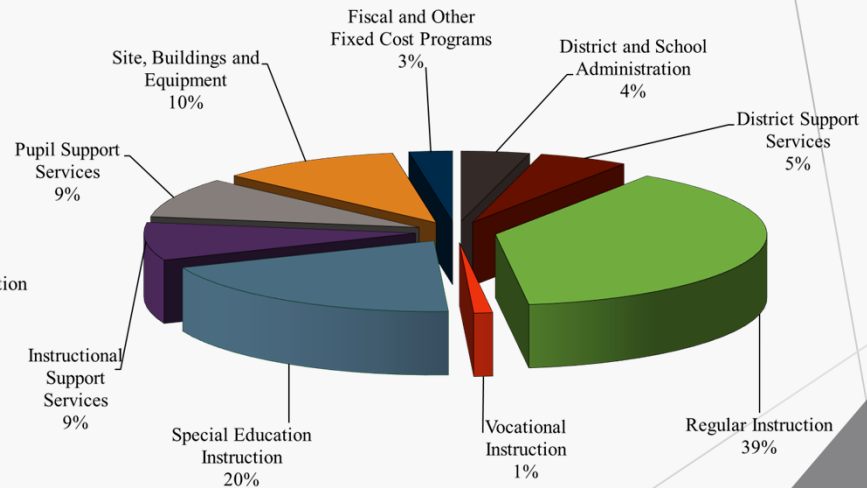
	2018	2019	2020	2021	2022*
Local property taxes	\$ 5,586,336	\$ 6,303,819	\$ 6,457,443	\$ 7,512,337	\$ 7,579,755
State sources	35,959,679	35,747,873	35,171,289	35,274,529	35,102,954
Other	2,453,741	2,732,712	2,765,323	4,308,999	3,965,803
Total	\$ 43,999,756	\$ 44,784,404	\$ 44,394,055	\$ 47,095,865	\$ 46,648,512

General Fund Expenditures

2022 General Fund Expenditures



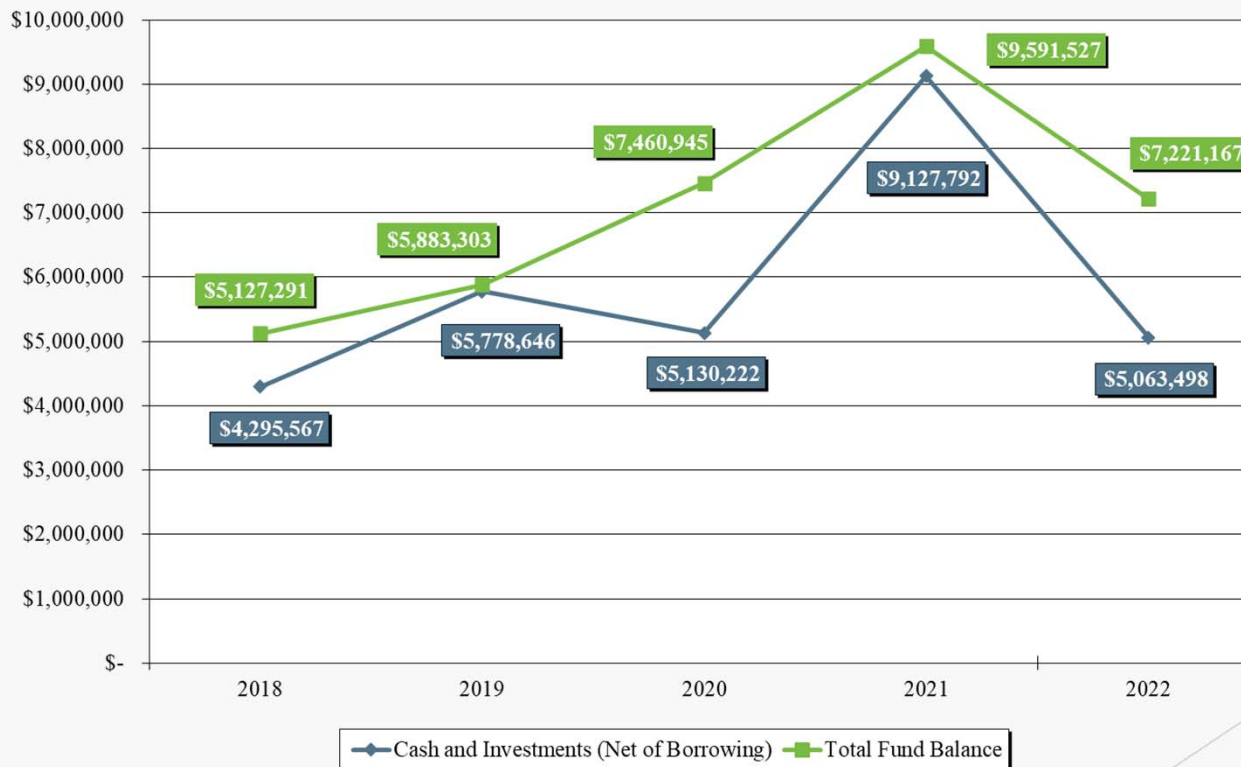
2021 General Fund Expenditures



General Fund Operations

For the Year Ended June 30,	2018	2019	2020	2021	2022
Revenues	\$ 43,999,756	\$ 44,784,404	\$ 44,394,055	\$ 47,095,865	\$ 46,648,512
Expenditures excluding OPEB	43,240,714	43,302,652	42,338,911	44,687,856	48,902,728
Excess of revenues over (under) expenditures	759,042	1,481,752	2,055,144	2,408,009	(2,254,216)
Sale of capital assets	-	-	-	20,279	4,876
Proceeds from leases	-	-	-	-	126,171
Proceeds from financed purchases	566,843	-	268,015	410,880	580,145
Transfers out	(1,551,781)	(725,740)	(832,061)	(708,586)	(827,336)
Fund balance, July 1	5,353,187	5,127,291	5,883,303	7,460,945	9,591,527
Change in accounting principle	-	-	86,544	-	-
Fund Balance, June 30	\$ 5,127,291	\$ 5,883,303	\$ 7,460,945	\$ 9,591,527	\$ 7,221,167
Components					
Nonspendable	\$ 300,318	\$ 144,601	\$ 207,678	\$ 341,966	\$ 523,972
Restricted for					
Student activities	-	-	68,462	79,365	86,689
Health and safety	(1,179)	-	-	-	-
Capital projects levy	(2)	4,019	279,040	177,408	64,950
Area learning center	-	-	-	-	40,908
Safe schools - crime levy	68,167	87,714	193,069	258,467	231,367
Operating capital	176,644	537,547	425,933	333,849	216,128
Long term facilities maintenance	(289,308)	25,658	60,196	1,004,602	145,458
Medical assistance	294,904	294,904	715,356	984,319	1,526,898
Assigned	2,028,808	2,246,081	2,599,775	3,291,873	1,276,042
Unassigned	2,548,939	2,542,779	2,911,436	3,119,678	3,108,755
Total	\$ 5,127,291	\$ 5,883,303	\$ 7,460,945	\$ 9,591,527	\$ 7,221,167

General Fund Financial Position

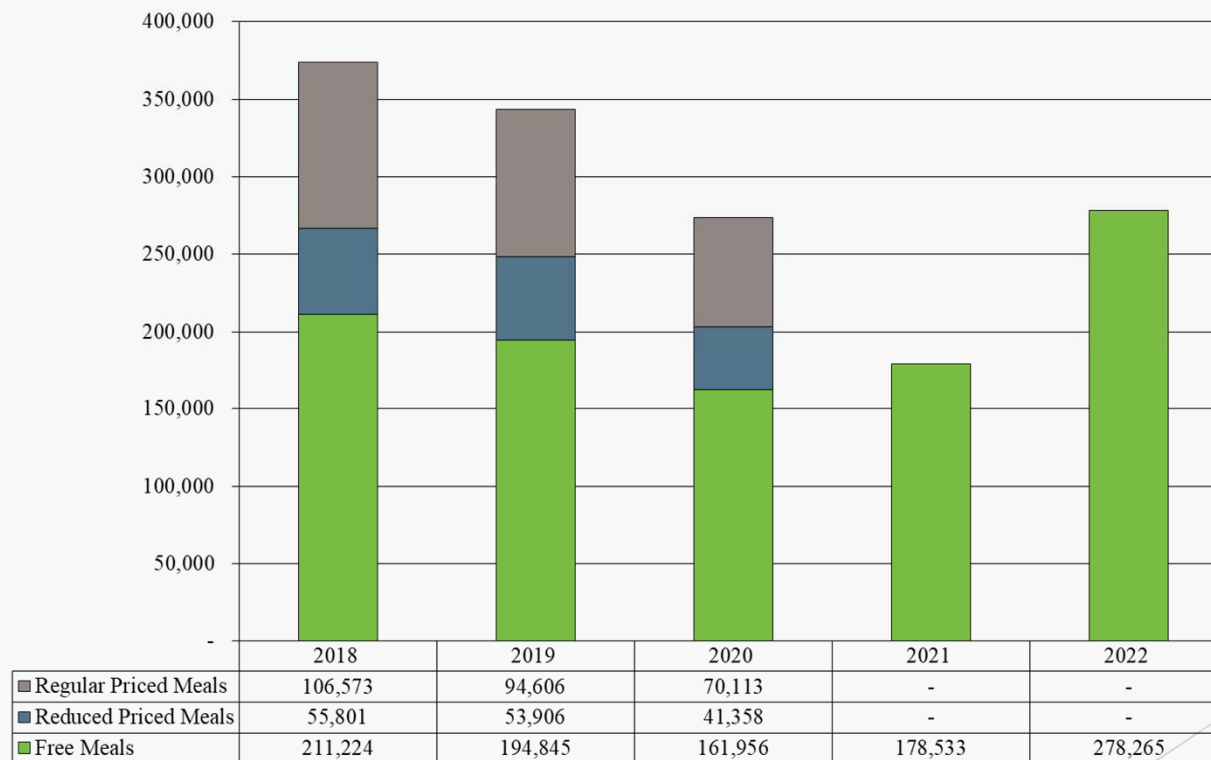


Food Service Fund Operations

For the Year Ended June 30,	2018	2019	2020	2021	2022
Revenues	\$ 2,045,007	\$ 2,200,263	\$ 1,799,299	\$ 1,609,953	\$ 2,323,742
Expenditures	2,141,389	2,092,615	1,749,648	1,596,883	1,958,341
Excess of revenues over (under) expenditures	(96,382)	107,648	49,651	13,070	365,401
Fund balance, July 1	563,081	466,699	574,347	623,998	637,068
Fund Balance, June 30	\$ 466,699	\$ 574,347	\$ 623,998	\$ 637,068	\$ 1,002,469

Food Service Fund

Lunches Served to Students



Community Service Fund

Operations

For the year ended June 30,	2018	2019	2020	2021	2022
Revenues	\$ 2,888,088	\$ 2,913,111	\$ 2,377,623	\$ 1,762,074	\$ 2,274,864
Expenditures	2,953,535	3,128,632	2,712,966	2,328,968	2,696,594
Excess of revenues under expenditures	(65,447)	(215,521)	(335,343)	(566,894)	(421,730)
Other financing sources	103,616	216,343	284,989	110,297	154,242
Fund balance, July 1	414,919	453,088	453,910	403,556	(53,041)
Fund Balance, June 30	\$ 453,088	\$ 453,910	\$ 403,556	\$ (53,041)	\$ (320,529)

For the year ended June 30,	2018	2019	2020	2021	2022
Components					
Nonspendable	\$ -	\$ 6,765	\$ 5,040	\$ 6,051	\$ 7,203
Restricted for					
Community education	260,914	264,584	274,056	(260,873)	(515,697)
ECFE	78,187	65,849	4,906	29,373	25,985
School readiness	47,235	45,455	24,579	76,494	73,382
Community service	66,752	71,257	94,975	95,914	88,598
Total	\$ 453,088	\$ 453,910	\$ 403,556	\$ (53,041)	\$ (320,529)

Questions?

Janel Bitzan

320-650-6225

Janel.Bitzan@berganKDV.com



DO
MORE.



LET'S DO MORE, TOGETHER.

THANK YOU

BerganKDV is a leading professional services firm with a contagious culture; where growth is fostered and making a difference means something. Our values drive our decisions, and our passion is empowering people and creating a wow experience for our clients.

We are powered by people who do business the Midwest way delivering comprehensive business, financial and technology solutions including business planning and consulting, tax, assurance and accounting, technology, wealth management and turnaround management services. From tax reform to technology, we go beyond so you can...

DO MORE.



berganKDV

bergankdv.com | #starthere

**Independent School District No. 14
Fridley, Minnesota**

Communications Letter

June 30, 2022

Independent School District No. 14
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Report on Matters Identified as a Result of the Audit of the Basic Financial Statements

To the School Board and Management
Independent School District No. 14
Fridley, Minnesota

In planning and performing our audit of the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 14, Fridley, Minnesota, as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error, or fraud may occur and not be detected by such controls. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. The significant deficiency identified is stated within this letter.

The accompanying memorandum also includes financial analysis provided as a basis for discussion. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated November 3, 2022, on such statements.

This communication, which is an integral part of our audit, is intended solely for the information and use of management, the School Board, and others within the District and state oversight agencies is not intended to be, and should not be, used by anyone other than these specified parties.

Bergan KDV Ltd.

Minneapolis, Minnesota
November 8, 2022

Independent School District No. 14 Significant Deficiency

Lack of Segregation of Accounting Duties

The District has a lack of segregation of accounting duties due to a limited number of office employees. This lack of segregation of accounting duties can be demonstrated in the following areas, which is not intended to be an all-inclusive list:

- The Accounts Payable Clerk enters invoices into the system and prepares the checks.
- The Accounting Supervisor has access to all areas of the accounting system.
- The Accounting Supervisor and Payroll Specialist have overlapping duties within the payroll process

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

Management is aware of this condition and will take certain steps to compensate for the lack of segregation but due to the number of accounting staff needed to properly segregate all of the accounting duties, the cost of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. Due to this reason, management has determined a complete segregation of accounting duties is impractical to correct.

Independent School District No. 14 Required Communication

We have audited the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2022. Professional standards require that we advise you of the following matters related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express opinions about whether the basic financial statements prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the basic financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the basic financial statements are free of material misstatement. An audit of the basic financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Generally accepted accounting principles provide for certain Required Supplementary Information (RSI) to supplement the basic financial statements. Our responsibility with respect to the RSI, which supplements the basic audit financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Our Responsibility in Relation to Government Auditing Standards

As communicated in our engagement letter, part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Independent School District No. 14 Financial Analysis

Our Responsibility in Relation to Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

As communicated in our engagement letter, in accordance with the Uniform Guidance, we examined on a test basis, evidence about the District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit provided a reasonable basis for our opinion, it did not provide a legal determination on the District's compliance with those requirements.

In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks of material misstatement:

- Management Override of Controls – Overall Financial Statements – Management over of internal control is considered a risk in substantially all engagements as management may be incentivized to produce better results.
- Improper Revenue Recognition – Revenue recognition is considered a fraud risk on substantially all engagements as it generally has a significant impact on the results of the governments operations. In addition, complexities exist surrounding the calculation and recording of various revenue sources.

Qualitative Aspects of the District's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in the notes to the basic financial statements. There have been no initial selection of accounting policies and no changes to significant accounting policies or their application during 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Independent School District No. 14 Financial Analysis

Qualitative Aspects of the District's Significant Accounting Practices (Continued)

Significant Accounting Estimates

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements. The most sensitive estimates affecting the basic financial statements relate to:

Depreciation – The District is currently depreciating its capital assets over their estimated useful lives, as determined by management, using the straight-line method.

General Education and Special Education Aid – General Education Aid is an estimate until average daily membership (ADM) values are final. Since this is normally not done until after the reporting deadline, this Aid is an estimate. Special Education Aid is dependent on the availability of funds and complex formulas that are finalized after reporting deadlines.

Total Other Post Employment Benefits (OPEB) Liability, Deferred Outflows of Resources Related to OPEB and Deferred Inflows of Resources Related to OPEB – These balances are based on an actuarial study using the estimates of future obligations of the District for post employment benefits.

Net Pension Liability, Deferred Outflows of Resources Related to Pension Activity, and Deferred Inflows of Resources Related to Pension Activity – These balances are based on an allocation by the pension plans using estimates based on contributions.

We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain basic financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The basic financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the basic financial statements taken as a whole and each applicable opinion unit.

Independent School District No. 14 Financial Analysis

Uncorrected and Corrected Misstatements (Continued)

We identified the following uncorrected misstatements of the basic financial statements. Management has determined their effect is immaterial, both individually and in the aggregate, to the basic financial statements taken as a whole and each opinion unit.

- In-kind state contribution related to pensions
- State receivable and related revenue

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the basic financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's basic financial statements or the auditor's report. No such disagreements arose during the course of our audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating, and regulatory conditions affecting the District, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditor.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the District's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

We applied certain limited procedures to the RSI that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Independent School District No. 14
Financial Analysis

Other Information Included in Annual Reports (Continued)

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the basic financial statements.

Independent School District No. 14 Financial Analysis

The following pages provide graphic representation of select data pertaining to the financial position and operations of the District for the past five years. Our analysis of each graph is presented to provide a basis for discussion of past performance and how implementing certain changes may enhance future performance. We suggest you view each graph and document if our analysis is consistent with yours.

Average Daily Membership and Pupil Units

The largest single funding source for Minnesota school districts is basic General Education Aid. Each year, the State Legislature sets a basic formula allowance. Total basic general education revenue is calculated by multiplying the formula allowance by the number of pupil units for which a district is entitled to aid. Pupil units are calculated using a legislatively determined weighting system applied to ADM. Over the years, various modifications have been made to this calculation, including changes in weighting and special consideration for declining enrollment districts.

Year	General Education Aid Formula Allowance	
	Amount	Percent Increase
2013	\$ 5,224	1.0%
2014	5,302	1.5%
2015*	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%
2022	6,728	2.5%
2023	6,863	2.0%

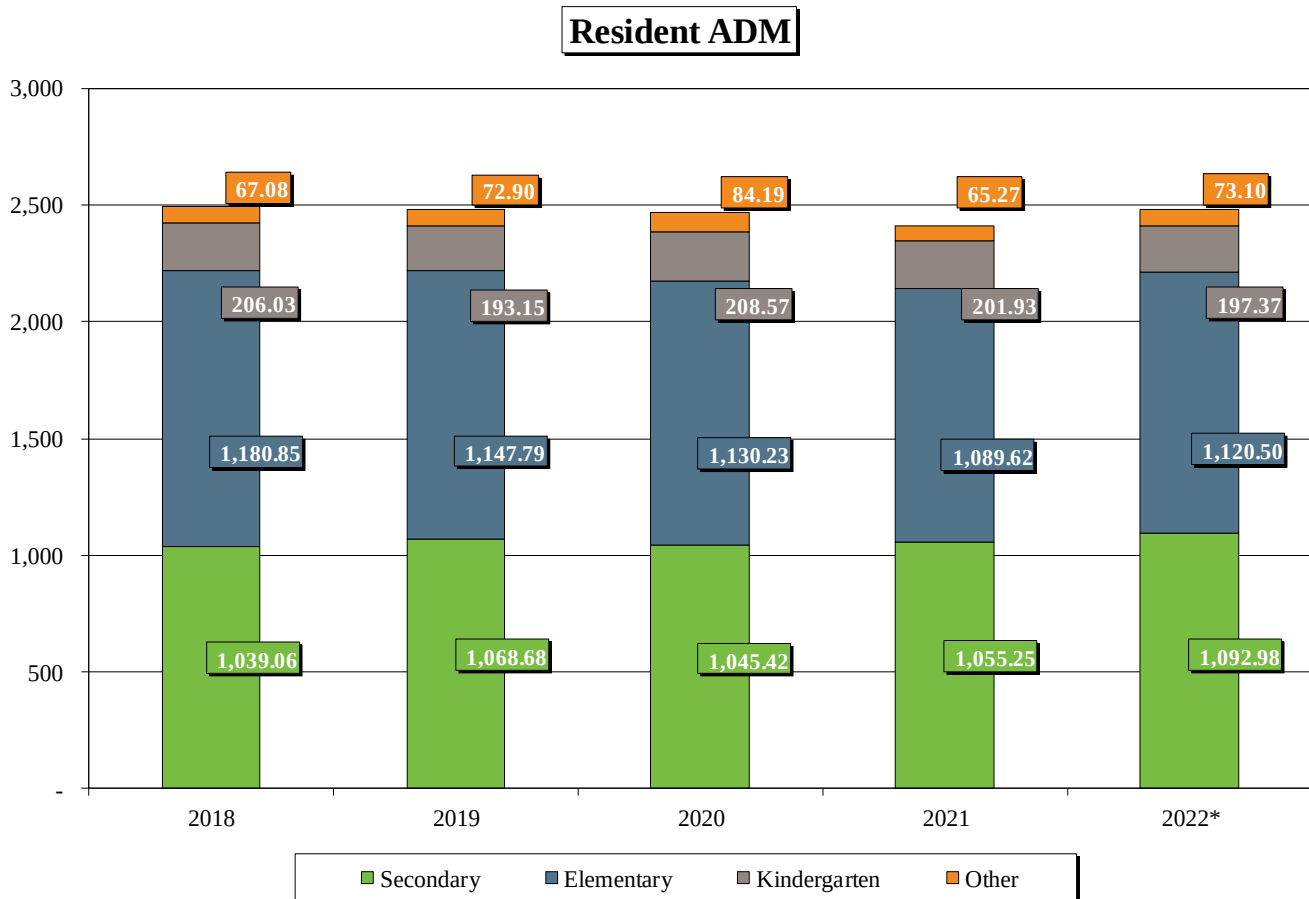
* General Education Aid - Of the \$529 increase over 2014, \$105 is for inflation at 1.9%; the remaining \$424 is a shifting of revenue to adjust for pupil weight changes, pension adjustments changes and other restructuring.

Independent School District No. 14 Financial Analysis

Average Daily Membership and Pupil Units (Continued)

Approximately 75% of the District's General Fund revenue is from the state. A majority of this funding is based on student counts, so an understanding of the District's population trends is critical to overall budgeting plans. The following summarizes resident ADM of the District over the past five years ended June 30.

Resident ADM	2018	2019	2020	2021	2022*
Other	67.08	72.90	84.19	65.27	73.10
Kindergarten	206.03	193.15	208.57	201.93	197.37
Elementary	1,180.85	1,147.79	1,130.23	1,089.62	1,120.50
Secondary	1,039.06	1,068.68	1,045.42	1,055.25	1,092.98
Total Resident ADM	2,493.02	2,482.52	2,468.41	2,412.07	2,483.95



* Estimate

The chart and graph above show an increase in resident ADM from 2021 to 2022 of 71.88 ADM, or 2.98%.

Independent School District No. 14 Financial Analysis

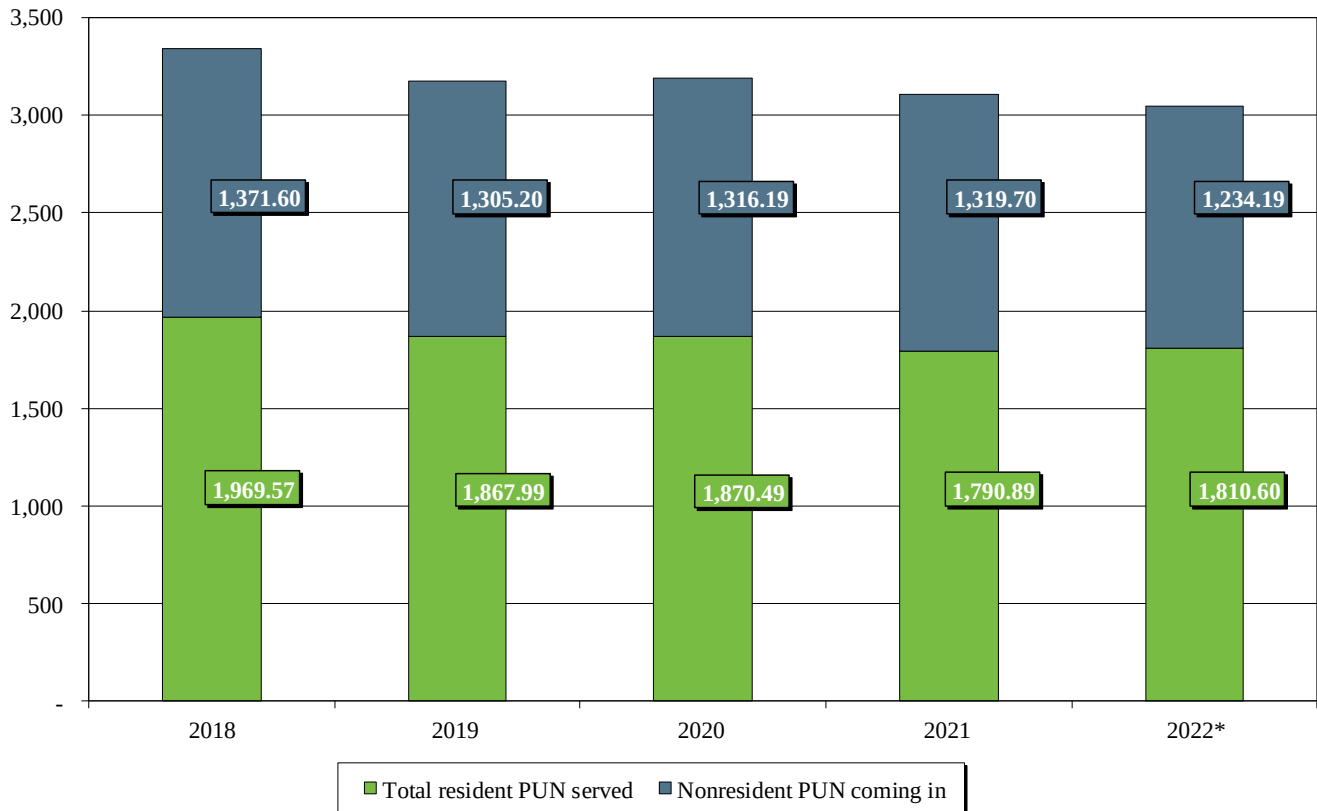
Average Daily Membership and Pupil Units (Continued)

	Pre-Kindergarten	Handicapped Kindergarten	Kindergarten Half	Kindergarten Full	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
2018-2022	1.000	1.000	0.550	1.000	1.000	1.000	1.200

The PUN served table and graph below converts the resident ADM into weighted or adjusted pupil unit data for the past five years taking into consideration the above weighting factors and open enrollment.

PUN	2018	2019	2020	2021	2022*
Residents	2,700.85	2,695.88	2,677.49	2,623.03	2,702.55
Resident PUN going elsewhere	(731.28)	(827.89)	(807.00)	(832.14)	(891.95)
Total resident PUN served	1,969.57	1,867.99	1,870.49	1,790.89	1,810.60
Nonresident PUN coming in	1,371.60	1,305.20	1,316.19	1,319.70	1,234.19
Total Adjusted PUN	3,341.17	3,173.19	3,186.68	3,110.59	3,044.79

Adjusted PUN



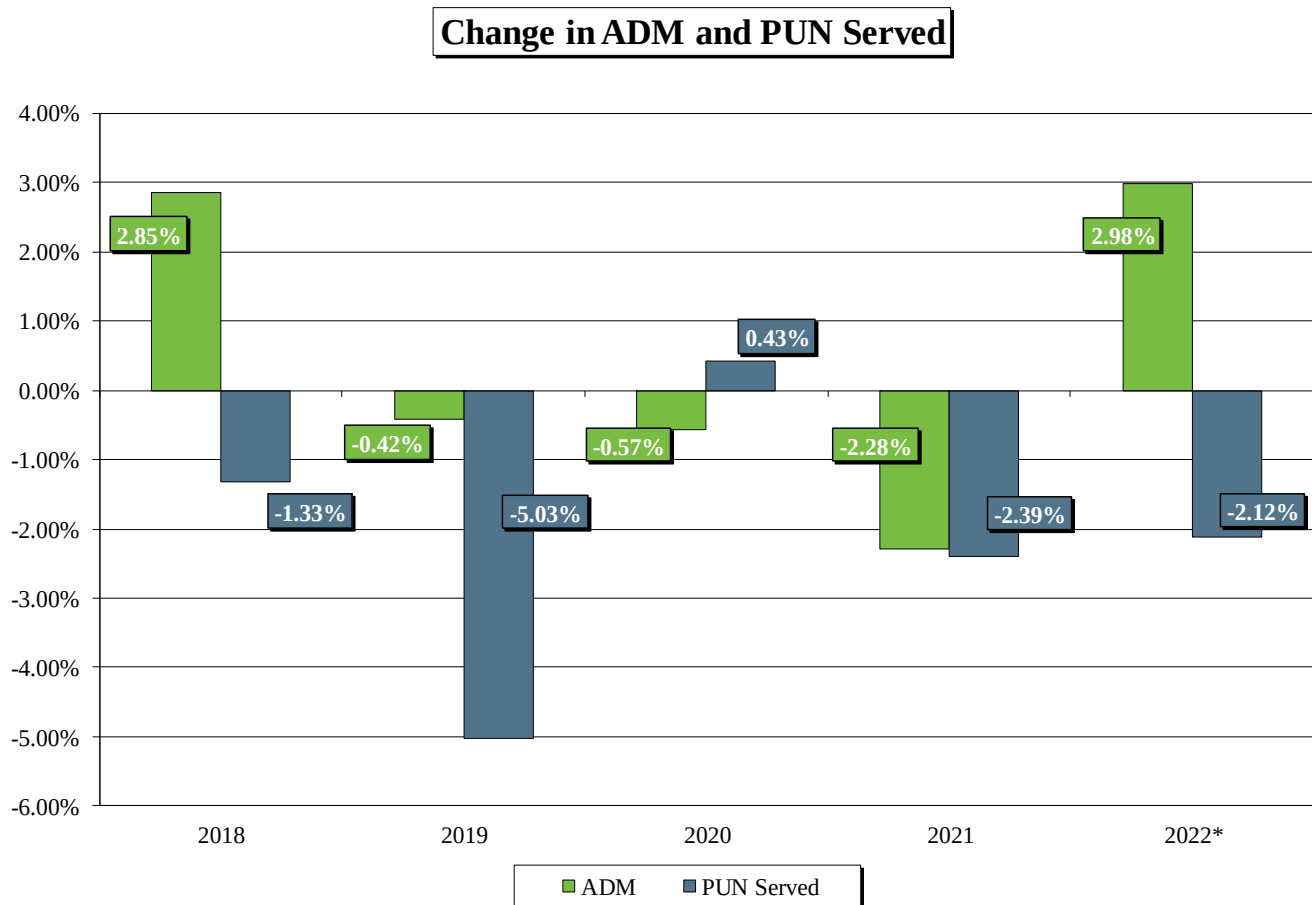
* Estimate

Independent School District No. 14 Financial Analysis

Average Daily Membership and Pupil Units (Continued)

In 2022, resident PUN increased 79.52, or 3.03%. PUN served decreased 65.80 PUN or 2.12%, a result of a decrease in nonresident PUN coming in. The District continues to have a net gain from open enrollment. Nonresident PUN make up 40.5% of PUN served.

The following graph illustrates the percentage change from year-to-year in resident ADM and PUN served.



* Estimate

Independent School District No. 14 Financial Analysis

General Fund Revenues Budget and Actual

The graph below outlines the District's final budget and actual results for the General Fund.

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Local property taxes	\$ 7,674,176	\$ 7,674,176	\$ 7,579,755	\$ (94,421)
Other local revenues	1,028,034	1,007,278	1,151,735	144,457
Revenue from state sources	35,580,456	36,388,951	35,102,954	(1,285,997)
Revenue from federal sources	1,263,401	1,263,401	2,806,497	1,543,096
Sales and other conversion of assets	500	4,456	7,571	3,115
Total revenues	<u>45,546,567</u>	<u>46,338,262</u>	<u>46,648,512</u>	<u>310,250</u>
Expenditures				
Administration	2,017,969	1,935,516	1,895,255	(40,261)
District support services	2,192,831	2,044,757	2,464,226	419,469
Regular instruction	17,286,143	19,759,966	19,634,964	(125,002)
Vocational instruction	551,003	551,003	502,231	(48,772)
Special education instruction	9,808,954	9,437,644	8,793,616	(644,028)
Instructional support services	2,913,577	3,347,389	3,486,827	139,438
Pupil support services	5,167,980	4,716,993	5,253,969	536,976
Sites and buildings	4,233,665	4,680,655	5,638,539	957,884
Fiscal and other fixed cost programs	1,056,597	1,056,597	1,233,101	176,504
Total expenditures	<u>45,228,719</u>	<u>47,530,520</u>	<u>48,902,728</u>	<u>1,372,208</u>
Excess of revenues over (under) expenditures	317,848	(1,192,258)	(2,254,216)	(1,061,958)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	4,876	4,876
Proceeds from leases	-	-	126,171	126,171
Proceeds from financed purchases	322,535	322,535	580,145	257,610
Transfers out	(690,994)	(690,994)	(827,336)	(136,342)
Total other financing sources (uses)	<u>(368,459)</u>	<u>(368,459)</u>	<u>(116,144)</u>	<u>252,315</u>
Net change in fund balances	<u>\$ (50,611)</u>	<u>\$ (1,560,717)</u>	<u>\$ (2,370,360)</u>	<u>\$ (809,643)</u>

The District approved a final General Fund revenue budget of \$46,338,262. With actual revenues coming in at \$46,648,512, the final budget produced a variance of \$310,250 or 0.7%. The largest variances were in federal and state revenues. Revenues from federal sources were primarily over budget as a result of budgeting conservatively as the district was unsure which awards would be used. State source were under budget due to a higher than expected decline in student counts and general education aid.

Independent School District No. 14
Financial Analysis

General Fund Revenues Budget and Actual (Continued)

In total, General Fund expenditures were over budget 2.9% or \$1,372,208. District support service expenditures were over budget due to unemployment benefits and cooperative expenditures. Pupil support service expenditures were over budget as transportation costs increased at a higher rate than anticipated. Expenditures in sites and buildings were over budget as a result of boiler failures and replacements. Offsetting these budget overages, special education instruction expenditures were under budget with employee benefits coming in lower than anticipated.

General Fund Sources of Revenue

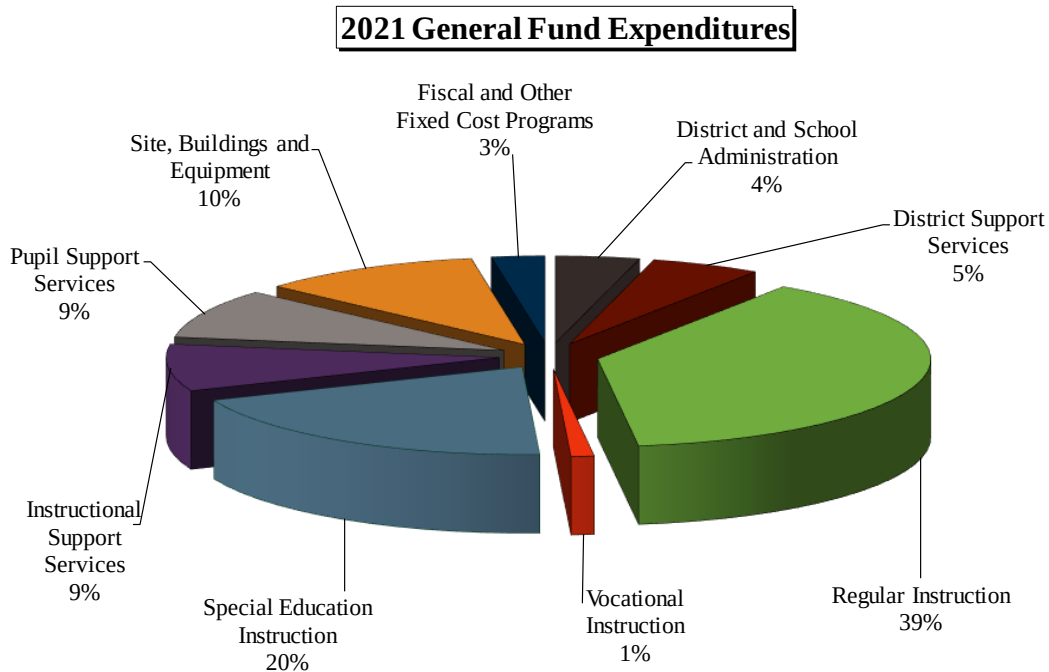
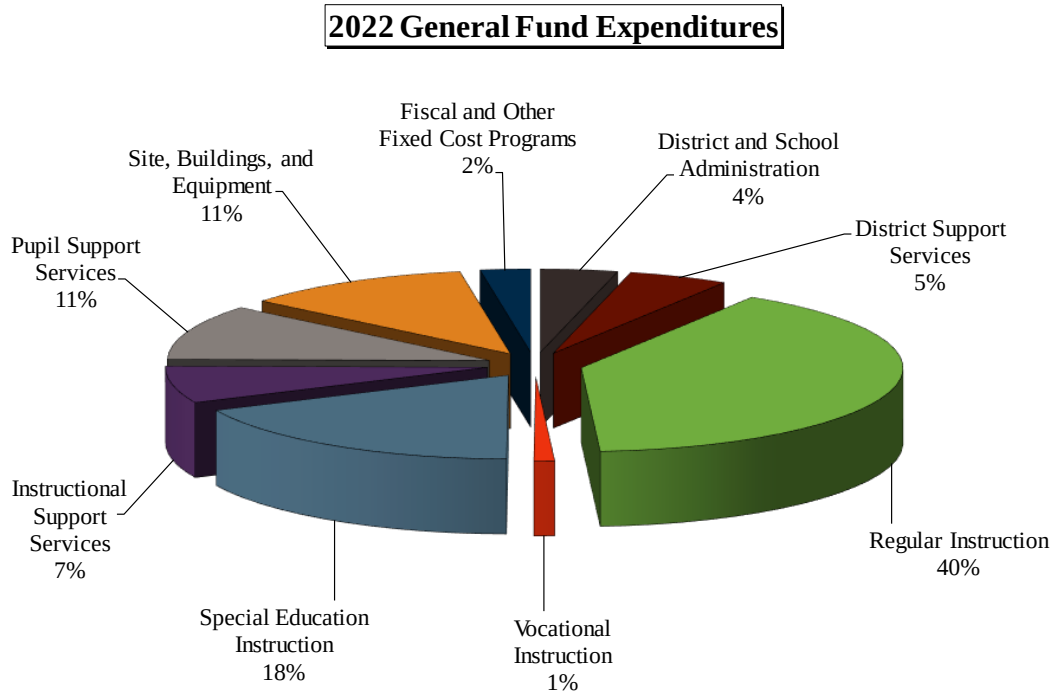
General Fund sources of revenue are summarized as follows:

	2018	2019	2020	2021	2022*
Local property taxes	\$ 5,586,336	\$ 6,303,819	\$ 6,457,443	\$ 7,512,337	\$ 7,579,755
State sources	35,959,679	35,747,873	35,171,289	35,274,529	35,102,954
Other	2,453,741	2,732,712	2,765,323	4,308,999	3,965,803
Total	\$ 43,999,756	\$ 44,784,404	\$ 44,394,055	\$ 47,095,865	\$ 46,648,512

State sources are 75.3% of the total General Fund revenue, with local taxpayers contributing 16.2% of the funding and federal and other sources making up the remaining 8.5%. Total revenue for 2022 decreased \$447,353 from \$47,095,865 in 2021 to \$46,648,512 in 2022. Other sources of revenue decreased as a result of less federal funding sources due to receiving more COVID related grants in the prior year. All other revenue sources stayed consistent with prior year numbers.

Independent School District No. 14 Financial Analysis

General Fund Expenditures



The allocation of expenditures has remained fairly consistent from year-to-year as shown above. The three instruction categories, regular, vocational, and special education comprise 59% and 60% of the total expenditures for 2022 and 2021.

Independent School District No. 14 Financial Analysis

General Fund

The following table presents comparative operating results for the District's General Fund:

For the Year Ended June 30,	2018	2019	2020	2021	2022
Revenues	\$ 43,999,756	\$ 44,784,404	\$ 44,394,055	\$ 47,095,865	\$ 46,648,512
Expenditures excluding OPEB	43,240,714	43,302,652	42,338,911	44,687,856	48,902,728
Excess of revenues over (under) expenditures	759,042	1,481,752	2,055,144	2,408,009	(2,254,216)
Sale of capital assets	-	-	-	20,279	4,876
Proceeds from leases	-	-	-	-	126,171
Proceeds from financed purchases	566,843	-	268,015	410,880	580,145
Transfers out	(1,551,781)	(725,740)	(832,061)	(708,586)	(827,336)
Fund balance, July 1	5,353,187	5,127,291	5,883,303	7,460,945	9,591,527
Change in accounting principle	-	-	86,544	-	-
Fund Balance, June 30	\$ 5,127,291	\$ 5,883,303	\$ 7,460,945	\$ 9,591,527	\$ 7,221,167
Components					
Nonspendable	\$ 300,318	\$ 144,601	\$ 207,678	\$ 341,966	\$ 523,972
Restricted for					
Student activities	-	-	68,462	79,365	86,689
Health and safety	(1,179)	-	-	-	-
Capital projects levy	(2)	4,019	279,040	177,408	64,950
Area learning center	-	-	-	-	40,908
Safe schools - crime levy	68,167	87,714	193,069	258,467	231,367
Operating capital	176,644	537,547	425,933	333,849	216,128
Long term facilities maintenance	(289,308)	25,658	60,196	1,004,602	145,458
Medical assistance	294,904	294,904	715,356	984,319	1,526,898
Assigned	2,028,808	2,246,081	2,599,775	3,291,873	1,276,042
Unassigned	2,548,939	2,542,779	2,911,436	3,119,678	3,108,755
Total	\$ 5,127,291	\$ 5,883,303	\$ 7,460,945	\$ 9,591,527	\$ 7,221,167

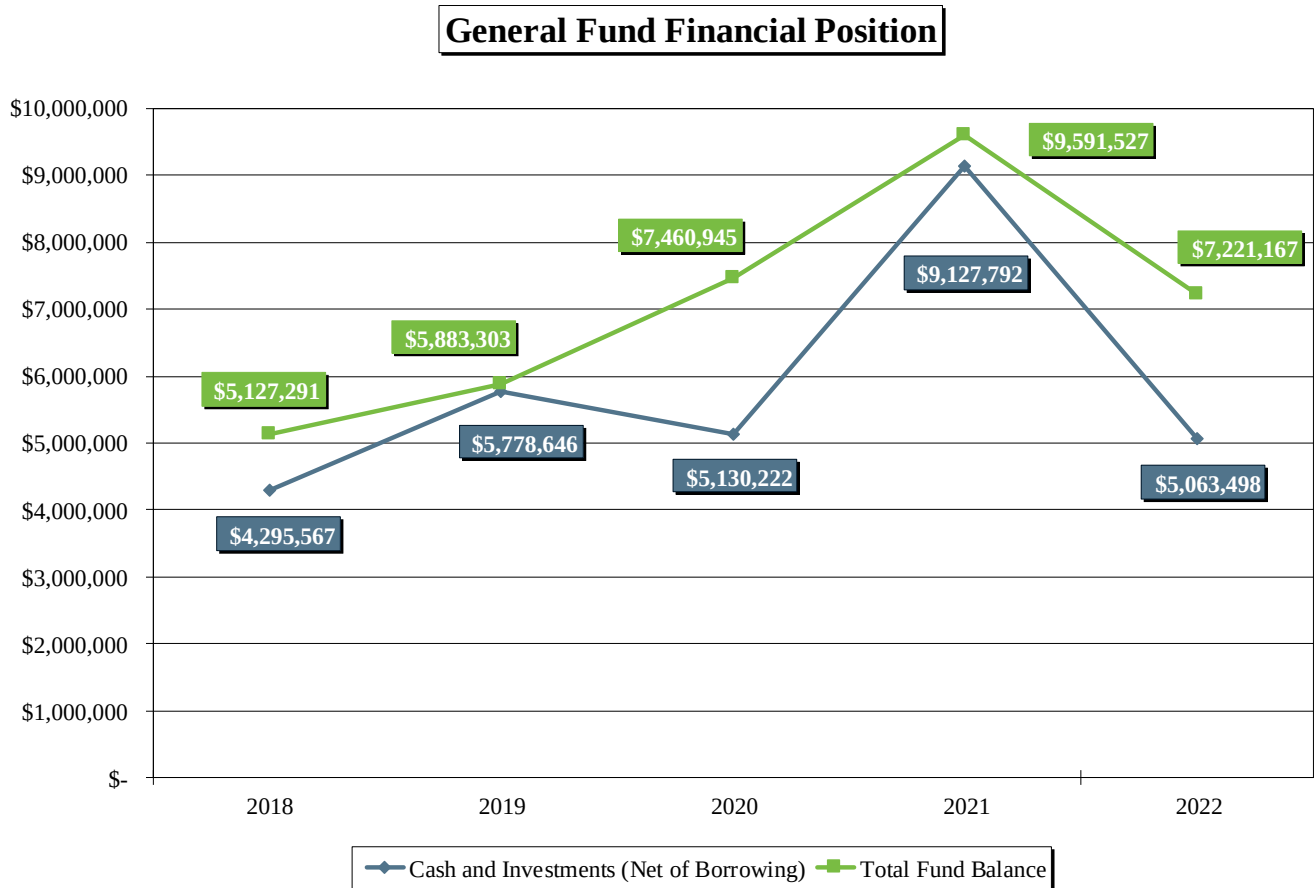
The District's General Fund revenues decreased \$447,353, or 0.9%, from the prior year, while expenditures increased \$4,088,701, or 9.1%. Regular instruction expenditures increased \$2,379,128 due to contract increases and retention bonuses. Pupil Support Services increased \$1,155,294 due to increased bussing with students back in school versus distance learning a portion of the prior year. Sites, buildings and equipment expenditures increased \$811,253 due to boiler failures and replacements.

The District's expenditures exceeded revenues by \$2,254,216 for 2022. The District received lease and financed purchase proceeds and monies from the sale of capital assets. The District transferred \$827,336 out to other funds for community education and capital project portions of the levy referendum.

Independent School District No. 14 Financial Analysis

General Fund Financial Position

Overall, the District's General Fund total fund balance increased \$2,370,360 in 2022. The District's unassigned portion of fund balance decreased \$10,923 from 2021, ending the year with a balance of \$3,108,755.



Independent School District No. 14 Financial Analysis

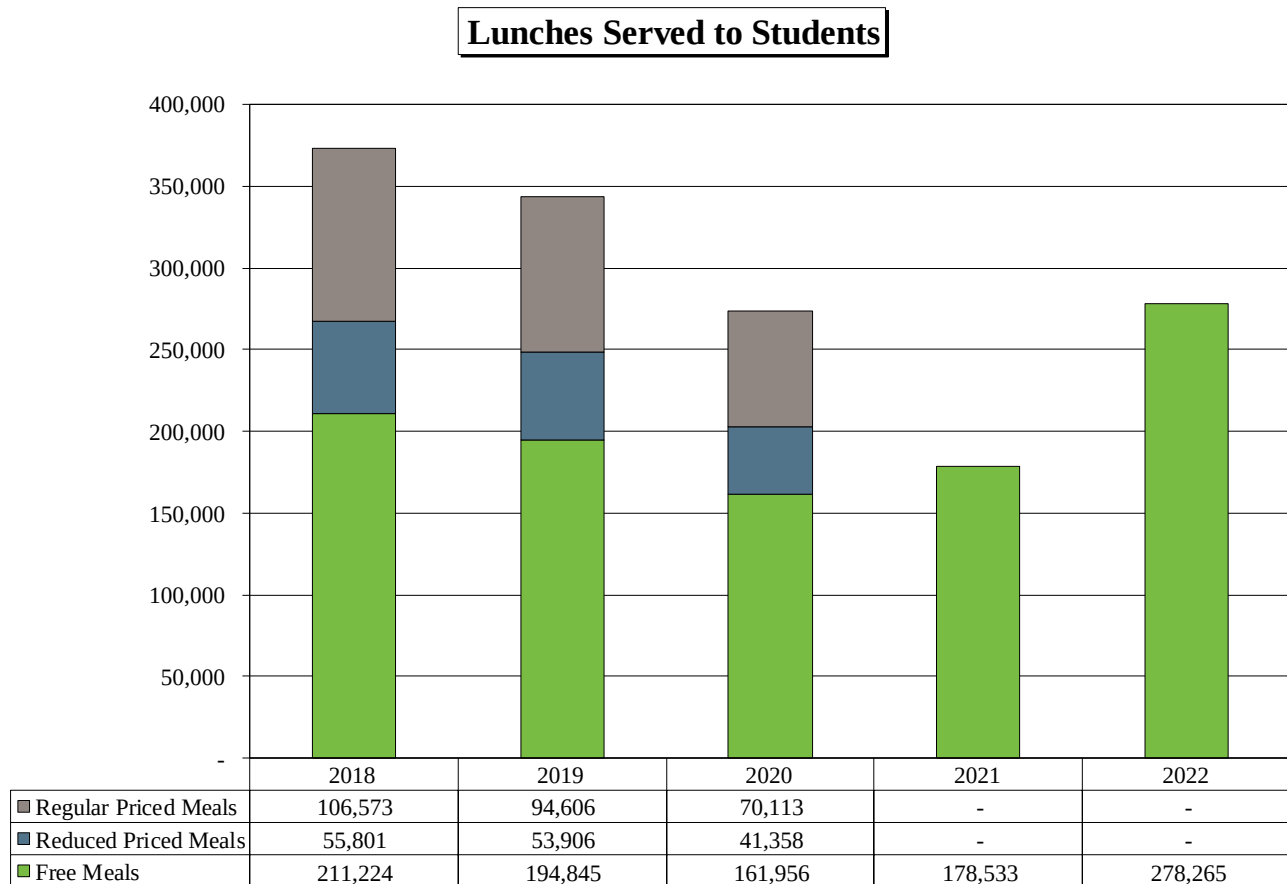
Food Service Fund

The following table presents five years of comparative operating results for the District's Food Service Fund.

For the Year Ended June 30,	2018	2019	2020	2021	2022
Revenues	\$ 2,045,007	\$ 2,200,263	\$ 1,799,299	\$ 1,609,953	\$ 2,323,742
Expenditures	2,141,389	2,092,615	1,749,648	1,596,883	1,958,341
Excess of revenues over (under) expenditures	(96,382)	107,648	49,651	13,070	365,401
Fund balance, July 1	563,081	466,699	574,347	623,998	637,068
Fund Balance, June 30	\$ 466,699	\$ 574,347	\$ 623,998	\$ 637,068	\$ 1,002,469

For the current year, there was an increase in fund balance of \$365,401. Revenues increased by \$713,789, or 44.3%, and expenditures increased by \$361,458, or 22.6%. The fund balance represents over four month's expenditures based on 2022 levels. The increase in revenues was due an increase in meals served and an increased federal reimbursement rate. The decrease in expenditures was also due to an increase in meals served and increased costs.

The following chart reflects the number and type of lunches served to students over the past five years:



Independent School District No. 14 **Financial Analysis**

Community Service Fund

The following table presents five years of comparative operating results for the District's Community Service Fund.

For the year ended June 30,	2018	2019	2020	2021	2022
Revenues	\$ 2,888,088	\$ 2,913,111	\$ 2,377,623	\$ 1,762,074	\$ 2,274,864
Expenditures	2,953,535	3,128,632	2,712,966	2,328,968	2,696,594
Excess of revenues under expenditures	(65,447)	(215,521)	(335,343)	(566,894)	(421,730)
Other financing sources	103,616	216,343	284,989	110,297	154,242
Fund balance, July 1	414,919	453,088	453,910	403,556	(53,041)
Fund Balance, June 30	\$ 453,088	\$ 453,910	\$ 403,556	\$ (53,041)	\$ (320,529)

For the year ended June 30,	2018	2019	2020	2021	2022
Components					
Nonspendable	\$ -	\$ 6,765	\$ 5,040	\$ 6,051	\$ 7,203
Restricted for					
Community education	260,914	264,584	274,056	(260,873)	(515,697)
ECFE	78,187	65,849	4,906	29,373	25,985
School readiness	47,235	45,455	24,579	76,494	73,382
Community service	66,752	71,257	94,975	95,914	88,598
Total	\$ 453,088	\$ 453,910	\$ 403,556	\$ (53,041)	\$ (320,529)

Expenditures exceeded revenues by \$421,730 in 2022. Revenues increased \$512,790, or 29.1%, from 2021 to 2022, while expenditures increased \$367,626, or 15.8%. The District transferred a total of \$136,342 from the General Fund to the Community Service Fund to allocate operating referendum dollars, to allocate a portion of lease levy for adult basic education and had a sale of equipment of \$2,425 and proceeds from leases of \$15,475. The community education restriction continues to be in deficit for a second year.

Independent School District No. 14 Legislative Summary

The following is a brief summary of current legislative changes and issues affecting the funding of Minnesota school districts. More detailed and extensive summaries are available from the Minnesota Department of Education (MDE).

State Aid Appropriations

The formula allowance for 2022 is set at \$6,728 and for 2023, the formula allowance is set at \$6,863.

Special Education

The special education hold harmless guarantee was limited to the sum of 80% in 2022 and 75% in 2023 and later, of current year special education program costs plus 100% of special transportation costs plus the tuition adjustment. The annual inflation adjustment used in the calculation of the hold harmless will be reduced by 0.2% per year from 4.4% in 2021 until the inflation adjustment reaches 2.0%.

Coronavirus Aid, Relief, and Economic Security (CARES) Act

Funding provided includes Governor's Emergency Education Relief (GEER) funding totaling \$38.1 million to MDE to be used for technology and summer school programming. Elementary and Secondary School Emergency Relief (ESSER) funding totaling \$140.1 million is 90% allocated based on 2020 Title I, part A allocations and 9.5% is allocated as grants, with the remaining 0.5% available for administration. Child Nutrition Grants to States funding totaled \$160.3 million. ESSER and GEER funds are eligible for spending through September 30, 2022.

Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act

The CRRSA Act was signed into law on December 27, 2020, and provided an additional \$2.75 billion for the Emergency Assistance for Nonpublic School Fund (EANS Fund) of which \$41,697,717 was awarded to Minnesota. Funds are eligible for spending through September 30, 2023.

American Rescue Plan (ARP) Act

The ARP Act was signed into law on March 11, 2021, and focuses on returning to, and maintaining, safe in-person learning for all students.

The ARP includes \$1.3 billion for E-12 education in ESSER funds for Minnesota to help schools returning to, and maintaining, safe in-person learning for all students. Per the federal law, 90% of these funds have been allocated to eligible districts and charter schools. 9.5% of these funds are for flexible use by each state education agency to create a plan to meet the needs of students. Funds are eligible for spending through September 30, 2024.

Property Tax Bill

Effective for taxes payable in 2018, there will be a property tax credit on all property classified as agricultural. The credit will be equal to 40% of the tax on the property attributable to school district bonded debt levies. The credit is increased to 50% for taxes payable in 2020, 55% for taxes payable in 2021, 60% for taxes payable in 2022, and 70% for taxes payable in 2023 and thereafter. Estimated property tax relief totals \$10.9 million for pay 2020, \$18.2 million for pay 2021, and \$27.2 million for pay 2022.

Voluntary Prekindergarten (VPK)/School Readiness Plus

For 2022 and 2023 only, the 4,000 seats currently expiring after 2021 will continue to be funded.

Independent School District No. 14 Legislative Summary

Pension Bill

Augmentation has been eliminated for TRA members after December 31, 2017, and early retirement subsidies have been phased out.

Post-retirement cost of living adjustments (COLAs) have been reduced –

- 1) TRA – lowers the COLA from 2% to 1% for five years; then the rate will increase by 0.1% each year until it reaches 1.5%
- 2) PERA – the increase will be 50% of the increase for Social Security announced January 1, but not less than 0.5% or more than 1.5%
- 3) Defers commencement of COLA for early retirees

The rate of interest paid on refunds of employee contributions to former employees has been reduced from 4% to 3%. TRA required contributions have increased to 7.75% for employees effective for fiscal year 2024. Required employer contributions will increase 0.21% for fiscal year 2019 to fiscal year 2023 and 0.2% in fiscal year 2024 until a required contribution rate of 8.75% is reached. Pension adjustment revenue will increase to match the required contribution increases.

Independent School District No. 14 Emerging Issues

Executive Summary

The following is an executive summary of financial related updates to assist you in staying current on emerging issues in accounting and finance. This summary will give you a preview of the new standards that have been recently issued and what is on the horizon for the near future. The most recent and significant updates include:

- **Accounting Standard Update – GASB Statement No. 96 – Subscription-Based Information Technology Arrangements**
GASB has issued GASB Statement No. 96 relating to accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement will improve financial reporting by establishing a definition for subscription-based information technology arrangements and providing uniform guidance for accounting and financial reporting for transactions that meet that definition.
- **Accounting Standard Update – GASB Statement No. 100 – Accounting Changes and Error Corrections**
GASB has issued GASB Statement No. 100 relating to accounting and financial reporting for accounting changes and error corrections. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability.
- **Accounting Standard Update – GASB Statement No. 101 – Compensated Absences**
GASB has issued GASB Statement No. 101 relating to accounting and financial reporting for compensated absences. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

The following are extensive summaries of the current updates. As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss these issues with you further and their applicability to your District.

Accounting Standard Update – GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

Independent School District No. 14 Emerging Issues

Accounting Standard Update – GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements (Continued)*

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which a government has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will not exercise that option).

Under this Statement, a government generally should recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, – which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term.

Activities associated with a SBITA, other than making subscription payments, should be grouped into the following three stages, and their costs should be accounted for accordingly:

- Preliminary Project Stage, including activities such as evaluating alternatives, determining needed technology, and selecting a SBITA vendor. Outlays in this stage should be expensed as incurred.
- Initial Implementation Stage, including all ancillary charges necessary to place the subscription asset into service. Outlays in this stage generally should be capitalized as an addition to the subscription asset.
- Operation and Additional Implementation Stage, including activities such as subsequent implementation activities, maintenance, and other activities for a government's ongoing operations related to a SBITA. Outlays in this stage should be expensed as incurred unless they meet specific capitalization criteria.

In classifying certain outlays into the appropriate stage, the nature of the activity should be the determining factor. Training costs should be expensed as incurred, regardless of the stage in which they are incurred.

Independent School District No. 14 Emerging Issues

Accounting Standard Update – GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements (Continued)*

If a SBITA contract contains multiple components, a government should account for each component as a separate SBITA or nonsubscription component and allocate the contract price to the different components. If it is not practicable to determine a best estimate for price allocation for some or all components in the contract, a government should account for those components as a single SBITA.

This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

GASB Statement No. 96 is effective for reporting periods beginning after June 15, 2022. Earlier application is encouraged.

Information provided above was obtained from www.gasb.org.

Accounting Standard Update – GASB Statement No. 100 – *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting – understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement.

Independent School District No. 14 Emerging Issues

Accounting Standard Update – GASB Statement No. 100 – *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62 (Continued)*

This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

GASB Statement No. 100 is effective for reporting periods beginning after June 15, 2023. Earlier application is encouraged.

Information provided above was obtained from www.gasb.org.

Accounting Standard Update – GASB Statement No. 101 – *Compensated Absences*

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

Independent School District No. 14
Emerging Issues

Accounting Standard Update – GASB Statement No. 101 – *Compensated Absences* (Continued)

This Statement requires that a liability for certain types of compensated absences – including parental leave, military leave, and jury duty leave – not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

GASB Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Earlier application is encouraged.

Information provided above was obtained from www.gasb.org.

**Independent School District No. 14
Fridley, Minnesota**

Basic Financial Statements

June 30, 2022

Independent School District No. 14
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Independent School District No. 14
Board of Education and Administration
June 30, 2022

<u>Board of Education</u>	<u>Position</u>	<u>Term Expires</u>
Ross Meisner	Chair	January 1, 2026
Avonna Starck	Vice Chair	January 1, 2026
Nikki Auna	Treasurer	January 1, 2026
Jason Karnopp	Clerk	January 1, 2024
Abdisalam Adam	Director	January 1, 2024
Donna Prewedo	Director	January 1, 2024
<u>Ex Officio Member</u>		
Dr. Kim Hiel	Superintendent	
John Toop	Interim Director of Finance and Operations	

Independent Auditor's Report

To the School Board
Independent School District No. 14
Fridley, Minnesota

Report on the Audit of the Financial Statements

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 14, Fridley, Minnesota, as of and for the year ended June 30, 2022, and the related notes to the basic 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 present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 14, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the 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. 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 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Implementation of GASB 87

The District has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The management of Independent School District No. 14 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, which raise substantial doubt about the District's ability to continue as a going concern for one year 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, which 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, which follows this report letter, and Required Supplementary information 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 (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

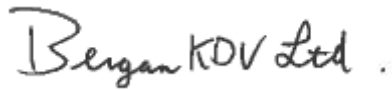
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2022, on our consideration of the District's internal control over financial reporting and 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 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.



Minneapolis, Minnesota
November 8, 2022

Independent School District No. 14 Management's Discussion and Analysis

This section of Independent School District No. 14 (the "District") annual financial report presents its Management's Discussion and Analysis (MD&A) of the District's financial performance during the fiscal year ending June 30, 2022. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Key Points of Interest

- The District's Governmental Funds Balance Sheet reflects an Unassigned General Fund balance of \$3,108,755. This is a decrease from the prior year of \$10,923.
- The total General Fund balance of \$7,221,166 is a decrease of \$2,370,360 from the prior year.
- The government-wide Statement of Activities shows an increase in net position of \$3,522,229.
- The net position value on the government-wide Statement of Net Position is a deficit of \$17,937,260. Net position value is similar to the Balance Sheet's Equity for Private Sector businesses.
- Total government wide long-term liabilities, excluding OPEB and pension liabilities, are \$49,158,786 and are comprised of \$45,342,713 in General Obligation (G.O.) Bonds, \$2,401,781 in financed purchases, \$711,393 in lease liabilities and \$702,899 of severance and compensated absences payable.
- The District's investment in capital assets, net of depreciation, is \$51,521,467. The increase from the prior year of \$2,296,777 is due to several significant boiler and water projects undertaken during the year. The investment in capital assets exceeds the total of G.O. bonds plus the financed purchases and leases (the debt related to investment in capital assets) by \$4,370,145.

Overview of the Financial Statements

This annual report consists of two parts: MD&A (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the District:

The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements. The governmental fund statements tell how basic services such as regular and special education are financed in the short term as well as what remains for future spending. Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

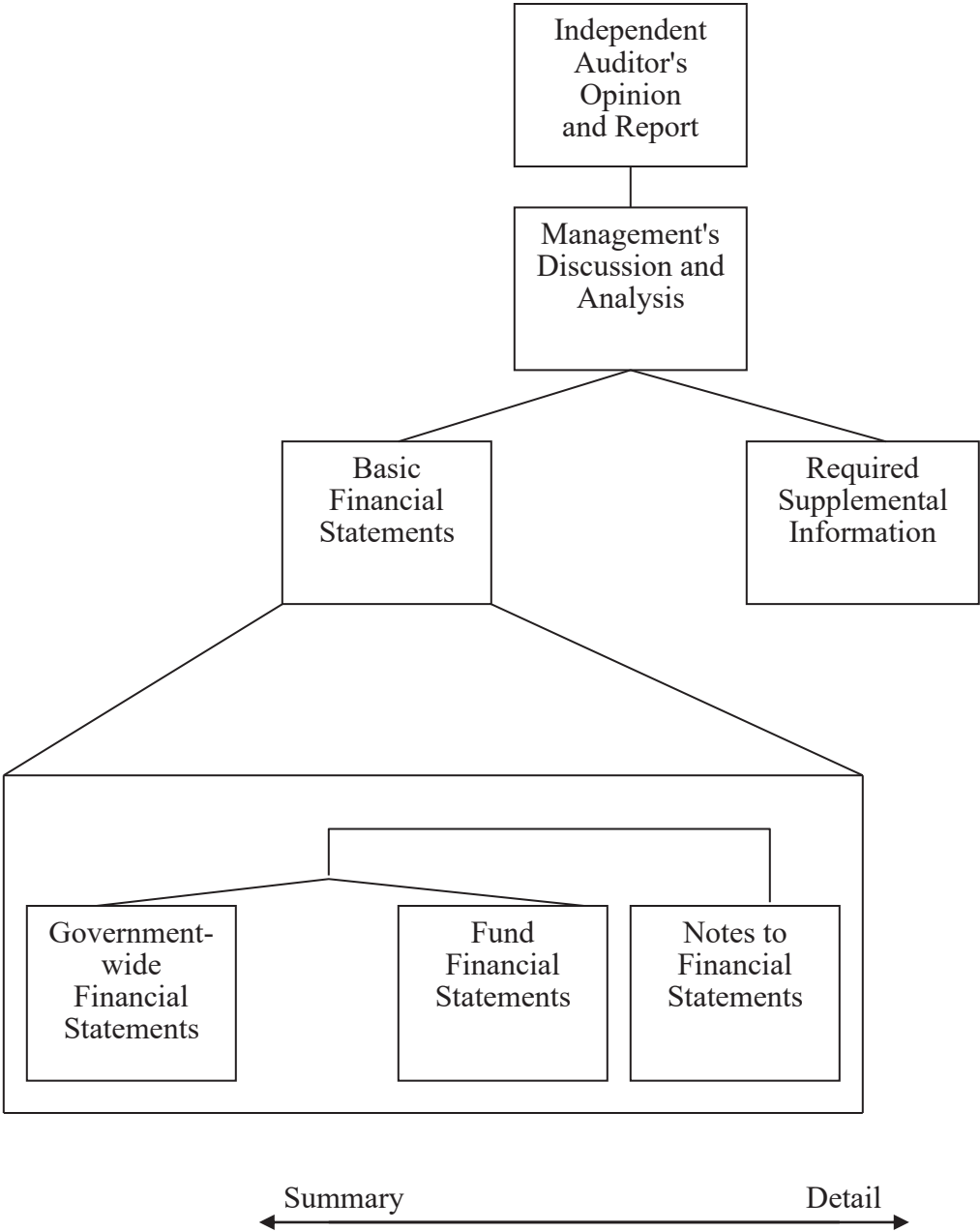
The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.

Figure A-1 on the next page shows how the various parts of this annual report are arranged and related to one another.

**Independent School District No. 14
Management's Discussion and Analysis**

Overview of the Financial Statements (Continued)

**Figure A-1
Organization of Independent School District No. 14 Annual Financial Report**



Independent School District No. 14 Management's Discussion and Analysis

Overview of the Financial Statements (Continued)

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2 Major Features of the District-Wide and Fund Financial Statements			
	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not fiduciary, such as special education and building maintenance	Activities of the District operates similar to private business - Internal Service Fund
Required Financial Statements	- Statement of Net Position - Statement of Activities	- Balance Sheet - Statement of Revenues, Expenditures, and Changes in Fund Balances	- Statement of Net Position - Statement of Revenues, Expenses and Changes in Fund Net Position - Statement of Cash Flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities both financial and capital, and short-term and long-term
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when good or services have been received and related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

Independent School District No. 14 Management's Discussion and Analysis

Overview of the Financial Statements (Continued)

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, deferred outflows of resources, 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 District's overall health, one should consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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.

The District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that indicates whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs and obligations.

Financial Analysis of the District as A Whole

The Statement of Net Position identifies current assets and liabilities from noncurrent assets and long-term debt, respectively. The ratio of these current assets of \$36.3 million to current liabilities of \$9.9 million is 3.7. A "current ratio" greater than 1.0 indicates that sufficient assets are available that can be converted to cash to meet District obligations payable over the next 12-month period.

The Statement of Net Position includes noncurrent assets not reported on the governmental funds balance sheet. These noncurrent assets include the total acquisition cost of the District's capital assets less accumulated depreciation. During the year, the District acquired \$6,566,770 of additional capital assets. The majority of this increase is comprised of work in progress related to HVAC system building automation, boiler replacements, water system upgrades and parking lot improvements. The remaining capital asset additions consist of purchases associated with the District's Long-Term Facilities Maintenance program and equipment and vehicle replacements. Depreciation expense for the year equaled \$4,159,227. The increase in new investment in capital equipment exceeded the current year depreciation expense, resulting in an increase in the net capital asset total to \$51,521,467 compared to \$49,224,690 for the prior year.

Independent School District No. 14 Management's Discussion and Analysis

Financial Analysis of the District as A Whole (Continued)

Related to the noncurrent assets are the general obligation bonds. On November 12, 2020, the district issued \$4,475,000 General Obligation (G.O.) School Building Refunding Bonds, Series 2020A. These bonds refunded the G.O. School Building Refunding Bonds issued in 2012 which refunded the G.O. School Building Bonds issued in 2004. On November 8, 2018, the District issued \$2,450,000 G.O. Taxable OPEB Refunding Bonds, Series 2018A. These bonds refunded the OPEB bond issued in 2009 to fund the Districts' obligation for retiree insurance benefits. On February 15, 2017, the District issued \$1,960,000 G.O. Tax Abatement Bonds, Series 2017A. The proceeds funded parking lot construction projects throughout the District. The District issued \$25,890,000 G.O. School Building bonds, Series 2016A in February of 2016. The voters of the District authorized the school building issue in November of 2015. Over the course of three years, the proceeds funded safety and security upgrades, deferred maintenance, building renovations, technology improvements, and building additions. The remaining liability on these bonds, net of unamortized premiums, as of June 30, 2022, is \$45.3 million. The capital asset additions and the amortization of the general obligation bonds resulted in an increase of \$4,765,663 in the net investment in capital assets total compared to the prior year.

Additional long-term debt for severance pay (employee separation pay based on unused sick time) is \$0.4 million, which is owed to employees who have retired prior to June 30.

The District reported an OPEB liability of \$3,032,585, an increase of \$66,670 from the prior year.

Due to changes, primarily in actuarial assumptions used by the State of Minnesota's public pensions, the District reported a total net pension liability of \$17.9 million, a decrease of \$10.8 million from the previous year.

Overall, the District's net position increased \$3,522,229 during the year from current year operations and total net position decreased to a deficit of \$17.9 million.

Independent School District No. 14
Management's Discussion and Analysis

Financial Analysis of the District as A Whole (Continued)

Figure A-3
Condensed Statement of Net Position (in Thousands of Dollars)

	2022	2021	Percent Change
Current and OPEB assets	\$ 36,319	\$ 40,141	(9.5%)
Capital assets	51,522	49,225	4.7%
Total assets	<u>87,841</u>	<u>89,366</u>	(1.7%)
Deferred outflows of resources	<u>12,626</u>	<u>14,570</u>	(13.3%)
Current liabilities	9,869	10,290	(4.1%)
Long-term liabilities	65,653	79,791	(17.7%)
Total liabilities	<u>75,522</u>	<u>90,081</u>	(16.2%)
Deferred inflows of resources	<u>42,881</u>	<u>35,315</u>	21.4%
Net investment in capital assets	4,370	(396)	1,203.5%
Restricted for debt service	396	300	(32.0%)
Restricted for capital projects	4	-	
Restricted for other purposes	3,513	5,115	(31.3%)
Unrestricted net position	<u>(26,220)</u>	<u>(26,479)</u>	(1.0%)
Total net position	<u>\$ (17,937)</u>	<u>\$ (21,460)</u>	16.4%

**Independent School District No. 14
Management's Discussion and Analysis**

Financial Analysis of the District as A Whole (Continued)

**Figure A-4
Changes in Net Position from Operating Results (in Thousands of Dollars)**

	2022	2021	Percent Change
Revenues			
Program revenues			
Charges for services	\$ 1,690.5	\$ 865.2	95.4%
Operating grants and contributions	21,447.8	21,084.5	1.7%
Capital grants and contributions	1,662.7	722.7	130.1%
General revenues			
Property taxes	12,280.9	12,275.4	0.0%
State formula aid	20,077.0	20,649.6	(2.8%)
Other	(84.5)	60.6	(239.4%)
Total revenues	<u>57,074.4</u>	<u>55,658.0</u>	<u>2.5%</u>
Expenses			
Administration and district support	4,146.6	4,231.7	(2.0%)
Instruction, pupil support, student food, and transportation services	37,709.1	37,509.2	0.5%
Sites and buildings	3,765.2	3,353.9	12.3%
Community services	2,615.3	2,354.2	11.1%
Interest and fiscal charges on long-term debt	1,362.1	885.2	53.9%
Fiscal and other fixed cost programs	240.0	204.7	17.2%
Unallocated depreciation (buildings)	3,713.9	3,508.3	5.9%
Total expenses	<u>53,552.2</u>	<u>52,047.2</u>	<u>2.9%</u>
Increase (decrease) in net position	<u>\$ 3,522.2</u>	<u>\$ 3,610.8</u>	<u>(2.5%)</u>

The Statement of Activities is government-wide and, like the Statement of Net Position, the first year it was prepared was 2003. Figure A-4 illustrates that an increase in net position of \$3,522,229 is attributable to activity during the year.

The pie chart in Figure A-5 shows the sources of District revenues. Program revenues include operating grants and contributions which totals 37.5% of total revenue. Operating grants and contributions consist mostly of state and federal funding of special education and other state and federal categorical spending. Charges for services, comprised of mostly special education tuition billings, food service and community center receipts make up 2.9% of revenue. Capital Grants consisting of state aid for operating capital and federal grants used for air quality improvements is 2.9% of revenue.

General revenues include the state aid formula which accounts for 35.2% of the District's total funding. Property taxes make up 21.5% of the total funding.

Independent School District No. 14 Management's Discussion and Analysis

Financial Analysis of the District as A Whole (Continued)

Revenues for the year increased by \$1,416,400 or 2.5%. Capital grants and contributions increased 130.1% as a result of federal grants received to combat the effect of the COVID-19 pandemic throughout the District. Charges for services increased 95.4% as operations began returning to pre-pandemic activities, specifically within the community education and food service programs. Other general revenues decreased \$145,100, or 239.4% as a result of a significant decline in investment interest rates and corresponding market value adjustments.

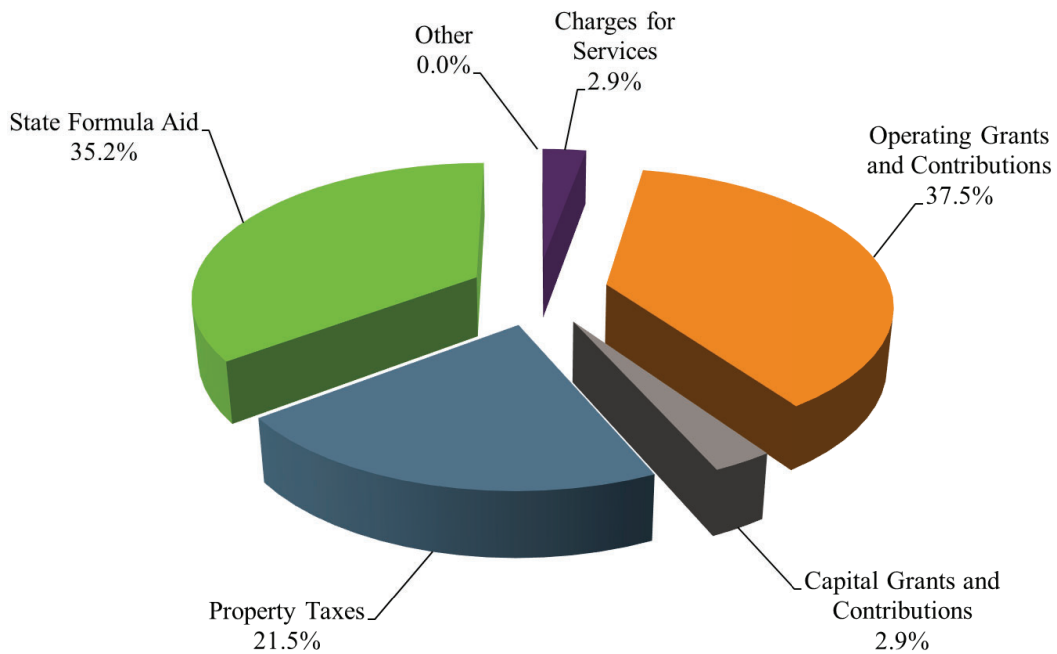
Expenses for the year were \$1,505,000, or 2.9%, higher than the previous year. The largest factor in the increase in expenses was the increase in interest and fiscal charges on long term debt due to the increase in the recognition of long-term traditionally non-capital leases. Community education expenses increased \$261,100, or 11.1%, as a result of increased program offerings leading to higher staffing and operations costs. Sites and buildings expenses increased \$411,300, or 12.3%, with an increase in building projects and improvements.

The pie chart illustrated in Figure A-6 on the following page indicates the costs of the District's programs and services. The District's expenses predominantly related to instructing students and pupil support (including food service and student transportation) accounted for 70.4% of the government-wide expenditures, which is a slightly lower percentage of government-wide expenditures than in prior years. Sites and buildings were 7.0%, administration and district support services accounted for 7.8%, community services expenditures were 4.9% and less than 1% was spent on fiscal and other fixed programs. Interest expense on the District's outstanding long-term debt was 2.6% and 6.9% of expense was attributable to unallocated depreciation (buildings).

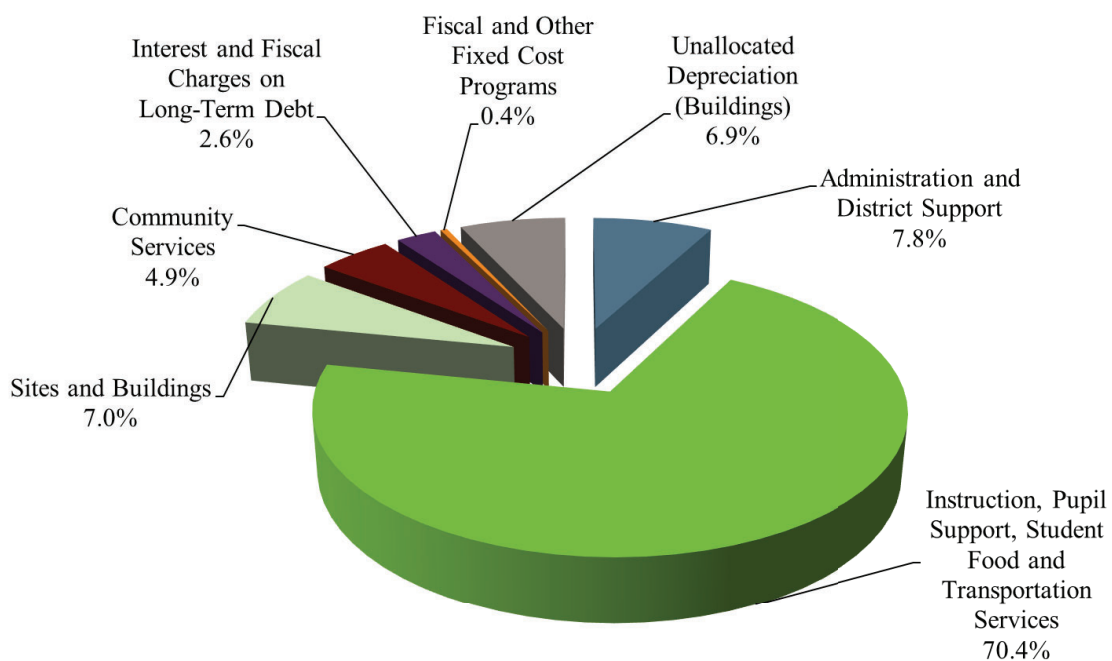
**Independent School District No. 14
Management's Discussion and Analysis**

Financial Analysis of the District as A Whole (Continued)

**Figure A-5
Sources of Revenue for Fiscal Year 2022**



**Figure A-6
Expenses for Fiscal Year 2022**



Independent School District No. 14 Management's Discussion and Analysis

Financial Analysis of the District as A Whole (Continued)

Figure A-7 presents the cost of the major District activities. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for the specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

Figure A-7
Net Cost of Activities (in thousands of dollars)

	Total Cost of Services			Net Cost of Services		
	2022	2021	Percent Change	2022	2021	Percent Change
Administration/district support	\$ 4,147	\$ 4,232	(2.0%)	\$ 4,126	\$ 4,212	(2.0%)
Regular instruction	18,897	18,256	3.5%	10,474	9,979	5.0%
Vocational instruction	484	531	(8.9%)	471	492	(4.3%)
Special instruction	8,389	9,004	(6.8%)	812	1,298	(37.4%)
Instructional support	2,857	3,992	(28.4%)	1,822	2,392	(23.8%)
Pupil support services	5,186	4,154	24.8%	3,343	2,921	14.4%
Sites and buildings	3,765	3,354	12.3%	2,053	2,540	(19.2%)
Fiscal and other fixed programs	240	205	17.1%	240	205	17.1%
Food service	1,896	1,572	20.6%	(428)	(38)	1,026.3%
Community services	2,615	2,354	11.1%	762	981	(22.3%)
Unallocated depreciation	3,714	3,508	5.9%	3,714	3,508	5.9%
Interest on long-term debt	1,362	885	53.9%	1,362	885	53.9%
Total	<u>\$ 53,552</u>	<u>\$ 52,047</u>	2.9%	<u>\$ 28,751</u>	<u>\$ 29,375</u>	(2.1%)

The cost of all District activities this year was \$53.6 million.

- Users of the District's programs financed some of the costs (\$1.7 million).
- The federal and state governments subsidized certain programs with operating and capital grants and contributions (\$21.4 million).
- District and state taxpayers financed most of the District's activity, \$20.1 million from unrestricted state aid and \$12.3 million from property taxes.
- Investment and other income decreased significantly from the previous year and remains insignificant in comparison to other revenue sources.

Financial Analysis of the District's Funds

As the District completed the year, its governmental funds reported a combined fund balance of \$8,949,380. This is a decrease of \$3,696,201 from last year. This decrease largely resides in the general fund with increased spending resulting from returning to pre-pandemic services as well as planned increased in wages under various contract settlements.

Independent School District No. 14 Management's Discussion and Analysis

Financial Analysis of the District's Funds (Continued)

The General Fund unassigned fund balance at June 30, 2022 decreased \$10,923 to a balance of \$3,108,755. The assigned fund balance at June 30, 2022, was \$1,276,042. The assigned fund balance consists of funds for students, separation and retirement benefits and funds for curriculum adoption. The Assigned fund balance declined due to a planned use of previously assigned funds related to capital projects and retention compensation. The restricted fund balance declined from the prior year due to a planned spend down on both operating capital and long-term facilities maintenance ten-year plan funds.

The Capital Projects Fund restricted fund balance at June 30, 2022 decreased \$1,425,952 as a result of a planned spend down of fund balance for the completion of HVAC and boiler projects.

The Other Nonmajor Funds deficit unassigned fund balance of \$515,697 is due to the costs incurred by community education programs to start up programs and resume operations that had been impacted by pandemic restrictions.

General Fund Budgetary Points of Interest

General Fund revenues of \$46,648,512 were within 0.7% of budget overall. The District over budgeted revenues from state sources by \$1,285,997, with student enrollment ultimately coming in lower than anticipated. Federal revenues were over budget \$1,543,096 as the District budgeted conservatively and utilized unexpected federal funds that became available during the year.

General Fund expenditures of \$48,902,728 were over budget, with actual expenditures varying from budgeted expenditures by \$1,372,208. In total, the variance was 2.3%; however, there were variances within several functions of the District. The largest difference was in sites and buildings current and capital expenditures, which exceeded budget at net \$957,884 as a result of several building projects that were funded using assigned fund balance and therefore not budgeted as current expenditures in the final budget. Pupil support services current expenditures were also over budget \$ 536,976 as transportation costs increased due to the resumption of in person learning and rising fuel costs during the year. District support service expenditures were also over budget \$409,678 due to high unemployment costs that had been on hold during the pandemic as well as increased cooperative expenditures. Special education expenditures were under budget by \$597,196 as the District experienced staffing issues, leaving budgeted positions vacant while also experiencing lower than expected benefit costs.

The expenditure budget was amended \$2,301,801 to a final budget of \$47,530,520. This adjustment was made to reflect additional costs resulting from labor contract settlements as well as additional funding for sites and building projects identified as crucial during the year.

Independent School District No. 14 Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital Assets

Figure A-8 illustrates a comparison of capital assets between this year and last year. During the year, the District acquired a net \$6,566,770 of capital assets, including \$740,778 in leased buildings and equipment added as a result of implementing GASB 87. The work in progress category increased as a result of new projects started, including boiler replacement projects at multiple sites and loading dock improvements and tennis court reconstruction projects at the High School. The buildings category increased with the completion of HVAC upgrades and domestic water improvements at various sites as well as restroom renovations at the High School and Middle School.

Depreciation expense for the year was \$4,159,227 which remains consistent with the prior years' depreciation expense.

**Figure A-8
Capital Assets**

	2022	2021	Percent Change
Land	\$ 657,500	\$ 657,500	-
Work in progress	1,777,277	1,244,584	42.8%
Improvements	4,755,074	4,284,206	11.0%
Buildings	93,759,484	89,865,730	4.3%
Equipment	4,048,323	3,531,350	14.6%
Leased Buildings	718,809	-	100.0%
Leased Equipment	163,615	-	100.0%
Total before depreciation	<u>105,880,082</u>	<u>99,583,370</u>	6.3%
Accumulated depreciation	<u>(54,358,615)</u>	<u>(50,358,680)</u>	7.9%
Capital assets (net of accumulated depreciation)	<u><u>\$ 51,521,467</u></u>	<u><u>\$ 49,224,690</u></u>	4.7%

Long-Term Debt

At year-end, the District had \$49,158,786 in total long-term debt as shown in Figure A-9. More detailed information about the District's long-term liabilities is presented in the notes to financial statements.

**Figure A-9
Outstanding Long-Term Debt and Separation and Severance Payable**

	2022	2021	Percent Change
General Obligation Bonds, Financed Purchases and Leas	\$ 48,455,887	\$ 51,496,001	(5.9%)
Separation and Severance and Vacation Payable	<u>702,899</u>	<u>802,043</u>	(12.4%)
Total	<u><u>\$ 49,158,786</u></u>	<u><u>\$ 52,298,044</u></u>	(6.0%)

Independent School District No. 14 Management's Discussion and Analysis

Capital Asset and Debt Administration (Continued)

The decrease in General Obligation Bonds, Financed Purchases and Leases is primarily related to the principal repayment on current outstanding debt. In 2020, the District issued \$4,475,000 in G.O. Building Refunding Bonds, Series 2020A, which refunded the G.O. Building Refunding Bonds, Series 2012A. In 2018, the District issued \$2,450,000 General Obligation Taxable OPEB Refunding Bonds, Series 2018A. These bonds refund the OPEB bond issued in 2009 to fund the districts obligation for retiree insurance benefits. In 2017, the District issued \$1,960,000 G.O. Abatement Bonds, Series 2017A for parking lot improvements throughout the District. The District issued \$25,890,000 G.O. School Building bonds, Series 2016A in the February of 2016. The voters of the District authorized the bond issue in November of 2015.

Factor's Bearing on the District's Future

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

- The Minnesota legislature determines education funding for each biennium. Future increases are uncertain at the time of issuance.
- The District's student enrollment decreased to 2,769 students in FY 2021-22. This is a decrease of 64 students or 2.3 percent from FY 2020-21. Enrollment continues to fluctuate over time, with the District projected a decline in 2021-22. The District continues to focus on retaining residents and attracting open enrolled students going forward as the majority of school funding is tied to student enrollment.
- The District has a potential liability of several million dollars in post-retirement benefits (health insurance) to be paid to current and future retirees of the District. Because the District expects new retirements over the course of the next few years, payments for these benefits will continue for several years to come. Funding for these expenses will come from an OPEB trust established in 2010. The unfunded portion of this liability is reported in the District statements beginning with the fiscal year ended June 30, 2009, as required by GASB 43 and 45, and subsequently GASB 75.
- The single largest expenses for the District are staff salaries. All of the District bargaining groups have contracts in place through June 30, 2023.
- Historically, Fridley has had a relatively high number of open-enrolled and non-resident students. While our District is able to receive state aid for these students, it would put the District in a difficult financial position if these students chose not to attend our schools in future years.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Manager, Independent School District 14, 6000 West Moore Lake Drive, Fridley, Minnesota 55432.

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BASIC FINANCIAL STATEMENTS

Independent School District No. 14
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Cash and investments	\$ 20,371,910
Current property taxes receivable	8,834,474
Delinquent property taxes receivable	102,645
Accounts receivable, net of allowance	59,442
Interest receivable	49,559
Due from Department of Education	4,397,455
Due from Federal Government through Department of Education	1,738,800
Due from other Minnesota school districts	51,553
Due from other governmental units	160,528
Inventory	21,196
Prepaid items	531,504
Capital assets not being depreciated	
Land	657,500
Construction in progress	1,777,277
Capital assets net of accumulated depreciation	
Buildings	43,840,636
Land improvements	3,008,010
Furniture and equipment	1,539,035
Leased buildings	550,124
Leased equipment	148,885
Total assets	<u>87,840,533</u>
Deferred Outflows of Resources	
Deferred charges on refunding	274,565
Deferred outflows of resources related to OPEB	407,476
Deferred outflows of resources related to pensions	11,944,026
Total deferred outflows of resources	<u>12,626,067</u>
 Total assets and deferred outflows of resources	 <u>\$ 100,466,600</u>
Liabilities	
Accounts and contracts payable	\$ 763,262
Salaries and benefits payable	2,204,608
Incurred but not reported claims	325,509
Interest payable	723,466
Due to other Minnesota school districts	128,411
Due to other governmental units	30,491
Unearned revenue	1,263,280
Bond principal payable (net unamortized premium)	
Payable within one year	3,140,000
Payable after one year	42,202,713
Financed purchases	
Payable within one year	596,195
Payable after one year	1,805,586
Lease liability	
Payable within one year	198,867
Payable after one year	512,526
Vacation payable	
Payable within one year	401,003
Severance payable	
Payable within one year	94,444
Payable after one year	207,452
Net OPEB Liability	3,032,585
Net pension liability	17,892,064
Total liabilities	<u>75,522,462</u>
Deferred Inflows of Resources	
Property taxes levied for subsequent year's expenditures	12,102,834
Deferred inflows of resources related to OPEB	593,372
Deferred inflows of resources related to pensions	30,185,192
Total deferred inflows of resources	<u>42,881,398</u>
Net Position	
Net investment in capital assets	4,370,145
Restricted for	
Debt service	395,968
Capital projects	3,969
Other purposes	3,512,970
Unrestricted	(26,220,312)
Total net position	<u>(17,937,260)</u>
 Total liabilities, deferred inflows of resources, and net position	 <u>\$ 100,466,600</u>

See notes to basic financial statements.

Independent School District No. 14
Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital Grants	Revenues and
		Services	Grants and	and	Changes in
			Contributions	Contributions	Net Position
					Governmental
					Activities
Governmental activities					
Administration	\$ 1,804,437	\$ -	\$ -	\$ -	\$ (1,804,437)
District support services	2,342,241	-	20,293	-	(2,321,948)
Elementary and secondary regular instruction	18,897,187	116,003	8,306,586	-	(10,474,598)
Vocational education instruction	483,897	-	13,158	-	(470,739)
Special education instruction	8,388,952	578,578	6,998,333	-	(812,041)
Instructional support services	2,857,445	-	1,035,803	-	(1,821,642)
Pupil support services	5,185,944	-	1,842,617	-	(3,343,327)
Sites and buildings	3,765,177	-	49,464	1,662,728	(2,052,985)
Fiscal and other fixed cost programs	240,019	-	-	-	(240,019)
Food service	1,895,543	46,175	2,277,567	-	428,199
Community education and services	2,615,342	949,696	903,969	-	(761,677)
Unallocated depreciation	3,713,933	-	-	-	(3,713,933)
Interest and fiscal charges on long-term debt	1,362,089	-	-	-	(1,362,089)
Total governmental activities	<u>\$ 53,552,206</u>	<u>\$ 1,690,452</u>	<u>\$ 21,447,790</u>	<u>\$ 1,662,728</u>	(28,751,236)
General revenues					
Taxes					
Property taxes, levied for general purposes					7,578,049
Property taxes, levied for community service					421,112
Property taxes, levied for debt service					4,281,772
State aid-formula grants					20,077,016
Investment income					(84,484)
Total general revenues					<u>32,273,465</u>
Change in net position					<u>3,522,229</u>
Net position - beginning					<u>(21,459,489)</u>
Net position - ending					<u>\$ (17,937,260)</u>

See notes to basic financial statements.

Independent School District No. 14
Balance Sheet - Governmental Funds
June 30, 2021

	General	Debt Service	Capital Projects
Assets			
Cash and investments	\$ 5,063,498	\$ 2,049,130	\$ 56,865
Current property taxes receivable	5,548,783	2,646,676	-
Delinquent property taxes receivable	61,979	32,603	-
Accounts receivable, net of allowance	27,834	-	-
Interest receivable	917	-	-
Due from Department of Education	4,308,303	53,065	-
Due from Federal Government through Department of Education	1,628,938	-	-
Due from other Minnesota school districts	38,649	-	-
Due from other governmental units	134,566	-	-
Due from other funds	488,935	-	-
Inventory	-	-	-
Prepaid items	523,972	-	-
	<u>523,972</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 17,826,374</u>	<u>\$ 4,781,474</u>	<u>\$ 56,865</u>
Liabilities			
Accounts and contracts payable	\$ 632,294	\$ -	\$ 52,896
Salaries and benefits payable	2,108,416	-	-
Due to other Minnesota school districts	128,411	-	-
Due to other governmental units	26,568	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
Severance payable	301,896	-	-
Total liabilities	<u>3,197,585</u>	<u>-</u>	<u>52,896</u>
Deferred Inflows of Resources			
Unavailable revenue - delinquent property taxes	51,738	27,104	-
Property taxes levied for subsequent year's expenditures	7,355,884	3,823,743	-
Total deferred inflows of resources	<u>7,407,622</u>	<u>3,850,847</u>	<u>-</u>
Fund Balances			
Nonspendable	523,972	-	-
Restricted	2,312,398	930,627	3,969
Assigned	1,276,042	-	-
Unassigned	3,108,755	-	-
Total fund balances	<u>7,221,167</u>	<u>930,627</u>	<u>3,969</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,826,374</u>	<u>\$ 4,781,474</u>	<u>\$ 56,865</u>

Other Nonmajor Funds	Total Governmental Funds
\$ 1,226,207	\$ 8,395,700
639,015	8,834,474
8,063	102,645
15,041	42,875
-	917
36,087	4,397,455
109,862	1,738,800
12,904	51,553
25,962	160,528
-	488,935
21,196	21,196
7,532	531,504
<u>\$ 2,101,869</u>	<u>\$ 24,766,582</u>
\$ 26,501	\$ 711,691
96,192	2,204,608
-	128,411
3,923	30,491
148,387	148,387
103,399	103,399
-	301,896
<u>378,402</u>	<u>3,628,883</u>
6,643	85,485
923,207	12,102,834
<u>929,850</u>	<u>12,188,319</u>
28,728	552,700
1,280,586	4,527,580
-	1,276,042
(515,697)	2,593,058
<u>793,617</u>	<u>8,949,380</u>
<u>\$ 2,101,869</u>	<u>\$ 24,766,582</u>

Independent School District No. 14
Reconciliation of the Balance Sheet to
the Statement of Net Position - Governmental Funds
June 30, 2022

Total fund balances - governmental funds	\$ 8,949,380
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore, are not reported as assets

Cost of capital assets	105,880,082
Less accumulated depreciation/ amortization	(54,358,615)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bond principal payable	(42,025,000)
Lease payable	(711,393)
Financed purchase payable	(2,401,781)
Compensated absences payable	(401,003)
Net discounts/premiums	(3,317,713)
Deferred refundings	274,565
Net OPEB liability	(3,032,585)
Net pension liability	(17,892,064)

Deferred outflows of resources and deferred inflows of resources are created as a result of differences between actual and expected contributions and earnings on plan investments as well as changes in proportion and are not recognized in the governmental funds.

Deferred outflows of resources related to pensions	11,944,026
Deferred inflows of resources related to pensions	(30,185,192)
Deferred outflows of resources related to OPEB	407,476
Deferred inflows of resources related to OPEB	(593,372)

Delinquent property taxes receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

85,485

The Internal Service Fund is used by management to charge the cost of the retiree benefit plan. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.

6,193,029

The Post Employment Benefits Revocable Trust Internal Service Fund is used to charge the benefits to the fund that incurs the cost. This amount represents assets available to fund the liabilities.

3,970,881

Governmental funds do not report a liability for accrued interest on bonds and financed purchases until due and payable.

(723,466)

Total net position - governmental activities

\$ (17,937,260)

Independent School District No. 14
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2022

	General	Debt Service	Capital Projects	Other Nonmajor Funds	Total Governmental Funds
Revenues					
Local property taxes	\$ 7,579,755	\$ 3,746,082	\$ -	\$ 960,960	\$ 12,286,797
Other local and county revenues	1,151,735	10,663	-	1,096,220	2,258,618
Revenue from state sources	35,102,954	530,191	-	705,334	36,338,479
Revenue from federal sources	2,806,497	-	-	2,331,210	5,137,707
Sales and other conversion of assets	7,571	-	-	46,175	53,746
Total revenues	<u>46,648,512</u>	<u>4,286,936</u>	<u>-</u>	<u>5,139,899</u>	<u>56,075,347</u>
Expenditures					
Current					
Administration	1,895,255	-	-	-	1,895,255
District support services	2,401,525	-	-	-	2,401,525
Elementary and secondary regular instruction	19,553,035	-	-	-	19,553,035
Vocational education instruction	502,231	-	-	-	502,231
Special education instruction	8,793,616	-	-	-	8,793,616
Instructional support services	2,832,436	-	-	-	2,832,436
Pupil support services	5,253,969	-	-	-	5,253,969
Sites and buildings	4,686,828	-	-	-	4,686,828
Fiscal and other fixed cost programs	240,019	-	-	-	240,019
Food service	-	-	-	1,952,717	1,952,717
Community education and services	-	-	-	2,604,342	2,604,342
Capital outlay					
District support services	62,701	-	-	-	62,701
Elementary and secondary regular instruction	81,929	-	-	-	81,929
Instructional support services	654,391	-	-	-	654,391
Sites and buildings	951,711	-	2,116,946	-	3,068,657
Food service	-	-	-	5,624	5,624
Community education and services	-	-	-	35,968	35,968
Debt service					
Principal	897,356	2,465,000	-	548,379	3,910,735
Interest and fiscal charges	95,726	1,815,201	-	53,735	1,964,662
Total expenditures	<u>48,902,728</u>	<u>4,280,201</u>	<u>2,116,946</u>	<u>5,200,765</u>	<u>60,500,640</u>
Excess of revenues over (under) expenditures	(2,254,216)	6,735	(2,116,946)	(60,866)	(4,425,293)
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	4,876	-	-	2,425	7,301
Proceeds from financed purchases	580,145	-	-	-	580,145
Lease proceeds	126,171	-	-	15,475	141,646
Transfers in	-	-	690,994	136,342	827,336
Transfers out	(827,336)	-	-	-	(827,336)
Total other financing sources (uses)	<u>(116,144)</u>	<u>-</u>	<u>690,994</u>	<u>154,242</u>	<u>729,092</u>
Net change in fund balances	(2,370,360)	6,735	(1,425,952)	93,376	(3,696,201)
Fund Balances					
Beginning of year	<u>9,591,527</u>	<u>923,892</u>	<u>1,429,921</u>	<u>700,241</u>	<u>12,645,581</u>
End of year	<u>\$ 7,221,167</u>	<u>\$ 930,627</u>	<u>\$ 3,969</u>	<u>\$ 793,617</u>	<u>\$ 8,949,380</u>

See notes to basic financial statements.

Independent School District No. 14
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities -
Governmental Funds
Year Ended June 30, 2022

Net change in fund balances - total governmental funds \$ (3,696,201)

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

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

Capital outlays	4,703,892
Depreciation/ amortization expense	(4,159,227)
Loss on disposal of capital assets	(110,766)
Donated Assets	1,122,100

Compensated absences and severance are recognized as they are paid in the governmental funds but are recognized as the expense is incurred in the Statement of Activities.	50,865
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Net post employment benefit obligations are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities.	86,220
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Governmental Funds recognize pension contributions as expenditures at the time of payments in the funds whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.	1,750,443
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Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no effect on net position in the Statement of Activities.	3,982,468
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however interest expense is recognized as the interest accrues, regardless of when it is due.	105,945
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Governmental funds report the effect of bond discounts, premiums and deferred refundings when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	443,987
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Proceeds from the sale of bonds and issuance of financed purchases and leases are recognized as other financing sources in the governmental funds increasing fund balance but have no effect on net position in the Statement of Activities.

Financed purchases	(580,145)
Lease payable	(141,646)

The Post Employment Benefits Revocable Trust Internal Service Fund is used to charge the benefits to the fund that incurs the cost. This amount represents the change in assets available to fund the liabilities.	(451,857)
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The Internal Service Fund is used by management to charge the costs of the retiree health insurance plan. The net gain is reported within the governmental activities in the Statement of Activities.	422,015
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Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	(5,864)
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Change in net position - governmental activities	\$ 3,522,229
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Independent School District No. 14
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Over (Under)
Revenues				
Local property taxes	\$ 7,674,176	\$ 7,674,176	\$ 7,579,755	\$ (94,421)
Other local and county revenues	1,028,034	1,007,278	1,151,735	144,457
Revenue from state sources	35,580,456	36,388,951	35,102,954	(1,285,997)
Revenue from federal sources	1,263,401	1,263,401	2,806,497	1,543,096
Sales and other conversion of assets	500	4,456	7,571	3,115
Total revenues	<u>45,546,567</u>	<u>46,338,262</u>	<u>46,648,512</u>	<u>310,250</u>
Expenditures				
Current				
Administration	2,017,969	1,935,516	1,895,255	(40,261)
District support services	2,178,321	1,991,847	2,401,525	409,678
Elementary and secondary regular instruction	17,242,470	19,724,868	19,553,035	(171,833)
Vocational education instruction	551,003	551,003	502,231	(48,772)
Special education instruction	9,762,122	9,390,812	8,793,616	(597,196)
Instructional support services	2,559,042	2,992,854	2,832,436	(160,418)
Pupil support services	5,167,980	4,716,993	5,253,969	536,976
Sites and buildings	3,533,641	3,131,755	4,686,828	1,555,073
Fiscal and other fixed cost programs	212,754	212,754	240,019	27,265
Capital outlay				
District support services	14,510	52,910	62,701	9,791
Elementary and secondary regular instruction	43,673	35,098	81,929	46,831
Special education instruction	46,832	46,832	-	(46,832)
Instructional support services	354,535	354,535	654,391	299,856
Sites and buildings	700,024	1,548,900	951,711	(597,189)
Debt service				
Principal	767,066	767,066	897,356	130,290
Interest and fiscal charges	76,777	76,777	95,726	18,949
Total expenditures	<u>45,228,719</u>	<u>47,530,520</u>	<u>48,902,728</u>	<u>1,372,208</u>
Excess of revenues over (under) expenditures	317,848	(1,192,258)	(2,254,216)	(1,061,958)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	4,876	4,876
Proceeds from leases	-	-	126,171	126,171
Proceeds from financed purchases	322,535	322,535	580,145	257,610
Transfers out	(690,994)	(690,994)	(827,336)	(136,342)
Total other financing sources (uses)	<u>(368,459)</u>	<u>(368,459)</u>	<u>(116,144)</u>	<u>252,315</u>
Net change in fund balances	<u>\$ (50,611)</u>	<u>\$ (1,560,717)</u>	<u>(2,370,360)</u>	<u>\$ (809,643)</u>
Fund Balance				
Beginning of year			9,591,527	
End of year			<u>\$ 7,221,167</u>	

See notes to basic financial statements.

Independent School District No. 14
Statement of Net Position - Proprietary Funds
June 30, 2022

	<u>Total Internal Service Funds</u>
Assets	
Cash and cash equivalents	\$ 7,728,393
Investments	4,247,817
Accounts receivable	16,567
Interest receivable	<u>48,642</u>
Total assets	<u><u>\$ 12,041,419</u></u>
Liabilities	
Accounts payable	\$ 51,571
Incurred but not reported claims	325,509
Due to other funds	340,548
Unearned revenue	<u>1,159,881</u>
Total liabilities	<u><u>1,877,509</u></u>
Net Position	
Unrestricted	<u>10,163,910</u>
Total liabilities and net position	<u><u>\$ 12,041,419</u></u>

Independent School District No. 14
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Proprietary Funds
Year Ended June 30, 2022

	<u>Total Internal Service Funds</u>
Operating Revenues	
Charges for services	\$ 6,336,541
Operating Expense	
Insurance	5,667,065
Administrative	<u>586,060</u>
Total operating expenses	<u>6,253,125</u>
Operating income	83,416
Nonoperating Revenues	
Investment income	<u>(113,258)</u>
Change in net position	(29,842)
Net Position	
Beginning of year	<u>10,193,752</u>
End of year	<u><u>\$ 10,163,910</u></u>

Independent School District No. 14
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2022

	<u>Total Internal Service Funds</u>
Cash Flows - Operating Activities	
Receipts from district contribution	\$ 202,546
Receipts from employees	6,110,777
Payments to vendors	<u>(6,205,968)</u>
Net cash flows - operating activities	107,355
Cash Flows - Non-Capital	
Financing Activities	
Due to other funds	<u>340,548</u>
Net cash flows - investing activities	<u>340,548</u>
Cash Flows - Investing Activities	
Net sale/(purchase) of investments	212,745
Interest received	<u>(109,392)</u>
Net cash flows - investing activities	<u>103,353</u>
Net change in cash and cash equivalents	551,256
Cash and Cash Equivalents	
Beginning of year	<u>7,177,137</u>
End of year	<u><u>\$ 7,728,393</u></u>
Reconciliation of Operating Income to Net Cash Flows - Operating Activities	
Operating income	\$ 83,416
Adjustments to reconcile operating income to net cash flows - operating activities	
Change in assets and liabilities	
Accounts receivable	1,076
Unearned revenue	(24,294)
Accounts payable	<u>47,157</u>
Net cash flows - operating activities	<u><u>\$ 107,355</u></u>

Independent School District No. 14

Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies.

A. Reporting Entity

The financial statements present the District and its component units. The District includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the District are financially accountable and are included within the basic financial statements of the District because of the significance of their operational or financial relationships with the District.

The District is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the District.

As a result of applying the component unit definition criteria above, it has been determined the District has no component units.

The student activity accounts of the District are under board control and are reported in the General Fund.

B. Basic Financial Statement Information

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District.

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

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statement Information (Continued)

The District applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position is available. Depreciation and amortization expense that can be specifically identified by function is included in the direct expenses of that function. Depreciation and amortization expense relating to assets that serve multiple functions is presented as unallocated depreciation/ amortization in the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. The effect of interfund activity has been removed from these statements.

Separate fund financial statements are provided for governmental funds and the proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting, transactions are recorded in the following manner.

1. Revenue Recognition

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

2. Recording of Expenditures

Expenditures are generally recorded when a liability is incurred. The exceptions to this general rule are that interest and principal expenditures in the Debt Service Fund, compensated absences and claims and judgments are recognized when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Internal Service Fund are employee and District contributions. Operating expenses for proprietary funds include claims paid and administrative expenses. All revenues and expenses not meeting this definition are reposted as nonoperating revenues and expenses.

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed, in the order of committed, assigned, and unassigned.

Description of Funds:

Major Funds:

General Fund – This fund is the basic operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

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

Building Construction Fund – Capital Projects – This fund is used to account for financial resources used for the acquisition or construction of major capital facilities authorized by bond issue.

Nonmajor Funds:

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

Community Service Special Revenue Fund – This fund is used to account for services provided to residents in the areas of community education, school readiness, early childhood and family education or other similar services.

Post Employment Benefits Debt Service Fund – This fund is used to account for levy proceeds and the payment of G.O. taxable OPEB Bonds principal, interest, and related costs.

Proprietary Funds:

Self Insurance Internal Service Fund – This fund is used to account for operations of the District's self – insured insurance plans. Premiums collected from employees are collected from other governmental funds and insurance claims are paid by this fund.

Post Employment Benefits Revocable Trust Internal Service Fund – This fund is used to account for the accumulation of resources to fund post employment benefits.

D. Deposits and Investments

Cash and investments includes balances from all funds (except a portion of the Post Employment Benefits Revocable Trust Internal Service Fund) that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the individual funds based on the average of month-end cash and investment balances.

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Investments (Continued)

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the 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. Investments held by investment pools are measured at amortized cost.

Cash and investments at June 30, 2022, were comprised of deposits, certificates of deposit, government securities and shares in the Minnesota Trust (MNTrust) Securities. MNTrust securities are valued at amortized cost, which approximates fair value.

Minnesota Statutes requires all deposits be protected by federal deposit insurance, corporate surety bonds, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds.

Minnesota Statutes authorizes the District to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days.

In accordance with GASB Statement No. 79, the various MNTrust securities are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from MNTrust. The MN Full Flex investment does not have a fixed maturity and allows for withdrawals on a weekly basis. Rate on a MN Full Flex adjusts weekly with the market with interest paid monthly.

E. Property Tax Receivable

Current property taxes receivable are recorded for taxes certified the previous December and collectible in the current calendar year, which have not been received by the District. Delinquent property taxes receivable represent uncollected taxes for the past six years, and are deferred and included in the deferred inflows of resources section of the fund financial statements as unavailable revenue because they are not available to finance the operations of the District in the current year.

F. Property Taxes Levied for Subsequent Year's Expenditures

Property taxes levied for subsequent year's expenditures consist principally of property taxes levied in the current year which will be collected and recognized as revenue in the District's following year to properly match those revenues with the budgeted expenditures for which they were levied. This amount is equal to the amount levied by the School Board in December 1899, less various components and their related adjustments as mandated by the state. These portions of that levy were recognized as revenue in the fiscal year 2022. The remaining portion of the levy will be recognized when measurable and available.

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Inventories

Inventories of commodities donated directly by the U.S. Department of Agriculture are recorded at market value. Other inventories are stated at cost as determined on a first-in, first-out (FIFO) basis. Inventories are recorded as expenditures when consumed rather than when purchased.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as an expenditure at the time of consumption.

I. Property Taxes

The District levies its property tax during the month of December. December 28 is the last day the District can certify a tax levy to the County Auditor. Such taxes become a lien on January 1. The property tax is recorded as revenue when it becomes measurable and available. Anoka County is the collecting agency for the levy and remits the collections to the District three times a year. The Tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Delinquent collections for November and December are received the following January.

A portion of property taxes levied is paid by the State of Minnesota through various tax credits, which are included in revenue from state sources in the financial statements.

J. Capital Assets

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements.

Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000. Such assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at its acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets lives are not capitalized.

Capital assets are depreciated or amortized using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration. Useful lives vary from 20 to 50 years for land improvements and buildings and 5 to 15 years for equipment.

Capital assets not being depreciated or amortized include land and construction in progress. The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has three items that qualify for reporting in this category. A deferred charge on refunding, deferred outflows of resources related to pensions, and deferred outflows of resources related to OPEB are reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pensions and OPEB are recorded for various estimate differences that will be amortized and recognized over future years.

In addition to liabilities, the Statement of Financial Position, and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has four types of items, which 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. Deferred inflows of resources related to pensions and OPEB are recorded on the government-wide statements for various estimate differences that will be amortized and recognized over future years.

L. 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 Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Compensated Absences

1. Vacation

Teachers are eligible for vacation of 2 days per year which can be accumulated to 7 days. Other employees qualify for vacation ranging from 5 to 45 days per year which are generally accumulated at year-end and payable during the ensuing year. Vacation is accrued for these employees in the Statement of Net Position since it is deemed to be payable at year-end.

2. Sick Leave

Substantially all District employees are entitled to sick leave at various rates. For certain employees, unused sick leave enters into the calculation of severance pay upon termination.

N. Severance Payable

The District maintains severance payment plans for certain employee groups. Each employee group plan contains requirements for lump sum payments based on employment date, years of service and/or minimum age requirements. Benefits are calculated based on various formulas converting accrued sick leave into a lump sum payment. No employee can receive payments exceeding one year's salary. For employees retiring on or before June 30, 2022, who are entitled to receive payments, an accrual is made in the governmental fund incurring the liability.

The amount of severance payment that is based on convertible sick leave is recorded as a liability in the government-wide financial statements as it is earned and when it becomes probable that it will vest at some point in the future.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and Teachers Retirement Association (TRA) and additions to/deductions from PERA'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. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015.

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Q. 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 injuries to employees for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in the District's insurance coverage during the year ended June 30, 2022.

R. Fund Equity

In the fund financial statements, governmental funds report various levels of spending constraints.

- Nonspendable Fund Balances – These are amounts that cannot be spent because they are not in spendable form as they are legally or contractually required to be maintained intact and include, but are not limited to, inventories and prepaid items.
- Restricted Fund Balances – These are subject to externally enforceable legal restrictions.
- Assigned Fund Balances – The School Board by majority vote may assign fund balances to be used for specific purposes. The board also delegated power to assign fund balances to the Superintendent and Director of Finance.
- Minimum Fund Balance Policy – The School Board shall strive to maintain a fund balance of between 7% and 10% of total unrestricted expenditures. The fund balance shall be defined as the sum of the undesignated/unreserved fund balance. It shall not include funds reserved for operating capital, health and safety, basic skills, or any other new reserve created by the School Board, state, or federal guidelines.

S. Net Position

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

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Use of Estimates

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

U. Budgetary Information

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the School Superintendent submits to the School Board, a proposed operating budget for the year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. The Superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the School Board.
3. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
4. Budgets for the governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
5. Budgets are as originally adopted or as amended by the School Board. Budgeted expenditure appropriations lapse at year-end.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Deposits

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

Custodial Credit Risk – Deposits: This is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. *Minnesota Statutes* requires all deposits be protected by federal depository insurance, corporate surety bonds, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds. The District's policy states funds may not be invested in an institution that does not agree to provide the required collateral as noted.

As of June 30, 2022, the District's bank balance was not exposed to custodial credit risk because it was insured and properly collateralized with securities held by the pledging financial institution's trust department or agent and in the District's name.

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

At June 30, 2022, the District had the following deposits:

Pooled	
Cash	\$ (581,043)
Certificates of deposit	<u>1,498,700</u>
Total pooled deposits	<u><u>\$ 917,657</u></u>
Non-pooled	
OPEB Revocable Trust Fund	
Certificates of deposit	<u>\$ 349,600</u>
Total non-pooled deposits	<u><u>\$ 349,600</u></u>

B. Investments

As of June 30, 2022, the District had the following investments:

Investment	Maturities	Fair Value	Percent of Total	Type	Credit Rating
Pooled					
MNTrust investment shares	6/30/22	\$ 4,144,739	27.34%	MMA	AAAm
MNTrust Full Flex	6/30/22	<u>11,015,502</u>	72.66%	SDA	AAAm
Total pooled		<u><u>\$ 15,160,241</u></u>	100.00%		
Investment	Maturities	Fair Value	Percent of Total	Type	Credit Rating
OPEB Revocable Trust Fund non-pooled					
MNTRUST Investment Shares	6/30/22	\$ 45,795	1.16%	MMA	AAAm
Kane SD #304-UNREF	1/1/23	679,137	17.22%	SEC	Aa2
Desert Sands USD-REF	8/1/23	227,852	5.78%	SEC	Aa2
NYC-D2-TXBL	12/1/23	999,700	25.35%	SEC	Aa2
Schenectady Co	12/15/23	225,720	5.72%	SEC	Aa1
Oklahoma City TXBL	3/1/24	202,430	5.13%	SEC	Aaa
US Treasury	10/15/24	663,769	16.83%	SEC	Aaa
US Treasury	11/30/24	428,686	10.87%	SEC	Aaa
US Treasury	11/30/25	251,464	6.38%	SEC	Aaa
US Treasury	11/30/25	<u>219,459</u>	5.56%	SEC	Aaa
Total OPEB Revocable Trust Fund non-pooled investments		<u><u>\$ 3,944,012</u></u>	100.00%		

MNTrust is an external investment pool not registered with the SEC and invests according to *Minnesota Statutes*. The fair value position in the pool is the same as the value of the pooled shares.

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Credit Risk: This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. *Minnesota Statutes* 118A.04 and 118A.05 limit investments to the top two ratings issued by nationally recognized statistical rating organizations. The District's investment policy limits its investments to those allowed by state statutes. Additionally, investment in commercial paper is limited to those rated in the highest classifications by at least two of the four nationally recognized rating services.

Interest Rate Risk: This is the risk that market values of securities in a portfolio would decrease due to changes in market interest rates. The District's investment policy states investment maturities shall be scheduled to coincide with projected District cash flow needs.

Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of an investment in a single issuer. The District's investment policy places no limit on the amount the District may invest in any one issuer, though it does state the District will limit investments to avoid over concentration in securities from a specific issuer or business sector. As of June 30, 2022, the District was exposed to concentration of credit risk as more than 5% of its total investments were invested in individual investments as indicated by the table on the previous pages.

Custodial Credit Risk – Investments: This is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy requires all investments be held in third party safekeeping by an institution designated as a custodial agent and all investments shall be fully collateralized.

The District has the following recurring fair value measurements as of June 30, 2022:

- \$3,898,217 of investments are significant other observable inputs (Level 2 inputs)

C. Deposits and Investments

Summary of cash, deposits, and investments as of June 30, 2022:

Petty cash	\$ 400
Deposits (Note 3.A.)	
Pooled	917,657
Non-pooled	349,600
Investments (Note 3.B.)	
Pooled	15,160,241
Non-pooled	<u>3,944,012</u>
Total deposits and investments	<u><u>\$ 20,371,910</u></u>

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Deposits and Investments (Continued)

Cash, deposits, and investments are presented in the June 30, 2022 financial statements as follows:

Statement of Net Position	
Cash and investments	<u><u>\$ 20,371,910</u></u>

NOTE 3 – INTERFUND ACTIVITY

A. Transfers

	Transfers In		Total
	Capital Project Fund	Other Nonmajor Funds	
Transfers out			
General Fund	<u><u>\$ 690,994</u></u>	<u><u>\$ 136,342</u></u>	<u><u>\$ 827,336</u></u>

These transfers were performed to distribute levy dollars dedicated to specific funds in accordance with bond documents and levy.

A. Interfund Receivable/Payable

An interfund receivable/payable was established between the Post Employment Benefits Revocable Trust Fund, Community Service Fund, and the General Fund to account for cash deficits in the Community Service and Post Employment Benefits Revocable Trust Funds. There is a \$488,935 interfund receivable for the General fund and a (\$148,387) and a (\$340,548) Interfund Payable for the Community Service Fund and Post Employment Benefits Revocable Trust Fund

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Adjustments	Increases	Decreases	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land	\$ 657,500	\$ -	\$ -	\$ -	\$ 657,500
Construction in progress	1,244,584	-	3,486,852	2,954,159	1,777,277
Total capital assets not being depreciated	1,902,084	-	3,486,852	2,954,159	2,434,777
Other capital assets					
Buildings	89,865,730	-	3,893,754	-	93,759,484
Land improvements	4,284,206	-	470,868	-	4,755,074
Furniture and equipment	3,531,350	-	787,031	270,058	4,048,323
Leased buildings	-	718,809	-	-	718,809
Leased equipment	-	21,969	141,646	-	163,615
Total other capital assets at historical cost	97,681,286	740,778	5,293,299	270,058	103,445,305
Less accumulated depreciation for					
Buildings	46,412,026	-	3,506,822	-	49,918,848
Land improvements	1,549,583	-	197,481	-	1,747,064
Furniture and equipment	2,397,071	-	271,509	159,292	2,509,288
Less accumulated amortization for					-
Leased buildings	-	-	168,685	-	168,685
Leased equipment	-	-	14,730	-	14,730
Total accumulated depreciation and amortization	50,358,680	-	4,159,227	159,292	54,358,615
Total other capital assets, net	47,322,606	740,778	1,134,072	110,766	49,086,690
Governmental activities, capital assets, net	<u>\$ 49,224,690</u>	<u>\$ 740,778</u>	<u>\$ 4,620,924</u>	<u>\$ 3,064,925</u>	<u>\$ 51,521,467</u>

See Note 11 for discussion regarding the adjustment.

Depreciation/ amortization expense of \$4,159,227 for the year ended June 30, 2022, was charged to the following governmental functions:

District support services	\$ 7,948
Regular instruction	99,765
Vocational Instruction	597
Special education instruction	8,351
Instructional support services	161,229
Food service	31,898
Community education and services	135,506
Unallocated	<u>3,713,933</u>
Total depreciation/ amortization expense	<u>\$ 4,159,227</u>

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 5 – LONG-TERM DEBT

A. Components of Long-Term Liabilities

Long-term liabilities as of June 30, 2022, consisted of the following:

	Interest Rate	Maturity Date	Original Issue	Balance	Due Within One Year
G.O. bonds					
G.O. School Building Bonds					
Series 2016A	3.00%-5.00%	02/01/35	\$ 25,890,000	\$ 25,075,000	\$ 205,000
G.O. Alternative Facilities Bonds					
Series 2016B	4.00%-5.00%	02/01/28	16,740,000	11,070,000	1,340,000
G.O. Abatement Bonds					
Series 2017A	3.00%	02/01/27	1,960,000	1,145,000	215,000
G.O. Taxable OPEB Refunding Bonds					
Series 2018A	2.95%-3.40%	02/01/24	2,450,000	1,030,000	505,000
G.O. School Building Refunding Bonds					
Series 2020A	5.00%	11/12/20	4,475,000	3,705,000	875,000
Unamortized bond discounts and premiums, net				3,317,713	-
Total G.O. bonds (net of unamortized premium)				45,342,713	3,140,000
Financed purchases					
Energy loan financed purchase	4.15%	07/31/22	3,142,381	71,353	71,353
Elementary additions agreement	2.75%	02/01/28	3,400,000	1,521,839	236,641
Technology agreement	4.00%	02/24/23	82,748	1,667	1,667
Technology agreement	4.69%	08/31/22	102,850	11,160	11,160
Technology agreement	4.65%	08/31/22	34,080	3,204	3,204
Technology agreement	4.70%	08/31/22	117,475	11,184	11,184
Technology agreement	3.65%	08/31/23	92,270	30,647	20,901
Technology agreement	3.56%	02/28/24	175,745	58,103	39,890
Technology agreement	2.98%	04/22/21	410,880	246,386	79,730
Technology agreement	3.00%	06/09/21	308,400	234,116	67,269
Technology agreement	3.00%	06/09/21	14,135	10,730	3,083
Technology agreement	3.02%	06/24/21	129,110	103,844	22,084
Technology agreement	2.96%	07/23/21	128,500	97,548	28,029
Total financed purchases				2,401,781	596,195
Lease liabilities					
Building lease	3.00%	05/31/27	567,047	480,507	90,160
Building lease	3.00%	07/31/23	151,761	81,068	74,726
Copier lease	3.00%	10/27/26	42,987	37,621	8,253
Copier lease	3.00%	05/21/27	98,658	97,132	18,614
Copier lease	3.00%	07/21/24	21,970	15,065	7,114
Total lease liabilities				711,393	198,867
Vacation payable				401,003	401,003
Severance payable				301,896	94,444
Total all long-term liabilities				<u>\$ 49,158,786</u>	<u>\$ 4,430,509</u>

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 5 – LONG-TERM DEBT (CONTINUED)

A. Components of Long-Term Liabilities (Continued)

The long-term bond, financed purchases and lease liabilities listed above were issued to finance the acquisition and construction, or improvements of capital facilities, or to refinance (refund) previous bond issues. Long-term liabilities other than bonds are typically liquidated through the General Fund.

B. Minimum Principal and Interest Payments for Long-Term Liabilities

Year Ending, June 30,	G.O. Bonds			Financed Purchases		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 3,140,000	\$ 1,679,665	\$ 4,819,665	\$ 596,195	\$ 67,026	\$ 663,221
2024	3,280,000	1,535,550	4,815,550	477,347	49,486	526,833
2025	3,455,000	1,384,350	4,839,350	462,301	35,551	497,852
2026	3,620,000	1,216,200	4,836,200	319,347	22,266	341,613
2027	3,870,000	1,039,900	4,909,900	275,324	13,265	288,589
2028-2032	15,145,000	3,036,950	18,181,950	271,267	5,608	276,875
2033-2035	9,515,000	576,450	10,091,450	-	-	-
Total	<u>\$42,025,000</u>	<u>\$10,469,065</u>	<u>\$52,494,065</u>	<u>\$ 2,401,781</u>	<u>\$ 193,202</u>	<u>\$ 2,594,983</u>

Year Ending, June 30,	Lease Liability		
	Principal	Interest	Total
2023	\$ 198,867	\$ 18,625	\$ 217,492
2024	135,268	13,439	148,707
2025	126,926	9,575	136,501
2026	131,170	8,423	139,593
2027	119,162	1,768	120,930
Total	<u>\$ 711,393</u>	<u>\$ 51,830</u>	<u>\$ 763,223</u>

C. Changes in Long-Term Liabilities

	Beginning Balance	Adjustment	Additions	Reductions	Ending Balance
Long-term liabilities					
G.O. Bonds	\$ 44,985,000	\$ -	\$ -	\$ 2,960,000	\$ 42,025,000
Unamortized discount and premium, net	3,837,928	-	-	520,215	3,317,713
Financed purchases	2,673,073	-	580,145	851,437	2,401,781
Lease liability	-	740,778	141,646	171,031	711,393
Vacation payable	451,868	-	584,058	634,923	401,003
Severance benefits payable	350,175	-	-	48,279	301,896
Total long-term liabilities	<u>\$ 52,298,044</u>	<u>\$ 740,778</u>	<u>\$ 1,305,849</u>	<u>\$ 5,185,885</u>	<u>\$ 49,158,786</u>

See Note 11 for discussion regarding the adjustment.

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 5 – LONG-TERM DEBT (CONTINUED)

D. Financed Purchases

On August 3, 2017, the District entered into a purchase agreement for technology. The capital obligation totaled \$82,748. The agreement includes annual principal and interest payments ranging from \$1,722 to \$17,443.

On May 16, 2018, the District entered into a purchase agreement for technology. The capital obligation totaled \$102,850. The agreement includes annual principal and interest payments ranging from \$11,649 to \$24,949.

On May 16, 2018, the District entered into a purchase agreement for technology. The capital obligation totaled \$34,080. The agreement includes annual principal and interest payments ranging from \$3,344 to \$8,383.

On June 11, 2018, the District entered into a purchase agreement for technology. The capital obligation totaled \$117,475. The agreement includes annual principal and interest payments ranging from \$11,675 to \$22,863.

On August 1, 2019, the District entered into a purchase agreement for technology. The capital obligation totaled \$92,270. The agreement includes annual principal and interest payments ranging from \$10,108 to \$22,038.

On February 28, 2020, the District entered into a purchase agreement for technology. The capital obligation totaled \$175,745. The agreement includes annual principal and interest payments ranging from \$18,872 to \$41,995.

On April 22, 2021, the District entered into a purchase agreement for technology. The capital obligation totaled \$410,880. The agreement includes annual principal and interest payments of \$87,070.

On June 9, 2021, the District entered into a purchase agreement for technology. The capital obligation totaled \$308,400. The agreement includes annual principal and interest payments ranging from \$26,988 to \$74,284.

On June 9, 2021, the District entered into a purchase agreement for technology. The capital obligation totaled \$14,135. The agreement includes annual principal and interest payments ranging from \$1,237 to \$3,405.

On June 24, 2021, the District entered into a purchase agreement for technology. The capital obligation totaled \$129,110. The agreement includes annual principal and interest payments ranging from \$11,713 to \$25,267.

On July 23, 2021, the District entered into a purchase agreement for technology. The capital obligation totaled \$128,500. The agreement includes annual principal and interest payments ranging from \$11,245 to \$30,952.

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 5 – LONG-TERM DEBT (CONTINUED)

E. Lease Liabilities

On June 1, 2017, the District entered into a lease for building space. The capital obligation totaled \$567,047. The agreement includes annual principal and interest payments ranging from \$93,764 to \$107,280.

On August 1, 2018, the District entered into a lease agreement for building space. The capital obligation totaled \$151,761. The agreement includes annual principal and interest payments ranging from \$74,282 to \$82,496.

On August 6, 2019, the District entered into a lease agreement for copiers. The capital obligation totaled \$34,638. The agreement includes monthly principal and interest payments totaling \$622.

On October 28, 2021, the District entered into a lease agreement for copiers. The capital obligation totaled \$42,987. The agreement includes monthly principal and interest payments totaling \$772.

On May 11, 2022, the District entered into a lease agreement for copiers. The capital obligation totaled \$98,658. The agreement includes monthly principal and interest payments totaling \$1,773.

NOTE 6 – FUND BALANCES

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

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 6 – FUND BALANCES (CONTINUED)

Fund Equity

Fund equity balances are classified as follows to reflect the limitations and restrictions of the respective funds.

	General Fund	Debt Service	Capital Projects	Other Nonmajor Funds	Total
Nonspendable for					
Inventories	\$ -	\$ -	\$ -	\$ 21,196	\$ 21,196
Prepaid items	523,972	-	-	7,532	531,504
Total nonspendable	<u>523,972</u>	<u>-</u>	<u>-</u>	<u>28,728</u>	<u>552,700</u>
Restricted/reserved for					
Student Activities	86,689	-	-	-	86,689
Safe Schools	231,367	-	-	-	231,367
Operating Capital	216,128	-	-	-	216,128
Medical Assistance	1,526,898	-	-	-	1,526,898
Long Term Facilities Maintenance	145,458	-	-	-	145,458
Area Learning Center	40,908	-	-	-	40,908
ECFE	-	-	-	25,985	25,985
School Readiness	-	-	-	73,382	73,382
Capital Projects Levy	64,950	-	3,969	-	68,919
Debt Service	-	930,627	-	111,677	1,042,304
Food Service	-	-	-	980,944	980,944
Community Service	-	-	-	88,598	88,598
Total Restricted/reserved	<u>2,312,398</u>	<u>930,627</u>	<u>3,969</u>	<u>1,280,586</u>	<u>4,527,580</u>
Assigned for					
Students	175,453	-	-	-	175,453
Separation/Retirement Benefits	350,589	-	-	-	350,589
Curriculum adoption	750,000	-	-	-	750,000
Total assigned	<u>1,276,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,276,042</u>
Unassigned for					
Community Education	-	-	-	(515,697)	(515,697)
Unassigned	3,108,755	-	-	-	3,108,755
Total unassigned	<u>3,108,755</u>	<u>-</u>	<u>-</u>	<u>(515,697)</u>	<u>2,593,058</u>
Total fund balance	<u>\$ 7,221,167</u>	<u>\$ 930,627</u>	<u>\$ 3,969</u>	<u>\$ 793,617</u>	<u>\$ 8,949,380</u>

*Negative restricted/reserved fund balances have been reclassified to unassigned for the basic financial statements in accordance with GASB Statement No. 54.

Nonspendable for Inventories and Prepaid Items – A portion of the fund balance has been spent on inventory and prepaid expenses and is not available for other uses.

Restricted/Reserved for Student Activities – This balance represents available resources to be used for the extracurricular activity funds raised by the students.

Restricted/Reserved for Safe Schools – Crime Levy – The unspent resources available from the levy must be reserved in this account for future use.

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 6 – FUND BALANCES (CONTINUED)

Fund Equity (Continued)

Restricted/Reserved for Operating Capital – This balance represents available resources in the General Fund to be used to purchase equipment and facilities.

Restricted/Reserved for Medical Assistance – This balance represents available resources to be used for medical assistance expenditures (*Minnesota Statutes* 125A.21, subd. 3).

Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) – This balance represents available resources to be used for LTFM projects in accordance with the 10-year plan (*Minnesota Statutes* 123B.595, subd. 12).

Restricted/Reserved for Early Childhood and Family Education – This balance represents the resources available to provide for services for early childhood and family education programming.

Restricted/Reserved for School Readiness – This balance represents the resources available to provide for services for school readiness programs. Related to Finance Code 344, School Readiness *Minnesota Statutes* 124D.16.

Restricted/Reserved for Capital Projects Levy – This balance represents available resources from the capital projects levy to be used for building construction and other projects under *Minnesota Statutes* 126C.10, subd. 14. All interest income attributable to the capital projects levy must be credited to this account.

Restricted/Reserved for Debt Service – This balance represents the positive fund balance of the Debt Service Fund.

Restricted for Food Service – This balance represents the positive fund balance of the Food Service Fund.

Restricted for Community Service – This balance represents the positive fund balance of the Community Service Fund not set aside in other restrictions.

Assigned for Students – This balance represents resources set aside for each building based on fundraising done by students and donations for various programs.

Assigned for Separation/Retirement Benefits – This balance represents resources set aside for future separation and retirement obligations.

Assigned for curriculum adoption – This balance represents resources set aside for curriculum adoption.

Unassigned for Community Education – This balance represents the resources available to provide programming such as: nonvocational, recreational and leisure time activities, programs for adults with disabilities, noncredit summer programs, adult basic education programs, youth development and youth service programming, early childhood and family education, and extended day programs.

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 6 – FUND BALANCES (CONTINUED)

Fund Equity (Continued)

Net position restricted for other purposes is comprised of the positive General Fund and total Special Revenue Funds restricted balances.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

The District participates in various pension plans, total pension expense for the year ended June 30, 2022, was \$520,879. The components of pension expense are noted in the following plan summaries.

The General Fund, Food Service Fund, and Community Service Funds typically liquidate the liability related to pensions.

Teachers' Retirement Association

A. Plan Description

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

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

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

B. Benefits Provided (Continued)

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:

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

Tier II Benefits

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

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

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

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

B. Benefits Provided (Continued)

Tier II Benefits (Continued)

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 ended June 30, 1899, June 30, 1899, and June 30, 2022, were:

June 30, 2020		June 30, 2021		June 30, 2022	
Employee	Employer	Employee	Employer	Employee	Employer
11.0%	11.92%	11.0%	12.13%	11.0%	12.34%
7.5%	7.92%	7.5%	8.13%	7.5%	8.34%

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

Employer contributions reported in TRA's ACFR Statement of Changes in Fiduciary Net Position	\$ 448,829
Add employer contributions not related to future contribution efforts	379
Deduct TRA's contributions not included in allocation	<u>(538)</u>
Total employer contributions	448,670
Total non-employer contributions	<u>37,840</u>
Total contributions reported in Schedule of Employer and Non-Employer Allocations	<u><u>\$ 486,510</u></u>

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

C. Contribution Rate (Continued)

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.

C. Actuarial Assumptions

The total pension liability in the June 30, 1899, 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, 2021
Measurement date	June 30, 2021
Experience study	June 5, 2019 (demographic assumptions) November 6, 2017 (economic assumptions)
Actuarial cost method	Entry Age Normal
Actuarial assumptions	
Investment rate of return	7.00%
Price inflation	2.50%
Projected salary increase	2.85% to 8.85% before July 1, 2028 and 3.25 to 9.25 thereafter.
Cost of living adjustment	1.0% for January 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	years and female rates set back three years, with further adjustments of the rates. Generational projections uses the MP 2015 scale.
Post-disability	RP 2014 disabled retiree mortality table, without adjustment.

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

D. Actuarial Assumptions (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	35.5 %	5.10 %
International equity	17.5	5.30
Fixed income	20.0	0.75
Private markets	25.0	5.90
Unallocated Cash	2.0	0.00
Total	100.0 %	

The TRA actuary has determined the average of the expected remaining services lives of all members for fiscal year 2022 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 over a period of five years as required by GASB 68.

Changes in actuarial assumptions since the 2020 valuation:

- The investment return assumption was changed from 7.5% to 7.0%.

E. Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The discount rate used to measure the total pension liability at the prior measurement date was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2021 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).

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

F. Net Pension Liability

On June 30, 2022, the District reported a liability of \$14,078,554 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 1899, 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 0.3217% at the end of the measurement period and 0.3163% 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	\$ 14,078,554
State's proportionate share of the net pension liability associated with the District	1,187,260

For the year ended June 30, 2022, the District recognized pension expense of \$613,502. Included in this amount, the District recognized \$(13,294) as pension expense for the support provided by direct aid.

On June 30, 2022, 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	\$ 374,910	\$ 403,851
Net difference between projected and actual earnings on plan investments	-	11,850,537
Changes in assumptions	5,159,020	13,391,697
Changes in proportion	1,768,386	895,641
District's contributions subsequent to measurement date	1,732,775	-
Total	<u>\$ 9,035,091</u>	<u>\$ 26,541,726</u>

The \$1,732,775 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, 1899.

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

F. Net Pension Liability (Continued)

Other amounts reported as deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2023	\$ (8,963,204)
2024	(7,244,978)
2025	(1,902,780)
2026	(2,188,699)
2027	1,060,251
Total	<u>\$ (19,239,410)</u>

G. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower (6.0%) and 1 percent higher (8.0%) than the current rate.

District proportionate share of NPL		
1% Decrease in Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
\$ 28,439,364	\$ 14,078,554	\$ 2,301,545

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 the plan's fiduciary net position is available in a separately-issued TRA financial report. That can be obtained at www.MinnesotaTRA.org, or 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.

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Public Employees' Retirement Association

A. Plan Description

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

General Employees Retirement Plan

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

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

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 annuity accrual rate for a Coordinated Plan member is 1.2% for each of the first 10 years of service 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.0% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Public Employees' Retirement Association (Continued)

C. Contributions

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2022 and the District was required to contribute 7.5% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2022, were \$542,437. The District's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At June 30, 2022, the District reported a liability of \$3,813,510 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 \$116,549. The net pension liability was measured as of June 30, 1899, 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, 1899, through June 30, 1899, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0893% at the end of the measurement period and 0.0890% for the beginning of the period.

District's proportionate share of net pension liability	\$ 3,813,510
State's proportionate share of the net pension liability associated with the District	<u>116,549</u>
Total	<u><u>\$ 3,930,059</u></u>

For the year ended June 30, 2022, the District recognized pension expense of \$(92,623) for its proportionate share of the General Employees Plan's pension expense. Included in this amount, the District recognized \$9,404 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

At June 30, 2022, the District reported its proportionate share of deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 24,557	\$ 116,660
Changes in actuarial assumptions	2,328,450	85,455
Difference between projected and actual investments earnings	-	3,308,641
Change in proportion	13,491	132,710
Contributions paid to PERA subsequent to the measurement date	542,437	-
	<u>542,437</u>	<u>-</u>
Total	<u><u>\$ 2,908,935</u></u>	<u><u>\$ 3,643,466</u></u>

The \$542,437 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2023	\$ (234,227)
2024	(116,284)
2025	(25,642)
2026	(900,815)
	<u>(900,815)</u>
Total	<u><u>\$ (1,276,968)</u></u>

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Public Employees' Retirement Association (Continued)

E. Long-Term Expected Return on Investment

General Employees Fund Pension Costs (Continued)

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	Final Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5 %	5.10 %
International stocks	16.5	5.30
Fixed income	25.0	0.75
Private markets	25.0	5.90
Total	100.0 %	

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2021, 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%. 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% was deemed to be within that range of reasonableness for financial reporting purposes.

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

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

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

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Public Employees' Retirement Association (Continued)

F. Actuarial Methods and Assumptions (Continued)

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 2021:

General Employees Fund

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- There have been no changes since the previous valuation.

G. Discount Rate

The discount rate used to measure the total pension liability in 2021 was 6.5%. 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 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 table presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate 5.5%	Current Discount Rate 6.5%	1% Increase in Discount Rate 7.5%
District's proportionate share of the PERA net pension liability	\$ 7,777,614	\$ 3,813,510	\$ 560,721

I. Pension Plan Fiduciary Net Position

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

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN

A. Plan Description

The District's defined benefit OPEB plan provides a single-employer defined benefit health care plan to eligible retirees. The plan offers medical coverage. It is the District's policy to periodically review its medical coverage, and to obtain requests for proposals in order to provide the most favorable benefits and premiums for District employees and retirees.

B. Benefits Paid

The District provides post employment retirement benefits to pay health and life insurance premiums for certain retired District personnel. Benefits are paid on behalf of retired administrative personnel to Medicare eligibility and other qualified staff to Medicare eligibility at which time benefits cease. The General Fund, Food Service Fund and Community Service Fund typically liquidate the Liability related to OPEB.

C. Members

As of June 30, 2022, the following were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	19
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>439</u>
Total	<u><u>458</u></u>

D. Contributions

Retirees contribute to the health care plan at the same rate as District employees. This results in the retirees receiving an implicit rate subsidy. The required contributions are based on projected pay-as-you-go financing requirements. For the year 2022, the District contributed \$341,644 to the plan.

E. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

Discount Rate	2.10%
Expected Return	n/a
Inflation	2.50%
Healthcare cost trend increases	6.50% in 2020, grading to 5.00% over 6 years and then to 4.00% over next 48 years
Mortality Assumption	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2019 Generational Improvement Scale

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

E. Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2020 – June 30, 2021.

Assumption Changes

- The discount rate was changed from 2.40% to 2.10%.

F. Total OPEB Liability

The District's total OPEB liability of \$3,032,585 was measured as of July 1, 2021 and was determined by an actuarial valuation as of that date.

Changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balances at July 1, 2021	\$ 2,965,915
Changes for the year	
Service cost	325,631
Interest	74,564
Changes in assumptions	38,143
Benefit payments	(371,668)
Net changes	66,670
Balances at July 1, 2022	\$ 3,032,585

Changes of assumptions and other inputs reflect a change in the discount rate from 2.40% in 2021 to 2.10% in 2022.

G. OPEB Liability Sensitivity

The following presents the District's total OPEB liability calculated using the discount rate of 2.10% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

	1% Decrease in Discount Rate (1.10%)	Current Discount Rate (2.10%)	1% Increase in Discount Rate (3.10%)
Total OPEB liability (asset)	\$ 3,205,375	\$ 3,032,585	\$ 2,865,125

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

G. OPEB Liability Sensitivity (Continued)

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower and 1% higher than the current healthcare cost trend rates.

	1% decrease (5.25% decreasing to 4.0%)	Current (6.25% decreasing to 5.0%)	1% increase (7.25 decreasing to 6.0%)
Total OPEB liability (asset)	\$ 2,720,090	\$ 3,032,585	\$ 3,411,422

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$250,236. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Gains	\$ -	\$ 555,449
Changes of assumptions	65,832	37,923
Contributions made subsequent to the measurement date	341,644	-
Total	<u>\$ 407,476</u>	<u>\$ 593,372</u>

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB (Continued)**

\$341,644 reported as a deferred outflow of resources related to OPEB resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. The remaining balances will be recognized in future years as follows:

Year Ended June 30,	Total
2023	\$ (149,959)
2024	(149,959)
2025	(149,959)
2026	(37,658)
2027	(45,454)
Thereafter	5,449
Total	<u>\$ (527,540)</u>

NOTE 9 – RISK MANAGEMENT SELF INSURANCE

On July 1, 2006, the District began to self-insure for dental insurance. Under this program, the fund provides up to a maximum of \$ 2,000 of benefit per covered person per calendar year. The General, Food Service, and Community Service Funds of the District participate in the program and make payments to the dental insurance plan recorded in the General Fund. Based on the requirements of GASB Statement No. 10, a liability is reported if information prior to the issuance of the basic financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated.

Payments are made based on actuarial estimates of the amounts needed to pay claims. The Self-Insured Dental Benefits Internal Service Fund includes a reserve of \$344,060 for catastrophe losses. The total claims liability reported in the Fund at June 30, 2022, is \$5,326 and include amounts for known claims. These estimates are determined based on the probability that a loss has occurred and the amount of the loss can be reasonably estimated.

On July 1, 2015, the District began to self-insure for health insurance. A stop-loss policy was purchased that limits the District's loss to \$125,000 of claims per person at which point the reinsurance coverage is available. The District also has aggregate stop-loss coverage in place which limits the District's liability to 115% of the current year's total expected annual claims at which point the reinsurance coverage is available.

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 9 – RISK MANAGEMENT SELF INSURANCE (CONTINUED)

The General, Food Service, and Community Service Funds of the District participate in the program and make payments to the Self-Insured Medical Benefits Internal Service Fund. Based on the requirements of GASB Statement No. 10, a liability is reported if information prior to the issuance of the basic financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. Participants in the program make premium payments to the fund based on the insurance premium. The Self-Insured Medical Benefits Internal Service Fund includes a reserve of \$5,848,969 for catastrophe losses. The total claims liability reported in the Fund at June 30, 2022, is \$371,754 and include amounts for known claims and for estimated incurred but not reported claims. These estimates are determined based on the probability that a loss has occurred and the amount of the loss can be reasonably estimated.

Changes in the Fund's claims liability amounts for the past three years were as follows:

	Balance, Beginning of Year	Claims, Expense and Estimates	Claims Payments	Balance, End of Year
2019-2020	\$ 261,861	\$ 5,314,371	\$ (5,284,351)	\$ 291,881
2020-2021	291,881	5,117,456	(5,079,414)	329,923
2021-2022	329,923	5,714,653	(5,667,496)	377,080

NOTE 10 – COMMITMENTS AND CONTINGENCIES

A. Construction Commitments

The District has in process various multi-year construction and repair projects which were not completed in the current fiscal year. As of June 30, 2022, outstanding commitments for these multi-year projects total approximately \$2,109,557.

NOTE 11 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2022, the District implemented GASB Statement No. 87, Leases. This resulted in the District recognizing a leased asset and corresponding lease liability of \$740,778 as of July 1, 2021. GASB Statement No. 87, Leases, requires leases that were in effect prior to implementation year be recognized as if they were issues as of July 1, 2021. Due to this, there is no effect on the beginning net position of the District.

Independent School District No. 14
Notes to Basic Financial Statements

NOTE 13 – GASB STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* establishes that a Subscription-Based Information Technology Arrangement (SBITA) results in a right-to-use subscription asset and a corresponding liability. Under this statement, a governmental entity generally should recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. This statement will be effective for the year ending June 30, 2023.

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REQUIRED SUPPLEMENTARY INFORMATION

Independent School District No. 14
Schedule of Changes in Total OPEB Liability
and Related Ratios

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Total OPEB Liability					
Service cost	\$ 268,733	\$ 261,627	\$ 285,365	\$ 304,076	\$ 325,631
Interest	117,244	120,305	105,136	96,599	74,564
Differenced between expected and actual experience	-	(790,649)	-	(303,240)	-
Changes of assumptions	-	4,521	54,604	(53,093)	38,143
Plan changes	-	159,928	-	284,835	-
Benefit payments	(303,571)	(273,818)	(354,893)	(347,921)	(371,668)
Net change in total OPEB liability	82,406	(518,086)	90,212	(18,744)	66,670
Beginning of year	3,330,127	3,412,533	2,894,447	2,894,447	2,875,703
End of year	<u>\$ 3,412,533</u>	<u>\$ 2,894,447</u>	<u>\$ 2,984,659</u>	<u>\$ 2,875,703</u>	<u>\$ 2,942,373</u>
Covered payroll	\$ 21,815,879	\$ 22,997,695	\$ 23,687,626	\$ 24,057,473	\$ 24,779,197
Total OPEB liability as a percentage of covered-employee payroll	15.64%	12.59%	12.60%	11.95%	11.87%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Independent School District No. 14
Schedule of District's and Non-Employer Proportionate Share
of Net Pension Liability
Last Ten Years General Employees Retirement Fund

For Plan's Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionated Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.1101%	\$ 5,171,946	\$ -	\$ 5,171,946	\$ 5,778,869	89.5%	78.7%
2015	0.0986%	5,109,964	-	5,109,964	5,696,880	89.7%	76.8%
2016	0.0953%	7,737,887	101,013	7,838,900	5,910,760	130.9%	68.9%
2017	0.0955%	6,096,657	76,662	6,173,319	6,152,440	99.1%	75.9%
2018	0.0940%	5,214,735	171,082	5,385,817	6,317,693	82.5%	79.5%
2019	0.0936%	5,174,934	160,993	5,335,927	6,627,653	78.1%	80.2%
2020	0.0890%	5,335,957	164,642	5,500,599	6,349,147	84.0%	79.1%
2021	0.0893%	3,813,510	116,549	3,930,059	6,432,507	59.3%	87.0%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Schedule of District's and Non-Employer Proportionate Share
of Net Pension Liability
Last Ten Years General Employees Retirement Fund

For Plan's Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionated Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.3144%	\$ 14,487,326	\$ 1,019,111	\$ 15,506,437	\$ 14,351,614	100.9%	81.5%
2015	0.3011%	18,626,013	2,284,436	20,910,449	15,281,867	121.9%	76.8%
2016	0.3130%	74,657,968	7,493,341	82,151,309	16,280,760	458.6%	44.9%
2017	0.3287%	65,614,483	6,343,192	71,957,675	17,693,453	370.8%	51.6%
2018	0.3409%	21,411,711	2,011,542	23,423,253	18,836,973	113.7%	78.1%
2019	0.3274%	20,868,545	1,846,938	22,715,483	18,586,874	112.3%	78.2%
2020	0.3163%	23,368,668	1,958,323	25,326,991	18,383,674	127.1%	75.5%
2021	0.3217%	14,078,554	1,187,260	15,265,814	19,250,221	73.1%	86.6%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**Independent School District No. 14
Schedule of District Contributions
General Employees Retirement Fund
Last Ten Years**

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 418,968	\$ 418,968	\$ -	\$ 5,778,869	7.25%
2015	427,266	427,266	-	5,696,880	7.50%
2016	443,307	443,307	-	5,910,760	7.50%
2017	461,433	461,433	-	6,152,440	7.50%
2018	473,827	473,827	-	6,317,693	7.50%
2019	497,074	497,074	-	6,627,653	7.50%
2020	476,186	476,186	-	6,349,147	7.50%
2021	482,438	482,438	-	6,432,507	7.50%
2022	542,437	542,437	-	7,232,493	7.50%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**Schedule of District Contributions
TRA Retirement Fund
Last Ten Years**

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 1,004,613	\$ 1,004,613	\$ -	\$ 14,351,614	7.0%
2015	1,146,140	1,146,140	-	15,281,867	7.5%
2016	1,221,057	1,221,057	-	16,280,760	7.5%
2017	1,327,009	1,327,009	-	17,693,453	7.5%
2018	1,412,773	1,412,773	-	18,836,973	7.5%
2019	1,433,048	1,433,048	-	18,586,874	7.7%
2020	1,455,987	1,455,987	-	18,383,674	7.9%
2021	1,565,043	1,565,043	-	19,250,221	8.1%
2022	1,732,775	1,732,775	-	20,776,679	8.3%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Independent School District No. 14
Notes to the Required Supplementary Information

TRA Retirement Fund

2021 Changes

Changes in Actuarial Assumptions

- The investment return assumption was changed from 7.5% to 7.0%.

2020 Changes

Changes in Actuarial Assumptions

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

2019 Changes

Changes in Actuarial Assumptions

- None

2018 Changes

Changes in Actuarial Assumptions

- The discount rate was increased to 7.5% from 5.12%.
- 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 0.0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers 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.

Independent School District No. 14
Notes to the Required Supplementary Information

TRA Retirement Fund (Continued)

2017 Changes

Changes in Actuarial Assumptions

- The discount rate was increased 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.

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.
- 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.

2015 Changes

Changes of Benefit Terms

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

Independent School District No. 14
Notes to the Required Supplementary Information

TRA Retirement Fund (Continued)

2015 Changes (Continued)

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%.

Independent School District No. 14
Notes to the Required Supplementary Information

General Employees Fund

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- 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 and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and 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% thereafter. 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.

Independent School District No. 14
Notes to the Required Supplementary Information

General Employees Fund (Continued)

2019 Changes (Continued)

Changes in Plan Provisions

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

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% 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 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, 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 CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

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.

Independent School District No. 14
Notes to the Required Supplementary Information

General Employees Fund (Continued)

2016 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% 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 increased 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.

Independent School District No. 14
Notes to the Required Supplementary Information

Other Post Employment Benefits

2022 Changes

Plan Changes; None

Assumption Changes

- The discount rate was changed from 2.40% to 2.10%

2021 Changes

Plan Changes; None

Assumption Changes

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.
- The discount rate was changed from 3.10% to 2.40%.

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SUPPLEMENTARY INFORMATION

Independent School District No. 14
Combining Balance Sheet -
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue		Debt Service	
			Post	
			Employment	Total
	Food Service	Community Service	Benefits Debt Service	Nonmajor Funds
Assets				
Cash and investments	\$ 946,962	\$ -	\$ 279,245	\$ 1,226,207
Current property taxes receivable	-	260,237	378,778	639,015
Delinquent property taxes receivable	-	3,465	4,598	8,063
Accounts receivable, net of allowance	-	15,041	-	15,041
Due from Department of Education	1,735	34,352	-	36,087
Due from other Minnesota school districts	-	12,904	-	12,904
Due from federal government through Department of Education	95,430	14,432	-	109,862
Due from other governmental units	251	25,711	-	25,962
Inventory	21,196	-	-	21,196
Prepaid items	329	7,203	-	7,532
Total assets	<u>\$ 1,065,903</u>	<u>\$ 373,345</u>	<u>\$ 662,621</u>	<u>\$ 2,101,869</u>
Liabilities				
Accounts payable	\$ 3,435	\$ 23,066	\$ -	\$ 26,501
Salaries and benefits payable	8,464	87,728	-	96,192
Due to other governmental units	-	3,923	-	3,923
Due to other funds	-	148,387	-	148,387
Unearned revenue	51,535	51,864	-	103,399
Total liabilities	<u>63,434</u>	<u>314,968</u>	<u>-</u>	<u>378,402</u>
Deferred Outflows of Resources				
Unavailable revenue - delinquent property taxes	-	2,935	3,708	6,643
Property taxes levied for subsequent year's expenditures	-	375,971	547,236	923,207
Total deferred inflows of resources	<u>-</u>	<u>378,906</u>	<u>550,944</u>	<u>929,850</u>
Fund Balances				
Nonspendable	21,525	7,203	-	28,728
Restricted	980,944	187,965	111,677	1,280,586
Unassigned	-	(515,697)	-	(515,697)
Total fund balances	<u>1,002,469</u>	<u>(320,529)</u>	<u>111,677</u>	<u>793,617</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,065,903</u>	<u>\$ 373,345</u>	<u>\$ 662,621</u>	<u>\$ 2,101,869</u>

Independent School District No. 14
Combining Statement of Revenues, Expenditures, and Changes
and Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2022

	Special Revenue		Debt Service	
			Post	
			Employment	Total
			Benefits Debt	Nonmajor
	Food Service	Community Service	Service	Funds
Revenues				
Local property taxes	\$ -	\$ 421,199	\$ 539,761	\$ 960,960
Other local and county revenues	6,146	1,088,542	1,532	1,096,220
Revenue from state sources	55,630	649,704	-	705,334
Revenue from federal sources	2,215,791	115,419	-	2,331,210
Sales and other conversion of assets	46,175	-	-	46,175
Total revenues	<u>2,323,742</u>	<u>2,274,864</u>	<u>541,293</u>	<u>5,139,899</u>
Expenditures				
Current				
Food service	1,952,717	-	-	1,952,717
Community education and services	-	2,604,342	-	2,604,342
Capital outlay				
Food service	5,624	-	-	5,624
Community education and services	-	35,968	-	35,968
Debt service				
Principal	-	53,379	495,000	548,379
Interest and fiscal charges	-	2,905	50,830	53,735
Total expenditures	<u>1,958,341</u>	<u>2,696,594</u>	<u>545,830</u>	<u>5,200,765</u>
Excess of revenues over (under) expenditures	365,401	(421,730)	(4,537)	(60,866)
Other Financing Sources				
Proceeds from sale of capital assets	-	2,425	-	2,425
Proceeds from leases	-	15,475	-	15,475
Transfers in	-	136,342	-	136,342
Total other financing sources (uses)	<u>-</u>	<u>154,242</u>	<u>-</u>	<u>154,242</u>
Net change in fund balances	365,401	(267,488)	(4,537)	93,376
Fund Balances				
Beginning of year	<u>637,068</u>	<u>(53,041)</u>	<u>116,214</u>	<u>700,241</u>
End of year	<u>\$ 1,002,469</u>	<u>\$ (320,529)</u>	<u>\$ 111,677</u>	<u>\$ 793,617</u>

Independent School District No. 14
Combining Statement of Net Position - Internal Service Funds
June 30, 2022

	Self Insurance	OPEB Revocable Trust	Total Internal Service Funds
Assets			
Cash and cash equivalents	\$ 7,728,393	\$ -	\$ 7,728,393
Investments	-	4,247,817	4,247,817
Accounts receivable	1,597	14,970	16,567
Interest receivable	-	48,642	48,642
Total assets	<u>\$ 7,729,990</u>	<u>\$ 4,311,429</u>	<u>\$ 12,041,419</u>
Liabilities			
Accounts payable	\$ 51,571	\$ -	\$ 51,571
Incurred but not reported claims	325,509	-	325,509
Due to other funds	-	340,548	340,548
Unearned revenue	1,159,881	-	1,159,881
Total liabilities	<u>1,536,961</u>	<u>340,548</u>	<u>1,877,509</u>
Net Position			
Unrestricted	<u>6,193,029</u>	<u>3,970,881</u>	<u>10,163,910</u>
Total liabilities and net position	<u>\$ 7,729,990</u>	<u>\$ 4,311,429</u>	<u>\$ 12,041,419</u>

Independent School District No. 14
Combining Statement of Revenues, Expenses, and Changes
in Fund Net Position - Internal Service Funds
Year Ended June 30, 2022

	Self Insurance	OPEB Revocable Trust	Total Internal Service Funds
Operating Revenues			
Charges for services	\$ 6,136,668	\$ 199,873	\$ 6,336,541
Operating Expense			
Insurance	5,128,593	538,472	5,667,065
Administrative	586,060	-	586,060
Total operating expenses	<u>5,714,653</u>	<u>538,472</u>	<u>6,253,125</u>
Operating income (loss)	422,015	(338,599)	83,416
Nonoperating Revenues			
Investment income	<u>-</u>	<u>(113,258)</u>	<u>(113,258)</u>
Change in net position	422,015	(451,857)	(29,842)
Net Position			
Beginning of year	<u>5,771,014</u>	<u>4,422,738</u>	<u>10,193,752</u>
End of year	<u><u>\$ 6,193,029</u></u>	<u><u>\$ 3,970,881</u></u>	<u><u>\$ 10,163,910</u></u>

Independent School District No. 14
Combining Statement of Cash Flows - Internal Service Funds
Year Ended June 30, 2022

	Self Insurance	OPEB Revocable Trust	Total Internal Service Funds
Cash Flows - Operating Activities			
Receipts from district contribution	\$ -	\$ 202,546	\$ 202,546
Receipts from employees	6,110,777	-	6,110,777
Payments to vendors	(5,667,496)	(538,472)	(6,205,968)
Net cash flows - operating activities	<u>443,281</u>	<u>(335,926)</u>	<u>107,355</u>
Financing Activities			
Due to other funds	-	340,548	340,548
Net cash flows - investing activities	<u>-</u>	<u>340,548</u>	<u>340,548</u>
Cash Flows - Investing Activities			
Net sale/(purchase) of investments	-	212,745	212,745
Interest received	-	(109,392)	(109,392)
Net cash flows - investing activities	<u>-</u>	<u>103,353</u>	<u>103,353</u>
Net change in cash and cash equivalents	443,281	107,975	551,256
Cash and Cash Equivalents			
Beginning of year	<u>7,285,112</u>	<u>(107,975)</u>	<u>7,177,137</u>
End of year	<u><u>\$ 7,728,393</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,728,393</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities			
Operating income (loss)	\$ 422,015	\$ (338,599)	\$ 83,416
Adjustments to reconcile operating income (loss) to net cash flows - operating activities			
Accounts receivable	(1,597)	2,673	1,076
Unearned revenue	(24,294)	-	(24,294)
Accounts payable	<u>47,157</u>	<u>-</u>	<u>47,157</u>
Net cash flows - operating activities	<u><u>\$ 443,281</u></u>	<u><u>\$ (335,926)</u></u>	<u><u>\$ 107,355</u></u>

Independent School District No. 14
Uniform Financial Accounting and Reporting Standards
Compliance Table
Year Ended June 30, 2022

	Audit	UFARS	Audit-UFARS		Audit	UFARS	Audit-UFARS
01 GENERAL FUND				06 BUILDING CONSTRUCTION FUND			
Total revenue	\$ 46,648,512	\$ 46,648,509	\$ 3	Total revenue	\$ -	\$ -	\$ -
Total expenditures	48,902,728	48,902,725	3	Total expenditures	2,116,946	2,116,945	1
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
4.60 Nonspendable fund balance	523,972	523,972	-	4.60 Nonspendable fund balance	-	-	-
<i>Restricted/reserved:</i>				<i>Restricted/reserved:</i>			
4.01 Student Activities	86,689	86,689	-	4.07 Capital Projects Levy	3,970	3,970	-
4.02 Scholarships	-	-	-	4.13 Building Projects funded by COP	-	-	-
4.07 Capital Projects Levy	64,950	64,950	-	4.67 Long-term Facilities Maintenance	-	-	-
4.08 Cooperative Programs	-	-	-	<i>Restricted:</i>			
4.13 Alternative Facility Program	-	-	-	4.64 Restricted fund balance	(1)	-	(1)
4.14 Operating Debt	-	-	-	<i>Unassigned:</i>			
4.16 Levy Reduction	-	-	-	4.63 Unassigned fund balance	-	-	-
4.17 Taconite Building Maintenance	-	-	-				
4.24 Operating Capital	216,128	216,129	(1)	07 DEBT SERVICE FUND			
4.26 \$25 Taconite	-	-	-	Total revenue	\$ 4,286,936	\$ 4,286,936	\$ -
4.27 Disabled Accessibility	-	-	-	Total expenditures	4,280,201	4,280,201	-
4.28 Learning and Development	-	-	-	<i>Nonspendable:</i>			
4.34 Area Learning Center	40,908	40,908	-	4.60 Nonspendable fund balance	-	-	-
4.35 Contracted Alternative Programs	-	-	-	<i>Restricted/reserved:</i>			
4.36 State Approved Alternative Program	-	-	-	4.25 Bond refunding	-	-	-
4.38 Gifted And Talented	-	-	-	4.33 Maximum effort loan aid	-	-	-
4.41 Basic Skills Programs	-	-	-	4.51 QZAB payments	-	-	-
4.45 Career Technical Programs	-	-	-	4.67 LTFM	-	-	-
4.48 Achievement And Integration Revenue	-	-	-	<i>Restricted:</i>			
4.49 Safe School Crime	231,367	231,367	-	4.64 Restricted fund balance	930,627	930,627	-
4.51 QZAB Payments	-	-	-	<i>Unassigned:</i>			
4.52 Opeb Liabilities Not Held In Trust	-	-	-	4.63 Unassigned fund balance	-	-	-
4.53 Unfunded Severance And Retirement Levy	-	-	-				
4.59 Basic Skills Extended Time	-	-	-	08 TRUST FUND			
4.67 Long-term Facilities Maintenance	145,458	145,458	-	Total revenue	\$ -	\$ -	\$ -
4.72 Medical Assistance	1,526,898	1,526,898	-	Total expenditures	-	-	-
4.64 Restricted Fund Balance	-	-	-	<i>Unassigned:</i>			
4.75 Title VII - Impact Aid	-	-	-	4.01 Student Activities	-	-	-
4.76 Payments in Lieu of Taxes	-	-	-	4.02 Scholarships	-	-	-
<i>Restricted:</i>				4.22 Net position	-	-	-
4.64 Restricted fund balance	-	-	-				
<i>Committed:</i>				18 CUSTODIAL			
4.18 Committed for separation	-	-	-	Total revenue	-	-	-
4.61 Committed	-	-	-	Total expenditures	-	-	-
<i>Assigned:</i>				<i>Restricted/Reserved:</i>			
4.62 Assigned fund balance	1,276,042	1,276,042	-	4.01 Student Activities	-	-	-
<i>Unassigned:</i>				4.02 Scholarships	-	-	-
4.22 Unassigned fund balance	3,108,755	3,108,756	(1)	4.48 Achievement and Integration	-	-	-
				4.64 Restricted	-	-	-
02 FOOD SERVICES FUND				20 INTERNAL SERVICE FUND			
Total revenue	\$ 2,323,742	\$ 2,323,741	\$ 1	Total revenue	\$ 6,136,668	\$ 6,136,668	\$ -
Total expenditures	1,958,341	1,958,336	5	Total expenditures	5,714,653	5,714,653	-
<i>Nonspendable:</i>				<i>Unassigned:</i>			
460 Nonspendable fund balance	21,525	21,525	-	4.22 Net position	6,193,029	6,193,030	(1)
See notes to required supplementary information.							
452 OPEB Liabilities not Held in Trust	-	-	-	25 OPEB REVOCABLE TRUST			
<i>Restricted:</i>				Total revenue	\$ 86,615	\$ 86,614	\$ 1
464 Restricted fund balance	980,944	980,946	(2)	Total expenditures	538,472	538,471	1
<i>Unassigned:</i>				<i>Unassigned:</i>			
463 Unassigned fund balance	-	-	-	4.22 Net position	3,970,881	3,970,880	1
04 COMMUNITY SERVICE FUND				45 OPEB IRREVOCABLE TRUST			
Total revenue	\$ 2,274,864	\$ 2,274,862	\$ 2	Total revenue	\$ -	\$ -	\$ -
Total expenditures	2,696,594	2,696,594	-	Total expenditures	-	-	-
<i>Nonspendable:</i>				Total revenue			
460 Nonspendable fund balance	7,203	7,203	-	4.22 Net position	-	-	-
<i>Restricted/reserved:</i>				47 OPEB DEBT SERVICE			
426 \$25 taconite	-	-	-	Total revenue	\$ 541,293	\$ 541,293	\$ -
431 Community Education	(515,697)	(515,697)	-	Total expenditures	545,830	545,830	-
432 ECFE	25,985	25,985	-	<i>Nonspendable:</i>			
444 School Readiness	73,382	73,382	-	4.60 Nonspendable fund balance	-	-	-
447 Adult Basic Education	-	-	-	<i>Restricted:</i>			
452 OPEB Liabilities not Held in Trust	-	-	-	4.25 Bond refundings	-	-	-
<i>Restricted:</i>				4.64 Restricted fund balance	111,677	111,677	-
464 Restricted fund balance	88,598	88,598	-	<i>Unassigned:</i>			
<i>Unassigned:</i>				4.63 Unassigned fund balance	-	-	-
463 Unassigned fund balance	-	-	-				

Independent School District No. 14
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Agency/Pass Through Agency/Program Title	Federal Assistance Listing Number	Expenditures
U.S. Department of Agriculture		
Through Minnesota Department of Education		
Child Nutrition Cluster		
Commodities Programs	10.555	\$ 140,932
School Breakfast	10.553	470,073
National School Lunch	10.555	1,338,655
COVID 19 - Summer Food Service	10.559	71,329
Total Child Nutrition Cluster		<u>2,020,989</u>
Child and Adult Care Food Program	10.558	144,170
Fresh Fruit and Vegetables	10.582	50,632
Total U.S. Department of Agriculture		<u>2,215,791</u>
U.S. Department of Treasury		
Through Minnesota Department of Education		
State Local Fiscal and Recovery Funds		
COVID 19 - American Rescue Plan Summer Academic Enrichment and Mental Health	21.027	79,954
COVID 19 - Summer Preschool Program	21.027	38,432
Total State Local Fiscal and Recovery Funds		<u>118,386</u>
Total U.S. Department of Treasury		<u>118,386</u>
U.S. Department of Education		
Through Minnesota Department of Education		
Title I, Part A	84.010	448,063
Title II, Part A - Improving Teacher Quality	84.367	80,057
Title III, Part A - English Language Acquisition	84.365	47,888
Title III, Part A - Immigrant Grant	84.365	33,822
Title IV, Part A, Student Support and Academic Enrichment	84.424	29,526
Special Education Cluster		
Special Education	84.027	475,786
IDEA, Part B Section 611 Mandatory Coordinated Early Intervening Services	84.027	123,267
Special Education - Preschool Grant	84.173	16,070
Total Special Education Cluster		<u>615,123</u>
Education Stabilization Fund		
COVID 19 - Elementary and Secondary School Education Relief (ESSER) Fund	84.425D	1,006,126
COVID 19 - Expanded Summer Learning (ESSER)	84.425C	44,175
COVID 19 - The Governor's Emergency Education Relief (GEER) Fund	84.425C	134,215
COVID 19 - American Rescue Plan - Homeless I	84.425W	11,216
COVID 19 - Summer School Age Care	84.425C	11,100
Total Education Stabilization Funds		<u>1,206,832</u>
Infants and Toddlers	84.181	10,007
Carl Perkins	84.048A	9,605
Through Northwest Suburban Integration District:		
Global Studies Magnet Grant	84.165A	99,434
Total U.S. Department of Education		<u>2,580,357</u>
U.S. Department of Health and Human Services		
Through Minnesota Department of Human Services		
COVID-19 Public Health Support Funds for Child Care	93.575	65,888
COVID-19 Minnesota COVID Testing	93.323	157,291
Total U.S. Department of Health and Human Services		<u>223,179</u>
Total federal expenditures		<u>\$ 5,137,713</u>

Independent School District No. 14
Notes to the Schedule of Expenditures of Federal Awards

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the modified accrual basis financial statements.

NOTE 2 – PASS-THROUGH GRANT NUMBERS

All pass-through entities listed above use the same Assistance Listing numbers as the federal grantors to identify these grants and have not assigned any additional identifying numbers.

NOTE 3 – INVENTORY

Inventories of commodities donated by the U.S. Department of Agriculture are recorded at market value in the Food Service Fund as inventory. Revenue and expenditures are recorded when commodities are used.

NOTE 4 – INDIRECT COST RATE

The District did not elect to use the 10 percent de minimis indirect cost rate, as allowed under the Uniform Guidance.

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**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***

Independent Auditor's Report

To the School Board
Independent School District No. 14
Fridley, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 14, Fridley, Minnesota, as of and for the year ending June 30, 2022, and the related notes to basic financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 8, 2022.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs in Accordance with the Uniform Guidance that we consider to be a significant deficiency in internal control, described as Audit Finding 2022-001.

Report on Compliance and Other Matters

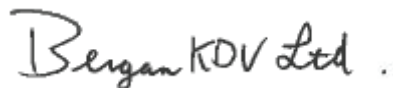
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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*.

District's Response to the Findings

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs in Accordance with the Uniform Guidance. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

A handwritten signature in dark ink that reads "Bergan KDV Ltd." with a small flourish at the end.

Minneapolis, Minnesota
November 8, 2022

**Report on Compliance for Each Major
Federal Program and on Internal Control over
Compliance Required by the Uniform Guidance**

Independent Auditor's Report

To the School Board
Independent School District No. 14
Fridley, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2022. The District's major federal program is 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 its major federal program for the year ended June 30, 2022.

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 its 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 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.

Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section 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.

A handwritten signature in dark ink that reads "BergankDV Ltd." with a period at the end.

Minneapolis, Minnesota

November 8, 2022

**Independent School District No. 14
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	Yes, Audit Finding 2022-001
Noncompliance material to basic financial statements noted?	No

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516?	No

Identification of Major Programs

Assistance Listing No.:	84.425C, 84.425D, 84.425W
Name of Federal Program or Cluster:	Education Stabilization Fund
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low risk auditee?	Yes

**Independent School District No. 14
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance**

SECTION II – BASIC FINANCIAL STATEMENT FINDINGS

Audit Finding 2022-001

Criteria or Specific Requirement:

Internal control that supports the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements requires adequate segregation of accounting duties.

Condition:

During the year ended June 30, 2022, the District had a lack of segregation of accounting duties due to a limited number of office employees. This lack of segregation of accounting duties can be demonstrated in the following areas, which is not intended to be an all-inclusive list:

- The Accounts Payable Clerk enters invoices into the system and prepares the checks.
- The Accounting Supervisor has access to all areas of the accounting system.
- The Accounting Supervisor and Payroll Specialist have overlapping duties within the payroll process

Context:

This finding impacts the internal control for all significant accounting functions.

Effect:

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

Cause:

There are a limited number of office employees.

Recommendation:

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

Management's Response:

**Independent School District No. 14
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance**

CORRECTIVE ACTION PLAN (CAP):

1. Explanation of Disagreement with Audit Finding
There is no disagreement with the audit finding.
2. Actions Planned in Response to Finding
 - a. As a mitigating control, the Accounting Supervisor receives a system report of checks prior to the preparation of checks for review. In addition, the Accounting Supervisor reviews the edit to the check register to verify that the edit was not changed after review.
 - b. The Accounting Supervisor has access to all areas of the accounting system. Segregation will be reviewed to determine whether access can feasibly be limited.
 - c. Payroll responsibilities will be reviewed once the HRIS system is fully built out and functional.
3. Official Responsible for Ensuring CAP
Craig Wieber, Director of Finance and Operations, is the official responsible for ensuring corrective action of the deficiency.
4. Planned Completion Date for CAP
The planned completion date for the CAP is June 30, 2023.
5. Plan to Monitor Completion of CAP
The School Board will be monitoring this CAP.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings or questioned costs.

SECTION IV – PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There are no prior year federal award findings or questioned costs.

Minnesota Legal Compliance

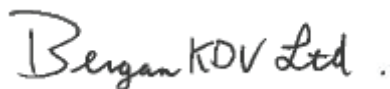
Independent Auditor's Report

To the School Board
Independent School District No. 14
Fridley, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 14, Fridley, Minnesota, as of and for the year ended June 30, 2022, and the related notes to basic financial statements, and have issued our report thereon dated November 8, 2022.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards for school districts sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to *Minnesota Statutes* § 6.65, insofar as they relate to accounting matters. However, our audit as 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 result of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink that reads "BergankDV Ltd." with a period at the end.

Minneapolis, Minnesota
November 8, 2022

**RESOLUTION ESTABLISHING A COMBINED POLLING PLACE
FOR MULTIPLE PRECINCTS AND
DESIGNATING HOURS DURING WHICH THE POLLING
PLACES WILL REMAIN OPEN FOR VOTING
FOR SCHOOL DISTRICT ELECTIONS NOT HELD
ON THE DAY OF A STATEWIDE, COUNTY, OR MUNICIPAL ELECTION**

BE IT RESOLVED by the School Board of ISD #14, State of Minnesota, as follows:

1. Pursuant to Minnesota Statutes, Section 205A.11, the precincts and polling places for school district elections are those precincts or parts of precincts located within the boundaries of the school district which have been established by the cities or towns located in whole or in part within the school district. The board hereby confirms those precincts and polling places so established by those municipalities.

2. Pursuant to Minnesota Statutes, Section 205A.11, the board may establish a combined polling place for several precincts for school elections not held on the day of a statewide, county, or municipal election. Combined polling places are hereby established to serve the precincts specified for all school district special and general elections not held on the same day as a statewide, county, or municipal election, as listed below:

County	Combination Name	Polling Place	Comprised of City Precincts
Anoka	ISD #14 P1	FRIDLEY COMMUNITY CENTER 6085 7th St NE FRIDLEY MN 55433	FRIDLEY W-1 P-1 FRIDLEY W-1 P-2 FRIDLEY W-1 P-3 FRIDLEY W-1 P-4 FRIDLEY W-2 P-1 FRIDLEY W-2 P-2 FRIDLEY W-2 P-3 FRIDLEY W-2 P-4 FRIDLEY W-3 P-1 FRIDLEY W-3 P-2 FRIDLEY W-3 P-3 FRIDLEY W-3 P-4

3. Pursuant to Minnesota Statutes, Section 205A.09, the polling places will remain open for voting for school district elections between the hours of 7:00 a.m. and 8:00 p.m.

4. The clerk is directed to prepare a map illustrating the boundaries of each combined precinct, to post the map of the combined precincts in the administrative offices of the school district and to file a copy of the map and a certified copy of this resolution with the county auditor of each county in which the school district is located in whole or in part.

5. As required by Minnesota Statutes, Section 204B.16, Subdivision 1a, the clerk is hereby authorized and directed to give written notice of new polling place locations to all registered voters in the school district whose school district polling place locations have been changed. The notice must be a non-forwardable notice mailed at least twenty-five (25) days before the date of the first election to which it will apply.



FRIDLEY PUBLIC SCHOOLS

Fridley Public Schools Policies Presented for Second Reading November 15, 2022

#	Policy Name	Change/Revision
601	School District Curriculum and Instruction Goals	Updated legal references and text
603	Curriculum Development	Updated legal references and text Adds District Advisory Committee and School Site Team statutory requirements
604	Instructional Curriculum	Adds the Parental Curriculum Review statutory requirement and adjusts the policy's articles to separate CPR/AED training, College and Career Planning, and Civics Test provisions
515.1	Data Request Policy for Subjects of Data	Updated purpose
722	Public and Data Subject Requests	Adds the Statutorily required annual review and posting requirements



601 School District Curriculum and Instruction Goals

I. Purpose

The purpose of this policy is to establish broad curriculum parameters for the Fridley Public Schools District that encompass the Minnesota Graduation Standards and federal law and are aligned with creating the world's best workforce.

II. General Statement of Policy

It is the policy of the school district to establish learner results toward which all learning in the school district should be directed and for which all school district learners should be held accountable.

III. Definitions

- A. "Academic standard" means a summary description of student learning in a required content area or elective content area.
- B. "Benchmark" means specific knowledge or skill that a student must master to complete part of an academic standard by the end of the grade level or grade band.
- C. "Curriculum" means district or school adopted programs and written plans for providing students learning experiences that lead to expected knowledge and skills.
- D. "Instruction" means methods of providing learning experiences that enable students to meet state and district academic standards and graduation requirements.
- E. "Performance measures" are measures to determine school district and school site progress in striving to create the world's best workforce and must include at least the following:
 - 1. the size of the academic achievement gap and rigorous course taking, including college-level advanced placement, international baccalaureate, postsecondary enrollment options including concurrent enrollment, other rigorous courses of student or industry certification courses or programs and enrichment experiences by student subgroup;

2. student performance on the Minnesota Comprehensive Assessments;
 3. high school graduation rates; and
 4. career and college readiness under Minnesota Statutes section 120 B.30, Subdivision 1.
- F. “World’s best workforce” means striving to: meet school readiness goals; have all third-grade students achieve grade-level literacy; close the academic achievement gap among all racial and ethnic groups of students and between students living in poverty and students not living in poverty; have all students attain career and college readiness before graduating from high school; and have all students graduate from high school.
- G. “Experiential learning” means learning for students that includes career exploration through a specific class or course or through work-based experiences such as job shadowing, mentoring, entrepreneurship, service learning, volunteering, internships, other cooperative work experience, youth apprenticeship, or employment.

IV. Long-Term Strategic Plan

- A. The School Board, at a public meeting, shall adopt a comprehensive, long-term strategic plan to support and improve teaching and learning that is aligned with creating the world’s best workforce and includes the following:
1. clearly defined school district and school site goals and benchmarks for instruction and student achievement for all student categories identified in state and federal law;
 2. a process to assess and evaluate each student’s progress toward meeting state and local academic standards, assess and identify students for participation in gifted and talented programs and accelerate their instruction, adopt procedures for early admission to kindergarten or first grade of gifted and talented learners which are sensitive to under-represented groups, and identify the strengths and weaknesses of instruction in pursuit of student and school success and curriculum affecting students’ progress and growth toward career and college readiness and leading to the world’s best workforce;
 3. a system to periodically review and evaluate the effectiveness of all instruction and curriculum, taking into account strategies and best

practices, student outcomes, principal evaluations under Minnesota Statutes section 123B.147, Subdivision 3, students' access to effective teachers who are members of populations under-represented among the licensed teachers in the district or school and who reflect the diversity of enrolled students under Minnesota Statutes section 120B.35, Subdivision 3(b) (2), and teacher evaluations under Minnesota Statutes section 122A.40, Subdivision 8, or 122A.41, Subdivision 5;

4. strategies for improving instruction, curriculum, and student achievement, including English and, where practicable, the native language development and the academic achievement of English learners;
5. a process to examine the equitable distribution of teachers and strategies to ensure low-income and minority children are not taught at higher rates than other children by inexperienced, ineffective, or out-of-field teachers;
6. education effectiveness practices that integrate high-quality instruction, rigorous curriculum, technology, and a collaborative professional culture that develops and supports teacher quality, performance, and effectiveness; and
7. an annual budget for continuing to implement the school district plan.

B. School district site and school goals shall include the following:

1. All students will be expected to demonstrate essential skills to effectively participate in lifelong learning. These skills include:
 - a. reading, writing, speaking, listening and viewing in the English language;
 - b. mathematical and scientific concepts;
 - c. locating, organizing, communicating and evaluating information and developing methods of inquiry (i.e. problem solving);
 - d. creative and critical thinking, decision making and study skills;
 - e. work readiness skills;
 - f. global and cultural understanding.
2. Each student will have the opportunity and will be expected to develop and apply essential knowledge that enables that student to:

- a. live as a responsible, productive citizen and consumer within local, state, national and global political, social, and economic systems;
 - b. bring many perspectives, including historical, to contemporary issues;
 - c. develop an appreciation and respect for democratic institutions;
 - d. communicate and relate effectively in languages and with cultures other than the student's own;
 - e. practice stewardship of the land, natural resources and environment;
 - f. use a variety of tools and technology to gather and use information, enhance learning, solve problems, and increase human productivity.
3. Students will have the opportunity to develop creativity and self-expression through visual and verbal images, music, literature, world languages, movement and the performing arts.
 4. School practices, curriculum, instruction and guidance services will be directed toward developing within each student a positive self-image and a sense of personal responsibility for:
 - a. establishing and achieving personal and career goals;
 - b. becoming a self-directed, life-long learner;
 - c. adapting to change;
 - d. leading a healthy and fulfilling life physically, emotionally and socially;
 - e. living a life that will contribute to the well-being of society;
 - f. exercising ethical behavior.
 5. Students will be given the opportunity to acquire human relations skills necessary to:

- a. appreciate, understand, and accept human diversity and interdependence;
 - b. address human problems through team effort;
 - c. resolve conflicts with and among others;
 - d. function constructively within a family unit;
 - e. promote a multicultural, gender-fair, disability-sensitive society.
- C. Every child is reading at or above grade level no later than the end of grade 3, including English learners, and teachers provide comprehensive, scientifically based reading instruction, including a program or collection of instructional practices that is based on valid, replicable evidence showing that, when the programs or practices are used, students can be expected to achieve, at a minimum, satisfactory reading progress. The program or collection of practices must include, at a minimum, effective, balanced instruction in all five areas of reading (phonemic awareness, phonics, fluency, vocabulary development, and reading comprehension), as well as instructional strategies for continuously assessing, evaluating, and communicating the student's reading progress and needs.
1. The school district shall identify, before the end of kindergarten, grade 1, and grade 2, students who are not reading at grade level. Students identified as not reading at grade level by the end of kindergarten, grade 1, and grade 2 must be screened for characteristics of dyslexia, unless a different reason for the reading difficulty has been identified.
 2. Students in grade 3 or higher who demonstrate a reading difficulty to a classroom teacher must be screened for characteristics of dyslexia, unless a different reason for the reading difficulty has been identified.
 3. Reading assessments in English and in the predominant language of district students, where practicable, must identify and evaluate students' areas of academic need related to literacy. The school district must use locally adopted, developmentally appropriate, and culturally responsive assessment and annually report summary assessment results to the Commissioner of Education by July 1.
 4. The school district must annually report to the Commissioner of Education by July 1 a summary of the district's efforts to screen and identify students who demonstrate characteristics of dyslexia using screening tools such as those recommended by the Minnesota Department of Education's dyslexia specialist. With respect to students screened or identified under paragraph

- (1), the report must include:
 - (a) a summary of the district's efforts to screen for dyslexia;
 - (b) the number of students screened for that reporting year; and
 - (c) the number of students demonstrating characteristics of dyslexia for that year.
5. A student identified as having a reading difficulty must be provided with alternate instruction under Minnesota Statutes section 125A.56, Subdivision 1.
6. At least annually, the school district must give the parent of each student who is not reading at or above grade level timely information about:
 - a. student's reading proficiency as measured by a locally adopted assessment;
 - b. reading-related services currently being provided to the student; and
 - c. strategies for parents to use at home in helping their students succeed in becoming grade-level proficient in reading English and their native languages.
7. For each student who is not reading at or above grade level, the school district shall provide reading intervention to accelerate student growth and reach the goal of reading at or above grade level by the end of the current grade and school year. If a student does not read at or above grade level by the end of grade 3, the school district must continue to provide reading intervention until the student reads at grade level. Intervention methods shall encourage family engagement and, where possible, collaboration with appropriate school and community programs. Intervention methods may include, but are not limited to, requiring attendance in summer school, intensified reading instruction that may require that the student be removed from the regular classroom for part of the school day, extended day programs, or programs that strengthen students' cultural connections.
8. The school district will provide a personal learning plan for a student who is unable to demonstrate grade-level proficiency, as measured by the statewide reading assessment in grade 3. The school district will determine the format of the personal learning plan in collaboration with the student's educators and other appropriate professionals. The school

district will develop the personal learning plan in consultation with the student's parent or guardian. The personal learning plan will address knowledge gaps and skill deficiencies through strategies such as specific exercise and practices during and outside of the school day, periodic assessments, and reasonable timelines. The personal learning plan may include grade retention if it is in the student's best interest. The student's school will maintain and regularly update and modify the personal learning plan until the student reads at grade level. This paragraph does not apply to a student under an Individualized Education Program.

V. Parent and Community Involvement

- A. Parent involvement in the education of their children is critical to the successful learning of each student. It is the expectation of the School Board that parents will fulfill this obligation. Examples of ways in which parents may participate include the following:
1. hold and share high expectations for their children;
 2. help their children to attend school regularly and on time;
 3. help their children get adequate rest and nutrition;
 4. provide a quiet place for school work;
 5. communicate information to staff to help the school support and challenge their children;
 6. monitor their children's progress on a regular basis;
 7. respect and cooperate with teachers and other school staff;
 8. communicate concerns to a teacher or principal;
 9. attend all parent conferences;
 10. help their children learn to respect others and to resolve conflicts in positive ways;
 11. consider involvement on school committees.
- B. Parents and community members have an important role to play in decision-making which guides the operation of the schools and school district. Therefore, it is the policy of the School Board, and shall be the general practice of the school

district, to include parents and community members on committees and task forces whenever possible.

- C. Parents and community members are encouraged to volunteer their time and talent in support of teaching and learning and the general operation of the school district.
1. When parents and community members volunteer to work in schools, they shall work under the direction and supervision of the staff and abide by district policies.
 2. Appropriate training and orientation shall be provided for volunteers by the building administrator or a staff member.
 3. The school district reserves the right to decline the use of services offered by any volunteer.

Legal References: Minnesota Statutes section 120B.018 (Definitions)
Minnesota Statutes section 120B.02 (Educational Expectations and Graduation Requirements for Minnesota Students)
Minnesota Statutes section 120B.11 (School District Process for Reviewing Curriculum, Instruction, and Student Achievement; Striving for the World's Best Workforce)
Minnesota Statutes section 120B.12 (Reading Proficiently no Later than the End of Grade 3)
Minn. Stat. § 120B.30, Subd. 1 (Statewide Testing and Reporting System)
Minn. Stat. § 120B.35, Subd. 3 (Student Academic Achievement and Growth)
Minn. Stat. § 122A.40, Subd. 8 (Employment; Contracts; Termination)
Minn. Stat. § 122A.41, Subd. 5 (Teacher Tenure Act; Cities of the First Class; Definitions)
Minn. Stat. § 123B.147, Subd. 3 (Principals)
Minn. Stat. § 125A.56, Subd. 1 (Alternate Instruction Required before Assessment Referral)
20 U.S.C. § 5801, *et seq.* (National Education Goals)
20 U.S.C. § 6301, *et seq.* (Every Student Succeeds Act)

Cross References: MSBA/MASA Model Policy 104 (School District Mission Statement)
MSBA/MASA Model Policy 613 (Graduation Requirements)
MSBA/MASA Model Policy 614 (School District Testing Plan and Procedure)



A World-Class Community of Learners

Fridley Public Schools is committed to creating a welcoming, respectful environment that provides an equitable and inclusive education for each student, staff and community member by ensuring that opportunities, access, and resources are aligned to support the growth and academic achievement of each student.

MSBA/MASA Model Policy 615 (Basic Standards Testing, Accommodations, Modifications, and Exemptions for IEP, Section 504 Accommodation, and LEP Students)
MSBA/MASA Model Policy 616 (School District System Accountability)
MSBA/MASA Model Policy 618 (Assessment of Student Achievement)

School Board Action:

Adopted as Policy 9.127 February 16, 1999
Adopted as Policy 9.128 February 16, 1999
Adopted as Policy 9.122 June 16, 1998
Revised as Policy 601 June 17, 2008
Revised April 18, 2017
Revised July 18, 2017
Revised November 19, 2019
Revised July 20, 2021
Revised November 15, 2022

Second Reading

603 CURRICULUM DEVELOPMENT

I. PURPOSE

The purpose of this policy is to provide direction for continuous review and improvement of the school curriculum.

II. GENERAL STATEMENT OF POLICY

Curriculum development shall be directed toward the fulfillment of the goals and objectives of the education program of the school district.

III. RESPONSIBILITY

The superintendent shall be responsible for establishing an ongoing process for educational program development, evaluation and improvement. Timelines shall be determined by the superintendent that will provide for periodic reviews of each curriculum area.

IV. DISTRICT ADVISORY COMMITTEE

- A. The school board shall establish an advisory committee to ensure active community participation in all phases of planning and improving the instruction and curriculum affecting state and district academic standards.
- B. The district advisory committee, to the extent possible, shall reflect the diversity of the district and its school sites, include teachers, parents, support staff, students, and other community residents, and provide translation to the extent appropriate and practicable. Whenever possible, parents and other community residents shall comprise at least two-thirds of advisory committee members.
- C. The district advisory committee shall pursue community support to accelerate the academic and native literacy and achievement of English learners with varied needs, from young children to adults, consistent with Minnesota Statutes section [124D.59, subdivisions 2](#) and 2a.
- D. The district may establish site teams as subcommittees of the district advisory committee.
- E. The district advisory committee shall recommend to the school board
 - 1. rigorous academic standards, student achievement goals and measures consistent with Minnesota Statutes section 120B.11, subdivision 1a, section [120B.022](#), subdivisions 1a and 1b, and section [120B.35](#),

2. district assessments,
3. means to improve students' equitable access to effective and more diverse teachers, and
4. program evaluations.

F. School sites may expand upon district evaluations of instruction, curriculum, assessments, or programs.

V. SCHOOL SITE TEAM

Each school must establish a site team to develop and implement strategies and education effectiveness practices to improve instruction, curriculum, cultural competencies, including cultural awareness and cross-cultural communication, and student achievement at the school site. The site team must include an equal number of teachers and administrators and at least one parent. The site team advises the board and the advisory committee about developing the annual budget and creates an instruction and curriculum improvement plan to align curriculum, assessment of student progress, and growth in meeting state and district academic standards and instruction.

VI. CURRICULUM DEVELOPMENT PROCESS

- A. Within the ongoing process of curriculum development, the following needs shall be addressed:
1. Provide for articulation of courses of study from kindergarten through grade twelve.
 2. Identify minimum objectives for each course and at each elementary grade level.
 3. Provide for continuing evaluation of programs for the purpose of attaining school district objectives.
 4. Provide a program for ongoing monitoring of student progress.
 5. Provide for specific, particular and special needs of all members of the student community.
 6. Develop a local literacy plan to have every child reading at or above grade level no later than the end of grade 3, including English learners, and

teachers providing comprehensive, scientifically based reading instruction consistent with law.

7. Integrate required and elective course standards in the scope and sequence of the district curriculum.
 8. Meet all state and federal requirements, as well as the requirements of the Minnesota Department of Education.
- B. Students identified as not reading at grade level by the end of kindergarten, grade 1, and grade 2 must be screened for characteristics of dyslexia. Students in grade 3 or higher who demonstrate a reading difficulty to a classroom teacher must be screened for characteristics of dyslexia, unless a different reason for the reading difficulty has been identified. See Minnesota Statutes section 120B.12, Subdivision 2.
- C. Students who do not meet or exceed Minnesota academic standards, as measured by the Minnesota Comprehensive Assessments that are administered during high school, shall be informed that admission to a public school is free and available to any resident under 21 years of age or who meets the requirements of Minnesota Statutes section 120A.20, subdivision. 1(c). A student's plan under this section shall continue while the student is enrolled.
- D. The superintendent shall be responsible for keeping the School Board informed of all state and federal mandated curriculum changes, as well as recommended discretionary changes and for periodically presenting recommended modifications for School Board review and approval.
- E. The superintendent shall have discretionary authority to develop guidelines and directives to implement school board policy relating to curriculum development.

Legal References:

Minn. Stat. § 120B.10 (Findings; Improving Instruction and Curriculum)
Minn. Stat. § 120B.11 (School District Process)
Minn. Stat. § 120B.12 (Reading Proficiently No Later than the End of Grade 3
Minn. Stat. § 120B.125(f) (Planning for Students' Successful Transition to Postsecondary Education and Employment)
Minn. Rules Part 3500.0550 (Inclusive Educational Program)
Minn. Rules Parts 3501.0640-3501.0655 (Academic Standards for Language Arts)
Minn. Rules Parts 3501.0700-3501.0745 (Academic Standards for Mathematics)
Minn. Rules Parts 3501.0820 (Academic Standards for the Arts)
Minn. Rules Parts 3501.0900-3501.0955 (Academic Standards in Science)
Minn. Rules Parts 3501.1200-3501.1210 (Academic Standards for English Language Development)
Minn. Rules Parts 3501.1300-3501.1345 (Academic Standards for Social Studies)



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Minn. Rules Parts 3501.1400-3501.1410 (Academic Standards for Physical Education)
20 U.S.C. § 6301, *et seq.* (Every Student Succeeds Act)

Cross References:

MSBA/MASA Model Policy 604 (Instructional Curriculum)
MSBA/MASA Model Policy 605 (Alternative Programs)
MSBA/MASA Model Policy 613 (Graduation Requirements)
MSBA/MASA Model Policy 614 (School District Testing Plan and Procedure)
MSBA/MASA Model Policy 615 (Testing Accommodations, Modifications, and Exemptions for IEP, Section 504 Plans, and LEP Students)
MSBA/MASA Model Policy 616 (School District System Accountability)
MSBA/MASA Model Policy 618 (Assessment of Student Achievement)
MSBA/MASA Model Policy 619 (Staff Development for Standards)
MSBA/MASA Model Policy 620 (Credit for Learning)
MSBA/MASA Model Policy 623 (Mandatory Summer School Instruction)

School Board Action

Adopted as Policy 603 December 18, 2007, Incorporates Policies 9.101, 9.102, 9.140
Revised June 19, 2012
Revised July 18, 2017
Revised December 17, 2019
Revised April 19, 2022
Revised November 15, 2022

604 INSTRUCTIONAL CURRICULUM

I. PURPOSE

The purpose of this policy is to provide for the development of course offerings for students.

II. GENERAL STATEMENT OF POLICY

- A. Instruction must be provided in at least the following subject areas:
1. Language arts and basic communication skills including reading and writing, literature, and fine arts;
 2. Mathematics and science;
 3. Social studies, including history, geography, economics, government, and citizenship (see II.I.);
 4. Health and physical education;
 5. The arts;
 6. Career and technical education; and
 7. World languages.
- B. The basic instructional program shall include all courses required for each grade level by the Minnesota Department of Education (MDE) and all courses required in all elective subject areas. The instructional approach will be nonsexist and multicultural.
- C. Elementary and middle schools shall offer at least three, and require at least two, of the following four art areas: dance, music, theater, and visual arts. High schools shall offer at least three, and require at least one, of the following five art areas: media arts, dance, music, theater, and visual arts.
- D. The School District, at its discretion, may offer additional courses in the instructional program at any grade level.
- E. Each instructional program shall be planned for optimal benefit taking into consideration the financial condition of the school district and other relevant

factors. Each program plan should contain goals and objectives, materials, minimum student competency levels, and methods for student evaluation.

- F. The superintendent shall have discretionary authority to develop guidelines and directives to implement School Board policy relating to instructional curriculum.

III. PARENTAL CURRICULUM REVIEW

The school district shall have a procedure for a parent, guardian, or an adult student, 18 years of age or older, to review the content of the instructional materials to be provided to a minor child or to an adult student and, if the parent, guardian, or adult student objects to the content, to make reasonable arrangements with school personnel for alternative instruction. Alternative instruction may be provided by the parent, guardian, or adult student if the alternative instruction, if any, offered by the school board does not meet the concerns of the parent, guardian, or adult student. The school board is not required to pay for the costs of alternative instruction provided by a parent, guardian, or adult student. School personnel may not impose an academic or other penalty upon a student merely for arranging alternative instruction under this section. School personnel may evaluate and assess the quality of the student's work.

IV. CPR AND AED INSTRUCTION

The school district will provide onetime cardiopulmonary resuscitation (CPR) and automatic external defibrillator (AED) instruction as part of its grade 7 to 12 curriculum.

- A. In the school district's discretion, training and instruction may result in CPR certification.
- B. CPR and AED instruction must include CPR and AED training that have been developed:
1. by the American Heart Association or the American Red Cross and incorporate psychomotor skills to support the instruction; or
 2. using nationally recognized, evidence-based guidelines for CPR and incorporate psychomotor skills to support the instruction. "Psychomotor skills" means hands-on practice to support cognitive learning; it does not mean cognitive-only instruction and training.
- C. The school district may use community members such as emergency medical technicians, paramedics, police officers, firefighters, and representatives of the Minnesota Resuscitation Consortium, the American Heart Association, or the American Red Cross, among others, to provide instruction and training.

- D. A school administrator may waive this curriculum requirement for a high school transfer student regardless of whether or not the student previously received instruction under this section, an enrolled student absent on the day the instruction occurred under this section, or an eligible student who has a disability.

V. COLLEGE AND CAREER PLANNING

- A. The school district shall assist all students by no later than grade 9 to explore their educational college and career interests, aptitudes, and aspirations and develop a plan for a smooth and successful transition to postsecondary education or employment. All students' plans must:
1. provide a comprehensive plan to prepare for and complete career and college-ready curriculum by meeting state and local academic standards and developing career and employment-related skills such as teamwork, collaboration, creativity, communication, critical thinking, and good work habits;
 2. emphasize academic rigor and high expectations and inform the student and the student's parent or guardian, if the student is a minor, of the student's achievement level score on the Minnesota Comprehensive Assessments that are administered during high school;
 3. help students identify interests, aptitudes, aspirations, and personal learning styles that may affect their career and college-ready goals and postsecondary education and employment choices;
 4. set appropriate career and college-ready goals with timelines that identify effective means for achieving those goals;
 5. help students access education and career options;
 6. integrate strong academic content into career-focused courses and applied and experiential learning opportunities and integrate relevant career-focused courses and applied and experiential learning opportunities into strong academic content;
 7. help identify and access appropriate counseling and other supports and assistance that enable students to complete required coursework, prepare for postsecondary education and careers, and obtain information about postsecondary education costs and eligibility for financial aid and

scholarship;

8. help identify collaborative partnerships among pre-kindergarten through grade 12 schools, postsecondary institutions, economic development agencies, and local and regional employers that support students' transitions to postsecondary education and employment and provide students with applied and experiential learning opportunities; and
 9. be reviewed and revised at least annually by the student, the student's parent or guardian, and the school district to ensure that the student's course-taking schedule keeps the student making adequate progress to meet state and local academic standards and high school graduation requirements and with a reasonable chance to succeed with employment or postsecondary education without the need to first complete remedial coursework.
- B. The school district may develop grade-level curricula or provide instruction that introduces students to various careers, but must not require any curriculum, instruction, or employment-related activity that obligates an elementary or secondary student to involuntarily select or pursue a career, career interest, employment goals, or related job training.
- C. Educators must possess the knowledge and skills to effectively teach all English learners in their classrooms. School districts must provide appropriate curriculum, targeted materials, professional development opportunities for educators, and sufficient resources to enable English learners to become career and college-ready.
- D. When assisting students in developing a plan for a smooth and successful transition to postsecondary education and employment, school districts must recognize the unique possibilities of each student and ensure that the contents of each student's plan reflect the student's unique talents, skills, and abilities as the student grows, develops, and learns.
- E. If a student with a disability has an Individualized Education Program (IEP) or standardized written plan that meets the plan components herein, the IEP satisfies the requirement, and no additional transition plan is needed.
- F. Students who do not meet or exceed the Minnesota Academic Standards, as measured by the Minnesota Comprehensive Assessments that are administered during high school, shall be informed that admission to a public school is free and available to any resident under 21 years of age or who meets the requirements of the compulsory attendance law. A student's plan under this provision shall continue while a student is enrolled.

VI. CIVICS TEST

- A. A student enrolled in a public school, beginning with students enrolled in Grade 9 in 2017-18, must correctly answer at least 30 of 50 civics test questions. A school or district may record on a student's transcript that the student answered at least 30 of 50 civics test questions correctly.

"Civics test questions" means 50 of the 100 questions that, as of January 1, 2015, United States Citizenship and Immigration Services officers use to select the questions they pose to applicants for naturalization so the applicants can demonstrate their knowledge and understanding of the fundamentals of United States history and government, as required by federal law. The Learning Law and Democracy Foundation, in consultation with Minnesota civics teachers, must select by July 1 each year 50 of the 100 questions under this paragraph to serve as the state's civics test questions for the proximate school year and immediately transmit the 50 selected civics test questions to MDE and to the Legislative Coordinating Commission, which must post the 50 questions it receives on the Minnesota's Legacy website by August 1 of that year.

- C. The school district may exempt a student with disabilities from this requirement if the student's IEP team determines the requirement is inappropriate and establishes an alternative requirement.
- D. The school district may administer the civics test questions in a language other than English to students who qualify for English learner services.
- E. The school district may administer civics test questions as part of the social studies curriculum.
- F. The school district must not prevent a student from graduating or deny a student a high school diploma for failing to correctly answer at least 30 of 50 civics test questions.
- G. The school district cannot charge a fee related to this requirement.

Legal References:

Minn. Stat. § 120A.22 (Compulsory Instruction)
Minn. Stat. § 120B.20 (Parental Curriculum Review)
Minn. Stat. § 120B.021 (Required Academic Standards)
Minn. Stat. § 120B.022 (Elective Standards)
Minn. Stat. § 120B.125 (Planning for Students' Successful Transition to Postsecondary Education and Employment; Personal Learning Plans)
Minn. Stat. § 120B.234 (Child Sexual Abuse Prevention Education)
Minn. Stat. § 120B.236 (Cardiopulmonary Resuscitation and Automatic External Defibrillator Instruction)

Cross References:

MSBA/MASA Model Policy 603 (Curriculum Development)

MSBA/MASA Model Policy 605 (Alternative Programs)

School Board Action:

Adopted as Policy December 18, 2007 (Incorporates Policies 9.105, 9.106, 9.124, 9.125, 9.131, 9.132, 9.133, 9.135)

Revised July 15, 2008

Revised February 15, 2011

Revised July 17, 2012

Revised February 18, 2014

Revised April 18, 2017

Revised July 18, 2017

Revised November 19, 2019

Revised April 19, 2022

Revised November 15, 2022

515.1 DATA REQUEST POLICY FOR SUBJECTS OF DATA

I. Purpose

The school district recognizes its responsibility relative to the collection, maintenance, and dissemination of public data as provided in state statutes.

II. Construction

This policy must be construed as consistent with the MGDPA and Minnesota Rules Chapter 1205. All terms used herein that are defined by the MGDPA must be given the same definition as listed in the MGDPA and Minnesota Rules Chapter 1205. This policy does not confer upon an individual the right to access data not otherwise provided in any applicable law or other school district policy. Nothing in this policy shall be interpreted to contradict any other school district policy.

III. Definitions

- A. Government Data – “Government data” means all recorded information that the school district has, including paper, email, flash drives, CDs, DVDs, photographs, etc.
- B. Inspection – “Inspection” means the visual inspection of paper and similar types of government data. Inspection does not include printing copies by the school district, unless printing a copy is the only method to provide for inspection of the data. For data stored in electronic form and made available in electronic form on a remote access basis to the public by the school district, inspection includes remote access to the data by the public and the ability to print copies of or download the data on the public’s own computer equipment.
- C. Public Data – “Public data” means all government data collected, created, received, maintained, or disseminated by the school district, unless classified by statute, temporary classification pursuant to statute, or federal law, as nonpublic or protected nonpublic; or, with respect to data on individuals, as private or confidential.
- D. Responsible Authority – “Responsible authority means the individual designated by the school board as the individual responsible for the collection, use and dissemination of any set of data on individuals, government data, or summary data, unless otherwise provided by state law.

IV. Right to Access Data

Upon request to a responsible authority or designee, an individual shall be informed whether that individual, the individual’s minor child or person for whom the individual has been appointed guardian is the subject of stored data and whether it is classified as

public, private or confidential. Upon further request, an individual who is the subject of stored private or public data shall be shown that public or private data about themselves without any charge and, if desired, shall be informed of the content and meaning of that data. Except as required by law, after an individual has been shown this and informed of its meaning, the school district need not disclose the data to that individual for six months unless additional data on the individual has been collected or created.

V. Making a Data Request

To inspect data or request copies of public data in the school district's possession, a person should make a written request using the form found in Attachment B with a clear description of the data requested, identify forms in which data is to be provided, and method to contact the requestor (such as phone number, address, or email address). Attachment B shall be submitted to the appropriate data practices official or designee described in Attachment C. The responsible authority may seek clarification from the requestor if the request is not clear before providing a response to the data request. The school district reserves the right to accept verbal requests for data or reduce verbal requests to writing, at its sole discretion.

VI. Processing a Request

Upon receipt of a written request, the school district will process it within a reasonable time, depending upon the nature and volume of the request. If the requestor does not appear at the time and place established for inspection of the data or the data is not picked up within ten (10) business days after the requestor is notified, the school district will conclude that the data is no longer wanted and will consider the request closed. The school district's response time may be affected by the size and complexity of the particular request, including necessary redactions of the data, and also by the number of requests made within a particular period of time. If the response to a request will take longer than fifteen (15) business days and the requester has provided contact information, the school district may notify the person of the approximate amount of time it will take to process the request.

- If it is unclear what data the individual is requesting, the school district will seek clarification.
- If the school district does not have the requested data, it will notify the individual in writing as soon as reasonably possible.
- If the school district has the requested data, and the data may lawfully be disclosed to the individual, the school district will respond to the request by doing one of the following:
 - Arrange a date, time, and place for the individual to inspect the data without cost to the individual, or

- Provide the individual with copies of the data. The individual may choose to pick up the copies, or the school district will mail or fax copies of the data to the individual. The school district will provide electronic copies (such as e-mail), only if the school district keeps the data in electronic format. Prepayment of copies is required unless other arrangements are approved by the responsible authority. Further information about copying charges is included on Attachment B.
- If the school district determines that the requested data is classified so as to deny the requesting person access, the school district shall inform the requesting person of the determination either orally at the time of the request, or in writing as soon after that time as possible.
 - Upon the request of any person denied access to data, the responsible authority or designee shall certify in writing that the request has been denied and cite the specific statutory section, temporary classification, or specific provision of law upon which the denial was based.

Nothing in this policy or the MGDPA requires the school district to create data; collect new data; or to provide data in a specific form or arrangement if the school district does not keep the data in that form or arrangement, in response to a data request.

Nothing in this policy or the MGDPA requires the school district to respond to questions that are not requests for data.

VI. Identification

The school district reserves the right to require that an individual requesting private data on the individual or the individual's minor child provide valid photo identification at the time that the data is requested or provided. The school district will not disclose private data on anyone other than the individual requesting data or that individual's minor child without receiving a valid release signed by the subject of the data.

VII. Rights of Data Subjects

A. Challenging Inaccurate or Incomplete Data

Consistent with the MGDPA, any person who believes that information contained in the school district's records regarding that individual, the individual's minor child, or person over whom the individual has been appointed legal guardian is inaccurate or incomplete may request that the school district amend those records. To exercise this right, the individual must notify the responsible authority described in Attachment C in writing of the nature of the disagreement. Upon receiving such notification, the school district will take action as required by the MGDPA. Please note that the submission of a challenge to data does not guarantee that the school district will amend its records.

B. Information Provided When Data is Requested by the School District

Consistent with the MGDPA and other applicable law, certain circumstances may require the school district to notify an individual who is asked to provide the school district with private or confidential data concerning that individual of the ways in which the school district can use the data collected.

C. Other Rights of Data Subjects

Nothing in this policy shall be construed as limiting the rights provided by the MGDPA. Individuals who are the subject of data in the school district's possession have all of the rights afforded by Minnesota Statutes, Section 13.04.

Legal References:

Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)

Cross References:

MSBA Model Policy 722 (Public Data Requests)

School Board Action:

Adopted as Policy 515.1 October 17, 2017

Revised November 20, 2018

Revised November 15, 2022

722 PUBLIC AND DATA SUBJECT REQUESTS

I. Purpose

The school district recognizes its responsibility relative to the collection, maintenance, and dissemination of public data as provided in state statutes.

II. General Statement of Policy

The school district will comply with the requirements of the Minnesota Government Data Practices Act, Minnesota Statutes chapter 13 (MGDPA), and Minnesota Rules parts 1205.0100-1205.2000 in responding to requests for public data.

III. Definitions

A. Confidential Data on Individuals

Data made no public by statute or federal law applicable to the data and are inaccessible to the individual subject of those data.

B. Data on Individuals

All government data in which any individual is or can be identified as the subject of that data unless the appearance of the name or other identifying data can be clearly demonstrated to be only incidental to the data and the data are not access by the name or other identifying data of any individual.

C. Data Practices Compliance Officer

The data practices compliance official is the designated employee of the school district to whom persons may direct questions or concerns regarding problems in obtaining access to data or other data practices problems. The responsible authority may be the data practices compliance official.

D. Government Data

All data collected, created, received, maintained or disseminated by any government entity regardless of its physical form, storage media or conditions of use.

E. Individual

“Individual” means a natural person. In the case of a minor or an incapacitated person as defined in Minnesota Statutes section 524.5-102, subdivision 6, “individual” includes a parent or guardian or an individual acting as a parent or guardian in the absence of a parent or guardian, except that the responsible authority shall withhold data from parents or guardians, or individuals acting as parents or guardians in the absence of parents or guardians, upon request by the minor if the responsible authority determines that withholding the data would be

in the best interest of the minor.

F. Inspection

“Inspection” means the visual inspection of paper and similar types of government data. Inspection does not include printing copies by the school district, unless printing a copy is the only method to provide for inspection of the data. For data stored in electronic form and made available in electronic form on a remote access basis to the public by the school district, inspection includes remote access to the data by the public and the ability to print copies of or download the data on the public’s own computer equipment.

G. Not Public Data

Any government data classified by statute, federal law, or temporary classification as confidential, private, nonpublic, or protected nonpublic.

H. Nonpublic Data

Data not on individuals made by statute or federal law applicable to the data: (a) not accessible to the public; and (b) accessible to the subject, if any, of the data.

I. Private Data on Individuals

Data made by statute or federal law applicable to the data: (a) not public; and (b) accessible to the individual subject of those data.

J. Protected Nonpublic Data

Data not on individuals made by statute or federal law applicable to the data (a) not public and (b) not accessible to the subject of the data.

K. Public Data

All government data collected, created, received, maintained, or disseminated by the school district, unless classified by statute, temporary classification pursuant to statute, or federal law, as nonpublic or protected nonpublic; or, with respect to data on individuals, as private or confidential.

L. Public Data Not on Individuals

Data accessible to the public pursuant to Minnesota Statutes section 13.03.

M. Public Data on Individuals

Data accessible to the public in accordance with the provisions of section 13.03.

N. Responsible Authority

The individual designated by the school board as the individual responsible for the collection, use and dissemination of any set of data on individuals, government data, or summary data, unless otherwise provided by state law. Until

an individual is designated by the school board, the responsible authority is the superintendent.

O. Summary Data

Statistical records and reports derived from data on individuals but in which individuals are not identified and from which neither their identities nor any other characteristic that could uniquely identify an individual is ascertainable. Unless classified pursuant to Minnesota Statutes section 13.06, another statute, or federal law, summary data is public.

IV. Requests for Public Data

A. All requests for public data must be made in writing directed to the responsible authority.

1. A request for public data must include the following information:

- a. Date the request is made;
- b. A clear description of the data requested;
- c. Identification of the form in which the data is to be provided (e.g., inspection, copying, both inspection and copying, etc.); and
- d. Method to contact the requestor (such as phone number, address, or email address).

2. Unless specifically authorized by statute, the school district may not require persons to identify themselves, state a reason for, or justify a request to gain access to public government data. A person may be asked to provide certain identifying or clarifying information for the sole purpose of facilitating access to the data.

3. The identity of the requestor is public, if provided, but cannot be required by the government entity.

4. The responsible authority may seek clarification from the requestor if the request is not clear before providing a response to the data request.

B. The responsible authority will respond to a data request at reasonable times and places as follows:

1. The responsible authority will notify the requestor in writing as follows:

- a. The requested data does not exist; or
- b. The requested data does exist but either all or a portion of the data is not accessible to the requestor; or

- (1) If the responsible authority determines that the requested data is classified so that access to the requestor is denied, the responsible authority will inform the requestor of the determination in writing, as soon thereafter as possible, and

shall cite the specific statutory section, temporary classification, or specific provision of federal law on which the determination is based.

- (2) Upon the request of a requestor who is denied access to data, the responsible authority shall certify in writing that the request has been denied and cite the specific statutory section, temporary classification, or specific provision of federal law upon which the denial was based.
- c. The requested data does exist and provide arrangements for inspection of the data, identify when the data will be available for pick-up, or indicate that the data will be sent by mail. If the requestor does not appear at the time and place established for inspection of the data or the data is not picked up within ten (10) business days after the requestor is notified, the school district will conclude that the data is no longer wanted and will consider the request closed.
2. The school district's response time may be affected by the size and complexity of the particular request, including necessary redactions of the data, and also by the number of requests made within a particular period of time.
3. The school district will provide an explanation of technical terminology, abbreviations, or acronyms contained in the responsive data on request.
4. The school district is not required by the MGDPA to create or collect new data in response to a data request, or to provide responsive data in a specific form or arrangement if the school district does not keep the data in that form or arrangement.
5. The school district is not required to respond to questions that are not about a particular data request or requests for data in general.

V. Request for Summary Data

- A. A request for the preparation of summary data shall be made in writing directed to the responsible authority.
 1. A request for the preparation of summary data must include the following information:

- a. Date the request is made;
 - b. A clear description of the data requested;
 - c. Identify the form in which the data is to be provided (e.g., inspection, copying, both inspection and copying, etc.); and
 - d. Method to contact requestor (phone number, address, or email address).
- B. The responsible authority will respond within ten (10) business days of the receipt of a request to prepare summary data and inform the requestor of the following:
1. The estimated costs of preparing the summary data, if any; and
 2. The summary data requested; or
 3. A written statement describing a time schedule for preparing the requested summary data, including reasons for any time delays; or
 4. A written statement describing the reasons why the responsible authority has determined that the requestor's access would compromise the private or confidential data.
- C. The school district may require the requestor to pre-pay all or a portion of the cost of creating the summary data before the school district begins to prepare the summary data.

VI. Data by an Individual Data Subject

- A. Collection and storage of all data on individuals and the use and dissemination of private and confidential data on individuals shall be limited to that necessary for the administration and management of programs specifically authorized by the legislature or local governing body or mandated by the federal government.
- B. Private or confidential data on an individual shall not be collected, stored, used, or disseminated by the school district for any purposes other than those stated to the individual at the time of collection in accordance with Minnesota Statutes section 13.04, except as provided in Minnesota Statutes section 13.05, subdivision 4.

- C. Upon request to the responsible authority or designee, an individual shall be informed whether the individual is the subject of stored data on individuals, and whether it is classified as public, private or confidential. Upon further request, an individual who is the subject of stored private or public data on individuals shall be shown the data without any charge and, if desired, shall be informed of the content and meaning of that data.
- D. After an individual has been shown the private data and informed of its meaning, the data need not be disclosed to that individual for six months thereafter unless a dispute or action pursuant to this section is pending or additional data on the individual has been collected or created.
- E. The responsible authority or designee shall provide copies of the private or public data upon request by the individual subject of the data. The responsible authority or designee may require the requesting person to pay the actual costs of making and certifying the copies.
- F. The responsible authority or designee shall comply immediately, if possible, with any request made pursuant to this subdivision, or within ten days of the date of the request, excluding Saturdays, Sundays and legal holidays, if immediate compliance is not possible.
- G. An individual subject of the data may contest the accuracy or completeness of public or private data. To exercise this right, an individual shall notify in writing the responsible authority describing the nature of the disagreement. The responsible authority shall within 30 days either: (1) correct the data found to be inaccurate or incomplete and attempt to notify past recipients of inaccurate or incomplete data, including recipients named by the individual; or (2) notify the individual that the authority believes the data to be correct. Data in dispute shall be disclosed only if the individual's statement of disagreement is included with the disclosed data.
- H. The determination of the responsible authority may be appealed pursuant to the provisions of the Administrative Procedure Act relating to contested cases. Upon receipt of an appeal by an individual, the commissioner shall, before issuing the order and notice of a contested case hearing required by Minnesota Statutes chapter 14, try to resolve the dispute through education, conference, conciliation, or persuasion. If the parties consent, the commissioner may refer the matter to

mediation. Following these efforts, the commissioner shall dismiss the appeal or issue the order and notice of hearing.

- I. Data on individuals that have been successfully challenged by an individual must be completed, corrected, or destroyed by a government entity without regard to the requirements of Minnesota Statutes section 138.17.
- J. After completing, correcting, or destroying successfully challenged data, the school district may retain a copy of the commissioner of administration's order issued under Minnesota Statutes chapter 14 or, if no order were issued, a summary of the dispute between the parties that does not contain any particulars of the successfully challenged data.

VII. REQUESTS FOR DATA BY AN INDIVIDUAL SUBJECT OF THE DATA

- A. All requests for individual subject data must be made in writing directed to the responsible authority.
- B. A request for individual subject data must include the following information:
 - 1. Statement that one is making a request as a data subject for data about the individual or about a student for whom the individual is the parent or guardian;
 - 2. Date the request is made;
 - 3. A clear description of the data requested;
 - 4. Proof that the individual is the data subject or the data subject's parent or guardian;
 - 5. Identification of the form in which the data is to be provided (e.g., inspection, copying, both inspection and copying, etc.); and
 - 6. Method to contact the requestor (such as phone number, address, or email address).
- C. The identity of the requestor of private data is private.
- D. The responsible authority may seek clarification from the requestor if the request is not clear before providing a response to the data request.

- E. Policy 515 (Protection and Privacy of Pupil Records) addresses requests of students or their parents for educational records and data.

VIII. COSTS

A. Public Data

1. The school district will charge for copies provided as follows:
 - a. 100 or fewer pages of black and white, letter or legal sized paper copies will be charged at 25 cents for a one-sided copy or 50 cents for a two-sided copy.
 - b. More than 100 pages or copies on other materials are charged based upon the actual cost of searching for and retrieving the data and making the copies or electronically sending the data, unless the cost is specifically set by statute or rule.
 - (1) The actual cost of making copies includes employee time, the cost of the materials onto which the data is copied (paper, CD, DVD, etc.), and mailing costs (if any).
 - (2) Also, if the school district does not have the capacity to make the copies, e.g., photographs, the actual cost paid by the school district to an outside vendor will be charged.
2. All charges must be paid for in cash or by check in advance of receiving the copies.

B. Summary Data

1. Any costs incurred in the preparation of summary data shall be paid by the requestor prior to preparing or supplying the summary data.
2. The school district may assess costs associated with the preparation of summary data as follows:
 - a. The cost of materials, including paper, the cost of the labor required to prepare the copies, any schedule of standard copying charges established by the school district, any special costs necessary to produce such copies from a machine-based record-keeping system, including computers and microfilm systems;

- b. The school district may consider the reasonable value of the summary data prepared and, where appropriate, reduce the costs assessed to the requestor.

C. Data Belonging to an Individual Subject

1. The responsible authority or designee may require the requesting person to pay the actual costs of making and certifying the copies.

The responsible authority shall not charge the data subject any fee in those instances where the data subject only desires to view private data.

The responsible authority or designee may require the requesting person to pay the actual costs of making and certifying the copies. Based on the factors set forth in Minnesota Rule 1205.0300, subpart 4, the school district determines that a reasonable fee would be the charges set forth in section VIII.A of this policy that apply to requests for data by the public.

2. The school district may not charge a fee to search for or to retrieve educational records of a child with a disability by the child's parent or guardian or by the child upon the child reaching the age of majority.

IX. Annual Review and Posting

- A. The responsible authority shall prepare a written data access policy and a written policy for the rights of data subjects (including specific procedures the school district uses for access by the data subject to public or private data on individuals). The responsible authority shall update the policies no later than August 1 of each year, and at any other time as necessary to reflect changes in personnel, procedures, or other circumstances that impact the public's ability to access data.
- B. Copies of the policies shall be easily available to the public by distributing free copies to the public or by posting the policies in a conspicuous place within the school district that is easily accessible to the public or by posting them on the school district's website.

Data Practices Contacts

Responsible Authority:

Dr. Kim Hiel, Superintendent
6000 West Moore Lake Drive, Fridley, MN 55430
763-502-5001 / kim.hiel@fridley.k12.mn.us

Public Financial Data Designee:

Craig Wieber, Director of Operations & Finance
6000 West Moore Lake Drive, Fridley, MN 55430
763-502-5004 / craig.wieber@fridley.k12.mn.us

Public Personnel Data Designee:

S. Ike Isaacson, Director of Human Resources
6000 West Moore Lake Drive, Fridley, MN 55430
763-502-5013 / ike.isaacson@fridley.k12.mn.us

Legal References:

Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)
Minn. Stat. § 13.01 (Government Data)
Minn. Stat. § 13.02 (Definitions)
Minn. Stat. § 13.025 (Government Entity Obligation)
Minn. Stat. § 13.03 (Access to Government Data)
Minn. Stat. § 13.04 (Rights of Subjects to Data)
Minn. Stat. § 13.05 (Duties of Responsible Authority)
Minn. Stat. § 13.32 (Educational Data)
Minn. Rules Part 1205.0300 (Access to Public Data)
Minn. Rules Part 1205.0400 (Access to Private Data)

Cross References:

MSBA/MASA Model Policy 406 (Public and Private Personnel Data)
MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)

School Board Action:

Adopted as Policy 996 October 17, 2017
Changed to Policy 722 & Revised November 20, 2018
Revised April 28, 2021
Revised November 15, 2022



A World-Class Community of Learners

Fridley Public Schools is committed to creating a welcoming, respectful environment that provides an equitable and inclusive education for each student, staff and community member by ensuring that opportunities, access, and resources are aligned to support the growth and academic achievement of each student.

ATTACHMENT A:

Filling out the Data Request Form – Requests for Public Data

Copy Costs – Public Requests

The school district charges individuals for copies as authorized under Minnesota Statutes, section 13.03, subdivision 3(c). The individual must pay for the copies before the school district will provide the copies.

For 100 or Fewer Paper Black and White Copies – \$.25 per Page

The charge for 100 or fewer pages of black and white, letter or legal size paper copies, is \$.25 for a one-sided copy and \$.50 for a two-sided copy.

More than 100 Paper Black and White Copies or Other Types of Copies – Actual Cost

The charge for more than 100 pages of black and white paper copies, or any other types of copies, is the actual cost of searching for and retrieving the data, and making the copies or electronically transmitting the data.

The school district charges the actual cost of preparing summary data. Summary data are statistical records or reports that are prepared by removing all identifiers from private or confidential data on individuals.

In determining the actual cost, the school district includes the cost of the employee time, the cost of the materials (paper, DVD, etc.), and mailing costs (if any). If the request is for copies of data that the school district cannot reproduce itself, such as photographs, it will charge the actual cost it must pay an outside vendor for the copies.

The cost of employee time to search for data, retrieve data and make copies is based upon the lowest hourly rate of the appropriate staff member. There is no charge for time spent separating public from not public data.

If the request involves copies of public data that has commercial value and is a substantial and discrete portion of or an entire formula, pattern, compilation, program, device, method, technique, process, database, or system developed with a significant expenditure of public funds by the school district, the responsible authority may charge a reasonable fee for the information in addition to the costs of making and certifying the copies. Any fee charged must relate to the actual development costs of the information. The responsible authority, upon the request, shall provide sufficient documentation to explain and justify the fee being charged.

ATTACHMENT B:

**INDEPENDENT SCHOOL DISTRICT NO. 14
PUBLIC DATA REQUEST FORM**

TO BE COMPLETED BY THE REQUESTOR

REQUESTOR NAME (NOT REQUIRED):	PHONE NUMBER:*
ADDRESS:*	EMAIL ADDRESS:*
DATE OF REQUEST:	
DESCRIPTION OF THE INFORMATION REQUESTED: (attach additional page if necessary)	
MANNER IN WHICH RESPONSIVE DATA IS TO BE PROVIDED: INSPECTION ONLY _____ COPIES ONLY** _____ BOTH INSPECTION AND COPIES _____ ** **Inspection is free, but there is a charge for copies. Payment must be received before copies will be provided.	

FOR OFFICE USE ONLY

DATE REQUEST RECEIVED:	REQUEST RECEIVED BY:
DATE OF RESPONSE:	RESPONSE PROVIDED BY:

* Requestor's name is optional. However, contact information is necessary to mail/email the data. Also, contact information is needed if the school district does not understand the request. We will not work on such a request until clarified.



A World-Class Community of Learners

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ATTACHMENT C:

Responsible Authorities

Type of Data Requested	Name	Position	Address	Fax Number
General Public Data	Dr. Kim Hiel	Superintendent	6000 West Moore Lake Drive, Fridley, MN 55432	763-502-5040
Public Financial Data	Craig Wieber	Director of Finance & Operations	6000 West Moore Lake Drive, Fridley, MN 55432	763-502-5040
Public Personnel Data	S. Ike Isaacson	Director of Human Resources	6000 West Moore Lake Drive, Fridley, MN 55432	763-502-5045

104 School District 14 Mission Statement

I. Purpose

The purpose of this policy is to establish a clear statement of the purpose for which the Fridley Public School District 14 exists.

II. General Statement of Policy

The mission statement is based on the beliefs and values of the community as perceived by School Board members elected to represent the community. The mission statement should be the basis on which decisions are made. The School Board, on behalf of and with extensive participation by the community, will develop a consensus among its members regarding the nature of the enterprise the School Board governs, the purposes it serves, the constituencies it should consider, including student representation, and the results it intends to produce.

III. Mission Statement for Fridley School District 14

As a world class community of learners, Fridley Public Schools aims to develop internationally-minded students. We challenge ourselves, our students, and our community to become caring and knowledgeable life-long learners who inquire and take action to create a better world.

Our mission is to guide students in the development of learning skills to help them reach their full potential. To accomplish this mission, we will. . .

- Provide a nurturing environment
- Create high expectations defined by learner outcomes
- Develop exemplary programs and continuously improve them
- Strive to meet students' needs
- Respect individual differences.

Fridley's vision is to develop an educational foundation for students

- To be life-long learners
- To develop high skill levels
- To care for others
- To be adaptable
- To be prepared to thrive in a diverse, changing society

Values Fridley will promote The International Baccalaureate Learner Profile

- Inquirers
- Knowledgeable
- Thinkers
- Communicators
- Principled
- Open-minded
- Caring
- Risk-takers
- Balanced
- Reflective

Priorities

- Ensure district-wide high-level school performance through review and inquiry.
- Alignment of policies, procedures, and performance that support best practices linked to high levels of student achievement.
- Alignment of policies, procedures, and performance that foster an equitable, welcoming, safe, and respectful environment for students, staff, teachers and community.
- Protect and direct Fridley Public Schools' financial stability through long-range planning and oversight.
- Continuous improvement of parent, school, and community partnerships through public engagement.

IV. Accountability/Evaluation

Individual schools will establish goals in the district priority areas each year based on the needs at each school. Each school will measure and report progress towards attainment of its goals and will make changes in its goals and supporting activities as needed.

The district administration will provide direction and support for program development and evaluation and will monitor the extent to which district priorities were successfully addressed.

Legal References:

[Minn. Rule Parts 3501.0010 to 3501.0180](#)

[Minn. Rule Parts 3501.0200-3501.0270](#)

[Minn. Stat 123.972 \(School District Policy\)](#)

[Minn. Stat. § 120B.11 \(School District Process for Reviewing Curriculum, Instruction, and Student Achievement\)](#)

School Board Action:

Revised as Policy 2.000 February 26, 1985



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Revised as Policy 104 December 21, 1999

Revised January 17, 2006

Revised November 16, 2010

Revised March 15, 2011

Revised August 19, 2014

Revised October 18, 2016

Revised November 21, 2017

Revised October 20, 2020

Revised November 15, 2022

ONE Reading Needed



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404 EMPLOYMENT BACKGROUND CHECKS

I. PURPOSE

The purpose of this policy is to maintain a safe and healthful environment in the school district in order to promote the physical, social, and psychological well-being of its students. To that end, the school district will seek a criminal history background check for applicants who receive an offer of employment with the school district and on all individuals who are offered the opportunity to provide athletic coaching services or other extracurricular academic coaching services to the school district, regardless of whether any compensation is paid, or such other background checks as provided by this policy. The school district may also elect to do background checks of other volunteers, independent contractors, and student employees in the school district.

II. GENERAL STATEMENT OF POLICY

- A. The school district shall require that applicants for school district positions who receive an offer of employment and all individuals who are offered the opportunity to provide athletic coaching services or other extracurricular academic coaching services to the school district, regardless of whether any compensation is paid, submit to a criminal history background check. The offer of employment or the opportunity to provide services shall be conditioned upon a determination by the school district that an individual's criminal history does not preclude the individual from employment with, or provision of services to, the school district.
- B. The school district specifically reserves any and all rights it may have to conduct background checks regarding current employees, applicants, or service providers without the consent of such individuals.
- C. Adherence to this policy by the school district shall in no way limit the school district's right to require additional information, or to use procedures currently in place or other procedures to gain additional background information concerning employees, applicants, volunteers, service providers, independent contractors, and student employees.

III. PROCEDURES

- A. Normally an individual will not commence employment or provide services until the school district receives the results of the criminal history background check. The school district may conditionally hire an applicant or allow an individual to provide services pending completion of the background check but shall notify the individual that the individual's employment or opportunity to provide services

may be terminated based on the result of the background check. Background checks will be performed by the Minnesota Bureau of Criminal Apprehension (“BCA”). The BCA shall conduct the background check by retrieving criminal history data as defined in [Minn. Stat. §Minnesota Statutes section 13.87](#). The school district reserves the right to also have criminal history background checks conducted by other organizations or agencies.

- B. In order for an individual to be eligible for employment or to provide athletic coaching services or other extracurricular academic coaching services to the school district, the individual must sign a criminal history consent form, which provides permission for the school district to conduct a criminal history background check, and provide a money order or check payable to either the BCA or to the school district, at the election of the school district, in an amount equal to the actual cost to the BCA and the school district of conducting the criminal history background check. The cost of the criminal history background check is the responsibility of the individual, unless the school district decides to pay the costs for a volunteer, an independent contractor, or a student employee. If the individual fails to provide the school district with a signed Informed Consent Form and fee at the time the individual receives a job offer, or permission to provide services, the individual will be considered to have voluntarily withdrawn the application for employment or request to provide services.
- C. The school district, in its discretion, may elect not to request a criminal history background check on an individual who holds an initial entrance license issued by the Minnesota Professional Educator Licensing and Standards Board or the [Minnesota eC](#)ommissioner of [eE](#)ducation within the 12 months preceding an offer of employment or permission to provide services.
- D. The school district may use the results of a criminal background check conducted at the request of another school hiring authority if:
 - 1. the results of the criminal background check are on file with the other school hiring authority or otherwise accessible;
 - 2. the other school hiring authority conducted a criminal background check within the previous 12 months;
 - 3. the individual executes a written consent form giving the school district access to the results of the check; and
 - 4. there is no reason to believe that the individual has committed an act subsequent to the check that would disqualify the individual for employment or provision of services.
- E. For all nonstate residents who are offered employment with or the opportunity to

provide athletic coaching services or other extracurricular academic coaching services to the school district, the school district shall request a criminal history background check on such individuals from the superintendent of the BCA and from the government agency performing the same function in the resident state or, if no government entity performs the same function in the resident state, from the Federal Bureau of Investigation. The offer of employment or the opportunity to provide services shall be conditioned upon a determination by the school district that an individual's criminal history does not preclude the individual from employment with, or provision of services to, the school district. Such individuals must provide an executed criminal history consent form.

- F. When required, individuals must provide fingerprints to assist in a criminal history background check. If the fingerprints provided by the individual are unusable, the individual will be required to submit another set of prints.
- G. Copies of this policy shall be available in the school district's employment office and will be distributed to applicants for employment and individuals who are offered the opportunity to provide athletic coaching services or other extracurricular academic coaching services upon request. The need to submit to a criminal history background check may be included with the basic criteria for employment or provision of services in the position posting and position advertisements.
- H. The individual will be informed of the results of the criminal background check(s) to the extent required by law.
- I. If the criminal history background check precludes employment with, or provision of services to, the school district, the individual will be so advised.
- J. The school district may apply these procedures to other volunteers, independent contractors, or student employees as though they were applicants for employment or providing athletic coaching services or other extracurricular academic coaching services.
- K. At the beginning of each school year or when a student enrolls, the school district will notify parents and guardians about this policy and identify those positions subject to a background check and the extent of the school district's discretion in requiring a background check. The school district may include this notice in its student handbook, a school policy guide, or other similar communication. A form notice for this purpose is included with this policy.

IV. CRIMINAL HISTORY CONSENT FORM

A form to obtain consent for a criminal history background check is provided to



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applicants after an offer of employment is made.

Legal References: Minn. Stat. § 13.04, Subd. 4 (~~Inaccurate or Incomplete Data~~ Rights of Subjects of Data)
Minn. Stat. § 13.87, Subd. 1 (Criminal ~~Justice~~ History Data)
Minn. Stat. § 123B.03 (Background Check)
Minn. Stat. §§ 299C.60-299C.64 (Minnesota Child, Elder, and Individuals with Disabilities Protection Background Check Act)
Minn. Stat. § 364.09(b) (Exception for School Districts)

Cross References: None

School Board Action:

Adopted November 18, 2008

Revised September 21, 2010

Revised November 21, 2017

Revised November 15, 2022



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420 STUDENTS AND EMPLOYEES WITH SEXUALLY TRANSMITTED INFECTIONS AND DISEASES AND CERTAIN OTHER COMMUNICABLE DISEASES AND INFECTIOUS CONDITIONS

I. PURPOSE

Public concern that students and staff of the school district be able to attend the schools of the district without becoming infected with serious communicable or infectious diseases, including but not limited to, Human Immunodeficiency Virus (HIV), Acquired Immunodeficiency Syndrome (AIDS), Hepatitis B, and Tuberculosis, requires that the school board adopt measures effectively responding to health concerns while respecting the rights of all students, employees, and contractors, including those who are so infected. The purpose of this policy is to adopt such measures.

II. GENERAL STATEMENT OF POLICY

A. Students

The policy of the school board is that students with communicable diseases not be excluded from attending school in their usual daily attendance setting so long as their health permits and their attendance does not create a significant risk of the transmission of illness to students or employees of the school district. A procedure for minimizing interruptions to learning resulting from communicable diseases will be established by the school district in its IEP and Section 504 team process, if applicable, and in consultation with community health and private health care providers. Procedures for the inclusion of students with communicable diseases will include any applicable educational team planning processes, including the review of the educational implications for the student and others with whom the student comes into contact.

B. Employees

The policy of the school board is that employees with communicable diseases not be excluded from attending to their customary employment so long as they are physically, mentally and emotionally able to safely perform tasks assigned to them and so long as their employment does not create a significant risk of the transmission of illness to students, employees, or others in the school district. If a reasonable accommodation will eliminate the significant risk of transmission, such accommodation will be undertaken unless it poses an undue hardship to the school district.

C. Circumstances and Conditions

1. Determinations of whether a contagious individual's school attendance or job performance creates a significant risk of the transmission of the illness to students or employees of the school district will be made on a case by case basis. Such decisions will be based upon the nature of the risk (how it is transmitted), the duration of the risk (how long the carrier is infectious), the severity of the risk (what is the potential harm to third parties) and the probabilities the disease will be transmitted and will cause varying degrees of harm. When a student is disabled, such a determination will be made in consultation with the educational planning team.
2. The school board recognizes that some students and some employees, because of special circumstances and conditions, may pose greater risks for the transmission of infectious conditions than other persons infected with the same illness. Examples include students who display biting behavior, students or employees who are unable to control their bodily fluids, who have oozing skin lesions or who have severe disorders which result in spontaneous external bleeding. These conditions need to be taken into account and considered in assessing the risk of transmission of the disease and the resulting effect upon the educational program of the student or employment of the employee by consulting with the Commissioner of Health, the physician of the student or employee, and the parent(s)/guardian(s) of the student.

D. Students with Special Circumstances and Conditions

Fridley Public Schools, along with the infected individual's physician, the infected individual or parent(s)/guardian(s), and others, if appropriate, will weigh risks and benefits to the student and to others, consider the least restrictive appropriate educational placement, and arrange for periodic reevaluation as deemed necessary by the state epidemiologist. The risks to the student shall be determined by the student's physician.

E. Extracurricular Student Participation

Student participation in nonacademic, extracurricular and non-educational programs of the school district are subject to a requirement of equal access and comparable services.

F. Precautions

The school district will develop routine procedures for infection control at school and for educating employees about these procedures. The procedures shall be developed through cooperation with health professionals taking into consideration

any guidelines of the Minnesota Department of Education and the Minnesota Department of Health. (These precautionary procedures shall be consistent with the school district's procedures regarding blood-borne pathogens developed pursuant to the school district's employee right to know policy.)

G. Information Sharing

1. Employee and student health information shall be shared within the school district only with those whose jobs require such information and with those who have a legitimate educational interest (including health and safety) in such information and shall be shared only to the extent required to accomplish legitimate educational goals and to comply with employees' right to know requirements.
2. Employee and student health data shall be shared outside the school district only in accordance with state and federal law and with the school district's policies on employee and student records and data.

H. Reporting

If a medical condition of student or staff threatens public health, it must be reported to the Minnesota Commissioner of Health.

I. Prevention

The school district shall, with the assistance of the Minnesota Commissioners of Health and Education, implement a program to prevent and reduce the risk of sexually transmitted diseases in accordance with ~~Minnesota state law~~ Minnesota Statutes section 121A.23 that includes:

1. Planning materials, guidelines, and other technically accurate and updated information;
2. A comprehensive, developmentally appropriate, technically accurate, and updated curriculum that includes helping students to abstain from sexual activity until marriage;
3. Cooperation and coordination among school districts and Service Cooperatives;
4. A targeting of adolescents, especially those who may be at high risk of contracting sexually transmitted diseases and infections, for prevention efforts;

5. Involvement of parents and other community members;
6. In-service training for district staff and school board members;
7. Collaboration with state agencies and organizations having a sexually transmitted infection and disease prevention or sexually transmitted infection and disease risk reduction program;
8. Collaboration with local community health services, agencies and organizations having a sexually transmitted infection and disease risk reduction program; and
9. Participation by state and local student organizations.
10. The program must be consistent with the health and wellness curriculum.
11. The school district may accept funds for sexually transmitted infection and disease prevention programs developed and implemented under this section from public and private sources including public health funds and foundations, department professional development funds, federal block grants or other federal or state grants.

J. Vaccination and Screening

The school district will develop procedures regarding the administration of Hepatitis B vaccinations and Tuberculosis screenings in keeping with current state and federal law. The procedures shall provide that the Hepatitis B vaccination series be offered to all who have occupational exposure at no cost to the employee.

Legal References:

Minn. Stat. § 121A.23 (~~Health-Related Programs~~Programs to Prevent and Reduce the Risks of Sexually Transmitted Infections and Diseases)

Minn. Stat. § 144.441 (Tuberculosis Screening in Schools)

Minn. Stat. § 142 (Testing in School Clinics)

Minn. Stat. Ch. 363A (Minnesota Human Rights Act)

~~Minn. Stat. § 144.441-442 (Tuberculosis)~~

20 U.S.C. § 1400 *et seq.* (Individuals with Disabilities Education Improvement Act ~~of 2004~~)

29 U.S.C. § 794 *et seq.* (Rehabilitation Act of 1973, § 504)

42 U.S.C. § 12101 *et seq.* (Americans with Disabilities Act)

29 C.F.R. 1910.1030 (~~Occupational Exposure to~~ Bloodborne Pathogens)

Kohl by Kohl v. Woodhaven Learning Center, 865 F.2d 930 (8th Cir.), *cert. denied*, 493 U.S.892, ~~110 S.Ct. 239~~ (1989)



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School Board of Nassau County, Fla. v. Arline, 480 U.S. 273, ~~107 S.Ct. 1123~~ (1987)
16 EHLR 712, OCR Staff Memo, April 5, 1990

Cross References:

MSBA/MASA Model Policy 402 (Disability Nondiscrimination)

MSBA/MASA Model Policy 407 (Employee Right to Know – Exposure to Hazardous Substances)

MSBA/MASA Model Policy 521 (Student Disability Nondiscrimination)

School Board Action:

Adopted as Policy 11.407 May 18, 1993

Revised as Policy 420 October 16, 2007

Revised June 21, 2016

Revised November 15, 2022

ONE Reading Needed

506 STUDENT DISCIPLINE

I. PURPOSE

The purpose of this policy is to ensure that all students are aware of and comply with school district expectations for student conduct. The School Board embraces the philosophy that compliance with established student behavior and disciplinary policies will enhance the school district's ability to maintain order and discipline as well as to ensure that there is no interference with the educational process. The school district will take appropriate disciplinary action when students fail to adhere to the Code of Student Conduct established by this policy.

II. GENERAL STATEMENT OF POLICY

The School Board recognizes that individual responsibility and mutual respect are essential components of the educational process. The School Board establishes that the nurturance of each student's growth and maturation are of primary importance and closely linked with the necessary balance between authority and self-discipline, as the student progresses from a child's dependence on authority to the more mature behavior of self-control.

The School Board further establishes that all students are entitled to learn and develop in a setting which promotes respect of self, others and property. Proper positive discipline can only result from an environment which provides options and stresses student self-direction, decision-making and responsibility. Schools can function effectively only with internal discipline based on mutual understanding of rights and responsibilities.

Students must conduct themselves in an appropriate manner that maintains a climate in which learning can take place. Overall decorum affects student attitudes and influences student behavior. Proper student conduct is necessary to facilitate the education process and to create an atmosphere conducive to high student achievement.

Although this policy emphasizes the development of self-discipline it is recognized that there are instances when it will be necessary to administer disciplinary measures. The position of the school district is that a fair and equitable district-wide student discipline policy will contribute to the quality of the student's educational experience. This discipline policy is adopted in accordance with and subject to the Minnesota Pupil Fair Dismissal Act, ~~Minn. Stat. §§~~[Minnesota Statutes sections](#) 121A.40-121A.56.

In view of the foregoing and in accordance with Minn. Stat. § 121A.55, the school board, with the participation of school district administrators, teachers, employees, students, parents, community members, and such other individuals and organizations as appropriate, has developed this policy which governs student conduct and applies to all students of the school district.

III. DEFINITIONS

- A. “Alternative educational services” may include, but are not limited to, special tutoring, modified curriculum, modified instruction, other modifications or adaptations, instruction through electronic media, special education services as indicated by appropriate assessment, homebound instruction, supervised homework, or enrollment in another district or in an alternative learning center.
- B. “Alternatives to Suspension” means an action taken by the school to place a student in an alternative setting for a short duration
- C. “Dismissal” means the denial of the current educational program to any pupil, including exclusion, expulsion, and suspension. It does not include removal from class.
- D. “Exclusion” means an action taken by the School Board to prevent enrollment or reenrollment of a pupil for a period that shall not extend beyond the school year.
- E. “Expulsion” means a School Board action to prohibit an enrolled pupil from further attendance for up to 12 months from the date the pupil is expelled.
- F. “Parent” means (a) one of the pupil’s parents, (b) in the case of divorce or legal separation, the parent or parents with physical custody of the pupil, including a noncustodial parent with legal custody who has provided the district with a current address and telephone number, or (c) a legally appointed guardian. In the case of a pupil with a disability under the age of 18, parent may include a district-appointed surrogate parent.
- G. “Pupil” means any student: (a) without a disability under 21 years of age; or (b) with a disability until September 1 after the child with a disability becomes 22 years of age; (c) and who remains eligible to attend a public elementary or secondary school.
- H. “Removal from class” means any actions taken by a teacher, principal, or other school district employee to prohibit a student from attending a class of activity

period for a period of time.

- I. “Suspension” means an action by the school administration, under rules promulgated by the School Board, prohibiting a pupil from attending school for a period of no more than ten school days.

IV. AREAS OF RESPONSIBILITY

- A. School Board. The School Board holds all school personnel responsible for the maintenance of order within the school district and supports all personnel acting within the framework of this discipline policy.
- B. Superintendent. The superintendent shall establish guidelines and directives to carry out this policy; hold all school personnel, students and parents responsible for conforming to this policy; and support all school personnel performing their duties within the framework of this policy. The superintendent shall also establish guidelines and directives for using the services of appropriate agencies for assisting students and parents.
- C. Principal. The school principal will have the responsibility and authority to formulate building rules and regulations necessary to enforce this policy. The principal shall give direction and support to all school personnel performing their duties within the framework of this policy. The principal shall consult with parents of students conducting themselves in a manner contrary to the policy. The principal shall also involve other professional employees in the disposition of behavior referrals and shall make use of those agencies appropriate for assisting students and parents. A principal, in exercising his or her lawful authority, may use reasonable force when it is necessary under the circumstances to correct or restrain a student or prevent bodily harm or death to another.
- D. Teachers. All teachers will be responsible for providing a well-planned teaching/learning environment and shall have primary responsibility for student conduct, with appropriate assistance from the school administration. All teachers shall enforce the code of student conduct. In exercising the teacher’s lawful authority, a teacher may use reasonable force when it is necessary under the circumstances to correct or restrain a student or prevent bodily harm or death to another.
- E. Other School District Personnel. All school district personnel shall be responsible for contributing to the atmosphere of mutual respect within the school. Their responsibilities relating to student behavior shall be as authorized and directed by the superintendent. A school employee, school bus driver, or other agent of a school district, in exercising his or her lawful authority, may use reasonable force

when it is necessary under the circumstances to restrain a student or prevent bodily harm or death to another.

- F. Parents or Legal Guardians. Parents and guardians shall be held responsible for the behavior of their children as determined by law and community practice. They are expected to cooperate with school authorities and to participate regarding the behavior of their children.
- G. Students. All students shall be held individually responsible for their behavior and for knowing and obeying the code of student conduct and this policy.
- H. Community Members. Members of the community are expected to contribute to the establishment of an atmosphere in which rights and duties are effectively acknowledged and fulfilled.

V. STUDENT RIGHTS AND RESPONSIBILITIES

- A. All students have the right to an education and the right to learn.
- B. All students have the following responsibilities:
 - 1. For their behavior and for knowing and obeying all school rules, regulations, policies and procedures;
 - 2. To attend school daily, except when excused, and to be on time to all classes and other school functions;
 - 3. To pursue and attempt to complete the courses of study prescribed by the state and local school authorities;
 - 4. To make necessary arrangements for making up work when absent from school;
 - 5. To assist the school staff in maintaining a safe school for all students;
 - 6. To be aware of all school rules, regulations, policies and procedures, including those in this policy, and to conduct themselves in accordance with them;
 - 7. To assume that until a rule or policy is specifically waived, altered or repealed, it is in full force and effect;
 - 8. To be aware of and comply with federal, state and local laws;

9. To volunteer information in disciplinary cases should they have any knowledge relating to such cases and to cooperate with school staff as appropriate;
10. To respect and maintain the school's property and the property of others;
11. To dress and groom in a manner which meets standards of safety and health and common standards of decency and which is consistent with applicable school district policy;
12. To avoid inaccuracies in student newspapers or publications and refrain from indecent or obscene language;
13. To conduct themselves in an appropriate physical or verbal manner;
14. To recognize and respect the rights of others.

VI. CODE OF STUDENT CONDUCT

- A. The following are examples of unacceptable behavior subject to disciplinary action by the school district. These examples are not intended to be an exclusive list. Any student who engages in any of these activities shall be disciplined in accordance with this policy. This policy applies to all school buildings, school grounds, and school property or property immediately adjacent to school grounds; school-sponsored activities or trips; school bus stops; school buses, school vehicles, school contracted vehicles, or any other vehicles approved for school district purposes; the area of entrance or departure from school premises or events; and all school-related functions, school-sponsored activities, events, or trips. School district property also may mean a student's walking route to or from school for purposes of attending school or school-related functions, activities, or events. While prohibiting unacceptable behavior subject to disciplinary action at these locations and events, the school district does not represent that it will provide supervision or assume liability at these locations and events. This policy also applies to any student whose conduct at any time or in any place interferes with or obstructs the mission or operations of the school district or the safety or welfare of the student, other students, or employees.
 1. Violations against property including, but not limited to, damage to or destruction of school property or the property of others, failure to compensate for damage or destruction of such property, arson, breaking

- and entering, theft, robbery, possession of stolen property, extortion, trespassing, unauthorized usage, or vandalism;
2. The use of profanity or obscene language, or the possession of obscene materials;
 3. Gambling, including, but not limited to, playing a game of chance for stakes;
 4. Hazing;
 5. Attendance problems including, but not limited to, truancy, absenteeism, tardiness, skipping classes, or leaving school grounds without permission;
 6. Opposition to authority using physical force or violence;
 7. Using, possessing or distributing tobacco, tobacco-related devices, electronic cigarettes, or tobacco paraphernalia in violation of the school district's Tobacco-Free Environment; Possession and Use of Tobacco, Tobacco-Related Devices, and Electronic Delivery Devices Policy;
 8. Using, possessing, distributing, intending to distribute, making a request to another person for (solicitation), or being under the influence of alcohol or other intoxicating substances or look-alike substances;
 9. Using, possessing, distributing, intending to distribute, making a request to another person for (solicitation), or being under the influence of narcotics, drugs or other controlled substances (except as prescribed by a physician), or look-alike substances, (these prohibitions include medical marijuana or medical cannabis, even when prescribed by a physician, and one student sharing prescription medication with another student.
 10. Using, possessing or distributing items or articles that are illegal or harmful to persons or property including, but not limited to, drug paraphernalia;
 11. Violation of the school district weapons policy;
 12. Violation of any local, state or federal law as appropriate;
 13. Acts disruptive of the educational process, including, but not limited to, disruptive or disrespectful behavior, defiance of authority, cheating, insolence, insubordination, failure to identify oneself, improper activation of fire alarms, or bomb threats;

14. Violation of the school district's Internet Acceptable Use Policy;
15. Violation of the district's Bullying Prohibition Policy;
16. Violation of the school district's Violence Prevention Policy;
17. Actions, including fighting or any other assaultive behavior, which causes or could cause injury to the student or other persons or which otherwise endangers the health, safety, or welfare of teachers, students, other school district personnel, or other persons;
18. Committing an act which inflicts bodily harm upon another person, even though accidental or a result of poor judgment;
19. Violations against persons, including, but not limited to, assault or threatened assault, fighting, harassment, interference or obstruction, attack with a weapon, or look-alike weapon, sexual assault, illegal or inappropriate sexual conduct, or indecent exposure;
20. Verbal assaults, or verbally abusive behavior, including, but not limited to, use of words, symbols, acronyms, or language, whether oral or written that are discriminatory, abusive, obscene, threatening, intimidating degrading to other people, or threatening to school property;
21. Physical or verbal threats including, but not limited to, the staging or reporting of dangerous or hazardous situations that do not exist;
22. Inappropriate, abusive, threatening, or demeaning actions based on race, color, creed, religion, sex, marital status, status with regard to public assistance, disability, national origin or sexual orientation;
23. Violation of school rules, regulations, policies, or procedures, including, but not limited to, those policies specifically enumerated in this policy;
24. Insubordination to teachers or other school district personnel;
25. Violation of the school district's one-to-one device rules and regulations;
26. Violation of any local, state or federal law as appropriate;
27. Possession of nuisance devices or objects which cause distractions and may facilitate cheating including, but not limited to laser pointers, pagers, radios and phones, including picture phones.

28. Violation of school bus or transportation rules or the district's bus safety policy;
29. Violation of parking or school traffic rules and regulations, including, but not limited to, driving on school property in such a manner as to endanger persons or property;
30. Violation of directives or guidelines relating to lockers or improperly gaining access to a school locker;
31. Possession or distribution of slanderous, libelous or pornographic materials;
32. Student attire or personal grooming which creates a danger to health or safety or creates a disruption to the educational process, including clothing which bears a message which is lewd, vulgar, or obscene, apparel promoting products or activities that are illegal for use by minors, or clothing containing objectionable emblems, signs, words, objects, or pictures communicating a message that is racist, sexist, or otherwise derogatory to a protected minority group or which connotes gang membership;
33. Criminal activity;
34. Falsification of any records, documents, notes or signatures;
35. Tampering with, changing, or altering records or documents of the school district by any method including, but not limited to, computer access or other electronic means.
36. Scholastic dishonesty which includes, but is not limited to, cheating on a school assignment or test, plagiarism or collusion, including the use of picture phones or other technology to accomplish this end;
37. Impertinent or disrespectful words, symbols, acronyms, or language, whether oral or written, related to teachers or other school district personnel;
38. Sexual abuse and/or harassment;
39. Other acts, as determined by the school principal, which are disruptive of the educational process or dangerous or detrimental to the student or other

students, school district personnel or surrounding persons, or which violate the rights of others or which damage or endanger the property of the school, or which otherwise interferes with or obstruct the mission or operations of the school district or the safety or welfare of students or employees.

VII. DISCIPLINARY ACTIONS

The general policy of the school district is to utilize progressive discipline, to the extent reasonable and appropriate, based upon the specific circumstances and seriousness of student misconduct. The specific form of discipline chosen in a particular case is solely within the discretion of the teachers and administrators, or designee, who are responsible to enforce this policy. At a minimum, violation of school district rules, regulations, policies or procedures will result in discussion of the violation and a verbal warning. The school district shall, however, impose more severe disciplinary sanctions for any violation, including exclusion or expulsion, if warranted by the student's misconduct, as determined by the school district administration.

Disciplinary action may include, but is not limited to, one or more of the following:

- A. Student conference with teacher, principal, counselor or other school district personnel, and verbal warning;
- B. Confiscation by school district personnel and/or by law enforcement of any item, article, object, or thing, prohibited by, or used in the violation of, any school district policy, rule, regulation, procedure, or state or federal law. If confiscated by the school district, the confiscated item, article, object, or thing will be released only to the parent/guardian following the completion of any investigation or disciplinary action instituted or taken related to the violation.
- C. Parent contact;
- D. Parent conference;
- E. Removal from class;
- F. In-school suspension;
- G. Suspension from extracurricular activities;
- H. Detention;
- I. Loss or restriction of school privileges;

- J. Alternatives to Suspension Program;
- K. Referral to in-school support services;
- L. Referral to community resources or outside agency services;
- M. Restorative Practices / Mediation
- N. Restitution;
- O. Referral to police, other law enforcement agencies, or other appropriate authorities;
- P. Out-of-school suspension under the Pupil Fair Dismissal Act;
- Q. Preparation of an admission or readmission plan;
- R. Expulsion under the Pupil Fair Dismissal Act;
- S. Exclusion under the Pupil Fair Dismissal Act;
- T. Other disciplinary action as deemed appropriate by the school district.

VIII. REMOVAL OF STUDENTS FROM CLASS

- A. The teacher of record shall have the general control and government of the classroom. Teachers have the responsibility of attempting to modify disruptive student behavior by such means as conferring with the student, using positive reinforcement, or contacting the student's parents. When such measures fail, or when the teacher determines it is otherwise appropriate based upon the student's conduct, the teacher shall have the authority to remove the student from class pursuant to the procedures established by this discipline policy. "Removal from class" and "removal" mean any actions taken by a teacher, principal, or other school district employee to prohibit a student from attending a class or activity period for a period of time not to exceed five (5) days, pursuant to this discipline policy.

Grounds for removal from class shall include any of the following:

- 1. Willful conduct that significantly disrupts the rights of others to an education, including conduct that interferes with a teacher's ability to

teach or communicate effectively with students in a class or with the ability of other students to learn;

2. Willful conduct that endangers surrounding persons, including school district employees, the student or other students, or the property of the school;
3. Willful violation of any school rules, regulations, policies or procedures, including the Code of Student Conduct in this policy; or
4. Other conduct, which in the discretion of the teacher or administration, requires removal of the student from class.

A student must be removed from class immediately if the student engages in assault or violent behavior. "Assault" is an act done with intent to cause fear in another of immediate bodily harm or death; or the intentional infliction of, or attempt to inflict, bodily harm upon another. The removal from class shall be for a period of time deemed appropriate by the principal, in consultation with the teacher.

- B. If a student shows a pattern of being removed from class, the school district shall notify the parent or guardian and make reasonable attempts to convene a meeting with the student's parent or guardian to discuss the problem that is causing the student to be removed from class.
- C. "Removal from class" and "removal" mean any actions taken by a teacher, principal, or other school district employee to prohibit a student from attending a class or activity period for a period of time not to exceed five (5) days, pursuant to this discipline policy. Such removal shall be for at least one (1) activity period or class period of instruction for a given course of study and shall not exceed five (5) such periods.
- D. **Teacher Procedures for Removal of a Student from a Class.** Teachers are required to follow the legal procedures prescribed in law if and when they exercise their authority to remove a student from class. Those procedures will be specified by the school principal in writing and available to teachers who select to exercise this authority. The school procedures for teachers will include the following:
 1. Specify procedures to be followed by a teacher, administrator or other school district employee to remove a student from a class;
 2. Specify required approvals necessary;
 3. Specify paperwork and reporting procedures.

4. Designation of where student is to go when removed;
5. Designation of how student is to get to designated destination;
6. Whether student must be accompanied;
7. Statement of what student is to do when and while removed;
8. Designation of who has control over and responsibility for student after removal from class.

E. Teacher Procedures for Return of a Student to the Class after Removal.

The school procedures for the teacher will include the following:

1. Specification of procedures;
2. Actions or approvals required such as notes, conferences, readmission plans.

F. Teacher Procedures for Notification.

1. Specify procedures for notifying students and parents/guardians of violations of the rules of conduct and resulting disciplinary action;
2. Actions or approvals required, such as notes, conferences, readmission plans.

G. Teacher Procedures for Disabled students; special provisions.

1. Procedures for consideration of whether there is a need for further assessment;
2. Procedures for consideration of whether there is a need for a review of the adequacy of the current Individualized Education Program (IEP) of a disabled student who is removed from class or disciplined; and
3. Any procedures determined appropriate for referring students in need of special education services to those services.

H. Teacher Procedures for Detecting and Addressing Chemical Abuse Problems of Students While on School Premises.

1. Establishment of a chemical abuse preassessment team pursuant to ~~Minnesota state statute~~ Minnesota Statutes section 121A.26.
2. Establishment of teacher reporting procedures to the chemical abuse preassessment team pursuant to ~~Minnesota state statute~~ Minnesota Statutes section 121A.29.

I. Teacher Procedures for Immediate and Appropriate Interventions Tied to Violations of the Code of Student Conduct.

IX. DISMISSAL

- A. Dismissal involves the denial of the current educational program to any student, including suspension, exclusion, and expulsion. Dismissal does not include removal from class.

The school district shall not deny due process or equal protection of the law to any student involved in a dismissal proceeding which may result in suspension, exclusion or expulsion.

The school district shall not dismiss any student without attempting to provide alternative educational services before dismissal proceedings, except where it appears that the student will create an immediate and substantial danger to self or to surrounding persons or property.

- B. Violations leading to suspension, based upon severity, may also be grounds for actions leading to exclusion and/or expulsion from school. A student may be dismissed from school on any of the following grounds:
1. Willful violation of any reasonable School Board regulation, including those found in this policy;
 2. Willful conduct that materially and substantially disrupts the rights of others to an education, or the ability of school personnel to perform their duties, or school sponsored extracurricular activities; or
 3. Willful conduct that endangers the student or other students, or surrounding persons, including school district employees, or property of the school.
- C. Suspension procedures.
1. "Suspension" means an action by the school administration, under rules promulgated by the School Board, prohibiting a student from attending

school for a period of no more than ten (10) school days; provided, however, if a suspension is longer than five (5) school days, the suspending administrator shall provide the superintendent with a reason for the longer term of suspension. This definition does not apply to dismissal for one (1) school day or less where a student with a disability does not receive regular or special education instruction during that dismissal period.

2. If a student's total days of removal from school exceed ten (10) cumulative days in a school year, the school district shall make reasonable attempts to convene a meeting with the student and the student's parent or guardian before subsequently removing the student from school and, with the permission of the parent or guardian, arrange for a mental health screening for the student at the parent or guardian's expense. The purpose of this meeting is to attempt to determine the pupil's need for assessment or other services or whether the parent or guardian should have the student assessed or diagnosed to determine whether the student needs treatment for a mental health disorder.
3. Each suspension action may include a readmission plan. The plan shall include, where appropriate, a provision for implementing alternative educational services upon readmission and may not be used to extend the current suspension. A readmission plan must not obligate a parent or guardian to provide psychotropic drugs to their student as a condition of readmission. School administration must not use the refusal of a parent or guardian to consent to the administration of psychotropic drugs to their student or to consent to a psychiatric evaluation, screening, or examination of the student as a ground, by itself, to prohibit the student from attending class or participating in a school-related activity, or as a basis of a charge of child abuse, child neglect, or medical or educational neglect. The school administration may not impose consecutive suspensions against the same student for the same course of conduct, or incident of misconduct, except where the student will create an immediate and substantial danger to self or to surrounding persons or property or where the school district is in the process of initiating an expulsion, in which case the school administration may extend the suspension to a total of fifteen (15) days.
4. A child with a disability may be suspended. When a child with a disability has been suspended for more than five (5) consecutive days or ten (10) cumulative school days in the same year, and that suspension does not involve a recommendation for expulsion or exclusion or other change in placement under federal law, relevant members of the child's IEP team, including at least one of the child's teachers, shall meet and determine the extent to which the child needs services in order to

continue to participate in the general education curriculum ,although in another setting, and to progress toward meeting the goals in the child's IEP. That meeting must occur as soon as possible, but no more than ten (10) days after the sixth (6th) consecutive day of suspension or the tenth (10th) cumulative day of suspension has elapsed.

5. The school administration shall implement alternative educational services when the suspension exceeds five (5) days. Alternative educational services may include, but are not limited to, special tutoring, modified curriculum, modified instruction, other modifications or adaptations, instruction through electronic media, special education services as indicated by appropriate assessments, homebound instruction, supervised homework, or enrollment in another district or in an alternative learning center under ~~Minnesota state statute~~Minnesota Statutes section 123A.05 selected to allow the pupil to progress toward meeting graduation standards under ~~Minnesota state statute 2~~Minnesota Statutes section 120B.02, although in a different setting.
6. The school administration shall not suspend a student from school without an informal administrative conference with the student. The informal administrative conference shall take place before the suspension, except where it appears that the student will create an immediate and substantial danger to self or to surrounding persons or property, in which case the conference shall take place as soon as practicable following the suspension. At the informal administrative conference, a school administrator shall notify the student of the grounds for the suspension, provide an explanation of the evidence the authorities have, and the student may present the student's version of the facts. A separate administrative conference is required for each period of suspension.
7. After school administration notifies a student of the grounds for suspension, school administration may, instead of imposing the suspension, do one or more of the following:
 - a. strongly encourage a parent or guardian of the student to attend school with the student for one day;
 - ~~b. —~~petition the juvenile court that the student is in need of services under ~~Minn. Stat. Ch~~Minnesota Statutes chapter. 260C.
8. A written notice containing the grounds for suspension, a brief statement of the facts, a description of the testimony, a readmission plan, and a copy of the Minnesota Pupil Fair Dismissal Act, Minnesota Statutes sections

121A.40-121A.56, shall be personally served upon the student at or before the time the suspension is to take effect, and upon the student's parent or guardian by mail within forty-eight (48) hours of the conference.

9. The school administration shall make reasonable efforts to notify the student's parent or guardian of the suspension by telephone as soon as possible following suspension.
10. In the event a student is suspended without an informal administrative conference on the grounds that the student will create an immediate and substantial danger to surrounding persons or property, the written notice shall be served upon the student and the student's parent or guardian within forty-eight (48) hours of the suspension. Service by mail shall be complete upon mailing.
11. Notwithstanding the foregoing provisions, the student may be suspended pending the School Board's decision in an expulsion or exclusion proceeding, provided that alternative educational services are implemented to the extent that suspension exceeds five (5) days.

D. Expulsion and Exclusion Procedures.

1. "Expulsion" means a School Board action to prohibit an enrolled student from further attendance for up to 12 months from the date the student is expelled. The authority to expel rests with the School Board.
2. "Exclusion" means an action taken by the School Board to prevent enrollment or reenrollment of a student for a period that shall not extend beyond the school year. The authority to exclude rests with the School Board.
3. All expulsion and exclusion proceedings will be held pursuant to and in accordance with the provisions of the Minnesota Pupil Fair Dismissal Act, Minnesota Statutes sections 121A.40-121A.56.
4. No expulsion or exclusion shall be imposed without a hearing, unless the right to a hearing is waived in writing by the student and parent or guardian.
5. The student and parent or guardian shall be provided written notice of the school district's intent to initiate expulsion or exclusion proceedings. This notice shall be served upon the student and his or her parent or guardian personally or by mail, and shall contain a complete statement of the facts; a list of the witnesses and a description of their testimony; state the date,

time and place of hearing; be accompanied by a copy of the Pupil Fair Dismissal Act, [Minnesota Statutes sections 121A.40-121A.56](#); describe alternative educational services accorded the student in an attempt to avoid the expulsion proceedings; and inform the student and parent or guardian of their right to: (1) have a representative of the student's own choosing, including legal counsel at the hearing; (2) examine the student's records before the hearing; (3) present evidence; and (4) confront and cross-examine witnesses. The school district shall advise the student's parent or guardian that free or low-cost legal assistance may be available and that a legal assistance resource list is available from the Minnesota Department of Education.

6. The hearing shall be scheduled within ten (10) days of the service of the written notice unless an extension, not to exceed five (5) days, is requested for good cause by the school district, student, parent or guardian.
7. All hearings shall be held at a time and place reasonably convenient to the student, parent or guardian and shall be closed, unless the student, parent or guardian requests an open hearing.
8. The school district shall record the hearing proceedings at district expense and a party may obtain a transcript at its own expense.
9. The student shall have a right to a representative of the student's own choosing, including legal counsel, at the student's sole expense. The school district shall advise the student's parent or guardian that free or low-cost legal assistance may be available and that a legal assistance resource list is available from the Minnesota Department of Education. The School Board may appoint an attorney to represent the school district in any proceeding.
10. If the student designates a representative other than the parent or guardian, the representative must have a written authorization from the student and the parent or guardian providing them with access to the student's records and/or copies of the student's records.
11. All expulsion or exclusion hearings shall take place before and be conducted by an independent hearing officer designated by the school district. The hearing shall be conducted in a fair and impartial manner. Testimony shall be given under oath and the hearing officer shall have the power to issue subpoenas and administer oaths.
12. At a reasonable time prior to the hearing, the student, parent or guardian, or authorized representative shall be given access to all school district

records pertaining to the student, including records upon which the proposed dismissal action may be based.

13. The student, parent or guardian, or authorized representative, shall have the right to compel the presence of any school district employee or agent or any other person who may have evidence upon which the proposed dismissal action may be based, and to confront and cross-examine any witnesses testifying for the school district.
14. The student, parent or guardian, or authorized representative, shall have the right to present evidence and testimony, including expert psychological or educational testimony.
15. The student cannot be compelled to testify in the dismissal proceedings.
16. The hearing officer shall prepare findings and a recommendation based solely upon substantial evidence presented at the hearing, which must be made to the School Board and served upon the parties within two (2) days after the close of the hearing.
17. The School Board shall base its decision upon the findings and recommendation of the hearing officer and shall render its decision at a meeting held within five (5) days after receiving the findings and recommendation. The School Board may provide the parties with the opportunity to present exceptions and comments to the hearing officer's findings and recommendation provided that neither party presents any evidence not admitted at the hearing. The decision by the School Board must be based on the record, must be in writing, and must state the controlling facts on which the decision is made in sufficient detail to apprise the parties and the Minnesota Department of Education of the basis and reason for the decision.
18. A party to an expulsion or exclusion decision made by the School Board may appeal the decision to the Commissioner within 21 calendar days of School Board action pursuant to ~~Minnesota state statute~~[Minnesota Statutes section 121A.49](#). The decision of the School Board shall be implemented during the appeal to the Commissioner.
19. The school district shall report any suspension, expulsion or exclusion action taken to the appropriate public service agency, when the student is under the supervision of such agency.
20. The school district must report through the MDE electronic reporting system, each expulsion or exclusion within thirty (30) days of the effective

date of the action to the Commissioner. This report must include a statement of alternative educational services given the student and the reason for, the effective date, and the duration of the exclusion or expulsion. The report must also include the student's age, grade, gender, race, and special education status. The dismissal report must include state student identification numbers of affected students.

21. Whenever a student fails to return to school within ten (10) school days of the termination of dismissal, a school administrator shall inform the student and his/her parent or guardian by mail of the student's right to attend and to be reinstated in the school district.

X. ADMISSION OR READMISSION PLAN

A school administrator shall prepare and enforce an admission or readmission plan for any student who is excluded or expelled from school. The plan may include measures to improve the student's behavior, including completing a character education program consistent with ~~Minnesota state statute~~ Minnesota Statutes section 120B.232, subdivision 1, participation in restorative practices or mediation and require parental involvement in the admission or readmission process, and may indicate the consequences to the student of not improving the student's behavior. The readmission plan must not obligate parents to provide a sympathomimetic medication for their child as a condition of readmission.

XI. NOTIFICATION OF POLICY VIOLATIONS

Notification of any violation of this policy and resulting disciplinary action shall be as provided herein, or as otherwise provided by the Pupil Fair Dismissal Act or other Minnesota state statute. The teacher, principal or other school district official may provide additional notification as deemed appropriate.

In addition, the school district must report, through the MDE electronic reporting system, each physical assault of a school district employee by a student within thirty (30) days of the assault. This report must include a statement of the alternative educational services or other sanction, intervention, or resolution given to the student in response to the assault and the reason for, the effective date, and the duration of the exclusion or expulsion or other sanction, intervention, or resolution. The report must also include the student's age, grade, gender, race and special education status.

XII. STUDENT DISCIPLINE RECORDS

The policy of the school district is that complete and accurate student discipline records be maintained. The collection, dissemination, and maintenance of student discipline records shall be consistent with applicable school district policies and federal and state

law, including the Minnesota Government Data Practices Act and Minnesota state statutes.

XIII. ~~DISABLED~~ STUDENTS WITH DISABILITIES

Students who are currently identified as eligible under the IDEA or Section 504 will be subject to the provisions of this policy, unless the student's IEP or 504 plan specifies a necessary modification.

Before initiating an expulsion or exclusion of a student with a disability, relevant members of the child's IEP team and the child's parent shall, consistent with federal law, conduct a manifestation determination and determine whether the child's behavior was (i) caused by or had a direct and substantial relationship to the child's disability and (ii) whether the child's conduct was a direct result of a failure to implement the child's IEP. If the student's educational program is appropriate and the behavior is not a manifestation of the student's disability, the school district will proceed with discipline – up to and including expulsion – as if the student did not have a disability, unless the student's educational program provides otherwise. If the team determines that the behavior subject to discipline is a manifestation of the student's disability, the team shall conduct a functional behavioral assessment and implement a behavioral intervention plan for such student provided that the school district had not conducted such assessment prior to the manifestation determination before the behavior that resulted in a change of placement. Where a behavioral intervention plan previously has been developed, the team will review the behavioral intervention plan and modify it as necessary to address the behavior.

When a student who has an IEP is excluded or expelled for misbehavior that is not a manifestation of the student's disability, the school district shall continue to provide special education and related services during the period of expulsion or exclusion.

XIV. OPEN ENROLLED STUDENTS

The school district may terminate the enrollment of a nonresident student enrolled under an Enrollment Option Program ([Minnesota Statutes section 124D.03](#)) or Enrollment in Nonresident District ~~under Minnesota state statutes~~ ([Minnesota Statutes section 124D.08](#)) at the end of a school year if the student meets the definition of a habitual truant, the student has been provided appropriate services for truancy and the student's case has been referred to juvenile court. The school district may also terminate the enrollment of a nonresident student over the age of seventeen (17) enrolled under an Enrollment Options Program if the student is absent without lawful excuse for one or more periods on fifteen (15) school days and has not lawfully withdrawn from school.

XV. DISTRIBUTION OF POLICY

The school district will notify students and parents of the existence and contents of this policy in such manner as it deems appropriate. Copies of this discipline policy shall be made available to all students and parents at the commencement of each school year and to all new students and parents upon enrollment. This policy shall also be available upon request in each principal's office.

XVI. REVIEW OF POLICY

The principal and representatives of parents, students and staff in each school building shall confer at least annually to review this discipline policy, determine if the policy is working as intended, and to assess whether the discipline policy has been enforced. Any recommended changes shall be submitted to the superintendent for consideration by the School Board, which shall conduct an annual review of this policy.

Legal References:

Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)
Minn. Stat. § 120B.02 (Educational Expectations and Graduation Requirements for Minnesota Students)
Minn. Stat. § 120B.232 (Character Development Education)
Minn. Stat. § 121A.26 (School Preassessment Teams)
Minn. Stat. § 121A.29 (Reporting; Chemical Abuse)
Minn. Stat. §§ 121A.40-121A.56 (Pupil Fair Dismissal Act)
Minn. Stat. § 121A.575 (Alternatives to Pupil Suspension)
Minn. Stat. § 121A.582 (Student Discipline; Reasonable Force)
Minn. Stat. §§ 121A.60 (Definitions)
Minn. Stat. § -121A.61 (Discipline and Removal of Students From Class)
Minn. Stat. § 122A.42 (General Control of Schools)
Minn. Stat. § 123A.05 (Area Learning Center OrganizationState-Approved Alternative Program Organization)
Minn. Stat. § 124D.03 (Enrollment Options Program)
Minn. Stat. § 124D.08 (Enrollment in Nonresident DistrictSchool Boards' Approval to Enroll in Nonresident District; Exceptions)
Minn. Stat. Ch.125A (Students With DisabilitiesSpecial Education and Special Programs)
Minn. Stat. § 152.22, Subd. 6 (Medical Cannabis; Definitions)
Minn. Stat. § 152.232 (Medical Cannabis; Limitations)
Minn. Stat. Ch. 260A (Truancy)
Minn. Stat. Ch. 260C (Juvenile Safety and Placement Court Act)
20 U.S.C. §§ 1400-1487 (Individuals with Disabilities Education Improvement Act ~~of 2004~~)
29 U.S.C. § 794 *et seq.* (Rehabilitation Act of 1973, § 504)
34 C.F.R. § 300.530(e) (1) (Manifestation Determination)

Cross References:



Fridley Public Schools is committed to creating a welcoming, respectful environment that provides an equitable and inclusive education for each student, staff and community member by ensuring that opportunities, access, and resources are aligned to support the growth and academic achievement of each student.

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MSBA/MASA Model Policy 413 (Harassment and Violence)
MSBA/MASA Model Policy 409 (Tobacco-Free Environment; Possession and Use of Tobacco, Tobacco-Related Devices, and Electronic Delivery Devices)
MSBA/MASA Model Policy 501 (School Weapons)
MSBA/MASA Model Policy 502 (Search of Student Lockers, Desks, Personal Possessions, and Student's Person)
MSBA/MASA Model Policy 503 (Student Attendance)
MSBA/MASA Model Policy 505 (Distribution of Nonschool-Sponsored Materials on School Premises by Students and Employees)
MSBA/MASA Model Policy 514 (Bullying Prohibition Policy)
MSBA/MASA Model Policy 524 (Internet Acceptable Use and Safety Policy)
MSBA/MASA Model Policy 525 (Violence Prevention)
MSBA/MASA Model Policy 526 (Hazing Prohibition)
MSBA/MASA Model Policy 527 (Student Use and Parking of Motor Vehicles; Patrols, Inspections, and Searches)
MSBA/MASA Model Policy 610 (Field Trips)
MSBA/MASA Model Policy 709 (Student Transportation Safety Policy)
MSBA/MASA Model Policy 711 (Video Recording on School Buses)
MSBA/MASA Model Policy 712 (Video Surveillance Other Than on Buses)

School Board Action:

Revised as Policy 8.301
Revised as Policy 506 June 18, 2002
Revised July 15, 2008
Revised September 21, 2010
Revised February 18, 2014
Revised June 21, 2016
Revised September 20, 2016
Revised December 18, 2018
Revised April 21, 2020
Revised June 15, 2021
Revised January 18, 2022
Revised November 15, 2022

Annual Review:

<u>Month</u>	<u>Year</u>	<u>Notes</u>
January	2022	Reviewed / Updated

508 EXTENDED SCHOOL YEAR FOR CERTAIN STUDENTS WITH INDIVIDUALIZED EDUCATION PROGRAMS

I. PURPOSE

The purpose of this policy is to ensure that the school district complies with the requirements of law as mandated for certain students subject to individual education plans (IEP) when necessary, as part of a free and appropriate public education (FAPE).

II. GENERAL STATEMENT OF POLICY

- A. Extended School Year Services Must Be Available to Provide a FAPE. The school district shall provide extended school year (ESY) services to a student who is the subject of an IEP if the student's IEP team determines the services are necessary during a break in instruction in order to provide a FAPE.
- B. Extended School Year Determination. At least annually, the IEP team must determine that a student is in need of ESY services if the student meets any of the following conditions:
1. There will be significant regression of a skill or acquired knowledge from the student's level of performance on an annual goal that requires more than the length of the break in instruction to recoup unless the IEP team determines a shorter time for recoupment is more appropriate; OR
 2. Services are necessary for the student to attain and maintain self-sufficiency because of the critical nature of the skill addressed by an annual goal, the student's age and level of development, and the timeliness for teaching the skill; OR
 3. The IEP team otherwise determines, given the student's unique needs, that ESY services are necessary to ensure the pupil receives a FAPE.
- C. Required Factors Schools Must Consider in Making ESY Determinations. The IEP team must decide ESY eligibility using information including:
1. Prior observations of the student's regression and recoupment over the summer;
 2. Observations of the student's tendency to regress over extended breaks in instruction during the school year; and
 3. Experience with other students with similar instructional needs.

- D. Additional Factors to Consider, Where Relevant. In making its determination of ESY needs, the following factors must be considered, where relevant:
1. The student's progress and maintenance of skills during the regular school year.
 2. The student's degree of impairment.
 3. The student's rate of progress.
 4. The student's behavioral or physical problems.
 5. The availability of alternative resources.
 6. The student's ability and need to interact with nondisabled peers.
 7. The areas of the student's curriculum which need continuous attention.
 8. The student's vocational needs.
- E. No Unilateral Decisions. In the course of providing ESY services to children with disabilities, the school district may not unilaterally limit the type, amount, or duration of those services.
- F. Services to Nonresident Students Temporarily Placed in School District. A school district may provide ESY services to nonresident children with disabilities temporarily placed in the school district in accordance with applicable state law.

Legal References: Minn. Stat. § 125A.14 (Extended School Year)
Minn. Rules Part 3525.0755
20 U.S.C. § 1400 *et seq.* (Individuals with Disabilities Education Improvement Act of 2004)
34 C.F.R. Part 300 (~~IDEA Regulations~~ Assistance to States for the Education of Children with Disabilities)

Cross References:
None

School Board Action:
Adopted on June 18, 2002
Revised July 15, 2008



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Fridley Public Schools is committed to creating a welcoming, respectful environment that provides an equitable and inclusive education for each student, staff and community member by ensuring that opportunities, access, and resources are aligned to support the growth and academic achievement of each student.

Revised November 15, 2022

ONE Reading Needed

509 Enrollment of Non-Resident Students

I. PURPOSE

The School Board approves the participation of the school district in the Enrollment Options Program established by Minnesota state statute 124D.03. The purpose of this policy is to set forth the application and exclusion procedures used by the school district in making said determination of student application eligibility and approval or rejection of applications for enrollment as non-resident students.

II. GENERAL STATEMENT OF POLICY

It shall be the policy of the school district that student applications will be considered subject to the following requirements: eligibility determination, standards to be used for rejection of applications, standards that may not be used for rejection of applications, the application process, determination of exclusion recommendations, and school district termination of the enrollment of non-resident students. These requirements are described in this policy.

A. Eligibility

Applications for such student enrollment as non-residents will be approved, provided that acceptance of the application will not exceed the capacity of a program, excluding special education services; class; grade level; or school building as established by School Board resolution and provided that:

1. Space is available for the applicant under enrollment cap standards established by School Board policy or other directive; and
2. In considering the capacity of a grade level, the school district may only limit the enrollment of nonresident students to a total number not less than either: (a) one percent of the total enrollment at each grade level in the school district or (b) the number of school district resident students at that grade level enrolled in a nonresident school district in accordance with Minnesota state statute 124D.03.
3. The applicant is not otherwise excluded by action of the school district because of previous conduct in another school district.

B. Class Size

Class sizes shall be determined so as to offer the best possible educational opportunity to students, yet so constituted as to assure maximum potential service from each staff member. Therefore, the following shall apply:

1. Preferred Class Ranges:

Kindergarten	20-24
Grades 1-2	21-25
Grades 3-4	24-28
Grade 5	26-30
Grades 6-8	30-34
Grades 9-12	31-35

In the event of unforeseen circumstances and/or financial difficulties, the targeted numbers may be exceeded with School Board approval.

C. Standards that may be used for rejection of an application

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

1. Possessing a dangerous weapon, including a weapon, device, instruments, material, or substance, animate or inanimate, that is used for, or is readily capable of, causing death or serious bodily injury, with the exception of a pocket knife with a blade less than two and one-half inches in length, at school or at a school function;
2. Possessing or using an illegal drug at school or at a school function;
3. Selling or soliciting the sale of a controlled substance while at school or at a school function;
4. Committing a third-degree assault involving assaulting another and inflicting substantial bodily harm.

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

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

1. Previous academic achievement of a student;

2. Athletic or extracurricular ability of a student;
3. Disabling conditions of a student;
4. A student's proficiency in the English language;
5. The student's district of residence except where the district of residence is directly included in an enrollment options strategy included in an approved achievement and integration program; or
6. Previous disciplinary proceedings involving the student. This shall not preclude the school district from proceeding with exclusion as referenced in Section F of this policy.

E. Application

The student and parent or guardian must complete and submit a School District Enrollment Options Program Application developed by the Minnesota Department of Education.

F. Lotteries

If a school district has more applications than available seats at a specific grade level, it must hold an impartial lottery following the January 15 deadline to determine which students will receive seats. Siblings of currently enrolled students, applications related to an approved integration and achievement plan, and children of the school district's staff must receive priority in the lottery. The process for the school district lottery must be established by School Board policy and posted on the school district's website.

G. Exclusion

1. Administrator's initial determination

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

2. Superintendent's review

The superintendent or his/her designee may make further inquiries. If the superintendent determines that the applicant should be admitted, the

superintendent will notify the School Board chair and the applicant. If the superintendent determines that the applicant should be excluded, the superintendent or his/her designee will notify the applicant and determine whether the applicant wishes to continue the application process. Although an application may not be rejected based on previous disciplinary proceedings, the school district reserves the right to initiate exclusion procedures pursuant to the Minnesota Pupil Fair Dismissal Act as warranted on a case-by-case basis. If the applicant wishes to continue the application process, the superintendent is authorized to initiate the exclusion process under the Minnesota Pupil Fair Dismissal Act.

H. Termination of Enrollment

1. The school district may terminate the enrollment of a nonresident student enrolled under an enrollment options program pursuant to Minnesota state statute 124D.03 or 124D.08 at the end of a school year if the student meets the definition of a habitual truant, the student has been provided appropriate services for truancy under Minnesota ~~Chapter~~ Chapter. 260A, and the student's case has been referred to juvenile court. A "habitual truant" is a child under 17 years of age who is absent from attendance at school without lawful excuse for seven days in a school year if the child is in elementary school or for one or more class periods on seven school days in a school year if the child is in middle school, junior high school or high school, or a child who is 17 years of age who is absent from attendance at school without lawful excuse for one or more class periods on seven school days in a school year and has not lawfully withdrawn from school under Minnesota state statute 120A.22, ~~Sub~~ subdivision. 8.
2. The school district may also terminate the enrollment of a nonresident student over 17 years of age if the student is absent without lawful excuse for one or more periods on 15 school days and has not lawfully withdrawn from school under Minnesota state statute 120A.22, ~~Sub~~ subdivision 8.
3. A student who has not applied for and been accepted for open enrollment pursuant to this policy and does not otherwise meet the residency requirements for enrollment may be terminated from enrollment and removed from school. Prior to removal from school, the school district will send to the student's parents a written notice of the school district's belief that the student is not a resident of the school district. The notice shall include the facts upon which the belief is based and notice to the parents of their opportunity to provide documentary evidence, in person or in writing, of residency to the superintendent or the superintendent's

designee. The superintendent or the superintendent's designee will make the final determination as to the residency status of the student.

- I. Notwithstanding the requirement that an application must be approved by the board of the nonresident district, a student who has been enrolled in a district, who is identified as homeless, and whose parent or legal guardian moves to another district, or who is placed in foster care in another school district, may continue to enroll in the nonresident district without the approval of the board of the nonresident district. The approval of the board of the student's resident district is not required.

Legal References:

Minn. Stat. § 120A.22, Subd. 3(e) and Subd. 8 (Residency Determined Compulsory Instruction)
~~Minn. Stat. § 120A.22, Subd. 8 (Withdrawal from School)~~
Minn. Stat. § 121A.40-121A.56 (The Pupil Fair Dismissal Act)
Minn. Stat. § 124D.03 (Enrollment Options Program)
Minn. Stat. § 124D.08 (School Board Approval to Enroll in Nonresident District; Exceptions)
Minn. Stat. § 124D.68 (~~High School~~ Graduation Incentives Program)
Minn. Ch. 260A (Truancy)
Minn. Stat. § 260C.007, Subd. 19 (~~Habitual Truant Defined~~ Definitions)
Minn. Op. Atty. Gen. No. 169-f (August 13, 1986)
Indep. Sch. Dist. No. 623 v. Minn. Dept. of Educ., Co. No. A05-361, 2005
WL 3111963 (Minn. Ct. App. 2005) (unpublished)

Cross References:

MSBA/MASA Model Policy 506 (Student Discipline)
MSBA/MASA Model Policy 517 (Student Recruiting)
~~MSBA/ Service Manual, Chapter 5, Various Educational Programs~~

School Board Action:

Revised as Policy 8.100, 8.107 Fridley School District Policy
Revised as Policy 509 June 18, 2002
Revised as Policy 509 June 17, 2008
Revised August 16, 2011
Revised March 12, 2013
Revised September 17, 2013
Revised June 21, 2016
Revised July 18, 2017
Revised May 17, 2022
Revised November 15, 2022

517 Student Recruiting

I. Purpose

The purpose of this policy is to prevent school district employees from exerting undue influence for purposes of securing or retaining the attendance of a student in a school.

II. General Statement of Policy

- A. It is the policy of the school district to encourage employees to make available to all interested people information regarding the school district, its schools, programs, policies, and procedures. The purpose of such activity is to assist in the process of fully informed decision making regarding school enrollment and to enhance the visibility and image of the school district.
- B. The School Board annually takes formal action on whether to approve the school district membership in the Minnesota State High School League and thereby endorse the bylaws that are required for membership. When such MSHSL membership is approved, the school district thereby recognizes that the scope of student activity in selected sports and activities is limited by statutory authority and bylaws of the Minnesota State High School League. Accordingly, it shall be a violation of this policy for employees to exert undue influence for purposes of securing or retaining the attendance of a student in a school or to compete with another school district for the enrollment of students.
- C. Employees are further prohibited from encouraging others to engage in such conduct on behalf of the school district.

III. Definitions

- A. The terms "undue influence" or "competing for enrollment" shall include initiating any oral or written contact with a student from another school district who participates in a school-sponsored sport or activity which solicits the student's transfer to participate in a sport or activity.
- B. The terms shall also include the awarding of tuition, allowance for board and/or room, allowance for transportation, priority in assignments of jobs, cash or gifts in any form, or any other privilege or consideration if not similarly available to all students.

IV. Procedures

- A. The School Board shall adopt, by resolution, specific standards for acceptance and rejection of applications for open enrollment. Standards may include the capacity of a program, class, school building, or the statutory limits to nonresident enrollment in a

particular grade level, or whether the student is currently expelled for (1) possessing a dangerous weapon, as defined under federal law, at a school or school function; (2) possession or using an illegal drug at school or at a school function; (3) selling or soliciting the sale of a controlled substance while at school or a school function; or committing a first, second or third degree assault as described in state law. Standards for acceptance and rejection of open-enrollment applications are subject to the Graduation Incentives Program and may not include previous academic achievement, athletic or other extracurricular ability, disabling conditions, proficiency in the English language, previous disciplinary proceedings, or the student's district of residence.

- B. Employees who violate the provisions of the policy shall be subject to disciplinary action as appropriate. Any such disciplinary action shall be made pursuant to and in accordance with applicable statutory authority, collective bargaining agreements, school district policies, and the bylaws of the Minnesota High School League, as applicable.

Legal References:

Minn. Stat. § 124D.03 (Enrollment Options Program)
Minn Stat. § 124D.68 (Graduation Incentives Program)
Minn. State High School League Bylaws

Cross References

MSBA/MASA Model Policy 5098 (Enrollment of Nonresident Students)
~~MSBA Service Manual, Chapter 10, Minnesota State High School League (MSHSL)~~

SCHOOL BOARD ACTION:

Adopted as Policy 517 Recruitment of Students from Other Districts for MSHSL Activities June 18, 2002

Revised October 21, 2014

Revised November 15, 2022

Minutes
School Board Work Session
Fridley Independent School District 14
October 18, 2022

Call to Order

The Work Session of the Fridley School Board was called to order by School Board Chair Meisner at 5:30 PM on Tuesday, September 20, 2022, at the Fridley Community Center. The following Board members were present in the room: Abdisalam Adam, Nikki Auna, Jake Karnopp, Ross Meisner and Avonna Starck. Absent: Donna Prewedo

The following items were discussed

- A. Signing Required Documents
- B. Governance and Policy
 - 1. Second Readings and Adoption of Policies
 - a. Policy 208 Development Adoption and Implementation of Policies
 - b. Policy 209 School Board Member Code of Ethics
 - c. Policy 210 Conflict of Interest
 - d. Policy 415 Mandated Reporting of Maltreatment of Vulnerable Adults
 - e. Policy 410 Family and Medical Leave
 - f. Policy 416 Drug and Alcohol Testing
 - g. Policy 417 Chemical Use and Abuse
 - h. Policy 418 Chemical Free Workplace
 - 2. First Reading of Policies
 - a. Policy 601 School District Curriculum and Instruction Goals
 - b. Policy 603 Curriculum Development
 - c. Policy 604 Instructional Curriculum
 - d. Policy 515.1 Data Request Policy for Subjects of Data
 - e. Policy 722 Public Data Requests
- C. Oversight of Operations
 - 1. Legal, Staffing and Personnel Update
 - a. New Contracts, Amendments, Leaves of Absence, Terminations, Resignations, and Retirements
 - b. Hourly Sub Rate Change
 - 2. World's Best Workforce Report
 - 3. Statewide Health Improvement Program (SHIP) Grant with Anoka County
 - 4. Minnesota State High School League Foundation Grant
 - 5. Partnership Updates
 - a. Northeast Metro 916 Intermediate School District Meeting held on September 21, 2022
 - b. Schools for Equity in Education Meeting held on September 23, 2022
 - c. Northeast Metro 916 Intermediate School District Board Meeting held on October 5, 2022
- D. Board Governance Policy
 - 1. School Resource Officer Discussion
- E. Superintendent Relations
 - 1. Superintendent Goals – Meeting set for October 31, 2022
- F. Informational Items
 - 1. Student Enrollment
 - 2. At the next Work Session – NO WORK SESSION NOVEMBER 1, 2022
 - a. First Week Work Sessions
 - 3. Board Strategies

4. Important School Board Dates to Note:
 - a. NE Metro 916 board Meeting
November 2, 2022 | 6:00 pm
Bellaire School
 - b. AMSD Board of Directors Meeting
November 4, 2022 | 7:00 am
Quora Education Center
 - c. NWSISD Joint Powers Board Meeting
November 16, 2022 | 6:15PM
NWSISD District Office
 - d. Schools for Equity in Education (SEE) Meeting
December 2, 2022 | 9:30 am
Doubletree Hotel – Roseville
5. Public Forum

Adjourned at 7:20 p.m.

Ross Meisner, Board Chair

Jake Karnopp, Board Clerk

Minutes
School Board Business Meeting
Fridley Independent School District 14
October 18, 2022

Call to Order, Pledge of Allegiance

Ross Meisner called the Business Meeting of the Fridley School Board to order at 7:30 p.m. on Tuesday, October 18, 2022, at the Fridley Community Center (FCC). Present: Abdisalam Adam, Nikki Auna, Jake Karnopp, Ross Meisner and Avonna Starck. Absent: Donna Prewedo

Approval of Agenda

Motion by Starck, seconded by Adam, to approve the agenda for October 18, 2022. Upon vote being taken, all voted in favor, none against, none abstained. Motion carried 5-0.

Spotlight on Recognition

1. Superintendent Hiel introduced the September 2022 Employee of the Month as Sheila Jensen, Paraeducator at Fridley Community Center.

Superintendent and Staff Reports

1. Preview of Newsies by actors, Nick Richard and Kale Holst
2. Director of Special Services, Laura Seifert-Hertling introduced a Special Services Presentation and looked at the services provided at Fridley Public Schools.
3. Director of Teaching and Learning, Dr. Jason Bodey, introduced the Worlds Best Workforce Plan for 2022-23.

Business Action Items

1. RESOLUTION: Accepting Gifts

WHEREAS, School Board Policy 706 establishes guidelines for the acceptance of gifts to the District; and

WHEREAS, Minnesota Statute 465.03 states 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;

THEREFORE, BE IT RESOLVED, that the School Board of Fridley Public Schools accepts with appreciation the following gifts received by the School District:

- The following persons donated to **Fridley High School**:
 - o The Marissa and Greg Frankenfield Family Foundation - \$35,000 for the purchase of a grand piano

Motion by Karnopp, seconded by Starck, to accept the gifts and thank the donors for their contributions. Upon roll call, Adam, Auna, Karnopp, Meisner, and Starck all voted in favor, none against, none abstained. Motion carried 5-0.

2. RESOLUTION: Minnesota State High School League Foundation Grant

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

WHEREAS, the Governing Board of Fridley Public Schools ISD #14 recognizes the value of student participation in extracurricular activities; and

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

THEREFORE, BE IT RESOLVED, that the Governing Board of Fridley Public Schools ISD #14 supports the school's application to the Minnesota State High School League Foundation for a FORM A grant to offset student activity fees.

Motion by Karnopp, seconded by Adam, to support the school's application to the Minnesota State High School League Foundation for a Form A grant to offset student activity fees. Upon roll call, Adam, Auna, Karnopp, Meisner, and Starck all voted in favor, none against, none abstained. Motion carried 5-0.

3. Motion: Second Reading and Adoption of Policies

- a. Policy 208 Development Adoption and Implementation of Policies
- b. Policy 209 School Board Member Code of Ethics
- c. Policy 210 Conflict of Interest
- d. Policy 415 Mandated Reporting of Maltreatment of Vulnerable Adults
- e. Policy 410 Family and Medical Leave
- f. Policy 416 Drug and Alcohol Testing
- g. Policy 417 Chemical Use and Abuse
- h. Policy 418 Chemical Free Workplace

Motion by Adam, seconded by Auna, to approve the second reading and adoption of policies 208, 209, 410, 415, 416, 417, and 418. Upon vote being taken all voted in favor, none against, none abstained. Motion carried 5-0.

Consent Agenda

Motion by Karnopp, seconded by Auna to approve the consent agenda of routine action items including minutes of the work session and business meeting held on September 20, 2022 and the work session held on October 4, 2022; Monthly Financial Reports; and New Contracts, Amendments, Leaves of Absence, Resignations, Retirements and Terminations; Statewide Health Improvement Program (SHIP) Grant with Anoka County; and World's Best Workforce Plan for 2022-23. Upon vote being taken all voted in favor, none against, none abstained. Motion carried 5-0.

Written Information

1. First Reading of Policies

- a. Policy 601 School District Curriculum and Instruction Goals
- b. Policy 603 Curriculum Development
- c. Policy 604 Instructional Curriculum
- d. Policy 515.1 Data Request Policy for Subjects of Data
- e. Policy 722 Public Data Requests

Important Future School Board Dates

- 1. No School – Conferences
October 19, 2022

2. No School – Education MN Conference
October 20-21, 2022
3. Fridley Middle School EL Family Night
October 28, 2022 | 5:00-7:00 PM
Fridley Middle School
4. No School – Planning/Evaluation Day
November 7, 2022
5. No School – Staff Development
November 8, 2022
6. Stevenson PTO Meeting
November 10, 2022 | 5:00 PM
Stevenson Elementary
7. FHS Fall Musical – Newsies
November 11, 12, 18, 19, 20 | 7:00 PM
FHS Auditorium
8. Fridley Public Schools Board Meeting
November 15, 2022
Work Session at 5:30 PM
Open Forum at 7:00 PM
Business Meeting at 7:30 PM
Fridley Community Center
9. Truth in Taxation Presentation
December 20, 2022 | 7:00 PM
Fridley Community Center

Adjournment

Motion by Karnopp, seconded by Adam, to adjourn at 8:20 p.m. Upon vote being taken, all voted in favor, none against, none abstained. Motion carried 5-0.

Ross Meisner, Board Chair

Jake Karnopp, Board Clerk

Fund	Balance 9/30/22	Receipts	Payroll Disbursements	A/P Disbursements	Journal Entry Transfers	Balance 10/31/22
General (01)	\$ 35,285,870.26	\$ 14,453,765.25	\$ 1,426,068.08	\$ 13,022,915.05	\$ (499,680.05)	\$ 34,790,972.33
Food Service (02)	755,024.00	189,443.67	43,808.10	136,804.03	(24,039.00)	739,816.54
Transportation (03)	(34,005,375.53)	-	9,821.74	52,356.87	(3,390.54)	(34,070,944.68)
Comm. Service (04)	(253,843.50)	171,652.63	89,839.99	85,467.50	(27,343.96)	(284,842.32)
Operating Capital (05)	(731,694.25)	-	-	42,183.77	-	(773,878.02)
Construction (06)	(408,127.31)	-	-	1,097.50	-	(409,224.81)
Debt Service (07)	2,480,650.29	783,277.44	-	-	-	3,263,927.73
Performance Contract (16)	(4,220,892.26)	-	-	-	-	(4,220,892.26)
Activity Fund (19)	176,175.33	54,604.53	-	12,206.69	(324.64)	218,248.53
Dental Self Insurance (20)	348,551.29	72.65	-	34,448.70	28,585.48	342,760.72
Medical Self Insurance (21)	6,570,198.19	1,330.38	-	428,883.19	526,192.71	6,668,838.09
OPEB Trust Fund (25)	(262,946.38)	17,205.18	-	2,095.55	-	(247,836.75)
OPEB Debt Service (47)	392,889.71	93,721.05	-	-	-	486,610.76
Student Activities Under Board Control (51)	85,803.28	6,632.16	-	4,280.62	-	88,154.82
Total	\$ 5,803,941.68	\$ 15,771,704.94	\$ 1,569,537.91	\$ 13,822,739.47	\$ -	\$ 6,591,710.68

Bank	Balance Per Bank Statement	Outstanding Checks	Outstanding Deposits	Balance per Treasurer's Books
MN Trust - OPEB	\$ 87,466.76	\$ -	\$ -	\$ 87,466.76
MN Trust - Operating	6,609,512.99	105,269.07	-	6,504,243.92
Total	\$6,696,979.75	\$ 105,269.07	\$ -	\$6,591,710.68

Difference	\$	0.00
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Schedule of Investments

As of 10/31/22

Investment	Broker	Type	Purchased	Maturity	Market Value	Par	Yield
MN Trust Full Flex Savings Deposit Account	PMA - OPP	SDA	10/31/22	10/31/22	11,096,850.80	11,096,850.80	3.03%
Financial Federal Bank	PMA - OPEB	CD	12/22/21	11/01/22	100,000.00	100,086.03	0.10%
Trustar Bank	PMA - OPEB	CD	11/19/21	11/21/22	249,600.00	249,786.04	0.07%
Kane SD #304-UNREF	PMA - OPEB	SEC	01/07/21	01/01/23	661,320.75	655,000.00	0.24%
Desert Sands USD-REF	PMA - OPEB	SEC	02/23/21	08/01/23	223,084.40	220,000.00	0.12%
NYC-D2-TXBL	PMA - OPEB	SEC	02/19/21	12/01/23	983,500.00	1,000,000.00	0.20%
Schenectady Co	PMA - OPEB	SEC	03/09/21	12/15/23	220,178.25	225,000.00	0.20%
Oklahoma City - TXBL	PMA - OPEB	SEC	01/07/20	03/01/24	198,020.00	200,000.00	1.70%
US Treasury N/B	PMA - OPEB	SEC	11/22/21	10/15/24	649,441.10	700,000.00	0.66%
US Treasury N/B	PMA - OPEB	SEC	12/21/21	11/30/24	417,498.53	444,000.00	0.80%
US Treasury N/B	PMA - OPEB	SEC	01/21/22	11/30/25	243,052.70	275,000.00	1.35%
US Treasury N/B	PMA - OPEB	SEC	02/24/22	11/30/25	212,118.72	240,000.00	1.72%
Totals					\$ 15,254,665.25	\$ 15,405,722.87	

Personnel Changes 2022-2023

New Contracts and Amendments per Master Agreements (2022-2023)

First Name	Last Name	Assignment	Step/Lane/Salary	School
Eric	Anderson	Head Wrestling Coach	Schedule C	FHS
Lance	Bailey	Assistant Wrestling Coach	Schedule C	FHS
Mikaela	Barthel	Yearbook Advisor	Schedule C	FMS
Mary	Becker	Fall Musical Choreographer	Schedule C	FHS
Jaimie	Beran	Homeroom Activities Coordinator	Schedule C	FMS
Jaimie	Beran	Student Council Advisor	Schedule C	FMS
Blair	Berger	MS Jazz Band Advisor	Schedule C	FMS
Zack	Bobick	Girls Basketball Coach	Schedule C	FMS
Brooke	Brose	Assistant Dance Team Coach	Schedule C	FHS
Paul	Cicmil	Paraeducator	\$17.52/hour	FHS
Aaron	Cuthbert	History Day Advisor	Schedule C	FMS
Tracy	Eberlein	Dance Team Head Coach	Schedule C	FHS
Amy	Engler	Dance Team Assistant Coach	Schedule C	FHS
Kahnnie	Gbor	Cheer Team Head Coach	Schedule C	FHS
Lucas	Gerhard	Assistant Wrestling Coach	Schedule C	FMS
Ryan	Gerhard	Assistant Wrestling Coach	Schedule C	FHS
Joy	Heil	Paraeducator	\$18.57/hour	HYS
Brooke	Hoiseth	Art Club Advisor	Schedule C	FHS
Hsiao-Hsuan	Huang	Asian Club Advisor	Schedule C	FHS
Tom	Larson	Fall Musical Costumes	Schedule C	FHS
Sandar	Myint	Cook	\$18.19/hour	RLS
Terrell	Nyangai	Assistant Football Coach	Schedule C	FHS
Jessica	Rifley	Math Team Advisor	Schedule C	FMS
Dawn	Rogers	Fall Musical Costumes / Makeup	Schedule C	FHS
Hindi	Samatar	Cook	\$15.60/hour	FMS
Zach	Sander	Instrumental, Pep, Jazz Band	Schedule C	FHS
Jim	Stangler	Head Wrestling Coach	Schedule C	FMS
Philip	Wolney	Girls Basketball Coach	Schedule C	FMS
Markai	Wotoe	Cheer Team Assistant Coach	Schedule C	FHS

Individual Contracts (2022-2023)

First Name	Last Name	Assignment	Step/Lane/Salary	School
Emily	Phillips	HR Specialist	Ind Contract	District

Leaves of Absence (2022-2023)

- Abby Jensen has requested a leave of absence from her teacher position at Stevenson Elementary effective February 23, 2023 through March 31, 2023.
- Eric Larson has requested a leave of absence from his teacher position at Fridley High School from October 5, 2022 through October 14, 2022.

- Xavia Riggins requested a leave of absence from her paraeducator position at Fridley Middle Schools from September 22, 2022 through September 30, 2022.
- Samantha Schenkelberg has requested a leave of absence from her teacher position at Fridley Middle School from March 27, 2023 through June 9, 2023.

Resignations (2022-2023)

- Paul Cicmil resigned his para position at Fridley High School effective October 28th, 2022.

Terminations: (2022-2023)

- Christian Thompson was terminated from his custodial position at Fridley High School, effective October 19, 2022.

MEMORANDUM OF AGREEMENT

Between

Employer and Education Minnesota Fridley Custodians AFL -CIO
and
Fridley School District 14

WHEREAS, the Minnesota School Employees Association is the exclusive representative of the Custodial unit ("Union") in Independent School District No14, Fridley ("District"); and

WHEREAS, the parties are currently operating under the 2021-2023 Collective Bargaining Agreement ("CBA") that expires on June 30, 2023, and;

WHEREAS, Article VIII (Hours of Service) section 7 (Holiday/Sunday pay) stipulates that "Employees shall be paid two times the rate for hours worked when the employee is required to work on a holiday or on a Sunday (excluding employees regularly scheduled to work on Sundays)", and;

WHEREAS, most custodial staff work a Monday through Friday shift and Sunday is "day 7" of their workweek, and;

WHEREAS, the District employs custodial staff who work a Sunday through Thursday shift and Saturdays are the "day 7" of their workweek, and;

WHEREAS, the District employs custodial staff who work a Tuesday through Saturday shift and Mondays are the "day 7" of their workweek, and;

WHEREAS, the parties would like to make an agreement regarding a change to section 7 (Holiday/Sunday Pay) to provide equity in "Day 7" compensation for those staff scheduled to work Sunday through Thursday or Tuesday through Saturday,

NOW, THEREFORE, the District, the Unions agree as follows:

- A. Effective November 1, 2022, employees who are regularly scheduled to work Sunday through Thursday shall be paid two times the rate for hours worked when that employee is required to work on a holiday or on a Saturday, and employees who are regularly scheduled to work Tuesday through Saturday shall be paid two times the rate for hours worked when that employee is required to work on a holiday or on a Monday.
- B. Reservation of Rights and Waiver of Grievance. The parties agree that this agreement is in the best interests of the employees and the district and will not give rise to any grievances by Employee or the Custodial Union.
- C. By signing below, each party represents that it has read, understands, and agrees to be bound by the terms of this Memorandum of Agreement on this 28th day of October 2022.

INDEPENDENT SCHOOL DISTRICT NO. 14, Fridley Employer and Ed. Mn. Fridley Custodians AFL -CIO

by _____
S. Ike Isaacson
Director of Human Resources

by  _____
Erin Azer
Education Minnesota
 _____
Joseph Hamm, Local President

610 Field Trips

I. Purpose

The purpose of this policy is to provide guidelines for student trips and to identify the general process to be followed for review and approval of trip requests.

II. General Statement of Policy

It is the general expectation of the School Board that all student trips will be well planned, conducted in an orderly manner and safe environment, and will relate directly to the objectives of the class or activity for which the trip is requested. Student trips will be categorized within three general areas:

A. Instructional Trips

Trips that take place during the school day, relate directly to a course of study, and require student participation shall fall in this category. These trips shall be subject to review and approval of the building principal, and shall be financed by school district funds within the constraints of the school building budget. Fees may not be assessed against students to defray direct costs of instructional trips. (Minnesota Statutes section 123B.37)

B. Supplementary Trips

This category pertains to those trips in which students voluntarily participate and which usually take place outside the regular school day. Examples of trips in this category involve student activities, clubs, and other special interest groups. These trips are subject to review and approval of the activities director and/or the building principal. Financial contributions by students may be requested. (Minnesota Statutes section 123B.36)

C. Extended Trips

1. Trips that involve one or more overnight stops fall into this category. Extended trips may be instructional or supplementary, and must be requested well in advance of the planned activity. An extended trip request form must be completed and approved at each level: student, principal, superintendent, and School Board. Exceptions to the approval policy may be granted or expedited to accommodate emergencies or contingencies (e.g. tournament competition).
2. The School Board acknowledges and supports the efforts of booster clubs and similar organizations in providing extended trip opportunities for students.

III. Regulations

- A. Rules of conduct and discipline for students and employees shall apply to all student trip activity.
- B. The school administration shall be responsible for providing more detailed procedures, including parental involvement, supervision, and such other factors deemed important and in the best interest of students.
- C. Transportation shall be furnished through a commercial carrier or school-owned vehicle.
- D. An employee may use a personal vehicle to transport staff or personal property for purposes of a field trip upon prior, written approval from administration.
- E. An Employee must not use a personal vehicle to transport one or more students for purposes of a field trip.
 - 1. If immediate transportation of a student is required due to an emergency or unforeseen circumstance, such as the illness or injury of a child, and the transportation does not constitute regular or scheduled transportation, a personal vehicle may be used. To the extent a personal vehicle is used, the vehicle must be properly registered and insured.
 - 2. An employee must obtain preapproval by administration of student transportation by a personal vehicle, pursuant to Section III.E.1, if practicable. If preapproval by administration of use of a personal vehicle cannot be obtained in a reasonable time given the circumstances, an employee shall report the relevant facts and circumstances justifying the need for use of a personal vehicle to administration as soon as practicable. The relevant facts and circumstances for use of a personal vehicle shall be documented by administration.

IV. School Board Review

The superintendent shall at least annually report to the school board upon the utilization of trips under this policy.

Legal References:

Minnesota Statutes section 123B.36 (Authorized Fees)
Minnesota Statutes section 123B.37 (Prohibited Fees)



A World-Class Community of Learners

Fridley Public Schools is committed to creating a welcoming, respectful environment that provides an equitable and inclusive education for each student, staff and community member by ensuring that opportunities, access, and resources are aligned to support the growth and academic achievement of each student.

Minnesota Statutes section 123B.49 (Extracurricular Activities; Insurance)

Minnesota Statutes section 169.011. Subd. 71 (a) (Definition)

Minnesota Statutes section 169.454. Subd. 13 (Type III Vehicle Standards-~~Exemption~~)

Sonkowsky v. Board of Educ. for Indep. Sch. Dist. No. 721, 327 F.3d 675 (8th Cir. 2003)

Lee v. Pine Bluff Sch. Dist., 472 F.3d 1026 (8th Cir. 2007)

Cross References:

MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)

MSBA/MASA Model Policy 423 (Employee – Student Relationships)

MSBA/MASA Model Policy 506 (Student Discipline)

MSBA/MASA Model Policy 707 (Transportation of Public School Students)

MSBA/MASA Model Policy 709 (Student Transportation Safety Policy)

MSBA/MASA Model Policy 710 (Extracurricular Transportation)

School Board Action:

Adopted as Policy 8.504 Activity Trips February 18, 1975

Revised April 18, 1978

Revised as Policy 610 Field Trips: January 16, 2007

Revised March 18, 2014

Revised December 17, 2019

Revised for first reading on November 15, 2022

612 DEVELOPMENT OF PARENT AND FAMILY POLICIES FOR TITLE I PROGRAMS

I. PURPOSE

The purpose of this policy is to encourage and facilitate involvement by parents of students participating in Title I in the educational programs and experiences of students. The policy shall provide the framework for organized, systematic, ongoing, informed and timely parental involvement in relation to decisions about the Title I services within the school district. The involvement of parents by the school district shall be directed toward both public and private school children whose parents are school district residents or whose children attend school within the boundaries of the school district.

II. GENERAL STATEMENT OF POLICY

- A. The policy of the school district is to plan and implement, with meaningful consultation with parents of participating children, programs, activities and procedures for the engagement of parents and families in its Title I programs.
- B. The policy of the school district is to fully comply with 20 U.S.C §6318 which require the school district to develop jointly with, agree upon with, and distribute to parents of children participating in Title I programs written parent and family engagement policies.

III. DEVELOPMENT OF DISTRICT LEVEL POLICY

The School Board will direct the administration to develop jointly with, agree upon with, and distribute to parents and family members of participating children a written parent and family engagement policy that will be incorporated into the school district's Title I plan. The policy will establish the expectations for meaningful parent and family involvement and describe how the school district will:

- A. Involve parents and family members in the joint development of the school district's Title I plan and the development of support and improvement plans;
- B. Provide the coordination, technical assistance, and other support necessary to assist and build the capacity of all participating schools within the school district in planning and implementing effective parent and family involvement activities to improve student academic achievement and school performance which may include meaningful consultation with employers, business leaders, philanthropic organizations, or individuals with expertise in effectively engaging parents and family members in education;

- C. Coordinate and integrate parent and family engagement strategies with similar strategies, to the extent feasible and appropriate, with other relevant federal, state, and local laws and programs;
- D. Conduct, with the meaningful involvement of parents and family members, an annual evaluation of the content and effectiveness of the parent and family engagement policy in improving the academic quality of the schools served, including identifying barriers to greater participation by parents in parental involvement activities (with particular attention to, parents who are economically disadvantaged, disabled, have limited English proficiency, have limited literacy, or who are of a racial or ethnic minority background); the needs of parents and family members to assist with the learning of their children, including engaging with school personnel and teachers; and strategies to support successful school and family interactions;
- E. ~~Conduct, with the meaningful involvement of parents and family members, an annual evaluation of the content and effectiveness of the parent and family engagement policy in improving the academic quality of the schools served and~~ Use the findings of such evaluations to design evidence-based strategies for more effective parent and family engagement and to revise, if necessary, the district-level and school-level parent and family engagement policies; and
- F. Involve parents in the activities of the schools, which may include establishing a parent advisory board comprised of a sufficient number and representative group of parents or family members served by the school district to adequately represent the needs of the population served by the school district for the purposes of developing, revising, and reviewing the parent and family engagement policy.

IV. DEVELOPMENT OF SCHOOL LEVEL POLICY

The School Board will direct the administration of each school to develop (or amend an existing parental involvement policy) jointly with, and distribute to, parents and family members of participating children a written parent and family engagement policy, agreed upon by such parents and families, that shall describe the means for carrying out the federal requirements of parent and family engagement. Parents shall be notified of the policy in an understandable and uniform format and, to the extent practicable, provided in a language the parents can understand. Such policy shall be made available to the local community and updated periodically to meet the changing needs of parents and the school.

- A. The policy will describe the means by which each school with a Title I program will:

1. Convene an annual meeting, at a convenient time, to which all parents of participating children shall be invited and encouraged to attend, to inform parents of their school's participation in Title I programs, and to explain to parents of participating children the program, its requirements, and their right to be involved;
 2. Offer a flexible number of meetings, such as meetings in the morning or evening, and may provide with Title I funds transportation, child care, or home visits, as such services relate to parental involvement;
 3. Involve parents in an organized, ongoing, and timely way, in the planning, review, and improvement of the parent and family engagement programs, including the planning, review, and improvement of the school parent and family engagement policy and the joint development of the school-wide program plan, except that if a school has in place a process for involving parents in the joint planning and design of the school's programs, the school may use that process, if such process includes an adequate representation of parents of participating children;
 4. Provide parents of participating children with: timely information about Title I programs; a description and explanation of the curriculum in use at the school, the forms of academic assessment used to measure student progress, and the achievement levels of the challenging state academic standards; if requested by parents, opportunities for regular meetings to formulate suggestions, and to participate, as appropriate, in decisions relating to the education of their children, and respond to any such suggestions as soon as practicably possible; and
 5. If the school-wide program plan is not satisfactory to the parents of participating children, submit any parent's comments on the plan when it is submitted to the school district.
- B. As a component of this policy, each school shall jointly develop with parents a school/parent compact which outlines how parents, staff, and students will share the responsibility for improved student academic achievement and the means by which the school and parents will build and develop a partnership to help children achieve the state's high standards. The compact shall:
1. Describe the school's responsibility to provide high-quality curriculum and instruction in a supportive and effective learning environment that enables participating students to meet state student academic achievement standards;
 2. Describe the ways each parent will be responsible for supporting his or her child's learning by, volunteering in his or her child's classroom, and

participating, as appropriate, in decisions relating to his or her child's education and use of extracurricular time.

3. Address the importance of communication between teachers and parents on an on-going basis through the use of:
 - a. Annual parent-teacher conferences to discuss the compact and the child's achievement;
 - b. Frequent progress reports to the parents; and
 - c. Reasonable access to staff, opportunities to volunteer, participate in the child's class, and observe in the child's classroom.
 - d. Ensuring regular two-way, meaningful communication between family members and school staff and, to the extent practicable, in a language that family members can understand.

C. To ensure effective involvement of parents and to support a partnership among the school, parents, and community to improve student academic achievement, the policy will describe how each school and the school district will:

1. Provide assistance to participating parents in understanding such topics as the state's academic content standards and state academic achievement standards, state and local academic assessments, Title I requirements, and how to monitor a child's progress and work with educators to improve the achievement of their children;
2. Provide materials and training to assist parents in working with their children to improve their children's achievement, such as literacy training and using technology, as appropriate, to foster parental involvement;
3. Educate school staff, with the assistance of parents, in the value and utility of contributions of parents and in how to reach out to, communicate with, and work with parents as equal partners, implement and coordinate parent programs, and build ties between parents and school;
4. Coordinate and integrate parental involvement programs and activities with other federal, state, and local programs, including public preschool programs, and conduct other activities, such as parent resource centers, that encourage and support parents in more fully participating in the education of their children to the extent feasible and appropriate;
5. Ensure, to the extent practicable, that information about school and parent meetings, programs, and activities is sent to the parents of participating

- children in a format and, to the extent practicable, in a language the parents can understand; and
6. Provide such other reasonable support for parental involvement activities as requested by parents.
- D. The policy will also describe the process to be taken if the school district and school choose to:
1. Involve parents in the development of training for school staff to improve the effectiveness of such training;
 2. Provide necessary literacy training with funds received under Title I programs if all other funding has been exhausted;
 3. Pay reasonable and necessary expenses associated with parental involvement activities, including transportation and child care costs, to enable parents to participate in school-related meetings and training sessions;
 4. Train parents to enhance the involvement of other parents;
 5. Arrange meetings at a variety of times or conduct in-home conferences between teachers or other educators, who work directly with participating children, and parents who are unable to attend such conferences at school in order to maximize parent and family engagement and participation in school-related activities;
 6. Adopt and implement model approaches to improving parent and family engagement;
 7. Develop appropriate roles for community-based organizations and business in parent and family engagement activities; and
 8. Establish a district-wide parent advisory council to provide advice on all matters related to parent and family engagement in Title I programs.
- E. To carry out the requirements of parent and family engagement, the school district and schools, to the extent practicable, will provide opportunities for the informed participation of parents and family members (including parents and family members who have limited English proficiency, parent and family members with disabilities, and parents and family members of migratory children), including providing information and school reports in a format and, to the extent practicable, in a language that is understandable by the parents.

- F. The school district and each school shall inform parents and parent organizations of the existence of family engagement in education programs.

This policy will be updated periodically to meet the changing needs of parents and the school.

Legal References: 20 U.S.C. § 6318 (Parent and Family Engagement)

School Board Action:

Adopted as Policy 8.701 March 1, 1987

Revised as Policy 612 May 20, 2008

Revised July 18, 2017

Revised January 21, 2020

Revised for first reading November 15, 2022

708 TRANSPORTATION OF NONPUBLIC SCHOOL STUDENTS

I. PURPOSE

The purpose of this policy is to address transportation rights of nonpublic school students and to provide equality of treatment in transporting such students pursuant to law.

II. GENERAL STATEMENT OF POLICY

The policy of the school district is to recognize the rights of nonpublic school students and to provide equal transportation to those students as required by law.

III. ELIGIBILITY

- A. The school district shall provide equal transportation within the ~~school~~ district for all students to any school when transportation is deemed necessary by the school district because of distance or traffic conditions in like manner and form as provided in Minnesota State Statutes 123B.88 and 123B.02 when applicable.
- B. Upon the request of a parent or guardian, the school district ~~shall~~must provide school bus transportation to the school district boundary for students residing in the school district at least the same distance from a nonpublic school actually attended in another school district as public school students are transported in the transporting school district. Such transportation ~~shall~~must be provided whether ~~there is or is not~~ there is another nonpublic school within the transporting school district, if the transportation is to schools maintaining grades or departments not maintained in the school district or if the attendance of such students at school can more safely, economically, or conveniently be provided for by such means.
- C. The school district may provide school bus transportation to a nonpublic school in another school district for students residing in the school district and attending that school, whether there is or is not another nonpublic school within the transporting school district, if the transportation is to schools maintaining grades or departments not maintained in the school district or if the attendance of such students at school can more safely, economically, or conveniently be provided for by such means. If the school district transports students to a nonpublic school located in another school district, the nonpublic school shall pay the cost of such transportation provided outside the school district boundaries.
- D. The school district ~~shall~~must provide the necessary transportation within school district boundaries between the nonpublic school and a public school or neutral site for nonpublic school students who are provided pupil support services, if the school district elects to provide pupil support services at a site other than a nonpublic school.

- E. When transportation is provided, the scheduling of routes, manner and method of transportation, control and discipline of students and any other matter relating thereto shall be within the sole discretion, control and management of the school district. A nonpublic or charter school student transported by the school district shall comply with school district student bus conduct and student bus discipline policies.
- F. Additional transportation to and from a nonpublic school may be provided at the expense of the school district ~~where~~when such services are provided in the discretion of the school district.

IV. STUDENTS WITH DISABILITIES

- A. If a resident student with a disability attends a nonpublic school located within the school district, the school district ~~shall~~must provide necessary transportation for the student within the school district between the nonpublic school and the educational facility where special instruction and services are provided on a shared-time basis. If a resident student with a disability attends a nonpublic school located in another school district and if no agreement exists for the provision of special instruction and services on a shared time basis to that student by the school district of attendance and where the special instruction and services are provided within the school district, the school district shall provide necessary transportation for that student between the school district boundary and the educational facility. The school district may provide necessary transportation for that student between its boundary and the nonpublic school attended, but the nonpublic school shall pay the cost of transportation provided outside the school district boundary. School districts may make agreements for who provides transportation. Parties serving students on a shared time basis have access to the due process hearing system and the complaint system under state and federal law.
- B. When the disabling conditions of a student with a disability are such that the student cannot be safely transported on the regular school bus and/or school bus route and/or when the student is transported on a special route for the purpose of attending an approved special education program, the student shall be entitled to special transportation at the expense of the school district. The school district shall determine the type of vehicle used to transport students with a disability on the basis of the disabling conditions and applicable laws. This section shall not be applicable to parents who transport their own child under a contract with the school district.
- C. ~~Each driver and aide/paraprofessional assigned to a vehicle transporting students with a disability will be provided with appropriate training for the students in their care, will assist students with their safe ingress and egress from the bus, will ensure the proper use of protective safety devices, and will be provided with access to emergency health care information as required by Minnesota State Statute.~~Each driver and aide assigned to a vehicle transporting students with a disability must (1) be instructed in basic first aid and procedures for the students under their care; (2) within one month after the effective date of assignment, participate in a program of in-service training on the proper methods of

- dealing with the specific needs and problems of students with disabilities; (3) assist students with disabilities on and off the bus when necessary for their safe ingress and egress from the bus; and (4) ensure that proper safety devices are in use and fastened properly.
- D. Each driver and aide assigned to a vehicle transporting students with a disability shall have available to them the following information in hard copy or immediately accessible through a two-way communication system: (1) the student's name and address; (2) the nature of the student's disabilities; (3) emergency health care information; and (4) the names and telephone numbers of the student's physician, parents, guardians, or custodians, and some person other than the student's parents or custodians who can be contacted in case of an emergency.
- E. Any parent of a student with a disability who believes that the transportation services provided for that child are not in compliance with the applicable law may utilize the alternative dispute resolution and due process procedures provided for in Minnesota State Statutes [chapter 125A](#).

V. APPLICATION OF GENERAL POLICY

The provisions of the school district's policy on transportation of public school students shall apply to the transportation of nonpublic school students except as specifically provided herein.

Legal References:

Updated July 2011

Minn. Stat. § 123B.44 (Provision of Pupil Support Services)

Minn. Stat. § 123B.84 (Policy)

Minn. Stat. § 123B.86 (Equal Treatment)

Minn. Stat. § 123B.88 (Independent School Districts, Transportation)

Minn. Stat. § 123B.91, Subd. 1a (~~Compliance by Nonpublic and Charter School Students~~ School District bus Safety Requirements)

Minn. Stat. § 123B.92 (Transportation Aid Entitlement)

Minn. Stat. Ch. 125A (Children With a Disability)

Minn. Stat. Ch. 125A.18 (Special Instruction; Nonpublic Schools)

Minn. Rules Part 7470.1600 (Transporting Pupils with Disability)

Minn. Rules 7470.1700 (Drivers and Aides for Pupils with Disabilities)

34 C.F.R. §§ 300.600-300.662 (Monitoring, Enforcement, Confidentiality, and Program Information)

Americans United, Inc. as Protestants and Other Am. United for Separation of Church and State, et al.

v. Independent Sch. Dist. No. 622, et al., 288 Minn. 1996, 179 N.W.2d 146 (Minn. 1970)

Eldredge v. Independent Sch. Dist. No. 625, 422 N.W.2d 319 (Minn. Ct. App. 1988)

Healy v. Independent Sch. Dist. No. 625, 962 F.2d 1304 (8th Cir. 1992)

Minn. Op. Atty. Gen. 166a-7 (June 3, 1983)

Minn. Op. Atty. Gen. 166a-7 (Sept. 14, 1981)

Minn. Op. Atty. Gen. 166a-7 (July 15, 1976)

Minn. Op. Atty. Gen. 166a-7 (July 17, 1970)



A World-Class Community of Learners

Fridley Public Schools is committed to creating a welcoming, respectful environment that provides an equitable and inclusive education for each student, staff and community member by ensuring that opportunities, access, and resources are aligned to support the growth and academic achievement of each student.

Minn. Op. Atty. Gen. 166a-7 (Oct. 3, 1969)
Minn. Op. Atty. Gen. 166a-7 (Sept. 12, 1969)

Cross References:

Updated July 2011

MSBA/MASA Model Policy 707 (Transportation of Public School Students)

MSBA/MASA Model Policy 709 (Student Transportation Safety Policy)

~~MSBA Service Manual, Chapter 2, Transportation~~

School Board Action:

Adopted as Policy 10.209 March 15, 1983

Revised as Policy 708 February 19, 2008

Revised July 15, 2008

Revised October 16, 2018

Revised for First Reading on November 15, 2022

709 STUDENT TRANSPORTATION SAFETY POLICY

I. PURPOSE

The purpose of this policy is to provide safe transportation for students and to educate students on safety issues and the responsibilities of school bus ridership.

II. PLAN FOR STUDENT TRANSPORTATION SAFETY TRAINING

A. School Bus Safety Week

The school district may designate a school bus safety week. The National School Bus Safety Week is the third week in October.

B. Student Training

1. The school district shall provide students enrolled in grades kindergarten (K) through 10 with age-appropriate school bus safety training of the following concepts:
 - a. transportation by school bus is a privilege, not a right;
 - b. school district policies for student conduct and school bus safety;
 - c. appropriate conduct while on the bus;
 - d. the danger zones surrounding a school bus;
 - e. procedures for safely boarding and leaving a school bus;
 - f. procedures for safe vehicle lane crossing; and
 - g. school bus evacuation and other emergency procedures.
2. All students in grades K through 6 who are transported by school bus and are enrolled during the first or second week of school must receive the school bus safety training by the end of the third week of school. All students in grades 7 through 10 who are transported by school bus and are enrolled during the first or second week of school must receive the school bus safety training or receive bus safety instruction materials by the end of the sixth week of school, if they have not previously received school bus training. Students in grades K through 10 who enroll in a school after the second week of school, are transported by school bus, and have not

received training in their previous school districts shall undergo school bus safety training or receive bus safety instructional materials within four weeks of their first day of attendance.

3. The school district and a nonpublic school with students transported by school bus at public expense must provide students enrolled in grades K through 3 school bus safety training twice during the school year.
4. Students taking driver's training instructional classes must receive training in the laws and proper procedures for operating a motor vehicle in the vicinity of a school bus as required by Minnesota Statutes, section § 169.446, ~~s~~Subdivision 2.
5. The school district and a nonpublic school with students transported by school bus at public expense must conduct a school bus evacuation drill at least once during the school year.
6. The school district will make reasonable accommodations in training for students known to speak English as a second language and students with disabilities.
7. The school district may provide kindergarten students with school bus safety training before the first day of school.
8. The school district may provide student safety education for bicycling and pedestrian safety for students in grades K through 5.
9. The school district shall adopt and make available for public review a curriculum for transportation safety education.
10. Nonpublic school students transported by the school district will receive school bus safety training by their nonpublic school. The nonpublic schools may use the school district's school transportation safety education curriculum. Upon request by the school district superintendent, the nonpublic school must certify to the school district's school transportation safety director that all students enrolled in grades K through 10 have received the appropriate training.

III. CONDUCT ON SCHOOL BUSES AND CONSEQUENCES FOR MISBEHAVIOR

- A. Riding the school bus is a privilege, not a right. The school district's general student behavior rules are in effect for all students on school buses; including nonpublic and charter school students.

- B. Consequences for school bus/bus stop misconduct will be imposed by the school district under adopted administrative discipline procedures. In addition, all school bus/bus stop misconduct will be reported to the school district's transportation safety director. Serious misconduct may be reported to local law enforcement.
1. School Bus and Bus Stop Rules: The school district school bus safety rules are to be posted on every bus. If these rules are broken, the school district's discipline procedures are to be followed. In most circumstances, consequences are progressive and may include suspension of bus privileges. It is the school bus driver's responsibility to report unacceptable behavior to the school district's transportation director/school office.
 2. Rules at the Bus Stop
 - a. Get to your bus stop five minutes before your scheduled pick up time. The school bus driver will not wait for late students.
 - b. Respect the property of others while waiting at your bus stop.
 - c. Keep your arms, legs and belongings to yourself.
 - d. Use appropriate language.
 - e. Stay away from the street, road or highway when waiting for the bus.
 - f. Wait until the bus stops before approaching the bus.
 - g. After getting off the bus, move away from the bus.
 - h. If you must cross the street, always cross in front of the bus where the driver can see you. Wait for the driver to signal to you before crossing the street.
 - i. No fighting, harassment, intimidation or horseplay.
 - j. No use of alcohol, tobacco or drugs.
 3. Rules on the Bus
 - a. Immediately follow the directions of the driver.

- b. Sit in your seat facing forward.
 - c. Talk quietly and use appropriate language.
 - d. Keep all parts of your body inside the bus.
 - e. Keep your arms, legs and belongings to yourself.
 - f. No fighting, harassment, intimidation or horseplay.
 - g. Do not throw any object.
 - h. No eating, drinking, or use of alcohol, tobacco, or drugs.
 - i. Do not bring any weapons or dangerous objects on the school bus.
 - j. Do not damage the school bus.
4. Consequences
- a. Consequences for school bus/bus stop misconduct will apply to all regular and late routes and all forms of school provided transportation, hereafter referred to as “bus.” Decisions regarding a student’s ability to ride the bus in connection with cocurricular and extracurricular events (for example, field trips or competitions) will be in the sole discretion of the school district. Parents or guardians will be notified of any suspension of bus privileges. Consequences for misconduct on buses will be assigned based on the nature of the offense and the severity of a student’s conduct. Consequences up to and including suspension or expulsion from school may result from school bus/bus stop misconduct.
 - b. Records of school bus/bus stop misconduct will be forwarded to the individual school building and will be retained in the same manner as other student discipline records. Reports of student misbehavior on a school bus or in a bus-loading or unloading area that causes an immediate and substantial danger to the student or surrounding persons or property will be provided by the school district to the state in accordance with state and federal law.
 - c. Vandalism/Bus Damage: Students damaging school buses will be responsible for the damages. Failure to pay such damages (or make arrangements to pay) within two weeks may result in the loss of bus privileges until damages are paid.

- d. School bus and bus stop rules and consequences for violations of these rules will be reviewed with students annually and copies of these rules will be made available to students. School bus rules are to be posted on each school bus.
- e. In cases involving criminal conduct (for example: assault, chemical violations, weapons, or vandalism), the appropriate school district personnel and local law enforcement officials will be informed.

IV. PARENT AND GUARDIAN INVOLVEMENT

A. Parent and Guardian Notification

The school district school bus and bus stop rules will be provided to each family. Parents and guardians are asked to review the rules with their children.

B. Parents/Guardians Responsibilities for Transportation Safety

Parents/Guardians are responsible to:

1. Become familiar with school district rules, policies, regulations, and the principles of school bus safety, and thoroughly review them with their children;
2. Support safe riding and walking practices, and recognize that students are responsible for their actions;
3. Communicate safety concerns to their school administrators;
4. Monitor bus stops, if possible;
5. Have their children to the bus stop five minutes before the bus arrives;
6. Have their children properly dressed for the weather; and
7. Have a plan in case the bus is late.

V. SCHOOL BUS DRIVER DUTIES AND RESPONSIBILITIES

- A. Contracted services shall ensure that all school bus drivers have the appropriate, valid driver's license with all necessary endorsements as required by state and federal law for all of the equipment they operate.

- B. A person possessing a valid driver's license, without a school bus endorsement, may drive a vehicle with a seating capacity of 10 or fewer persons used as a school bus, but not outwardly equipped or identified as a school bus as set forth below. Drivers with a valid Class D driver's license, without a school bus endorsement, may operate a "Type III" school bus as set forth below.
- C. As required under federal law, testing for alcohol, marijuana, cocaine, amphetamines, opiates (including heroin), and phencyclidine (PCP), is mandatory for all school district employees and job applicants whose positions require a commercial driver's license.
- D. Contracted bus services will be responsible for meeting all state and federal requirements, including but not limited to implementing mandatory drug and alcohol testing. Contracted bus services will be responsible for affirming to the district in writing, as part of the contract, that it is in compliance with all federal and state mandatory drug and alcohol testing requirements and will not hire applicants who test positive.
- E. A person who operates a type III vehicle and who sustains a conviction as described in Section VII.C.1.g. (i.e., driving while impaired offenses), VII.C.1.h. (i.e., felony, controlled substance, criminal sexual conduct offenses, or offenses for surreptitious observation, indecent exposure, use of minor in a sexual performance, or possession of child pornography or display of pornography to a minor), or VII.C.1.i. (multiple moving violations) while employed by the entity that owns, leases, or contracts for the school bus, shall report the conviction to the person's employer within ten days of the date of the conviction. The notification shall be in writing and shall contain all the information set forth in Attachment C accompanying this policy. This provision does not apply to a school district employee whose normal duties do not include operating a type III vehicle.

VI. SCHOOL BUS DRIVER TRAINING

- A. Training
 - 1. Contracted bus services will be responsible for ensuring that all new school bus drivers shall be provided with pre-service training, including in-vehicle (actual driving) instruction before transporting students and shall meet the competency testing specified in the Minnesota Department of Public Safety Model School Bus Driver Training Manual. All school bus drivers shall, through contracted services, receive in-service training annually. For purposes of this section, "annually" means at least once every 380 days from the initial or previous evaluation and at least once

every 380 days from the initial or previous license verification. Such in-service training sessions shall be scheduled so as not to interfere with daily student transportation. Contracted bus services shall retain on file, and provide to the district upon request, an annual individual school bus driver “evaluation certification” form for each school bus driver as contained in the Model School Bus Driver Training Manual.

2. All bus drivers operating a type III vehicle will be provided with annual training and certification as set forth in Section VII.C.1.b., below, by either the school district or the entity from whom such services are contracted by the school district.

B. Evaluation

1. Through contracted services, school bus drivers with a Class D license will be evaluated annually and all other bus drivers will be assessed periodically for the following competencies:
 - a. Safely operate the type of school bus the driver will be driving;
 - b. Understand student behavior, including issues relating to students with disabilities;
 - c. Ensure orderly conduct of students on the bus and handling incidents of misconduct appropriately;
 - d. Know and understand relevant laws, rules of the road and local school bus safety policies;
 - e. Handle emergency situations; and
 - e. Safely load and unload students.
2. The evaluation must include completion of an individual “school bus driver evaluation form” (road test evaluation) as contained in the Model School Bus Driver Training Manual.

VII. OPERATING RULES AND PROCEDURES

A. General Operating Rules

1. School buses shall be operated in accordance with state traffic and school bus safety laws and the procedures contained in the Minnesota Department of Public Safety Model School Bus Driver Training Manual.
2. Only students assigned to the school bus by the school district shall be transported. The number of students or other authorized passengers transported in a school bus shall not be more than the legal capacity for the bus. No person shall be allowed to stand when the bus is in motion.
3. The parent/guardian may designate, pursuant to school district policy, a day care facility, respite care facility, the residence of a relative or the residence of a person chosen by the parent or guardian as the address of the student for transportation purposes. The address must be in the attendance area of the assigned school and meet all other eligibility requirements.
4. Bus drivers must minimize, to the extent practical, the idling of school bus engines and exposure of children to diesel exhaust fumes.
5. To the extent practical, the school district will designate school bus loading/unloading zones at a sufficient distance from school air-intake systems to avoid diesel fumes from being drawn into the systems.
6. A bus driver may not operate a school bus while communicating over, or otherwise operating, a cellular phone for personal reasons, whether hand-held or hands free, when the vehicle is in motion or a part of traffic. For purposes of this paragraph, “school bus” has the meaning given in Minn-Minnesota Stat. Statutes section §169.011, Subd. subdivision 71. In addition, “school bus” also includes type III vehicles when driven by employees or agents of the school district. “Cellular phone” means a cellular, analog, wireless, or digital telephone capable of sending or receiving telephone or text messages without an access line for service.

B. Type III Vehicles

1. Type III vehicles are restricted to passenger cars, station wagons, vans, and buses having a maximum manufacturer’s rated seating capacity of 10 or fewer people including the driver and a gross vehicle weight rating of 10,000 pounds or less. A van or bus converted to a seating capacity of 10 or fewer and placed in service on or after August 1, 1999, must have been originally manufactured to comply with the passenger safety standards.

2. Type III vehicles must be painted a color other than national school bus yellow.
3. Type III vehicles shall be state inspected in accordance with legal requirements.
4. A type III vehicle cannot be older than 12 years old unless excepted by state and federal law.
5. If a type III vehicle is school district owned, the school district name will be clearly marked on the side of the vehicle. The type III vehicle must not have the words "school bus" in any location on the exterior of the vehicle or in any interior location visible to a motorist.
6. A "type III vehicle" and "Type III Head Start bus" must not be outwardly equipped and identified as a type A, B, C, or D bus.
7. Eight-lamp warning systems and stop arms must not be installed or used on type III vehicles.
8. Type III vehicles must be equipped with mirrors as required by law.
9. Any type III vehicle may not stop traffic and may not load or unload before making a complete stop and disengaging gears by shifting into neutral or park. Any type III vehicle used to transport students must not load or unload so that a student has to cross the road, except where not possible or impractical, then the driver or assistant must escort a student across the road. If the driver escorts the student across the road, then the motor must be stopped, the ignition key removed, the brakes set, and the vehicle otherwise rendered immobile.
10. Any type III vehicle used to transport students must carry emergency equipment including:
 - a. Fire extinguisher. A minimum of one 10BC rated dry chemical type fire extinguisher is required. The extinguisher must be mounted in a bracket, and must be located in the driver's compartment and be readily accessible to the driver and passengers. A pressure indicator is required and must be easily read without removing the extinguisher from its mounted position.
 - b. First aid kit and body fluids cleanup kit. A minimum of a ten-unit first aid kit and a body fluids cleanup kit is required. They must be contained in removable, moisture- and dust-proof containers

mounted in an accessible place within the driver's compartment and must be marked to indicate their identity and location.

- d. Passenger cars and station wagons may carry a fire extinguisher, a first aid kit, and warning triangles in the trunk or trunk area of the vehicle if a label in the driver and front passenger area clearly indicates the location of these items.
- 11. Students will not be regularly transported in private vehicles that are not state inspected as type III vehicles. Only emergency, unscheduled transportation may be conducted in vehicles with a seating capacity of 10 or fewer without meeting the requirements for a type III vehicle. Also, parents may use a private vehicle to transport their own children under a contract with the district. The school district has no system of inspection for private vehicles.
 - 12. All drivers of type III vehicles will be licensed drivers and will be familiar with the use of required emergency equipment. The school district will not knowingly allow a person to operate a type III vehicle if the person has been convicted of an offense that disqualifies the person from operating a school bus.
 - 13. Type III vehicles will be equipped with child passenger restraints, and child passenger restraints will be utilized to the extent required by law.
- C. Type III Vehicle Driven by Employees with a Driver's License Without a School Bus Endorsement
- 1. The holder of a Class A, B, C, or D driver's license, without a school bus endorsement, may operate a type III vehicle, described above, under the following conditions:
 - a. The operator is an employee of the entity that owns, leases, or contracts for the school bus, which may include the school district.
 - b. The operator's employer, which may include the school district, has adopted and implemented a policy that provides for annual training and certification of the operator in:
 - (1) safe operation of a type III vehicle;
 - (2) understanding student behavior, including issues relating to students with disabilities;

- (3) encouraging orderly conduct of students on the bus and handling incidents of misconduct appropriately;
- (4) knowing and understanding relevant laws, rules of the road, and local school bus safety policies;
- (5) handling emergency situations;
- (6) proper use of seat belts and child safety restraints;
- (7) performance of pretrip vehicle inspections;
- (8) safe loading and unloading of students, including, but not limited to:
 - (a) utilizing a safe location for loading and unloading students at the curb, on the nontraffic side of the roadway, or at off-street loading areas, driveways, yards, and other areas to enable the student to avoid hazardous conditions;
 - (b) refraining from loading and unloading students in a vehicular traffic lane, on the shoulder, in a designated turn lane, or a lane adjacent to a designated turn lane;
 - (c) avoiding a loading or unloading location that would require a student to cross a road, or ensuring that the driver or an aide personally escort the student across the road if it is not reasonably feasible to avoid such a location; and
 - (d) placing the type III vehicle in “park” during loading and unloading; and
 - (e) escorting a student across the road under clause c only after the motor is stopped, the ignition key is removed, the brakes are set, and the vehicle is otherwise rendered immobile; and
- (9) compliance with paragraph V.F concerning reporting convictions to the employer within ten days of the date of conviction.

- c. A background check or background investigation of the operator has been conducted that meets the requirements under ~~Minn. Stat. §Minnesota Statutes section~~ 122A.18, ~~Subd-Subdivision~~ 8, or ~~Minn. Stat. §Minnesota Statutes section~~ 123B.03 for school district employees; ~~Minn. Stat. §Minnesota Statutes section~~ 144.057 or ~~Minn. Stat. Ch.Minnsota Statutes chapter~~ 245C for day care employees; or ~~Minn. Stat. §Minnesota Statutes section~~ 171.321, ~~Subds~~~~subdivision~~ 3, for all other persons operating a type A or type III vehicle under this section.
- d. Operators shall submit to a physical examination as required by ~~Minn. Stat. §Minnesota Statutes section~~ 171.321, ~~Subd-subdivision~~ 2.
- e. The operator's employer requires preemployment drug and alcohol testing of applicants for operator positions. Current operators must comply with the employer's policy under ~~Minn. Stat. §Minnesota Statutes section~~ 181.951, ~~Subds-subdivisions~~ 2, 4, and 5. Notwithstanding any law to the contrary, the operator's employer may use a breathalyzer or similar device to fulfill random alcohol testing requirements.
- f. The operator's driver's license is verified annually by the entity that owns, leases, or contracts for the type III vehicle as required by ~~Minn. Stat. §Minnesota Statutes section~~ 171.321, ~~Subd-subdivision~~ 5.
- g. A person who sustains a conviction, as defined under ~~Minn. Stat. §Minnesota Statues section~~ 609.02, of violating ~~Minn. Stat. §Minnesota Statutes sections~~ 169A.25, §169A.26, §169A.27 (driving while impaired offenses), or §169A.31 (alcohol-related school bus driver offenses), or whose driver's license is revoked under ~~Minn. Stat. §§Minnesota Statutes sections~~ 169A.50 to 169A.53 of the implied consent law, or who is convicted of violating or whose driver's license is revoked under a similar statute or ordinance of another state, is precluded from operating a type III vehicle for five years from the date of conviction.
- h. A person who has ever been convicted of a disqualifying offense as defined in ~~Minn. Stat. §Minnesota Statues section~~ 171.3215, ~~Subd-subdivison~~ 1(c), (i.e., felony, controlled substance, criminal sexual conduct offenses, or offenses for surreptitious observation, indecent exposure, use of minor in a sexual performance, or

possession of child pornography or display of pornography to a minor) may not operate a type III vehicle.

- i. A person who sustains a conviction, as defined under ~~Minn. Stat. §Minnesota Statutes section~~ 609.02, of a moving offense in violation of ~~Minnesota- Statutes- Ch.chapter~~ 169 within three years of the first of three other moving offenses is precluded from operating a type III vehicle for one year from the date of the last conviction or does not meet requirements from district's insurance carrier.
 - j. Students riding the type III vehicle must have training required under ~~Minn. Stat. §Minnesota Statutes section~~ 123B.90, ~~Subdivision~~ 2 (See Section II.B. above).
 - k. Documentation of meeting the requirements listed in this section must be maintained under separate file at the business location for each type III vehicle operator. The school district or any other entity that owns, leases, or contracts for the type III vehicle operating under this section is responsible for maintaining these files for inspection.
2. The type III vehicle must bear a current certificate of inspection issued under ~~Minn. Stat. §Minnesota Statutes section~~ 169.451.
 3. An employee of the school district who is not employed for the sole purpose of operating a type II vehicle may, in the discretion of the school district, be exempt from paragraphs, VII.C.1.d. (physical examination), and VII.C.1.e. (drug testing), above.

D. Type A-I "Activity" Buses Driven by Employees with Driver's License Without a School Bus Endorsement

1. The holder of a Class D driver's license, without a school bus endorsement, may operate a type III school bus or a Multifunctional School Activity Bus (MFSAB) under the following conditions:
 - a. The operator is an employee of the school district or an independent contractor with whom the school district contracts for the school bus and is not solely hired to provide transportation services under this paragraph.

- b. The operator drives the school bus only from points of origin to points of destination, not including home-to-school trips to pick up or drop off students.
 - c. The operator is prohibited from using the eight-light system if the vehicle is so equipped.
 - d. The operator has submitted to a background check and physical examination as required by Minnesota state statute.
 - e. The operator has a valid driver's license and has not sustained a conviction of a disqualifying offense as set forth in Minnesota state statute.
 - f. The operator has been trained in the proper use of child safety restraints as set forth in the National Highway Traffic Safety Administration's "Guideline for the Safe Transportation of Pre-school Age Children in School Buses" if child safety restraints are used by passengers, in addition to the training required above.
2. The school district shall maintain annual certification of the requirements listed in this section for each Class D license operator.
3. A school bus operated under this section must bear a current certificate of inspection.
4. The word "School" on the front and rear of the bus must be covered by a sign that reads "Activities" when the bus is being operated under authority of this section.

VIII. SCHOOL DISTRICT EMERGENCY PROCEDURES

- A. If possible, school bus drivers or their supervisors shall call "911" or the local emergency phone number in the event of a serious emergency.
- B. School bus drivers shall meet the emergency training requirements contained in Unit III "Crash & Emergency Preparedness" of the Minnesota Department of Public Safety Model School Bus Driver Training Manual. This includes procedures in the event of a crash (accident).

- C. School bus drivers and bus assistants for special education students requiring special transportation service because of their handicapping condition shall be trained in basic first aid procedures, shall within one month after the effective date of assignment participate in a program of in-service training on the proper methods for dealing with the specific needs and problems of students with disabilities, assist students with disabilities on and off the bus when necessary for their safe ingress and egress from the bus; and ensure that protective safety devices are in use and fastened properly.
- D. Emergency Health Information shall be maintained on the school bus for students requiring special transportation service because of their handicapping condition. The information shall state:
 - 1. the student's name and address;
 - 2. the nature of the student's disabilities;
 - 3. emergency health care information; and
 - 4. the names and telephone numbers of the student's physician, parents, guardians, or custodians, and some person other than the student's parents or custodians who can be contacted in case of an emergency.

IX. SCHOOL DISTRICT VEHICLE MAINTENANCE STANDARDS

Contracted bus services shall ensure that:

- A. All school vehicles are maintained in safe operating conditions through a systematic preventive maintenance and inspection program adopted or approved by the school district.
- B. All school vehicles are state inspected in accordance with legal requirements.
- C. A copy of the current daily pre-trip inspection report is carried in the bus. Daily pre-trip inspections are maintained on file in accordance with the school district's record retention schedule. Prompt reports of defects to be immediately corrected will be submitted.
- D. Daily post-trip inspections are performed to check for any children or lost items remaining on the bus and for vandalism.

X. TRANSPORTATION COORDINATOR

The School Board has designated the transportation coordinator to serve as the school district's school transportation safety coordinator. The school transportation safety coordinator shall have day-to-day responsibility for student transportation safety, including transportation of nonpublic school children when provided by the school district. The school transportation safety coordinator will assure that this policy is periodically reviewed to ensure that it conforms to law. Contracted transportation services must maintain and supply upon demand, records verifying that each school bus driver meets the school bus driver training competencies required by ~~Minn. Stat. §~~ Minnesota Statutes section 171.321, Subd. Subdivision 4. The transportation safety coordinator also shall annually verify or ensure that the private contractor utilized by the school has verified the validity of the driver's license of each employee who regularly transports students for the school district in a type A, B, C, or D school bus or type III vehicle or MFSAB with the National Driver's Register or the Department of Public Safety. Upon request of the school district superintendent or the superintendent of the school district where nonpublic students are transported, the school transportation safety director also shall certify to the superintendent that students have received school bus safety training in accordance with state law. The name, address and telephone number of the school transportation safety coordinator are on file in the school district office. Any questions regarding student transportation or this policy may be addressed to the school transportation safety coordinator.

Legal References:

Minn. Stat. § 122A.18, Subd. 8 (Board to Issue Licenses)
Minn. Stat. § 123B.03 (Background Check)
Minn. Stat. § 123B.42 (Textbooks; Individual Instruction or Cooperative Learning Material; Standard Tests)
Minn. Stat. § 123B.88 (Independent School Districts; Transportation)
Minn. Stat. § 123B.885 (Diesel School Buses; Operation of Engine; Parking)
Minn. Stat. § 123B.90 (School Bus Safety Training)
Minn. Stat. § 123B.91 (School District Bus Safety Responsibilities)
Minn. Stat. § 144.057 (Background Studies on Licensees and Other Personnel)
Minn. Stat. Ch. 169 (Traffic Regulations)
Minn. Stat. § 169.011, Subds. 15, 16, and 71 (Definitions)
Minn. Stat. § 169.02 (Scope)
Minn. Stat. § 169.443 (Safety of School Children; Bus Driver's Duties)
Minn. Stat. § 169.446, Subd. 2 (~~Driver Training Programs~~ Safety of School Children; Training and Education Rules)
Minn. Stat. § 169.451 (Inspecting School and Head Start Buses; Rules; Misdemeanor)
Minn. Stat. § 169.454 (Type III Vehicle Standards)
Minn. Stat. § 169.4582 (Reportable Offense on School Buses)
Minn. Stat. §§ 169A.25-169A.27 (Driving While Impaired)
Minn. Stat. § 169A.31 (Alcohol-Related School Bus or Head Start Bus Driving)
Minn. Stat. §§ 169A.50-169A.53 (Implied Consent Law)



A World-Class Community of Learners

Fridley Public Schools is committed to creating a welcoming, respectful environment that provides an equitable and inclusive education for each student, staff and community member by ensuring that opportunities, access, and resources are aligned to support the growth and academic achievement of each student.

Minn. Stat. § 171.02, Subds. 2, 2a, and 2b (Licenses; Types, Endorsements, Restrictions)
Minn. Stat. § 171.168 (~~Notification of Conviction for Violation by a Commercial Driver~~Notice of Violation by Commercial Driver)
Minn. Stat. § 171.169 (~~Notification of Suspension of License of Commercial Driver~~Notice of Commercial License Suspension)
Minn. Stat. § 171.321 (Qualifications of School Bus Driver and Type III Vehicle Drivers)
Minn. Stat. § 171.3215, Subd. 1(c) (Canceling Bus Endorsement for Certain Offenses)
Minn. Stat. § 181.951 (Authorized Drug and Alcohol Testing)
Minn. Stat. Ch. 245C (Human Services Background Studies)
Minn. Stat. § 609.02 (Definitions)
Minn. Rules Parts 7470.1000-7470.1700 (School Bus Inspection)
49 C.F.R. Part 383 (Commercial Driver's License Standards; Requirements and Penalties)
49 C.F.R. § 383.31 (Notification of Convictions for Driver Violations)
49 C.F.R. § 383.33 (Notification of Driver's License Suspensions)
49 C.F. R. § 383.5 (Transportation Definitions)
49 C.F.R. § 383.51 (Disqualification of Drivers)

Cross References:

MSBA/MASA Model Policy 416 (Drug and Alcohol Testing)
MSBA/MASA Model Policy 506 (Student Discipline)
MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)
MSBA/MASA Model Policy 707 (Transportation of Public Students)
MSBA/MASA Model Policy 708 (Transportation of Nonpublic Students)
MSBA/MASA Model Policy 710 (Extracurricular Transportation)

School Board Action:

Adopted as Policy 10.75 October 18, 1994
Revised as Policy 709 February 19, 2008
Revised July 15, 2008
Revised November 18, 2008
Revised January 18, 2011
Revised July 19, 2011
Revised March 18, 2014
Revised March 16, 2021
Revised for first reading November 15, 2022

***NEW* 898 Lease Accounting Policy**

I. Purpose

To set the policies and procedures needed to gain control and efficiencies in the lease process to ensure the District properly and accurately accounts for leases in the District's financial statements beginning with the fiscal year ending June 30, 2022, following GASB Statement No. 87.

Below are the policies that the District has put into place regarding the handling of leases. These policies are subject to change.

1. **Capitalization Threshold:** Fridley Public Schools will capitalize any leases that have a present value of \$10,000 or more at the commencement date of the lease or the implementation date of this GASB statement. This threshold will apply to leases of capital assets, including buildings, land, and equipment where the District is a Lessor or a Lessee.
2. **Discount Rate:** Unless otherwise noted in the lease agreement, the discount rate used to calculate the present value of the lease payments should be in the District's incremental borrowing rate at the commencement of the lease or the implementation date of this GASB statement.
3. **Compiling Lease Agreements:**
 - a. Department Responsibility: District departments that maintain the information on the various leases should forward all lease agreements for their department to the Director of Finance and Operations.
 - b. Finance Responsibility: The Director of Finance and Operations should maintain a listing of the lease agreements received from departments for use in the lease reviews.
4. **Lease Reviews:** The Director of Finance and Operations will review the lease agreements and contracts to determine if they qualify as a lease under GASB Statement No. 87. *
5. **Lease Entries for Annual Financial Report (AFR):** The Director of Finance and Operations will review the details of each lease to determine and make the appropriate lease entries in the District's AFR. The entries will be completed at the end of each fiscal year. *

*The Accounting Supervisor will complete a secondary review to confirm the determination and that leases are properly and accurately accounted for.

Refer to the Lease SOP for detailed instruction.



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Legal References:

GASB Statement No. 87

Cross References:

None

SCHOOL BOARD ACTION:

First Reading November 15, 2022 for adoption

First Reading