

**NORTH BRANCH INDEPENDENT SCHOOL DISTRICT NO. 138
NORTH BRANCH AREA EDUCATION CENTER, BOARD ROOM, ROOM C120
38705 GRAND AVENUE
NORTH BRANCH, MN 55056
REGULAR SCHOOL BOARD MEETING
DECEMBER 9, 2021
5:30 PM**

AGENDA

- I. Call to Order
- II. Roll Call
- III. Pledge of Allegiance
- IV. Approval of Agenda
- V. School Board Recognition
 - A. Board Members Tanya Giese and Heather Osagiede - Completion of MSBA Phase I, II, III, and IV
 - B. Fall Sport Recipients 5
View the coaches videos at the following link: <https://tinyurl.com/2p86vb4y>
- VI. Superintendent's Report
- VII. Removal of Consent Items for Discussion
- VIII. Approval of Consent Items
 - A. Minutes of November 11, 2021 Regular School Board Meeting 7
 - B. Minutes of November 18, 2021 Work Session 16
 - C. Authorization of Payments, Transfers, and Investment Activity 17
 - D. Personnel
 - 1. Julie Jackson, retirement effective the end of the 2021-22 school year, as First Grade Teacher at Sunrise River Elementary School
 - 2. Ronald Trunk, retirement effective the end of the 2021-22 school year, as Phy Ed Teacher at North Branch Area Middle School
 - 3. Yizong He, resignation effective November 11, 2021, as SPED Assistant at North Branch Area High School
 - 4. Amanda Glaser, resignation effective November 12, 2021, as SPED Assistant at North Branch Area Middle School
 - 5. Holly Zachrison, resignation effective November 30, 2021, as SPED Assistant at North Branch Area Education Center
 - 6. Alexandra Graves, resignation effective December 2, 2021, as SPED Assistant at North Branch Area High School
 - 7. Tammy Lewis, leave request effective November 1, 2021 through November 21, 2021, as Early Childhood Assistant at North Branch Area Education Center
 - 8. Elana Umland, extension of leave request effective November 6, 2021 through November 21, 2021, as Office Clerk at North Branch Area High School

9. Rikki Beaver, BA+45, Step 2, beginning November 22, 2021 through the end of the 2021-22 school year as Distance Learning Teacher at North Branch Area Public Schools
10. Amanda Akers, BA+30, Step 1, beginning December 6, 2021, as 0.5 FTE Art Teacher at North Branch Area High School
11. Jessica Klima, BS, Step 1, as LTS for Rebecca Hilber, from December 6, 2021 through March 4, 2022, as Second Grade Teacher at Sunrise River Elementary School
12. William Eichholz, employment effective November 8, 2021, as School Age Care Adult Assistant
13. Amander Palmer, employment effective November 15, 2021, as School Age Care Adult Assistant
14. Tanya Giese, employment effective November 24, 2021, as Activities Secretary at North Branch Area Public Schools
15. Ashley Reichstadt, employment effective November 30, 2021, as SPED Assistant at North Branch Area Middle School
16. Spencer Yang, employment effective November 30, 2021, as SPED Assistant at North Branch Area Middle School
17. Mallory Miller, employment effective December 6, 2021, as SPED Assistant at North Branch Area Middle School in addition to her current position as Lunchroom Assistant at North Branch Area Middle School
18. Linda Westbrook, employment effective December 13, 2021, as Lunchroom/Playground Assistant at Sunrise River Elementary School
19. Katherine Sapp, position change from SPED Assistant at North Branch Area High School to Building Behavior Technician at North Branch Area High School effective November 15, 2021
20. Mikaela Matheny, position change effective December 6, 2021, from School Age Care Adult Assistant to School Age Care Senior Adult Assistant at North Branch Area Public Schools
21. 2021-22 Extra Curricular Winter Coach Positions
 - a. Norm Nagel, Class 9, Step 10, as Weightroom Supervisor for Trimester 2 for the 2021-22 school year
 - b. Chris Johnson, Class 2, Step 10, as Head Coach for Gymnastics
 - c. Norm Nagel, Class 4, Step 2, as Assistant Coach for Gymnastics
 - d. Jacob Mars, Class 1, Step 2, as Head Coach for Boys Hockey
 - e. Marcus Goerlitz, Class 3, Step 1, as Assistant Coach for Boys Hockey
 - f. Jacob LeVasseur, Class 3, Step 1, as Assistant Coach for Boys Hockey
 - g. Myles Westbrook, Class 3, Step 1, as 0.5 FTE Assistant Coach for Boys Hockey
 - h. Jim Hoard, Class 1, Step 10, as Head Coach for Wrestling
 - i. Todd Dufault, Class 1, Step 5, as Head Coach for Boys Basketball
 - j. Josh Beaver, Class 3, Step 1, as Assistant Coach for Boys Basketball
 - k. Shane Ray, Class 3, Step 3, as Assistant Coach for Boys Basketball
 - l. Jessica Audette, Class 3, Step 4, as Assistant Coach for Girls Basketball
 - m. Mikayla Carlson, Class 3, Step 3, as Assistant Coach for Girls Basketball
22. 2021-22 Activity Advisor Positions
 - a. Jessica Petrik, Class 4, Step 2, as Head Coach for Speech
 - b. Brittany Ahner, Class 6, Step 6, as Assistant Coach for Speech
 - c. Laura Michels, Class 7, Step 3, as One Act Director

- d. Angela Tveit, Class 6, Step 1, as 10-12 FRC Robotics Coordinator
- E. 2020-21 World's Best Workforce Report Summary 18
- F. Agreement to Provide School Resource Officer (SRO) Services Between City of North Branch and Independent School District No. 138 (North Branch)
- G. Acceptance of Donations 42
 - Minnesota Statute 123B.02 permits school boards to "...receive, for the benefit of the district, bequests, donations, or gifts for any proper purpose and apply the same to the purpose designated. In that behalf, the board may act as trustee of any trust created for the benefit of the district, and for the benefit of pupils thereof."

Therefore, the Superintendent recommends the following resolution:

BE IT RESOLVED by the School Board of Independent School District No. 138 that the School Board accept with appreciation the following contributions and permit their use as designated by the donors.

- IX. **Open Mic:** Open mic is a time for public comment. However, it is not a means to have issues added to this evening's agenda. It is also not a means to discuss specific individuals negatively in public, either by name or position. If you would like district follow up to comments, please leave appropriate contact information on the open mic sign-in sheet. Please limit your comments to three minutes.
- X. Old Business
 - A. Consider Second Reading of the Following Policies
 - 1. Policy 410 - Family and Medical Leave Policy (Annual review - No MSBA changes) 43
 - 2. Policy 413 - Harassment and Violence and FORM (Annual review - MSBA changes) 52
 - 3. Policy 414 - Mandated Reporting of Child Neglect or Physical or Sexual Abuse and FORM (Annual review - No MSBA changes) 65
 - 4. Policy 415 - Mandated Reporting of Maltreatment of Vulnerable Adults (Annual review - No MSBA changes) 73
 - 5. Policy 506-NB - Student Discipline (Annual review - No MSBA changes) 77
 - 6. Policy 514 - Bullying Prohibition Policy (Annual review - No MSBA changes) 98
 - 7. Policy 522 - Title IX Sex Nondiscrimination Policy, Grievance Procedure and Process (Annual review - No MSBA changes) 108
 - 8. Policy 524-NB - Internet Acceptable Use and Safety Policy (Annual review - MSBA changes) 125
 - 9. Policy 616 - School District System Accountability (Annual review - MSBA changes) 136
 - 10. Policy 806 - Crisis Management Policy (Annual review - No MSBA changes) 142
- XI. New Business
 - A. Consider Resignation of School Board Member Tanya Giese Effective December 10, 2021 151
 - B. Consider Acceptance of Audit Report for FY2021 153

C.	Consider Certification of Property Tax Levy 2021, Payable 2022 in the Amount of \$9,527,812.07	299
XII.	Addendum	
XIII.	Information	
A.	Board & Administrator December 2021 Issue	315
XIV.	Board Requests	
XV.	Committee Reports	
A.	SEE (Schools for Equity in Education)	
B.	Negotiations	
C.	MSBA Update or Report	
D.	MSHSL	
E.	SCRED Report	
F.	Staff Development Report	
G.	Community Education Advisory Committee Report	
H.	Policy Committee Report	
XVI.	Dates to Remember	
A.	Tuesday, December 14, 2021, SCRED Legislative Forum, 5-8 pm, Chuckers Bowl & Lounge, Rush City, MN	
B.	Thursday, January 13, 2022 Policy Committee Meeting, 4:30 pm, North Branch Area Education Center, Conference Room, B122	
C.	Thursday, January 13, 2022 Organizational Meeting, 5:30 pm, North Branch Area Education Center, Boardroom, C120	
D.	Thursday, January 13, 2022 Regular School Board Meeting, immediately following the Organizational Meeting, North Branch Area Education Center, Boardroom, C120	
E.	Thursday, January 27, 2022 - Interview candidate(s) for school board position, 4:30 pm, North Branch Area Education Center, Room B122	
F.	Thursday, January 27, 2022, School Board Work Session, 5:30 pm, North Branch Area Education Center, Boardroom, C120	
XVII.	Adjournment	

First Name	Last Name	Sport	All Conference	AC Honorable Mention	Academic AC	All State			
Paul	Boelk	Boys Cross Country			AAC				
Zachary	Johnson	Boys Cross Country			AAC				
Josiah	Zderad	Boys Cross Country			AAC				
Tanner	Bollman	Boys Soccer	AC		AAC				
Nickolas	Bovitz	Boys Soccer		ACHM					
Drew	Detzler	Boys Soccer		ACHM					
Chase	Disrud	Boys Soccer			AAC				
Eric	Flor	Boys Soccer		ACHM					
Garrett	Korkowski	Boys Soccer	AC		AAC				
Justin	Ramos	Boys Soccer			AAC				
Carson	Weber	Boys Soccer	AC						
Kobe	Yang	Boys Soccer			AAC				
Cora	Hudella	Girls Cross Country			AAC				
Norah	Judson	Girls Cross Country			AAC				
Mykala	Sierra	Girls Cross Country			AAC				
Summer	Fruth	Girls Soccer		ACHM					
Danna	Garcia Velazquez	Girls Soccer		ACHM					
Ava	Gerten	Girls Soccer	AC		AAC				
Mary	Jennrich	Girls Soccer			AAC				
Lilly	Johnson	Girls Soccer	AC			AS			
Paris	Kopp	Girls Soccer	AC						5
Isabel	Linnerooth	Girls Soccer			AAC				
Olivia	Lorge	Girls Soccer			AAC				
Emmie	Meyer	Girls Soccer	AC			AS			
Abigail	Randall	Girls Soccer			AAC				
Madison	Whitman	Girls Soccer			AAC				
Sophia	Helinsky	Girls Tennis			AAC				
Justine	Joyal	Girls Tennis			AAC				
Brooke	Rothe	Girls Tennis			AAC				
Jadyn	Volkman	Girls Tennis			AAC				
Rachel	Wurdemann	Girls Tennis	AC		AAC				
Tanner	Bollman	Football			AAD				
Luke	Cornelius	Football				All-Section HM			
Aidan	Dufeck	Football				All-Section HM			
Adam	Johnstone	Football	AD			All-Section			
Ashton	Labelle	Football	AD						
Jackson	Marcussen	Football	AD						
Zachary	Monson	Football			AAD				
Ryan	O'Day	Football				All-Section			
Cole	Olson	Football		ADHM		All-Section HM			
Samuel	Robillard	Football	AD			All-Section			
Tyler	Schneidewind	Football	AD			All-Section			
Nathan	Skiba	Football		ADHM					
Samuel	Sonnek	Football		ADHM		All-Section			

Andrew	Thauwald	Football	AD		AAD	All-Section			
Everett	Thomsen	Football			AAD				
Jacob	Tiegen	Football			AAD				
Lindsey	Bunes	Volleyball		ACHM	AAC				
Maddie	Helin	Volleyball	AC		AAC				
Lauren	Hicks	Volleyball			AAC				
Isabell	Esget	Volleyball			AAC				
Alexia	Kane	Volleyball			AAC				
Lydia	Kuhlman	Volleyball	AC						
Lindsey	Meizo	Volleyball			AAC				
Paige	Peaslee	Volleyball		ACHM	AAC				
Rylee	Ramberg	Volleyball			AAC				

**NORTH BRANCH INDEPENDENT SCHOOL DISTRICT NO. 138
REGULAR SCHOOL BOARD MEETING
NORTH BRANCH AREA EDUCATION CENTER, BOARDROOM
NOVEMBER 10, 2021**

The School Board of Independent School District 138 met in regular session on Wednesday, November 10, 2021, at 5:30 p.m. in the Boardroom at the North Branch Area Education Center.

Board Chair MacMillan called the meeting to order.

Roll Call: Tim MacMillan, Sarah Grovender, Kevin Bollman, Heather Osagiede, Jesse LaValla, and Superintendent Paul

Absent: Tanya Giese

Others in Attendance:

Bill Stickels III, Rachel Kytonen, Todd Tetzlaff, Pat Tepoorten, and Arle Chambers

The Pledge of Allegiance was said by all.

Approval of Agenda:

Moved by Bollman, seconded by Grovender and carried unanimously to approve the agenda.

SUPERINTENDENT'S REPORT

Superintendent Paul reported on the 2021-22 Safe Learning Plan, the superintendent virtual lunch, which is scheduled for November 24, Veterans Day celebrations, and the North Branch Area Education Center cereal box domino challenge. She also reported on the Arts Fest, Give to the Max, and the fall sport season. She congratulated board member LaValla, who was elected to the school board on November 2.

CONSENT ITEMS

Moved by Osagiede, seconded by Bollman and carried unanimously to approve the following consent items.

- A. Minutes of October 14, 2021 Regular School Board Meeting
- B. Minutes of October 28, 2021 Policy Committee
- C. Minutes of October 28, 2021 Work Session
- D. Authorization of Payments, Transfers, and Investment Activity
 - Accounts Payable, Bank 07 – \$902,710.00
 - Auxiliary, Bank 12 - \$6,695.51

- Payroll, Bank 13 - \$1,803,282.42
- Scholarship, Bank 18 - \$500.00
- High School Student Activities, Bank 31 - \$16,553.36
- Middle School Student Activities, Bank 32 - \$115.00

E. Personnel

1. Scott Miller, retirement effective the end of the 2021-22 school year, as English/Language Arts Teacher at North Branch Area High School
2. Toni Thuringer, resignation effective October 14, 2021, as SPED Assistant at Life Work Center
3. Sheri Rodlund, resignation effective November 18, 2021, as Lead Secretary at North Branch Area High School
4. Elana Umland, leave request effective September 27, 2021 through November 5, 2021, as Office Clerk at North Branch Area High School
5. Lisa Delougherty, leave request effective December 2, 2021 through January 2, 2022, as SPED Assistant at North Branch Area Middle School
6. Cristina Funke, extension of leave request effective December 6, 2021 through the end of the 2021-22 school year, as First Grade Teacher at Sunrise River Elementary School. She will return for the 2022-23 school year.
7. Lori Lavin, leave request effective December 20, 2021 through January 17, 2022, as SPED Teacher at North Branch Area Middle School
8. Mary Colvin, five (5) year leave request beginning with the 2022-23 school year as Art Teacher at North Branch Area Middle School
9. Jessica Klima, BS, Step 1, LTS for Kirstin Perales, from October 18, 2021 through December 2, 2021, as Fourth Grade Teacher at Sunrise River Elementary School
10. Jessica Richter, position change from SPED Assistant at North Branch Area Middle School to SPED Office Clerk at North Branch Area Public Schools effective October 14, 2021
11. Julie Demo, position change from Custodian to Lead Custodian effective October 25, 2021 at North Branch Area Public Schools
12. Kindra Helin, position change from Activities Secretary to Activities Director effective November 1, 2021 at North Branch Area Public Schools

13. Stacy Fairbanks, position change from SPED Assistant at North Branch Area Middle School to SPED Assistant at Life Work Center effective November 15, 2021
14. Tiffany Nelson, employment effective October 18, 2021, as Lunchroom/Playground Assistant at North Branch Area Education Center
15. Christine Lundberg, employment effective October 19, 2021, as Office Clerk at Distance Learning Academy
16. Bridgette Cain, employment effective October 26, 2021, as SPED Assistant at North Branch Area Education Center
17. Valerie Kordosky, employment effective October 26, 2021, as SPED Assistant at North Branch Area High School
18. 2021-22 Extra Curricular Fall Coach Position
 - a. Norm Nagel, Class 9, Step 10, as Weightroom Supervisor for Trimester 1 for the 2021-22 school year
19. 2021-22 Extra Curricular Winter Coach Positions
 - a. Roberta Disrud, Class 3, Step 8, as Head Coach for Dance
 - b. Gina Scott, Class 5, Step 4, as Assistant Coach for Dance
 - c. Ryan Minke, Class 3, Step 8, as Assistant Coach for Boys Basketball
 - d. Alison Trampe, Class 1, Step 4, as Head Coach for Girls Basketball
 - e. Kyle Kahl, Class 3, Step 8, as Assistant Coach for Wrestling
 - f. Steven Christensen, Class 6, Step 10, as Coach for Middle School Girls Basketball
 - g. Jim VanEerden, Class 6, Step 10, as Coach for Middle School Girls Basketball
 - h. Jim VanEerden, Class 6, Step 10, as Coach for Middle School Boys Basketball
 - i. Joel Santjer, Class 9, Step 10, as Weightroom Supervisor for Trimester 2 for the 2021-22 school year
 - j. Annie Gladitsch - Volunteer Coach for Gymnastics
 - k. Justin Baker - Volunteer Coach for Wrestling
 - l. Lucas Nadeau - Volunteer Coach for Wrestling
 - m. Ed Oehlers - Volunteer Coach for Wrestling
 - n. Justin Pinna - Volunteer Coach for Wrestling
20. 2021-22 Activity Advisor Position
 - a. Chas Bettendorf, Class 8, Step 10, as Knowledge Bowl Advisor

F. Acceptance of Donations

Date	Donation From	Donation To	Amount	Use
10/6/21	Shaan Hilber – NB, MN	NBHS	\$450.00	Band & Choir Donation
		Total	\$450.00	

OPEN MIC

No one signed up for open mic.

OLD BUSINESS

A. Approval of Second Reading of the Following Policies

Moved by Bollman, seconded by LaValla and carried unanimously to approve the second reading of the following policies:

1. Policy 520 - Student Surveys (Review only - No MSBA changes)
2. Policy 521 - Student Disability Nondiscrimination (Review only - No MSBA changes)
3. Policy 531 - The Pledge of Allegiance (Review only - No MSBA changes)
4. Policy 532 - Use of Peace Officers and Crisis Teams to Remove Students with IEPs from School Grounds (Review only - No MSBA changes)
5. Policy 533 - Wellness (Review only - No MSBA changes)
6. Policy 612.1 - Development of Parent Involvement Policies for Title I Programs (Review only - No MSBA changes)
7. Policy 722 - Public Data Requests (Review only - No MSBA changes; contact information needs to be changed)
8. Policy 903 - Visitors to School District Buildings and Sites (Review only - No MSBA changes)

NEW BUSINESS

A. Preliminary Financial Statement Report

Todd Tetzlaff, Director of Finance and Human Resources, presented the school board with preliminary financial statements, which show the fund balance will be above projected budget.

B. Approval of Resolution Canvassing Returns of Votes of School District General Election

Member Grovender moved the adoption of the following resolution:

RESOLUTION CANVASSING RETURNS OF VOTES OF SCHOOL DISTRICT SPECIAL ELECTION

BE IT RESOLVED by the School Board of Independent School District No. 138,
State of Minnesota, as follows:

1. It is hereby found, determined and declared that the special election of the voters of this school district held on November 2, 2021 was in all respects duly and legally called and held.

2. As specified in the attached Abstract and Return of Votes Cast, a total of 149 voters of the district voted at said special election on the election of one (1) individual to fill the vacancy in the term of school board member expiring January 2, 2023, as follows:

<u>Jesse LaValla</u>	<u>131</u>
<u>Write-ins</u>	<u>17</u>
<u>Overvotes/Defective</u>	<u>0</u>
<u>Undervotes</u>	<u>1</u>

3. Jesse LaValla, having received the highest number of votes, is elected to fill the vacancy in the term of school board member expiring January 2, 2023. Said individual shall take office as soon as he or she qualifies.
4. The clerk is hereby directed to certify the results of the election to the county auditor of each county in which the school district is located in whole or in part.

The motion for the adoption of the foregoing resolution was duly seconded by Member Osagiede and upon vote being taken thereon, the following voted in favor thereof: MacMillan, Grovender, Bollman, Osagiede, LaValla and the following voted against the same: None whereupon said resolution was declared duly passed and adopted.

C. Approval of Resolution Authorizing Issuance of Certificates of Election and Directing the School District Clerk to Perform Other Election Related Duties

Member Osagiede introduced the following resolution and moved its adoption:

**RESOLUTION AUTHORIZING ISSUANCE OF CERTIFICATES
OF ELECTION AND DIRECTING THE SCHOOL DISTRICT CLERK
TO PERFORM OTHER ELECTION RELATED DUTIES**

WHEREAS, the board has canvassed the special election held on November 2, 2021.

NOW THEREFORE, BE IT RESOLVED by the School Board of Independent School District No. 138, State of Minnesota, as follows:

1. The chair and clerk are hereby authorized to execute the certificate of election on behalf of the School Board of Independent School District No. 138 to Jesse LaValla who has received a sufficiently large number of votes to fill the vacancy in the term of school board member expiring January 2, 2023. Such individual shall take office as soon as he or she qualifies.
2. The certificate of election shall be in substantially the form attached hereto.
3. After the time for contesting the election has passed and the candidate has filed all campaign financial reports required by Minnesota Statutes, Chapter 211A, the clerk of the school board is hereby directed to deliver a certificate to each person entitled thereto personally or by certified mail.
4. The clerk is hereby directed to enclose with the certificate a form of acceptance of office and oath of office in substantially the form attached hereto.

The motion for the adoption of the foregoing resolution was duly seconded by Member Grovender and upon vote being taken thereon the following voted in favor thereof: MacMillan, Grovender, Bollman, Osagiede, LaValla and the following voted against the same: None whereupon said resolution was declared duly passed and adopted.

D. Approval of Resolution Establishing Combined Polling Places 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 Election
Member Grovender introduced the following resolution and moved its adoption:

**RESOLUTION ESTABLISHING COMBINED POLLING PLACES
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 ELECTION**

BE IT RESOLVED by the School Board of Independent School District No. 138, 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 district elections not held on the day of a statewide election. Each combined polling place must be a polling place that has been designated by a county or municipality. The following combined polling places are established to serve the precincts specified for all school district special and general elections not held on the same day as a statewide election:

Combined Polling Place: Precinct B - Main Street Church, 6500 Main Street, North Branch, MN 55056

Name and address of combined polling place

"This combined polling place serves all territory in Independent School District No. 138 located in the City of Harris, the City of Stacy and the City of North Branch, and Fish Lake, Sunrise, Amador, Chisago Lakes, Lent and Wyoming Townships, all in Chisago County, Minnesota; and North Branch and Oxford Townships in Isanti County, Minnesota.

3. Pursuant to Minnesota Statutes, Section 205A.09, the polling places will remain open for voting for school district elections not held on the same day as a statewide election between the hours of 7:00 o'clock a.m. and 8:00 o'clock p.m.

4. The clerk is directed to file a certified copy of this resolution with the county auditors of each of the counties in which the school district is located, in whole or in part, within thirty (30) days after its adoption.

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 each affected household with at least one registered voter in the school district whose school district polling place location has been changed. The notice must be a nonforwardable notice mailed at least twenty-five (25) days before the date of the first election to which it will apply. A notice that is returned as undeliverable must be forwarded immediately to the appropriate county auditor, who shall change the registrant's status to "challenged" in the statewide registration system.

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

MacMillan, Grovender, Bollman, Osagiede, Giese, LaValla

and the following voted against the same: None

whereupon said resolution was declared duly passed and adopted.

E. Approval of First Reading of the Following Policies

Moved by Bollman, seconded by Grovender and carried unanimously to approve the first reading of the following policies:

1. Policy 410 - Family and Medical Leave Policy (Annual review - No MSBA changes)
2. Policy 413 - Harassment and Violence and FORM (Annual review - MSBA changes)
3. Policy 414 - Mandated Reporting of Child Neglect or Physical or Sexual Abuse and FORM (Annual review - No MSBA changes)
4. Policy 415 - Mandated Reporting of Maltreatment of Vulnerable Adults (Annual review - No MSBA changes)
5. Policy 506-NB - Student Discipline (Annual review - No MSBA changes)
6. Policy 514 - Bullying Prohibition Policy (Annual review - No MSBA changes)
7. Policy 522 - Title IX Sex Nondiscrimination Policy, Grievance Procedure and Process (Annual review - No MSBA changes)
8. Policy 524-NB - Internet Acceptable Use and Safety Policy (Annual review - MSBA changes)
9. Policy 616 - School District System Accountability (Annual review - MSBA changes)
10. Policy 806 - Crisis Management Policy (Annual review - No MSBA changes)

INFORMATION

The board reviewed the fundraising reports for Early Childhood, Sunrise River Elementary School, North Branch Area Middle School, and the North Branch Area High School Activities from May 1, 2021 through October 31, 2021.

The board reviewed the November 2021 issue of the Board and Administrator.

BOARD REQUESTS

None

COMMITTEE REPORTS

A. SEE (Schools for Equity in Education) – Board Member MacMillan reported the next SEE Legislative Committee meeting is on November 18.

B. Negotiations – None

C. MSBA Report – None

D. MSHSL – None

E. SCRED Report – Board Member Grovender reported the next SCRED meeting is on November 16.

F. Staff Development Report – Board Member Bollman reported the next staff development meeting is on November 30.

G. Community Education – None

H. Policy Committee Report – None

DATES TO REMEMBER

A. November 18, 2021, Work Session, 5:30 pm, North Branch Area Education Center, Boardroom, Room C120

B. December 9, 2021, Regular School Board Meeting, 5:30 pm, North Branch Area Education Center, Boardroom, Room C120

Adjournment to Closed Meeting

Moved by Osagiede, seconded by LaValla and carried unanimously to close the regular meeting at 6:11 pm to go into a closed session to discuss custodian negotiations.

Meeting Reopened

Moved by Bollman, seconded by Grovender and carried unanimously to reopen the regular meeting at 6:24 pm.

Adjournment

Moved by, Bollman, seconded by Osagiede and carried unanimously to adjourn the regular meeting at 6:25 pm.

Kevin Bollman, Clerk
(Unapproved)

**NORTH BRANCH INDEPENDENT SCHOOL DISTRICT NO. 138
NORTH BRANCH AREA EDUCATION CENTER, BOARDROOM
SCHOOL BOARD WORKING SESSION
November 18, 2021**

The School Board of Independent School District 138 met in a Working Session on Thursday, November 18, 2021, at 5:30 p.m. in the Boardroom at the North Branch Area Education Center.

Chair MacMillan called the meeting to order.

Roll Call: Tim MacMillan, Sarah Grovender, Kevin Bollman (via remote), Heather Osagiede, Tanya Giese, Jesse LaValla, and Superintendent Paul

Others in Attendance:

Nita Worthley, Lori Lavin, Kevin Grote, Coleman McDonough, David Treichel, Todd Tetzlaff, Pat Tepoorten, and Arle Chambers

The Pledge of Allegiance was said by all.

Work Session Topics

Superintendent's Update

Superintendent Paul gave an update on the 2021-22 Safe Learning Plan, Veterans Day observances, and signing day for four athletes. She also talked about the North Branch Area Education Center's Cereal Box Domino Challenge, Arts Fest, and Give to the Max.

Welcome Days Feedback

Superintendent Paul reported on Welcome Days, which occurred at the beginning of the school year for grades K-8. There was great attendance, participation, and 87% of parent's rated Welcome Days as time well spent.

Secondary Redesign Update

Superintendent Paul, High School Principal Coleman McDonough, and Director of Teaching and Learning David Treichel reported that data from Trimester 1 would be reviewed in a few weeks. They also talked about schedule redesign and schedule adjustments for Phase 2.

Chair MacMillan adjourned the meeting at 6:22 pm.

Kevin Bollman, Clerk
(Unapproved)

ELECTRONIC FUND TRANSFERS
November 2021

Direct Dep Cks	\$877,176.59		
ACHS	<u>\$13,474.18</u>		
	\$890,650.77		
Transfer from Construction Account to General Operating:		2018A Bond	11/12/2021 \$100,735.59
Other Electronic Fund Transfers:			11/8/2021 \$51,752.40
Federal/FICA Taxes			11/8/2021 \$91,973.65
(Also reflected in P/R info)			11/22/2021 \$58,167.40
			11/22/2021 <u>\$100,984.71</u>
			\$302,878.16
Minnesota Withholding Taxes			11/9/2021 \$8,609.15
(Also reflected in P/R info)			11/9/2021 \$15,543.57
			11/23/2021 \$9,194.79
			11/23/2021 <u>\$17,312.56</u>
			\$50,660.07
Economic Service (EBC)			11/8/2021 \$10,376.73
(Also reflected in P/R info)			11/8/2021 \$26,472.58
			11/22/2021 \$10,331.73
			11/22/2021 <u>\$26,007.30</u>
			\$73,188.34
MII LIFE-F S A		PEIP	11/1/2021 \$41.67
		PEIP	11/8/2021 \$856.62
		PEIP	11/16/2021 \$53.90
		PEIP	11/22/2021 \$1,349.67
		PEIP Admin Fee	11/24/2021 <u>\$256.60</u>
			\$2,558.46
MII LIFE-M S A			11/9/2021 \$4,847.70
(Also reflected in P/R info)			11/10/2021 \$2,924.81
			11/23/2021 <u>\$7,998.12</u>
			\$15,770.63
Minnesota Teachers Retirement			11/5/2021 \$7,120.95
			11/5/2021 \$64,287.89
			11/19/2021 \$7,113.03
			11/19/2021 <u>\$69,798.28</u>
			\$148,320.15
PERA			11/5/2021 \$26,888.26
			11/19/2021 <u>\$29,008.22</u>
			\$55,896.48
Delta Dental Plan			11/23/2021 \$10,306.92
MN Sales Tax			11/18/2021 \$580.00



2020-21 Combined World’s Best Workforce (WBWF) Summary and Achievement and Integration (A&I) Progress Report

Please use this template as an internal tool to gather information. Responses should be submitted electronically in the [Combined 2020-21 WBWF and A&I Annual Summary & Progress Report](#). You can copy your responses from this template into the electronic form.

District or Charter Name: North Branch Area Public Schools

Grades Served: PreK-12

WBWF Contact: Sara Paul

A&I Contact: Type response here

Title: Superintendent

Title: Type response here

Phone: 651-674-1011

Phone: Type response here

Email: spaul@isd138.org

Email: Type response here

Did you have a Minnesota Department of Education (MDE) approved A&I plan implemented in the 2020-21 school year (SY)?

Yes No

This report has three parts:

1. **WBWF:** Required for all districts/charters.
2. **A&I:** Required for districts that were implementing an MDE approved A&I plan during the 2020-21 SY. No charter schools should complete this section.
3. **Racially Identifiable School:** Required for districts that were implementing an MDE approved A&I plan for Racially Identifiable Schools during the 2020-21 SY. No charter schools should complete this section.

Please ensure the WBWF leadership and A&I leadership collaborate within your district when completing this report.

World's Best Workforce

Annual Report

MDE understands this past school year (2020-21) ended under unique circumstances due to the COVID-19 pandemic. Therefore, we are providing reporting options that reflect this disruption in your ability to appropriately report annual progress.

WBWF Requirement: For each school year, the school board must publish a report in the local newspaper, by mail or by electronic means on the district website.

A&I Requirement: Districts must post a copy of their A&I plan, a preliminary analysis on goal progress, and related data on student achievement on their website 30 days prior to the annual public meeting.

- Provide the direct website link to the district's WBWF annual report. If a link is not available, describe how the district disseminates the report to stakeholders.
- Provide the direct website link to the A&I materials.

Annual Public Meeting

These annual public meetings were to be held in the fall of each school year. Report on this measure for the 2020-21 school year.

WBWF Requirement: School boards are to hold an annual public meeting to communicate plans for the upcoming school year based on a review of goals, outcomes and strategies from the previous year. Stakeholders should be meaningfully involved, and this meeting is to occur separately from a regularly scheduled school board meeting.

A&I Requirement: The public meeting for A&I is to be held at the same time as the WBWF annual public meeting.

- Provide the date of the school board annual public meeting to review progress on the WBWF plan and Achievement and Integration plan for the 2020-21 school year.

District Advisory Committee

The District Advisory Committee should be in place at the start of the school year. Report on your membership list.

WBWF Requirement: The district advisory committee must reflect the diversity of the district and its school sites. It must include teachers, parents, support staff, students, and other community residents. Parents and other community residents are to comprise at least two-thirds of advisory committee members, when possible. The district advisory committee makes recommendations to the school board.

Complete the list of your district advisory committee members for the 2020-21 school year. Expand the table to include all committee members. Ensure roles are clear (teachers, parents, support staff, students, and other community residents).

District Advisory Committee Members	Role in District	Are they part of the Achievement and Integration leadership team? (Mark X if Yes)
Sara Paul	Superintendent	
David Treichel	Director of Teaching and Learning / DLA Principal / Norse Principal	
Todd Tetzlaff	Director of Finance	
Coleman McDonough	HS Principal	
Kelly Detzler	MS Principal	
Taylor Swanson	SRS Principal	
Brett Carlson	Early Learning	
Erica Bjertkevet	Early Childhood	
Rachelle Weinand	District Staff Development Coordinator	
Tammi Grams	Elementary Parent	
Steve Husmann	Elementary Parent	
Bee Yang	MS Parent	
Stephanie Wendel	HS Parent Representative	
TBD	HS Parent	

Adrien Hard (MS)	Special Education Parent	
Hector Rosales (Dad)	DL Parent / Latino	
Alex Holmberg	Student Representative	
Emily Darst	Student Rep / Student council grade 10	
Taylor O'Malley	Student Representative - Student Council	
Juli Summer	SRS Teacher	
Pamela Newbauer	MS Teacher	
Lori Lavin	Special Education Teacher	
Brent Lundgren	Special Education Teacher/Coach	
Jess Thelander	Business Representative	
Michelle Trunk	Instructional Coach	
Mindy Lattimore	Instructional Coach	
Lynn Wilzbacher	Instructional Coach	
Carla Vita	City of NB	
Jen Mackey	Parent	
Lisa Nephew	Parent	
David Gryte	Teacher	
Pat Tepoorten	District	

Equitable Access to Excellent and Diverse Educators

Staffing should be in place by the start of the 2020-21 school year. Report on your equitable access to excellent and diverse educators for the start of the 2020-21 school year.

WBWF Requirement: WBWF requires districts and charters to have a process in place to ensure students from low income families, students of color, and American Indian students are not taught at disproportionate rates by inexperienced, out-of-field, and ineffective teachers. The legislation also requires that districts have strategies to increase access to teachers who reflect the racial and ethnic diversity of students.

While districts/charters may have their own local definitions, please note the definitions developed by Minnesota stakeholders during the Every Student Succeeds Act (ESSA) state plan development process:

- An **ineffective teacher** is defined as a teacher who is not meeting professional teaching standards, as defined in local teacher development and evaluation (TDE) systems.
- An **inexperienced teacher** is defined as a licensed teacher who has taught for three or fewer years.
- An **out-of-field teacher** is defined as a licensed teacher who is providing instruction in an area which he or she is not licensed.

The term “equitable access gap” refers to the difference between the rate(s) at which students from low income families, students of color, and American Indian students are taught by inexperienced, out-of-field, or ineffective teachers and the rate at which other students are taught by the same teacher types. This is not to be confused with the “achievement gap” (how groups of students perform academically); rather, “equitable access gap” is about which student groups have privileged or limited access to experienced, in-field and effective teachers.

Districts/charters are encouraged to monitor the distribution of teachers and identify equitable access gaps between and within schools, but they may also make comparisons to the state averages or to similar schools. It is important to note that some of the most significant equitable access gaps occur at the school and classroom level.

Districts/charters may also use other indicators of “effectiveness” such as teachers receiving stronger evaluations overall, teachers with strengths in particular dimensions of practice (e.g., culturally responsive practices), teachers certified by the National Board for Professional Teaching Standards, or teachers with demonstrated student growth and achievement results.

Respond to the questions below.

Describe your process for ensuring students of color, American Indian students and students from low income families have equitable access to experienced, in-field, and effective teachers.

- How did the district examine equitable access data?
 - What data did you look at?
 - How frequently do you review the data?
 - Who was included in conversations to review equitable access data?

Limit response to 200 words.

The Director of Teaching and Learning and Director of Human Resources annually reviews data with district leadership and district advisory committees. Data includes teacher/student distribution of all subgroups in relation to teacher qualifications. Student achievement data is continually monitored during weekly PLC meetings. NBAPS continues to focus on students receiving special education and free and reduced lunches. The superintendent and school board identify resources during the comprehensive budget process to equitably distribute highly qualified teachers appropriately.

Through student achievement gap data analysis, teacher and parent feedback, the district leadership team was able to identify and confirm the need to provide more experienced support staff for American Indian students. This is accomplished through the AIPAC, Indian Education Coordinator, and guest speakers and events throughout the year. Conversations revolved around ensuring access to learning for all students.

- What strategies has the district initiated to improve student equitable access to experienced, in-field, and effective teachers?

North Branch Area Public Schools (NBAPS) utilizes the instructional support team and Professional Learning Communities at each school to support learning and increased use of effective instructional strategies in each classroom for all learners. NBAPS new teacher induction program wraps instructional supports and experienced teacher mentors for each new teacher through their non-tenure years to ensure all students are receiving the most prepared and experienced teachers.

Type response here

- What strategies has the district initiated to improve student equitable access to experienced, in-field, and effective teachers?

North Branch Area Public Schools (NBAPS) utilizes the instructional support team and Professional Learning Communities at each school to support learning and increased use of effective instructional strategies in each classroom for all learners. NBAPS new teacher induction program wraps instructional supports and experienced teacher mentors for each new teacher through their non-tenure years to ensure all students are receiving the most prepared and experienced teachers.

- What goal(s) do you have to reduce and eventually eliminate equitable access gaps?

Limit response to 200 words.

NBAPS students have equitable access to experienced, in-field and effective teachers as a general rule. We are fortunate to be able to recruit and retain qualified and licensed candidates in virtually all of our instructional programs. For those areas where we are not able to find licensed candidates, we are working to support the licensure process (one SPED candidate is currently student teaching with the support of a veteran staff member) and access to additional training and licensure programs.

Type response here

WBWF also requires districts and charters to examine student access to licensed teachers who reflect the racial and ethnic diversity of students. A growing body of research has demonstrated that all students benefit when they are taught by racially and ethnically diverse staff throughout their career, and students of color and indigenous students benefit even more. Consequently, working to increase teacher racial diversity is beneficial to all schools.

- Describe your efforts to increase the racial and ethnic diversity of teachers in your district.
 - Which racial and ethnic student groups are present in your district that are not yet represented in your licensed teacher staff? How many additional teachers of color and American Indian teachers would you need in order to reflect your student population?

Limit response to 200 words.

During the 2020-21 school year 86.5% of NBAPS students were White, 4.6% Hispanic or Latino, .6% American Indian or Alaska Native, 3.6% Asian, 1% Black or African American, and 3.6% two or more races. The diversity of staff closely matches the student demographics. The percentage of students receiving free and reduced-price lunches is highest at the elementary level. Knowing this, building and district leadership ensure experienced teachers and support staff are in place and available for students who are “at-risk.”

Type response here

- What strategies has the district initiated to increase and retain teachers of color and American Indian teachers in the district? What goal(s) are you pursuing?

Limit response to 200 words.

All short, mid, and long cycle data is continuously examined in each subgroup. Building level teams constructed of administrators, teachers, and support staff continuously examine student performance, behavior and attendance data. Progress toward the goals assessed to determine if any additional supports are needed.

Through student achievement gap data analysis, teacher and parent feedback, the district leadership team was able to identify and confirm a need to provide more experienced support staff for American Indian students.

Through teacher, student, and the American Indian Parent Advisory Committee feedback NBAPS was able to with some certainty that the root cause is the student's connectedness to school and a sense of belonging. As a result, the American Indian Coordinator with the AIPAC ensured their goals addressed this concern.

Type response here

Local Reporting of Teacher Equitable Access to Excellent and Diverse Educators Data

Districts are required to publicly report data on an annual basis related to student equitable access to teachers, including data on access for low-income students, students of color, and American Indian students to

experienced, in-field, and effective teachers and data on all student access to racially and ethnically diverse teachers.

For this 2020-21 WBWF summary report submission, please check the boxes to confirm that your district publicly reported this data.

District/charter publicly reports data on an annual basis related to equitable teacher distribution, including data on access for low-income students, students of color, and American Indian students to effective, experienced, and in-field teachers.

District/charter publicly reports data on an annual basis related to student access to racially and ethnically diverse teachers.

Goals and Results

SMART goals are: specific and strategic, measurable, attainable (yet rigorous), results-based and time-based. Districts may choose to use the data profiles provided by MDE in reporting goals and results or other locally determined measures. Please fill out the table below with your specific SMART goals.

All Students Ready for School

Does your district/charter enroll students in Kindergarten? If no, please skip to the next goal.

Goal	Result	Goal Status
<p>Provide the established SMART goal for the 2020-21 school year.</p> <p>During the 2020-21 school year, the percentage of students screened at age three will increase from 36% in 2019-20 to 55% in 2020-21.</p>	<p>Provide the result for the 2020-21 school year that directly ties back to the established goal.</p> <p>If unable to report a result because of disruptions due to COVID-19, please respond, “Unable to report.”</p> <p>35% of the students were screened at age three during the 2020-21 school year.</p>	<p>Check one of the following:</p> <p><input type="checkbox"/> On Track (multi-year goal)</p> <p><input type="checkbox"/> Not On Track (multi-year goal)</p> <p><input type="checkbox"/> Goal Met (one-year goal)</p> <p><input checked="" type="checkbox"/> Goal Not Met (one-year goal)</p> <p><input type="checkbox"/> Met All (multiple goals)</p> <p><input type="checkbox"/> Met Some (multiple goals)</p> <p><input type="checkbox"/> Met None (multiple goals)</p>

Please describe to what extent, if any, the COVID-19 pandemic affected the quality of the data used to measure progress toward your SMART goal. For example, if a small percentage of students participated in an assessment, please provide that participation rate and note that the low participation rate may affect data quality. If the pandemic did not affect the quality of the data used to measure progress, please type “N/A” as your answer.

Narrative is required. 200-word limit.

- What data have you used to identify needs in this goal area?
- How is this data disaggregated by student groups?
- What strategies are in place to support this goal area?

Type response here

Historically, less than half of NBAPS three-year-old students are screened. Knowing the importance of early intervention as well as the importance of making school-to-home partnerships with families, staff set out to increase the percentage of students screened at three. Because of the work at home order, NBAPS was not able to collect the necessary data.

Outreach efforts included birthday greetings (at age three), increasing promotion of screening days via social media. Efforts next year will include a follow up call after birthday greetings are sent. Early-Childhood focused on strategies that would launch us into the 2020-21 school year. Much attention went into how to conduct early childhood screenings in a manner that is safe for all involved.

All Students in Third Grade Achieving Grade-Level Literacy

Goal	Result	Goal Status
The percentage of students in grades K-4 enrolled as of October 1 at Sunrise River Elementary School who meet or exceed their reading growth goal as measured by FAST aReading will increase from 52% in the spring of 2020 to 54% in the spring of 2021.	The percentage of students in grades K-4 enrolled as of October 1 at Sunrise River Elementary School who meet or exceed their reading growth goal as measured by FAST aReading increased from 52% to 58% in the Spring of 2021.	<p>Check one of the following:</p> <p><input type="checkbox"/> On Track (multi-year goal)</p> <p><input type="checkbox"/> Not On Track (multi-year goal)</p> <p><input checked="" type="checkbox"/> Goal Met (one-year goal)</p> <p><input type="checkbox"/> Goal Not Met (one-year goal)</p> <p><input type="checkbox"/> Met All (multiple goals)</p> <p><input type="checkbox"/> Met Some (multiple goals)</p> <p><input type="checkbox"/> Met None (multiple goals)</p>

Please describe to what extent, if any, the COVID-19 pandemic affected the quality of the data used to measure progress toward your SMART goal. For example, if a small percentage of students participated in an assessment, please provide that participation rate and note that the low participation rate may affect data quality. If the pandemic did not affect the quality of the data used to measure progress, please type “N/A” as your answer.

Narrative is required. 200-word limit.

- What data have you used to identify needs in this goal area?
- How is this data disaggregated by student groups?
- What strategies are in place to support this goal area?
- What data have you used to identify needs in this goal area? How is this data disaggregated by student groups?

Sunrise River Elementary School and North Branch Early Learning Center uses MCA, FAST measurements, including aReading and intervention assessments from progress monitoring, Tier II and III interventions, formative and summative data, classroom walkthrough evidence, attendance and behavior data. The data used was not complete since we were not able to implement Spring assessments. The Sunrise River School leadership team, in consultation with the St. Croix River Education District, SCRED, and district staff, examined trend data. Much of the Spring focused on student formative assessments, student engagement, and attendance during the Governor’s stay at home order.

- What strategies are in place to support this goal area?

Early, frequent intervention is a focus for NBAPS starting with communication to families and area service providers. It is vital to communicate effective strategies for the home and attract families to NBAPS early schooling options. The NBAPS instructional growth model is standards driven; supported by PLCs and the Instructional Support Team. Because Sunrise River School has a strong instructional

framework and PLC network, much of the strategies used during the Governor's stay at home order launched us into planning for the 2020-21 school year.

Close the Achievement Gap(s) Between Student Groups

Goal	Result	Goal Status
<p>Provide the established SMART goal for the 2020-21 school year.</p> <p>During the 2020-21 school year, the achievement gap between students receiving F&R lunches compared to Non-F&R students will decrease by 5% as measured by the Reading and Math MCA All Accountability Tests by the Spring of 2021</p>	<p>Provide the result for the 2020-21 school year that directly ties back to the established goal.</p> <p>North Branch Area Public Schools met both of the goals. The achievement gap decreased 14% in Math and 9% in Reading as measured by the All Accountability Tests</p>	<p>Check one of the following:</p> <p><input type="checkbox"/> On Track (multi-year goal)</p> <p><input type="checkbox"/> Not On Track (multi-year goal)</p> <p><input type="checkbox"/> Goal Met (one-year goal)</p> <p><input type="checkbox"/> Goal Not Met (one-year goal)</p> <p><input checked="" type="checkbox"/> Met All (multiple goals)</p> <p><input type="checkbox"/> Met Some (multiple goals)</p> <p><input type="checkbox"/> Met None (multiple goals)</p>

Please describe to what extent, if any, the COVID-19 pandemic affected the quality of the data used to measure progress toward your SMART goal. For example, if a small percentage of students participated in an assessment, please provide that participation rate and note that the low participation rate may affect data quality. If the pandemic did not affect the quality of the data used to measure progress, please type “N/A” as your answer.

Narrative is required. 200-word limit.

- What data have you used to identify needs in this goal area? How is this data disaggregated by student groups?
- What strategies are in place to support this goal area?

Type response here

Even though North Branch Area Public Schools met the goal, students receiving special education services and students receiving free and/or reduced lunches continue to underperform when compared to peers. Continuous review of attendance, behavior, classroom walkthrough data, classroom formative and summative data, along with teacher feedback used by district and building level problem solving and leadership teams.

Positive Behavior Interventions and Supports are in place across the district. The Early Childhood program is in full implementation of the Pyramid Model supporting social-emotional competence in young children. Middle-Level leadership continues to support academic and behavior supports through their RED (Respectful, Enthusiastic and Determined) initiatives. The high school is in the second year of BARR (Building Assets Reducing Risks) implementation and leading indicators of program effectiveness are encouraging. NBAPS instructional growth model for improving teacher instruction, re-envisioning professional learning communities, and a well-developed new teacher induction program are just some of the additional ways NBAPS teams are attempting to close the achievement gap.

All Students Career and College-Ready by Graduation

Goal	Result	Goal Status
<p>Provide the established SMART goal for the 2020-21 school year.</p> <p>In the spring of 2021, the percentage of NBAHS students in the class of 2022 who score an ACT composite score of 22 or higher will increase by 2% from 35% to 37% when compared with the results from the spring of 2020.</p>	<p>Provide the result for the 2020-21 school year that directly ties back to the established goal.</p> <p>37% of NBAHS students who took the ACT score a composite score of 22 or higher on the ACT during the 2020-21 school year</p>	<p>Check one of the following:</p> <p><input type="checkbox"/> On Track (multi-year goal)</p> <p><input type="checkbox"/> Not On Track (multi-year goal)</p> <p><input checked="" type="checkbox"/> Goal Met (one-year goal)</p> <p><input type="checkbox"/> Goal Not Met (one-year goal)</p> <p><input type="checkbox"/> Met All (multiple goals)</p> <p><input type="checkbox"/> Met Some (multiple goals)</p> <p><input type="checkbox"/> Met None (multiple goals)</p>

Please describe to what extent, if any, the COVID-19 pandemic affected the quality of the data used to measure progress toward your SMART goal. For example, if a small percentage of students participated in an assessment, please provide that participation rate and note that the low participation rate may affect data quality. If the pandemic did not affect the quality of the data used to measure progress, please type “N/A” as your answer.

Narrative is required. 200-word limit.

- What data have you used to identify needs in this goal area?
- How is this data disaggregated by student groups?
- What strategies are in place to support this goal area?

Type response here

Conversations begin at elementary school and progress through the years to support each student plan for their future. A career and college readiness plan guides students in the 9th through 12th grades culminating with earning their diploma. NBAPS uses the ACT as a data point when monitoring progress toward this goal.

Preparing all students for college and/or career starts with supporting students reaching their annual growth goals and intervening early and often when evidence to the contrary is presented. PLCs play a vital part in assessing student progression in learning standards, determining evidence-based instructional methods while differentiating instruction for high and low performing students. Meeting weekly to discuss and evaluate student evidence is key.

Continuous improvement remains a primary NBAPS focus. NBAHS is currently under a comprehensive review and redesign focused on college, career, and life.

All Students Graduate

Goal	Result	Goal Status
<p>Provide the established SMART goal for the 2020-21 school year.</p> <p>During the 2020-21 school year, the percentage of students earning their diplomas in four years will increase from 82% in 2019-20 to 90% in 2020-21.</p>	<p>Provide the result for the 2020-21 school year that directly ties back to the established goal.</p> <p>NBAPS will update when graduation rates are officially released in February, 2022.</p>	<p>Check one of the following:</p> <p><input type="checkbox"/> On Track (multi-year goal)</p> <p><input type="checkbox"/> Not On Track (multi-year goal)</p> <p><input type="checkbox"/> Goal Met (one-year goal)</p> <p><input type="checkbox"/> Goal Not Met (one-year goal)</p> <p><input type="checkbox"/> Met All (multiple goals)</p> <p><input type="checkbox"/> Met Some (multiple goals)</p> <p><input type="checkbox"/> Met None (multiple goals)</p>

Please describe to what extent, if any, the COVID-19 pandemic affected the quality of the data used to measure progress toward your SMART goal. For example, if a small percentage of students participated in an assessment, please provide that participation rate and note that the low participation rate may affect data quality. If the pandemic did not affect the quality of the data used to measure progress, please type “N/A” as your answer.

Narrative is required. 200-word limit.

- What data have you used to identify needs in this goal area?
- How is this data disaggregated by student groups?
- What strategies are in place to support this goal area?

Type response here

Starting in grade nine, students earn credit for graduation. Through their high school career building leadership teams and PLCs monitor credits earned, classroom formative and summative data; behavior, attendance, and classroom walkthrough data. Ensuring leadership structures and systems are in place is critical to the success in reaching the goal. BARR is an evidence-based system established over a year ago to reduce the number of failing grades in grade nine. Through effective implementation, the number of failing grades was cut in half. Building leadership teams established effective data review teams at all grade levels, along with PBIS. The Director of Teaching and Learning and Special Services Supervisor conduct accountability check-ins to ensure the integrity of services along with identifying areas of growth, such as providing additional support in trauma-informed and restorative justice practices.

2020-21 Achievement and Integration (A&I) Progress Report

Once they are approved by MDE, Achievement and Integration (A&I) plans are in effect for three years. At the end of the third year, the commissioner must determine if districts met each goal in their approved plans ([Minn. Stat. § 124D.862, subd. 8](#)).

In order to do this, each district is asked to provide information in this A&I progress report indicating whether or not each of their plan goals is on track. The information you submit will also be used to provide ongoing support for your A&I efforts. You will be able to indicate where disruptions from COVID-19 required you to change how you implemented your A&I strategies or made collecting data to document progress toward your goals complicated or impossible.

Districts with one or more racially identifiable schools will also submit progress reports to verify whether 2020-21 A&I plan goals for each of those schools were on track.

Districts that don't meet plan goals after three years are to consult with the commissioner on improvement plans and use up to 20% of their annual A&I revenue to fund improvement strategies—strategies that will make it more likely for a district to meet their new A&I goals (Minn. Stat. § 124D.862, subd. 8).

Please ensure your Achievement and Integration leadership team collaborates when completing this report.

This progress report has two parts:

1. **Achievement and Integration:** Required for all districts that were implementing an MDE approved Achievement and Integration plan during the 2020-21 SY.
2. **Racially Identifiable School (RIS):** Required for districts that were implementing an MDE approved Achievement and Integration plan for Racially Identifiable Schools during the 2020-21 SY.

MDE understands this past school year (2020-21) brought on unique circumstances due to the COVID-19 pandemic. Therefore, we are providing reporting options that reflect this disruption in your ability to appropriately report annual progress.

***Please use this template as an internal tool to gather information. Responses should be submitted electronically in the [Combined 2020-21 WBWF and A&I Annual Summary & Progress Report](#). You can copy your responses from this template into the electronic form.**

Achievement and Integration

District Name: Type response here

A and I Contact: Type response here

Title: Type response here

Phone: Type response here

Email: Type response here

Annual Public Reporting

A&I Requirement: Districts must post a copy of their A&I plan, a preliminary analysis on goal progress, and related data on student achievement on their website 30 days prior to the annual public meeting.

- Provide the direct website link to the district's WBWF annual report. If a link is not available, describe how the district disseminates the report to stakeholders.
- Provide the direct website link to the A&I materials.

Annual Public Meeting

A&I Requirement: The public meeting for A&I is to be held at the same time as the WBWF annual public meeting.

- Provide the date of the school board annual public meeting to review progress on the WBWF plan and Achievement and Integration plan for the 2020-21 school year.

Achievement and Integration Goal 1

Goal Statement	Achievement or Integration Goal?	Baseline	Actual Result (2020- 21 SY)	On Track?
Copy the SMART goal statement from your plan implemented in the 2020-21 SY.	Check one of the following: <input type="checkbox"/> Achievement Goal <input type="checkbox"/> Integration Goal <input type="checkbox"/> Teacher Equity	Copy the baseline starting point from your plan implemented in the 2020-21 SY.	Provide the result for the 2020-21 school year that directly ties back to the established goal. If unable to report a result because of disruptions due to COVID-19, please respond, "Unable to report."	Check one of the following: <input type="checkbox"/> On Track <input type="checkbox"/> Not on Track <input type="checkbox"/> Goal Met <input type="checkbox"/> Unable to Report

Narrative is required. 200-word limit.

- What data have you used to identify needs in this goal area?
- How is this data disaggregated by student groups?
- What strategies are in place to support this goal area?

Type response here

Achievement and Integration Goal 2

Goal Statement	Achievement or Integration Goal?	Baseline	Actual Result (2020-21 SY)	On Track?
Copy the SMART goal statement from your plan implemented in the 2020-21 SY.	Check one of the following: <input type="checkbox"/> Achievement Goal <input type="checkbox"/> Integration Goal <input type="checkbox"/> Teacher Equity	Copy the baseline starting point from your plan implemented in the 2020-21 SY.	Provide the result for the 2020-21 school year that directly ties back to the established goal. If unable to report a result because of disruptions due to COVID-19, please respond, "Unable to report."	Check one of the following: <input type="checkbox"/> On Track <input type="checkbox"/> Not on Track <input type="checkbox"/> Goal Met <input type="checkbox"/> Unable to Report

Narrative is required. 200-word limit.

- What data have you used to identify needs in this goal area?
- How is this data disaggregated by student groups?
- What strategies are in place to support this goal area?

Type response here

Achievement and Integration Goal 3

Goal Statement	Achievement or Integration Goal?	Baseline	Actual Result (2020-21 SY)	On Track?
Copy the SMART goal statement from your plan implemented in the 2020-21 SY.	Check one of the following: <input type="checkbox"/> Achievement Goal <input type="checkbox"/> Integration Goal <input type="checkbox"/> Teacher Equity	Copy the baseline starting point from your plan implemented in the 2020-21 SY.	Provide the result for the 2020-21 school year that directly ties back to the established goal. If unable to report a result because of disruptions due to COVID-19, please respond, "Unable to report."	Check one of the following: <input type="checkbox"/> On Track <input type="checkbox"/> Not on Track <input type="checkbox"/> Goal Met <input type="checkbox"/> Unable to Report

Narrative is required. 200-word limit.

- What data have you used to identify needs in this goal area?
- How is this data disaggregated by student groups?
- What strategies are in place to support this goal area?

Please note: If you have more than three goals, copy and paste additional A&I Goal tables and corresponding narrative below.

Type response here

Integration

Narrative is required. 200-word limit.

Please summarize the impact of the integration strategies you implemented with the A&I districts you partnered with during the 2020-21 school year. Also, consider ways that your A&I plan strategies have increased integration within your district.

Type response here

Impacts from Online Learning

Narrative is required. 200-word limit.

Briefly explain how you modified your strategies this past school year because of distance learning. List the strategies you weren't able to implement. What A&I-related data were you unable to collect to document progress toward your goals? How did those adjustments or lack of data inform your A&I planning for the 2021-22 school year?

Type response here

Racially Identifiable Schools

If your district’s A&I plan includes goals and strategies for one or more racially identifiable schools, please complete this section of the report. This section is only required for districts with one or more racially identifiable schools.

Provide the information requested below for each of the racially identifiable schools in your district.

School Name:

Achievement and Integration Goal 1

Goal Statement	Achievement or Integration Goal?	Baseline	Actual Result (2020-21 SY)	On Track?
Copy the SMART goal statement from your plan implemented in the 2020-21 SY.	Check one of the following: <input type="checkbox"/> Achievement Goal <input type="checkbox"/> Integration Goal <input type="checkbox"/> Teacher Equity	Copy the baseline starting point from your plan implemented in the 2020-21 SY.	Provide the result for the 2020-21 school year that directly ties back to the established goal. If unable to report a result because of disruptions due to COVID-19, please respond, “Unable to report.”	Check one of the following: <input type="checkbox"/> On Track <input type="checkbox"/> Not on Track <input type="checkbox"/> Goal Met <input type="checkbox"/> Unable to Report

Narrative is required. 200-word limit.

- What data have you used to identify needs in this goal area?
- How is this data disaggregated by student groups?
- What strategies are in place to support this goal area?

Type response here

Achievement and Integration Goal 2

Goal Statement	Achievement or Integration Goal?	Baseline	Actual Result (2020-21 SY)	On Track?
Copy the SMART goal statement from your plan implemented in the 2020-21 SY.	Check one of the following: <input type="checkbox"/> Achievement Goal <input type="checkbox"/> Integration Goal <input type="checkbox"/> Teacher Equity	Copy the baseline starting point from your plan implemented in the 2020-21 SY.	Provide the result for the 2020-21 school year that directly ties back to the established goal. If unable to report a result because of disruptions due to COVID-19, please respond, "Unable to report."	Check one of the following: <input type="checkbox"/> On Track <input type="checkbox"/> Not on Track <input type="checkbox"/> Goal Met <input type="checkbox"/> Unable to Report

Narrative is required. 200-word limit.

- What data have you used to identify needs in this goal area?
- How is this data disaggregated by student groups?
- What strategies are in place to support this goal area?

Type response here

Achievement and Integration Goal 3

Goal Statement	Achievement or Integration Goal?	Baseline	Actual Result (2020-21 SY)	On Track?
Copy the SMART goal statement from your plan implemented in the 2020-21 SY.	Check one of the following: <input type="checkbox"/> Achievement Goal <input type="checkbox"/> Integration Goal <input type="checkbox"/> Teacher Equity	Copy the baseline starting point from your plan implemented in the 2020-21 SY.	Provide the result for the 2020-21 school year that directly ties back to the established goal. If unable to report a result because of disruptions due to COVID-19, please respond, "Unable to report."	Check one of the following: <input type="checkbox"/> On Track <input type="checkbox"/> Not on Track <input type="checkbox"/> Goal Met <input type="checkbox"/> Unable to Report

Narrative is required. 200-word limit.

- What data have you used to identify needs in this goal area?
- How is this data disaggregated by student groups?
- What strategies are in place to support this goal area?

Please note: If you have more than three goals for this RIS, copy and paste additional A&I Goal tables and corresponding narrative below.

Type response here

Integration

Narrative is required. 200-word limit.

Please summarize the impact of the integration strategies you implemented with the A&I districts you partnered with during the 2020-21 school year. Also, consider ways that your A&I plan strategies have increased integration within your district.

Type response here

Impacts from Online Learning

Narrative is required. 200-word limit.

Briefly explain how you modified your strategies this past school year because of distance learning. List the strategies you weren't able to implement. What A&I-related data were you unable to collect to document progress toward your goals? How did those adjustments or lack of data inform your A&I planning for the 2021-22 school year?

Type response here

NOVEMBER 2021

DATE	DONATION FROM	DONATION TO	AMOUNT	USE
11/1/21	Streater Family Scholarship, P.O. Box 566, North Branch, MN 55056	NBHS Scholarship A/C	\$1,000.00	Scholarship Donation
11/22/21	Danielle Cash, 9970 Sunrise Rd., Harris, MN 55032	NBHS Scholarship A/C	\$3,200.00	Scholarship Donation
11/29/21	Charlie Klopp, 6580 Maple St., North Branch, MN 55056	Community Ed	\$200.00	Concerts in the Park Donation
			\$4,400.00	

EMPLOYEES/PERSONNEL

Family and Medical Leave Policy

410

I. PURPOSE

The purpose of this policy is to provide for family and medical leave to school district employees in accordance with the Family and Medical Leave Act of 1993 (FMLA) and also with parenting leave under state law.

II. GENERAL STATEMENT OF POLICY

The following procedures and policies regarding family and medical leave are adopted by the school district, pursuant to the requirements of the FMLA and consistent with the requirements of the Minnesota parenting leave laws.

III. DEFINITIONS

A. "Covered active duty" means:

1. in the case of a member of a regular component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country; and
2. in the case of a member of a reserve component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country under a call or order to active duty under a provision of law referred to in 10 U.S.C. § 101(a)(13)(B).

B. "Covered servicemember" means:

1. a member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness; or
2. a covered veteran who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness and who was a member of the Armed Forces, including a member of the National Guard or Reserves, and was discharged or released under conditions other than dishonorable, at any time during the period of five years preceding the first date the eligible employee takes FMLA leave to care for the covered veteran.

- C. "Eligible employee" means an employee who has been employed by the school district for a total of at least 12 months and who has been employed for at least 1,250 hours of service during the 12-month period immediately preceding the commencement of the leave. An employee returning from fulfilling his or her Uniformed Services Employment and Reemployment Rights Act (USERRA)-covered service obligation shall be credited with the hours of service that would have been performed but for the period of absence from work due to or necessitated by USERRA-covered service. In determining whether the employee met the hours of service requirement,

North Branch Independent School District No. 138: Policy #410

Adopted: 4/11/02

Replaced:

Last Reviewed: 4/8/21

Revised: 2/11/16, 11/10/16

Effective: 4/11/02, 2/11/16, 11/10/16

and to determine the hours that would have been worked during the period of absence from work due to or necessitated by USERRA-covered service, the employee's pre-service work schedule can generally be used for calculations. While the 12 months of employment need not be consecutive, employment periods prior to a break in service of seven years or more may not be counted unless the break is occasioned by the employee's fulfillment of his or her USERRA-covered service obligation or a written agreement, including a collective bargaining agreement, exists concerning the school district's intention to rehire the employee after the break in service.

- D. "Military caregiver leave" means leave taken to care for a covered servicemember with a serious injury or illness.
- E. "Next of kin of a covered servicemember" means the nearest blood relative other than the covered servicemember's spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the covered servicemember by court decree or statutory provisions, brothers and sisters, grandparents, aunts and uncles, and first cousins, unless the covered servicemember has specifically designated in writing another blood relative as his or her nearest blood relative for purposes of military caregiver leave under the FMLA. When no such designation is made and there are multiple family members with the same level of relationship to the covered servicemember, all such family members shall be considered the covered servicemember's next of kin, and the employee may take FMLA leave to provide care to the covered servicemember, either consecutively or simultaneously. When such designation has been made, the designated individual shall be deemed to be the covered servicemember's only next of kin.
- F. "Outpatient status" means, with respect to a covered servicemember who is a current member of the Armed Forces, the status of a member of the Armed Forces assigned to:
1. a military medical treatment facility as an outpatient; or
 2. a unit established for the purpose of providing command and control of members of the Armed Forces receiving care as outpatients.
- G. "Qualifying exigency" means a situation where the eligible employee seeks leave for one or more of the following reasons:
1. to address any issues that arise from a short-notice deployment (seven calendar days or less) of a covered military member;
 2. to attend military events and related activities of a covered military member;
 3. to address issues related to childcare and school activities of a covered military member's child;
 4. to address financial and legal arrangements for a covered military member;

North Branch Independent School District No. 138: Policy #410

Adopted: 4/11/02

Replaced:

Last Reviewed: 4/8/21

Revised: 2/11/16, 11/10/16

Effective: 4/11/02, 2/11/16, 11/10/16

EMPLOYEES/PERSONNEL

Family and Medical Leave Policy

410

5. to attend counseling provided by someone other than a health care provider for oneself, a covered military member, or his/her child;
 6. to spend up to 15 calendar days with a covered military member who is on short-term, temporary rest and recuperation leave during a period of deployment;
 7. to attend post-deployment activities related to a covered military member;
 8. to address parental care needs; and
 9. to address other events related to a covered military member that both the employee and school district agree is a qualifying exigency.
- H. "Serious health condition" means an illness, injury, impairment, or physical or mental condition that involves:
1. inpatient care in a hospital, hospice, or residential medical care facility; or
 2. continuing treatment by a health care provider.
- I. "Spouse" means a husband or wife. For purposes of this definition, husband or wife refers to the other person with whom an individual entered into marriage as defined or recognized under state law for purposes of marriage in the state in which the marriage was entered into or, in the case of a marriage entered into outside of any state, if the marriage is valid in the place where entered into and could have been entered into in at least one state. This definition includes an individual in a same-sex or common law marriage that either: (1) was entered into in a state that recognizes such marriages; or (2) if entered into outside of any state, is valid in the place where entered into and could have been entered into in at least one state.
- J. "Veteran" has the meaning given in 38 U.S.C. § 101.

IV. LEAVE ENTITLEMENT

A. Twelve-week Leave under Federal Law

1. Eligible employees are entitled to a total of 12 work weeks of unpaid family or medical leave during the applicable 12-month period as defined below, plus any additional leave as required by law. Leave may be taken for one or more of the following reasons in accordance with applicable law:
 - a. birth of the employee's child and to care for such child;
 - b. placement of an adopted or foster child with the employee;

North Branch Independent School District No. 138: Policy #410

Adopted: 4/11/02

Replaced:

Last Reviewed: 4/8/21

Revised: 2/11/16, 11/10/16

Effective: 4/11/02, 2/11/16, 11/10/16

EMPLOYEES/PERSONNEL

Family and Medical Leave Policy

410

- c. to care for the employee's spouse, son, daughter, or parent with a serious health condition;
 - d. the employee's serious health condition makes the employee unable to perform the functions of the employee's job; and/or
 - e. any qualifying exigency arising from the employee's spouse, son, daughter, or parent being on covered active duty, or notified of an impending call or order to covered active duty in the Armed Forces.
2. For the purposes of this policy, "year" is defined as a rolling 12-month period measured backward from the date an employee's leave is to commence.
3. An employee's entitlement to FMLA leave for the birth, adoption, or foster care of a child expires at the end of the 12-month period beginning on the date of the birth or placement.
4. A "serious health condition" typically requires either inpatient care or continuing treatment by or under the supervision of a health care provider, as defined by applicable law. Family and medical leave generally is not intended to cover short-term conditions for which treatment and recovery are very brief.
5. A "serious injury or illness," in the case of a member of the Armed Forces, including a member of the National Guard or Reserves, means:
 - a. injury or illness that was incurred by the member in the line of duty on active duty in the Armed Forces or that existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty in the Armed Forces and that may render the member medically unfit to perform the duties of the member's office, grade, rank, or rating; and
 - b. in the case of a covered veteran who was a member of the Armed Forces, including a member of the National Guard or Reserves, at any time, during the period of five years preceding the date on which the veteran undergoes the medical treatment, recuperation, or therapy, means a qualifying injury or illness that was incurred by the member in the line of duty on active duty in the Armed Forces or that existed before the beginning of the member's active duty and was aggravated by service in the line of duty in the Armed Forces and that manifested itself before or after the member became a veteran, and is:
 - (1) a continuation of a serious injury or illness that was incurred or aggravated when the covered veteran was a member of the Armed Forces and rendered the servicemember unable to perform the duties of the servicemember's office, grade, rank, or rating; or

North Branch Independent School District No. 138: Policy #410

Adopted: 4/11/02

Replaced:

Last Reviewed: 4/8/21

Revised: 2/11/16, 11/10/16

Effective: 4/11/02, 2/11/16, 11/10/16

EMPLOYEES/PERSONNEL

Family and Medical Leave Policy

410

- (2) a physical or mental condition for which the covered veteran has received a U.S. Department of Veterans Affairs Service-Related Disability (VASRD) rating of 50 percent or greater and such VASRD rating is based, in whole or in part, on the condition precipitating the need for military caregiver leave; or
 - (3) a physical or mental condition that substantially impairs the covered veteran's ability to secure or follow a substantially gainful occupation by reason of a disability or disabilities related to military service, or would do so absent treatment; or
 - (4) an injury, including a psychological injury, on the basis of which the covered veteran has been enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.
6. Eligible spouses employed by the school district are limited to an aggregate of 12 weeks of leave during any 12-month period for the birth and care of a newborn child or adoption of a child, the placement of a child for foster care, or to care for a parent. This limitation for spouses employed by the school district does not apply to leave taken: by one spouse to care for the other spouse who is seriously ill; to care for a child with a serious health condition; because of the employee's own serious health condition; or pursuant to Paragraph IV.A.1.e. above.
7. Depending on the type of leave, intermittent or reduced schedule leave may be granted in the discretion of the school district or when medically necessary. However, part-time employees are only eligible for a pro-rata portion of leave to be used on an intermittent or reduced schedule basis, based on their average hours worked per week. Where an intermittent or reduced schedule leave is foreseeable based on planned medical treatment, the school district may transfer the employee temporarily to an available alternative position for which the employee is qualified and which better accommodates recurring periods of leave than does the employee's regular position, and which has equivalent pay and benefits.
8. If an employee requests a leave for the serious health condition of the employee or the employee's spouse, child, or parent, the employee will be required to submit sufficient medical certification. In such a case, the employee must submit the medical certification within 15 days from the date of the request or as soon as practicable under the circumstances.
9. If the school district has reason to doubt the validity of a health care provider's certification, it may require a second opinion at the school district's expense. If the opinions of the first and second health care providers differ, the school district may require certification from a third health care provider at the school district's expense. An employee may also be required to present a certification from a health care provider

North Branch Independent School District No. 138: Policy #410

Adopted: 4/11/02

Replaced:

Last Reviewed: 4/8/21

Revised: 2/11/16, 11/10/16

Effective: 4/11/02, 2/11/16, 11/10/16

indicating that the employee is able to return to work.

10. Requests for leave shall be made to the school district. When leave relates to an employee's spouse, son, daughter, parent, or covered servicemember being on covered active duty, or notified of an impending call or order to covered active duty pursuant to Paragraph IV.A.1.e. above, and such leave is foreseeable, the employee shall provide reasonable and practical notice to the school district of the need for leave. For all other leaves, employees must give 30 days' written notice of a leave of absence where practicable. The failure to provide the required notice may result in a delay of the requested leave. Employees are expected to make a reasonable effort to schedule leaves resulting from planned medical treatment so as not to disrupt unduly the operations of the school district, subject to and in coordination with the health care provider.
11. The school district may require that a request for leave under Paragraph IV.A.1.e. above be supported by a copy of the covered military member's active duty orders or other documentation issued by the military indicating active duty or a call to active duty status and the dates of active duty service. In addition, the school district may require the employee to provide sufficient certification supporting the qualifying exigency for which leave is requested.
12. During the period of a leave permitted under this policy, the school district will provide health insurance under its group health plan under the same conditions coverage would have been provided had the employee not taken the leave. The employee will be responsible for payment of the employee contribution to continue group health insurance coverage during the leave. An employee's failure to make necessary and timely contributions may result in termination of coverage. An employee who does not return to work after the leave may be required, in some situations, to reimburse the school district for the cost of the health plan premiums paid by it.
13. The school district may request or require the employee to substitute accrued paid leave for any part of the 12-week period. Employees may be allowed to substitute paid leave for unpaid leave by meeting the requirements set out in the administrative directives and guidelines established for the implementation of this policy, if any. Employees eligible for leave must comply with the family and medical leave directives and guidelines prior to starting leave. The superintendent shall be responsible to develop directives and guidelines as necessary to implement this policy. Such directives and guidelines shall be submitted to the school board for annual review.

The school district shall comply with written notice requirements as set forth in federal regulations.

14. Employees returning from a leave permitted under this policy are eligible for reinstatement in the same or an equivalent position as provided by law. However, the

North Branch Independent School District No. 138: Policy #410

Adopted: 4/11/02

Replaced:

Last Reviewed: 4/8/21

Revised: 2/11/16, 11/10/16

Effective: 4/11/02, 2/11/16, 11/10/16

EMPLOYEES/PERSONNEL

Family and Medical Leave Policy

410

employee has no greater right to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during the leave.

B. Twelve-week Leave under State Law

An employee who does not qualify for parenting leave under Paragraphs IV.A.1.a. or IV.A.1.b. above may qualify for a 12-week unpaid leave which is available to a biological or adoptive parent in conjunction with the birth or adoption of a child, or to a female employee for prenatal care or incapacity due to pregnancy, childbirth, or related health conditions. The length of the leave shall be determined by the employee but must not exceed 12 weeks unless agreed by the employer. The employee may qualify if he or she has worked for the school district for at least 12 months and has worked an average number of hours per week equal to one-half of the full time equivalent during the 12-month period immediately preceding the leave. This leave is separate and exclusive of the family and medical leave described in the preceding paragraphs but may be reduced by any period of paid parental, disability, personal, or medical, or sick leave, or accrued vacation provided by the employer so that the total leave does not exceed 12 weeks, unless agreed by the employer, or leave taken for the same purpose under the FMLA. The leave taken under this section shall begin at a time requested by the employee. An employee who plans to take leave under this section must give the employer reasonable notice of the date the leave shall commence and the estimated duration of the leave. For leave taken by a biological or adoptive parent in conjunction with the birth or adoption of a child, the leave must begin within 12 months of the birth or adoption; except that, in the case where the child must remain in the hospital longer than the mother, the leave must begin within 12 months after the child leaves the hospital.

C. Twenty-six-week Servicemember Family Military Leave

1. An eligible employee who is the spouse, son, daughter, parent, or next of kin of a covered servicemember shall be entitled to a total of 26 work weeks of leave during a 12-month period to care for the servicemember. The leave described in this paragraph shall be available only during a single 12-month period. For purposes of this leave, the need to care for a servicemember includes both physical and psychological care.
2. During a single 12-month period, an employee shall be entitled to a combined total of 26 work weeks of leave under Paragraphs IV.A. and IV.C. above.
3. The 12-month period referred to in this section begins on the first day the eligible employee takes leave to care for a covered servicemember and ends 12 months after that date.
4. Eligible spouses employed by the school district are limited to an aggregate of 26 weeks of leave during any 12-month period if leave is taken for birth of the employee's child or to care for the child after birth; for placement of a child with the employee for adoption or foster care or to care for the child after placement; to care for the employee's parent

North Branch Independent School District No. 138: Policy #410

Adopted: 4/11/02

Replaced:

Last Reviewed: 4/8/21

Revised: 2/11/16, 11/10/16

Effective: 4/11/02, 2/11/16, 11/10/16

EMPLOYEES/PERSONNEL

Family and Medical Leave Policy

410

with a serious health condition; or to care for a covered servicemember with a serious injury or illness.

5. The school district may request or require the employee to substitute accrued paid leave for any part of the 26-week period. Employees may be allowed to substitute paid leave for unpaid leave by meeting the requirements set out in the administrative directives and guidelines established for the implementation of this policy, if any. Employees eligible for leave must comply with the family and medical leave directives and guidelines prior to starting leave.
6. An employee will be required to submit sufficient medical certification issued by the health care provider of the covered servicemember and other information in support of requested leave and eligibility for such leave under this section within 15 days from the date of the request or as soon as practicable under the circumstances.
7. The provisions of Paragraphs IV.A.7., IV.A.10., IV.A.12., IV.A.13., and IV.A.14. above shall apply to leaves under this section.

V. SPECIAL RULES FOR INSTRUCTIONAL EMPLOYEES

- A. An instructional employee is one whose principal function is to teach and instruct students in a class, a small group, or an individual setting. This includes, but is not limited to, teachers, coaches, driver's education instructors, and special education assistants.
- B. Instructional employees who request foreseeable medically necessary intermittent or reduced work schedule leave greater than 20 percent of the work days in the leave period may be required to:
 1. take leave for the entire period or periods of the planned medical treatment; or
 2. move to an available alternative position for which the employee is qualified, and which provides equivalent pay and benefits, but not necessarily equivalent duties.
- C. Instructional employees who request continuous leave near the end of a semester may be required to extend the leave through the end of the semester. The number of weeks remaining before the end of a semester does not include scheduled school breaks, such as summer, winter, or spring break.
 1. If an instructional employee begins leave for any purpose more than five weeks before the end of a semester and it is likely the leave will last at least three weeks, the school district may require that the leave be continued until the end of the semester.
 2. If the employee begins leave for a purpose other than the employee's own serious health condition during the last five weeks of a semester, the school district may require

North Branch Independent School District No. 138: Policy #410

Adopted: 4/11/02

Replaced:

Last Reviewed: 4/8/21

Revised: 2/11/16, 11/10/16

Effective: 4/11/02, 2/11/16, 11/10/16

EMPLOYEES/PERSONNEL

Family and Medical Leave Policy

410

that the leave be continued until the end of the semester if the leave will last more than two weeks or if the employee's return from leave would occur during the last two weeks of the semester.

3. If the employee begins leave for a purpose other than the employee's own serious health condition during the last three weeks of the semester and the leave will last more than five working days, school district may require the employee to continue taking leave until the end of the semester.

D. The entire period of leave taken under the special rules will be counted as leave. The school district will continue to fulfill the school district's leave responsibilities and obligations, including the obligation to continue the employee's health insurance and other benefits, if an instructional employee's leave entitlement ends before the involuntary leave period expires.

VI. OTHER

A. The provisions of this policy are intended to comply with applicable law, including the FMLA and applicable regulations. Any terms used from the FMLA will have the same meaning as defined by the FMLA and/or applicable regulations. To the extent that this policy is ambiguous or contradicts applicable law, the language of the applicable law will prevail.

B. The requirements stated in the collective bargaining agreement between employees in a certified collective bargaining unit and the school district regarding family and medical leaves (if any) shall be followed.

VII. DISSEMINATION OF POLICY

A. This policy shall be conspicuously posted in each school district building in areas accessible to employees.

B. This policy will be reviewed at least annually for compliance with state and federal law.

Legal References: Minn. Stat. §§ 181.940-181.944 (Parenting Leave)
10 U.S.C. § 101 *et seq.* (Armed Forces General Military Law)
29 U.S.C. § 2601 *et seq.* (Family and Medical Leave Act)
38 U.S.C. § 101 (Definitions)
29 C.F.R. Part 825 (Family and Medical Leave Act)

Cross References: MSBA Service Manual, Chapter 13, School Law Bulletin "M" (Statutory Provisions Which Grant Leaves to Licensed as well as Non-Licensed School District Employees – Family and Medical Leave Act Summary)

North Branch Independent School District No. 138: Policy #410

Adopted: 4/11/02

Replaced:

Last Reviewed: 4/8/21

Revised: 2/11/16, 11/10/16

Effective: 4/11/02, 2/11/16, 11/10/16

Adopted: _____

MSBA/MASA Model Policy 413

Orig. 1995

Revised: _____

Rev. 2017/21

413 HARASSMENT AND VIOLENCE

[Note: State law (~~Minnesota Statutes, section~~ § 121A.03) requires that school districts adopt a sexual, religious, and racial harassment and violence policy that conforms with the Minnesota Human Rights Act, ~~Minnesota Statutes, section~~ 363A (MHRA). This policy complies with that statutory requirement and addresses the other classifications protected by the MHRA and/or federal law. While the recommendation is that school districts incorporate the other protected classifications, in addition to sex, religion, and race, into this policy, they are not specifically required to do so by ~~Minnesota Statutes, section~~ § 121A.03. The Minnesota Department of Education (MDE) is required to maintain and make available a model sexual, religious, and racial harassment policy in accordance with ~~Minnesota Statutes, section~~ § 121A.03. MDE's policy differs from that of MSBA and imposes greater requirements upon school districts than required by law. For that reason, MSBA recommends the adoption of its model policy by school districts. Each school board must submit a copy of the policy the board has adopted to the Commissioner of MDE.]

I. PURPOSE

The purpose of this policy is to maintain a learning and working environment ~~that is~~ free from harassment and violence on the basis of race, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, ~~including gender identity or expression~~, or disability (Protected Class).

[~~Note: The Minnesota Human Rights Act defines sexual orientation to include "having or being perceived as having a self-image or identity not traditionally associated with one's biological maleness or femaleness." Minn. Stat. § 363A.03, Subd. 44.]~~

II. GENERAL STATEMENT OF POLICY

A. The policy of the school district is to maintain a learning and working environment ~~that is~~ free from harassment and violence on the basis of ~~race, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, including gender identity or expression, or disability~~ Protected Class. The school district prohibits any form of harassment or violence on the basis of Protected Class~~race, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, including gender identity or expression, or disability~~.

B. A violation of this policy occurs when any student, teacher, administrator, or other school district personnel harasses a student, teacher, administrator, or other school district personnel or group of students, teachers, administrators, or other school district personnel through conduct or communication based on a person's Protected

~~Classrace, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, including gender identity or expression, or disability~~, as defined by this policy. (For purposes of this policy, school district personnel include school board members, school employees, agents, volunteers, contractors, or persons subject to the supervision and control of the district.)

- C. A violation of this policy occurs when any student, teacher, administrator, or other school district personnel inflicts, threatens to inflict, or attempts to inflict violence upon any student, teacher, administrator, or other school district personnel or group of students, teachers, administrators, or other school district personnel based on a person's ~~Protected Classrace, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, including gender identity or expression, or disability~~.
- D. The school district will act to investigate all complaints, either formal or informal, verbal or written, of harassment or violence based on a person's ~~Protected Classrace, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, including gender identity or expression, or disability~~, and to discipline or take appropriate action against any student, teacher, administrator, or other school district personnel ~~who is~~ found to have violated this policy.

III. DEFINITIONS

- A. "Assault" is:
 - 1. an act done with intent to cause fear in another of immediate bodily harm or death;
 - 2. the intentional infliction of or attempt to inflict bodily harm upon another; or
 - 3. the threat to do bodily harm to another with present ability to carry out the threat.
- B. "Harassment" prohibited by this policy consists of physical or verbal conduct, including, but not limited to, electronic communications, relating to an individual's or group of individuals' race, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, including gender identity or expression, or disability, when the conduct:
 - 1. has the purpose or effect of creating an intimidating, hostile, or offensive working or academic environment;
 - 2. has the purpose or effect of substantially or unreasonably interfering with an individual's work or academic performance; or

3. otherwise adversely affects an individual's employment or academic opportunities.

C. "Immediately" means as soon as possible but in no event longer than 24 hours.

D. Protected Classifications; Definitions

1. "Disability" means, ~~with respect to an individual any condition or characteristic that renders a person a disabled person. A disabled person is any person who~~who:
 - a. ~~has a physical, sensory, sensory~~ or mental impairment ~~which that~~ substantially materially materially limits one or more major life activities of such individual;
 - b. has a record of such an impairment; or
 - c. is regarded as having such an impairment.
2. "Familial status" means the condition of one or more minors being domiciled with:
 - a. their parent or parents or the minor's legal guardian; or
 - b. the designee of the parent or parents or guardian with the written permission of the parent or parents or guardian. The protections afforded against harassment or violence discrimination on the basis of family status apply to any person who is pregnant or is in the process of securing legal custody of an individual who has not attained the age of majority.
3. "Marital status" means whether a person is single, married, remarried, divorced, separated, or a surviving spouse and, in employment cases, includes protection against harassment or violence discrimination on the basis of the identity, situation, actions, or beliefs of a spouse or former spouse.
4. "National origin" means the place of birth of an individual or of any of the individual's lineal ancestors.
5. "Sex" includes, but is not limited to, pregnancy, childbirth, and disabilities related to pregnancy or childbirth.
6. "Sexual orientation" means having or being perceived as having an emotional, physical, or sexual attachment to another person without regard to the sex of that person or having or being perceived as having an orientation for such attachment, or having or being perceived as having a self-image or identity not traditionally associated with one's biological

maleness or femaleness. “Sexual orientation” does not include a physical or sexual attachment to children by an adult.

7. “Status with regard to public assistance” means the condition of being a recipient of federal, state, or local assistance, including medical assistance, or of being a tenant receiving federal, state, or local subsidies, including rental assistance or rent supplements.

E. “Remedial response” means a measure to stop and correct acts of harassment or violence, prevent acts of harassment or violence from recurring, and protect, support, and intervene on behalf of a student who is the target or victim of acts of harassment or violence.

F. Sexual Harassment; Definition

1. Sexual harassment ~~includes—consists of~~ unwelcome sexual advances, requests for sexual favors, sexually motivated physical conduct, or other verbal or physical conduct or communication of a sexual nature when:

a. submission to that conduct or communication is made a term or condition, either explicitly or implicitly, of obtaining employment or an education; or

b. submission to or rejection of that conduct or communication by an individual is used as a factor in decisions affecting that individual’s employment or education; or

c. that conduct or communication has the purpose or effect of substantially ~~or unreasonably~~ interfering with an individual’s employment or education, or creating an intimidating, hostile, or offensive employment or educational environment.

2. Sexual harassment may include, but is not limited to:

a. unwelcome verbal harassment or abuse;

b. unwelcome pressure for sexual activity;

c. unwelcome, sexually motivated, or inappropriate patting, pinching, or physical contact, other than necessary restraint of student(s) by teachers, administrators, or other school district personnel to avoid physical harm to persons or property;

d. unwelcome sexual behavior or words, including demands for sexual favors, accompanied by implied or overt threats concerning an individual’s employment or educational status;

e. unwelcome sexual behavior or words, including demands for sexual

favors, accompanied by implied or overt promises of preferential treatment with regard to an individual's employment or educational status; or

- f. unwelcome behavior or words directed at an individual because of sexual orientation, including gender identity or expression.

G. Sexual Violence; Definition

1. Sexual violence is a physical act of aggression or force or the threat thereof ~~which-that~~ involves the touching of another's intimate parts or forcing a person to touch any person's intimate parts. Intimate parts, as defined in ~~Minnesota Statutes, §section~~ 609.341, includes the primary genital area, groin, inner thigh, buttocks, or breast, as well as the clothing covering these areas.
2. Sexual violence may include, but is not limited to:
 - a. touching, patting, grabbing, or pinching another person's intimate parts, ~~whether that person is of the same sex or the opposite sex;~~
 - b. coercing, forcing, or attempting to coerce or force the touching of anyone's intimate parts;
 - c. coercing, forcing, or attempting to coerce or force sexual intercourse or a sexual act on another; or
 - d. threatening to force or coerce sexual acts, including the touching of intimate parts or intercourse, on another.

H. Violence; Definition

Violence prohibited by this policy is a physical act of aggression or assault upon another or group of individuals because of, or in a manner reasonably related to, ~~race, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, including gender identity or expression, or disability~~ an individual's Protected Class.

IV. REPORTING PROCEDURES

- A. Any person who believes he or she has been the target or victim of harassment or violence on the basis of ~~race, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, including gender identity or expression, or disability~~ Protected Class by a student, teacher, administrator, or other school district personnel, or any person with knowledge or belief of conduct which may constitute harassment or violence prohibited by this policy toward a student, teacher, administrator, or other school district personnel or group of students, teachers, administrators, or other school

district personnel should report the alleged acts immediately to an appropriate school district official designated by this policy. A person may report conduct ~~which~~that may constitute harassment or violence anonymously. However, the school district may not rely solely on an anonymous report to determine discipline or other remedial responses.

- B. The school district encourages the reporting party or complainant to use the report form available from the principal or building supervisor of each building or available from the school district office, but oral reports shall be considered complaints as well.
- C. Nothing in this policy shall prevent any person from reporting harassment or violence directly to a school district human rights officer or to the superintendent. If the complaint involves the building report taker, the complaint shall be made or filed directly with the superintendent or the school district human rights officer by the reporting party or complainant.
- D. In Each School Building. The building principal, the principal's designee, or the building supervisor (hereinafter the "building report taker") is the person responsible for receiving oral or written reports of harassment or violence prohibited by this policy at the building level. Any adult school district personnel who receives a report of harassment or violence prohibited by this policy shall inform the building report taker immediately. If the complaint involves the building report taker, the complaint shall be made or filed directly with the superintendent or the school district human rights officer by the reporting party or complainant. The building report taker shall ensure that this policy and its procedures, practices, consequences, and sanctions are fairly and fully implemented and shall serve as a primary contact on policy and procedural matters.
- E. A teacher, school administrator, volunteer, contractor, or other school employee shall be particularly alert to possible situations, circumstances, or events that might include acts of harassment or violence. Any such person who witnesses, observes, receives a report of, or has other knowledge or belief of conduct that may constitute harassment or violence shall make reasonable efforts to address and resolve the harassment or violence and shall inform the building report taker immediately. School district personnel who fail to inform the building report taker of conduct that may constitute harassment or violence or who fail to make reasonable efforts to address and resolve the harassment or violence in a timely manner may be subject to disciplinary action.
- F. Upon receipt of a report, the building report taker must notify the school district human rights officer immediately, without screening or investigating the report. The building report taker may request, but may not insist upon, a written complaint. A written statement of the facts alleged will be forwarded as soon as practicable by the building report taker to the human rights officer. If the report was given verbally, the building report taker shall personally reduce it to written form within 24 hours and forward it to the human rights officer. Failure to forward any harassment or violence report or complaint as provided herein may result in

disciplinary action against the building report taker.

- G. In the District. The school board hereby designates _____ as the school district human rights officer(s) to receive reports or complaints of harassment or violence prohibited by this policy. If the complaint involves a human rights officer, the complaint shall be filed directly with the superintendent.¹
- H. The school district shall conspicuously post the name of the human rights officer(s), including mailing addresses and telephone numbers.
- I. Submission of a good faith complaint or report of harassment or violence prohibited by this policy will not affect the complainant or reporter's future employment, grades, work assignments, or educational or work environment.
- J. Use of formal reporting forms is not mandatory.
- K. Reports of harassment or violence prohibited by this policy are classified as private educational and/or personnel data and/or confidential investigative data and will not be disclosed except as permitted by law.
- L. The school district will respect the privacy of the complainant(s), the individual(s) against whom the complaint is filed, and the witnesses as much as possible, consistent with the school district's legal obligations to investigate, to take appropriate action, and to comply with any discovery or disclosure obligations.
- M. Retaliation against a victim, good faith reporter, or a witness of violence or harassment is prohibited.
- N. False accusations or reports of violence or harassment against another person are prohibited.
- O. A person who engages in an act of violence or harassment, reprisal, retaliation, or false reporting of violence or harassment, or permits, condones, or tolerates violence or harassment shall be subject to discipline or other remedial responses for that act in accordance with the school district's policies and procedures.

Consequences for students who commit, or are a party to, prohibited acts of violence or harassment or who engage in reprisal or intentional false reporting may range from remedial responses or positive behavioral interventions up to and including suspension and/or expulsion.

Consequences for employees who permit, condone, or tolerate violence or harassment or engage in an act of reprisal or intentional false reporting of violence or harassment may result in disciplinary action up to and including termination or discharge.

¹ In some school districts the superintendent may be the human rights officer. If so, an alternative individual should be designated by the school board.

Consequences for other individuals engaging in prohibited acts of violence or harassment may include, but not be limited to, exclusion from school district property and events and/or termination of services and/or contracts.

V. INVESTIGATION

- A. By authority of the school district, the human rights officer, within three (3) days of the receipt of a report or complaint alleging harassment or violence prohibited by this policy, shall undertake or authorize an investigation. The investigation may be conducted by school district officials or by a third party designated by the school district.
- B. The investigation may consist of personal interviews with the complainant, the individual(s) against whom the complaint is filed, and others who may have knowledge of the alleged incident(s) or circumstances giving rise to the complaint. The investigation may also consist of any other methods and documents deemed pertinent by the investigator.
- C. In determining whether alleged conduct constitutes a violation of this policy, the school district should consider the surrounding circumstances, the nature of the behavior, past incidents or past or continuing patterns of behavior, the relationships between the parties involved, and the context in which the alleged incidents occurred. Whether a particular action or incident constitutes a violation of this policy requires a determination based on all the facts and surrounding circumstances.
- D. In addition, the school district may take immediate steps, at its discretion, to protect the target or victim, the complainant, and students, teachers, administrators, or other school district personnel pending completion of an investigation of alleged harassment or violence prohibited by this policy.
- E. The alleged perpetrator of the act(s) of harassment or violence shall be allowed the opportunity to present a defense during the investigation or prior to the imposition of discipline or other remedial responses.
- F. The investigation will be completed as soon as practicable. The school district human rights officer shall make a written report to the superintendent upon completion of the investigation. If the complaint involves the superintendent, the report may be filed directly with the school board. The report shall include a determination of whether the allegations have been substantiated as factual and whether they appear to be violations of this policy.

VI. SCHOOL DISTRICT ACTION

- A. Upon completion of an investigation that determines a violation of this policy has occurred, the school district will take appropriate action. Such action may include, but is not limited to, warning, suspension, exclusion, expulsion, transfer,

remediation, termination, or discharge. Disciplinary consequences will be sufficiently severe to try to deter violations and to appropriately discipline prohibited behavior. School district action taken for violation of this policy will be consistent with requirements of applicable collective bargaining agreements, Minnesota and federal law, and applicable school district policies and regulations.

- B. The school district is not authorized to disclose to a victim private educational or personnel data regarding an alleged perpetrator who is a student or employee of the school district. School officials will notify the targets or victims and alleged perpetrators of harassment or violence, the parent(s) or guardian(s) of targets or victims of harassment or violence and the parent(s) or guardian(s) of alleged perpetrators of harassment or violence who have been involved in a reported and confirmed harassment or violence incident of the remedial or disciplinary action taken, to the extent permitted by law.
- C. In order to prevent or respond to acts of harassment or violence committed by or directed against a child with a disability, the school district shall, where determined appropriate by the child's individualized education program (IEP) or Section 504 team, allow the child's IEP or Section 504 plan to be drafted to address the skills and proficiencies the child needs as a result of the child's disability to allow the child to respond to or not to engage in acts of harassment or violence.

VII. RETALIATION OR REPRISAL

The school district will discipline or take appropriate action against any student, teacher, administrator, or other school district personnel who commits an act of reprisal or who retaliates against any person who asserts, alleges, or makes a good faith report of alleged harassment or violence prohibited by this policy, who testifies, assists, or participates in an investigation of retaliation or alleged harassment or violence, or who testifies, assists, or participates in a proceeding or hearing relating to such harassment or violence. Retaliation includes, but is not limited to, any form of intimidation, reprisal, harassment, or intentional disparate treatment. Disciplinary consequences will be sufficiently severe to deter violations and to appropriately discipline the individual(s) who engaged in the harassment or violence. Remedial responses to the harassment or violence shall be tailored to the particular incident and nature of the conduct.

VIII. RIGHT TO ALTERNATIVE COMPLAINT PROCEDURES

These procedures do not deny the right of any individual to pursue other avenues of recourse which may include filing charges with the Minnesota Department of Human Rights or another state or federal agency, initiating civil action, or seeking redress under state criminal statutes and/or federal law.

IX. HARASSMENT OR VIOLENCE AS ABUSE

- A. Under certain circumstances, alleged harassment or violence may also be possible abuse under Minnesota law. If so, the duties of mandatory reporting under ~~Minnesota Statutes, Chapter. 260E § 626.556~~ may be applicable.

- B. Nothing in this policy will prohibit the school district from taking immediate action to protect victims of alleged harassment, violence, or abuse.

X. DISSEMINATION OF POLICY AND TRAINING

- A. This policy shall be conspicuously posted throughout each school building in areas accessible to students and staff members.
- B. This policy shall be given to each school district employee and independent contractor who regularly interacts with students at the time of initial employment with the school district.
- C. This policy shall appear in the student handbook.
- D. The school district will develop a method of discussing this policy with students and employees.
- E. The school district may implement violence prevention and character development education programs to prevent and reduce policy violations. Such programs may offer instruction on character education including, but not limited to, character qualities such as attentiveness, truthfulness, respect for authority, diligence, gratefulness, self-discipline, patience, forgiveness, respect for others, peacemaking, resourcefulness, and/or sexual abuse prevention.
- F. This policy shall be reviewed at least annually for compliance with state and federal law.

Legal References: Minn. Stat. § 120B.232 (Character Development Education)
Minn. Stat. § 120B.234 (Child Sexual Abuse Prevention Education)
Minn. Stat. § 121A.03, Subd. 2 (Sexual, Religious, and Racial Harassment and Violence Policy)
Minn. Stat. § 121A.031 (School Student Bullying Policy)
Minn. Stat. Ch. 363A (Minnesota Human Rights Act)
Minn. Stat. § 609.341 (Definitions)
Minn. Stat. ~~§ Ch. 260E, 626.556 et seq.~~ (Reporting of Maltreatment of Minors)
20 U.S.C. §§ 1681-1688 (Title IX of the Education Amendments of 1972)
29 U.S.C. § 621 *et seq.* (Age Discrimination in Employment Act)
29 U.S.C. § 794 (Section 504 of the Rehabilitation Act of 1973, ~~§ 504~~)
42 U.S.C. § 1983 (Civil Action for Deprivation of Rights)
42 U.S.C. § 2000d *et seq.* (Title VI of the Civil Rights Act of 1964)
42 U.S.C. § 2000e *et seq.* (Title VII of the Civil Rights Act)
42 U.S.C. § 12101 *et seq.* (Americans with Disabilities Act)

Cross References: MSBA/MASA Model Policy 102 (Equal Educational Opportunity)
MSBA/MASA Model Policy 401 (Equal Employment Opportunity)

MSBA/MASA Model Policy 402 (Disability Nondiscrimination Policy)
MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)
MSBA/MASA Model Policy 406 (Public and Private Personnel Data)
MSBA/MASA Model Policy 414 (Mandated Reporting of Child Neglect or Physical or Sexual Abuse)
MSBA/MASA Model Policy 415 (Mandated Reporting of Maltreatment of Vulnerable Adults)
MSBA/MASA Model Policy 506 (Student Discipline)
MSBA/MASA Model Policy 514 (Bullying Prohibition Policy)
MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)
MSBA/MASA Model Policy 521 (Student Disability Nondiscrimination)
MSBA/MASA Model Policy 522 ([Title IX Sex Nondiscrimination, Grievance Procedures and Process Policy Student Sex Nondiscrimination](#))
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 528 (Student Parental, Family, and Marital Status Nondiscrimination)

INDEPENDENT SCHOOL DISTRICT NO. 138
HARASSMENT AND VIOLENCE REPORT FORM

General Statement of Policy Prohibiting Harassment and Violence

Independent School District No. 138 maintains a firm policy prohibiting all forms of discrimination. Harassment or violence against students or employees or groups of students or employees on the basis of race, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, including gender identity and expression, or disability is strictly prohibited. All persons are to be treated with respect and dignity. Harassment or violence on the basis of race, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, including gender identity and expression, or disability by any pupil, teacher, administrator, or other school personnel, which create an intimidating, hostile, or offensive environment will not be tolerated under any circumstances.

Complainant _____
Home Address _____
Work Address _____
Home Phone _____ Work Phone _____

Date of Alleged Incident(s) _____

Basis of Alleged Harassment/Violence - circle as appropriate:

race \ color \ creed \ religion \ national origin \ sex \ age \ marital status \ familial status \ status with regard to public assistance \ sexual orientation, including gender identity and expression \ disability

Name of person you believe harassed or was violent toward you or another person or group.

If the alleged harassment or violence was toward another person or group, identify that person or group. _____

Describe the incident(s) as clearly as possible, including such things as: what force, if any, was used; any verbal statements (i.e., threats, requests, demands, etc.); what, if any, physical contact was involved; etc. (Attach additional pages if necessary.) _____

Where and when did the incident(s) occur? _____

List any witnesses that were present _____

This complaint is filed based on my honest belief that _____ has harassed or has been violent to me or to another person or group. I hereby certify that the information I have provided in this complaint is true, correct, and complete to the best of my knowledge and belief.

(Complainant Signature)

(Date)

Received by _____

(Date)

Please submit report to the building administrator or the district office.

EMPLOYEES/PERSONNEL

Mandated Reporting of Child Neglect or Physical or Sexual Abuse 414

I. PURPOSE

The purpose of this policy is to make clear the statutory requirements of school personnel to report suspected child neglect or physical or sexual abuse.

II. GENERAL STATEMENT OF POLICY

- A. The policy of the school district is to fully comply with Minn. Stat. § 626.556 requiring school personnel to report suspected child neglect or physical or sexual abuse.
- B. A violation of this policy occurs when any school personnel fails to immediately report instances of child neglect or physical or sexual abuse when the school personnel knows or has reason to believe a child is being neglected or physically or sexually abused or has been neglected or physically or sexually abused within the preceding three years.

III. DEFINITIONS

- A. "Accidental" means a sudden, not reasonably foreseeable, and unexpected occurrence or event which:
 - 1. is not likely to occur and could not have been prevented by exercise of due care; and
 - 2. if occurring while a child is receiving services from a facility, happens when the facility and the employee or person providing services in the facility are in compliance with the laws and rules relevant to the occurrence of event.
- B. "Child" means one under age 18 and, for purposes of Minn. Stat. Ch. 260C (Child Protection) and Minn. Stat. Ch. 260D (Child in Voluntary Foster Care for Treatment), includes an individual under age 21 who is in foster care pursuant to Minn. Stat. § 260C.451 (Foster Care Benefits Past Age 18).
- C. "Immediately" means as soon as possible but in no event longer than 24 hours.
- D. "Mandated reporter" means any school personnel who knows or has reason to believe a child is being neglected or physically or sexually abused, or has been neglected or physically or sexually abused within the preceding three years.
- E. "Neglect" means the commission or omission of any of the acts specified below, other than by accidental means:
 - 1. failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter, health care, medical care, or other care required for the child's physical or

NORTH BRANCH INDEPENDENT SCHOOL DISTRICT NO. 138: Policy #414

Adopted: 5/5/03

Replaces: Policy 5141.4 Maltreatment of Minors

Last Reviewed: 4/8/21

Revised: 5/13/04, 11/10/16, 8/10/17, 1/9/20

Effective: 5/5/03, 5/13/04, 11/10/16, 8/10/17, 1/9/20

EMPLOYEES/PERSONNEL

Mandated Reporting of Child Neglect or Physical or Sexual Abuse 414

mental health when reasonably able to do so, including a growth delay, which may be referred to as a failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

2. failure to protect a child from conditions or actions that seriously endanger the child's physical or mental health when reasonably able to do so;
3. failure to provide for necessary supervision or child care arrangements appropriate for a child after considering factors such as the child's age, mental ability, physical condition, length of absence, or environment, when the child is unable to care for his or her own basic needs or safety or the basic needs or safety of another child in his or her care;
4. failure to ensure that a child is educated in accordance with state law, which does not include a parent's refusal to provide his or her child with sympathomimetic medications;
5. prenatal exposure to a controlled substance used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child's birth, or medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance or the presence of a fetal alcohol spectrum disorder;
6. medical neglect as defined by Minn. Stat. § 260C.007, Subd. 6, Clause (5);
7. chronic and severe use of alcohol or a controlled substance by a parent or person responsible for the care of the child that adversely affects the child's basic needs and safety; or
8. emotional harm from a pattern of behavior which contributes to impaired emotional functioning of the child which may be demonstrated by a substantial and observable effect in the child's behavior, emotional response, or cognition that is not within the normal range for the child's age and stage of development, with due regard to the child's culture.

Neglect does not include spiritual means or prayer for treatment or care of disease where the person responsible for the child's care in good faith has selected and depended on those means for treatment or care of disease, except where the lack of medical care may cause serious danger to the child's health.

- F. "Nonmaltreatment mistake" means: (1) at the time of the incident, the individual was performing duties identified in the center's child care program plan required under Minn. Rules Part 9503.0045; (2) the individual has not been determined responsible for a similar incident that resulted in a finding of maltreatment for at least seven years; (3) the individual has not been determined to have

EMPLOYEES/PERSONNEL

Mandated Reporting of Child Neglect or Physical or Sexual Abuse 414

committed a similar nonmaltreatment mistake under this paragraph for at least four years; (4) any injury to a child resulting from the incident, if treated, is treated only with remedies that are available over the counter, whether ordered by a medical professional or not; and (5) except for the period when the incident occurred, the facility and the individual providing services were both in compliance with all licensing requirements relevant to the incident. This definition only applies to child care centers licensed under Minn. Rules Ch. 9503.

- G. "Physical abuse" means any physical injury, mental injury, or threatened injury, inflicted by a person responsible for the child's care other than by accidental means; or any physical or mental injury that cannot reasonably be explained by the child's history of injuries or any aversive or deprivation procedures, or regulated interventions, that have not been authorized by Minn. Stat. § 125A.0942 or § 245.825.

Abuse does not include reasonable and moderate physical discipline of a child administered by a parent or legal guardian which does not result in an injury. Abuse does not include the use of reasonable force by a teacher, principal, or school employee as allowed by Minn. Stat. § 121A.582.

Actions which are not reasonable and moderate include, but are not limited to, any of the following: (1) throwing, kicking, burning, biting, or cutting a child; (2) striking a child with a closed fist; (3) shaking a child under age three; (4) striking or other actions which result in any nonaccidental injury to a child under 18 months of age; (5) unreasonable interference with a child's breathing; (6) threatening a child with a weapon, as defined in Minn. Stat. § 609.02, Subd. 6; (7) striking a child under age one on the face or head; (8) striking a child who is at least age one but under age four on the face or head, which results in an injury; (9) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled substances which were not prescribed for the child by a practitioner, in order to control or punish the child, or giving the child other substances that substantially affect the child's behavior, motor coordination, or judgment or that result in sickness or internal injury, or subject the child to medical procedures that would be unnecessary if the child were not exposed to the substances; (10) unreasonable physical confinement or restraint not permitted under Minn. Stat. § 609.379 including, but not limited to, tying, caging, or chaining; or (11) in a school facility or school zone, an act by a person responsible for the child's care that is a violation under Minn. Stat. § 121A.58.

- H. "Report" means any communication received by the local welfare agency, police department, county sheriff, or agency responsible for child protection pursuant to this section that describes neglect or physical or sexual abuse of a child and contains sufficient content to identify the child and any person believed to be responsible for the neglect or abuse, if known.
- I. "School personnel" means professional employee or professional's delegate of the school district who provides health, educational, social, psychological, law enforcement, or child care services.
- J. "Sexual abuse" means the subjection of a child by a person responsible for the child's care, by a

NORTH BRANCH INDEPENDENT SCHOOL DISTRICT NO. 138: Policy #414

Adopted: 5/5/03

Replaces: Policy 5141.4 Maltreatment of Minors

Last Reviewed: 4/8/21

Revised: 5/13/04, 11/10/16, 8/10/17, 1/9/20

Effective: 5/5/03, 5/13/04, 11/10/16, 8/10/17, 1/9/20

EMPLOYEES/PERSONNEL

Mandated Reporting of Child Neglect or Physical or Sexual Abuse 414

person who has a significant relationship to the child (as defined in Minn. Stat. § 609.341, Subd. 15), or by a person in a current or recent position of authority (as defined in Minn. Stat. § 609.341, Subd. 10) to any act which constitutes a violation of Minnesota statutes prohibiting criminal sexual conduct. Such acts include sexual penetration, sexual contact, solicitation of children to engage in sexual conduct, and communication of sexually explicit materials to children. Sexual abuse also includes any act involving a minor which constitutes a violation of Minnesota statutes prohibiting prostitution or use of a minor in a sexual performance. Sexual abuse includes all reports of known or suspected child sex trafficking involving a child who is identified as a victim of sex trafficking. Sexual abuse includes threatened sexual abuse which includes the status of a parent or household member who has committed a violation which requires registration under Minn. Stat. § 243.166, Subd. 1b(a) or (b) (Registration of Predatory Offenders).

- K. "Mental injury" means an injury to the psychological capacity or emotional stability of a child as evidenced by an observable or substantial impairment in the child's ability to function within a normal range of performance and behavior with due regard to the child's culture.
- L. "Person responsible for the child's care" means (1) an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities, or (2) an individual functioning outside the family unit and having responsibilities for the care of the child such as a teacher, school administrator, other school employees or agents, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching, and coaching.
- M. "Threatened injury" means a statement, overt act, condition, or status that represents a substantial risk of physical or sexual abuse or mental injury. Threatened injury includes, but is not limited to, exposing a child to a person responsible for the child's care who has subjected the child to, or failed to protect a child from, egregious harm, or a person whose parental rights were involuntarily terminated, been found palpably unfit, or one from whom legal and physical custody of a child has been involuntarily transferred to another.

IV. REPORTING PROCEDURES

- A. A mandated reporter as defined herein shall immediately report the neglect or physical or sexual abuse, which he or she knows or has reason to believe is happening or has happened within the preceding three years, to the local welfare agency, police department, county sheriff, tribal social services, or tribal police department. The reporter will include his or her name and address in the report.
- B. If the immediate report has been made orally, by telephone or otherwise, the oral report shall be followed by a written report within 72 hours (exclusive of weekends and holidays) to the appropriate

NORTH BRANCH INDEPENDENT SCHOOL DISTRICT NO. 138: Policy #414

Adopted: 5/5/03

Replaces: Policy 5141.4 Maltreatment of Minors

Last Reviewed: 4/8/21

Revised: 5/13/04, 11/10/16, 8/10/17, 1/9/20

Effective: 5/5/03, 5/13/04, 11/10/16, 8/10/17, 1/9/20

EMPLOYEES/PERSONNEL

Mandated Reporting of Child Neglect or Physical or Sexual Abuse 414

police department, the county sheriff, local welfare agency, or agency responsible for assisting or investigating maltreatment. The written report shall identify the child, any person believed to be responsible for the abuse or neglect of the child if the person is known, the nature and extent of the abuse or neglect and the name and address of the reporter.

- C. Regardless of whether a report is made, as soon as practicable after a school receives information regarding an incident that may constitute maltreatment of a child in a school facility, the school shall inform the parent, legal guardian, or custodian of the child that an incident has occurred that may constitute maltreatment of the child, when the incident occurred, and the nature of the conduct that may constitute maltreatment.
- D. A mandated reporter who knows or has reason to know of the deprivation of parental rights or the kidnapping of a child shall report the information to the local police department or the county sheriff.
- E. With the exception of a health care professional or a social service professional who is providing the woman with prenatal care or other health care services, a mandated reporter shall immediately report to the local welfare agency if the person knows or has reason to believe that a woman is pregnant and has used a controlled substance for a nonmedical purpose during the pregnancy, including, but not limited to, tetrahydrocannabinol, or has consumed alcoholic beverages during the pregnancy in any way that is habitual or excessive.
- F. A person mandated by Minnesota law and this policy to report who fails to report may be subject to criminal penalties and/or discipline, up to and including termination of employment.
- G. Submission of a good faith report under Minnesota law and this policy will not adversely affect the reporter's employment, or the child's access to school.
- H. Any person who knowingly or recklessly makes a false report under the provisions of applicable Minnesota law or this policy shall be liable in a civil suit for any actual damages suffered by the person or persons so reported and for any punitive damages set by the court or jury, and the reckless making of a false report may result in discipline. The court may also award attorney's fees.

V. INVESTIGATION

- A. The responsibility for investigating reports of suspected neglect or physical or sexual abuse rests with the appropriate county, state, or local agency or agencies. The agency responsible for assessing or investigating reports of child maltreatment has the authority to interview the child, the person or persons responsible for the child's care, the alleged perpetrator, and any other person with knowledge of the abuse or neglect for the purpose of gathering the facts, assessing safety and risk to the child, and formulating a plan. The investigating agency may interview the child at school. The interview may take place outside the presence of a school official. The investigating agency, not the

NORTH BRANCH INDEPENDENT SCHOOL DISTRICT NO. 138: Policy #414

Adopted: 5/5/03

Replaces: Policy 5141.4 Maltreatment of Minors

Last Reviewed: 4/8/21

Revised: 5/13/04, 11/10/16, 8/10/17, 1/9/20

Effective: 5/5/03, 5/13/04, 11/10/16, 8/10/17, 1/9/20

EMPLOYEES/PERSONNEL

Mandated Reporting of Child Neglect or Physical or Sexual Abuse 414

school, is responsible for either notifying or withholding notification of the interview to the parent, guardian or person responsible for the child's care. School officials may not disclose to the parent, legal custodian, or guardian the contents of the notification or any other related information regarding the interview until notified in writing by the local welfare or law enforcement agency that the investigation or assessment has been concluded.

- B. When the investigating agency determines that an interview should take place on school property, written notification of intent to interview the child on school property will be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property.
- C. Except where the alleged perpetrator is believed to be a school official or employee, the time and place, and manner of the interview on school premises shall be within the discretion of school officials, but the local welfare or law enforcement agency shall have the exclusive authority to determine who may attend the interview. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is considered necessary by agreement between the school officials and the local welfare or law enforcement agency. Every effort must be made to reduce the disruption of the educational program of the child, other students, or school employees when an interview is conducted on school premises.
- D. Where the alleged perpetrator is believed to be a school official or employee, the school district shall conduct its own investigation independent of MDE and, if involved, the local welfare or law enforcement agency.
- E. Upon request by MDE, the school district shall provide all requested data that are relevant to a report of maltreatment and are in the possession of a school facility, pursuant to an assessment or investigation of a maltreatment report of a student in school. The school district shall provide the requested data in accordance with the requirements of the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, and the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g.

VI. MAINTENANCE OF SCHOOL RECORDS CONCERNING ABUSE OR POTENTIAL ABUSE

- A. When a local welfare or local law enforcement agency determines that a potentially abused or abused child should be interviewed on school property, written notification of the agency's intent to interview on school property must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct the interview. The notification shall be private data. School officials may not disclose to the parent, legal custodian, or guardian the contents of the notice or any other related information regarding the interview until notified in writing by the local welfare or

NORTH BRANCH INDEPENDENT SCHOOL DISTRICT NO. 138: Policy #414

Adopted: 5/5/03

Replaces: Policy 5141.4 Maltreatment of Minors

Last Reviewed: 4/8/21

Revised: 5/13/04, 11/10/16, 8/10/17, 1/9/20

Effective: 5/5/03, 5/13/04, 11/10/16, 8/10/17, 1/9/20

EMPLOYEES/PERSONNEL

Mandated Reporting of Child Neglect or Physical or Sexual Abuse 414

law enforcement agency that the investigation has been concluded.

- B. All records regarding a report of maltreatment, including any notification of intent to interview which was received by the school as described above in Paragraph A., shall be destroyed by the school only when ordered by the agency conducting the investigation or by a court of competent jurisdiction.

VII. PHYSICAL OR SEXUAL ABUSE AS SEXUAL HARASSMENT OR VIOLENCE

Under certain circumstances, alleged physical or sexual abuse may also be sexual harassment or violence under Minnesota law. If so, the duties relating to the reporting and investigation of such harassment or violence may be applicable.

VIII. DISSEMINATION OF POLICY AND TRAINING

- A. This policy shall appear in school personnel handbooks.
- B. The school district will develop a method of discussing this policy with school personnel.
- C. This policy shall be reviewed at least annually for compliance with state law.

Legal References: Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)
Minn. Stat. § 121A.58 (Corporal Punishment)
Minn. Stat. § 121A.582 (Student Discipline; Reasonable Force)
Minn. Stat. § 125A.0942 (Standards for Restrictive Procedures)
Minn. Stat. § 243.166, Subd. 1b(a)(b) (Registration of Predatory Offenders)
Minn. Stat. § 245.825 (Use of Aversive or Deprivation Procedures)
Minn. Stat. § 260C.007, Subd. 6, Clause (5) (Child in Need of Protection)
Minn. Stat. § 260C.451 (Foster Care Benefits Past Age 18)
Minn. Stat. Ch. 260D (Child in Voluntary Foster Care for Treatment)
Minn. Stat. § 609.02, Subd. 6 (Definitions – Dangerous Weapon)
Minn. Stat. § 609.341, Subd. 10 (Definitions – Position of Authority)
Minn. Stat. § 609.341, Subd. 15 (Definitions – Significant Relationship)
Minn. Stat. § 609.379 (Reasonable Force)
Minn. Stat. § 626.556 *et seq.* (Reporting of Maltreatment of Minors)
Minn. Stat. § 626.5561 (Reporting of Prenatal Exposure to Controlled Substances)
20 U.S.C. § 1232g (Family Educational Rights and Privacy Act)

Cross References: NB Policy 415 (Mandated Reporting of Maltreatment of Vulnerable Adults)

NORTH BRANCH INDEPENDENT SCHOOL DISTRICT NO. 138: Policy #414

Adopted: 5/5/03

Replaces: Policy 5141.4 Maltreatment of Minors

Last Reviewed: 4/8/21

Revised: 5/13/04, 11/10/16, 8/10/17, 1/9/20

Effective: 5/5/03, 5/13/04, 11/10/16, 8/10/17, 1/9/20

**Confidential Student Maltreatment
 Reporting Form**

<i>Minnesota Department of Education staff use only</i>			
Intake Person	MDE File #	Investigator	Date Assigned
	<input type="checkbox"/> No Maltreatment <input type="checkbox"/> No Jurisdiction <input type="checkbox"/> I & R <input type="checkbox"/> Other (Please explain)		Date Reporter Notified: _____
	PSN Date: _____	<input type="checkbox"/> Verbal <input type="checkbox"/> Written	_____ Verbal _____ Written (Attach written correspondence)

Date Submitted: _____ ISD#: _____ School District: _____
 School Name: _____ Program Name: _____
 Address: _____ City: _____ Zip: _____ Phone: _____
 Principal/Director: _____ Phone: _____ (Ext): _____
 Transportation Information, if necessary: Contact: _____ Phone: _____

REPORTER (name of person completing form) Reporter is confidential under Minnesota Statutes, section 626.556.

Name: _____ Title: _____ Phone: _____ Mandated Reporter: Yes ___ No ___
 Address: _____ City: _____ State: _____ Zip: _____

ALLEGED VICTIM (Complete one reporting form for each alleged victim)

Name: _____ DOB: _____ Grade: _____ Gender: Male ___ Female ___
 Special Education: Yes ___ No ___ Disability Description: _____ Ethnicity: _____
 Address: _____ City: _____ State: _____ Zip: _____
 Parent/Guardian: _____ Phone: _____ Alternate Phone: _____

ALLEGED OFFENDER

Name: _____ Position: _____ DOB: _____ Gender: Male ___ Female ___
 Address: _____ City: _____ State: _____ Zip: _____
 Ethnicity: _____ Phone: _____ Alternate Phone: _____

INCIDENT

Date: _____ Time: _____ Location (i.e. - bus, classroom): _____
 Address (if different than school): _____ County: _____

Alleged Maltreatment: Physical Abuse ___ Sexual Abuse ___ Neglect ___ Unknown ___ **Injury:** Yes ___ No ___ Unknown ___

Description of Incident and Injury: (please attach additional page if needed).

Witness Contact Information: _____

Police Notified: Yes ___ No ___ Police Department: _____

Contact: _____ Phone: _____ Case No.: _____

Minnesota Department of Education
 Student Maltreatment Program
 1500 Highway 36 West, Roseville, MN 55113-4266
 651-582-8546 Fax: 651-797-1601
 Email: mde.student-maltreatment@state.mn.us

EMPLOYEES/PERSONNEL

Mandated Reporting of Maltreatment of Vulnerable Adults

415

I. PURPOSE

The purpose of this policy is to make clear the statutory requirements of school personnel to report suspected maltreatment of vulnerable adults.

II. GENERAL STATEMENT OF POLICY

- A. The policy of the school district is to fully comply with Minn. Stat. § 626.557 requiring school personnel to report suspected maltreatment of vulnerable adults.
- B. A violation of this policy occurs when any school personnel fails to report suspected maltreatment of vulnerable adults when the school personnel has reason to believe that a vulnerable adult is being or has been maltreated, or has knowledge that a vulnerable adult has sustained a physical injury which is not reasonably explained.

III. DEFINITIONS

- A. "Mandated Reporters" means any school personnel who has reason to believe that a vulnerable adult is being or has been maltreated.
- B. "Maltreatment" means the neglect, abuse, or financial exploitation of a vulnerable adult.
- C. "Neglect" means the failure or omission by a caregiver to supply a vulnerable adult with care or services, including but not limited to, food, clothing, shelter, health care, or supervision which is: (1) reasonable and necessary to obtain or maintain the vulnerable adult's physical or mental health or safety, considering the physical and mental capacity or dysfunction of the vulnerable adult; and (2) which is not the result of an accident or therapeutic conduct. Neglect also includes the absence or likelihood of absence of care or services, including but not limited to, food, clothing, shelter, health care, or supervision necessary to maintain the physical and mental health of the vulnerable adult which a reasonable person would deem essential to obtain or maintain the vulnerable adult's health, safety, or comfort considering the physical or mental capacity or dysfunction of the vulnerable adult. Neglect does not include actions specifically excluded by Minn. Stat. § 626.5572, Subd. 17.
- D. "Abuse" means: (a) An act against a vulnerable adult that constitutes a violation of, an attempt to violate, or aiding and abetting a violation of: (1) assault in the first through fifth degrees as defined in sections 609.221 to 609.224; (2) the use of drugs to injure or facilitate crime as defined in section 609.235; (3) the solicitation, inducement, and promotion of prostitution as defined in section 609.322; and (4) criminal sexual conduct in the first through fifth degrees as defined in sections 609.342 to 609.3451. A violation includes any action that meets the elements of the crime, regardless of whether there is a criminal proceeding or conviction. (b) Conduct which is not an accident or therapeutic conduct as defined in this section, which produces or could reasonably be expected to produce physical pain or injury or emotional distress including, but not limited to, the following: (1)

EMPLOYEES/PERSONNEL

Mandated Reporting of Maltreatment of Vulnerable Adults

415

hitting, slapping, kicking, pinching, biting, or corporal punishment of a vulnerable adult; (2) use of repeated or malicious oral, written, or gestured language toward a vulnerable adult or the treatment of a vulnerable adult which would be considered by a reasonable person to be disparaging, derogatory, humiliating, harassing, or threatening; (3) use of any aversive or deprivation procedure, unreasonable confinement, or involuntary seclusion, including the forced separation of the vulnerable adult from other persons against the will of the vulnerable adult or the legal representative of the vulnerable adult; and (4) use of any aversive or deprivation procedures for persons with developmental disabilities or related conditions not authorized under section 245.825. (c) Any sexual contact or penetration as defined in section 609.341, between a facility staff person or a person providing services in the facility and a resident, patient, or client of that facility. (d) The act of forcing, compelling, coercing, or enticing a vulnerable adult against the vulnerable adult's will to perform services for the advantage of another. Abuse does not include actions specifically excluded by Minn. Stat. § 626.5572, Subd. 2.

- E. "Financial Exploitation" means a breach of a fiduciary duty by an actor's unauthorized expenditure of funds entrusted to the actor for the benefit of the vulnerable adult or by an actor's failure to provide food, clothing, shelter, health care, therapeutic conduct or supervision, the failure of which results or is likely to result in detriment to the vulnerable adult. Financial exploitation also includes: the willful use, withholding or disposal of funds or property of a vulnerable adult; the obtaining of services for wrongful profit or advantage which results in detriment to the vulnerable adult; the acquisition of a vulnerable adult's funds or property through undue influence, harassment, duress, deception or fraud; and the use of force, coercion, or enticement to cause a vulnerable adult to perform services against the vulnerable adult's will for the profit or advantage of another.
- F. "Vulnerable Adult" means any person 18 years of age or older who: (1) is a resident or inpatient of a facility; (2) receives services required to be licensed under Minn. Stat. Ch. 245A, except as excluded under Minn. Stat. § 626.5572, Subd. 21(a)(2); (3) receives services from a licensed home care provider or person or organization that offers, provides, or arranges for personal care assistance services under the medical assistance program; or (4) regardless of residence or type of service received possesses a physical or mental infirmity or other physical, mental, or emotional dysfunction that impairs the individual's ability to adequately provide the person's own care without assistance or supervision and, because of the dysfunction or infirmity and need for care or services, has an impaired ability to protect the individual's self from maltreatment.
- G. "Caregiver" means an individual or facility who has responsibility for the care of a vulnerable adult as a result of a family relationship, or who has assumed responsibility for all or a portion of the care of a vulnerable adult voluntarily, by contract, or by agreement.
- H. "School Personnel" means professional employees or their delegates of the school district engaged in providing health, educational, social, psychological, law enforcement, or other caretaking services of vulnerable adults.

EMPLOYEES/PERSONNEL

Mandated Reporting of Maltreatment of Vulnerable Adults

415

- I. "Immediately" means as soon as possible, but no longer than 24 hours from the time initial knowledge that the incident occurred has been received.

IV. REPORTING PROCEDURES

- A. A mandated reporter as defined herein shall immediately report the suspected maltreatment to the common entry point responsible for receiving reports.
- B. Whenever a mandated reporter, as defined herein, knows or has reason to believe that an individual made an error in the provision of therapeutic conduct to a vulnerable adult which results in injury or harm, which reasonably requires the care of a physician, such information shall be reported immediately to the designated county agency. The mandated reporter also may report a belief that the error did not constitute neglect and why the error does not constitute neglect.
- C. The reporter shall to the extent possible identify the vulnerable adult, the caregiver, the nature and extent of the suspected maltreatment, any evidence of previous maltreatment, the name and address of the reporter, the time, date, and location of the incident, and any other information that the reporter believes might be helpful in investigating the suspected abuse or neglect. A mandated reporter may disclose *not public data* as defined under Minn. Stat. § 13.02 to the extent necessary to comply with the above reporting requirements.
- D. A person mandated to report suspected maltreatment of a vulnerable adult who negligently or intentionally fails to report is liable for damages caused by the failure. A negligent or intentional failure to report may result in discipline. A mandatory reporter who intentionally fails to make a report, who knowingly provides false or misleading information in reporting, or who intentionally fails to provide all the material circumstances surrounding the reported incident may be guilty of a misdemeanor.
- E. Retaliation against a person who makes a good faith report under Minnesota law and this policy, or against vulnerable adult who is named in a report is prohibited.
- F. Any person who intentionally makes a false report under the provisions of applicable Minnesota law or this policy shall be liable in a civil suit for any actual damages suffered by the person or persons so reported and for any punitive damages set by the court or jury. The intentional making of a false report may result in discipline.

V. INVESTIGATION

The responsibility for investigating reports of suspected maltreatment of a vulnerable adult rests with the entity designated by the county for receiving reports.

EMPLOYEES/PERSONNEL

Mandated Reporting of Maltreatment of Vulnerable Adults

415

VI. DISSEMINATION OF POLICY AND TRAINING

- A. This policy shall appear in school personnel handbooks where appropriate.
- B. The school district will develop a method of discussing this policy with employees where appropriate.
- C. This policy shall be reviewed at least annually for compliance with state law.

Legal References: Minn. Stat. § 13.02 (Collection, Security, and Dissemination of Records; Definitions)
Minn. Stat. § 245.825 (Aversive and Deprivation Procedures; Licensed Facilities and Services)
Minn. Stat. §§ 609.221-609.224 (Assault)
Minn. Stat. § 609.234 (Crimes Against the Person)
Minn. Stat. § 609.235 (Use of Drugs to Injure or Facilitate Crime)
Minn. Stat. § 609.322 (Solicitation, Inducement, and Promotion of Prostitution; Sex Trafficking)
Minn. Stat. § 609.341 (Definitions)
Minn. Stat. §§ 609.342-609.3451 (Criminal Sexual Conduct)
Minn. Stat. § 626.557 (Reporting of Maltreatment of Vulnerable Adults)
Minn. Stat. § 626.5572 (Definitions)
In re Kleven, 736 N.W.2d 707 (Minn. App. 2007)

Cross References: NB Policy 103 (Complaints – Students, Employees, Parents, Other Persons)
NB Policy 211 (Criminal or Civil Action Against School District, School Board Member, Employee, or Student)
NB Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)
NB Policy 406 (Public and Private Personnel Data)
NB Policy 414 (Mandated Reporting of Child Neglect or Physical or Sexual Abuse)

STUDENTS

Student Discipline

506-NB

I. PURPOSE

~~The purpose of this policy is to ensure that students are aware of and comply with the school district's expectations for student conduct. Such compliance will enhance the school district's ability to maintain discipline and ensure that there is no interference with the educational process. The school district will take appropriate disciplinary action when students fail to adhere to the Code of Student Conduct established by this policy.~~

North Branch Area Public Schools recognizes that appropriate school behavior is critical to academic success and sustaining a safe and caring learning community. It is also the intention of this policy to ensure a safe and orderly learning environment for all students and a safe working environment for staff. Effective teaching of school appropriate behavior is the responsibility of the adults in every school. Effective school discipline includes the establishment of high standards of behavior, school cultures of respect and acceptance, instruction in appropriate behavior, time for students to learn appropriate behavior, and fair and proportionate consequences for failure to meet behavior expectations. Students share in the responsibility to uphold and respect the high standards of school behavior that contribute to the ability of all to learn. Effective discipline maximizes the amount of student and staff time and attention spent on teaching and learning and minimizes the amount of student and staff time and attention directed toward behavior that disrupts the learning process. The District looks to parents/guardians and families to partner in the teaching, learning and supporting of appropriate school behavior to maximize the academic success of their students. Effective discipline considers the age and development of the student in framing the instruction in appropriate behavior and the consequences for misbehavior. Effective discipline is educational, not punitive. Effective discipline includes building relationships, repair of harm and restoring relationships and restorative practices to re-engage students in their learning community. This discipline policy is adopted in accordance with and subject to the Minnesota Pupil Fair Dismissal Act, Minn. Stat. §§ 121A.40 through 121A.56. (NB change in August 2020)

II. GENERAL STATEMENT OF POLICY

The school board recognizes that individual responsibility and mutual respect are essential components of the educational process. The school board further recognizes that nurturing the maturity of each student is of primary importance and is closely linked with the balance that must be maintained between authority and self-discipline as the individual progresses from a child's dependence on authority to the more mature behavior of self-control.

All students are entitled to learn and develop in a setting which promotes respect of self, others, and property. Proper positive discipline can only result from an environment which provides options and stresses student self-direction, decision-making, and responsibility. Schools can function effectively only with internal discipline based on mutual understanding of rights and responsibilities.

Students must conduct themselves in an appropriate manner that maintains a climate in which learning

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

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. §§ 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. AREAS OF RESPONSIBILITY

- A. The School Board. The school board holds all school personnel responsible for the maintenance of order within the school district and supports all personnel acting within the framework of this discipline policy.
- B. Superintendent. The superintendent shall establish guidelines and directives to carry out this policy, hold all school personnel, students, and parents responsible for conforming to this policy, and support all school personnel performing their duties within the framework of this policy. The superintendent shall also establish guidelines and directives for using the services of appropriate agencies for assisting students and parents. Any guidelines or directives established to implement this policy shall be submitted to the school board for approval and shall be attached as an addendum to this policy.
- C. Principal. The school principal is given the responsibility and authority to formulate building rules and regulations necessary to enforce this policy, subject to final school board approval. The principal shall give direction and support to all school personnel performing their duties within the framework of this policy. The principal shall consult with parents of students conducting themselves in a manner contrary to the policy. The principal shall also involve other professional employees in the disposition of behavior referrals and shall make use of those agencies appropriate for assisting students and parents. A principal, in exercising his or her lawful authority, may use reasonable force when it is necessary under the circumstances to correct or restrain a student or prevent bodily harm or death to another.
- D. Teachers. All teachers shall be responsible for providing a well-planned teaching/learning

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

environment and shall have primary responsibility for student conduct, with appropriate

assistance from the administration. All teachers shall enforce the Code of Student Conduct. In exercising the teacher's lawful authority, a teacher may use reasonable force when it is necessary under the circumstances to 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.

IV. STUDENT RIGHTS

All students have the right to an education and the right to learn.

V. STUDENT RESPONSIBILITIES

All students have the responsibility:

- A. For their behavior and for knowing and obeying all school rules, regulations, policies, and procedures;
- B. To attend school daily, except when excused, and to be on time to all classes and other school functions;
- C. To pursue and attempt to complete the courses of study prescribed by the state and local school authorities;

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

- D. To make necessary arrangements for making up work when absent from school;
- E. To assist the school staff in maintaining a safe school for all students;
- F. To be aware of all school rules, regulations, policies, and procedures, including those in this policy, and to conduct themselves in accord with them;
- G. To assume that until a rule or policy is waived, altered, or repealed, it is in full force and effect;
- H. To be aware of and comply with federal, state, and local laws;
- I. To volunteer information in disciplinary cases should they have any knowledge relating to such cases and to cooperate with school staff as appropriate;
- J. To respect and maintain the school's property and the property of others;
- K. To dress and groom in a manner which meets standards of safety and health and common standards of decency and which is consistent with applicable school district policy;
- L. To avoid inaccuracies in student newspapers or publications and refrain from indecent or obscene language;
- M. To conduct themselves in an appropriate physical or verbal manner; and
- N. To recognize and respect the rights of others.

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

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

employees.

1. Violations against property including, but not limited to, damage to or destruction of school property or the property of others, failure to compensate for damage or destruction of such property, arson, breaking and entering, theft, robbery, possession of stolen property, extortion, trespassing, unauthorized usage, or vandalism;
2. The use of profanity or obscene language, or the possession of obscene materials;
3. Gambling, including, but not limited to, playing a game of chance for stakes;
4. Violation of the school district's Hazing Prohibition Policy;
5. Attendance problems including, but not limited to, truancy, absenteeism, tardiness, skipping classes, or leaving school grounds without permission;
6. Violation of the school district's Student Attendance Policy;
7. Opposition to authority using physical force or violence;
8. Using, possessing, or distributing tobacco, tobacco-related devices, electronic cigarettes, or tobacco paraphernalia in violation of the school district's Tobacco-Free Environment Policy;
9. Using, possessing, distributing, intending to distribute, making a request to another person for (solicitation), or being under the influence of alcohol or other intoxicating substances or look-alike substances;
10. Using, possessing, distributing, intending to distribute, making a request to another person for (solicitation), or being under the influence of narcotics, drugs, or other controlled substances, or look-alike substances, except as prescribed by a physician, including one student sharing prescription medication with another student;
11. Using, possessing, or distributing items or articles that are illegal or harmful to persons or property including, but not limited to, drug paraphernalia;
12. Using, possessing, or distributing weapons, or look-alike weapons or other dangerous objects;
13. Violation of the school district's Weapons Policy;
14. Violation of the school district's Violence Prevention Policy;

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

15. Possession of ammunition including, but not limited to, bullets or other projectiles designed to be used in or as a weapon;
16. Possession, use, or distribution of explosives or any compound or mixture, the primary or common purpose or intended use of which is to function as an explosive;
17. Possession, use, or distribution of fireworks or any substance or combination of substances or article prepared for the purpose of producing a visible or an audible effect by combustion, explosion, deflagration or detonation;
18. Using an ignition device, including a butane or disposable lighter or matches, inside an educational building and under circumstances where there is a risk of fire, except where the device is used in a manner authorized by the school;
19. Violation of any local, state, or federal law as appropriate;
20. Acts disruptive of the educational process, including, but not limited to, disobedience, disruptive or disrespectful behavior, defiance of authority, cheating, insolence, insubordination, failure to identify oneself, improper activation of fire alarms, or bomb threats;
21. Violation of the school district's Internet Acceptable Use and Safety Policy;
22. Possession of nuisance devices or objects which cause distractions and may facilitate cheating including, but not limited to, pagers, radios, and phones, including picture phones;
23. Violation of school bus or transportation rules or the school district's Student Transportation Safety Policy;
24. Violation of parking or school traffic rules and regulations, including, but not limited to, driving on school property in such a manner as to endanger persons or property;
25. Violation of directives or guidelines relating to lockers or improperly gaining access to a school locker;
26. Violation of the school district's Search of Student Lockers, Desks, Personal Possessions, and Student's Person Policy;
27. Violation of the school district's Student Use and Parking of Motor Vehicles; Patrols,

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

- Inspections, and Searches Policy;
28. Possession or distribution of slanderous, libelous, or pornographic materials;
 29. Violation of the school district' Bullying Prohibition Policy;
 30. Student attire or personal grooming which creates a danger to health or safety or creates a disruption to the educational process, including clothing which bears a message which is lewd, vulgar, or obscene, apparel promoting products or activities that are illegal for use by minors, or clothing containing objectionable emblems, signs, words, objects, or pictures communicating a message that is racist, sexist, or otherwise derogatory to a protected minority group or which connotes gang membership;
 31. Criminal activity;
 32. Falsification of any records, documents, notes, or signatures;
 33. Tampering with, changing, or altering records or documents of the school district by any method including, but not limited to, computer access or other electronic means;
 34. Scholastic dishonesty which includes, but is not limited to, cheating on a school assignment or test, plagiarism, or collusion, including the use of picture phones or other technology to accomplish this end;
 35. Impertinent or disrespectful words, symbols, acronyms, or language, whether oral or written, related to teachers or other school district personnel;
 36. Violation of the school district's Harassment and Violence Policy;
 37. Actions, including fighting or any other assaultive behavior, which causes or could cause injury to the student or other persons or which otherwise endangers the health, safety, or welfare of teachers, students, other school district personnel, or other persons;
 38. Committing an act which inflicts great bodily harm upon another person, even though accidental or a result of poor judgment;
 39. Violations against persons, including, but not limited to, assault or threatened assault, fighting, harassment, interference or obstruction, attack with a weapon, or look-alike weapon, sexual assault, illegal or inappropriate sexual conduct, or indecent exposure;

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

40. Verbal assaults or verbally abusive behavior including, but not limited to, use of words, symbols, acronyms, or language, whether oral or written, that are discriminatory, abusive, obscene, threatening, intimidating, degrading to other people, or threatening to school property;
41. Physical or verbal threats including, but not limited to, the staging or reporting of dangerous or hazardous situations that do not exist;
42. Inappropriate, abusive, threatening, or demeaning actions based on race, color, creed, religion, sex, marital status, status with regard to public assistance, disability, national origin, or sexual orientation;
43. Violation of the school district's Distribution of Nonschool-Sponsored Materials on School Premises by Students and Employees Policy;
44. Violation of the school district's one-to-one device rules and regulations;
45. Violation of school rules, regulations, policies, or procedures, including, but not limited to, those policies specifically enumerated in this policy;
46. Other acts, as determined by the school district, which are disruptive of the educational process or dangerous or detrimental to the student or other students, school district personnel or surrounding persons, or which violate the rights of others or which damage or endanger the property of the school, or which otherwise interferes with or obstruct the mission or operations of the school district or the safety or welfare of students or employees.

VII. DISCIPLINARY ACTION OPTIONS

The general policy of the school district is to utilize progressive discipline to the extent reasonable and appropriate based upon the specific facts and circumstances of student misconduct. The specific form of discipline chosen in a particular case is solely within the discretion of the school district. At a minimum, violation of school district rules, regulations, policies, or procedures will result in discussion of the violation and a verbal warning. The school district shall, however, impose more severe disciplinary sanctions for any violation, including exclusion or expulsion, if warranted by the student's misconduct, as determined by the school district. Disciplinary action may include, but is not limited to, one or more of the following:

- A. Student conference with teacher, principal, counselor, or other school district personnel, and verbal warning;

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

- B. Confiscation by school district personnel and/or by law enforcement of any item, article, object, or thing, prohibited by, or used in the violation of, any school district policy, rule, regulation, procedure, or state or federal law. If confiscated by the school district, the confiscated item, article, object, or thing will be released only to the parent/guardian following the completion of any investigation or disciplinary action instituted or taken related to the violation.
- C. Parent contact;
- D. Parent conference;
- E. Removal from class;
- F. In-school suspension;
- G. Suspension from extracurricular activities;
- H. Detention or restriction of privileges;
- I. Loss of school privileges;
- J. In-school monitoring or revised class schedule;
- K. Referral to in-school support services;
- L. Referral to community resources or outside agency services;
- M. Financial restitution;
- N. Referral to police, other law enforcement agencies, or other appropriate authorities;
- O. A request for a petition to be filed in district court for juvenile delinquency adjudication;
- P. Out-of-school suspension under the Pupil Fair Dismissal Act;
- Q. Preparation of an admission or readmission plan;
- R. ~~Saturday school~~; (NB elimination)
- R. Expulsion under the Pupil Fair Dismissal Act;
- S. Exclusion under the Pupil Fair Dismissal Act; and/or

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

- 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, assigning detention or other consequences, or contacting the student's parents. When such measures fail, or when the teacher determines it is otherwise appropriate based upon the student's conduct, the teacher shall have the authority to remove the student from class pursuant to the procedures established by this discipline policy. "Removal from class" and "removal" mean any actions taken by a teacher, principal, or other school district employee to prohibit a student from attending a class or activity period for a period of time not to exceed five (5) days, pursuant to this discipline policy.

Grounds for removal from class shall include any of the following:

1. Willful conduct that significantly disrupts the rights of others to an education, including conduct that interferes with a teacher's ability to teach or communicate effectively with students in a class or with the ability of other students to learn;
2. Willful conduct that endangers surrounding persons, including school district employees, the student or other students, or the property of the school;
3. Willful violation of any school rules, regulations, policies or procedures, including the Code of Student Conduct in this policy; or
4. Other conduct, which in the discretion of the teacher or administration, requires removal of the student from class.

Such removal shall be for at least one (1) activity period or class period of instruction for a given course of study and shall not exceed five (5) such periods.

A student must be removed from class immediately if the student engages in assault or violent behavior. "Assault" is an act done with intent to cause fear in another of immediate bodily harm or death; or the intentional infliction of, or attempt to inflict, bodily harm upon another. 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 is removed from class more than ten (10) times in a school year, the school district shall notify the parent or guardian of the student's tenth removal from class and make reasonable

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

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. Procedures for Removal of a Student From a Class
1. The teacher or staff member will inform the student of expected behavior and allow the student a reasonable amount of time to correct his/her behavior. The teacher or staff member will determine if the student behavior requires removal of the student from class. If determined necessary, the student will be asked to leave the classroom by the teacher or staff member.
 2. If the student refuses to follow a teacher or staff member's direction to leave the classroom, the office will be notified and the principal or designee will respond.
 3. Details of the incident requiring removal from class will be provided to the principal or designee by the teacher or staff member initiating the removal as soon as possible following the occurrence.
- D. Responsibility for and Custody of a Student Removed From Class
1. Each building in the school district will have a designated space that students will be directed to upon removal from class.
 2. The teacher or staff member removing the student from class will make a decision as to whether or not the student needs to be accompanied.
 3. Each building will have a discipline plan providing information as to the procedure the student follows while out of the class, and designation of who has control over and responsibility for a student after removal from class
- E. Procedures for Return of a Student to a Class From Which the Student Was Removed
1. Following a conference with the principal or his/her designee, the student will return to class based on the readmission plan developed by the principal or designee during the conference with the student.
- F. Procedures for Notification
1. Students and parents will be notified of rule violations and resulting disciplinary action through any of the following methods: a conference with the student, a phone call, a letter,

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

an email, a copy of the referral form, or a conference with the parent, at the discretion of the principal or designee as appropriate for the severity of the infraction.

- G. Disabled Students; Special Provisions
1. Procedures for students with disabilities will be determined by the IEP teams and will follow current IDEA rules and regulations, including due process.
- H. Procedures for Detecting and Addressing Chemical Abuse Problems of Students While on School Premises.
1. Establishment of a chemical abuse preassessment team pursuant to Minn. Stat. § 121A.26; and
 2. Establishment of teacher reporting procedures to the chemical abuse preassessment team pursuant to Minn. Stat. § 121A.29.
- I. Procedures for Immediate and Appropriate Interventions Tied to Violations of the Code of Student Conduct
- The principal or his/her designee has discretion in assigning appropriate consequences to students for violations of the code of student conduct, considering such things as the severity of the infraction and the student's previous history of violations of the code of conduct.
- J. Any Procedures Determined Appropriate for Encouraging Early Involvement of Parents or Guardians in Attempts to Improve a Student's Behavior
- Parents will be notified of infractions of the student code of conduct that result in the student being referred to the principal or his/her designee. Each building will maintain adequate records of documented behaviors and interventions for each student.
- K. Any Procedures Determined Appropriate for Encouraging Early Detection of Behavioral Problems
- Each building will have a Student Assistance Team that will be designed to promote early intervention practices in the classroom and school when staff and/or parents have indicated a concern.

IX. DISMISSAL

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

- A. "Dismissal" means the denial of the current educational program to any student, including exclusion, expulsion and suspension. Dismissal does not include removal from class.

The school district shall not deny due process or equal protection of the law to any student involved in a dismissal proceeding which may result in suspension, exclusion or expulsion.

The school district shall not dismiss any student without attempting to 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 expulsion, and/or exclusion. A student may be dismissed on any of the following grounds:

1. Willful violation of any reasonable school board regulation, including those found in this policy;
2. Willful conduct that significantly disrupts the rights of others to an education, or the ability of school personnel to perform their duties, or school sponsored extracurricular activities; or
3. Willful conduct that endangers the student or other students, or surrounding persons, including school district employees, or property of the school.

- C. 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

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

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 which must not be used to extend the current suspension. A readmission plan must not obligate a parent or guardian to provide psychotropic drugs to their student as a condition of readmission. School administration must not use the refusal of a parent or guardian to consent to the administration of psychotropic drugs to their student or to consent to a psychiatric evaluation, screening, or examination of the student as a ground, by itself, to prohibit the student from attending class or participating in a school-related activity, or as a basis of a charge of child abuse, child neglect, or medical or educational neglect. The school administration may not impose consecutive suspensions against the same student for the same course of conduct, or incident of misconduct, except where the student will create an immediate and substantial danger to self or to surrounding persons or property or where the school district is in the process of initiating an expulsion, in which case the school administration may extend the suspension to a total of fifteen (15) days.
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 Minn. Stat. § 123A.05 selected to allow the pupil to progress toward meeting graduation standards under Minn. Stat. § 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

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

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. assign the student to attend school on Saturday as supervised by the principal or the principal's designee; and
 - c. petition the juvenile court that the student is in need of services under Minn. Stat. Ch. 260C. (NB change)
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, Minn. Stat. §§ 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.

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

D. Expulsion and Exclusion Procedures

1. “Expulsion” means a school board action to prohibit an enrolled student from further attendance for up to twelve (12) months from the date the student is expelled. The authority to expel rests with the school board.
2. “Exclusion” means an action taken by the school board to prevent enrollment or re-enrollment of a student for a period that shall not extend beyond the school year. The authority to exclude rests with the school board.
3. All expulsion and exclusion proceedings will be held pursuant to and in accordance with the provisions of the Minnesota Pupil Fair Dismissal Act, Minn. Stat. §§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, Minn. Stat. §§ 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 (MDE).
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.

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

8. The school district shall record the hearing proceedings at district expense, and a party may obtain a transcript at its own expense.
9. The student shall have a right to a representative of the student's own choosing, including legal counsel, at the student's sole expense. The school district shall advise the student's parent or guardian that free or low-cost legal assistance may be available and that a legal assistance resource list is available from MDE. The school board may appoint an attorney to represent the school district in any proceeding.
10. If the student designates a representative other than the parent or guardian, the representative must have a written authorization from the student and the parent or guardian providing them with access to and/or copies of the student's records.
11. All expulsion or exclusion hearings shall take place before and be conducted by an independent hearing officer designated by the school district. The hearing shall be conducted in a fair and impartial manner. Testimony shall be given under oath and the hearing officer shall have the power to issue subpoenas and administer oaths.
12. At a reasonable time prior to the hearing, the student, parent or guardian, or authorized representative shall be given access to all school district records pertaining to the student, including any tests or reports upon which the proposed dismissal action may be based.
13. The student, parent or guardian, or authorized representative, shall have the right to compel the presence of any school district employee or agent or any other person who may have evidence upon which the proposed dismissal action may be based, and to confront and cross-examine any witnesses testifying for the school district.
14. The student, parent or guardian, or authorized representative, shall have the right to present evidence and testimony, including expert psychological or educational testimony.
15. The student cannot be compelled to testify in the dismissal proceedings.
16. The hearing officer shall prepare findings and a recommendation based solely upon substantial evidence presented at the hearing, which must be made to the school board and served upon the parties within two (2) days after the close of the hearing.
17. The school board shall base its decision upon the findings and recommendation of the hearing officer and shall render its decision at a meeting held within five (5) days after

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

receiving the findings and recommendation. The school board may provide the parties with the opportunity to present exceptions and comments to the hearing officer's findings and recommendation provided that neither party presents any evidence not admitted at

the hearing. The decision by the school board must be based on the record, must be in writing, and must state the controlling facts on which the decision is made in sufficient detail to apprise the parties and the Commissioner of Education (Commissioner) of the basis and reason for the decision.

18. A party to an expulsion or exclusion decision made by the school board may appeal the decision to the Commissioner within twenty-one (21) calendar days of school board action pursuant to Minn. Stat. § 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 Minn. Stat. § 120B.232, Subd. 1, 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

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

Notification of any violation of this policy and resulting disciplinary action shall be as provided herein, or as otherwise provided by the Pupil Fair Dismissal Act or other applicable law. The teacher, principal or other school district official may provide additional notification as deemed appropriate.

In addition, the school district must report, through the MDE electronic reporting system, each 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, Minn. Stat. Ch. 13.

XIII. DISABLED STUDENTS

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.

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

XIV. OPEN ENROLLED STUDENTS

The school district may terminate the enrollment of a nonresident student enrolled under an Enrollment Option Program (Minn. Stat. § 124D.03) or Enrollment in Nonresident District (Minn. Stat. § 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 (Minn. Stat. Ch. 260A), and the student's case has been referred to juvenile court. The school district may also terminate the enrollment of a nonresident student over the age of seventeen (17) enrolled under an Enrollment Options Program if the student is absent without lawful excuse for one or more periods on fifteen (15) school days and has not lawfully withdrawn from school.

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.

Language from the St. Cloud Area Schools Discipline Policy was replicated in drafting this purpose statement.

Legal References:

Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)
Minn. Stat. § 120B.02 (Educational Expectations 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 (Reasonable Force)
Minn. Stat. §§ 121A.60-121A.61 (Removal From Class)
Minn. Stat. § 122A.42 (General Control of Schools)
Minn. Stat. § 123A.05 (Area Learning Center Organization)
Minn. Stat. § 124D.03 (Enrollment Options Program)
Minn. Stat. § 124D.08 (Enrollment in Nonresident District)
Minn. Stat. Ch.125A (Students With Disabilities)

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

STUDENTS

Student Discipline

506-NB

Minn. Stat. Ch. 260A (Truancy)
Minn. Stat. Ch. 260C (Juvenile 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:

NB Policy 413 (Harassment and Violence)
NB Policy 501 (School Weapons)
NB Policy 502 (Search of Student Lockers, Desks, Personal Possessions, and Student's Person)
NB Policy 503 (Student Attendance)
NB Policy 505 (Distribution of Nonschool-Sponsored Materials on School Premises by Students and Employees)
NB Policy 514 (Bullying Prohibition Policy)
NB Policy 524 (Internet Acceptable Use and Safety Policy)
NB Policy 525 (Violence Prevention)
NB Policy 526 (Hazing Prohibition)
NB Policy 527 (Student Use and Parking of Motor Vehicles; Patrols, Inspections, and Searches)
NB Policy 610 (Field Trips)
NB Policy 709 (Student Transportation Safety Policy)
NB Policy 711 (Video Recording on School Buses)
NB Policy 712 (Video Surveillance Other Than on Buses)

North Branch Independent School District No. 138: Policy #506-NB

Adopted: February 12, 1998

Replaced: Policy #5144 Student Discipline Policy (Student); Policy # 5114 Suspension-Expulsion-Age of Majority (Student); and Policy #5115 Detention (Student)

Revised: May 5, 2003, June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

Effective: June 10, 2004, September 8, 2011, July 10, 2014, March 10, 2016, June 8, 2017, December 13, 2018

I. PURPOSE

A safe and civil environment is needed for students to learn and attain high academic standards and to promote healthy human relationships. Bullying, like other violent or disruptive behavior, is conduct that interferes with a student's ability to learn and/or a teacher's ability to educate students in a safe environment. The school district cannot monitor the activities of students at all times and eliminate all incidents of bullying between students, particularly when students are not under the direct supervision of school personnel. However, to the extent such conduct affects the educational environment of the school district and the rights and welfare of its students and is within the control of the school district in its normal operations, the school district-intends to prevent bullying and to take action to investigate, respond to, and to remediate and discipline for those acts of bullying which have not been successfully prevented. The purpose of this policy is to assist the school district in its goal of preventing and responding to acts of bullying, intimidation, violence, reprisal, retaliation, and other similar disruptive and detrimental behavior.

II. GENERAL STATEMENT OF POLICY

- A. An act of bullying, by either an individual student or a group of students, is expressly prohibited on school premises, on school district property, at school functions or activities, or on school transportation. This policy applies not only to students who directly engage in an act of bullying but also to students who, by their indirect behavior, condone or support another student's act of bullying. This policy also applies to any student whose conduct at any time or in any place constitutes bullying or other prohibited conduct that interferes with or obstructs the mission or operations of the school district or the safety or welfare of the student, or other students, or materially and substantially interferes with a student's educational opportunities or performance or ability to participate in school functions or activities or receive school benefits, services, or privileges. This policy also applies to an act of cyberbullying regardless of whether such act is committed on or off school district property and/or with or without the use of school district resources.
- B. No teacher, administrator, volunteer, contractor, or other employee of the school district shall permit, condone, or tolerate bullying.
- C. Apparent permission or consent by a student being bullied does not lessen or negate the prohibitions contained in this policy.
- D. Retaliation against a victim, good faith reporter, or a witness of bullying is prohibited.
- E. False accusations or reports of bullying against another student are prohibited.
- F. A person who engages in an act of bullying, reprisal, retaliation, or false reporting of bullying or permits, condones, or tolerates bullying shall be subject to discipline or other remedial responses

for that act in accordance with the school district's policies and procedures, including the school district's discipline policy (See NB Policy 506). The school district may take into account the following factors:

1. The developmental ages and maturity levels of the parties involved;
2. The levels of harm, surrounding circumstances, and nature of the behavior;
3. Past incidences or past or continuing patterns of behavior;
4. The relationship between the parties involved; and
5. The context in which the alleged incidents occurred.

Consequences for students who commit prohibited acts of bullying may range from remedial responses or positive behavioral interventions up to and including suspension and/or expulsion. The school district shall employ research-based developmentally appropriate best practices that include preventative and remedial measures and effective discipline for deterring violations of this policy, apply throughout the school district, and foster student, parent, and community participation.

Consequences for employees who permit, condone, or tolerate bullying or engage in an act of reprisal or intentional false reporting of bullying may result in disciplinary action up to and including termination or discharge.

Consequences for other individuals engaging in prohibited acts of bullying may include, but not be limited to, exclusion from school district property and events.

- G. The school district will act to investigate all complaints of bullying reported to the school district and will discipline or take appropriate action against any student, teacher, administrator, volunteer, contractor, or other employee of the school district who is found to have violated this policy.

III. DEFINITIONS

For purposes of this policy, the definitions included in this section apply.

- A. "Bullying" means intimidating, threatening, abusive, or harming conduct that is objectively offensive and:
1. an actual or perceived imbalance of power exists between the student engaging in the prohibited conduct and the target of the prohibited conduct, and the conduct is repeated

or forms a pattern; or

2. materially and substantially interferes with a student's educational opportunities or performance or ability to participate in school functions or activities or receive school benefits, services, or privileges.

The term, "bullying," specifically includes cyberbullying as defined in this policy.

- B. "Cyberbullying" means bullying using technology or other electronic communication, including, but not limited to, a transfer of a sign, signal, writing, image, sound, or data, including a post on a social network Internet website or forum, transmitted through a computer, cell phone, or other electronic device. The term applies to prohibited conduct which occurs on school premises, on school district property, at school functions or activities, on school transportation, or on school computers, networks, forums, and mailing lists, or off school premises to the extent that it substantially and materially disrupts student learning or the school environment.
- C. "Immediately" means as soon as possible but in no event longer than 24 hours.
- D. "Intimidating, threatening, abusive, or harming conduct" means, but is not limited to, conduct that does the following:
 1. Causes physical harm to a student or a student's property or causes a student to be in reasonable fear of harm to person or property;
 2. Under Minnesota common law, violates a student's reasonable expectation of privacy, defames a student, or constitutes intentional infliction of emotional distress against a student; or
 3. Is directed at any student or students, including those based on a person's actual or perceived race, ethnicity, color, creed, religion, national origin, immigration status, sex, marital status, familial status, socioeconomic status, physical appearance, sexual orientation including gender identity and expression, academic status related to student performance, disability, or status with regard to public assistance, age, or any additional characteristic defined in the Minnesota Human Rights Act (MHRA). However, prohibited conduct need not be based on any particular characteristic defined in this paragraph or the MHRA.
- E. "On school premises, on school district property, at school functions or activities, or on school transportation" means all school district buildings, school grounds, and school property or property immediately adjacent to school grounds, 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 grounds, 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 bullying at these locations and events, the school district does not represent that it will provide supervision or assume liability at these locations and events.

- F. "Prohibited conduct" means bullying or cyberbullying as defined in this policy or retaliation or reprisal for asserting, alleging, reporting, or providing information about such conduct or knowingly making a false report about bullying.
- G. "Remedial response" means a measure to stop and correct prohibited conduct, prevent prohibited conduct from recurring, and protect, support, and intervene on behalf of a student who is the target or victim of prohibited conduct.
- H. "Student" means a student enrolled in a public school or a charter school.

IV. REPORTING PROCEDURE

- A. Any person who believes he or she has been the target or victim of bullying or any person with knowledge or belief of conduct that may constitute bullying or prohibited conduct under this policy shall report the alleged acts immediately to an appropriate school district official designated by this policy. A person may report bullying anonymously. However, the school district may not rely solely on an anonymous report to determine discipline or other remedial responses.
- B. The school district encourages the reporting party or complainant to use the report form available from the principal or building supervisor of each building or available in the school district office, but oral reports shall be considered complaints as well.
- C. The building principal, the principal's designee, or the building supervisor (hereinafter the "building report taker") is the person responsible for receiving reports of bullying or other prohibited conduct at the building level. Any person may report bullying or other prohibited conduct directly to a school district human rights officer or the superintendent. If the complaint involves the building report taker, the complaint shall be made or filed directly with the superintendent or the school district human rights officer by the reporting party or complainant.

The building report taker shall ensure that this policy and its procedures, practices, consequences, and sanctions are fairly and fully implemented and shall serve as the primary contact on policy and procedural matters. The building report taker or a third party designated by the school district shall be responsible for the investigation. The building report taker shall provide information about available community resources to the target or victim of the bullying or other prohibited conduct, the perpetrator, and other affected individuals as appropriate.

- D. A teacher, school administrator, volunteer, contractor, or other school employee shall be particularly alert to possible situations, circumstances, or events that might include bullying. Any such person who witnesses, observes, receives a report of, or has other knowledge or belief of conduct that may constitute bullying or other prohibited conduct shall make reasonable efforts to address and resolve the bullying or prohibited conduct and shall inform the building report taker immediately. School district personnel who fail to inform the building report taker of conduct that may constitute bullying or other prohibited conduct or who fail to make reasonable efforts to address and resolve the bullying or prohibited conduct in a timely manner may be subject to disciplinary action.
- E. Reports of bullying or other prohibited conduct are classified as private educational and/or personnel data and/or confidential investigative data and will not be disclosed except as permitted by law. The building report taker, in conjunction with the responsible authority, shall be responsible for keeping and regulating access to any report of bullying and the record of any resulting investigation.
- F. Submission of a good faith complaint or report of bullying or other prohibited conduct will not affect the complainant's or reporter's future employment, grades, work assignments, or educational or work environment.
- G. The school district will respect the privacy of the complainant(s), the individual(s) against whom the complaint is filed, and the witnesses as much as possible, consistent with the school district's obligation to investigate, take appropriate action, and comply with any legal disclosure obligations.
- V. SCHOOL DISTRICT ACTION**
- A. Within three days of the receipt of a complaint or report of bullying or other prohibited conduct, the school district shall undertake or authorize an investigation by the building report taker or a third party designated by the school district.
- B. The building report taker or other appropriate school district officials may take immediate steps, at their discretion, to protect the target or victim of the bullying or other prohibited conduct, the complainant, the reporter, and students or others, pending completion of an investigation of the bullying or other prohibited conduct, consistent with applicable law.
- C. The alleged perpetrator of the bullying or other prohibited conduct shall be allowed the opportunity to present a defense during the investigation or prior to the imposition of discipline or other remedial responses.
- D. Upon completion of an investigation that determines that bullying or other prohibited conduct has occurred, the school district will take appropriate action. Such action may include, but is not

limited to, warning, suspension, exclusion, expulsion, transfer, remediation, termination, or discharge. Disciplinary consequences will be sufficiently severe to try to deter violations and to appropriately discipline prohibited conduct. Remedial responses to the bullying or other prohibited conduct shall be tailored to the particular incident and nature of the conduct and shall take into account the factors specified in Section II.F. of this policy. School district action taken for violation of this policy will be consistent with the requirements of applicable collective bargaining agreements; applicable statutory authority, including the Minnesota Pupil Fair Dismissal Act; the student discipline policy (See NB Policy 506) and other applicable school district policies; and applicable regulations.

- E. The school district is not authorized to disclose to a victim private educational or personnel data regarding an alleged perpetrator who is a student or employee of the school district. School officials will notify the parent(s) or guardian(s) of students who are targets of bullying or other prohibited conduct and the parent(s) or guardian(s) of alleged perpetrators of bullying or other prohibited conduct who have been involved in a reported and confirmed bullying incident of the remedial or disciplinary action taken, to the extent permitted by law.
- F. In order to prevent or respond to bullying or other prohibited conduct committed by or directed against a child with a disability, the school district shall, when determined appropriate by the child's individualized education program (IEP) team or Section 504 team, allow the child's IEP or Section 504 plan to be drafted to address the skills and proficiencies the child needs as a result of the child's disability to allow the child to respond to or not to engage in bullying or other prohibited conduct.

VI. RETALIATION OR REPRISAL

The school district will discipline or take appropriate action against any student, teacher, administrator, volunteer, contractor, or other employee of the school district who commits an act of reprisal or who retaliates against any person who asserts, alleges, or makes a good faith report of alleged bullying or prohibited conduct, who provides information about bullying or prohibited conduct, who testifies, assists, or participates in an investigation of alleged bullying or prohibited conduct, or who testifies, assists, or participates in a proceeding or hearing relating to such bullying or prohibited conduct. Retaliation includes, but is not limited to, any form of intimidation, reprisal, harassment, or intentional disparate treatment. Disciplinary consequences will be sufficiently severe to deter violations and to appropriately discipline the individual(s) who engaged in the prohibited conduct. Remedial responses to the prohibited conduct shall be tailored to the particular incident and nature of the conduct and shall take into account the factors specified in Section II.F. of this policy.

VII. TRAINING AND EDUCATION

- A. The school district shall discuss this policy with school personnel and volunteers and provide appropriate training to school district personnel regarding this policy. The school district shall

establish a training cycle for school personnel to occur during a period not to exceed every three school years. Newly employed school personnel must receive the training within the first year of their employment with the school district. The school district or a school administrator may accelerate the training cycle or provide additional training based on a particular need or circumstance. This policy shall be included in employee handbooks, training materials, and publications on school rules, procedures, and standards of conduct, which materials shall also be used to publicize this policy.

- B. The school district shall require ongoing professional development, consistent with Minn. Stat. § 122A.60, to build the skills of all school personnel who regularly interact with students to identify, prevent, and appropriately address bullying and other prohibited conduct. Such professional development includes, but is not limited to, the following:
 - 1. Developmentally appropriate strategies both to prevent and to immediately and effectively intervene to stop prohibited conduct;
 - 2. The complex dynamics affecting a perpetrator, target, and witnesses to prohibited conduct;
 - 3. Research on prohibited conduct, including specific categories of students at risk for perpetrating or being the target or victim of bullying or other prohibited conduct in school;
 - 4. The incidence and nature of cyberbullying; and
 - 5. Internet safety and cyberbullying.
- C. The school district annually will provide education and information to students regarding bullying, including information regarding this school district policy prohibiting bullying, the harmful effects of bullying, and other applicable initiatives to prevent bullying and other prohibited conduct.
- D. The administration of the school district is directed to implement programs and other initiatives to prevent bullying, to respond to bullying in a manner that does not stigmatize the target or victim, and to make resources or referrals to resources available to targets or victims of bullying.
- E. The administration is encouraged to provide developmentally appropriate instruction and is directed to review programmatic instruction to determine if adjustments are necessary to help students identify and prevent or reduce bullying and other prohibited conduct, to value diversity in school and society, to develop and improve students' knowledge and skills for solving problems, managing conflict, engaging in civil discourse, and recognizing, responding to, and reporting bullying or other prohibited conduct, and to make effective prevention and intervention programs available to students.

The administration must establish strategies for creating a positive school climate and use evidence-based social-emotional learning to prevent and reduce discrimination and other improper conduct.

The administration is encouraged, to the extent practicable, to take such actions as it may deem appropriate to accomplish the following:

1. Engage all students in creating a safe and supportive school environment;
 2. Partner with parents and other community members to develop and implement prevention and intervention programs;
 3. Engage all students and adults in integrating education, intervention, and other remedial responses into the school environment;
 4. Train student bystanders to intervene in and report incidents of bullying and other prohibited conduct to the schools' primary contact person;
 5. Teach students to advocate for themselves and others;
 6. Prevent inappropriate referrals to special education of students who may engage in bullying or other prohibited conduct; and
 7. Foster student collaborations that, in turn, foster a safe and supportive school climate.
- F. The school district may implement violence prevention and character development education programs to prevent or reduce policy violations. Such programs may offer instruction on character education including, but not limited to, character qualities such as attentiveness, truthfulness, respect for authority, diligence, gratefulness, self-discipline, patience, forgiveness, respect for others, peacemaking, and resourcefulness.
- G. The school district shall inform affected students and their parents of rights they may have under state and federal data practices laws to obtain access to data related to an incident and their right to contest the accuracy or completeness of the data. The school district may accomplish this requirement by inclusion of all or applicable parts of its protection and privacy of pupil records policy (See NB Policy 515) in the student handbook.

VIII. NOTICE

- A. The school district will give annual notice of this policy to students, parents or guardians, and staff, and this policy shall appear in the student handbook.

STUDENTS

Bullying Prohibition Policy

514

- B. This policy or a summary thereof must be conspicuously posted in the administrative offices of the school district and the office of each school.
- C. This policy must be given to each school employee and independent contractor who regularly interacts with students at the time of initial employment with the school district.
- D. Notice of the rights and responsibilities of students and their parents under this policy must be included in the student discipline policy (See NB Policy 506) distributed to parents at the beginning of each school year.
- E. This policy shall be available to all parents and other school community members in an electronic format in the language appearing on the school district's or a school's website.
- F. The school district shall provide an electronic copy of its most recently amended policy to the Commissioner of Education.

IX. POLICY REVIEW

To the extent practicable, the school board shall, on a cycle consistent with other school district policies, review and revise this policy. The policy shall be made consistent with Minn. Stat. § 121A.031 and other applicable law. Revisions shall be made in consultation with students, parents, and community organizations.

Legal References:

Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)
Minn. Stat. § 120A.05, Subds. 9, 11, 13, and 17 (Definition of Public School)
Minn. Stat. § 120B.232 (Character Development Education)
Minn. Stat. § 121A.03 (Sexual, Religious and Racial Harassment and Violence)
Minn. Stat. § 121A.031 (School Student Bullying Policy)
Minn. Stat. § 121A.0311 (Notice of Rights and Responsibilities of Students and Parents under the Safe and Supportive Minnesota Schools Act)
Minn. Stat. §§ 121A.40-121A.56 (Pupil Fair Dismissal Act)
Minn. Stat. § 121A.69 (Hazing Policy)
Minn. Stat. § Ch. 124E (Charter School)
Minn. Stat. Ch. 363A (Minnesota Human Rights Act)
20 U.S.C. § 1232g *et seq.* (Family Educational Rights and Privacy Act)
34 C.F.R. §§ 99.1 - 99.67 (Family Educational Rights and Privacy)

Cross References:

NB Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)
NB Policy 413 (Harassment and Violence)
NB Policy 414 (Mandated Reporting of Child Neglect or Physical or Sexual Abuse)
NB Policy 415 (Mandated Reporting of Maltreatment of Vulnerable Adults)

STUDENTS

Bullying Prohibition Policy

514

NB Policy 423 (Employee-Student Relationships)
NB Policy 501 (School Weapons Policy)
NB Policy 506 (Student Discipline)
NB Policy 507 (Corporal Punishment)
NB Policy 515 (Protection and Privacy of Pupil Records)
NB Policy 521 (Student Disability Nondiscrimination)
NB Policy 522 (Student Sex Nondiscrimination)
NB Policy 524 (Internet Acceptable Use and Safety Policy)
NB Policy 525 (Violence Prevention)
NB Policy 526 (Hazing Prohibition)
NB Policy 529 (Staff Notification of Violent Behavior by Students)
NB Policy 709 (Student Transportation Safety Policy)
NB Policy 711 (Video Recording on School Buses)
NB Policy 712 (Video Surveillance Other Than on Buses)

STUDENTS

TITLE IX SEX NONDISCRIMINATION POLICY, GRIEVANCE PROCEDURE AND PROCESS

522

I. GENERAL STATEMENT OF POLICY

- A. The school district does not discriminate on the basis of sex in its education programs or activities, and it is required by Title IX of the Education Amendments Act of 1972, and its implementing regulations, not to discriminate in such a manner. The requirement not to discriminate in its education program or activity extends to admission and employment. The school district is committed to maintaining an education and work environment that is free from discrimination based on sex, including sexual harassment.
- B. The school district prohibits sexual harassment that occurs within its education programs and activities. When the school district has actual knowledge of sexual harassment in its education program or activity against a person in the United States, it shall promptly respond in a manner that is not deliberately indifferent.
- C. This policy applies to sexual harassment that occurs within the school district's education programs and activities and that is committed by a school district employee, student, or other members of the school community. This policy does not apply to sexual harassment that occurs off school grounds, in a private setting, and outside the scope of the school district's education programs and activities. This policy does not apply to sexual harassment that occurs outside the geographic boundaries of the United States, even if the sexual harassment occurs in the school district's education programs or activities.
- D. Any student, parent, or guardian having questions regarding the application of Title IX and its regulations and/or this policy and grievance process should discuss them with the Title IX Coordinator. The school district's Title IX Coordinator is:

Todd Tetzlaff, Director of Finance and Human Resources, 651-674-1009, 38705 Grand Ave, North Branch, MN 55056, ttetzlaf@isd138.org

Questions relating solely to Title IX and its regulations may be referred to the Title IX Coordinator, the Assistant Secretary for Civil Rights of the United States Department of Education, or both.

- E. The effective date of this policy is August 14, 2020 and applies to alleged violations of this policy occurring on or after August 14, 2020.

II. DEFINITIONS

- A. "Actual knowledge" means notice of sexual harassment or allegations of sexual harassment to the school district's Title IX Coordinator or to any employee of the school district. Imputation of knowledge based solely on vicarious liability or constructive notice is insufficient to constitute actual knowledge. This standard is not met when the only official of the school district with actual knowledge is the respondent.

North Branch Independent School District No. 138: Policy #522

Adopted: April 11, 2002

Replaces: NB Policy 5145 Nondiscrimination on the Basis of Sex in Education Programs and Activities

Revised: May 13, 2004, May 11, 2017, February 11, 2021

Effective: April 11, 2002, May 13, 2004, May 11, 2017, August 14, 2020

522 Student Sex Nondiscrimination, Page 1 of 17

STUDENTS

TITLE IX SEX NONDISCRIMINATION POLICY, GRIEVANCE PROCEDURE AND PROCESS

522

- B. “Complainant” means a person who is alleged to be the victim of conduct that could constitute sexual harassment under Title IX. A Title IX Coordinator who signs a formal complaint is not a complainant unless the Title IX Coordinator is alleged to be the victim of the conduct described in the formal complaint.
- C. “Day” or “days” means, unless expressly stated otherwise, business days (i.e. day(s) that the school district office is open for normal operating hours, Monday - Friday, excluding State-recognized holidays).
- D. “Deliberately indifferent” means clearly unreasonable in light of the known circumstances. The school district is deliberately indifferent only if its response to sexual harassment is clearly unreasonable in light of the known circumstances.
- E. “Education program or activity” means locations, events, or circumstances for which the school district exercises substantial control over both the respondent and the context in which the sexual harassment occurs and includes school district education programs or activities that occur on or off of school district property.
- F. “Formal complaint” means a document filed by a complainant or signed by the Title IX Coordinator alleging sexual harassment against a respondent and requesting that the school district investigate the allegation of sexual harassment.
1. A formal complaint filed by a complainant must be a physical document or an electronic submission. The formal complaint must contain the complainant’s physical or digital signature, or otherwise indicate that the complainant is the person filing the formal complaint, and must be submitted to the Title IX Coordinator in person, by mail, or by email.
 2. A formal complaint shall state that, at the time of filing the formal complaint, the complainant was participating in, or attempting to participate in, an education program or activity of the school district with which the formal complaint is filed.
- G. “Informal resolution” means options for resolving a formal complaint that do not involve a full investigation and adjudication. Informal resolution may encompass a broad range of conflict resolution strategies, including mediation or restorative justice.
- H. “Relevant questions” and “relevant evidence” are questions, documents, statements, or information that are related to the allegations raised in a formal complaint. Relevant evidence includes evidence that is both inculpatory and exculpatory. Questions and evidence about the complainant’s sexual predisposition or prior sexual behavior are not relevant, unless such questions and evidence about the complainant’s prior sexual behavior are offered to prove that someone other than the respondent committed the conduct alleged by the complainant, or if the

North Branch Independent School District No. 138: Policy #522

Adopted: April 11, 2002

Replaces: NB Policy 5145 Nondiscrimination on the Basis of Sex in Education Programs and Activities

Revised: May 13, 2004, May 11, 2017, February 11, 2021

Effective: April 11, 2002, May 13, 2004, May 11, 2017, August 14, 2020

522 Student Sex Nondiscrimination, Page 2 of 17

STUDENTS

TITLE IX SEX NONDISCRIMINATION POLICY, GRIEVANCE PROCEDURE AND PROCESS

522

questions and evidence concern specific incidents of the complainant's prior sexual behavior with respect to the respondent and are offered to prove consent.

- I. "Remedies" means actions designed to restore or preserve the complainant's equal access to education after a respondent is found responsible. Remedies may include the same individualized services that constitute supportive measures, but need not be non-punitive or non-disciplinary, nor must they avoid burdening the respondent.
- J. "Respondent" means an individual who has been reported to be the perpetrator of conduct that could constitute sexual harassment under Title IX.
- K. "Sexual harassment" means any of three types of misconduct on the basis of sex that occurs in a school district education program or activity and is committed against a person in the United States:
 - 1. *Quid pro quo* harassment by a school district employee (conditioning the provision of an aid, benefit, or service of the school district on an individual's participation in unwelcome sexual conduct);
 - 2. Unwelcome conduct that a reasonable person would find so severe, pervasive, and objectively offensive that it denies a person equal educational access; or
 - 3. Any instance of sexual assault (as defined in the Clery Act, 20 U.S.C. §1092(f)(6)A(v)), dating violence, domestic violence, or stalking (as defined in the Violence Against Women Act, 34 U.S.C. §12291).
- L. "Supportive measures" means individualized services provided to the complainant or respondent without fee or charge that are reasonably available, non-punitive, non-disciplinary, not unreasonably burdensome to the other party, and designed to ensure equal educational access, protect safety, and deter sexual harassment. Supportive measures may include counseling, extensions of deadlines or other course-related adjustments, modifications of work or class schedules, alternative educational services as defined under Minn. Stat. § 121A.41, as amended, mutual restrictions on contact between the parties, changes in work locations, leaves of absence, increased security and monitoring of certain areas of the school district buildings or property, and other similar measures.
- M. "Title IX Personnel" means any person who addresses, works on, or assists with the school district's response to a report of sexual harassment or formal complaint, and includes persons who facilitate informal resolutions. The following are considered Title IX Personnel:
 - 1. "Title IX Coordinator" means an employee of the school district that coordinates the school district's efforts to comply with and carry out its responsibilities under Title IX.

North Branch Independent School District No. 138: Policy #522

Adopted: April 11, 2002

Replaces: NB Policy 5145 Nondiscrimination on the Basis of Sex in Education Programs and Activities

Revised: May 13, 2004, May 11, 2017, February 11, 2021

Effective: April 11, 2002, May 13, 2004, May 11, 2017, August 14, 2020

522 Student Sex Nondiscrimination, Page 3 of 17

STUDENTS

TITLE IX SEX NONDISCRIMINATION POLICY, GRIEVANCE PROCEDURE AND PROCESS

522

The Title IX Coordinator is responsible for acting as the primary contact for the parties and ensuring that the parties are provided with all notices, evidence, reports, and written determinations to which they are entitled under this policy and grievance process. The Title IX Coordinator is also responsible for effective implementation of any supportive measures or remedies. The Title IX Coordinator must be free from conflicts of interest and bias when administering the grievance process.

2. "Investigator" means a person who investigates a formal complaint. The investigator of a formal complaint may not be the same person as the Decision-maker or the Appellate Decision-maker. The Investigator may be a school district employee, school district official, or a third party designated by the school district.
3. "Decision-maker" means a person who makes a determination regarding responsibility after the investigation has concluded. The Decision-maker cannot be the same person as the Title IX Coordinator, the Investigator, or the Appellate Decision-maker.
4. "Appellate Decision-maker" means a person who considers and decides appeals of determinations regarding responsibility and dismissals of formal complaints. The Appellate Decision-maker cannot be the same person as the Title IX Coordinator, Investigator, or Decision-maker. The Appellate Decision-maker may be a school district employee, or a third party designated by the school district.
5. The superintendent of the school district may delegate functions assigned to a specific school district employee under this policy, including but not limited to the functions assigned to the Title IX Coordinator, Investigator, Decision-maker, Appellate Decision-maker, and facilitator of informal resolution processes, to any suitably qualified individual and such delegation may be rescinded by the superintendent at any time. The school district may also, in its discretion, appoint suitably qualified persons who are not school district employees to fulfill any function under this policy, including, but not limited to, Investigator, Decision-maker, Appellate Decision-maker, and facilitator of informal resolution processes.

III. BASIC REQUIREMENTS FOR GRIEVANCE PROCESS

A. Equitable Treatment

1. The school district shall treat complainants and respondents equitably. However, equality or parity with respect to supportive measures provided to complainants and respondents is not required.
2. The school district will not impose any disciplinary sanctions or take any other actions against a respondent that do not constitute supportive measures until it has completed

North Branch Independent School District No. 138: Policy #522

Adopted: April 11, 2002

Replaces: NB Policy 5145 Nondiscrimination on the Basis of Sex in Education Programs and Activities

Revised: May 13, 2004, May 11, 2017, February 11, 2021

Effective: April 11, 2002, May 13, 2004, May 11, 2017, August 14, 2020

522 Student Sex Nondiscrimination, Page 4 of 17

STUDENTS

TITLE IX SEX NONDISCRIMINATION POLICY, GRIEVANCE PROCEDURE AND PROCESS

522

this grievance process and the respondent has been found responsible.

3. The school district will provide appropriate remedies to the complainant any time a respondent is found responsible.

B. Objective and Unbiased Evaluation of Complaints

1. Title IX Personnel, including the Title IX Coordinator, Investigator, Decision-maker, and Appellate Decision-maker, shall be free from conflicts of interest or bias for or against complainants or respondents generally or a specific complainant or respondent.
2. Throughout the grievance process, Title IX Personnel will objectively evaluate all relevant evidence, inculpatory and exculpatory, and shall avoid credibility determinations based solely on a person's status as a complainant, respondent, or witness.

- C. Title IX Personnel will presume that the respondent is not responsible for the alleged conduct until a determination regarding responsibility is made at the conclusion of the grievance process.

D. Confidentiality

The school district will keep confidential the identity of any individual who has made a report or complaint of sex discrimination, including any individual who has made a report or filed a formal complaint of sexual harassment, any complainant, any individual who has been reported to be the perpetrator of sex discrimination, any respondent, and any witness, except as may be permitted by the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g, or FERPA's regulations, and State law under Minn. Stat. § 13.32 34 C.F.R. Part 99, or as required by law, or to carry out the purposes of 34 C.F.R. Part 106, including the conduct of any investigation, hearing, or judicial proceeding arising thereunder (i.e., the school district's obligation to maintain confidentiality shall not impair or otherwise affect the complainants and respondents receipt of the information to which they are entitled with respect to the investigative record and determination of responsibility).

E. Right to an Advisor; Right to a Support Person

Complainants and respondents have the right, at their own expense, to be assisted by an advisor of their choice during all stages of any grievance proceeding, including all meetings and investigative interviews. The advisor may be, but is not required to be, an attorney. In general, an advisor is not permitted to speak for or on behalf of a complainant or respondent, appear in lieu of complainant or respondent, participate as a witness, or participate directly in any other manner during any phase of the grievance process.

North Branch Independent School District No. 138: Policy #522

Adopted: April 11, 2002

Replaces: NB Policy 5145 Nondiscrimination on the Basis of Sex in Education Programs and Activities

Revised: May 13, 2004, May 11, 2017, February 11, 2021

Effective: April 11, 2002, May 13, 2004, May 11, 2017, August 14, 2020

522 Student Sex Nondiscrimination, Page 5 of 17

STUDENTS

TITLE IX SEX NONDISCRIMINATION POLICY, GRIEVANCE PROCEDURE AND PROCESS

522

A complainant or respondent with a disability may be assisted by a support person throughout the grievance process, including all meetings and investigative interviews, if such accommodation is necessary. A support person may be a friend, family member, or any individual who is not otherwise a potential witness. The support person is not permitted to speak for or on behalf of a complainant or respondent, appear in lieu of complainant or respondent, participate as a witness, or participate directly in any other manner during any phase of the grievance process.

F. Notice

The school district will send written notice of any investigative interviews or meetings to any party whose participation is invited or expected. The written notice will include the date, time, location, participants, and purpose of the meeting or interview, and will be provided to allow sufficient time for the party to prepare to participate.

G. Consolidation

The school district may, in its discretion, consolidate formal complaints as to allegations of sexual harassment against more than one respondent, or by more than one complainant against one or more respondents, or by one party against the other party, where the allegations of sexual harassment arise out of the same facts or circumstances.

H. Evidence

1. During the grievance process, the school district will not require, allow, rely upon, or otherwise use questions or evidence that constitute or seek disclosure of information protected under a legally recognized privilege, unless the person holding such privilege has waived the privilege.
2. The school district shall not access, consider, disclose, or otherwise use a party's medical, psychological, and similar treatment records unless the school district obtains the party's voluntary, written consent.

I. Burden of Proof

1. The burden of gathering evidence and the burden of proof shall remain upon the school district and not upon the parties.
2. The grievance process shall use a preponderance of the evidence standard (i.e. whether it is more likely than not that the respondent engaged in sexual harassment) for all formal complaints of sexual harassment, including when school district employees are respondents.

North Branch Independent School District No. 138: Policy #522

Adopted: April 11, 2002

Replaces: NB Policy 5145 Nondiscrimination on the Basis of Sex in Education Programs and Activities

Revised: May 13, 2004, May 11, 2017, February 11, 2021

Effective: April 11, 2002, May 13, 2004, May 11, 2017, August 14, 2020

522 Student Sex Nondiscrimination, Page 6 of 17

STUDENTS

TITLE IX SEX NONDISCRIMINATION POLICY, GRIEVANCE PROCEDURE AND PROCESS

522

J. Timelines

1. Any informal resolution process must be completed within thirty (30) calendar days following the parties' agreement to participate in such informal process.
2. An appeal of a determination of responsibility or of a decision dismissing a formal complaint must be received by the school district within five (5) days of the date the determination of responsibility or dismissal was provided to the parties.
3. Any appeal of a determination of responsibility or of a dismissal will be decided within thirty (30) calendar days of the day the appeal was received by the School District.
4. The school district will seek to conclude the grievance process, including any appeal, within 120 calendar days of the date the formal complaint was received by the School District.
5. Although the school district strives to adhere to the timelines described above, in each case, the school district may extend the time frames for good cause. Good cause may include, without limitation: the complexity of the allegations; the severity and extent of the alleged misconduct; the number of parties, witnesses, and the types of other evidence (e.g., forensic evidence) involved; the availability of the parties, advisors, witnesses, and evidence (e.g., forensic evidence); concurrent law enforcement activity; intervening school district holidays, breaks, or other closures; the need for language assistance or accommodation of disabilities; and/or other unforeseen circumstances.

K. Potential Remedies and Disciplinary Sanctions

1. The following is the range of possible remedies that the school district may provide a complainant and disciplinary sanctions that the school district might impose upon a respondent, following determination of responsibility: counseling, extensions of deadlines or other course-related adjustments, modifications of work or class schedules, mutual or unilateral restrictions on contact between the parties, changes in work locations, leaves of absence, monitoring of certain areas of the school district buildings or property, warning, suspension, exclusion, expulsion, transfer, remediation, termination, or discharge.
2. If the Decision-maker determines a student-respondent is responsible for violating this policy, the Decision-maker will recommend appropriate remedies, including disciplinary sanctions/consequences. The Title IX Coordinator will notify the superintendent of the recommended remedies, such that an authorized administrator can consider the recommendation(s) and implement appropriate remedies in compliance with MSBA Model Policy 506 – Student Discipline. The discipline of a student-respondent must

North Branch Independent School District No. 138: Policy #522

Adopted: April 11, 2002

Replaces: NB Policy 5145 Nondiscrimination on the Basis of Sex in Education Programs and Activities

Revised: May 13, 2004, May 11, 2017, February 11, 2021

Effective: April 11, 2002, May 13, 2004, May 11, 2017, August 14, 2020

522 Student Sex Nondiscrimination, Page 7 of 17

STUDENTS

TITLE IX SEX NONDISCRIMINATION POLICY, GRIEVANCE PROCEDURE AND PROCESS

522

comply with the applicable provisions of Minnesota Pupil Fair Dismissal Act, the Individuals with Disabilities Education Improvement Act (IDEA) and/or Section 504 of the Rehabilitation Act of 1972, and their respective implementing regulations.

IV. REPORTING PROHIBITED CONDUCT

- A. Any student who believes they have been the victim of unlawful sex discrimination or sexual harassment, or any person (including the parent of a student) with actual knowledge of conduct which may constitute unlawful sex discrimination or sexual harassment toward a student should report the alleged acts as soon as possible to the Title IX Coordinator.
- B. Any employee of the school district who has experienced, has actual knowledge of, or has witnessed unlawful sex discrimination, including sexual harassment, or who otherwise becomes aware of unlawful sex discrimination, including sexual harassment, must promptly report the allegations to the Title IX Coordinator without screening or investigating the report or allegations.
- C. A report of unlawful sex discrimination or sexual harassment may be made at any time, including during non-business hours, and may be made in person, by mail, by telephone, or by e-mail using the Title IX Coordinator's contact information. A report may also be made by any other means that results in the Title IX Coordinator receiving the person's verbal or written report.
- D. Sexual harassment may constitute both a violation of this policy and criminal law. To the extent the alleged conduct may constitute a crime, the School District may report the alleged conduct to law enforcement authorities. The school district encourages complainants to report criminal behavior to the police immediately.

V. INITIAL RESPONSE AND ASSESSMENT BY THE TITLE IX COORDINATOR

- A. When the Title IX Coordinator receives a report, the Title IX Coordinator shall promptly contact the complainant confidentially to discuss the availability of supportive measures, consider the complainant's wishes with respect to supportive measures, inform the complainant of the availability of supportive measures with or without the filing of a formal complaint, and explain to the complainant the process for filing a formal complaint.
- B. The school district will offer supportive measures to the complainant whether or not the complainant decides to make a formal complaint. The school district must maintain as confidential any supportive measures provided to the complainant or respondent, to the extent that maintaining such confidentiality would not impair the school district's ability to provide the supportive measures. The Title IX Coordinator is responsible for coordinating the effective implementation of supportive measures.
- C. If the complainant does not wish to file a formal complaint, the allegations will not be investigated.

North Branch Independent School District No. 138: Policy #522

Adopted: April 11, 2002

Replaces: NB Policy 5145 Nondiscrimination on the Basis of Sex in Education Programs and Activities

Revised: May 13, 2004, May 11, 2017, February 11, 2021

Effective: April 11, 2002, May 13, 2004, May 11, 2017, August 14, 2020

522 Student Sex Nondiscrimination, Page 8 of 17

STUDENTS

TITLE IX SEX NONDISCRIMINATION POLICY, GRIEVANCE PROCEDURE AND PROCESS

522

by the school district unless the Title IX Coordinator determines that signing a formal complaint to initiate an investigation over the complainant's wishes is not clearly unreasonable in light of the known circumstances.

- D. Upon receipt of a formal complaint, the school district must provide written notice of the formal complaint to the known parties with sufficient time to prepare a response before any initial interview. This written notice must contain:
1. The allegations of sexual harassment, including sufficient details known at the time, the identities of the parties involved in the incident (if known), the conduct allegedly constituting sexual harassment, and the date and location of the alleged incident, if known;
 2. A statement that the respondent is presumed not responsible for the alleged conduct and that a determination regarding responsibility will be made at the conclusion of the grievance process;
 3. A statement explaining that the parties may have an advisor of their choice, who may be, but is not required to be, an attorney;
 4. A statement that the parties may inspect and review evidence gathered pursuant to this policy;
 5. A statement informing the parties of any code of conduct provision that prohibits knowingly making false statements or knowingly submitting false information; and
 6. A copy of this policy.

VI. STATUS OF RESPONDENT DURING PENDENCY OF FORMAL COMPLAINT

A. Emergency Removal of a Student

1. The school district may remove a student-respondent from an education program or activity of the school district on an emergency basis before a determination regarding responsibility is made if:
 - a. The school district undertakes an individualized safety and risk analysis;
 - b. The school district determines that an immediate threat to the physical health or safety of any student or other individual arising from the allegations of sexual harassment justifies removal of the student-respondent; and

North Branch Independent School District No. 138: Policy #522

Adopted: April 11, 2002

Replaces: NB Policy 5145 Nondiscrimination on the Basis of Sex in Education Programs and Activities

Revised: May 13, 2004, May 11, 2017, February 11, 2021

Effective: April 11, 2002, May 13, 2004, May 11, 2017, August 14, 2020

522 Student Sex Nondiscrimination, Page 9 of 17

STUDENTS

TITLE IX SEX NONDISCRIMINATION POLICY, GRIEVANCE PROCEDURE AND PROCESS

522

- c. The school district determines the student-respondent poses such a threat, it will so notify the student-respondent and the student-respondent will have an opportunity to challenge the decision immediately following the removal. In determining whether to impose emergency removal measures, the Title IX Coordinator shall consult related school district policies, including MSBA Model Policy 506 – Student Discipline. The school district must take into consideration applicable requirements of the Individuals with Disabilities Education Act and Section 504 of the Rehabilitation Act of 1973, prior to removing a special education student or Section 504 student on an emergency basis.

B. Employee Administrative Leave

The school district may place a non-student employee on administrative leave during the pendency of the grievance process of a formal complaint. Such leave will typically be paid leave unless circumstances justify unpaid leave in compliance with legal requirements. The school district must take into consideration applicable requirements of Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act prior to removing an individual with a qualifying disability.

VII. INFORMAL RESOLUTION OF A FORMAL COMPLAINT

- A. At any time prior to reaching a determination of responsibility, informal resolution may be offered and facilitated by the school district at the school district's discretion, but only after a formal complaint has been received by the school district.
- B. The school district may not require as a condition of enrollment or continued enrollment, or of employment or continued employment, or enjoyment of any other right, waiver of the right to a formal investigation and adjudication of formal complaints of sexual harassment.
- C. The informal resolution process may not be used to resolve allegations that a school district employee sexually harassed a student.
- D. The school district will not facilitate an informal resolution process without both parties' agreement, and will obtain their voluntary, written consent. The school district will provide to the parties a written notice disclosing the allegations, the requirements of the informal resolution process including the circumstances under which it precludes the parties from resuming a formal complaint arising from the same allegations, the parties' right to withdraw from the informal resolution process, and any consequences resulting from participating in the informal resolution process, including the records that will be maintained or could be shared.
- E. At any time prior to agreeing to a resolution, any party has the right to withdraw from the informal

North Branch Independent School District No. 138: Policy #522

Adopted: April 11, 2002

Replaces: NB Policy 5145 Nondiscrimination on the Basis of Sex in Education Programs and Activities

Revised: May 13, 2004, May 11, 2017, February 11, 2021

Effective: April 11, 2002, May 13, 2004, May 11, 2017, August 14, 2020

522 Student Sex Nondiscrimination, Page 10 of 17

STUDENTS

TITLE IX SEX NONDISCRIMINATION POLICY, GRIEVANCE PROCEDURE AND PROCESS

522

resolution process and resume the grievance process with respect to the formal complaint.

VIII. DISMISSAL OF A FORMAL COMPLAINT

- A. Under federal law, the school district must dismiss a Title IX complaint, or a portion thereof, if the conduct alleged in a formal complaint or a portion thereof:
 - 1. Would not meet the definition of sexual harassment, even if proven;
 - 2. Did not occur in the school district's education program or activity; or
 - 3. Did not occur against a person in the United States.
- B. The school district may, in its discretion, dismiss a formal complaint or allegations therein if:
 - 1. The complainant informs the Title IX Coordinator in writing that the complainant desires to withdraw the formal complaint or allegations therein;
 - 2. The respondent is no longer enrolled or employed by the school district; or
 - 3. Specific circumstances prevent the school district from gathering sufficient evidence to reach a determination.
- C. The school district shall provide written notice to both parties of a dismissal. The notice must include the reasons for the dismissal.
- D. Dismissal of a formal complaint or a portion thereof does not preclude the school district from addressing the underlying conduct in any manner that the school district deems appropriate.

IX. INVESTIGATION OF A FORMAL COMPLAINT

- A. If a formal complaint is received by the School District, the school district will assign or designate an Investigator to investigate the allegations set forth in the formal complaint.
- B. If during the course of the investigation the school district decides to investigate any allegations about the complainant or respondent that were not included in the written notice of a formal complaint provided to the parties, the school district must provide notice of the additional allegations to the known parties.
- C. When a party's participation is invited or expected in an investigative interview, the Investigator will coordinate with the Title IX Coordinator to provide written notice to the party of the date, time, location, participants, and purposes of the investigative interview with sufficient time for the party

North Branch Independent School District No. 138: Policy #522

Adopted: April 11, 2002

Replaces: NB Policy 5145 Nondiscrimination on the Basis of Sex in Education Programs and Activities

Revised: May 13, 2004, May 11, 2017, February 11, 2021

Effective: April 11, 2002, May 13, 2004, May 11, 2017, August 14, 2020

522 Student Sex Nondiscrimination, Page 11 of 17

STUDENTS

TITLE IX SEX NONDISCRIMINATION POLICY, GRIEVANCE PROCEDURE AND PROCESS

522

to prepare.

- D. During the investigation, the Investigator must provide the parties with an equal opportunity to present witnesses for interviews, including fact witnesses and expert witnesses, and other inculpatory and exculpatory evidence.
- E. Prior to the completion of the investigative report, the Investigator, through the Title IX Coordinator, will provide the parties and their advisors (if any) with an equal opportunity to inspect and review any evidence directly related to the allegations. The evidence shall be provided in electronic format or hard copy and shall include all relevant evidence, evidence upon which the school district does not intend to rely in reaching a determination regarding responsibility, and any inculpatory or exculpatory evidence whether obtained from a party or another source. The parties will have ten (10) days to submit a written response, which the Investigator will consider prior to completion of the investigative report.
- F. The Investigator will prepare a written investigative report that fairly summarizes the relevant evidence. The investigative report may include credibility determinations that are not based on a person's status as a complainant, respondent or witness. The school district will send the parties and their advisors (if any) a copy of the report in electronic format or hard copy, for their review and written response at least ten (10) days prior to a determination of responsibility.

X. DETERMINATION REGARDING RESPONSIBILITY

- A. After the school district has sent the investigative report to both parties and before the school district has reached a determination regarding responsibility, the Decision-maker must afford each party the opportunity to submit written, relevant questions that a party wants asked of any party or witness.
- B. The Decision-maker must provide the relevant questions submitted by the parties to the other parties or witnesses to whom the questions are offered, and then provide each party with the answers, and allow for additional, limited follow-up questions from each party.
- C. The Decision-maker must explain to the party proposing the questions any decision to exclude a question as not relevant.
- D. When the exchange of questions and answers has concluded, the Decision-maker must issue a written determination regarding responsibility that applies the preponderance of the evidence standard to the facts and circumstances of the formal complaint. The written determination of responsibility must include the following:
 - 1. Identification of the allegations potentially constituting sexual harassment;

North Branch Independent School District No. 138: Policy #522

Adopted: April 11, 2002

Replaces: NB Policy 5145 Nondiscrimination on the Basis of Sex in Education Programs and Activities

Revised: May 13, 2004, May 11, 2017, February 11, 2021

Effective: April 11, 2002, May 13, 2004, May 11, 2017, August 14, 2020

522 Student Sex Nondiscrimination, Page 12 of 17

STUDENTS

TITLE IX SEX NONDISCRIMINATION POLICY, GRIEVANCE PROCEDURE AND PROCESS

522

2. A description of the procedural steps taken from the receipt of the formal complaint through the determination, including any notifications to the parties, interviews with parties and witnesses, site visits, and methods used to gather other evidence;
 3. Findings of fact supporting the determination;
 4. Conclusions regarding the application of the school district's code of conduct to the facts;
 5. A statement of, and rationale for, the result as to each allegation, including a determination regarding responsibility, any disciplinary sanctions the school district imposes on the respondent, and whether remedies designed to restore or preserve equal access to the recipient's education program or activity will be provided by the school district to the complainant; and
 6. The school district's procedures and permissible bases for the complainant and respondent to appeal and the date by which an appeal must be made.
- E. In determining appropriate disciplinary sanctions, the Decision-maker should consider the surrounding circumstances, the nature of the behavior, past incidents or past or continuing patterns of behavior, the relationships between the parties involved, and the context in which the alleged incident occurred.
- F. The written determination of responsibility must be provided to the parties simultaneously.
- G. The Title IX Coordinator is responsible for the effective implementation of any remedies.
- H. The determination regarding responsibility becomes final either on the date that the school district provides the parties with the written determination of the result of the appeal, if an appeal is filed, or if an appeal is not filed, the date on which an appeal would no longer be considered timely.

XI. APPEALS

- A. The school district shall offer the parties an opportunity to appeal a determination regarding responsibility or the school district's dismissal of a formal complaint or any allegations therein, on the following bases:
1. A procedural irregularity that affected the outcome of the matter (e.g., a material deviation from established procedures);
 2. New evidence that was not reasonably available at the time the determination regarding responsibility or dismissal was made, that could affect the outcome of the matter; and

North Branch Independent School District No. 138: Policy #522

Adopted: April 11, 2002

Replaces: NB Policy 5145 Nondiscrimination on the Basis of Sex in Education Programs and Activities

Revised: May 13, 2004, May 11, 2017, February 11, 2021

Effective: April 11, 2002, May 13, 2004, May 11, 2017, August 14, 2020

522 Student Sex Nondiscrimination, Page 13 of 17

STUDENTS

TITLE IX SEX NONDISCRIMINATION POLICY, GRIEVANCE PROCEDURE AND PROCESS

522

3. The Title IX Coordinator, Investigator, or Decision-maker had a conflict of interest or bias for or against complainants or respondents generally or the individual complainant or respondent that affected the outcome of the matter.
- B. If notice of an appeal is timely received by the school district, the school district will notify the parties in writing of the receipt of the appeal, assign or designate the Appellate Decision-maker, and give the parties a reasonable, equal opportunity to submit a written statement in support of, or challenging, the outcome.
- C. After reviewing the parties' written statements, the Appellate Decision-maker must issue a written decision describing the result of the appeal and the rationale for the result.
- D. The written decision describing the result of the appeal must be provided simultaneously to the parties.
- E. The decision of the Appellate Decision-maker is final. No further review beyond the appeal is permitted.

XII. RETALIATION PROHIBITED

- A. Neither the school district nor any other person may intimidate, threaten, coerce, or discriminate against any individual for the purpose of interfering with any right or privilege secured by Title IX, its implementing regulations, or this policy, or because the individual made a report or complaint, testified, assisted, or participated or refused to participate in any manner in an investigation, proceeding, or hearing under this policy. Intimidation, threats, coercion, or discrimination, including charges against an individual for code of conduct violations that do not involve sex discrimination or sexual harassment, but arise out of the same facts or circumstances as a report or complaint of sex discrimination, or a report or formal complaint of sexual harassment, for the purpose of interfering with any right or privilege secured by Title IX, its implementing regulations, or this policy, constitutes retaliation. Retaliation against a person for making a report of sexual harassment, filing a formal complaint, or participating in an investigation, constitutes a violation of this policy that can result in the imposition of disciplinary sanctions/consequences and/or other appropriate remedies.
- B. Any person may submit a report or formal complaint alleging retaliation in the manner described in this policy and it will be addressed in the same manner as other complaints of sexual harassment or sex discrimination.
- C. Charging an individual with violation of school district policies for making a materially false statement in bad faith in the course of a grievance proceeding under this policy shall not constitute retaliation, provided, however, that a determination regarding responsibility, alone, is not sufficient to conclude that any party made a materially false statement in bad faith.

North Branch Independent School District No. 138: Policy #522

Adopted: April 11, 2002

Replaces: NB Policy 5145 Nondiscrimination on the Basis of Sex in Education Programs and Activities

Revised: May 13, 2004, May 11, 2017, February 11, 2021

Effective: April 11, 2002, May 13, 2004, May 11, 2017, August 14, 2020

522 Student Sex Nondiscrimination, Page 14 of 17

STUDENTS

TITLE IX SEX NONDISCRIMINATION POLICY, GRIEVANCE PROCEDURE AND PROCESS

522

XIII. TRAINING

- A. The school district shall ensure that Title IX Personnel receive appropriate training. The training shall include instruction on:
1. The Title IX definition of sexual harassment;
 2. The scope of the school district's education program or activity;
 3. How to conduct an investigation and grievance process, appeals, and informal resolution processes, as applicable;
 4. How to serve impartially, including by avoiding prejudgment of the facts at issue, conflicts of interest, and bias;
 5. For Decision-makers, training on issues of relevance of questions and evidence, including when questions and evidence about the complainant's prior sexual behavior are not relevant; and
 6. For Investigators, training on issues of relevance, including the creation of an investigative report that fairly summarizes relevant evidence.
- B. The training materials will not rely on sex stereotypes and must promote impartial investigations and adjudications of formal complaints.
- C. Materials used to train Title IX Personnel must be posted on the school district's website. If the school district does not have a website, it must make the training materials available for public inspection upon request.

XIV. DISSEMINATION OF POLICY

- A. This policy shall be made available to all students, parents/guardians of students, school district employee, and employee unions.
- B. The school district shall conspicuously post the name of the Title IX Coordinator, including office address, telephone number, and work e-mail address on its website and in each handbook that it makes available to parents, employees, students, unions, or applicants.
- C. The school district must provide applicants for admission and employment, students, parents or legal guardians of secondary school students, employees, and all unions holding collective bargaining agreements with the school district, with the following:

North Branch Independent School District No. 138: Policy #522

Adopted: April 11, 2002

Replaces: NB Policy 5145 Nondiscrimination on the Basis of Sex in Education Programs and Activities

Revised: May 13, 2004, May 11, 2017, February 11, 2021

Effective: April 11, 2002, May 13, 2004, May 11, 2017, August 14, 2020

522 Student Sex Nondiscrimination, Page 15 of 17

STUDENTS

TITLE IX SEX NONDISCRIMINATION POLICY, GRIEVANCE PROCEDURE AND PROCESS

522

1. The name or title, office address, electronic mail address, and telephone number of the Title IX Coordinator;
2. Notice that the school district does not discriminate on the basis of sex in the education program or activity that it operates, and that it is required by Title IX not to discriminate in such a manner;
3. A statement that the requirement not to discriminate in the education program or activity extends to admission and employment, and that inquiries about the application of Title IX may be referred to the Title IX Coordinator, to the Assistant Secretary for Civil Rights of the United States Department of Education, or both; and
4. Notice of the school district's grievance procedures and grievance process contained in this policy, including how to report or file a complaint of sex discrimination, how to report or file a formal complaint of sexual harassment, and how the school district will respond.

XV. RECORDKEEPING

- A. The school district must create, and maintain for a period of seven calendar years, records of any actions, including any supportive measures, taken in response to a report or formal complaint of sexual harassment. In each instance, the school district must document:
 1. The basis for the school district's conclusion that its response to the report or formal complaint was not deliberately indifferent;
 2. The measures the school district has taken that are designed to restore or preserve equal access to the school district's education program or activity; and
 3. If the school district does not provide a complainant with supportive measures, then it must document the reasons why such a response was not clearly unreasonable in light of the known circumstances. Such a record must be maintained for a period of seven years.
 4. The documentation of certain bases or measures does not limit the recipient in the future from providing additional explanations or detailing additional measures taken.
- B. The school district must also maintain for a period of seven calendar years records of:
 1. Each sexual harassment investigation including any determination regarding responsibility, any disciplinary sanctions imposed on the respondent, and any remedies provided to the complainant designed to restore or preserve equal access to the recipient's education program or activity;

North Branch Independent School District No. 138: Policy #522

Adopted: April 11, 2002

Replaces: NB Policy 5145 Nondiscrimination on the Basis of Sex in Education Programs and Activities

Revised: May 13, 2004, May 11, 2017, February 11, 2021

Effective: April 11, 2002, May 13, 2004, May 11, 2017, August 14, 2020

522 Student Sex Nondiscrimination, Page 16 of 17

STUDENTS

TITLE IX SEX NONDISCRIMINATION POLICY, GRIEVANCE PROCEDURE AND PROCESS

522

2. Any appeal and the result therefrom;
3. Any informal resolution and the result therefrom; and
4. All materials used to train Title IX Personnel.

Legal References:

Minn. Stat. § 121A.04 (Athletic Programs; Sex Discrimination)
Minn. Stat. § 121A.40 – 121A.575 (Minnesota Pupil Fair Dismissal Act)
Minn. Stat. Ch. 363A (Minnesota Human Rights Act)
20 U.S.C. §§ 1681-1688 (Title IX of the Education Amendments of 1972)
34 C.F.R. Part 106 (Implementing Regulations of Title IX)
20 U.S.C § 1400, *et seq.* (Individuals with Disabilities Education Improvement Act of 2004)
29 U.S.C. § 794 (Section 504 of the Rehabilitation Act of 1973)
42 U.S.C. § 12101, *et seq.* (Americans with Disabilities Act of 1990, as amended)
20 U.S.C. § 1232g (Family Educational Rights and Privacy Act of 1974)
20 U.S.C. § 1092 *et seq.* (Jeanne Clery Disclosure of Campus Security and Campus Crime Statistics Act (“Clery Act”))

Cross References:

NB Policy 102 (Equal Educational Opportunity)
NB Policy 413 (Harassment and Violence)
NB Policy 506 (Student Discipline)
NB Policy 528 (Student Parental, Family, and Marital Status Nondiscrimination)

North Branch Independent School District No. 138: Policy #522

Adopted: April 11, 2002

Replaces: NB Policy 5145 Nondiscrimination on the Basis of Sex in Education Programs and Activities

Revised: May 13, 2004, May 11, 2017, February 11, 2021

Effective: April 11, 2002, May 13, 2004, May 11, 2017, August 14, 2020

522 Student Sex Nondiscrimination, Page 17 of 17

Adopted: _____

MSBA/MASA Model Policy 524

Orig. 1996

Revised: _____

Rev. 20192021

524 INTERNET ACCEPTABLE USE AND SAFETY POLICY

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

I. PURPOSE

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

II. GENERAL STATEMENT OF POLICY

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

III. LIMITED EDUCATIONAL PURPOSE

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

IV. USE OF SYSTEM IS A PRIVILEGE

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

employment; or civil or criminal liability under other applicable laws.

V. UNACCEPTABLE USES

- A. While not an exhaustive list, the following uses of the school district system and Internet resources or accounts are considered unacceptable:
1. Users will not use the school district system to access, review, upload, download, store, print, post, receive, transmit, or distribute:
 - a. pornographic, obscene, or sexually explicit material or other visual depictions that are harmful to minors;
 - b. obscene, abusive, profane, lewd, vulgar, rude, inflammatory, threatening, disrespectful, or sexually explicit language;
 - c. materials that use language or images that are inappropriate in the education setting or disruptive to the educational process;
 - d. information or materials that could cause damage or danger of disruption to the educational process;
 - e. materials that use language or images that advocate violence or discrimination toward other people (hate literature) or that may constitute harassment or discrimination.
 2. Users will not use the school district system to knowingly or recklessly post, transmit, or distribute false or defamatory information about a person or organization, or to harass another person, or to engage in personal attacks, including prejudicial or discriminatory attacks.
 3. Users will not use the school district system to engage in any illegal act or violate any local, state, or federal statute or law.
 4. Users will not use the school district system to vandalize, damage, or disable the property of another person or organization, will not make deliberate attempts to degrade or disrupt equipment, software, or system performance by spreading computer viruses or by any other means, will not tamper with, modify, or change the school district system software, hardware, or wiring or take any action to violate the school district's security system, and will not use the school district system in such a way as to disrupt the use of the system by other users.
 5. Users will not use the school district system to gain unauthorized access to information resources or to access another person's materials, information, or files without the implied or direct permission of that person.
 6. Users will not use the school district system to post private information

about another person, personal contact information about themselves or other persons, or other personally identifiable information, including, but not limited to, addresses, telephone numbers, school addresses, work addresses, identification numbers, account numbers, access codes or passwords, labeled photographs, or other information that would make the individual's identity easily traceable, and will not repost a message that was sent to the user privately without permission of the person who sent the message. *[Note: School districts should consider the impact of this paragraph on present practices and procedures, including, but not limited to, practices pertaining to employee communications, school or classroom websites, and student/employee use of social networking websites. Depending upon school district policies and practices, school districts may wish to add one or more of the following clarifying paragraphs.]*

- a. This paragraph does not prohibit the posting of employee contact information on school district webpages or communications between employees and other individuals when such communications are made for education-related purposes (i.e., communications with parents or other staff members related to students).
- b. Employees creating or posting school-related webpages may include personal contact information about themselves on a webpage. However, employees may not post personal contact information or other personally identifiable information about students unless:
 - (1) such information is classified by the school district as directory information and verification is made that the school district has not received notice from a parent/guardian or eligible student that such information is not to be designated as directory information in accordance with Policy 515; or
 - (2) such information is not classified by the school district as directory information but written consent for release of the information to be posted has been obtained from a parent/guardian or eligible student in accordance with Policy 515.

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

- c. These prohibitions specifically prohibit a user from utilizing the school district system to post personal information about a user or another individual on social networks, including, but not limited to,

social networks such as “Facebook,” “Twitter,” “Instagram,” “Snapchat,” “TikTok,” ~~and~~ “Reddit,” and similar websites or applications.

7. Users must keep all account information and passwords on file with the designated school district official. Users will not attempt to gain unauthorized access to the school district system or any other system through the school district system, attempt to log in through another person’s account, or use computer accounts, access codes, or network identification other than those assigned to the user. Messages and records on the school district system may not be encrypted without the permission of appropriate school authorities.
8. Users will not use the school district system to violate copyright laws or usage licensing agreements, or otherwise to use another person’s property without the person’s prior approval or proper citation, including the downloading or exchanging of pirated software or copying software to or from any school computer, and will not plagiarize works they find on the Internet.
9. Users will not use the school district system for conducting business, for unauthorized commercial purposes, or for financial gain unrelated to the mission of the school district. Users will not use the school district system to offer or provide goods or services or for product advertisement. Users will not use the school district system to purchase goods or services for personal use without authorization from the appropriate school district official.
10. Users will not use the school district system to engage in bullying or cyberbullying in violation of the school district’s Bullying Prohibition Policy (~~MSBA/MASA Model Policy 514~~). This prohibition includes using any technology or other electronic communication off school premises to the extent that student learning or the school environment is substantially and materially disrupted.

- B. The school district has a special interest in regulating off-campus speech that materially disrupts classwork or involves substantial disorder or invasion of the rights of others. A student or employee engaging in the foregoing unacceptable uses of the Internet when off school district premises also may be in violation of this policy as well as other school district policies. Examples of such violations may include, but are not limited to, situations serious or severe bullying or harassment targeting particular individuals, threats aimed at teachers or other students, failure to follow rules concerning lessons, the writing of papers, the use of computers, or participation in other online school activities, and breaches of school security devices. ~~where the school district system is compromised or if a school district employee or student is negatively impacted.~~ If the school district receives a report of an unacceptable use originating from a non-school computer or resource, the school district may investigate such reports to the best of its ability. Students or

employees may be subject to disciplinary action for such conduct, including, but not limited to, suspension or cancellation of the use or access to the school district computer system and the Internet and discipline under other appropriate school district policies, including suspension, expulsion, exclusion, or termination of employment.

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

VI. FILTER

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

ALTERNATIVE NO. 1

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

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

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

ALTERNATIVE NO. 2

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

- A. All school district computers with Internet access and available for student use will be equipped to restrict, by use of available software filtering technology or other effective methods, all student access to materials that are reasonably believed to be obscene, child pornography or harmful to minors under state or federal law.
- B. All school district computers with Internet access, not just those accessible and available to students, will be equipped to restrict, by use of available software filtering technology or other effective methods, adult access to materials that are reasonably believed to be obscene or child pornography under state or federal law.
- C. Software filtering technology shall be narrowly tailored and shall not discriminate based on viewpoint.

ALTERNATIVE NO. 3

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

- A. With respect to any of its computers with Internet access, the school district will monitor the online activities of both minors and adults and employ technology protection measures during any use of such computers by minors and adults. The technology protection measures utilized will block or filter Internet access to any visual depictions that are:
 - 1. Obscene;
 - 2. Child pornography; or
 - 3. Harmful to minors.
- B. The term “harmful to minors” means any picture, image, graphic image file, or other visual depiction that:

1. Taken as a whole and with respect to minors, appeals to a prurient interest in nudity, sex, or excretion; or
 2. Depicts, describes, or represents, in a patently offensive way with respect to what is suitable for minors, an actual or simulated sexual act or sexual contact, actual or simulated normal or perverted sexual acts, or a lewd exhibition of the genitals; and
 3. Taken as a whole, lacks serious literary, artistic, political, or scientific value as to minors.
- C. Software filtering technology shall be narrowly tailored and shall not discriminate based on viewpoint.
- D. An administrator, supervisor, or other person authorized by the Superintendent may disable the technology protection measure, during use by an adult, to enable access for bona fide research or other lawful purposes.
- E. The school district will educate students about appropriate online behavior, including interacting with other individuals on social networking websites and in chat rooms and cyberbullying awareness and response.

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

VII. CONSISTENCY WITH OTHER SCHOOL POLICIES

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

VIII. LIMITED EXPECTATION OF PRIVACY

- A. By authorizing use of the school district system, the school district does not relinquish control over materials on the system or contained in files on the system. Users should expect only limited privacy in the contents of personal files on the school district system.
- B. Routine maintenance and monitoring of the school district system may lead to a discovery that a user has violated this policy, another school district policy, or the law.
- C. An individual investigation or search will be conducted if school authorities have a reasonable suspicion that the search will uncover a violation of law or school district policy.
- D. Parents may have the right at any time to investigate or review the contents of their child's files and e-mail files in accordance with the school district's Protection and

Privacy of Pupil Records Policy. Parents have the right to request the termination of their child's individual account at any time.

- E. School district employees should be aware that the school district retains the right at any time to investigate or review the contents of their files and e-mail files. In addition, school district employees should be aware that data and other materials in files maintained on the school district system may be subject to review, disclosure or discovery under Minnesota Statutes, Chapter 13 (the Minnesota Government Data Practices Act).
- F. The school district will cooperate fully with local, state and federal authorities in any investigation concerning or related to any illegal activities or activities not in compliance with school district policies conducted through the school district system.

IX. INTERNET USE AGREEMENT

- A. The proper use of the Internet, and the educational value to be gained from proper Internet use, is the joint responsibility of students, parents, and employees of the school district.
- B. This policy requires the permission of and supervision by the school's designated professional staff before a student may use a school account or resource to access the Internet.
- C. The Internet Use Agreement form for students must be read and signed by the user, the parent or guardian, and the supervising teacher. The Internet Use Agreement form for employees must be signed by the employee. The form must then be filed at the school office. As supervising teachers change, the agreement signed by the new teacher shall be attached to the original agreement. (NB elimination change in June 2015)

X. LIMITATION ON SCHOOL DISTRICT LIABILITY

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

XI. USER NOTIFICATION

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

- B. This notification shall include the following:
1. Notification that Internet use is subject to compliance with school district policies.
 2. Disclaimers limiting the school district's liability relative to:
 - a. Information stored on school district diskettes, hard drives, or servers.
 - b. Information retrieved through school district computers, networks, or online resources.
 - c. Personal property used to access school district computers, networks, or online resources.
 - d. Unauthorized financial obligations resulting from use of school district resources/accounts to access the Internet.
 3. A description of the privacy rights and limitations of school sponsored/managed Internet accounts.
 4. Notification that, even though the school district may use technical means to limit student Internet access, these limits do not provide a foolproof means for enforcing the provisions of this acceptable use policy.
 5. Notification that goods and services can be purchased over the Internet that could potentially result in unwanted financial obligations and that any financial obligation incurred by a student through the Internet is the sole responsibility of the student and/or the student's parents.
 6. Notification that the collection, creation, reception, maintenance, and dissemination of data via the Internet, including electronic communications, is governed by ~~Policy 406~~, Public and Private Personnel Data Policy, and ~~Policy 515~~, Protection and Privacy of Pupil Records Policy.
 7. Notification that, should the user violate the school district's acceptable use policy, the user's access privileges may be revoked, school disciplinary action may be taken and/or appropriate legal action may be taken.
 8. Notification that all provisions of the acceptable use policy are subordinate to local, state, and federal laws.

XII. PARENTS' RESPONSIBILITY; NOTIFICATION OF STUDENT INTERNET USE

- A. Outside of school, parents bear responsibility for the same guidance of Internet use as they exercise with information sources such as television, telephones, radio,

movies, and other possibly offensive media. Parents are responsible for monitoring their student's use of the school district system and of the Internet if the student is accessing the school district system from home or a remote location.

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

1. A copy of the user notification form provided to the student user.
2. A description of parent/guardian responsibilities.
3. A notification that the parents have the option to request alternative educational activities not requiring Internet access and the material to exercise this option.
4. A statement that the Internet Use Agreement must be signed by the user, the parent or guardian, and the supervising teacher prior to use by the student.
5. A statement that the school district's acceptable use policy is available for parental review.

(NB
elimination
change in
June 2015)

XIII. IMPLEMENTATION; POLICY REVIEW

- A. The school district administration may develop appropriate user notification forms, guidelines, and procedures necessary to implement this policy for submission to the school board for approval. Upon approval by the school board, such guidelines, forms, and procedures shall be an addendum to this policy.
- B. The administration shall revise the user notifications, including student and parent notifications, if necessary, to reflect the adoption of these guidelines and procedures.
- C. The school district Internet policies and procedures are available for review by all parents, guardians, staff, and members of the community.
- D. Because of the rapid changes in the development of the Internet, the school board shall conduct an annual review of this policy.

Legal References: [Minn. Stat. Ch. 13 \(Minnesota Government Data Practices Act\)](#)
15 U.S.C. § 6501 *et seq.* (Children's Online Privacy Protection Act)
17 U.S.C. § 101 *et seq.* (Copyrights)
[20 U.S.C. § 1232g \(Family Educational Rights and Privacy Act\)](#)
47 U.S.C. § 254 (Children's Internet Protection Act of 2000 (CIPA))
47 C.F.R. § 54.520 (FCC rules implementing CIPA)
Minn. Stat. § 121A.031 (School Student Bullying Policy)

Minn. Stat. § 125B.15 (Internet Access for Students) _____
Minn. Stat. § 125B.26 (Telecommunications/Internet Access Equity Act)
[*Mahanoy Area Sch. Dist. v. B.L.*, 594 U.S. _____, 141 S. Ct. 2038 \(2021\)](#)
~~*Tinker v. Des Moines Indep. Cmty. Sch. Dist.*, 393 U.S. 503, 89 S.Ct. 733, 21 L.Ed.2d 731 (1969)~~
~~*United States v. Amer. Library Assoc.*, 539 U.S. 194, 123 S.Ct. 2297, 56 L.Ed.2d 221 (2003)~~
~~*Doninger v. Niehoff*, 527 F.3d 41 (2nd Cir. 2008)~~
~~*Sagehorn v. Indep. Sch. Dist. No. 728*, 122 F.Supp.2d 842 (D. Minn. 2015)~~
~~*R.S. v. Minnewaska Area Sch. Dist. No. 2149*, No. 12-588, 2012 WL 3870868-894 F.Supp.2d 1128 (D. Minn. 2012)~~
~~*Tatro v. Univ. of Minnesota*, 800 N.W.2d 811 (Minn. App. 2011), aff'd on other grounds 816 N.W.2d 509 (Minn. 2012)~~
~~*S.J.W. v. Lee's Summit R-7 Sch. Dist.*, 696 F.3d 771 (8th Cir. 2012)~~
~~*Kowalski v. Berkeley County Sch.*, 652 F.3d 565 (4th Cir. 2011)~~
~~*Layshock v. Hermitage Sch. Dist.*, 650 F.3d 205 (3rd Cir. 2011)~~
~~*Parents, Families and Friends of Lesbians and Gays, Inc. v. Camdenton R-III Sch. Dist.*, 853 F.Supp.2d 888 (W.D. Mo. 2012)~~
~~*M.T. v. Cent. York Sch. Dist.*, 937 A.2d 538 (Pa. Commw. Ct. 2007)~~

Cross References:

MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)
MSBA/MASA Model Policy 406 (Public and Private Personnel Data)
MSBA/MASA Model Policy 505 (Distribution of Nonschool-Sponsored Materials on School Premises by Students and Employees)
MSBA/MASA Model Policy 506 (Student Discipline)
MSBA/MASA Model Policy 514 (Bullying Prohibition Policy)
MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)
MSBA/MASA Model Policy 519 (Interviews of Students by Outside Agencies)
MSBA/MASA Model Policy 521 (Student Disability Nondiscrimination)
MSBA/MASA Model Policy 522 ([Title IX Sex Nondiscrimination Grievance Procedures and Process](#)~~Student Sex Nondiscrimination~~)
MSBA/MASA Model Policy 603 (Curriculum Development)
MSBA/MASA Model Policy 604 (Instructional Curriculum)
MSBA/MASA Model Policy 606 (Textbooks and Instructional Materials)
MSBA/MASA Model Policy 806 (Crisis Management Policy)
MSBA/MASA Model Policy 904 (Distribution of Materials on School District Property by Nonschool Persons)

Adopted: _____

MSBA/MASA Model Policy 616

Orig. 1997

Revised: _____

Rev. 2019

616 SCHOOL DISTRICT SYSTEM ACCOUNTABILITY

[Note: Minn. Stat. § 120B.11 requires school districts to adopt a comprehensive long-term strategic plan that addresses the review of curriculum, instruction, student achievement, and assessment. MSBA/MASA Model Policies 601, 603, and 616 address these statutory requirements. In addition, MSBA/MASA Model Policies 613-615 and 617-620 provide procedures to further implement the requirements of Minn. Stat. § 120B.11.]

I. PURPOSE

The purpose of this policy is to focus public education strategies on a process which promotes higher academic achievement for all students and ensures broad-based community participation in decisions regarding the implementation of the Minnesota Academic Standards and federal law.

II. GENERAL STATEMENT OF POLICY

Implementation of the Minnesota Academic Standards and federal law will require a new level of accountability for the school district. The school district will establish a system to transition to the graduation requirements of the Minnesota Academic Standards. The school district also will establish a system to review and improve instruction, curriculum, and assessment which will include substantial input by students, parents or guardians, and local community members. The school district will be accountable to the public and the state through annual reporting.

III. DEFINITIONS

- A. "Credit" means a student's successful completion of an academic year of study or a student's mastery of the applicable subject matter, as determined by the school district.
- B. "Graduation Standards" means the credit requirements and locally adopted content standards or Minnesota Academic Standards that school districts must offer and certify that students complete to be eligible for a high school diploma.
- C. "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.

IV. ESTABLISHMENT OF GOALS; IMPLEMENTATION; EVALUATION AND REPORTING

A. School District Goals

1. The school board has established school district-wide goals which provide broad direction for the school district. Incorporated in these goals are the graduation and education standards contained in the Minnesota Academic Standards and federal law. The broad goals shall be reviewed annually and approved by the school board. The school board shall adopt annual goals based on the recommendations of the school district's Advisory Committee ~~for Comprehensive Continuous Improvement of Student Achievement (Advisory Committee).~~
2. The Advisory Committee will be established by the school board to ensure active community participation in all phases of planning and improving the instruction and curriculum affecting state and district academic standards.
- 2 3. The school district-wide improvement goals should address recommendations identified through the Advisory Committee process. The school district's goal setting process will include consideration of individual site goals. School district goals may also be developed through an education effectiveness program, an evaluation of student progress committee, or through some other locally determined process.

- B. System for Reviewing All Instruction and Curriculum. Incorporated in the process will be analysis of the school district's progress toward implementation of the Minnesota Academic Standards. Instruction and curriculum shall be reviewed and evaluated by taking into account strategies and best practices, student outcomes, principal evaluations under Minn. Stat. § 123B.147, Subd. 3, and teacher evaluations under Minn. Stat. § 122A.40, Subd. 8, or 122A.41, Subd. 5.

[Insert Local Cycle in this space]

C. Implementation of Graduation Requirements

1. The ~~school board shall appoint a Graduation Standards Implementation Committee which~~ Advisory Committee shall also advise the school board on implementation of the state and local graduation requirements, including K-12 curriculum, assessment, student learning opportunities, and other related issues. Recommendations of ~~this the Advisory eCommittee~~ shall be published annually to the community. The school board shall receive public input and comment and shall adopt or update this policy at least annually. ~~The Graduation Standards Implementation Committee [will/will not] be comprised of the Advisory Committee for Comprehensive Continuous Improvement of Student Achievement.~~

[Note: The Graduation Standards Implementation Committee may be comprised of an existing committee such as the Advisory Committee for Comprehensive Continuous Improvement of Student Achievements. Regardless of whether a new committee or an existing committee is utilized, the committee should be comprised of representatives of the community, including equal representation from school board members, students, parents, teachers, representatives of

~~local businesses, and representatives of the community at large. Among these members should be individuals who are able to represent the needs of students throughout the district including students with special needs.]~~

2. The school board shall annually review and determine if student achievement levels at each school site meet federal expectations. If the school board determines that student achievement levels at a school site do not meet federal expectations and the site has not made adequate yearly progress for two consecutive school years, the ~~Graduation Standards Implementation~~ Advisory Committee shall work with the school site to adopt a plan to raise student achievement levels to meet federal expectations. The ~~Graduation Standards Implementation~~ Advisory Committee may seek assistance from the Commissioner of the Minnesota Department of Education (MDE) (Commissioner) in developing a plan which must include parental involvement components.
3. The educational assessment system component utilized by the school board to measure individual students' educational progress must be based, to the extent annual tests are administered, on indicators of achievement growth that show an individual student's prior achievement. Indicators of achievement and prior achievement must be based on highly reliable statewide or districtwide assessments. The school board will utilize models developed by the Commissioner for measuring individual student progress. The school board must coordinate with MDE in evaluating school sites and continuous improvement plans, consistent with best practices.

D. ~~Advisory Committee for~~ Comprehensive Continuous Improvement of Student Achievement

1. By [date] of each year, the Advisory Committee will meet to advise and assist the school district in the implementation of the school district system accountability and comprehensive continuous improvement process.
2. The Advisory Committee, working in cooperation with other committees of the school district [*such as the Technology, Educational Effectiveness, Grade Level, Site Instruction, Curriculum and Assessment Committees, etc.*], will provide active community participation in:
 - a. Reviewing the school district instructional and curriculum plan, with emphasis on implementing the Minnesota ~~Graduation~~ Academic Standards;
 - b. Identifying annual instruction and curriculum improvement goals for recommendation to the school board;
 - c. Making recommendations regarding the evaluation process that will be used to measure school district progress toward its goals;
 - d. Advising the school board about development of the annual budget.

3. The Advisory Committee shall meet the following criteria:
 - a. The Advisory Committee shall ensure active community participation in all planning for instruction and curriculum affecting Graduation Standards.
 - b. The Advisory Committee shall make recommendations to the school board on school district-wide standards, assessments, and program evaluation.
 - c. Building teams may be established as subcommittees to develop and implement an education effectiveness plan and to carry out methods to improve instruction, curriculum, and assessments as well as methods to use technology in meeting the school district improvement plan.
 - d. A local plan to evaluate student progress, using a local process, shall be used for developing a plan for assessment of student progress toward the Graduation Standards, as well as program evaluation data for use by the Advisory Committee in the instruction and curriculum review process. This plan shall annually be approved by the school board.
4. The Advisory Committee shall, when possible, be comprised of at least two-thirds community representatives and shall reflect the diversity of the community. To the extent possible, the Advisory Committee shall reflect the diversity of the school district and its school sites and include teachers, parents, support staff, students, and other community residents. Included in its membership should be:
 - a. The Director of Curriculum (or similar educational leader)
 - b. Principal
 - c. School Board Member
 - d. Student Representative
 - e. One teacher from each building or instructional level
 - f. Two parents from each building or instructional level
 - g. Two residents without school-aged children, non-representative of local business or industry
 - h. Two residents representative of local business or industry
 - i. District Assessment Coordinator (if different from "a." above)

[Note: This Advisory Committee composition is a model only.]
5. Translation services should be provided to the extent appropriate and practicable.

6. The Advisory Committee shall meet the following timeline each year:
 - Month: Organizational meeting of the Committee to review the authorizing legislation and the roles and responsibilities of the Committee as determined by the school board.
 - Month(s): Agree on the process to be used. Become familiar with the instruction and curriculum of the cycle content area.
 - Month(s): Review evaluation results and prepare recommendations.
 - Month: Present recommendations to the school board for its input and approval.

E. Evaluation of Student Progress Committee. A committee of professional staff shall develop a plan for assessment of student progress toward Literacy by Grade 3, the Graduation Standards, as well as program evaluation data for use by the Advisory Committee to review instruction and curriculum, cultural competencies, including cultural awareness and cross-cultural communication, and student achievement at the school site. This plan shall annually be approved by the school board.

F. Reporting

1. Consistent with Minn. Stat. § 120B.36, Subd. 1, the school board shall publish a report in the local newspaper with the largest circulation in the district, by mail, or by electronic means on the school district website. The school board shall hold an annual public meeting to review and revise, where appropriate, student achievement goals, local assessment outcomes, plans, strategies, and practices for improving curriculum and instruction and cultural competency and efforts to equitably distribute diverse, effective, experienced, and in-field teachers, and to review school district success in realizing the previously adopted student achievement goals and related benchmarks and the improvement plans leading to the world’s best workforce. The school board must transmit an electronic summary of its report to the Commissioner in the form and manner the Commissioner determines. The school district shall periodically survey affected constituencies in their native languages, where appropriate and practicable, about their connection to and level of satisfaction with school. The school district shall include the results of this evaluation in its published reports and in its summary report to the Commissioner.
2. The school performance report for a school site and a school district must include performance reporting information and calculate proficiency rates as required by the most recently reauthorized Elementary and Secondary Education Act.

Legal References: Minn. Stat. § 120B.018 (Definitions)
 Minn. Stat. § 120B.02 (Educational Expectations for Minnesota’s Students)
 Minn. Stat. § 120B.11 (School District Process)
 Minn. Stat. § 120B.35 (Student Achievement Levels)
 Minn. Stat. § 120B.36 (School Accountability; Appeals Process)
 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.04 (Site Decision Making Agreement)
Minn. Stat. § 123B.147, Subd. 3 (Principals)
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 3501.0800-3501.0815 (Academic Standards for the Arts)
Minn. Rules Parts 3501.0900-3501.0955 (Academic Standards in Science)
Minn. Rules Parts 3501.1300-3501.1345 (Academic Standards for Social Studies)
Minn. Rules Parts 3501.1400-3501.1410 (Academic Standards for Physical Education)
20 U.S.C. § 6301, *et seq.* (Every Student Succeeds Act)

Cross References:

MSBA/MASA Model Policy 104 (School District Mission Statement)
MSBA/MASA Model Policy 601 (School District Curriculum and Instruction Goals)
MSBA/MASA Model Policy 613 (Graduation Requirements)
MSBA/MASA Model Policy 614 (School District Testing Plan and Procedure)
MSBA/MASA Model Policy 615 (Testing Accommodations, Modifications, and Exemptions for IEPs, Section 504 Plans, and LEP Students)
MSBA/MASA Model Policy 617 (School District Ensurance of Preparatory and High School Standards)
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)

I. PURPOSE

The purpose of this Model Crisis Management Policy is to act as a guide for school district and building administrators, school employees, students, school board members, and community members to address a wide range of potential crisis situations in the school district. For purposes of this Policy, the term, "school districts," shall include charter schools. The step-by-step procedures suggested by this Policy will provide guidance to each school building in drafting crisis management plans to coordinate protective actions prior to, during, and after any type of emergency or potential crisis situation. Each school district should develop tailored building-specific crisis management plans for each school building in the school district, and sections or procedures may be added or deleted in those crisis management plans based on building needs.

The school district will, to the extent possible, engage in ongoing emergency planning within the school district and with emergency responders and other relevant community organizations. The school district will ensure that relevant emergency responders in the community have access to their building-specific crisis management plans and will provide training to school district staff to enable them to act appropriately in the event of a crisis.

II. GENERAL INFORMATION**A. The Policy and Plans**

The school district's Crisis Management Policy has been created in consultation with local community response agencies and other appropriate individuals and groups that would likely be involved in the event of a school emergency. It is designed so that each building administrator can tailor a building-specific crisis management plan to meet that building's specific situation and needs.

The school district's administration and/or the administration of each building shall present tailored building-specific crisis management plans to the school board for review and approval. The building-specific crisis management plans will include general crisis procedures and crisis-specific procedures. Upon approval by the school board, such crisis management plans shall be an addendum to this Crisis Management Policy. This Policy and the plans will be maintained and updated on an annual basis.

B. Elements of the District Crisis Management Policy

1. General Crisis Procedures. The Crisis Management Policy includes general crisis procedures for securing buildings, classroom evacuation, building evacuation, campus evacuation, and sheltering. The Policy designates the individual(s) who will determine when these actions will be taken. These district-wide procedures may be modified by building administrators when creating their building-specific crisis management plans. A communication system will be in place to enable the designated individual to be contacted at all times in the event of a potential crisis, setting forth the method to contact the designated individual, the provision of at least two designees when the contact

North Branch Independent School District No. 138: Policy #806

Adopted: 9/28/00

Last Reviewed: 8/06, 11/09, 4/8/21

Revised: 11/14/13, 4/14/16, 2/8/18

Effective: 9/28/00, 11/14/13, 4/14/16, 2/8/18

person is unavailable, and the method to convey contact information to the appropriate staff persons. The alternative designees may include members of the emergency first responder response team. A secondary method of communication should be included in the plan for use when the primary method of communication is inoperable. Each building in the school district will have access to a copy of the North Branch Crisis Management Plan to assist in the development of building-specific crisis management plans.

All general crisis procedures will address specific procedures for the safe evacuation of children and employees with special needs such as physical, sensory, motor, developmental, and mental health challenges.

- a. Lock-Down Procedures. Lock-down procedures will be used in situations where harm may result to persons inside the school building, such as a shooting, hostage incident, intruder, trespass, disturbance, or when determined to be necessary by the building administrator or his or her designee. The building administrator or designee will announce the lock-down over the public address system or other designated system. Code words will not be used. Provisions for emergency evacuation will be maintained even in the event of a lock-down. Each building administrator will submit lock-down procedures for their building as part of the building-specific crisis management plan.
- b. Evacuation Procedures. Evacuations of classrooms and buildings—shall be implemented at the discretion of the building administrator or his or her designee. Each building’s crisis management plan will include procedures for transporting students and staff a safe distance from harm to a designated safe area until released by the building administrator or designee. Safe areas may change based upon the specific emergency situation. The evacuation procedures should include specific procedures for children with special needs, including children with limited mobility (wheelchairs, braces, crutches, etc.), visual impairments, hearing impairments, and other sensory, developmental, or mental health needs. The evacuation procedures should also address transporting necessary medications for students that take medications during the school day.
- c. Sheltering Procedures. Sheltering provides refuge for students, staff, and visitors within the school building during an emergency. Shelters are safe areas that maximize the safety of inhabitants. Safe areas may change based upon the specific emergency. The building administrator or his or her designee will announce the need for sheltering over the public address system or other designated system. Each building administrator will submit sheltering procedures for his or her building as part of the building-specific crisis management plan.

2. Crisis-Specific Procedures. The Crisis Management Policy includes crisis-specific procedures for crisis situations that may occur during the school day or at school-sponsored events and functions. These district-wide procedures are designed to enable building administrators to tailor response procedures when creating building-specific crisis management plans.
3. School Emergency Response Teams
 - a. Composition. The building administrator in each school building will select a school emergency response team that will be trained to respond to emergency situations. All school emergency response team members will receive ongoing training to carry out the building's crisis management plans and will have knowledge of procedures, evacuation routes, and safe areas. For purposes of student safety and accountability, to the extent possible, school emergency response team members will not have direct responsibility for the supervision of students. Team members must be willing to be actively involved in the resolution of crises and be available to assist in any crisis situation as deemed necessary by the building administrator. Each building will maintain a current list of school emergency response team members which will be updated annually. The building administrator, and his or her alternative designees, will know the location of that list in the event of a school emergency. A copy of the list will be kept on file in the school district office, or in a secondary location in single building school districts.
 - b. Leaders. The building administrator or his or her designee will serve as the leader of the school emergency response team and will be the primary contact for emergency response officials. In the event the primary designee is unavailable, the designee list should include more than one alternative designee and may include members of the emergency response team. When emergency response officials are present, they may elect to take command and control of the crisis. It is critical in this situation that school officials assume a resource role and be available as necessary to emergency response officials.

III. PREPARATION BEFORE AN EMERGENCY

A. Communication

1. District Employees. Teachers generally have the most direct contact with students on a day-to-day basis. As a result, they must be aware of their role in responding to crisis situations. This also applies to non-teaching school personnel who have direct contact with students. All staff shall be aware of the school district's Crisis Management Policy and their own building's crisis management plan. Each school's building-specific crisis management plan shall include the method and dates of dissemination of the plan to its staff. Employees will receive a copy of the relevant building-specific crisis management plans and shall receive periodic training on plan implementation.

North Branch Independent School District No. 138: Policy #806

Adopted: 9/28/00

Last Reviewed: 8/06, 11/09, 4/8/21

Revised: 11/14/13, 4/14/16, 2/8/18

Effective: 9/28/00, 11/14/13, 4/14/16, 2/8/18

2. Students and Parents. Students and parents shall be made aware of the school district's Crisis Management Policy and relevant tailored crisis management plans for each school building. Each school district's building-specific crisis management plan shall set forth how students and parents are made aware of the district and school-specific plans. Students shall receive specific instruction on plan implementation and shall participate in a required number of drills and practice sessions throughout the school year.

B. Planning and Preparing for Fire

1. Designate a safe area at least 50 feet away from the building to enable students and staff to evacuate. The safe area should not interfere with emergency responders or responding vehicles and should not be in an area where evacuated persons are exposed to any products of combustion. (Depending on the wind direction, where the building on fire is located, the direction from which the fire is arriving, and the location of fire equipment, the distance may need to be extended.)
2. Each building's facility diagram and site plan shall be available in appropriate areas of the building and shall identify the most direct evacuation routes to the designated safe areas both inside and outside of the building. The facility diagram and site plan must identify the location of the fire alarm control panel, fire alarms, fire extinguishers, hoses, water spigots, and utility shut offs.
3. Teachers and staff will receive training on the location of the primary emergency evacuation routes and alternate routes from various points in the building. During fire drills, students and staff will practice evacuations using primary evacuation routes and alternate routes.
4. Certain employees, such as those who work in hazardous areas in the building, will receive training on the locations and proper use of fire extinguishers and protective clothing and equipment.
5. Fire drills will be conducted periodically without warning at various times of the day and under different circumstances, e.g., lunchtime, recess, and during assemblies. State law requires a minimum of five fire drills each school year, consistent with Minn. Stat. § 299F.30. See Minn. Stat. § 121A.035.
6. A record of fire drills conducted at the building will be maintained in the building administrator's office.
7. The school district will have prearranged sites for emergency sheltering and transportation as needed.
8. The school district will determine which staff will remain in the building to perform

North Branch Independent School District No. 138: Policy #806

Adopted: 9/28/00

Last Reviewed: 8/06, 11/09, 4/8/21

Revised: 11/14/13, 4/14/16, 2/8/18

Effective: 9/28/00, 11/14/13, 4/14/16, 2/8/18

essential functions if safe to do so (e.g., switchboard, building engineer, etc.). The school district also will designate an administrator or his or her designee to meet local fire or law enforcement agents upon their arrival.

C. Facility Diagrams and Site Plans

All school buildings will have a facility diagram and site plan that includes the location of primary and secondary evacuation routes, exits, designated safe areas inside and outside of the building, and the location of fire alarm control panel, fire alarms, fire extinguishers, hoses, water spigots, and utility shut offs. All facility diagrams and site plans will be updated regularly and whenever a major change is made to a building. Facility diagrams and site plans will be maintained by the building administrator and will be easily accessible and on file in the school district office. Facility diagrams and site plans will be provided to first responders, such as fire and law enforcement personnel.

D. Emergency Telephone Numbers

Each building will maintain a current list of emergency telephone numbers and the names and addresses of local, county, and state personnel who may be involved in a crisis situation. The list will include telephone numbers for local police, fire, ambulance, hospital, the Poison Control Center, county and state emergency management agencies, local public works departments, local utility companies, the public health nurse, mental health/suicide hotlines, and the county welfare agency. A copy of this list will be kept on file in the school district office, or at a secondary location for single building school districts, and updated annually.

School district employees will receive training on how to make emergency contacts, including 911 calls, when the school district's main telephone number and location is electronically conveyed to emergency personnel instead of the specific building in need of emergency services.

School district plans will set forth a process to internally communicate an emergency, using telephones in classrooms, intercom systems, or two-way radios, as well as the procedure to enable the staff to rapidly convey emergency information to a building designee. Each plan will identify a primary and secondary method of communication for both internal and secondary use. It is recommended that the plan include several methods of communication because computers, intercoms, telephones, and cell phones may not be operational or may be dangerous to use during an emergency.

E. Warning and Notification Systems

The school district shall maintain a warning system designed to inform students, staff, and visitors of a crisis or emergency. This system shall be maintained on a regular basis under the maintenance plan for all school buildings. The school district should consider an alternate notification system to address the needs of staff and students with special needs, such as vision or hearing.

The building administrator shall be responsible for informing students and employees of the warning system and the means by which the system is used to identify a specific crisis or emergency situation. Each school's building-specific crisis management plan will include the method and frequency of dissemination of the warning system information to students and employees.

F. Early School Closure Procedures

The superintendent will make decisions about closing school or buildings as early in the day as possible. The early school closure procedures will set forth the criteria for early school closure (e.g., weather-related, utility failure, or a crisis situation), will specify how closure decisions will be communicated to staff, students, families, and the school community (designated broadcast media, local authorities, e-mail, or district or school building web sites), and will discuss the factors to be considered in closing and reopening a school or building.

Early school closure procedures also will include a reminder to parents and guardians to listen to designated local radio and TV stations for school closing announcements, where possible.

G. Media Procedures

The superintendent has the authority and discretion to notify parents or guardians and the school community in the event of a crisis or early school closure. The superintendent will designate a spokesperson who will notify the media in the event of a crisis or early school closure. The spokesperson shall receive training to ensure that the district is in strict compliance with federal and state law relative to the release of private data when conveying information to the media.

H. Behavioral Health Crisis Intervention Procedures

Short-term behavioral health crisis intervention procedures will set forth the procedure for initiating behavioral health crisis intervention plans. The procedures will utilize available resources including the school psychologist, counselor, community behavioral health crisis intervention, or others in the community. Counseling procedures will be used whenever the superintendent or the building administrator determines it to be necessary, such as after an assault, a hostage situation, shooting, or suicide. The behavioral health crisis intervention procedures shall include the following steps:

1. Administrator will meet with relevant persons, including school psychologists and counselors, to determine the level of intervention needed for students and staff.
2. Designate specific rooms as private counseling areas.
3. Escort siblings and close friends of any victims as well as others in need of emotional support to the counseling areas.
4. Prohibit media from interviewing or questioning students or staff.

North Branch Independent School District No. 138: Policy #806

Adopted: 9/28/00

Last Reviewed: 8/06, 11/09, 4/8/21

Revised: 11/14/13, 4/14/16, 2/8/18

Effective: 9/28/00, 11/14/13, 4/14/16, 2/8/18

5. Provide follow-up services to students and staff who receive counseling.
6. Resume normal school routines as soon as possible.

I. Long-Term Recovery Intervention Procedures

Long-term recovery intervention procedures may involve both short-term and long-term recovery planning:

1. Physical/structural recovery.
2. Fiscal recovery.
3. Academic recovery.
4. Social/emotional recovery.

IV. SAMPLE PROCEDURES INCLUDED IN THIS POLICY

Sample procedures for the various hazards/emergencies listed below are attached to this Policy for use when drafting specific crisis management plans. Procedures for the various hazards/emergencies listed below are found in the North Branch Crisis Management Plan. These plans are located in main offices of each building throughout the district. The North Branch Emergency Plan and Procedures booklets are located in all classrooms and offices throughout the district. Additional sample procedures may be found in the Response section of the Comprehensive School Safety Guide (2011 Edition). After approval by the school board, an adopted procedure will become an addendum to the Crisis Management Policy.

- A. Fire
- B. Hazardous Materials
- C. Severe Weather: Tornado/Severe Thunderstorm/Flooding
- D. Medical Emergency
- E. Fight/Disturbance
- F. Assault
- G. Intruder
- H. Weapons
- I. Shooting

North Branch Independent School District No. 138: Policy #806

Adopted: 9/28/00

Last Reviewed: 8/06, 11/09, 4/8/21

Revised: 11/14/13, 4/14/16, 2/8/18

Effective: 9/28/00, 11/14/13, 4/14/16, 2/8/18

BUILDINGS AND SITES

Crisis Management

806

- J. Hostage
- K. Bomb Threat
- L. Chemical or Biological Threat
- M. Checklist for Telephone Threats
- N. Demonstration
- O. Suicide
- P. Lock-down Procedures
- Q. Shelter-In-Place Procedures
- R. Evacuation/Relocation
- S. Media Procedures
- T. Post-Crisis Procedures
- U. School Emergency Response Team
- V. Emergency Phone Numbers
- W. Highly Contagious Serious Illness or Pandemic Flu

V. MISCELLANEOUS PROCEDURES

A. Chemical Accidents

Procedures for reporting chemical accidents shall be posted at key locations such as chemistry labs, art rooms, swimming pool areas, and janitorial closets.

B. Visitors

The school district shall implement procedures mandating visitor sign in and visitors in school buildings. See Policy 903 (Visitors to School District Buildings and Sites).

The school district shall implement procedures to minimize outside entry into school buildings except at designated check-in points and assure that all doors are locked prior to and after regular building hours.

North Branch Independent School District No. 138: Policy #806

Adopted: 9/28/00

Last Reviewed: 8/06, 11/09, 4/8/21

Revised: 11/14/13, 4/14/16, 2/8/18

Effective: 9/28/00, 11/14/13, 4/14/16, 2/8/18

C. Student Victims of Criminal Offenses at or on School Property

The school district shall establish procedures allowing student victims of criminal offenses on school property the opportunity to transfer to another school within the school district.

Legal References:

- Minn. Stat. Ch. 12 (Emergency Management)
- Minn. Stat. Ch. 12A (Natural Disaster; State Assistance)
- Minn. Stat. § 121A.035 (Crisis Management Policy)
- Minn. Stat. § 121A.06 (Reports of Dangerous Weapon Incidents in School Zones)
- Minn. Stat. § 299F.30 (Fire Drill in School)
- Minn. Stat. § 326B.02, Subd. 6 (Powers)
- Minn. Stat. § 326B.106 (General Powers of Commissioner of Labor and Industry)
- Minn. Stat. § 609.605, Subd. 4 (Trespasses on School Property)
- Minn. Rules Ch. 7511 (Fire Safety)
- 20 U.S.C. § 1681, *et seq.* (Title IX)
- 20 U.S.C. § 6301, *et seq.* (Every Student Succeeds Act)
- 20 U.S.C. § 7912 (Unsafe School Choice Option)
- 42 U.S.C. § 5121 *et seq.* (Disaster Relief and Emergency Assistance)

Cross References:

- NB Policy 407 (Employee Right to Know – Exposure to Hazardous Substances)
- NB Policy 413 (Harassment and Violence)
- NB Policy 501 (School Weapons Policy)
- NB Policy 506 (Student Discipline)
- NB Policy 532 (Use of Peace Officers and Crisis Teams to Remove Students with IEPs from School Grounds)
- NB Policy 903 (Visitors to School District Buildings and Sites)
- <https://dps.mn.gov/divisions/sfm/documents/2011comprehensiveschoolsafetyguide.pdf>

Tanya Giese
4749 316th Lane
Stacy, MN 55079

November 22, 2021

Dear Board Chair MacMillan and fellow board members;

It is with great regret that I write this letter to inform you of my resignation from the North Branch Area School Board, effective December 10, 2021. I have accepted full-time employment as the Activities Administrative Assistant at North Branch Area High School. I have enjoyed my short time serving and working with all of you on the school board. I look forward to my new role with the school district and working with you in a different capacity.

I apologize for any inconvenience that my resignation may cause to the school board, and will make all efforts to help decrease any such inconvenience. Please let me know if you have any questions.

Sincerely,



Tanya Giese

REC'D @ DISTRICT
OFFICE

NOV 23 2021

ISD #138
NORTH BRANCH. MN

NORTH BRANCH AREA PUBLIC SCHOOLS
APPOINTMENT OF SCHOOL BOARD MEMBER

TIME LINES
DECEMBER 2021 – MARCH 2022

December 15, 2021	Publish news release via social media, website, and Chamber of Commerce
January 26, 2022	Application deadline
January 27, 2022 4:30 pm	School Board interviews the candidates
February 10, 2022	School Board finalist named at Regular School Board Meeting
March 10, 2022	First board meeting where candidate will take office



CliftonLarsonAllen LLP
CLAconnect.com

November 30, 2021

Board of Education
North Branch Public Schools
Independent School District No. 138
North Branch, Minnesota

This Executive Audit Summary and Management Report presents information which we believe is important to you as members of the School Board. We encourage you to review the sections of this report, the audited financial statements and the auditors' reports.

We would be pleased to furnish additional information with respect to these suggestions and discuss this memorandum with you at your convenience. We wish to express our appreciation to the District for the courtesies, cooperation and assistance extended to us during the course of our work.

CliftonLarsonAllen LLP

Mary Reedy, CPA, CGFM
Principal

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138**

**EXECUTIVE AUDIT SUMMARY (EAS)
AND MANAGEMENT REPORT**

JUNE 30, 2021



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
TABLE OF CONTENTS
JUNE 30, 2021**

EXECUTIVE AUDIT SUMMARY AND MANAGEMENT REPORT	
AUDIT FINDINGS AND RESULTS	1
FINANCIAL RESULTS	
FUND BALANCES	2
STUDENTS SERVED	4
OTHER KEY TOPICS	
GASB REPORTING MODEL	5
STATEMENT OF NET POSITION	5
STATEMENT OF ACTIVITIES	6
APPENDIX A	
FINANCIAL TRENDS OF YOUR DISTRICT	7
APPENDIX B	
STATEWIDE SCHOOL DISTRICT FINANCIAL POSITION	14
APPENDIX C	
LEGISLATIVE ACTIVITY	15
APPENDIX D	
TECHNICAL UPDATE	18
APPENDIX E	
FORMAL REQUIRED COMMUNICATIONS	22

**EXECUTIVE AUDIT SUMMARY (EAS)
AND MANAGEMENT REPORT
FOR
NORTH BRANCH PUBLIC SCHOOLS
YEAR ENDED JUNE 30, 2021**

Audit Findings and Results

We prepared this Executive Audit Summary and Management Report in conjunction with our audit of North Branch Public Schools' (the District) financial records for the year ended June 30, 2021.

Audit Opinion – The financial statements are fairly stated. We issued what is known as a “clean” audit report.

Yellow Book Compliance – No compliance issues were noted in our review of laws, regulations, contracts and grants that could have significant financial implications to the District.

Internal Controls – Two “material weaknesses” in internal controls was noted related to the auditors’ drafting of the District’s financial statements and segregation of duties specifically over capital assets.

Single Audit – The District had no findings related to the two major programs tested: Education Stabilization Fund and Coronavirus Relief Fund.

Legal Compliance – No compliance issues were reported with respect to Minnesota Statutes.

Enrollment – For fiscal 2020-21, the District had an adjusted average daily membership of 2,533.47 (or 2,799.37 adjusted pupil units). For fiscal 2019-20, North Branch Public Schools had an estimated total adjusted average daily membership of 2,584.92 (or 2,836.56 adjusted pupil units).

Fund Balance – The District’s General Fund unassigned fund balance increased by \$1,233,521 during fiscal year 2020-21, increasing from \$2,156,517 to \$3,410,833. Total fund balance of the General Fund increased by \$1,635,299, ending at \$5,657,946 as of June 30, 2021. A District’s fund balance is an important aspect in considering the District’s financial well-being since a healthy fund balance represents things such as cash flow, as a cushion against unanticipated expenditures, enrollment variances, funding deficiencies and aid proration’s at the state level and similar problems.

Budget to Actual – Total revenues on a net basis in the General Fund were \$1,934,844 (or 5.64%) lower than the budgeted amount while total expenditures were \$2,292,452 (or 6.95%) lower than the budgeted amount. The net effect, after also considering other financing sources, was a change in total fund balance that was \$168,889 more than had been reflected in the District’s final amended budget.

FINANCIAL RESULTS

Fund Balances

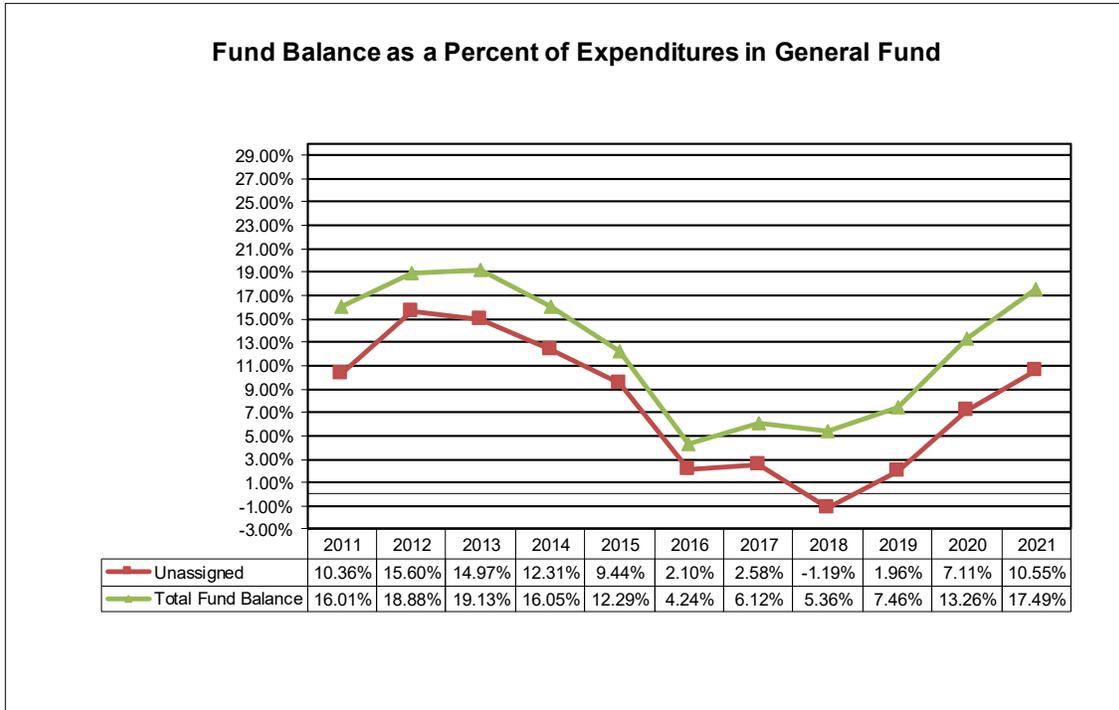
NORTH BRANCH ISD #138 AUDITED FUND BALANCES THROUGH JUNE 30, 2021

FUND DESCRIPTION	6/30/20 AUDITED BALANCE	2020-21 AUDITED REVENUES	TRANSFERS INTO FUNDS	2020-21 AUDITED EXPENDITURES	TRANSFERS OUT OF FUNDS	6/30/21 AUDITED BALANCE
GENERAL FUND						
A. UNASSIGNED - OPERATING	\$2,156,517	\$28,618,846	\$0	\$27,364,530	\$0	\$3,410,833
As a percentage of current year expenditures	2.0%					11.1%
B. NONSPENDABLE FOR						
INVENTORY	\$11,912	\$19,627		\$0	\$0	\$31,539
PREPAIDS	\$16,519	\$3,058		\$0	\$0	\$19,577
TOTAL NONSPENDABLE	\$28,431	\$22,685	\$0	\$0	\$0	\$51,116
C. ASSIGNED FOR						
Q-COMP	\$102,918	\$0	\$0	\$102,918	\$0	\$0
CAPITAL OUTLAY	\$0	\$500,000		\$0	\$0	\$500,000
TOTAL ASSIGNED	\$102,918	\$500,000		\$102,918		\$500,000
D. COMMITTED FOR						
SEPARATION/RETIREMENT BENEFITS	\$243,901	\$0	\$0	\$243,901	\$0	\$0
E. RESTRICTED FOR						
STUDENT ACTIVITIES	\$182,475	\$27,634	\$0	\$54,314	\$0	\$155,795
SCHOLARSHIP	\$144,112	\$111,639	\$0	\$103,130	\$0	\$152,621
STAFF DEVELOPMENT	\$122,086	\$367,671	\$0	\$224,683	\$0	\$265,074
LTFM	\$813,587	\$217,630	\$0	\$190,282	\$0	\$840,935
CAPITAL PROJECTS LEVY	\$14,548	\$500,000	\$0	\$473,869	\$0	\$40,679
MEDICAL ASSISTANCE	\$13,106	\$55,649	\$0	\$34,532	\$0	\$34,223
OPERATING CAPITAL	\$32,149	\$608,517	\$0	\$599,205	\$0	\$41,461
BASIC SKILLS - EXT TIME	\$38,228	\$0	\$0	\$0	\$0	\$38,228
LEARNING AND DEVELOPMENT	\$0	\$514,360	\$0	\$514,360	\$0	\$0
GIFTED AND TALENTED	\$0	\$36,392	\$0	\$36,392	\$0	\$0
BASIC SKILLS	\$0	\$600,907	\$0	\$600,907	\$0	\$0
CAREER AND TECHNICAL	\$0	\$85,621	\$0	\$85,621	\$0	\$0
SAFE SCHOOLS	\$130,589	\$102,014	\$0	\$130,902	\$0	\$101,701
RESTRICTED	\$0	\$25,280	\$0	\$0	\$0	\$25,280
TOTAL RESTRICTED	\$1,490,880	\$3,253,314	\$0	\$3,048,197	\$0	\$1,695,997
TOTAL GENERAL FUND	\$4,022,647	\$32,394,845	\$0	\$30,759,546	\$0	\$5,657,946
BUDGET		\$34,572,920	\$0	\$33,106,510	\$0	\$5,489,057
DIFFERENCE		(\$2,178,075)	\$0	(\$2,346,964)	\$0	\$168,889
% VARIANCE		-6.30%		-7.09%		
FOOD SERVICE						
NONSPENDABLE FOR INVENTORY	\$30,027	\$0		\$4,371		\$25,656
NONSPENDABLE FOR PREPAIDS	\$0	\$0		\$0		\$0
RESTRICTED FOR FOOD SERVICE PROG	\$71,893	\$1,242,570		\$1,179,684		\$134,779
BUDGET		\$1,395,602	\$0	\$1,406,050	\$0	\$91,472
FOOD SERVICE	\$101,920	\$1,242,570	\$0	\$1,184,055	\$0	\$160,435
DIFFERENCE		(\$153,032)	\$0	(\$221,995)	\$0	\$68,963
% VARIANCE		-10.97%		-15.79%		
COMMUNITY EDUCATION						
A. NONSPENDABLE FOR						
PREPAIDS	\$2,277	\$0		\$1,323		\$954
B. RESTRICTED FOR						
COMMUNITY EDUCATION PROGRAMS	(\$6,730)	\$855,126	\$0	\$756,027	\$0	\$92,369
ECFE PROGRAMS	\$100,956	\$175,800	\$0	\$70,779	\$0	\$205,977
SCHOOL READINESS	(\$14,655)	\$139,909	\$0	\$116,842	\$0	\$8,412
OTHER PURPOSES	(\$23,483)	\$200,357	\$0	\$201,914	\$0	(\$25,040)
BUDGET		\$1,547,657	\$0	\$1,613,095	\$0	(\$7,073)
TOTAL COMMUNITY EDUCATION	\$58,365	\$1,371,192	\$0	\$1,146,885	\$0	\$282,672
DIFFERENCE		(\$176,465)	\$0	(\$466,210)	\$0	\$289,745
% VARIANCE		-11.40%		-28.90%		
CAPITAL PROJECTS-BUILDING CONSTRUCTION						
LTFM	\$3,066,687	\$0	\$0	\$3,066,687	\$0	\$0
OTHER PURPOSES	\$3,479,427	\$19,562	\$0	\$2,274,124	\$0	\$1,224,865
BUDGET		\$10,000	\$0	\$6,546,115	\$0	\$9,999
TOTAL BUILDING FUND	\$6,546,114	\$19,562	\$0	\$5,340,811	\$0	\$1,224,865
DIFFERENCE		\$9,562	\$0	(\$1,205,304)	\$0	\$1,214,866
DEBT SERVICE						
OTHER PURPOSES	\$952,641	\$5,907,314	\$0	\$5,707,367	\$0	\$1,152,588
REFUNDING BONDS	\$0	\$0		\$0	\$0	\$0
BUDGET		\$5,865,179	\$0	\$5,707,632	\$0	\$1,110,188
TOTAL DEBT SERVICE	\$952,641	\$5,907,314	\$0	\$5,707,367	\$0	\$1,152,588
DIFFERENCE		\$42,135	\$0	(\$265)	\$0	\$42,400
% VARIANCE		0.72%		0.00%		
PROPRIETARY AND FIDUCIARY FUNDS						
OPEB TRUST FUND	\$3,084,140	\$537,791	\$0	\$314,498	\$0	\$3,307,433
SCHOLARSHIP TRUST FUND	\$0	\$0	\$0	\$0	\$0	\$0
INTERNAL SERVICE - SELF INS FUND	\$542,006	\$261,679	\$0	\$194,842	\$0	\$608,843
TOTAL PROPRIETARY	\$3,734,884	\$799,470	\$0	\$509,340	\$0	\$4,025,014
TOTAL	\$15,416,571	\$41,734,863	\$0	\$44,648,004	\$0	\$12,503,520

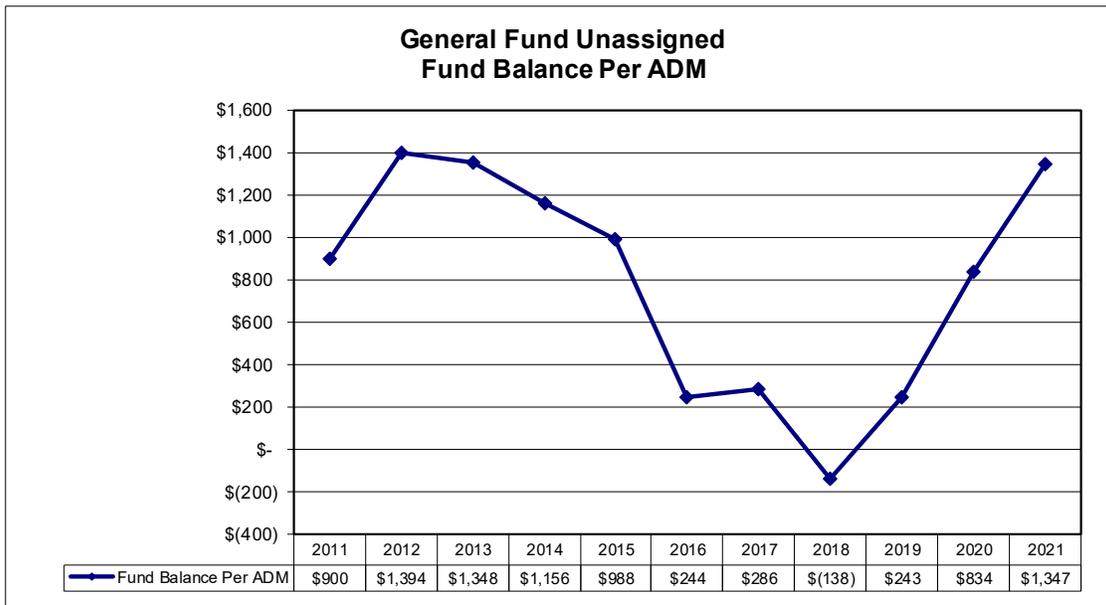
FINANCIAL RESULTS (CONTINUED)

Fund Balances (Continued)

As a percentage of annual expenditures:

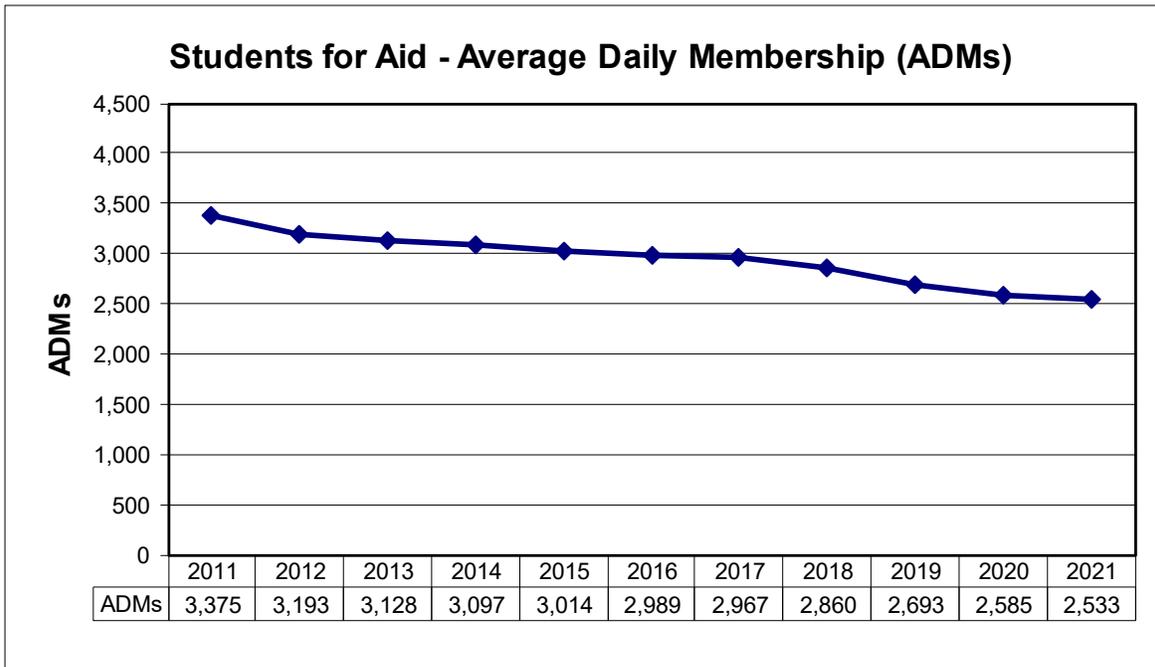


Per student served.



FINANCIAL RESULTS (CONTINUED)

Students Served



OTHER KEY TOPICS

GASB Reporting Model

Statement of Net Position

The Statement of Net Position essentially tells you what your District owns and owes at a given point in time, the last day of the fiscal year. Theoretically, net position represents the resources the District has leftover to use for providing services after its debts are settled. However, those resources are not always in expendable form, or there may be restrictions on how some of those resources can be used. Therefore, the statement divides the net position into three components: net investment in capital assets, restricted net position, and unrestricted net position. The following table presents components of the District's net position at year-end, along with a simplified reconciliation of the difference between the governmental fund balances and total net position:

	As of June 30,	
	<u>2021</u>	<u>2020</u>
Total Fund Balance for Governmental Funds	\$ 8,478,506	\$ 11,681,687
Capital Assets, Less Accumulated Depreciation	97,568,274	98,781,368
Net Prepaid OPEB Asset	596,852	437,700
Long-Term Liabilities	(82,230,984)	(86,051,561)
Net Pension Liability	(29,569,332)	(29,785,035)
Other - Net	(384,758)	(501,830)
Total Net Position - Governmental Activities	<u>\$ (5,541,442)</u>	<u>\$ (5,437,671)</u>
Net Position:		
Net Investment in Capital Assets	\$ 17,682,986	\$ 17,408,337
Restricted	5,155,096	5,421,238
Unrestricted	(28,379,524)	(28,267,246)
Total Net Position - Governmental Activities	<u>\$ (5,541,442)</u>	<u>\$ (5,437,671)</u>

Most of the District's fund balances translate into restricted net position by virtue of external restrictions (statutory reserves) or by the nature of the fund they are in (e.g., restricted food service fund balance can only be spent for food service program costs). The unrestricted net position category consists mainly of the General Fund unassigned fund balance, offset against non-capital long-term obligations such as vacation or severance payable and beginning in fiscal 2016, the District's estimated share of the unfunded portion of statewide pension plans. Consequently, many Minnesota school districts have accumulated deficits in this component of net position.

OTHER KEY TOPICS (CONTINUED)

Statement of Activities

The Statement of Activities tracks the District's yearly revenues and expenses, as well as any other transactions that increase or reduce total net position. These amounts represent the full cost of providing education. This statement provides a more comprehensive measure than just the amount of cash that changed hands, as reflected in the fund-based financial statements. This statement includes the cost of supplies used, depreciation of long-lived capital assets, and other accrual-based expenses. The following table presents a simplified reconciliation of the change in the District's governmental fund balances to the change in total net position for fiscal years 2021 and 2020:

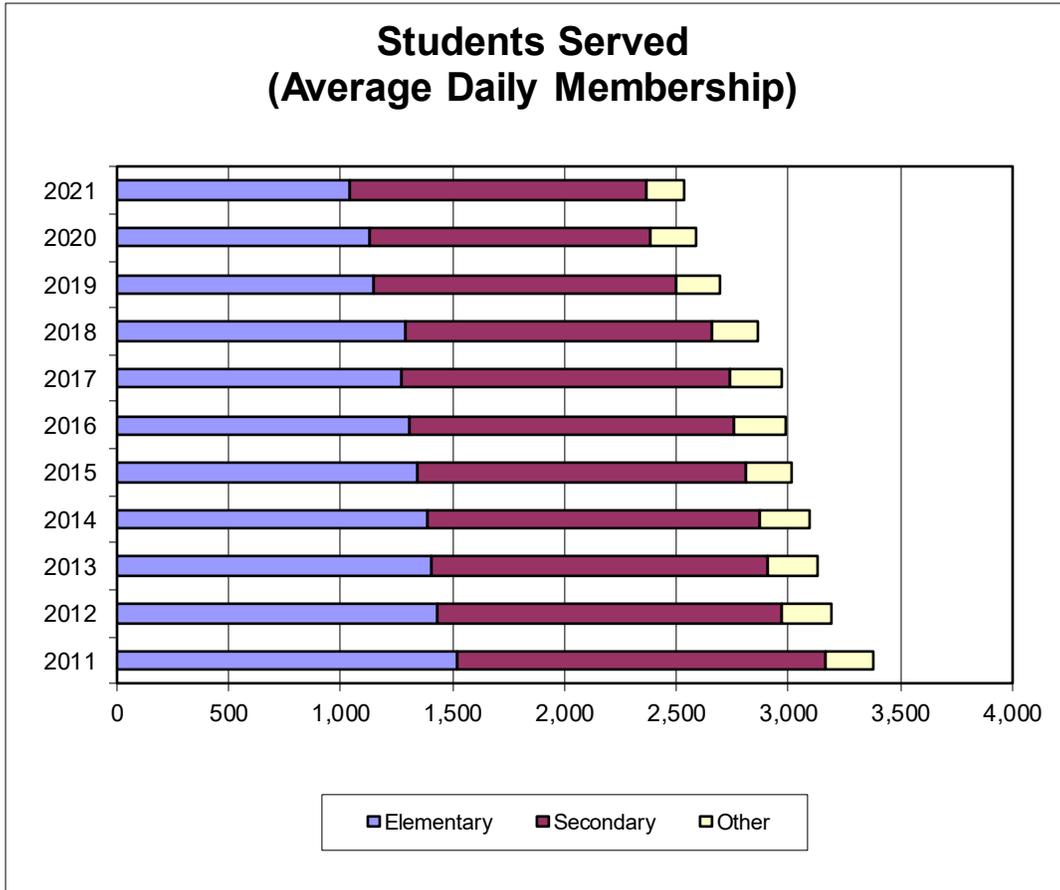
	Year Ended June 30,	
	2021	2020
Net Change in Fund Balance - Total Governmental Funds	\$ (3,203,181)	\$ (20,342,564)
Capital Asset Purchases	4,480,499	22,308,459
Depreciation	(5,827,895)	(4,948,492)
Change in Net Prepaid OPEB Asset	159,152	(4,725)
Capital Lease Proceeds	-	(263,836)
Repayment of Debt	2,860,000	3,225,000
Change in Net Pension Liability	215,703	(1,117,328)
Other - Net	1,211,951	1,316,102
Change in Net Position - Governmental Activities	<u>\$ (103,771)</u>	<u>\$ 172,616</u>

APPENDIX A

FINANCIAL TRENDS OF YOUR DISTRICT

Average Daily Membership and Pupil Units

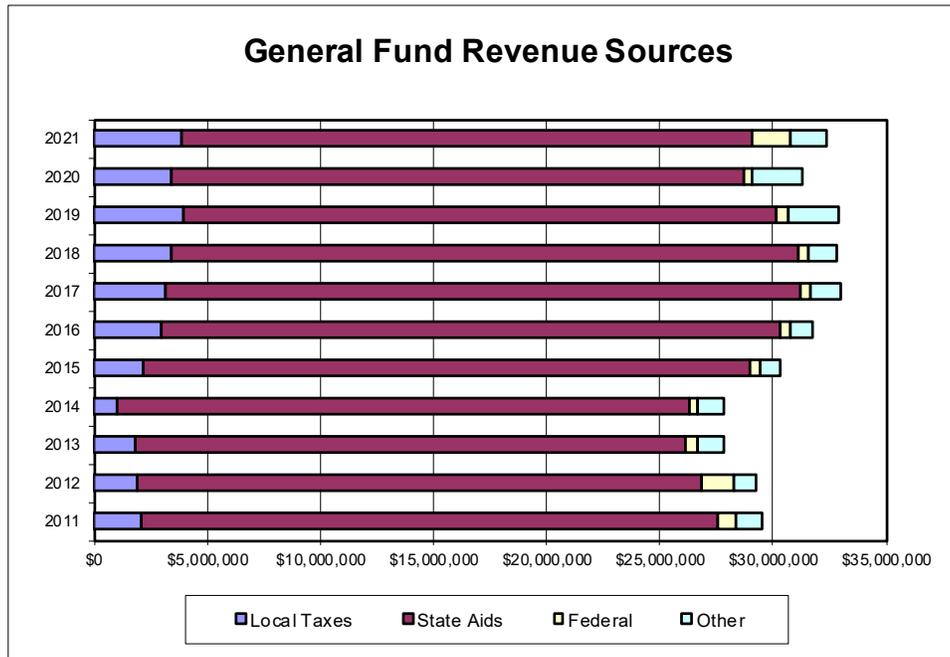
The following graph summarizes average daily membership of Independent School District No. 138 over the past 11 years ended June 30:



The District's average daily membership (ADM) for the 2021 fiscal year was 2,533 students, which represents a decrease of 1.99% over the previous year. In the past 10 fiscal years, the District's enrollment has declined by 23.71%.

General Fund Revenue

The following table and graph summarizes the District's General Fund revenue sources for the last 11 years:



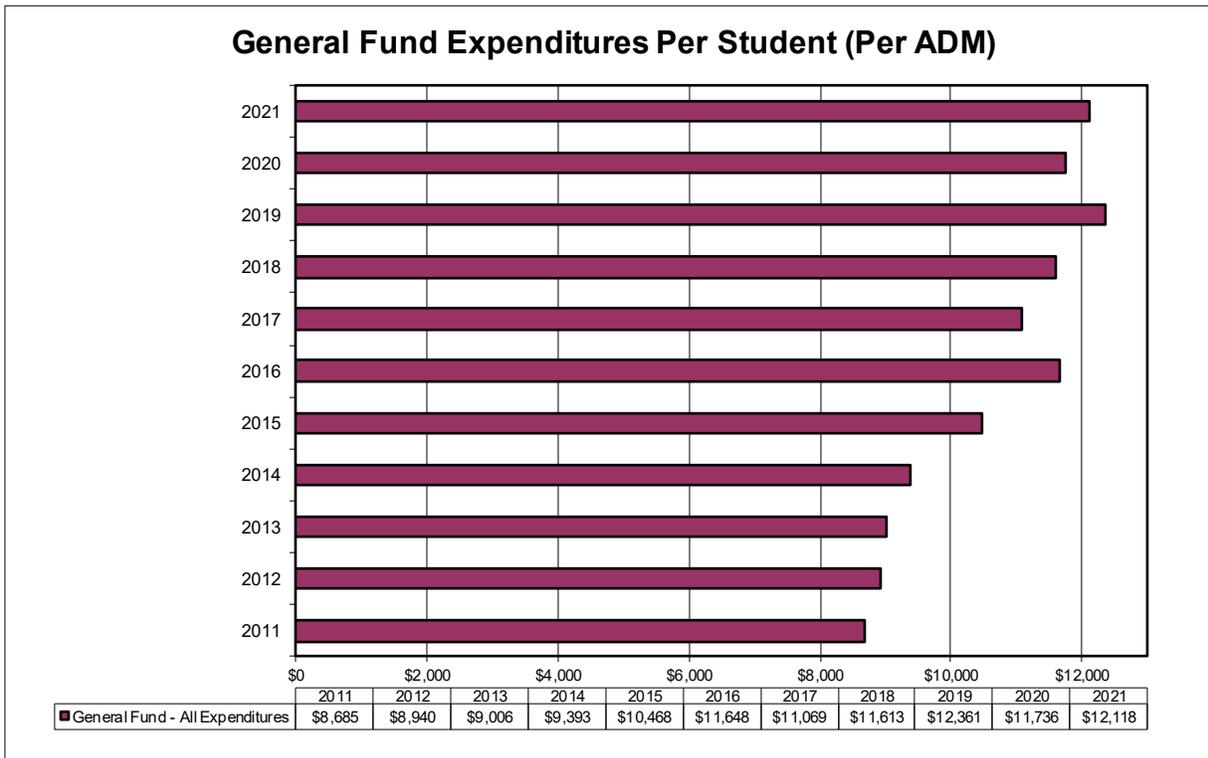
The table above illustrates the fluctuation that occurs between the taxes and state aid categories based on legislative activity. The Legislature determines what portion of the general education funding formula will be paid by local taxpayers. In addition, when the tax shift percentage changes or the state provides property tax relief such as the education homestead credit aid, this only impacts the mix between state aids and taxes and does not change total revenue.

The table below illustrates the fluctuation that occurs between the taxes and state aid categories based on legislative activity. The Legislature determines what portion of the general education funding formula will be paid by local taxpayers. In addition, when the tax shift percentage changes or the state provides property tax relief, this only impacts the mix between state aids and taxes and does not change total revenue. For example, in fiscal 2014, the Legislature repaid a total of approximately \$670,000 of property tax shift buydown for the General and Community Service Funds, which gives the appearance of a significant decrease in taxes for 2014. For this and other reasons, school finance in Minnesota continues to be a very difficult subject to explain to the general public.

Year	Taxes		State		Federal		Other		Total	%
	Amount	%	Amount	%	Amount	%	Amount	%		
2009	\$ 1,688,769	5	\$ 27,581,464	87	\$ 901,442	3	\$ 1,350,403	4	\$ 31,522,078	100
2010	1,693,779	6	23,971,355	80	3,164,162	11	1,118,944	4	29,948,240	100
2011	2,123,033	7	25,460,311	86	765,264	3	1,160,001	4	29,508,609	100
2012	1,927,472	7	24,961,959	85	1,360,201	5	979,348	3	29,228,980	100
2013	1,820,666	7	24,328,290	87	495,542	2	1,212,637	4	27,857,135	100
2014	1,024,187	4	25,269,170	91	420,224	2	1,113,990	4	27,827,571	100
2015	2,157,852	7	26,825,382	88	416,198	1	964,476	3	30,363,908	100
2016	2,992,225	9	27,364,333	86	443,477	1	971,966	3	31,772,001	100
2017	3,141,271	10	28,056,588	85	436,213	1	1,358,807	4	32,992,879	100
2018	3,390,375	10	27,757,305	85	420,542	1	1,218,875	4	32,787,097	100
2019	3,932,413	12	26,250,261	80	454,330	1	2,238,645	7	32,875,649	100
2020	3,435,715	11	25,272,420	81	383,992	1	2,225,676	7	31,317,803	100
2021	3,839,645	12	25,231,598	78	1,702,613	5	1,571,294	5	32,345,150	100

Expenditures Per Student

Expenditures per student (average daily membership) are summarized in the following graph:



General Fund expenditures for fiscal 2021 were \$30,693,641 which represents an increase of \$357,062 over fiscal 2020.

The following schedule shows total expenditures of the General Fund by object type:

	2021				2020
	Budget	Actual	Over (Under) Budget	%	Actual
Salaries	\$ 16,776,988	\$ 16,611,729	\$ (165,259)	(1.0)%	\$ 16,235,079
Employee Benefits	5,856,218	5,256,959	(599,259)	(10.2)	5,236,359
Purchased Services	6,736,091	6,023,913	(712,178)	(10.6)	6,018,589
Supplies and Materials	2,094,178	1,269,834	(824,344)	(39.4)	1,239,428
Capital Expenditures	758,009	725,846	(32,163)	(4.2)	719,141
Other Expenditures	764,609	805,360	40,751	5.3	887,983
Total Expenditures	\$ 32,986,093	\$ 30,693,641	\$ (2,292,452)	(6.9)	\$ 30,336,579

On a net basis, total expenditures were 6.90% more than reflected than the final amended budget amount.

General Fund Operations and Financial Position

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

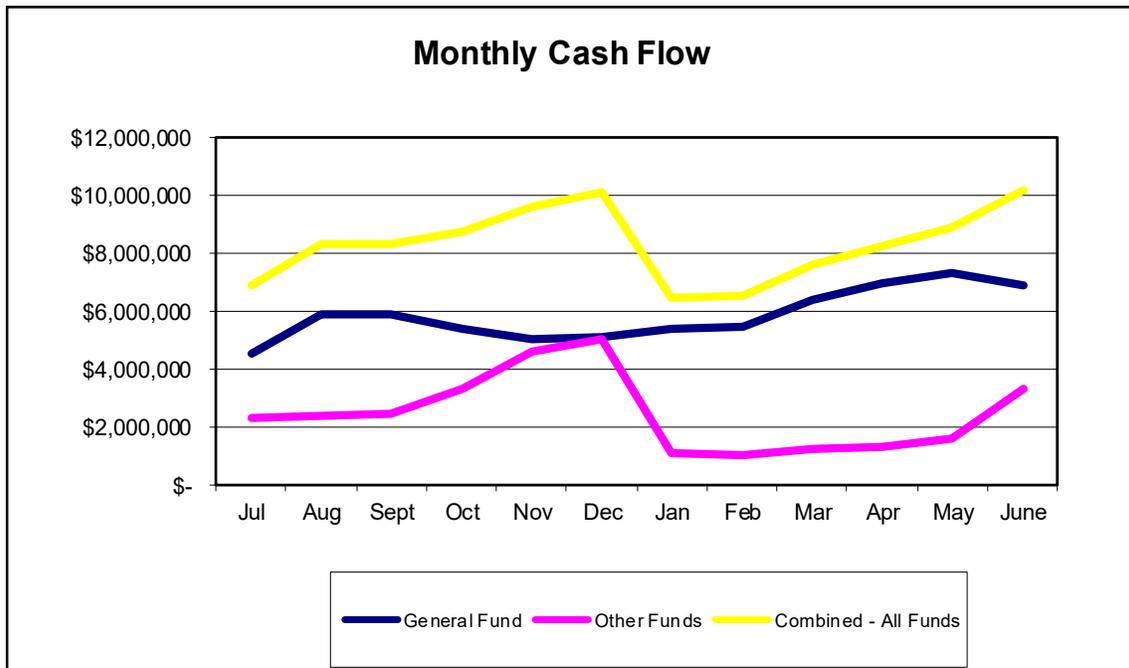
	Year Ended June 30,				
	2017	2018	2019	2020	2021
Revenues	\$ 32,992,879	\$ 32,787,097	\$ 32,875,649	\$ 31,317,803	\$ 32,345,150
Expenditures	32,841,005	33,212,737	33,285,367	30,336,579	30,693,641
Excess (Deficiency) of Revenues Over (Under) Expenditures	151,874	(425,640)	(409,718)	981,224	1,651,509
Other Financing Sources (Uses):					
Insurance Recovery Proceeds	79,834	25,369	93,874	90,667	28,846
Proceeds from Sale of Assets	-	5,881	-	-	20,849
Proceeds from Sale of Real Property	-	-	165,025	1,560	-
Capital Lease Proceeds	301,500	315,787	854,394	263,836	-
Transfer Out	-	(149,059)	-	(124,253)	(65,905)
Total Other Financing Sources (Uses)	381,334	197,978	1,113,293	231,810	(16,210)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	533,208	(227,662)	703,575	1,213,034	1,635,299
Fund Balance:					
Beginning of Year	1,475,546	2,008,754	1,781,092	2,484,667	4,022,647
Change in Accounting Principle	-	-	-	324,946	-
End of Year	\$ 2,008,754	\$ 1,781,092	\$ 2,484,667	\$ 4,022,647	\$ 5,657,946
Nonspendable Fund Balance	\$ 349,765	\$ 885,669	\$ 97,416	\$ 28,431	\$ 51,116
Restricted/Committed Fund Balance	539,930	1,202,401	1,578,713	1,734,781	1,695,997
Assigned Fund Balance	270,702	89,006	155,430	102,918	500,000
Unassigned Fund Balance	848,357	(395,984)	653,108	2,156,517	3,410,833
Total Fund Balance	\$ 2,008,754	\$ 1,781,092	\$ 2,484,667	\$ 4,022,647	\$ 5,657,946
Unassigned Fund Balance as a Percentage of Expenditures	2.58%	-1.19%	1.96%	7.11%	11.11%
Total Fund Balance as a Percentage of Expenditures	6.12%	5.36%	7.46%	13.26%	18.43%

General Fund Operations and Financial Position (Continued)

The District's General Fund had an excess of revenues over expenditures of \$1,635,299 for fiscal 2021, increasing total fund balance to \$5,657,946 at June 30, 2021. Total fund balance includes a net of \$2,247,113 in nonspendable/restricted/committed/assigned accounts as prescribed by state statute. The remainder is an unassigned fund balance of \$3,410,833 at year-end.

Total General Fund revenues were lower than the budgeted amount for fiscal 2021 by \$1,934,844 (or 5.64%). Total General Fund expenditures were under budget by \$2,292,452 (or 6.95%). The net combined outcome of the budget variances was an increase to the ending fund balance that was \$168,889 more than had been reflected in the budget.

Some of the primary reasons it is essential for a district to maintain an adequate fund balance in the General Fund are to provide cash flow and to provide some cushion against unanticipated variances such as in enrollment estimates, special education tuition costs, and other similar variables. Due to the timing in which the District receives its tax settlements and state aid payments, there are times during the year when the District must depend on its cash reserves to finance operations. The following graph summarizes the monthly level of cash and investments during fiscal year 2021:



Food Service Fund

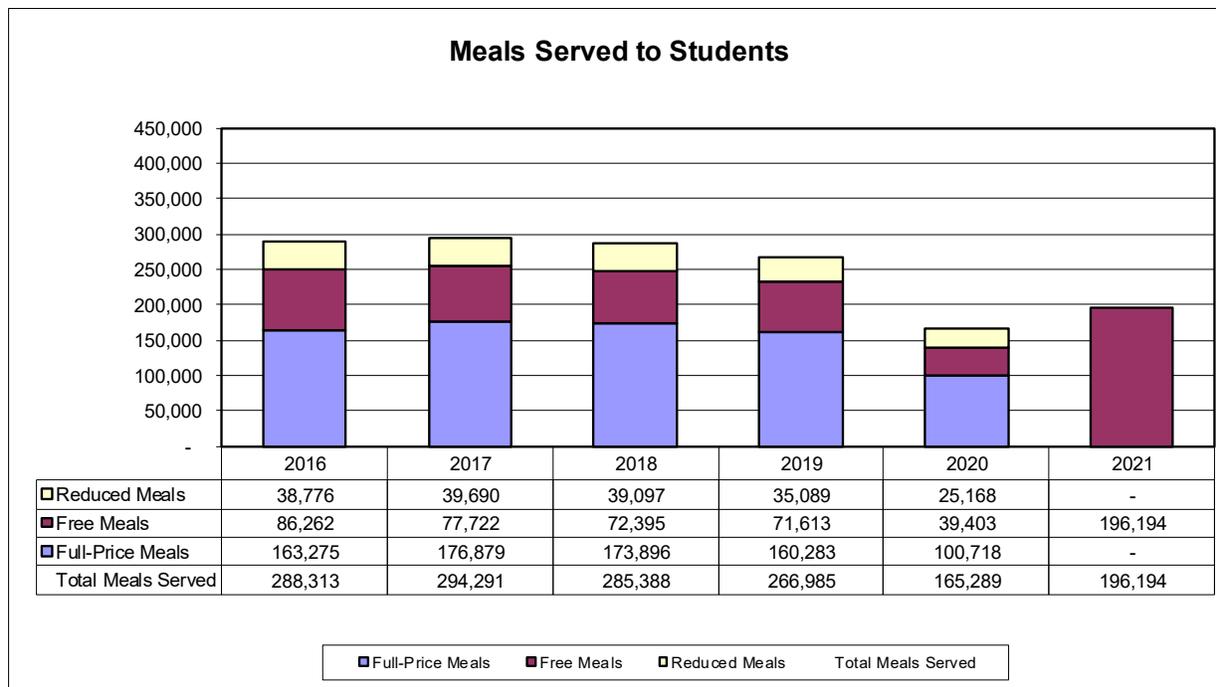
The following chart reflects the growth of the Food Service program over the past five years:

	Year Ended June 30,				
	2017	2018	2019	2020	2021
Revenues	\$ 1,657,468	\$ 1,604,286	\$ 1,560,271	\$ 1,380,450	\$ 1,242,570
Expenditures	1,622,770	1,594,559	1,559,713	1,359,985	1,184,055
Excess (Deficiency) of Revenues Over (Under) Expenditures	34,698	9,727	558	20,465	58,515
Other Financing Sources (Uses):					
Transfer In	-	-	-	12,913	-
Fund Balance:					
Beginning of Year	23,559	58,257	67,984	68,542	101,920
End of Year	\$ 58,257	\$ 67,984	\$ 68,542	\$ 101,920	\$ 160,435
Lunches Served to Students	294,291	285,388	266,985	165,289	196,194
Revenue per Lunch Served	\$ 5.63	\$ 5.62	\$ 5.84	\$ 8.35	\$ 6.33

In terms of revenue growth, the District's food service program has decreased by 8.32% since 2017 (from total revenues of \$1,657,468 for fiscal 2017 to \$1,242,570 for fiscal year 2021).

Total revenues exceeded total expenditures by \$58,515 in the District's Food Service Fund for 2021, leaving a remaining fund balance of \$160,435 at June 30, 2021. This result was approximately \$83,202 higher than had been reflected in the District's budget.

The following chart reflects the growth of the food service program over the past six years:



Community Service Fund

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

	Year Ended June 30,				
	2017	2018	2019	2020	2021
Revenues	\$ 1,583,779	\$ 1,632,199	\$ 1,635,937	\$ 1,488,091	\$ 1,305,287
Expenditures	1,577,135	1,698,135	1,708,519	1,651,205	1,146,885
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,644	(65,936)	(72,582)	(163,114)	158,402
Other Financing Sources Transfer In	-	-	-	111,340	65,905
Fund Balance:					
Beginning of Year	242,013	248,657	182,721	110,139	58,365
End of Year	<u>\$ 248,657</u>	<u>\$ 182,721</u>	<u>\$ 110,139</u>	<u>\$ 58,365</u>	<u>\$ 282,672</u>
Fund Balance:					
Nonspendable	\$ 3,040	\$ 2,323	\$ 6,042	\$ 2,277	\$ 954
Restricted for ECFE	184,011	162,410	132,061	100,956	205,977
Restricted for Community Ed	-	(3,974)	(27,588)	-	92,369
Restricted for School Readiness	55,050	22,848	8,358	-	8,412
Other Restricted	6,556	-	-	-	-
Unassigned	-	(886)	(8,734)	(44,868)	(25,040)
Total Fund Balance	<u>\$ 248,657</u>	<u>\$ 182,721</u>	<u>\$ 110,139</u>	<u>\$ 58,365</u>	<u>\$ 282,672</u>

The District's Community Service Fund had an excess of revenues over expenditures and other financing sources of \$224,307 for fiscal year 2021, bringing the combined fund balance to \$282,672 at June 30, 2021.

Total revenues of the District's Community Service Fund for 2021 were \$131,370 lower than the budgeted amount while total expenditures were under budget by \$466,210. As a result, total fund balance increased by \$289,745 more than had been reflected in the budget. It is important that the District continue to exercise tight control over the costs of these programs and the fees being charged in order to ensure that programs continue to be self-sustaining.

APPENDIX B

STATEWIDE SCHOOL DISTRICT FINANCIAL POSITION

The table below reflects the comparative data available from the Minnesota Department of Education for all expenditures incurred for the benefit of pre-elementary through secondary education, except building construction and expendable trust fund activity.

	Statewide		Enrollment 2,000 to 3,999		ISD No. 138 North Branch	
	2020	2020	2019	2020	2021	
District and School Administration	\$ 580	\$ 572	\$ 561	\$ 628	\$ 601	
District Support Services	513	498	621	570	594	
Regular Instruction (including Co- & Extra-Curricular)	5,530	5,113	4,802	4,508	4,661	
Vocational Instruction (Career and Technical)	187	168	155	143	168	
Special Education Instruction	2,480	2,301	2,442	2,399	2,367	
Instructional Support Services	683	606	730	604	651	
Pupil Support Services (including Transportation)	1,203	1,122	1,279	1,202	1,197	
Operations and Maintenance and Other	952	966	3,036	2,560	2,064	
Total General Fund Operations	<u>12,128</u>	<u>11,346</u>	<u>13,625</u>	<u>12,615</u>	<u>12,303</u>	
Food Service	556	543	579	526	467	
Community Service	661	601	635	639	453	
Capital Expenditure	748	804	10,829	7,195	1,702	
Debt Service	1,360	1,400	2,755	2,643	2,474	
Total Pre-K - 12						
Operating Expenditures, including OPEB	<u>\$ 15,453</u>	<u>\$ 14,694</u>	<u>\$ 28,422</u>	<u>\$ 23,617</u>	<u>\$ 17,399</u>	
Percent Change from Prior Year			9.45%	-16.91%	-26.33%	

Source of Statewide Data: School District Profiles published by the Minnesota Department of Education.

District and School Admin - all costs related to providing administration to the District (Board of Education, Superintendent, Principals, Line administrators, etc.).

District support services - all activities provided by central office administrators (Business Services, Human Resources, Legal, Data processing, other district-wide support activities).

Regular Instruction - includes all activities dealing directly with the teaching of pupils including co-curricular and extra-curricular activities excluding exceptional, vocational and community education instruction).

Vocational Instruction - consists of costs related to career exploration, job-entry skills, job upgrading, and occupational training.

Special Education Instruction - consists of activities to provide learning experiences for pupils of any age with atypical characteristics or conditions.

Instructional Support Services - activities to assist instructional staff with content & process of learning experiences for pupils in K-12 (curriculum, staff dev, etc.).

Pupil Support Services - services to pupils not classified as instructional (transportation, counseling/guidance, health services, psychological services, social work, etc.).

Operations and Maintenance - activities related to the operation, maintenance, repair and remodeling of all physical plant, facilities and grounds of the District.

Food Service - all non-capital costs of the Food Service Fund.

Community Service - all non-capital costs of the Community Service Fund.

Capital Expenditures - all capital expenditures charged to operating funds.

Debt Service - all Debt Service Fund costs (principal, interest and fiscal agent costs--excluding bond refunding payments).

As the above table reflects, the North Branch School District has fewer resources available to it to expend on educational programs but the costs incurred are proportional to the statewide averages.

APPENDIX C

LEGISLATIVE ACTIVITY

What follows are some education-related highlights of recent legislative sessions as summarized from information made available by the Minnesota Department of Education, the Minnesota School Boards Association, and the Minnesota House of Representatives.

General Education

The General Education Revenue formula allowance was increased by 2.45% (by \$161 per pupil unit to \$6,728) for fiscal year 2022 and by another 2% (by \$296 per pupil unit to \$6,863) for fiscal year 2023 and later.

English Learner Cross-Subsidy Reduction Aid

Additional statewide, supplemental aid (not on the formula) is provided for four additional years only to English learners. The aid is increased by \$2 million per year for fiscal years 2022, 2023, 2024 and 2025. The aid must be allocated to school districts and charter schools proportionate to their English learner revenue.

Special Education Cross-Subsidy Aid

A one-time special education cross-subsidy aid is provided for each school district equal the ratio of the school district's initial special education cross-subsidy in fiscal year 2021 to the total initial special education cross-subsidy for all districts in that year.

Early Education

The 4,000 voluntary prekindergarten/school readiness plus seats program was extended for two years that would have otherwise expired. For fiscal years 2022 and 2023 only. Makes no policy changes to the administration of VPK or SR+.

Local Optional Revenue

Increases local optional aid (and correspondingly lowers the local optional levy) for fiscal year 2023 only by setting the second-tier equalizing factor at \$548,842 per pupil unit. Lowers the equalizing factor back to \$510,000 for fiscal year 2024 and later.

Respectful School Meal Policies

Requires a participant in the national school lunch program to adopt and post a school meals policy to:

- be in writing, reasonable, well-defined, and clearly communicate student meal charges when payment cannot be collected. Requires the policy to maintain the dignity of students by prohibiting lunch shaming;
- address whether a collections agency is used by the participant to collect unpaid school meals debt;
- ensure that once a meal is placed on a tray or otherwise served to a student that the meal is not withdrawn from the student; and
- ensure that a student who is eligible for a free or reduced-price lunch is always served a reimbursable meal even if they have outstanding debt.

If a school contracts with a third party it must provide the vendor with its school meals policy and require the vendor to adhere to the policy for contracts entered or modified after July 1, 2021.

Respectful School Meal Policies (Continued)

Prohibits a participant from denying a school lunch to a student who qualifies for free or reduced-price lunch whether the student has outstanding school meal debt attributable to a la carte purchases or for any other reason.

Requires the participant to provide meals to students in a respectful manner. The law provides examples of prohibited activities, which include dumping meals, withdrawing a meal that has been served, announcing or listing students' names publicly, or affixing stickers, stamps, or pins. Prohibits a participant from limiting a student's participation in any school activities, graduation ceremonies, field trips, athletics, activity clubs, or other extracurricular activities or access to materials, technology, or other items provided to students due to an unpaid student meal balance due to unpaid student meal balance.

Teacher Mentoring Programs

School districts are required to develop teacher mentoring programs. Requires districts to use staff development revenue (2% of basic revenue) for teacher mentorship under MN statute 122A.70, subdivision 1. Current law requires revenue to be used for this purpose only if extra funds remain after being used for other purposes.

Special Education Recovery Services and Supports

Requires a school district or charter school to invite the parents of a student with a disability to a meeting of each individualized education program team as soon as practicable, to determine whether special education services and supports are necessary to address the lack of progress on IEP goals or in the general education curriculum due to distributions from COVID-19. States that the services and supports may include extended school year services, additional IEP services, compensatory services, or other appropriate services. Requires services and supports be included in the IEP of the student. Requires the district or charter school to report to the commissioner the services and supports provided to students with disabilities under this section, including the cost. Allows a school district or charter school to use federal funds to comply with this section.

Mental Health Education for Teachers

Suicide and self-harm prevention training must be accessible to teachers in every school district, charter school, Intermediate school districts, service cooperative and tribal schools in Minnesota.

Seizure Training and Action Plan

Requires a school district or charter school where a student with a seizure disorder and prescribed seizure medication is enrolled to have a seizure action plan. The action plan must identify a school nurse or designated individual who can administer seizure medication and require training on seizures. Requires a school district or charter school to provide all licensed school nurses or other designated individuals, and other staff with self-study materials on seizure disorders.

Leave of Absence Due to COVID-19

Between December 27, 2020, and September 4, 2021, certain "leaves of absence" by an applicant are considered involuntary, so the leave does not make the applicant ineligible for unemployment insurance benefits. Leaves considered involuntary during the COVID-19 pandemic include: (1) determination by a health authority or health care professional that the applicant's presence in the workplace is a risk to the health of others; (2) quarantine or isolation order; (3) self-isolation or self-quarantine; (4) direction by employer not to come to work; or (5) schools or childcare are cancelled or unavailable and no other childcare or time off from employer is available. Effective date: Applies retroactively to December 27, 2020. Continues Laws 2020, chapter 71, article 2, section 23.

Unemployment Eligibility for High School Students

Allows high school students to qualify for unemployment insurance if they otherwise meet eligibility requirements. Currently, high school students are excluded from receiving unemployment benefits under Minnesota law but may be eligible for temporary Pandemic Unemployment Assistance under federal law following a recent Minnesota Court of Appeals decision. Effective date: This section is effective July 3, 2022.

Limit on Screen Time for Children in Preschool and Kindergarten

Prohibits a child in a publicly funded preschool or kindergarten program from using an individual-use screen without engagement from a teacher or other students. Excludes a child with an individualized family service plan, an individualized education program, or a 504 plan from the application of this section. This section is effective July 1, 2022.

Fundraising Sales Tax Exemptions

During the 2021 legislative session, there was a change made to Minnesota Statute 297A.70, subdivision 13, restoring the fundraising exemption for school-associated student groups. Starting July 1, 2021, fundraising sales made by school-associated student groups are exempt from sales tax, even when the money must be recorded as part of school district revenues, when the following apply:

- The sales are for fundraising purposes of a club, association, or other organization of elementary or secondary school students organized for the purpose of carrying on sports activities, educational activities, or other extracurricular activities.
- The school district reserves the revenue raised for extracurricular activities, as provided in Minnesota Statute 123B.49, subdivision 4 (e), and spends the revenue raised by a particular extracurricular activity only for that extracurricular activity.

The sales tax exemption to the student fundraising organization applies only to the first \$20,000 of the gross annual receipts of the student group from fundraising.

APPENDIX D

TECHNICAL UPDATE

GASB Statement No. 87 – Leases

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. Specifically, this statement:

1. Establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.
2. Defines the “lease term” and clarifies when lessees and lessors should reassess the lease term due to lease modifications or terminations.
3. Defines and establishes recognition criteria for short-term leases.
4. Amends accounting and financial reporting requirements for contracts with multiple components, contract combinations, subleases, and leaseback transactions.

The statement was to be effective for reporting periods beginning after December 15, 2019. However, due to the impact of Covid-19, the effective date was moved back one and a half years to reporting periods beginning after June 15, 2021. Earlier application is encouraged.

STEPS THAT CAN BE TAKEN NOW

- 1) **Gather leases and contracts.** Depending on the number of leases your organization has, this may be a bigger challenge than anticipated. Keep in mind that not all leases are written “lease” agreements. Some contracts also include embedded leases that were previously treated as expenses, so you may be surprised to find more operating leases than you realized. Checking accounts payable for recurring payments may help you locate agreements that you’ll need to analyze.
- 2) **Analyze all contracts to determine which are leases under the new standard.** GASB 87 defines a lease as a “contract that conveys control of the right to use another entity’s nonfinancial asset (the underlying asset), as specified in the contract, for a period of time in an exchange or exchange-like transaction.” Here are some of the agreements that can be excluded:
 - Short-term leases that are one year or less in duration.
 - Intangibles, such as investment assets, software licenses, and patents.
 - Financed purchases, where ownership of the asset transfers at the end of the lease without an additional payment.
- 3) **Review leases for multiple components.** Some leases include service agreements that will need to be split off from the entire lease. Many agreements (like service agreements and supply contracts) may qualify as leases under GASB 87. Some examples of service contracts that may have embedded leases can include cafeteria equipment, soda fountains, water coolers, coffee machines, etc., where the government may get to use a particular piece of equipment for free in return for the exclusive use of the provider’s products.
- 4) **Determine appropriate materiality thresholds for capitalization.** Work with your auditor to determine what this should be. Be aware that items that are well below that threshold individually may be material in the aggregate.

5) **Select a technology solution such as leasing software to help manage your leases.** Unless your organization only has a few leases, the calculations for journal entries and footnote disclosures will most likely be beyond the capabilities of Excel. When choosing a software solution, keep in mind that tracking this information from leases will be an ongoing project, so look for one that's easy to use and provides your organization with all the information you'll need. Make sure to consider document storage as part of the capabilities. Entities with greater than 10-20 identified leases may wish to seriously consider a lease software solution and not rely on spreadsheets. Keep in mind that if a government has many similar leases, it may choose to amortize the leased assets as a group rather than individually. Composite depreciation is applied to groups of dissimilar assets, but should not be applied across classes of assets, such as buildings, equipment, furniture, and vehicles.

6) **Consider the district's bond covenants, loan covenants, and debt limitations to determine impact.** While a recent update from GASB (GASB 88) specifies that lease liabilities are excluded from the definition of debt for the purposes of financial statement disclosures, it's not clear whether banks, credit rating agencies, or other stakeholders will take a similar stance.

Adding liabilities for operating leases to the balance sheet may mean that covenants for bond contracts and loan agreements will be violated. If this is the case, you may need to renegotiate those agreements. Contacting these stakeholders and other interested parties early on is crucial.

Adding to the complexity, the rules and statutes governing debt limitations vary across states, counties and municipalities. You may need to consult with an attorney to determine whether lease liabilities count as debt for those limitations.

7) **Develop new district policies and procedures as necessary.** Unlike many other financial controls, you'll need to work as a team with people outside of accounting, including procurement, IT, and legal, to make sure all leases and contracts go through accounting. You may need to educate others about the balance sheet impacts of leases.

8) **Do your initial calculations and run the results past your auditor.** Because the calculations are different from the previous treatment of leases, some advisors are recommending performing a trial calculation on a subset of your leases. Then, ask us as your auditors to check your numbers before you do the entire population of leases.

9) **Begin implementing the standard now.** Ensuring that someone is able to learn and understand the new standard and how to implement it is important for a successful implementation year. If you find you are having issues with stretched resources within your organization, don't understand the standard, how to properly implement it, or simply don't have the time to do it, feel free to consult with us. CLA is helping many of our clients through this implementation and is providing various levels of assistance depending on the needs of our clients. We would be happy to discuss the various ways in which we can help and be involved if you determine you will need help with the lease determinations, calculations, or implementation related to the new standard.

GASB Statement No. 89 – Accounting for Interest Cost Incurred before the End of a Construction Period

GASB Statement No. 89 provides that for financial statements prepared using the economic resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expense in the period in which the cost is incurred. Such interest cost should not be capitalized as part of the historical cost of a capital asset. Initially effective for reporting periods beginning after December 31, 2019 but postponed to reporting periods beginning after December 15, 2020. Earlier application is encouraged.

GASB Statement No. 91 – Conduit Debt Obligations

The primary objective of GASB Statement No. 91 is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Initially effective for reporting periods beginning after December 15, 2020 but postponed to reporting periods beginning after December 15, 2021.

GASB Statement No. 92 – Omnibus 2020

The primary objectives of this statement are to enhance comparability and consistency by addressing practice issues that have been identified during implementation and application of certain GASB statements.

This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

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.

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. Effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans

This statement clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units. It also modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. The statement also establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans and modifies the investment valuation requirements for all Section 457 plans. The requirements related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. Requirements relating to the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans are effective immediately.

APPENDIX E

FORMAL REQUIRED COMMUNICATIONS

Board of Education
North Branch Public Schools
Independent School District No. 138
North Branch, Minnesota

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 138 (the District) as of and for the year ended June 30, 2021, and have issued our report thereon dated November 30, 2021. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, Government Auditing Standards, and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the school are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2021.

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

Accounting estimates

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

- Due from Minnesota Department of Education
- Due from other Minnesota school districts
- Due from federal through the Minnesota Department of Education
- Estimated useful lives of depreciable capital assets
- Prefunded Other Postemployment Benefits Obligation
- Severance Obligation
- Net Pension Liability

Management's estimate of the due from Minnesota Department of Education is based on amounts anticipated to be received from the state for various aid entitlements for fiscal 2021. The most significant of these is the aid portion of general education revenue. General education revenue and certain other revenues are computed by applying an allowance per student to the number of students served by the school. Student attendance is accumulated in a statewide database, Minnesota Automated Reporting Student System (MARSS). Because of the complexity of student accounting and because of certain enrollment options, student information is input by other school districts and the MARSS data for fiscal year 2021 is not finalized until well into the next fiscal year. Management expects any differences between estimated and actual data will be insignificant.

Management's estimate of due from other Minnesota school districts is based on amounts that have been billed to other school districts under the excess special education cost tuition billing system. The school has made a good faith effort to accurately calculate such amounts billed, but until the resident school district has an opportunity to review such underlying details as membership days, disability codes, and rates, it will not be known whether such amounts will be collected or not. Management expects any difference between amounts billed and amounts ultimately collected will be insignificant.

Management's estimate of due from federal through the Minnesota Department of Education is based on amounts anticipated to be received through the state for various federal aid entitlements for fiscal 2021. Many federal entitlements require that supporting financial reporting information be provided both in the Uniform Financial Accounting and Reporting Standards (UFARS) accounting system and also the Electronic Data Reporting System (EDRS) reporting system. To the extent that these two separate systems are not in agreement and reported in a timely manner, the estimated aid entitlement may be adversely affected. Management expects any differences between estimated and actual data will be insignificant.

Management's estimate of the useful lives for depreciable capital assets is based on guidance recommended by the Minnesota Department of Education and other sources. The useful life of a depreciable capital asset determines the amount of depreciation that will be recorded in any given reporting period as well as the amount of accumulated depreciation that is reported at the end of a reporting period.

Management's estimate of prefunded other postemployment benefits obligation and severance obligation is based on an actuarially determined calculation, less an actuarially determined estimate of implicit rate subsidy, which is the estimated increased cost of premiums due to inclusion of retirees in the same plan as the District's active employees.

Management's estimate of severance obligation is based on an actuarially determined calculation.

Management's estimate of the pension liability is based on management's expected salary increases, inflation, estimated life expectancy and actual required contributions upon meeting the eligibility requirements. We reviewed the key assumptions used to estimate the liability in determining that they are reasonable in relation to the financial statements taken as a whole.

We reviewed and tested management's procedures and underlying supporting documentation in the areas discussed above and evaluated the key factors and assumptions used to develop the estimates noted above in determining that they are reasonable in relation to the financial statements taken as a whole. We concluded that the accounting estimates and management judgments appeared to consider all significant factors and resulted in appropriate accounting recognition.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

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

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. On the Government-Wide statement of net position and statement of activities, there is a projected misstatement based on the method used to amortize bond premiums. This causes liabilities to be overstated by \$231,051 and net position to be understated by \$178,279, and expenses to be overstated by \$52,772. The Government-wide net position is understated by \$147,158 due to additional capital assets being added from prior years. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

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

Management representations

We have requested certain representations from management that are included in the management representation letter dated November 30, 2021.

Management consultations with other independent accountants

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

Significant issues discussed with management prior to engagement

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

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management’s responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated November 30, 2021.

With respect to the supplementary information accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, 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 or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated November 30, 2021.

The bond schedules accompanying the financial statements, which is the responsibility of management, was prepared for purposes of additional analysis and is not a required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

Board of Education
North Branch Public Schools
Independent School District No. 138

Other information is being included in documents containing the audited financial statements and the auditors' report thereon. Our responsibility for such other information does not extend beyond the financial information identified in our auditors' report. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in such documents. As required by professional standards, we read the bond schedules (the other information) in order to identify material inconsistencies between the audited financial statements and the other information. We did not identify any material inconsistencies between the other information and the audited financial statements.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This communication is intended solely for the information and use of the Board of Education and management of the school and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
November 30, 2021

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2021



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021**

INTRODUCTORY SECTION	
SCHOOL BOARD AND ADMINISTRATION	1
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	2
REQUIRED SUPPLEMENTARY INFORMATION	
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	17
STATEMENT OF ACTIVITIES	18
GOVERNMENTAL FUNDS – BALANCE SHEET	19
GOVERNMENTAL FUNDS – RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES	21
GOVERNMENTAL FUNDS –STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE	22
GOVERNMENTAL FUNDS – RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES TO STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES	24
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	25
MAJOR FOOD SERVICE FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	26
MAJOR COMMUNITY SERVICE FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	27
PROPRIETARY FUND – INTERNAL SERVICE FUND – STATEMENT OF NET POSITION	28
PROPRIETARY FUND – INTERNAL SERVICE FUND – STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION	29
PROPRIETARY FUND – INTERNAL SERVICE FUND – STATEMENT OF CASH FLOWS	30
STATEMENT OF FIDUCIARY NET POSITION	31
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	31
NOTES TO BASIC FINANCIAL STATEMENTS	30

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021**

FINANCIAL SECTION

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY (ASSET) AND RELATED RATIOS	72
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN ON OPEB PLAN ASSETS	73
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	74
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS	75
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	76

SUPPLEMENTARY INFORMATION

UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE	84
--	-----------

OTHER INFORMATION

BOND SCHEDULES	85
-----------------------	-----------

INTRODUCTORY SECTION

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
SCHOOL BOARD AND ADMINISTRATION
JUNE 30, 2021**

BOARD OF EDUCATION

<u>NAME</u>	<u>TERM ON BOARD EXPIRES</u>	<u>BOARD POSITION</u>
Tim MacMillan	01/02/25	Chairperson
Sarah Grovender	01/02/23	Vice Chairperson
Kevin Bollman	01/02/23	Clerk
Heather Osagiede	01/02/25	Treasurer
Jesse LaValla	11/01/21	Director
Tanya Giese	01/02/25	Director

ADMINISTRATION

Sara Paul	Superintendent
Todd Tetzlaff	Director of Finance and Human Resources
Paula Vaughn	District Accountant
District Offices:	Independent School District No. 138 North Branch Public Schools 38705 Grand Ave. North Branch, MN 55056 (651) 674-1000

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Education
North Branch Public Schools
Independent School District No. 138
North Branch, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 138 (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2021, and the respective changes in financial position, and where applicable, cash flows, thereof, and the respective budgetary comparison for the General Fund, Food Service Fund, and Community Service Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited the District's 2020 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated November 19, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the District's net OPEB liability (asset) and related ratios, schedule of money weighted rate of return on OPEB plan assets, the schedule of the District's proportionate share of the net pension liability and the schedule of District pension contributions, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States 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.

Other 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 Uniform Financial Accounting and Reporting Standards Compliance Table, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Uniform Financial Accounting and Reporting Standards Compliance Table 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Uniform Financial Accounting and Reporting Standards Compliance Table is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The bond schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
November 30, 2021

REQUIRED SUPPLEMENTARY INFORMATION

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

This section of North Branch Schools – Independent School District No. 138's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020-2021 fiscal year include the following:

- Net position decreased from District operations, by \$103,771 as compared to June 30, 2020.
- Overall General Fund revenues were \$32,345,150 as compared to \$30,693,641 of expenditures.
- The ending fund balance of the General Fund increased \$1,635,299 from the prior year. Revenues increased 3.3% over the prior year, and expenditures increased 1.2% over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

District-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Fund Financial Statements (Continued)

- The District uses *internal service funds* to report activities that provide supplies and services for the District's other programs and activities. The district currently has one internal service fund for self-insurance of dental benefits.
- *Fiduciary Funds* – The District is the trustee, or *fiduciary*, for assets that belong to others, The District currently has one trust fund, for postemployment benefits. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's *combined* net position was a deficit \$5,541,442 on June 30, 2021. This was a decrease of \$103,771 from the prior year (see Table A-1).

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

	Governmental Activities		Percentage Change
	2021	2020	
Current and Other Assets	\$ 23,587,499	\$ 26,783,397	(11.93)%
Capital and Noncurrent Assets	97,568,274	98,781,368	(1.23)
Total Assets	<u>121,155,773</u>	<u>125,564,765</u>	(3.51)
Deferred Outflows of Resources	7,544,345	13,841,577	(45.50)
Current Liabilities	8,260,876	9,108,287	(9.30)
Long-Term Liabilities	98,345,008	101,510,508	(3.12)
Total Liabilities	<u>106,605,884</u>	<u>110,618,795</u>	(3.63)
Deferred Inflows of Resources	<u>27,635,676</u>	<u>34,225,218</u>	(19.25)
Net Position			
Net Investment in Capital Assets	17,682,986	17,408,337	1.58
Restricted	5,155,096	5,421,238	(4.91)
Unrestricted	(28,379,524)	(28,267,246)	0.40
Total Net Position	<u><u>\$ (5,541,442)</u></u>	<u><u>\$ (5,437,671)</u></u>	

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Changes in Net Position

The District's total revenues were \$41,299,728 for the year ended June 30, 2021. Property taxes and unrestricted state formula aid accounted for 70.5% of total revenue for the year. Another 6.9% came from federal sources, and the remainder from investment earnings, other general revenues and program revenues.

	Governmental Activities for the Fiscal Year Ended June 30,		Percentage Change
	2021	2020	
Revenues			
<u>Program Revenues</u>			
Charges for Services	\$ 2,186,666	\$ 3,559,161	(38.56)%
Operating Grants and Contributions	9,115,836	6,697,323	36.11
Capital Grants and Contributions	422,654	634,493	(33.39)
<u>General Revenues</u>			
Property Taxes	9,476,407	8,923,186	6.20
Unrestricted State Aid	19,646,708	20,175,573	(2.62)
Investment Earnings	45,535	445,996	(89.79)
Other	405,922	276,054	47.04
Total Revenues	<u>41,299,728</u>	<u>40,711,786</u>	1.44
Expenses			
Administration	1,570,549	1,661,592	(5.48)
District Support Services	1,433,006	1,536,619	(6.74)
Regular Instruction	17,157,817	10,905,586	57.33
Vocational Education Instruction	427,494	362,514	17.92
Special Education Instruction	5,870,174	6,398,436	(8.26)
Instructional Support Services	1,989,076	2,044,460	(2.71)
Pupil Support Services	3,280,986	3,236,867	1.36
Sites and Buildings	4,777,555	8,494,120	(43.75)
Fiscal and Other Fixed Cost Programs	269,581	483,296	(44.22)
Food Service	1,184,055	1,359,985	(12.94)
Community Service	1,085,037	1,640,049	(33.84)
Interest and Fiscal Charges on Long-Term Liabilities	2,358,169	2,415,646	(2.38)
Total Expenses	<u>41,403,499</u>	<u>40,539,170</u>	2.13
Increase (Decrease) in Net Position	(103,771)	172,616	
Net Position - Beginning of Year	(5,437,671)	(5,610,287)	
Net Position - End of Year	<u>\$ (5,541,442)</u>	<u>\$ (5,437,671)</u>	

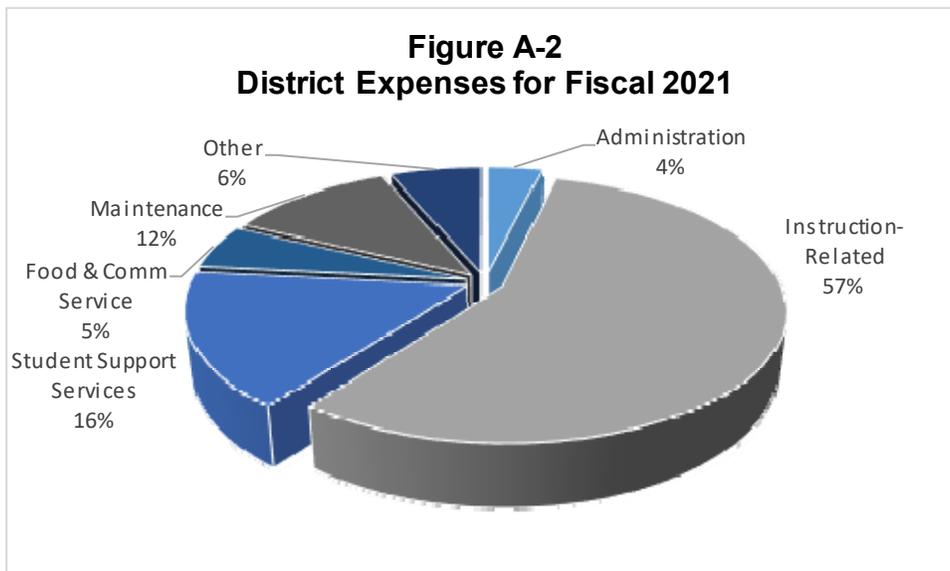
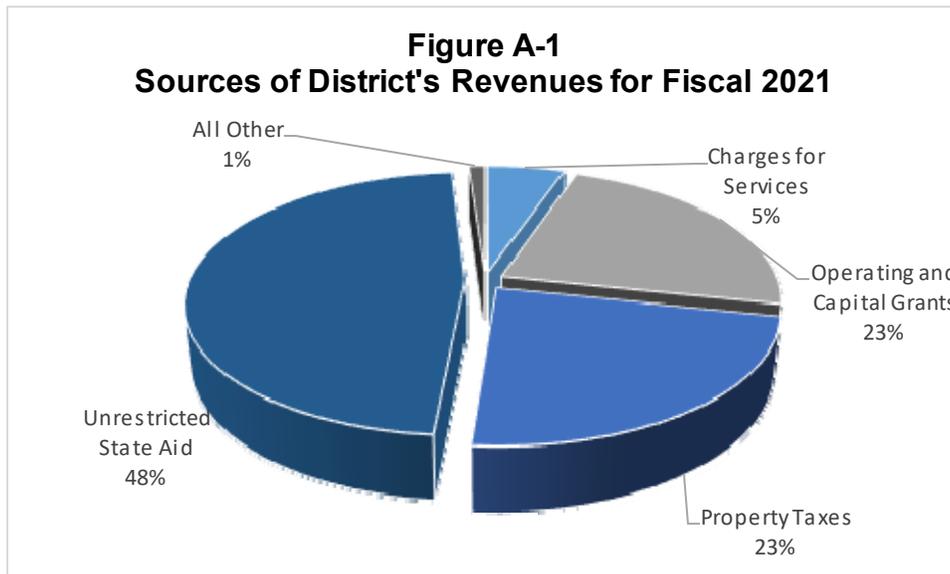
The total cost of all programs and services excluding interest and fiscal charges, was \$41,403,499. Total expenses exceeded revenues, decreasing net position by \$103,771 over last year. The increase in operating grants and contributions is due to a change in the funding for meals provided along with an increase in taxes. The increase in expenses is due to spending of additional grant monies.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Changes in Net Position (Continued)

The cost of all *governmental* activities this year was \$41,403,499.

- Some of the cost was paid by the users of the District's programs (\$2,186,666).
- The federal and state governments subsidized certain programs with operating and capital grants and contributions (\$9,538,490).
- Most of the District's costs, however, were paid for by District taxpayers and the taxpayers of our state.
- This portion of governmental activities was paid for with \$9,476,407 in property taxes, \$19,646,708 of state aid based on the statewide education aid formula, and \$451,457 with investment earnings and other general revenues.



**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Changes in Net Position (Continued)

Typically, the District does not include in an analysis of all governmental funds a breakout of expenses as depicted in Figure A-2. To do so distorts the latitude available to the District to allocate resources to instruction. All governmental funds includes not only funds received for the general operation of the District, which are used for classroom instruction, but also includes resources from the entrepreneurial-type funds of Food Service and Community Education, and from resources for fiscal service transactions. Funding for the general operation of the District is controlled by the state and the District does not have the latitude to allocate money received in Food Service or Community Education or for fiscal services to enhance classroom instruction resources. The District cannot take funds from these restricted areas and use the funds to hire teachers to enhance instruction. The preceding graph, by pooling all expenses, implies that the District does have equal access to all funds to impact classroom instruction. In Minnesota, that is simply not an option. Therefore, a more accurate analysis of resources allocated to instruction should be limited to an analysis of resources received for the general operation of the District and that analysis would show that 60.1% of those resources are spent on instruction.

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

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2021	2020		2021	2020	
Administration	\$ 1,570,549	\$ 1,661,592	(5.48)%	\$ 1,460,135	\$ 1,657,069	(11.88)%
District Support Services	1,433,006	1,536,619	(6.74)	1,431,549	1,535,309	(6.76)
Regular Instruction	17,157,817	10,905,586	57.33	14,333,777	8,926,137	60.58
Vocational Education Instruction	427,494	362,514	17.92	417,475	326,980	27.68
Special Education Instruction	5,870,174	6,398,436	(8.26)	1,758,723	2,702,960	(34.93)
Instructional Support Services	1,989,076	2,044,460	(2.71)	701,378	752,907	(6.84)
Pupil Support Services	3,280,986	3,236,867	1.36	2,528,604	2,538,653	0.40
Sites and Buildings	4,777,555	8,494,120	(43.75)	4,372,817	7,864,247	(44.40)
Fiscal and Other Fixed Cost Programs	269,581	483,296	(44.22)	269,581	483,296	(44.22)
Food Service	1,184,055	1,359,985	(12.94)	(58,515)	3,235	1908.81
Community Service	1,085,037	1,640,049	(33.84)	104,650	441,754	(76.31)
Interest and Fiscal Charges on Long-Term Liabilities	2,358,169	2,415,646	(2.38)	2,358,169	2,415,646	(2.38)
Total	\$ 41,403,499	\$ 40,539,170	2.13	\$ 29,678,343	\$ 29,648,193	0.10

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$8,478,506 which is \$3,203,181 below last year's ending fund balance of \$11,681,687. Revenues and other financing sources for the District's governmental funds were \$40,935,483 while total expenditures and other financing uses were \$44,138,664. Other financing sources and uses included transfers and other miscellaneous items.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

GENERAL FUND

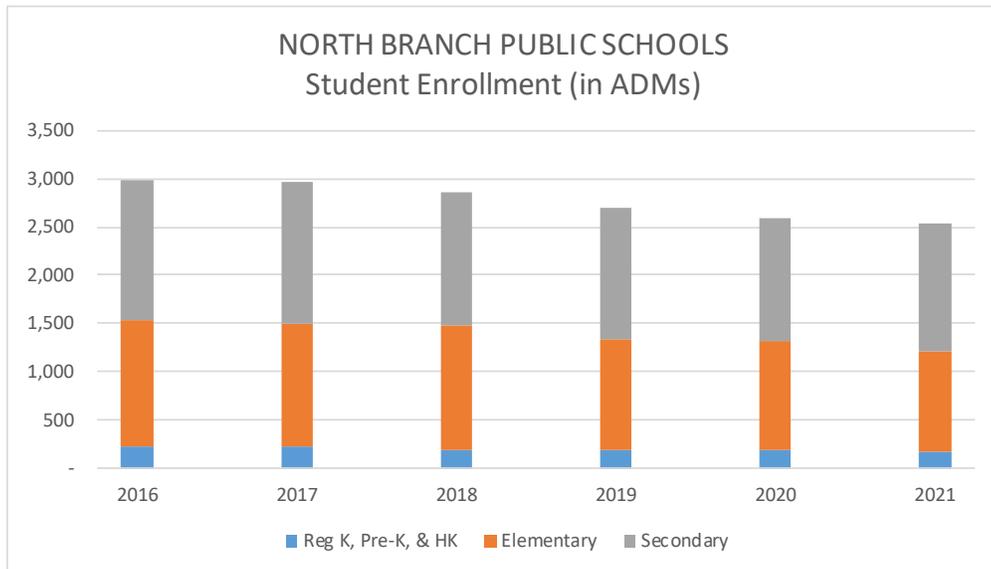
The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through grade 12 including pupil transportation activities and capital outlay projects. Approximately 80.7% of General Fund operational revenue is controlled by a complex set of state funding formulas resulting in the local school board having no meaningful authority to determine the level of resources. This includes special education state aid that is based upon a cost reimbursement model providing approximately 50% of related expenditures. Other state formulas then determine what portion of the revenue will be provided by property taxes and what portion will come from state aid.

ENROLLMENT

Enrollment is a critical factor in determining revenue with approximately 63.6% of General Fund revenue being determined by enrollment. The following chart shows that the number of students has decreased over the last several years.

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

	2016	2017	2018	2019	2020	2021
Reg K, Pre-K, & HK	230	224	198	191	197	166
Elementary	1,308	1,275	1,288	1,150	1,130	1,038
Secondary	1,451	1,468	1,374	1,352	1,258	1,330
Total Students for Aid	2,989	2,967	2,860	2,693	2,585	2,534
Percent Change	-2.68%	-0.74%	-3.61%	-5.84%	-4.01%	-1.98%



In 2021, the District experienced a decline in enrollment of 52 students. Enrollment has declined over the last 10 years.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

The following schedule presents a summary of General Fund revenues.

**Table A-5
General Fund Revenues**

Fund	Year Ended		Change	
	June 30, 2021	June 30, 2020	Increase (Decrease)	Percent
Local Sources:				
Property Taxes	\$ 3,839,645	\$ 3,435,715	\$ 403,930	11.8 %
Earnings on Investments	25,965	66,747	(40,782)	(61.1)
Other	1,545,329	2,158,929	(613,600)	(28.4)
State Sources	25,231,598	25,272,420	(40,822)	(0.2)
Federal Sources	1,702,613	383,992	1,318,621	343.4
Total General Fund Revenues	<u>\$ 32,345,150</u>	<u>\$ 31,317,803</u>	<u>\$ 1,027,347</u>	3.3

Total General Fund revenue increased by \$1,027,347 or 3.3% from the previous year. The increase in federal sources is due to additional funding sources for the current year. The increase in property taxes is mainly due to increase the levy. Basic general education revenue is determined by multiple state formulas, largely enrollment driven, and consists of an equalized mix of property tax and state aid revenue. Therefore, the mix of property tax and state aid can change significantly from year to year without any net change in total revenue. The state basic general education revenue formula per student decreased compared to the prior year.

The following schedule presents a summary of General Fund expenditures.

**Table A-6
General Fund Expenditures**

	Year Ended		Amount of Increase (Decrease)	Percent Increase (Decrease)
	June 30, 2021	June 30, 2020		
Salaries	\$ 16,611,729	\$ 16,235,079	\$ 376,650	2.3 %
Employee Benefits	5,256,959	5,236,359	20,600	0.4
Purchased Services	6,023,913	6,018,589	5,324	0.1
Supplies and Materials	1,269,834	1,239,428	30,406	2.5
Capital Expenditures	725,846	719,141	6,705	0.9
Other Expenditures	805,360	887,983	(82,623)	(9.3)
Total Expenditures	<u>\$ 30,693,641</u>	<u>\$ 30,336,579</u>	<u>\$ 357,062</u>	1.2

Total General Fund expenditures increased \$357,062 or 1.2% from the previous year. Increases in salaries and employee benefits occurred as a result of additional staff, mainly for distance learning.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

In 2020-2021, General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$1,635,299. Therefore, total fund balance increased to \$5,657,946 at June 30, 2021. After deducting statutory restrictions, the unassigned fund balance increased from \$2,156,517 at June 30, 2020 to \$3,410,833 at June 30, 2021. Unassigned fund balance is the single best measure of overall financial health.

General Fund Budgetary Highlights

Following approval of the budget prior to the beginning of the fiscal year, the District revises the annual operating budget in mid-year. The Board was presented with and adopted a revised General Fund budget in February 2021 and was presented with and adopted a revised budget for all funds in June 2021. These budget amendments typically fall into two categories:

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

In the case of either budget amendments, depending on how actual revenue and expenditures items are tracking against the preliminary budget amounts, adjustments are proposed to specific categories for review and approval by the school board.

Actual revenues were \$1,934,844 lower than expected, mainly due to lower than expected state and federal revenue.

The actual expenditures were \$2,292,452 lower than budget, mainly due to a decrease in expected purchased services and supplies.

While the District's final budget for the General Fund anticipated an increase in fund balance of \$1,466,410, the actual results for the year show an increase of \$1,635,299, so the ending fund balance was more than budget by \$168,889. The majority of the fund balance in this area consists of Long-Term Facility Maintenance Funds and are allocated to projects related to construction.

DEBT SERVICE FUND

The Debt Service Fund revenues exceeded expenditures by \$199,947 in 2020-2021. The remaining fund balance of \$1,152,588 is restricted at June 30, 2021.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

OTHER MAJOR FUNDS

Revenues exceeded expenditures in the Food Service Fund by \$58,515, leaving a fund balance of \$160,435.

The total fund balance of the Community Service Fund increased by \$224,307. The increase related to cutting costs and various programs during the current fiscal year.

From the standpoint of maintaining current operating expenditures within the range of annual revenue and maintaining a sound fund balance, both the Community Service and Food Service Funds continue to operate on a sound financial basis. The District utilizes price increases and expenditure reductions as necessary to bring expenditures and revenues in these funds into balance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2021, the District had invested about \$149,303,000 in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and school buses (see Table A-7). (More detailed information about capital assets can be found in Note 4 to the financial statements.) Total depreciation expense for the year was approximately \$5,828,000.

**Table A-7
The District's Capital Assets**

	2021	2020	Percentage Change
Land	\$ 509,000	\$ 509,000	-
Construction in Progress	295,211	20,600,295	(98.6)
Land Improvements	10,476,618	10,476,617	0.0
Buildings and Improvements	120,560,292	99,438,376	21.2
Equipment	17,462,180	17,042,700	2.5
Less: Accumulated Depreciation	(51,735,027)	(49,285,620)	5.0
Total	<u>\$ 97,568,274</u>	<u>\$ 98,781,368</u>	(1.2)

Long-Term Liabilities

At year-end, the District had \$77,125,000 in general obligation bonds outstanding – a decrease of 3.6% from last year – as shown in Note 5 to the financial statements.

**Table A-8
The District's Long-Term Liabilities**

	2021	2020	Percentage Change
General Obligation Bonds	\$ 77,125,000	\$ 79,985,000	(3.6)%
Net Bond Premium and (Discount)	3,349,313	3,777,103	(11.3)
Obligations Under Capital Leases	695,324	1,189,581	(41.5)
Compensated Absences	1,227,833	1,305,893	
Total	<u>\$ 82,397,470</u>	<u>\$ 86,257,577</u>	(4.5)
Long-Term Liabilities:			
Due Within One Year	\$ 3,474,833	\$ 3,560,273	
Due in More Than One Year	78,922,637	82,697,304	
Total	<u>\$ 82,397,470</u>	<u>\$ 86,257,577</u>	

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Bond Ratings

The District's bonds presently carry a Moody's "A1" underlying rating with an Enhanced rating of "Aa2".

Limitations on Debt

The state limits the amount of general obligation debt the District can issue to 15% of the assessed value of all taxable property within the District's corporate limits. Our outstanding debt is significantly below this limit – which is currently \$254 million.

FACTORS BEARING ON THE DISTRICT'S FUTURE

North Branch Area Public Schools is dependent on the State of Minnesota for its revenue authority. The District has been unsuccessful in attempts to gain voter approval for an excess operating referendum, and so remains at the basic state funding level. Facing a projected budget deficit, strategic reductions were implemented during the 2020 - 2021 fiscal year for the 2021-2022 fiscal year, and, as a result, the School Board approved a structurally balanced budget. The School Board is committed to maintaining a balanced budget and restoring the unassigned General Fund balance to meet the School Board fund balance target.

The School Board revised their fund balance policy from a target of between 5% and 10% to a targeted fund balance policy in our unassigned general fund of between 10% and 15% in July of 2021. This was revised to assure the District is not in a position to need to cash flow borrow while operating within the school boards' established target. The increased target also reflects the financial situation of a smaller school district than when this target was originally set as enrollment has been declining for the past several years. The District will strive to maintain its long-standing commitment to academic excellence and educational opportunity for students within a framework of financial fiduciary responsibility.

After several years of relatively rapid enrollment decline, the pace of enrollment decline in the school district slowed during the 2020 - 2021 school year. In the fall of 2020, an increased number of families chose to homeschool their children rather than sending their children to school during the COVID-19 pandemic. During the 2020 - 2021 school year, our Distance Learning program enrollment increased sharply and had a peak enrollment of 525 students. During the 2020 - 2021 school year, space was leased at the Shops at Gateway North for our Area Learning Center and our Distance Learning Academy students and staff to promote safety for all involved and to accommodate social distancing. The Association of School Business Officials projected that a school district the size of North Branch Area Public Schools would experience \$1.3 million in additional expenses to have students in school during the pandemic. The additional federal revenue dedicated to COVID related expenses including staffing for Distance Learning Academy, digital curriculum, technology for students and staff to connect virtually, personal protective equipment, transporting students at reduced capacity and many other costs for FY 21 was \$1,213,555.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

FACTORS BEARING ON THE DISTRICT'S FUTURE (CONTINUED)

A demographic study completed in 2009 concluded that growth in the District stopped as a result of the downturn in the economy, particularly the mortgage market. The study concluded that the District will experience continued enrollment declines in the near future. It further suggested that once the economy recovers, enrollment growth is likely to return provided that the development of new residential properties is part of the recovery. Housing starts have increased for each of the past two years and there is a level of optimism regarding reducing enrollment decline and experiencing increases in enrollment in the near future. Commercial development has shown signs of improvement with some new commercial enterprises moving into the District, however, some small businesses continue to be adversely impacted by the COVID-19 pandemic in our local community. Growth potential exists because of the geographic proximity to the Minneapolis/St. Paul metropolitan area on a major interstate corridor. In addition, birth rates within the District have historically been higher than the state average. Enrollment growth will depend on the level of residential development in the District. The District will continue to review these trends closely.

Construction

The District continually monitors enrollments to plan for needed capacity. Current projections suggest that building capacity District-wide appears to be adequate for at least the next decade and until significant new residential development occurs in the District. A facilities and recommissioning study was completed in the 2013-2014 fiscal year, which identified deferred maintenance needs that are too large to be addressed with annual maintenance revenues. An election was held in May 2017 to authorize bonds of \$70,165,000 for deferred maintenance and improvements. The election was successful and the process of making significant capital improvements to existing facilities was very active in FY21 and scheduled to conclude prior to the end of FY22. Updates to mechanical systems, electrical systems and HVAC have significantly improved the functioning and efficiency of the building sites and the majority of spaces will have new furniture by the conclusion of the construction process. An expanded fitness center and gym space was added to the high school and Kindergarten classrooms were added to the Education Center.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our 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. If you have questions about this report or need additional financial information, contact the Business Office, Independent School District 138, District Office, 38705 Grand Ave., North Branch, Minnesota 55056.

BASIC FINANCIAL STATEMENTS

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
STATEMENT OF NET POSITION
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	Governmental Activities	
	2021	2020
ASSETS		
Cash and Investments	\$ 12,559,801	\$ 16,821,313
Receivables:		
Property Taxes	6,266,985	6,276,902
Other Governments	3,167,410	2,293,575
Other	105,948	616,866
Prepaid Items	32,493	18,796
Inventory	45,233	41,939
Net OPEB Asset	1,409,629	714,006
Capital Assets:		
Land	509,000	509,000
Construction in Progress	295,211	20,600,295
Other Capital Assets, Net of Depreciation	96,764,063	77,672,073
Total Assets	121,155,773	125,564,765
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	7,498,361	13,795,965
OPEB Related	45,984	45,612
	7,544,345	13,841,577
LIABILITIES		
Salaries Payable and Other Payroll Related Items	2,162,089	1,736,004
Accounts, Contracts, and Claims Payable	1,193,640	2,418,195
Accrued Interest	1,159,045	1,218,640
Due to Other Governmental Units	159,523	82,004
Unearned Revenue	111,746	93,171
Long-Term Liabilities:		
Net Pension Liability	19,422,371	18,813,204
Portion Due Within One Year	3,474,833	3,560,273
Portion Due in More Than One Year	78,922,637	82,697,304
Total Liabilities	106,605,884	110,618,795
DEFERRED INFLOWS OF RESOURCES		
Pension Related	17,645,322	24,767,796
OPEB Related	858,761	321,918
Property Taxes Levied for Subsequent Year	9,131,593	9,135,504
Total Deferred Inflows of Resources	27,635,676	34,225,218
NET POSITION		
Net Investment in Capital Assets	17,682,986	17,408,337
Restricted for:		
General Fund Operating Capital Purposes	41,461	32,149
General Fund State-Mandated Reserves	1,654,536	1,458,731
Food Service	160,435	101,920
Community Service	312,045	107,869
Other Postemployment Benefits	1,409,629	714,006
Debt Service	91,474	-
Capital Projects - Building Construction	1,485,516	3,006,563
Unrestricted	(28,379,524)	(28,267,246)
Total Net Position	\$ (5,541,442)	\$ (5,437,671)

See accompanying Notes to Basic Financial Statements.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL STATEMENT INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

Functions	2021				2020	
	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating	Capital	Total	Total
			Grants and Contributions	Grants and Contributions	Governmental Activities	Governmental Activities
Governmental Activities						
Administration	\$ 1,570,549	\$ -	\$ 110,414	\$ -	\$ (1,460,135)	\$ (1,657,069)
District Support Services	1,433,006	-	487	970	(1,431,549)	(1,535,309)
Regular Instruction	17,157,817	262,646	2,509,166	52,228	(14,333,777)	(8,926,137)
Vocational Education Instruction	427,494	241	9,778	-	(417,475)	(326,980)
Special Education Instruction	5,870,174	580,725	3,530,726	-	(1,758,723)	(2,702,960)
Instructional Support Services	1,989,076	63,247	1,098,722	125,729	(701,378)	(752,907)
Pupil Support Services	3,280,986	365,463	309,371	77,548	(2,528,604)	(2,538,653)
Sites and Buildings	4,777,555	68,453	170,106	166,179	(4,372,817)	(7,864,247)
Fiscal and Other Fixed Cost Programs	269,581	-	-	-	(269,581)	(483,296)
Food Service	1,184,055	137,677	1,104,893	-	58,515	(3,235)
Community Service	1,085,037	708,214	272,173	-	(104,650)	(441,754)
Interest and Fiscal Charges on Long-Term Liabilities	2,358,169	-	-	-	(2,358,169)	(2,415,646)
Total School District	<u>\$ 41,403,499</u>	<u>\$ 2,186,666</u>	<u>\$ 9,115,836</u>	<u>\$ 422,654</u>	(29,678,343)	(29,648,193)
General Revenues						
Property Taxes Levied for:						
General Purposes					3,837,605	3,450,151
Community Service					235,338	218,158
Debt Service					5,403,464	5,254,877
State Aid Not Restricted to Specific Purposes					19,646,708	20,175,573
Earnings on Investments					45,535	445,996
Gain on Sale of Capital Assets					134,302	-
Miscellaneous					271,620	276,054
Total General Revenues					<u>29,574,572</u>	<u>29,820,809</u>
CHANGE IN NET POSITION					(103,771)	172,616
Net Position - Beginning of Year					<u>(5,437,671)</u>	<u>(5,610,287)</u>
NET POSITION - END OF YEAR					<u>\$ (5,541,442)</u>	<u>\$ (5,437,671)</u>

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	Major Funds		
	General	Food Service	Community Service
ASSETS			
Cash and Investments	\$ 6,876,520	\$ 243,050	\$ 452,447
Receivables:			
Current Property Taxes	2,541,977	-	146,523
Delinquent Property Taxes	100,929	-	6,781
Due from Other Minnesota School Districts	143,615	-	-
Due from Minnesota Department of Education	2,378,193	1,855	32,813
Due from Federal through Minnesota Department of Education	247,833	238,976	5,611
Due from Other Governmental Units	66,201	-	2,630
Other Receivables	86,894	-	19,054
Prepaid Items	31,539	-	954
Inventory	19,577	25,656	-
Total Assets	<u>\$ 12,493,278</u>	<u>\$ 509,537</u>	<u>\$ 666,813</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Salaries Payable	\$ 2,276,399	\$ 466	\$ 51,710
Accounts and Contracts Payable	579,709	324,252	7,496
Due to Other Governmental Units	157,781	1,742	-
Unearned Revenue	-	22,642	89,104
Total Liabilities	<u>3,013,889</u>	<u>349,102</u>	<u>148,310</u>
Deferred Inflows of Resources:			
Property Taxes Levied for Subsequent Year	3,758,263	-	231,498
Unavailable Revenue - Delinquent Taxes	63,180	-	4,333
Total Deferred Inflows of Resources	<u>3,821,443</u>	<u>-</u>	<u>235,831</u>
Fund Balance:			
Nonspendable:			
Prepaid Items	31,539	-	954
Inventory	19,577	25,656	-
Restricted:			
Student Activities	155,795	-	-
Scholarships	152,621	-	-
Staff Development	265,074	-	-
Capital Projects Levy	40,679	-	-
Operating Capital	41,461	-	-
Safe Schools - Crime	101,701	-	-
Community Education Programs	-	-	92,369
Early Childhood and Family Educations Programs	-	-	205,977
School Readiness	-	-	8,412
Basic Skills Ext Time	38,228	-	-
Long-Term Facilities Maintenance	840,935	-	-
Medical Assistance	34,223	-	-
Other Restricted	25,280	134,779	-
Committed:			
Separation/Retirement Benefits	-	-	-
Assigned:			
Capital Outlay	500,000	-	-
Unassigned	3,410,833	-	(25,040)
Total Fund Balance	<u>5,657,946</u>	<u>160,435</u>	<u>282,672</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 12,493,278</u>	<u>\$ 509,537</u>	<u>\$ 666,813</u>

See accompanying Notes to Basic Financial Statements.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
GOVERNMENTAL FUNDS
BALANCE SHEET (CONTINUED)
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

Capital Projects	Debt Service	Total Governmental Funds	
		2021	2020
\$ 1,485,516	\$ 2,871,893	\$ 11,929,426	\$ 16,250,989
-	3,317,056	6,005,556	6,046,596
-	153,719	261,429	230,306
-	-	143,615	208,968
-	49,683	2,462,544	1,720,333
-	-	492,420	308,238
-	-	68,831	56,036
-	-	105,948	616,866
-	-	32,493	18,796
-	-	45,233	41,939
<u>\$ 1,485,516</u>	<u>\$ 6,392,351</u>	<u>\$ 21,547,495</u>	<u>\$ 25,499,067</u>
\$ -	\$ -	\$ 2,328,575	1,942,020
260,651	-	1,172,108	2,389,877
-	-	159,523	82,004
-	-	111,746	93,171
<u>260,651</u>	<u>-</u>	<u>3,771,952</u>	<u>4,507,072</u>
-	5,141,832	9,131,593	9,135,504
-	97,931	165,444	174,804
-	<u>5,239,763</u>	<u>9,297,037</u>	<u>9,310,308</u>
-	-	32,493	18,796
-	-	45,233	41,939
-	-	155,795	182,475
-	-	152,621	144,112
-	-	265,074	122,086
-	-	40,679	14,548
-	-	41,461	32,149
-	-	101,701	130,589
-	-	92,369	-
-	-	205,977	100,956
-	-	8,412	-
-	-	38,228	38,228
1,224,865	-	2,065,800	3,880,274
-	-	34,223	13,106
-	1,152,588	1,312,647	4,503,961
-	-	-	243,901
-	-	500,000	102,918
-	-	3,385,793	2,111,649
<u>1,224,865</u>	<u>1,152,588</u>	<u>8,478,506</u>	<u>11,681,687</u>
<u>\$ 1,485,516</u>	<u>\$ 6,392,351</u>	<u>\$ 21,547,495</u>	<u>\$ 25,499,067</u>

See accompanying Notes to Basic Financial Statements.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	2021	2020
Total Fund Balance for Governmental Funds	\$ 8,478,506	\$ 11,681,687
Total fund balance reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	509,000	509,000
Construction in Progress	295,211	20,600,295
Land Improvements, Net of Accumulated Depreciation	6,134,980	6,362,332
Buildings and Improvements, Net of Accumulated Depreciation	80,138,367	63,559,794
Equipment, Net of Accumulated Depreciation	10,490,716	7,749,947
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current-period's expenditures and, therefore, are reported as deferred inflows of resources in the funds.		
	165,444	174,804
The District's Net Pension Liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:		
Net Pension Liability	(19,422,371)	(18,813,204)
Deferred Inflows of Resources - Pension Related	(17,645,322)	(24,767,796)
Deferred Outflows of Resources - Pension Contributions	7,498,361	13,795,965
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
	(1,159,045)	(1,218,640)
The District's Net OPEB Asset and related deferred inflows and outflows are recorded only on the statement of net position. Balances year-end are:		
Net OPEB Asset	1,409,629	714,006
Deferred Inflows of Resources - OPEB Related	(858,761)	(321,918)
Deferred Outflows of Resources - OPEB Related	45,984	45,612
Internal service funds are used by management to charge the costs of dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position at year-end is:		
	608,843	542,006
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year-end are:		
Bonds Payable	(77,125,000)	(79,985,000)
Unamortized Premiums	(3,349,313)	(3,777,103)
Obligations Under Capital Leases	(695,324)	(1,189,581)
Compensated Absences Payable	(1,061,347)	(1,099,877)
Total Net Position of Governmental Activities	\$ (5,541,442)	\$ (5,437,671)

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

	Major Funds		
	General	Food Service	Community Service
REVENUES			
Local Sources:			
Property Taxes	\$ 3,839,645	\$ -	\$ 235,641
Earnings on Investments	25,965	-	-
Other	1,545,329	137,677	708,214
State Sources	25,231,598	1,855	336,275
Federal Sources	1,702,613	1,103,038	25,157
Total Revenues	<u>32,345,150</u>	<u>1,242,570</u>	<u>1,305,287</u>
EXPENDITURES			
Current:			
Administration	1,522,072	-	-
District Support Services	1,505,866	-	-
Regular Instruction	11,805,927	-	-
Vocational Education Instruction	424,411	-	-
Special Education Instruction	5,995,588	-	-
Instructional Support Services	1,648,724	-	-
Pupil Support Services	3,032,251	-	-
Sites and Buildings	3,207,860	-	-
Fiscal and Other Fixed Cost Programs	269,581	-	-
Food Service	-	1,184,055	-
Community Service	-	-	1,146,885
Capital Projects	-	-	-
Capital Outlay	722,246	-	-
Debt Service:			
Principal	494,257	-	-
Interest and Fiscal Charges	64,858	-	-
Total Expenditures	<u>30,693,641</u>	<u>1,184,055</u>	<u>1,146,885</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	1,651,509	58,515	158,402
OTHER FINANCING SOURCES (USES)			
Sale of Equipment	20,849	-	-
Insurance Recovery Proceeds	28,846	-	-
Issuance of Capital Lease	-	-	-
Transfers In	-	-	65,905
Transfers Out	(65,905)	-	-
Total Other Financing Sources (Uses)	<u>(16,210)</u>	<u>-</u>	<u>65,905</u>
NET CHANGE IN FUND BALANCES	1,635,299	58,515	224,307
Fund Balances - Beginning of Year	<u>4,022,647</u>	<u>101,920</u>	<u>58,365</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,657,946</u>	<u>\$ 160,435</u>	<u>\$ 282,672</u>

See accompanying Notes to Basic Financial Statements.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE (CONTINUED)
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

Capital Projects	Debt Service	Total Governmental Funds	
		2021	2020
\$ -	\$ 5,410,481	\$ 9,485,767	\$ 8,938,768
19,562	8	45,535	445,996
-	-	2,391,220	3,714,082
-	496,825	26,066,553	26,145,927
-	-	2,830,808	1,107,539
<u>19,562</u>	<u>5,907,314</u>	<u>40,819,883</u>	<u>40,352,312</u>
-	-	1,522,072	1,622,645
-	-	1,505,866	1,474,636
-	-	11,805,927	11,654,383
-	-	424,411	369,093
-	-	5,995,588	6,201,126
-	-	1,648,724	1,562,093
-	-	3,032,251	3,107,902
-	-	3,207,860	2,747,131
-	-	269,581	252,010
-	-	1,184,055	1,359,985
-	-	1,146,885	1,651,205
1,750,973	-	1,750,973	3,618,989
3,589,838	-	4,312,084	18,598,825
-	2,860,000	3,354,257	3,752,228
-	2,847,367	2,912,225	3,078,688
<u>5,340,811</u>	<u>5,707,367</u>	<u>44,072,759</u>	<u>61,050,939</u>
(5,321,249)	199,947	(3,252,876)	(20,698,627)
-	-	20,849	1,560
-	-	28,846	90,667
-	-	-	263,836
-	-	65,905	124,253
-	-	(65,905)	(124,253)
-	-	<u>49,695</u>	<u>356,063</u>
(5,321,249)	199,947	(3,203,181)	(20,342,564)
<u>6,546,114</u>	<u>952,641</u>	<u>11,681,687</u>	<u>32,024,251</u>
<u>\$ 1,224,865</u>	<u>\$ 1,152,588</u>	<u>\$ 8,478,506</u>	<u>\$ 11,681,687</u>

See accompanying Notes to Basic Financial Statements.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
GOVERNMENTAL FUNDS – RECONCILIATION OF THE STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
TO STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

	2021	2020
Net Change in Fund Balance - Total Governmental Funds	\$ (3,203,181)	\$ (20,342,564)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>		
Capital Outlays	4,480,499	22,308,459
Gain (Loss) on Disposal of Capital Assets	134,302	(27,430)
Depreciation Expense	(5,827,895)	(4,948,492)
<p>Some capital asset additions are financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability. Repayment of capital lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the statement of net position.</p>		
Other Financing Source - Issuance of Capital Lease	-	(263,836)
Principal Payments - Capital Leases	494,257	527,228
<p>Payment of OPEB benefits are recognized as expenditures at the fund level while the change in the net OPEB asset is recognized in the statement of activities.</p>		
	159,152	(4,725)
<p>Pension expenditures on the governmental funds are measured by current year employee contributions. Pension expenses on the Statement of Activities are measured by the change in Net Pension Liability and the related deferred inflows and outflows of resources.</p>		
	215,703	(1,117,328)
<p>The governmental funds report bond proceeds as financing sources, while repayment of of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities repayment of principal reduces the liability. Also, governmental funds report the effect of bond discounts and premiums when debt is first issued, whereas these amounts are amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:</p>		
Repayment of Bond Principal	2,860,000	3,225,000
Change in Accrued Interest Expense - General Obligation Bonds	59,595	126,492
Amortization of Bond Premium	427,790	427,790
<p>Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current-period's expenditures and, therefore, are unavailable in the funds.</p>		
	(9,360)	(15,582)
<p>In the statement of activities, certain operating expenses - severance benefits and compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).</p>		
	38,530	210,096
<p>Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The net revenue of the internal service funds is reported with governmental activities.</p>		
	66,837	67,508
Change in Net Position of Governmental Activities	\$ (103,771)	\$ 172,616

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 3,828,554	\$ 3,828,554	\$ 3,839,645	\$ 11,091
Earnings on Investments	161,748	161,748	25,965	(135,783)
Other	2,103,760	2,103,760	1,545,329	(558,431)
State Sources	26,182,859	26,182,859	25,231,598	(951,261)
Federal Sources	789,518	2,003,073	1,702,613	(300,460)
Total Revenues	33,066,439	34,279,994	32,345,150	(1,934,844)
EXPENDITURES				
Current:				
Administration	1,556,278	1,606,534	1,522,072	(84,462)
District Support Services	2,141,209	2,283,076	1,505,866	(777,210)
Elementary and Secondary Regular Instruction	12,101,299	12,325,394	11,805,927	(519,467)
Vocational Education Instruction	392,155	408,111	424,411	16,300
Special Education Instruction	6,689,355	6,708,537	5,995,588	(712,949)
Instructional Support Services	2,032,286	2,183,586	1,648,724	(534,862)
Pupil Support Services	3,206,056	3,345,391	3,032,251	(313,140)
Sites and Buildings	2,604,464	2,594,691	3,207,860	613,169
Fiscal and Other Fixed Cost Programs	167,316	167,316	269,581	102,265
Capital Outlay	756,436	758,009	722,246	(35,763)
Debt Service:				
Principal	580,838	536,826	494,257	(42,569)
Interest and Fiscal Charges	73,792	68,622	64,858	(3,764)
Total Expenditures	32,301,484	32,986,093	30,693,641	(2,292,452)
Excess (Deficiency) of Revenues Over (Under) Expenditures	764,955	1,293,901	1,651,509	357,608
OTHER FINANCING SOURCES				
Sale of Equipment	3,608	3,608	20,849	17,241
Insurance Recovery Proceeds	-	-	28,846	28,846
Issuance of Capital Lease	289,318	289,318	-	(289,318)
Transfers Out	(111,000)	(120,417)	(65,905)	54,512
Total Other Financing Sources	181,926	172,509	(16,210)	(188,719)
Net Change in Fund Balance	\$ 946,881	\$ 1,466,410	1,635,299	\$ 168,889
FUND BALANCE				
Beginning of Year			4,022,647	
End of Year			\$ 5,657,946	

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
MAJOR FOOD SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Other - Primarily Meal Sales	\$ 593,000	\$ 593,000	\$ 137,677	\$ (455,323)
State Sources	80,800	80,800	1,855	(78,945)
Federal Sources	780,000	780,001	1,103,038	323,037
Total Revenues	1,453,800	1,453,801	1,242,570	(211,231)
EXPENDITURES				
Current:				
Food Service	1,470,789	1,476,988	1,184,055	(292,933)
Capital Outlay	-	1,500	-	(1,500)
Total Expenditures	1,470,789	1,478,488	1,184,055	(294,433)
Net Change in Fund Balance	\$ (16,989)	\$ (24,687)	58,515	\$ 83,202
FUND BALANCE				
Beginning of Year			101,920	
End of Year			\$ 160,435	

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
MAJOR COMMUNITY SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 235,003	\$ 235,003	\$ 235,641	\$ 638
Other - Primarily Tuition and Fees	891,455	891,455	708,214	(183,241)
State Sources	310,198	310,198	336,275	26,077
Federal Sources	-	1	25,157	25,156
Total Revenues	<u>1,436,656</u>	<u>1,436,657</u>	<u>1,305,287</u>	<u>(131,370)</u>
EXPENDITURES				
Current:				
Community Service	1,641,530	1,612,357	1,146,885	(465,472)
Capital Outlay	-	738	-	(738)
Total Expenditures	<u>1,641,530</u>	<u>1,613,095</u>	<u>1,146,885</u>	<u>(466,210)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(204,874)	(176,438)	158,402	334,840
OTHER FINANCING SOURCES				
Transfer In	<u>111,000</u>	<u>111,000</u>	<u>65,905</u>	<u>(45,095)</u>
Net Change in Fund Balance	<u>\$ (93,874)</u>	<u>\$ (65,438)</u>	<u>224,307</u>	<u>\$ 289,745</u>
FUND BALANCE				
Beginning of Year			<u>58,365</u>	
End of Year			<u>\$ 282,672</u>	

NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
PROPRIETARY FUND
INTERNAL SERVICE FUND
STATEMENT OF NET POSITION
JUNE 30, 2021
 (WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)

	Governmental Activities - Internal Service Funds	
	2021	2020
ASSETS		
Current Assets:		
Cash and Investments	\$ 630,375	\$ 570,324
LIABILITIES		
Current Liabilities:		
Claims Payable for Dental Benefits	21,532	28,318
NET POSITION		
Unrestricted	\$ 608,843	\$ 542,006

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
PROPRIETARY FUND
INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

	Governmental Activities - Internal Service Funds	
	2021	2020
OPERATING REVENUES		
Charges for Services	\$ 261,679	\$ 268,497
OPERATING EXPENSES		
Dental Claims	194,842	200,989
OPERATING INCOME	66,837	67,508
Total Net Position - Beginning of Year	542,006	474,498
TOTAL NET POSITION - END OF YEAR	\$ 608,843	\$ 542,006

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
PROPRIETARY FUND
INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

	Governmental Activities - Internal Service Funds	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Interfund Services Provided	\$ 261,679	\$ 268,497
Payments for Dental Fees and Insurance Claims	(201,628)	(190,271)
Net Cash Provided by Operating Activities	60,051	78,226
Cash and Cash Equivalents - Beginning of Year	570,324	492,098
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 630,375	\$ 570,324
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 66,837	\$ 67,508
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Decrease in Claims Payable	(6,786)	10,718
Net Cash Provided by Operating Activities	\$ 60,051	\$ 78,226

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021**

	<u>Postemployment Benefits Irrevocable Trust Fund</u>
ASSETS	
Cash and Deposits	\$ 79,133
Investments:	
Equities	1,378,423
Fixed Income	1,321,221
Alternative Investments	329,343
Real Assets	199,313
Total Assets	<u>3,307,433</u>
LIABILITIES	
Accounts Payable	<u>-</u>
NET POSITION	
Restricted for Postemployment Benefits Other Than Pensions	<u>\$ 3,307,433</u>

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2021**

	<u>Postemployment Benefits Irrevocable Trust Fund</u>
ADDITIONS	
Investment Income:	
Net Increase in Fair Value of Investments	\$ 507,430
Interest and Dividends	53,002
Less: Investment Expense	<u>(22,641)</u>
Total Additions	537,791
DEDUCTIONS	
Benefit Payments	270,125
Administrative Expense	44,373
Total Deductions	<u>314,498</u>
Change in Net Position	223,293
Net Position - Beginning of Year	<u>3,084,140</u>
Net Position - End of Year	<u>\$ 3,307,433</u>

NOTES TO BASIC FINANCIAL STATEMENTS

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Independent School District No. 138 (the District) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. This financial report has been prepared in conformity with GASB Statement No. 34.

B. Financial Reporting Entity

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

GAAP require that the District's financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separate from the District. In addition, the District's financial statements are to include all component units - entities for which the District is financially accountable.

Financial accountability includes such aspects as appointing a voting majority of the organization's governing body, significantly influencing the programs, projects, activities or level of services performed or provided by the organization or receiving specific financial benefits from, or imposing specific financial burden on, the organization. There are no other entities for which the District is financially accountable.

C. Basic Financial Statement Presentation

The District-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The Fiduciary Funds are only reported in the Statement of Fiduciary Net Position at the Fund Financial Statement level.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or 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.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statement Presentation (Continued)

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

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

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

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 revenue of the District's internal service fund is charges for service in the form of insurance premiums. Operating expenses for the internal service fund include the cost of services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

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 GAAP. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.

2. Recording of Expenditures

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

Description of Funds

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

Major Governmental Funds

General Fund

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

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Major Governmental Funds (Continued)

Food Service Special Revenue Fund

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

Community Service Special Revenue Fund

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

Capital Projects

The Capital Projects Fund is used to account for financial resources restricted, committed, or assigned to be used for the acquisition or construction of major capital facilities. The Fund was established for building construction activity authorized by specific voter-approved bond issues.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term obligation bond principal, interest, and related costs. The regular debt service account is used for all general obligation bond and energy conservation loan debt service.

Proprietary Fund

Internal Service Fund

The Internal Service Fund accounts for financing of services provided by one department to other departments of the District on a cost-reimbursement basis. The District's Internal Service Fund includes its self-insured dental insurance plan for its employees.

Fiduciary Fund

Postemployment Benefits Irrevocable Trust Fund

This trust fund is used for reporting resources set aside and held in an irrevocable trust arrangement for postemployment benefits. District contributions to this fund must be expensed to an operating fund.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with GAAP. Each June, the Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service and Debt Service Funds. The approved budget is published in summary form in the District's legal newspaper. Reported budget amounts represent the amended budget as adopted by the Board. Legal budgetary control is at the fund level.

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

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

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

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

F. Cash and Investments

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

Money market investments are short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations.

G. Accounts Receivable

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

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Inventories

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

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption.

J. Property Taxes

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

Generally, tax revenue is recognized in the fiscal year ending June 30, following the calendar year in which the tax levy is collectible, while the current calendar year tax levy is recorded as deferred revenue (property taxes levied for subsequent year). The majority of District revenue in the General Fund (and to a lesser extent in the District's Community Service Special Revenue Fund) is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between taxes and state aids by the Legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift."

In accordance with state law, the current tax shift consists of an amount equal to 31% of the District's 2000 Pay 2001 operating referendum levy (frozen at \$124,195) for the District. Certain other portions of the District's 2020 Pay 2021 levy, normally revenue for the 2021-2022 fiscal year, are also advance recognized at June 30, 2021, as required by state statute to match revenue with the same fiscal year as the related expenditures.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Property Taxes (Continued)

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is unavailable because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material. Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the state which will be recognized as revenue in the next fiscal year beginning July 1, 2021, are included in Property Taxes Levied for Subsequent Year to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

K. Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The District maintains a threshold level of \$2,500 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

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

L. Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period. The District will not recognize the related outflow until a future event occurs.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Long-Term Obligations

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

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

N. Accrued Employee Benefits

Sick Pay

Substantially all district employees are entitled to sick leave at various rates. Unused sick leave is a factor in the calculation of an employee's severance pay upon retirement. Sick pay is generally liquidated by the General Fund.

Severance and Health Benefits

Severance and health benefits consist of lump sum early retirement incentive payments and post-employment health care benefits. Accounting policies for severance and health benefits are described below. Severance and Health Benefits are generally liquidated by the General Fund.

1. Early Retirement Incentive and Convertible Sick Leave

The District maintains various early retirement incentive payment plans for its employee groups. Each employee group plan contains benefit formulas based on years of service and/or minimum age requirements. No employee can receive early retirement incentive payments exceeding one year's salary. In addition, certain bargaining unit members are eligible to be compensated for unused accumulated sick leave upon termination subject to certain conditions. If early retirement incentive or convertible sick leave payments are owed at year-end, an accrual is made in the governmental fund incurring the liability. The amount of early retirement incentive payment that is based on years of service is not considered vested or recorded as long-term until actual turnover occurs. The amount of early retirement incentive payment that is based on convertible sick leave is recorded as a liability in the long-term debt as it is earned and when it becomes probable that it will vest at some point in the future.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Accrued Employee Benefits (Continued)

Severance and Health Benefits (Continued)

1. Early Retirement Incentive and Convertible Sick Leave (Continued)

The District provides a longevity benefit to its principal employee group which begins with 10 or more years of administrative experience with the District. Beginning with the school year in which an administrator reaches the age of 40, the principal is entitled to payment of unused sick leave up to specified maximums. The percentage of unused sick leave that a principal is entitled to payment for increases incrementally from age 40 up to age 55, at which point the principal is entitled to 100% of the specified maximum. The maximum benefit is equal to the administrator's annual salary and is payable in two equal installments upon separation from the District. If early retirement incentive and administrator longevity benefits are owed at year-end based on an event which has occurred prior to year-end, an accrual is made in the governmental fund incurring the liability. The long-term portion of early retirement incentive and administrator experience benefits are recognized as part of severance and health benefits payable. Most of these benefits have been sunset in employment agreements.

2. Postemployment Health Care Benefits

For purposes of measuring the net OPEB liability (asset), 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 amortized cost. OPEB payments are liquidated by the Trust Fund first, and then the remaining liability will be liquidated by the General Fund.

O. Deferred Inflows of Resources

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

P. Unearned Revenue

Unearned revenues are those in which resources are received by the District before it has a legal claim to them. The District has reported unearned revenues for the school lunch deposits, charges for services and unearned grant revenue.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. 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. Pension costs are liquidated by the fund in which the cost was incurred.

R. Statement of Cash Flows

For purposes of the statement of cash flows, the District considers all highly liquid investments with an original maturity from the time of purchase by the District of three months or less to be cash equivalents. The Proprietary Fund's equity in the District-wide cash and investment management pool is considered to be cash equivalents.

S. Fund Balance

In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned, and unassigned fund balances. Nonspendable portions of fund balance are related to prepaids, inventories, long-term receivables, and corpus on any permanent fund. Restricted funds are constrained from outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the Board of Education.

The Board of Education passed a resolution authorizing the Superintendent and Director of Business and Human Resources to assign fund balances and their intended uses. Unassigned fund balances are considered the remaining amounts. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to use restricted first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the District's policy to use committed first, then assigned, and finally unassigned amounts.

It is also the District's policy to strive to maintain a minimum unassigned fund balance of the General Fund equal to 10% of expenditures. The District considers a balance of less than 5% to be cause for concern, barring unusual or deliberate circumstances. If unassigned fund balance is projected to fall below 5%, the Superintendent will develop a recommendation to the Board to address fund balance as part of the annual budget process.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Net Position

Net position represents the difference between assets and deferred inflows of resources and liabilities and deferred outflows of resources in the District-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulation depreciation, reduced by the outstanding balance (less any unspent bond proceeds) of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the District-wide financial statement when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws or regulations of other governments. When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, it is the District's policy to use restricted first, then unrestricted net position.

NOTE 2 STEWARDSHIP AND ACCOUNTABILITY

A. Interfund Transfers

Interfund transfers at June 30, 2021 consisted of the following:

<u>Transfer Out:</u>	<u>Transfer In:</u> General Fund	<u>Reason for Transfer</u>
Community Service Fund	\$ 65,905	Providing childcare for essential workers

NOTE 3 DEPOSITS AND INVESTMENTS

A. Deposits

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

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated “A” or better; revenue obligations of a state or local government rated “AA” or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust departments of a commercial bank or other financial institution not owned or controlled by the depository.

The District’s deposits in various banks at June 30, 2021 were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

B. Investments

With the exception of the fiduciary funds held in the District’s Other Postemployment Benefit Trust account discussed in Note 3, C, the District may invest its idle funds as authorized by Minnesota Statutes as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less
- General obligations rated “A” or better; revenue obligations rated “AA” or better
- General obligations of the Minnesota Housing Finance Agency rate “A” or better
- Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories
- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

At June 30, 2021, the District had the following investments:

	Amount
MN Trust Investment Shares	\$ 10,158,688
MN Trust Term Series	2,000,051
OPEB Trust	
Money Markets	78,755
Government Agency	625,466
Corporate Bonds	695,755
Equities	1,378,423
Alternative Investments	528,656
Total Investments	\$ 15,465,794

MN Trust is an external investment pool (Pool). The Pool is regulated by Minnesota statutes and is not registered with the Securities and Exchange Commission (SEC) as an investment company. The MN Trust Investment Series and Term Series is managed to maintain a dollar-weighted average portfolio maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1.00. The Pool elects to measure its investments at amortized cost in accordance with accounting statements issued by the Governmental Accounting Standards Board. The MN Trust Term Series withdraws requires a seven-day notice of redemption and would likely carry a penalty. The MN Trust Investment Series withdrawals may only be made on the third Wednesday of each month upon advance written notice, with no penalties assessed.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities to meet cash requirements for ongoing operations. Information about the sensitivity of the fair values of the District’s investments to market interest rate risk fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity:

Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months
MN Trust	\$ 12,158,739	\$ 12,158,739	\$ -	\$ -
OPEB Trust				
Money Markets	78,755	78,755	-	-
Government Agency	625,466	101,370	-	524,096
Corporate Bonds	695,755	76,235	159,895	459,625
Equities	1,378,423	1,378,423	-	-
Alternative Investments	528,656	528,656	-	-
Total	\$ 15,465,794	\$ 14,322,178	\$ 159,895	\$ 983,721

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following chart summarizes year-end ratings for the District’s investments as rated by Moody’s Investors Service:

Type	Credit Quality Rating	Amount
MN Trust Investment Shares	AAAm	\$ 10,158,688
MN Trust Term Series	NR	2,000,051
OPEB Trust		
Money Markets	NR	78,755
Government Agency	AAA	625,466
Corporate Bonds	AAA - BBB	695,755
Alternative Investments	NR	528,656
Equities	NR	1,378,423
Total		<u>\$ 15,465,794</u>

Custodial Credit Risk – For an investment, custodial risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District’s bond documents require insurance of all balances held with each investment account. As of June 30, 2021, the investment balances were fully covered by insurance.

Concentration of Credit Risk – The District places no limit on the amount the District may invest in any one issuer. For the year ended June 30, 2021, none of the individual investments held by the District were over the 5% threshold.

The deposits and investments are made up of the following:

Deposits	\$ 401,062
OPEB Trust Deposits	378
Investments	12,158,739
OPEB Trust Investments	3,307,055
Total Cash and Investments	<u>\$ 15,867,234</u>

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

Cash and Investments - Statement of Net Position	\$ 12,559,801
Cash and Investments - Statement of Fiduciary Fund Net Position	3,307,433
Total Cash and Investments	<u>\$ 15,867,234</u>

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Other Postemployment Benefit Trust Account

Fiduciary Funds held in the District's Other Postemployment Benefit Trust account may be invested as authorized by Minnesota Statutes Chapter 356A. The District has further restricted and defined its authorized statute investment parameters within an OPEB Trust investment policy statement as follows:

Following is a list of the permissible assets for the OPEB Trust portfolio:

- *Securities of the U.S. government, its agencies and/or instrumentality*
- Commercial Paper; Domestic and Eurodollar
- Corporate Notes/Bonds; Domestic and International
- Asset-Backed Securities
- Certificates of Deposit
- Tax-Exempt and Taxable Municipal bonds
- Mortgage-backed securities (U.S. government-backed)
- Domestic Equities traded on a major exchange
- International Equities traded on a U.S. exchange (ADRs)
- Open-ended mutual funds that invest substantially all their assets in the asset classes listed above, such as: money market funds, domestic and foreign equity and fixed income funds
- Alternative funds that employ nontraditional strategies

Asset Allocation

The long-term financial requirements and prudent diversification implies a balanced investment approach. The target asset class allocation and ranges are as follows:

	Allowable Ranges	Approximate Allocation as of 6/30/2021	
Equities	25% - 45%	\$ 1,378,423	41.68%
Fixed Income	25% - 45%	1,321,221	39.95%
Cash Equivalents	N/A	78,755	2.38%
Other	N/A	528,656	15.99%
Total Investments		\$ 3,307,055	

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

D. Fair Value Measurements

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

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

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

- Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.
- Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data. These inputs include similarly traded investments valued by a pricing service that uses matrix pricing and valuation multiples.
- Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

Assets measured at fair value on a recurring basis:

Type	Level 1	Level 2	Level 3	Total
Government/Agency Obligations	\$ 625,466	\$ -	\$ -	\$ 625,466
Corporate Bonds	695,755	-	-	695,755
Equity Securities	1,378,423	-	-	1,378,423
Alternative Investments	338,162	190,494	-	528,656
Total	\$ 3,037,806	\$ 190,494	\$ -	\$ 3,228,300

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 509,000	\$ -	\$ -	\$ 509,000
Construction in Progress	20,600,295	295,211	(20,600,295)	295,211
Total Capital Assets, Not Being Depreciated	<u>21,109,295</u>	<u>295,211</u>	<u>(20,600,295)</u>	<u>804,211</u>
Capital Assets, Being Depreciated:				
Land Improvements	10,476,617	1	-	10,476,618
Buildings and Improvements	99,438,376	21,121,916	-	120,560,292
Equipment	17,042,700	3,663,666	(3,244,186)	17,462,180
Total Capital Assets, Being Depreciated	<u>126,957,693</u>	<u>24,785,583</u>	<u>(3,244,186)</u>	<u>148,499,090</u>
Accumulated Depreciation for:				
Land Improvements	(4,114,285)	(227,353)	-	(4,341,638)
Buildings and Improvements	(35,878,582)	(4,543,343)	-	(40,421,925)
Equipment	(9,292,753)	(1,057,199)	3,378,488	(6,971,464)
Total Accumulated Depreciation	<u>(49,285,620)</u>	<u>(5,827,895)</u>	<u>3,378,488</u>	<u>(51,735,027)</u>
Total Capital Assets, Being Depreciated, Net	<u>77,672,073</u>	<u>18,957,688</u>	<u>134,302</u>	<u>96,764,063</u>
Governmental Activities Capital Assets, Net	<u>\$ 98,781,368</u>	<u>\$ 19,252,899</u>	<u>\$ (20,465,993)</u>	<u>\$ 97,568,274</u>

Depreciation expense, which includes capital lease amortization, was charged to functions of the District as follows:

Governmental Activities	
Administration	\$ 244
Regular Instruction	5,232,124
Instructional Support Services	161,818
Pupil Support Services	191,120
Sites and Buildings	242,589
Total Depreciation Expense, Governmental Activities	<u>\$ 5,827,895</u>

NOTE 5 LONG-TERM LIABILITIES

The District has issued general obligation school building bonds to finance the construction of capital facilities or to refinance previous bond issues. Assets of the Debt Service Fund, together with scheduled future tax levies are dedicated for the retirement of these bonds. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

A. Components of Long-Term Debt

Issue Date	Net Interest Rate	Original Issue	Final Maturity	Principal Outstanding	
				Due Within One Year	Total
5/1/2012	4.00% - 5.00%	\$ 15,380,000	2/1/2022	\$ 1,555,000	\$ 1,555,000
11/16/2016	2.00% - 2.25%	1,770,000	2/1/2031	120,000	1,315,000
11/9/2017	2.00% - 3.25%	67,590,000	2/1/2043	335,000	67,460,000
11/9/2017	1.79% - 2.64%	2,260,000	2/1/2025	370,000	1,545,000
7/19/2018	3.00%	6,385,000	2/1/2029	590,000	5,250,000
Total General Obligation Bonds				2,970,000	77,125,000
Bond Premium - Net				-	3,349,313
Lease Purchase Obligations:					
Building Improvements				126,649	329,443
Scoreboard Lease				52,218	168,664
Loeffler Lease				70,974	108,711
Staff Laptop Lease				13,606	13,606
K2 Capital Group Lease				74,900	74,900
Total Leases Purchase Obligations				338,347	695,324
Compensated Absences Payable				166,486	1,227,833
				<u>\$ 3,474,833</u>	<u>\$ 82,397,470</u>

B. Minimum Debt Payments

Minimum annual principal and interest payments required to retire long-term debt are as follows:

Year Ending June 30,	General Obligation Bonds Payable		Capital Lease Payable	
	Principal	Interest	Principal	Interest
2022	\$ 2,970,000	\$ 2,729,618	\$ 338,347	\$ 40,107
2023	3,080,000	2,616,928	227,286	18,591
2024	3,210,000	2,488,798	129,691	6,343
2025	3,345,000	2,354,159	-	-
2026	3,205,000	2,213,217	-	-
2027 - 2031	16,700,000	8,889,883	-	-
2032 - 2036	16,645,000	5,952,370	-	-
2037 - 2041	19,345,000	3,258,248	-	-
2042 - 2044	8,625,000	420,576	-	-
Total	<u>\$ 77,125,000</u>	<u>\$ 30,923,797</u>	<u>\$ 695,324</u>	<u>\$ 65,041</u>

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

B. Minimum Debt Payments (Continued)

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2021:

Capital Leases	
<u>Year Ending June 30,</u>	
2022	\$ 378,454
2023	245,877
2024	136,034
Total Minimum Lease Payments	760,365
Less: Amounts Representing Interest	(65,041)
Present Value of Net Minimum Lease Payments	\$ 695,324

C. Description of Long-Term Debt

1. General Obligation School Building Bonds

These bonds were issued to finance acquisition and/or construction/improvement of capital facilities. Assets of the Debt Service Fund, together with scheduled future ad valorem tax levies are dedicated for the retirement of these bonds. Total deferred tax levies available to retire bond principal and interest payable at June 30, 2021 are \$113,451,234. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota Statute.

On November 9, 2017, the District issued \$67,590,000 in General Obligation School Building Bonds, Series 2017A. These bonds were issued to provide financing for the acquisition and betterment of school sites and facilities. The interest rate on the bond is 2.00% to 3.25% and will mature in 2043.

2. General Obligation Refunding Bonds

On May 1, 2012, the District issued \$15,380,000 General Obligation Refunding Bonds, Series 2012A to refund (in 2014) the 2003A General Obligation School Building Bond and 2004A General Obligation School Building Bond, dated May 8, 2003 and April 14, 2004. The interest rates on the new bonds range from 4.00% to 5.00%.

3. General Obligation Taxable OPEB Bonds

On November 9, 2017, the District issued \$2,260,000 General Obligation OPEB Refunding Bonds, Series 2017B to refund the General Obligation Taxable OPEB Bond, Series 2009A. The interest rates on the new bonds range from 1.79% to 2.64%, compared with rates of 2.00% to 5.25% on the 2009A Bonds.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

4. General Obligation Capital Facilities Bonds

On November 16, 2016, the District issued \$1,770,000 General Obligation Capital Facilities Bonds, Series 2016A. These bonds were issued to finance the acquisition and installation of energy efficient equipment and energy improvements across the District's existing facilities. Repayment of the principal will be in 15 annual installments, plus variable interest at 2.00% to 2.25%.

5. General Obligation Facilities Maintenance Bonds

On July 19, 2018, the District issued \$6,385,000 General Obligation Facilities Maintenance Bonds, Series 2018A. These bonds were issued to fund the acquisition and betterment of projects included in the District's 10-year facility plan. Repayment of the principal will be in 10 annual installments, plus interest at 3.00%.

6. Capital Leases

On September 30, 2008, the District entered into a lease agreement for building improvements. The new lease qualified as a capital lease under GAAP. The initial lease is in the amount of \$1,403,094. The lease requires semiannual payments of \$71,197 for 15 years. Total accumulated depreciation as of the fiscal year ended June 30, 2021 was \$336,743.

On December 1, 2017, the District entered into a lease purchase agreement with Loffler for copier and printer equipment. The initial lease was in the amount of \$315,787 bearing interest at 8.26%. The lease requires monthly payments of \$6,442 for five years. Total accumulated depreciation as of the fiscal year ended June 30, 2021 was \$252,630.

On July 26, 2018, the District entered into a lease purchase agreement with U.S. Bank Equipment Finance for additional Chromebooks. The initial lease is in the amount of \$308,158 bearing interest of 4.4%. The lease requires three annual payments of \$107,675. This lease was paid off during fiscal year 2021. Total accumulated depreciation as of the fiscal year ended June 30, 2021 was \$308,158.

On November 11, 2018, the District entered into a lease purchase agreement with Lease Finance Group, Inc. for a scoreboard. The initial lease is in the amount of \$327,286 bearing interest at 7.5%. The lease requires annual payments of \$64,833 for six years. Total accumulated depreciation as of the fiscal year ended June 30, 2021 was \$163,643.

On April 10, 2019, the District entered into a lease with All-Lines Leasing for cleaning equipment. The initial lease is in the amount of \$218,950. The lease requires annual payments of \$72,983 for three years and carries no interest. This lease was paid off during fiscal year 2021. Total accumulated depreciation as of the fiscal year ended June 30, 2021 was \$218,950.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

6. Capital Leases (Continued)

On May 10, 2019, the District entered into a lease with K2 Capital Group for equipment. The initial lease is in the amount of \$223,016. The lease requires annual payments of \$79,615 for three years and carries an interest rate of 6.12%. Total accumulated depreciation as of the fiscal year ended June 30, 2021 was \$148,677.

On June 20, 2020, the District entered into a lease with Hewlett-Packard Financial Services Company for staff laptops. The initial lease is in the amount of \$40,820. The lease requires annual payments of \$13,607 for three years and carries no interest. Total accumulated depreciation as of the fiscal year ended June 30, 2021 was \$27,213.

The assets acquired through the capital lease are as follows:

Buildings and Improvements	\$ 1,403,094
Leased Equipment	1,434,017
Less: Accumulated Depreciation	<u>(1,456,014)</u>
Total	<u><u>\$ 1,381,097</u></u>

D. Changes in Long-Term Debt

	June 30, 2020	Additions	Retirements	June 30, 2021
Bonds Payable	\$ 79,985,000	\$ -	\$ 2,860,000	\$ 77,125,000
Bond Premium	3,777,103	-	427,790	3,349,313
Lease Purchase Obligations	1,189,581	-	494,257	695,324
Compensated Absences Payable - Net	<u>1,305,893</u>	<u>119,865</u>	<u>197,925</u>	<u>1,227,833</u>
Total	<u><u>\$ 86,257,577</u></u>	<u><u>\$ 119,865</u></u>	<u><u>\$ 3,979,972</u></u>	<u><u>\$ 82,397,470</u></u>

NOTE 6 RESTRICTED, COMMITTED, AND ASSIGNED FUND BALANCE

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. In addition, certain portions of fund balance have been committed and assigned by the District for specific purposes.

A. Restricted for Staff Development

In accordance with state statute, represents available resources dedicated exclusively for staff development.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 RESTRICTED, COMMITTED, AND ASSIGNED FUND BALANCE (CONTINUED)

B. Restricted for Student Activities

Represents available resources to be used for extracurricular activity funds raised by students.

C. Restricted for Scholarships

The fund balance restriction represents accumulated resources available to provide scholarships for students.

D. Restricted for Capital Projects Levy

Represents tax levies to be used for capital projects.

E. Restricted for Operating Capital

Represents tax levies and state aid in the General Fund to be used for purchase of equipment and facilities.

F. Restricted for Safe Schools

Represents resources available from the safe schools levy to be used for providing a safe environment within the District.

G. Restricted for Community Education Programs

The fund balance restriction represents accumulated resources available to provide general community education programming.

H. Restricted for Early Childhood and Family Education Programs

This fund balance restriction represents accumulated resources available to provide services for early childhood and family education programming.

I. Restricted for School Readiness

The fund balance restriction represents accumulated resources available to provide school readiness programming in accordance with funding made available for that purpose.

J. Restricted for Basic Skills Ext Time

Represents resources to be used for extended time activities according to state statute.

K. Restricted for Long-Term Facilities Maintenance (LTFM)

This restriction represents available resources to be used for LTFM projects in accordance with the 10 year capital plan.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 RESTRICTED, COMMITTED, AND ASSIGNED FUND BALANCE (CONTINUED)

L. Restricted for Medical Assistance

Represents available resources to be used for Medical Assistance expenditures.

M. Restricted for Other Purposes

Restricted for other purposes represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Other Restricted:

Restricted for Grant Related Costs	\$ 25,280
Restricted for Food Service	134,779
Restricted for Debt Service	<u>1,152,588</u>
Total Other Restricted	<u><u>\$ 1,312,647</u></u>

N. Assigned for Capital Outlay

This assignment represents resources to support expenditures for the future capital outlay.

NOTE 7 PENSION PLANS

A. Plan Description

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

1. General Employees Retirement Plan (General Employees Plan)

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

2. Teachers Retirement Fund (TRA)

The Teacher's Retirement Association (TRA) is an administrator of a multiple employer, cost-sharing, defined benefit retirement fund. TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 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.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (CONTINUED)

A. Plan Description (Continued)

2. Teachers Retirement Fund (TRA) (Continued)

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

B. Benefits Provided

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

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants.

1. General Employees Plan Benefits

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

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For 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.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits

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

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

Tier I Benefits

Tier I	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 of Service 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 Services Years are July 1, 2006 or After	1.9% per Year

With these provisions:

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

or

Tier II Benefits

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

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

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.

C. Contributions

1. General Employees Plan Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature. Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2021. The District was required to contribute 7.5% for Coordinated Plan members. The District's contributions to the General Employees Plan for the Plan's fiscal year ended June 30, 2021, were \$355,826. The District's contributions were equal to the required contributions for each year as set by state statute.

2. TRA Contributions

Per Minnesota Statutes, Chapter 354 rates for the fiscal year for coordinated were 7.50% for the employee and 8.13% for the employer. Basic rates were 11.00% for the employee and 12.13% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2021, were \$1,029,949. The District's contributions were equal to the required contributions for each year as set by state statute.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (CONTINUED)

D. Pension Costs

1. General Employees Plan Pension Costs

At June 30, 2021, the District reported a liability of \$4,202,815 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 \$129,669. The net pension liability was measured as of June 30, 2020, 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, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0701% at the end of the measurement period and 0.075% for the beginning of the period.

Description	Amount
District's Proportionate Share of the PERA Net Pension Liability	\$ 4,202,815
State's Proportionate Share of PERA's Net Pension Liability Associated with the District	129,669
Total	<u>\$ 4,332,484</u>

For the year ended June 30, 2021, the District recognized pension revenue of \$210,156 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized \$11,285 as grant revenue for its proportionate share of the state of Minnesota's pension expense for the annual \$16 million contribution.

At June 30, 2021, the District reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 38,319	\$ 15,901
Changes in Actuarial Assumptions	-	155,815
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	72,607	-
Changes in Proportion	-	764,689
District Contributions Subsequent to the Measurement Date	355,826	-
Total	<u>\$ 466,752</u>	<u>\$ 936,405</u>

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Plan Pension Costs (Continued)

The \$355,826 reported as deferred outflows of resources related to pensions resulting from District contributions to General Employees Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to General Employees Plan pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Pension Expense Amount</u>
2022	\$ (605,786)
2023	(323,102)
2024	1,867
2025	101,542

2. TRA Pension Costs

At June 30, 2021, the District reported a liability of \$15,219,556 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District.

The District's proportionate share was .2060% at the end of the measurement period and .2301% for the beginning of the period.

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

<u>Description</u>	<u>Amount</u>
District's Proportionate Share of the TRA Net Pension Liability	\$ 15,219,556
State's Proportionate Share of TRA's Net Pension Liability Associated with the District	1,275,652
Total	<u>\$ 16,495,208</u>

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

For the year ended June 30, 2021, the District recognized pension expense of \$1,361,714 for its proportionate share of the TRA's pension expense. In addition, the District recognized \$116,839 as grant revenue for its proportionate share of the state of Minnesota's pension expense for the annual contribution.

At June 30, 2021, the District reported its proportionate share of the TRA's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 305,213	\$ 230,724
Changes in Actuarial Assumptions	5,460,789	12,776,431
Net Difference Between Projected and Actual		
Investment Earnings	235,658	-
Changes in Proportion	-	3,701,762
District Contributions Subsequent to the Measurement Date	1,029,949	-
Total	<u>\$ 7,031,609</u>	<u>\$ 16,708,917</u>

The \$1,029,949 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, 2022.

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

<u>Year Ended June 30,</u>	<u>Pension Expense Amount</u>
2022	\$ (599,958)
2023	(5,483,706)
2024	(4,011,442)
2025	(267,876)
2025	(344,275)

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

3. Summary

The aggregate amount of net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for the District's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual activity in which the employee's costs are associated.

	General Employees Fund	Teachers Retirement Fund	Total
Net Pension Liability	\$ 4,202,815	\$ 15,219,556	\$ 19,422,371
Deferred Outflows of Resources	466,752	7,031,609	7,498,361
Deferred Inflows of Resources	936,405	16,708,917	17,645,322
Pension (Revenue) Expense	(198,871)	1,478,553	1,279,682

E. Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Assumptions	PERA	TRA
Inflation	2.25%	2.50%
Salary Growth	3.00%	2.85% for 10 years and 3.25%, thereafter
Investment Rate of Return	7.50%	7.50%

PERA salary increases were based on a service-related table. PERA mortality rates for active members, retirees, survivors, and disabilitants were based on Pub-2010 General Employee Mortality table for the General Employees Plan. PERA cost of living benefit increases for retirees are assumed to be 1.25% per year for the General Employees Plan.

TRA pre-retirement mortality rates were based on 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. Postretirement mortality rates were based on 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 projections uses the MP-2015 scale. Post-disability mortality rates were based on the RP-2014 disables retiree mortality table, without adjustment. TRA cost of living benefit increases 1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

The following changes in actuarial assumptions and plan provisions occurred in 2020:

General Employees Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

TRA

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 5 years and female rates set back 7 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.

Changes in Plan Provisions:

- There were no changes since the prior valuation.

The State Board of Investment, which manages the investments of PERA and TRA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-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 arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	35.5 %	5.10 %
International Stocks	17.5	5.30
Bonds (Fixed Income)	20.0	0.75
Alternative Assets (Private Markets)	25.0	5.90
Cash	2.0	-
Total	<u>100.0 %</u>	

F. Discount Rate

The discount rate used to measure the PERA General Employees Plan pension liability in 2020 was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at rates set in Minnesota statutes. Based on that assumption, the pension plan's 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.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 PENSION PLANS (CONTINUED)

F. Discount Rate (Continued)

The discount rate used to measure the TRA pension liability was 7.5%. There was no change since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2020 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

G. Pension Liability Sensitivity

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

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
<u>General Employees Plan Discount Rate</u>	6.50%	7.50%	8.50%
District's Proportionate Share of the General Employees Plan Net Pension Liability	\$ 6,735,655	\$ 4,202,815	\$ 2,113,426
<u>TRA Discount Rate</u>	6.50%	7.50%	8.50%
District's Proportionate Share of the TRA Net Pension Liability	\$ 23,300,979	\$ 15,219,556	\$ 8,560,872

H. Pension Plan Fiduciary Net Position

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

Detailed information about TRA's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org; by writing to TRA at 60 Empire Drive #400, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-2409 or 1-800-657-3669.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN

A. Plan Description

The District operates and administers a single-employer defined benefit plan (the Plan) that provides health and dental insurance to eligible retired employees and their spouses through the District's health insurance plan. There are 280 active participants, 3 spouse participants and 16 retired participants. Benefit and eligibility provisions are established through negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available financial report. The Plan does not have a separate board other than the board of education.

B. Funding Policy

The District has assets in a qualified irrevocable trust which is included as a fiduciary fund in these financial statements. The District's investment policy is to follow state statutes as listed in Note 3. The District is assumed to make no future contributions to the trust. Benefit payments equal to the annual direct subsidy plus implicit subsidy are assumed to be made from the trust. Contribution requirements are negotiated between the District and union representatives. For fiscal year 2021, the District made no contributions to the plan. All current year benefits were paid from the District's OPEB Trust Fund.

C. Net OPEB Liability (Asset) of the District

The components of the net OPEB liability (asset) of the District at June 30, 2021, were as follows:

Total OPEB Liability	\$ 1,897,804
Plan Fiduciary Net Position	3,307,433
District's Net OPEB Liability (Asset)	<u>\$ (1,409,629)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	174%

D. Actuarial Methods and Assumptions

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

The District's net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability (asset) used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020. Liabilities in this report were calculated as of the valuation date and rolled forward to the measurement date using standard actuarial roll-forward techniques.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

D. Actuarial Methods and Assumptions (Continued)

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:

Inflation	2.50%
	Varies from
Salary Increases	2.85% to 11.25%
Investment Rate of Return	4.40%
	6.50% Decreasing to
Health Care Trend Rates	5.00% Over 6 Years

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale and other adjustments.

Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

For the year ended June 30, 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan expenditures, was 4.40%. The money-weighted rate of return expresses investment performance, net of investment expenditures, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (or target allocation, if available) and by adding expected inflation (2.50%). Best estimates of geometric real and nominal rates of return for each major asset class included in the OPEB plan's asset allocation as of the measurement date are summarized in the following table:

Asset Class	Target Allocation	Expected Class Return
Equities	35.20 %	6.50 %
Fixed Income	35.30	3.10
Cash	19.00	1.90
Other	10.50	5.80
Total	100.00 %	
Net Assumed Investment Return (Weighted Avg, Rounded to 1/4%)		4.40 %

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

D. Actuarial Methods and Assumptions (Continued)

The discount rate used to measure the total OPEB liability was 4.40%. The projection of cash flows and OPEB trust assets used to determine the discount rate were based on recent employer contribution history and their stated funding policy. The OPEB trust's long-term assumed investment return was used to discount projected benefit payments for as long as projected trust assets are available to fund OPEB payments. Once projected trust assets are exhausted, the municipal bond index rate was applied to the remaining expected benefit payments.

The expected employer asset return is based on plan's target investment allocation along with long-term return expectations by asset class. Where there is sufficient historical evidence of market outperformance, historical average returns may be considered.

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

- The discount rate was changed from 3.80% to 4.40%.
- 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 3.0% per year for all employees to rates which vary by service and contract group.

E. Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total	Plan Fiduciary	Net
	OPEB Liability (a)	Net Position (b)	OPEB Liability (a) - (b)
Balances at June 30, 2020	\$ 2,370,133	\$ 3,084,139	\$ (714,006)
Changes for the Year:			
Service Cost	79,194	-	79,194
Interest	87,990	-	87,990
Assumption Changes	(107,301)	-	(107,301)
Differences Between Expected and Actual Experience	(262,087)	384,341	(646,428)
Net Investment Return	-	135,702	(135,702)
Benefit Payments	(270,125)	(270,125)	-
Administrative Expense	-	(26,624)	26,624
Net Changes	(472,329)	223,294	(695,623)
Balances at June 30, 2021	\$ 1,897,804	\$ 3,307,433	\$ (1,409,629)

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

E. Changes in the Net OPEB Liability (Asset) (Continued)

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

	1% Decrease (3.40%)	Discount Rate (4.40%)	1% Increase (5.40%)
Net OPEB Liability (Asset)	\$ (1,318,708)	\$ (1,409,629)	\$ (1,499,206)

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1% lower (5.50% decreasing to 4.00% over 6 years) or 1% higher (7.5% decreasing to 6.00% over 6 years) than the current healthcare cost trend rates:

	5.50% Decreasing to 4.00% Over 6 Years	6.50% Decreasing to 5.00% Over 6 Years	7.50% Decreasing to 6.00% Over 6 Years
Net OPEB Liability (Asset)	\$ (1,486,080)	\$ (1,409,629)	\$ (1,322,993)

For the year ended June 30, 2021, the District recognized OPEB revenue of \$159,152. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Liability	\$ 7,975	\$ 435,234
Change of Assumptions	38,009	104,828
Net Difference Between Projected and Actual Investment Earnings	-	318,699
Total	\$ 45,984	\$ 858,761

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

Year Ended June 30,	Future Recognition
2022	\$ (185,706)
2023	(177,865)
2024	(176,174)
2025	(175,091)
2026	(45,173)
Thereafter	(52,768)
Total	\$ (812,777)

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 FLEXIBLE BENEFIT PLAN

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

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

Payments of insurance premiums (health and dental) are made by the District directly to the designated insurance companies. These payments are made on a monthly basis and are accounted for in the General Fund.

Amounts withheld for medical reimbursement and dependent care are held for the benefit of the flexible benefit plan. All assets of the plan are administered by an employee of the District. Payments are made by the District to participating employees upon submitting a request for reimbursement of eligible expenses incurred by the participant. The medical reimbursement and dependent care activity is included in the financial statements in the General Fund.

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

NOTE 10 DEFINED CONTRIBUTION PLAN

The District provides eligible employees future retirement benefits through the District’s 403(b) Plan (the Plan). Employees of the District are eligible to participate in the Plan commencing on the date of their employment. Eligible employees may elect to have a percentage of their pay contributed to the Plan. Some employees are eligible to receive a District match of employee contributions up to the qualifying amounts set forth in their respective collective bargaining agreements. Contributions are invested in tax-deferred annuities selected and owned by Plan participants. The District contributions for the year ended June 30, 2021 was \$259,405.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 COMMITMENTS AND CONTINGENCIES

Federal and State Programs

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

Commitments

As of June 30, 2021, the District had outstanding commitments with various vendors in the amount of \$704,354. These commitments are related to construction contracts.

Operating Lease

The District entered into an operating lease with 4 Point 0 School Services of North Branch Inc. to provide student transportation services. The District also leased their buses as part of this agreement. The lease is effective July 1, 2018 through June 30, 2022. The lessee agrees to pay the District \$150,000 each year for annual lease of the vehicles.

NOTE 12 DENTAL SELF-INSURANCE PLAN

The District maintains an Internal Service Fund to account for and finance a self-insurance program for dental benefits. Accordingly, the District has not purchased outside insurance for the risks of losses to which it is exposed. District management believes it is more economical to manage its risks internally and set aside assets for claim settlement. The Internal Service Fund currently services all claims and risk of loss to which the District is exposed for dental expenses.

Participants in the program make premium payments to the fund based on the insurance premium. The excess amount received above current year claims is used to establish a reserve for future claims.

District liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing a claim liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. There is a possibility for loss if claims are in excess of the premiums collected. The District does not believe this occurrence would have a material financial effect on the District. The District held \$630,375 in cash and investments at June 30, 2021 for payment of claims.

There has been no significant reduction in insurance coverage from the previous year in any of the District's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 DENTAL SELF-INSURANCE PLAN (CONTINUED)

Changes in the balances of claim liabilities during fiscal year 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Beginning of Fiscal Year Liability - July 1,	\$ 28,318	\$ 17,600
Current Year Claims, Changes in Estimates and Other Charges	194,842	200,989
Payments to Dental Care Providers	<u>(201,628)</u>	<u>(190,271)</u>
End of Fiscal Year Liability - June 30,	<u>\$ 21,532</u>	<u>\$ 28,318</u>

NOTE 13 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance coverage for such risks. The District purchases workers compensation insurance from Employers Mutual Insurance Company. The District pays an annual premium to Employers Mutual Insurance Company for its insurance coverage.

There has been no significant reduction in insurance coverage from the previous year in any of the District's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY (ASSET) AND
RELATED RATIOS
LAST FIVE FISCAL YEARS**

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service Cost	\$ 79,194	\$ 105,290	\$ 94,096	\$ 118,980	\$ 119,345
Interest	87,990	98,192	112,235	112,795	114,479
Differences Between Expected and Actual Experience	(262,087)	-	(368,529)	-	-
Changes of Assumptions	(107,301)	53,215	(2,896)	(26,138)	-
Benefit Payments	(270,125)	(128,275)	(339,244)	(317,871)	(234,057)
Net Change in Total OPEB Liability	(472,329)	128,422	(504,338)	(112,234)	(233)
Total OPEB Liability - Beginning	2,370,133	2,241,711	2,746,049	2,858,283	2,858,516
Total OPEB Liability - Ending (a)	<u>\$ 1,897,804</u>	<u>\$ 2,370,133</u>	<u>\$ 2,241,711</u>	<u>\$ 2,746,049</u>	<u>\$ 2,858,283</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ -	\$ -	\$ -	\$ -	\$ 1,262
Net Investment Income	135,702	137,041	164,353	162,475	317,045
Differences Between Expected and Actual Experience	384,341	(13,293)	-	55,347	-
Benefit Payments	(270,125)	(128,275)	(339,244)	(317,871)	(234,057)
Administrative Expense	(26,624)	(25,906)	(27,052)	(40,352)	(16,546)
Net Change in Plan Fiduciary Net Position	223,294	(30,433)	(201,943)	(140,401)	67,704
Plan Fiduciary Net Position - Beginning	3,084,139	3,114,572	3,316,515	3,456,916	3,389,212
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,307,433</u>	<u>\$ 3,084,139</u>	<u>\$ 3,114,572</u>	<u>\$ 3,316,515</u>	<u>\$ 3,456,916</u>
District's Net OPEB Asset - Ending (a) - (b)	\$ (1,409,629)	\$ (714,006)	\$ (872,861)	\$ (570,466)	\$ (598,633)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Asset	174.28%	130.13%	138.94%	120.77%	120.94%
Covered-Employee Payroll	\$ 15,742,407	\$ 17,398,253	\$ 16,891,508	\$ 18,465,734	\$ 17,927,897
District's Net OPEB Asset as a Percentage of Covered Payroll	-8.95%	-4.10%	-5.17%	-3.09%	-3.34%

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

**NORTH BRANCH PUBLIC SCHOOLS
 INDEPENDENT SCHOOL DISTRICT NO. 138
 SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN ON OPEB PLAN ASSETS
 LAST FIVE FISCAL YEARS**

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2021	4.40%
2020	5.00%
2019	5.80%
2018	6.30%
2017	-1.40%

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

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST SEVEN MEASUREMENT PERIODS**

	Measurement Date June 30, 2020	Measurement Date June 30, 2019	Measurement Date June 30, 2018	Measurement Date June 30, 2017	Measurement Date June 30, 2016	Measurement Date June 30, 2015	Measurement Date June 30, 2014
PERA							
District's Proportion of the Net Pension Liability	0.0701%	0.0750%	0.0905%	0.0935%	0.0941%	0.0927%	0.0932%
District's Proportionate Share of the Net Pension Liability	\$ 4,202,815	\$ 4,146,582	\$ 5,020,569	\$ 5,968,978	\$ 7,640,453	\$ 4,804,195	\$ 4,378,069
State's Proportionate Share of the Net Pension Liability	129,669	128,828	164,739	75,020	99,757	-	-
District's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability	<u>\$ 4,332,484</u>	<u>\$ 4,275,410</u>	<u>\$ 5,185,308</u>	<u>\$ 6,043,998</u>	<u>\$ 7,740,210</u>	<u>\$ 4,804,195</u>	<u>\$ 4,378,069</u>
District's Covered Payroll	<u>\$ 5,006,787</u>	<u>\$ 5,300,213</u>	<u>\$ 6,089,760</u>	<u>\$ 6,026,107</u>	<u>\$ 5,871,013</u>	<u>\$ 5,355,413</u>	<u>\$ 4,890,875</u>
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	83.94%	78.23%	82.44%	99.05%	130.14%	89.71%	89.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.10%	80.23%	79.53%	75.90%	68.91%	78.20%	78.75%
TRA							
District's Proportion of the Net Pension Liability	0.2060%	0.2301%	0.2430%	0.2565%	0.2574%	0.2587%	0.2574%
District's Proportionate Share of the Net Pension Liability	\$ 15,219,556	\$ 14,666,622	\$ 15,262,986	\$ 51,202,053	\$ 61,396,042	\$ 16,003,154	\$ 11,860,807
State's Proportionate Share of the Net Pension Liability Associated with District	1,275,652	1,298,143	1,434,000	4,949,626	6,162,560	1,962,723	834,368
Total of District's and State's Proportionate Share of the Net Pension Liability	<u>\$ 16,495,208</u>	<u>\$ 15,964,765</u>	<u>\$ 16,696,986</u>	<u>\$ 56,151,679</u>	<u>\$ 67,558,602</u>	<u>\$ 17,965,877</u>	<u>\$ 12,695,175</u>
District's Covered Payroll	<u>\$ 12,132,260</u>	<u>\$ 13,315,383</u>	<u>\$ 13,668,027</u>	<u>\$ 13,700,893</u>	<u>\$ 13,387,387</u>	<u>\$ 13,129,392</u>	<u>\$ 11,744,179</u>
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	125.45%	110.15%	111.67%	373.71%	458.61%	121.89%	100.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.48%	78.21%	78.07%	51.57%	44.88%	76.80%	81.50%

Information is presented prospectively and an accumulation of 10 years will be provided as the information becomes available.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
LAST EIGHT FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
PERA								
Contractually Required Contribution	\$ 355,826	\$ 375,509	\$ 397,516	\$ 456,732	\$ 451,958	\$ 440,326	\$ 401,656	\$ 354,588
Contributions in Relation to the Contractually Required Contribution	(355,826)	(375,509)	(397,516)	(456,732)	(451,958)	(440,326)	(401,656)	(354,588)
Contribution Deficiency (Excess)	<u>\$ -</u>							
District's Covered Payroll	\$ 4,744,347	\$ 5,006,787	\$ 5,300,213	\$ 6,089,760	\$ 6,026,107	\$ 5,871,013	\$ 5,355,413	\$ 4,890,875
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.25%
TRA								
Contractually Required Contribution	\$ 1,029,949	\$ 960,875	\$ 1,026,616	\$ 1,025,102	\$ 1,027,567	\$ 1,004,054	\$ 984,624	\$ 822,095
Contributions in Relation to the Contractually Required Contribution	(1,029,949)	(960,875)	(1,026,616)	(1,025,102)	(1,027,567)	(1,004,054)	(984,624)	(822,095)
Contribution Deficiency (Excess)	<u>\$ -</u>							
District's Covered Payroll	\$ 12,668,499	\$ 12,132,260	\$ 13,315,383	\$ 13,668,027	\$ 13,700,893	\$ 13,387,387	\$ 13,129,392	\$ 11,744,179
Contributions as a Percentage of Covered Payroll	8.13%	7.92%	7.71%	7.50%	7.50%	7.50%	7.50%	7.00%

Information is presented prospectively and an accumulation of 10 years will be provided as information becomes available.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

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

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

2020

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

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

2019

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2018

Changes in Actuarial Assumption

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed postretirement benefit increase was changed from 1.0% per year through 2044 and 2.50% 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 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50% 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.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

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

2017

Changes in Actuarial Assumption

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

Changes in Plan Provisions

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

2016

Changes in Actuarial Assumptions

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

Changes in Actuarial Plan Provisions

- There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions

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

Changes in Plan Provisions:

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

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

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

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

2020

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 5 years and female rates set back 7 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.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018

Changes in Actuarial Assumptions

- The investment return assumption was changed from 8.5% to 7.5%.
- The price inflation assumption was lowered from 3.0% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The wage inflation assumption (above price inflation) was reduced from 0.75% to 0.35% for the next 10 years, and 0.75% thereafter.
- The total salary increase assumption was adjusted by the wage inflation change.
- The amortization date for the funding of the Unfunded Actuarial Accrual Liability (UAAL) was reset to June 30, 2048 (30 years).
- The mechanism in the law that provided the TRA Board with some authority is set contribution rates was eliminated.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

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

2018 (Continued)

Changes in Plan Provisions

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to 0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next 4 years, (7.92% in 2019, 8.13% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

2017

Changes in Actuarial Assumptions

- The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- Adjustment 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 nonvested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The COLA was not assumed to increase to 2.5%, but remain at 2.0% for all future years.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for 10 years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

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

2017 (Continued)

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016

Changes in Actuarial Assumptions

- The cost of living adjustment was not assumed to increase (it remained at 2.0% for all future years).
- The price inflation assumption was lowered from 3.0% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes at 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 6 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 3 years and female rates set back 3 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 adjustments.
- 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 forms of payment at retirement were made.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions

- The cost of living adjustment was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2037.
- The investment return assumption was changed from 8.25% to 8.0%.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

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

2015 (Continued)

Changes in Plan Provisions

- The Duluth Teachers Retirement Fund Association was merged into TRA on June 30, 2015. This also resulted in a state-provided contribution stream of \$14.377 million until the System becomes fully funded.

2014

Changes in Actuarial Assumptions

- The cost of living adjustment was assumed to increase from 2.0% annually to 2.5% annually once the legally specified criteria was met. This was estimated to occur July 1, 2031.

Changes in Plan Provisions

- The increase in the post-retirement benefit adjustment (COLA) will be made once the System is 90% funded (on a market value basis) in two consecutive years, rather than just one year.

NOTE 2 CHANGES IN SIGNIFICANT OTHER POSTEMPLOYMENT BENEFIT PLAN PROVISION, ACTUARIAL METHODS, AND ASSUMPTIONS

The following assumption changes were made for the measurement date June 30, 2021:

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.0% per year for all employees to rates which vary by service and contract group.
- The discount rate was changed from 3.80% to 4.40%

The following plan change was made for the measurement date June 30, 2021:

- None

The following assumption change was made for the measurement date June 30, 2020:

- The discount rate was changed from 4.30% to 3.80%.
- The long-term expected return on assets was changed from 4.70% to 4.40%.

The following plan change was made for the measurement date June 30, 2020:

- None

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 2 CHANGES IN SIGNIFICANT OTHER POSTEMPLOYMENT BENEFIT PLAN PROVISION, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

The following assumption changes were made for the measurement date June 30, 2019:

- 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-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The discount rate was changed from 4.20% to 4.30%.

The following plan change was made for the measurement date June 30, 2019:

- None

The following assumption changes were made for the measurement date June 30, 2018:

- The discount rate was changed from 4.00% to 4.20%.

The following plan change was made for the measurement date June 30, 2018:

- None

SUPPLEMENTARY INFORMATION

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
COMPLIANCE TABLE
JUNE 30, 2021**

	Audit	UFARS	Audit-UFARS		Audit	UFARS	Audit-UFARS
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenues	\$ 32,373,996	\$ 32,373,999	\$ (3)	Total Revenues	\$ 19,562	\$ 19,561	\$ 1
Total Expenditures	\$ 30,693,641	\$ 30,693,644	\$ (3)	Total Expenditures	\$ 5,340,811	\$ 5,340,812	\$ (1)
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	\$ 51,116	\$ 51,116	\$ -	460 Nonspendable Fund Balance	\$ -	\$ -	\$ -
<i>Restricted/Reserved:</i>				<i>Restricted/Reserved:</i>			
401 Student Activities	\$ 155,795	\$ 155,795	\$ -	407 Capital Projects Levy	\$ -	\$ -	\$ -
402 Scholarships	\$ 152,621	\$ 152,621	\$ -	409 Alternative Fac. Program	\$ -	\$ -	\$ -
403 Staff Development	\$ 265,074	\$ 265,074	\$ -	461 LTFM	\$ 1,224,865	\$ 1,224,864	\$ 1
407 Capital Project Levy	\$ 40,679	\$ 40,679	\$ -	<i>Restricted:</i>			
409 Alternative Facilities	\$ -	\$ -	\$ -	464 Restricted Fund Balance	\$ -	\$ -	\$ -
413 Projects Funded by COP/LP	\$ -	\$ -	\$ -	<i>Unassigned:</i>			
414 Operating Debt	\$ -	\$ -	\$ -	463 Unassigned Fund Balance	\$ -	\$ -	\$ -
416 Levy Reduction	\$ -	\$ -	\$ -	07 DEBT SERVICE			
417 Excess Taconite Building Maint. Funds	\$ -	\$ -	\$ -	Total Revenues	\$ 5,498,721	\$ 5,498,722	\$ (1)
423 Certain Teacher Programs	\$ -	\$ -	\$ -	Total Expenditures	\$ 5,302,156	\$ 5,302,156	\$ -
424 Operating Capital	\$ 41,461	\$ 41,461	\$ -	<i>Nonspendable:</i>			
426 \$25 Taconite	\$ -	\$ -	\$ -	460 Nonspendable Fund Balance	\$ -	\$ -	\$ -
427 Disabled Accessibility	\$ -	\$ -	\$ -	<i>Restricted/Reserved:</i>			
428 Learning & Development	\$ -	\$ -	\$ -	425 Bond Refundings	\$ -	\$ -	\$ -
434 Area Learning Center	\$ -	\$ -	\$ -	451 QZAB and QSCB Payments	\$ -	\$ -	\$ -
435 Contracted Alt. Programs	\$ -	\$ -	\$ -	<i>Restricted:</i>			
436 St. Approved Alt. Prog.	\$ -	\$ -	\$ -	464 Restricted	\$ 1,024,026	\$ 1,024,028	\$ (2)
438 Gifted & Talented	\$ -	\$ -	\$ -	<i>Unassigned:</i>			
441 Basic Skills	\$ -	\$ -	\$ -	463 Unassigned Fund Balance	\$ -	\$ -	\$ -
445 Career and Technical Programs	\$ -	\$ -	\$ -	08 TRUST			
449 Safe Schools Levy	\$ 101,701	\$ 101,701	\$ -	Total Revenues	\$ -	\$ -	\$ -
450 Pre-Kindergarten	\$ -	\$ -	\$ -	Total Expenditures	\$ -	\$ -	\$ -
451 QZAB and QSCB Payments	\$ -	\$ -	\$ -	422 Net Position	\$ -	\$ -	\$ -
452 OPEB Liab. Not in Trust	\$ -	\$ -	\$ -	09 AGENCY			
459 Basic Skills Ext Time	\$ 38,228	\$ 38,228	\$ -	<i>Unrestricted: Should Always Be -0-</i>			
467 LTFM	\$ 840,935	\$ 840,935	\$ -	422 Unassigned	\$ -	\$ -	\$ -
472 Medical Assistance	\$ 34,223	\$ 34,223	\$ -	20 INTERNAL SERVICE			
<i>Restricted:</i>				Total Revenues	\$ 261,679	\$ 261,679	\$ -
464 Restricted Fund Balance	\$ 25,280	\$ 25,279	\$ 1	Total Expenditures	\$ 194,842	\$ 194,841	\$ 1
<i>Committed:</i>				422 Net Position	\$ 608,843	\$ 608,843	\$ -
418 Committed for Separation	\$ -	\$ -	\$ -	25 OPEB REVOCABLE TRUST			
461 Committed Fund Balance	\$ -	\$ -	\$ -	Total Revenues	\$ -	\$ -	\$ -
<i>Assigned:</i>				Total Expenditures	\$ -	\$ -	\$ -
462 Assigned Fund Balance	\$ 500,000	\$ 500,000	\$ -	422 Net Position	\$ -	\$ -	\$ -
<i>Unassigned:</i>				45 OPEB IRREVOCABLE TRUST			
422 Unassigned	\$ 3,410,833	\$ 3,410,834	\$ (1)	Total Revenues	\$ 537,791	\$ 537,791	\$ -
02 FOOD SERVICE				Total Expenditures	\$ 314,498	\$ 314,497	\$ 1
Total Revenues	\$ 1,242,570	\$ 1,242,570	\$ -	422 Net Position	\$ 3,307,433	\$ 3,307,433	\$ -
Total Expenditures	\$ 1,184,055	\$ 1,184,056	\$ (1)	47 OPEB DEBT SERVICE			
<i>Nonspendable:</i>				Total Revenues	\$ 408,593	\$ 408,594	\$ (1)
460 Nonspendable Fund Balance	\$ 25,656	\$ 25,656	\$ -	Total Expenditures	\$ 405,211	\$ 405,211	\$ -
<i>Restricted/Reserved:</i>				<i>Nonspendable:</i>			
452 OPEB Liab. Not in Trust	\$ -	\$ -	\$ -	460 Nonspendable Fund Balance	\$ -	\$ -	\$ -
464 Restricted Fund Balance	\$ 134,779	\$ 134,779	\$ -	<i>Restricted:</i>			
<i>Unassigned:</i>				425 Bond Refundings	\$ -	\$ -	\$ -
463 Unassigned Fund Balance	\$ -	\$ -	\$ -	464 Restricted Fund Balance	\$ 128,562	\$ 128,562	\$ -
04 COMMUNITY SERVICE				<i>Unassigned:</i>			
Total Revenues	\$ 1,305,287	\$ 1,305,287	\$ -	463 Unassigned Fund Balance	\$ -	\$ -	\$ -
Total Expenditures	\$ 1,146,885	\$ 1,146,888	\$ (3)	06 BUILDING CONSTRUCTION			
<i>Nonspendable:</i>				Total Revenues	\$ 19,562	\$ 19,561	\$ 1
460 Nonspendable Fund Balance	\$ 954	\$ 954	\$ -	Total Expenditures	\$ 5,340,811	\$ 5,340,812	\$ (1)
<i>Restricted/Reserved:</i>				<i>Nonspendable:</i>			
426 \$25 Taconite	\$ -	\$ -	\$ -	460 Nonspendable Fund Balance	\$ -	\$ -	\$ -
431 Community Education	\$ 92,369	\$ 92,369	\$ -	<i>Restricted/Reserved:</i>			
432 E.C.F.E.	\$ 205,977	\$ 205,977	\$ -	425 Bond Refundings	\$ -	\$ -	\$ -
444 School Readiness	\$ 8,412	\$ 8,412	\$ -	464 Restricted Fund Balance	\$ 128,562	\$ 128,562	\$ -
447 Adult Basic Education	\$ -	\$ -	\$ -	<i>Unassigned:</i>			
452 OPEB Liab. Not in Trust	\$ -	\$ -	\$ -	463 Unassigned Fund Balance	\$ -	\$ -	\$ -
<i>Restricted:</i>				07 DEBT SERVICE			
464 Restricted Fund Balance	\$ -	\$ -	\$ -	Total Revenues	\$ 5,498,721	\$ 5,498,722	\$ (1)
<i>Unassigned:</i>				Total Expenditures	\$ 5,302,156	\$ 5,302,156	\$ -
463 Unassigned Fund Balance	\$ (25,040)	\$ (25,043)	\$ 3	<i>Nonspendable:</i>			

* Amounts differ from those reported on the fund-level balance sheet due to the need to reclassify negative restricted fund balance to unassigned fund balance for the CAFR.

OTHER INFORMATION

**NORTH BRANCH PUBLIC SCHOOLS
 INDEPENDENT SCHOOL DISTRICT NO. 138
 BOND SCHEDULES
 JUNE 30, 2021
 (UNAUDITED)**

\$15,380,000 G.O. Building Refunding Bonds, Series 2012A, Issued 5/1/12

<u>Due Date</u>	<u>Rate %</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u>	<u>Deferred Tax Levy</u>
08/01/21		\$ -	\$ 38,875	\$ 38,875	
02/01/22	5.000	1,555,000	38,875	1,593,875	\$ 1,714,388
Totals		<u>\$ 1,555,000</u>	<u>\$ 77,750</u>	<u>\$ 1,632,750</u>	<u>\$ 1,714,388</u>

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
BOND SCHEDULES (CONTINUED)
JUNE 30, 2021
(UNAUDITED)**

\$1,770,000 G.O. Capital Facilities Bonds, Series 2016A, Issued 11/16/2016

<u>Due Date</u>	<u>Rate %</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u>	<u>Deferred Tax Levy</u>
08/01/21		\$ -	\$ 13,681	\$ 13,681	
02/01/22	2.000	120,000	13,680	133,680	\$ 154,729
08/01/22		-	12,481	12,481	
02/01/23	2.000	120,000	12,481	132,481	152,210
08/01/23		-	11,281	11,281	
02/01/24	2.000	125,000	11,281	136,281	154,940
08/01/24		-	10,031	10,031	
02/01/25	2.000	125,000	10,031	135,031	152,315
08/01/25		-	8,781	8,781	
02/01/26	2.000	130,000	8,781	138,781	154,940
08/01/26		-	7,481	7,481	
02/01/27	2.000	135,000	7,481	142,481	157,460
08/01/27		-	6,131	6,131	
02/01/28	2.000	135,000	6,131	141,131	154,625
08/01/28		-	4,781	4,781	
02/01/29	2.250	140,000	4,781	144,781	157,040
08/01/29		-	3,206	3,206	
02/01/30	2.250	140,000	3,206	143,206	153,733
08/01/30		-	1,631	1,631	
02/01/31	2.250	145,000	1,631	146,631	155,675
Totals		<u>\$ 1,315,000</u>	<u>\$ 158,969</u>	<u>\$ 1,473,969</u>	<u>\$ 1,547,667</u>

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
BOND SCHEDULES (CONTINUED)
JUNE 30, 2021
(UNAUDITED)**

\$67,590,000 G.O. School Building Bonds, Series 2017A, Issued 11/9/17

Due Date	Rate %	Principal	Interest	Total Due	Deferred Tax Levy
08/01/21		\$ -	\$ 1,214,727	\$ 1,214,727	
02/01/22	2.000	335,000	1,214,727	1,549,727	\$ 2,902,677
08/01/22		-	1,211,377	1,211,377	
02/01/23	5.000	1,970,000	1,211,377	3,181,377	4,612,392
08/01/23		-	1,162,127	1,162,127	
02/01/24	5.000	2,070,000	1,162,127	3,232,127	4,613,967
08/01/24		-	1,110,377	1,110,377	
02/01/25	5.000	2,170,000	1,110,377	3,280,377	4,610,292
08/01/25		-	1,056,127	1,056,127	
02/01/26	5.000	2,410,000	1,056,127	3,466,127	4,748,367
08/01/26		-	995,877	995,877	
02/01/27	5.000	2,530,000	995,877	3,525,877	4,747,842
08/01/27		-	932,627	932,627	
02/01/28	5.000	2,655,000	932,627	3,587,627	4,746,267
08/01/28		-	866,252	866,252	
02/01/29	4.000	2,790,000	866,252	3,656,252	4,748,629
08/01/29		-	810,452	810,452	
02/01/30	4.000	2,900,000	810,452	3,710,452	4,746,949
08/01/30		-	752,452	752,452	
02/01/31	4.000	3,015,000	752,452	3,767,452	4,745,899
08/01/31		-	692,152	692,152	
02/01/32	3.000	3,135,000	692,152	3,827,152	4,745,269
08/01/32		-	645,127	645,127	
02/01/33	3.000	3,230,000	645,127	3,875,127	4,746,267
08/01/33		-	596,677	596,677	
02/01/34	3.000	3,325,000	596,677	3,921,677	4,744,272
08/01/34		-	546,802	546,802	
02/01/35	3.000	3,425,000	546,802	3,971,802	4,744,534
08/01/35		-	495,427	495,427	
02/01/36	3.000	3,530,000	495,427	4,025,427	4,746,897
08/01/36		-	442,477	442,477	
02/01/37	3.100	3,635,000	442,477	4,077,477	4,745,952
08/01/37		-	386,134	386,134	
02/01/38	3.100	3,750,000	386,134	4,136,134	4,748,381
08/01/38		-	328,009	328,009	
02/01/39	3.125	3,865,000	328,009	4,193,009	4,747,069
08/01/39		-	267,619	267,619	
02/01/40	3.150	3,985,000	267,619	4,252,619	4,746,250
08/01/40		-	204,855	204,855	
02/01/41	3.200	4,110,000	204,855	4,314,855	4,745,696
08/01/41		-	139,095	139,095	
02/01/42	3.250	4,245,000	139,095	4,384,095	4,749,350
08/01/42		-	71,175	71,175	
02/01/43	3.250	4,380,000	71,175	4,451,175	4,748,468
Totals		\$ 67,460,000	\$ 29,855,888	\$ 97,315,888	\$ 102,181,686

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
BOND SCHEDULES (CONTINUED)
JUNE 30, 2021
(UNAUDITED)**

\$2,260,000 G.O. OPEB Refunding Bonds, Series 2017B, Issued 11/9/17

<u>Due Date</u>	<u>Rate %</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u>	<u>Deferred Tax Levy</u>
08/01/21		\$ -	\$ 18,776	\$ 18,776	
02/01/22	2.200	370,000	18,776	388,776	\$ 427,930
08/01/22		-	14,706	14,706	
02/01/23	2.350	380,000	14,706	394,706	429,883
08/01/23		-	10,240	10,240	
02/01/24	2.510	390,000	10,240	400,240	431,004
08/01/24		-	5,346	5,346	
02/01/25	2.640	405,000	5,346	410,346	436,477
Totals		<u>\$ 1,545,000</u>	<u>\$ 98,136</u>	<u>\$ 1,643,136</u>	<u>\$ 1,725,294</u>

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
BOND SCHEDULES (CONTINUED)
JUNE 30, 2021
(UNAUDITED)**

\$6,385,000 G.O. Facilities Maintenance Bonds, Series 2018A, Issued 7/19/18

<u>Due Date</u>	<u>Rate %</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u>	<u>Deferred Tax Levy</u>
08/01/21		\$ -	\$ 78,750	\$ 78,750	
02/01/22	3.000	590,000	78,750	668,750	\$ 784,875
08/01/22		-	69,900	69,900	
02/01/23	3.000	610,000	69,900	679,900	787,290
08/01/23		-	60,750	60,750	
02/01/24	3.000	625,000	60,750	685,750	783,825
08/01/24		-	51,375	51,375	
02/01/25	3.000	645,000	51,375	696,375	785,138
08/01/25		-	41,700	41,700	
02/01/26	3.000	665,000	41,700	706,700	785,820
08/01/26		-	31,725	31,725	
02/01/27	3.000	685,000	31,725	716,725	785,873
08/01/27		-	21,450	21,450	
02/01/28	3.000	705,000	21,450	726,450	785,295
08/01/28		-	10,875	10,875	
02/01/29	3.000	725,000	10,875	735,875	784,088
Totals		<u>\$ 5,250,000</u>	<u>\$ 733,050</u>	<u>\$ 5,983,050</u>	<u>\$ 6,282,204</u>

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138**

**SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS AND OTHER REQUIRED REPORTS**

JUNE 30, 2021



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
TABLE OF CONTENTS
JUNE 30, 2021**

SINGLE AUDIT AND OTHER REQUIRED REPORTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7
INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE	8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	9

SINGLE AUDIT AND OTHER REQUIRED REPORTS



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education
North Branch Public Schools
Independent School District No. 138
North Branch, 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. 138 (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be material weaknesses.

Compliance and Other Matters

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

The District's Responses to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



CliftonLarsonAllen LLP

Minneapolis, Minnesota
November 30, 2021



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
North Branch Public Schools
Independent School District No. 138
North Branch, Minnesota

Report on Compliance for Each Major Federal Program

We have audited the Independent School District No. 138's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. 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. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 30, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
November 30, 2021

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Agency or Pass-Through Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Pass-Through Minnesota Department of Education				
Noncash Assistance (Commodities):				
National School Lunch Program	10.555	# 1-0138-000	\$ 71,785	
Total Noncash Assistance			\$ 71,785	\$ -
Cash Assistance:				
National School Lunch Program	10.555	# 1-0138-000	53,138	
Commodity Cash Rebate Program	10.555	# 1-0138-000	252	
School Breakfast Program	10.553	# 1-0138-000	15,806	
Summer Food Service Program	10.559	# 1-0138-000	952,188	
Total Cash Assistance			1,021,384	-
Total Child Nutrition Cluster/U.S. Department of Agriculture			1,093,169	-
U.S. Department of Treasury				
Pass-Through Minnesota Department of Education				
COVID-19 - Coronavirus Relief Fund	21.019	N/A	679,168	-
COVID-19 - American Rescue Plan (ARP) Summer Academic Enrichment and Mental Health	21.027	N/A	3,486	-
Pass-Through Minnesota Department of Human Services				
COVID-19 - Coronavirus Relief Fund	21.019	SLT0016	9,000	-
Total U.S. Department of Treasury			691,654	-
U.S. Department of Education				
Pass-Through Minnesota Department of Education				
Title I - Grants to Local Education Agencies	84.010	S010A200023A	341,797	-
Carl Perkins Vocational Education	84.048	N/A	5,690	-
Title II, Part A - Supporting Effective Instruction State Grants	84.367	S367A200022	66,389	-
Education Stabilization Fund				
COVID-19 - 90% Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	* S425D200045	238,602	
COVID-19 - Governor's Emergency Relief Fund (GEER I)	84.425C	* S425C200015	130,376	
Total Education Stabilization Fund			368,978	-
Pass-Through St. Croix River Education District				
Special Education Cluster				
Special Education Grants to States	84.027	@ H027A200087	60,528	
Special Education Preschool Grants	84.173	@ H173A200086	430	
Total Special Education Cluster			60,958	-
Total U.S. Department of Education			843,812	-
U.S. Department of Health and Human Services				
Pass-Through Minnesota Department of Human Services				
COVID-19 - Child Care and Development Block Grant (CCDF Cluster)	93.575	N/A	12,625	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,641,260	\$ -

- Child Nutrition Cluster
@ - Special Education Cluster
* - Education Stabilization Fund

The total of Assistance Listing No. 10.555 is \$125,175
The total of Assistance Listing No. 21.019 is \$688,168

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

NOTE 1 GENERAL

The accompanying schedule of expenditures of federal awards presents the expenditures of all federal financial assistance programs of Independent School District No. 138 for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a select portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the District's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, with the exception of Assistance Listing Number 21.019, which follows criteria determined by the department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. The District has not elected to use the 10% de minimis in direct costs rate as allowed under Uniform Guidance.



INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Education
North Branch Public Schools
Independent School District No. 138
North Branch, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 138 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2021.

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 sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minn. Stat. §6.65, insofar as they related to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above-referenced provisions, insofar as they related to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide for School Districts* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
November 30, 2021

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 yes X no

Identification of major programs:

Assistance Listing Numbers
84.425C and 84.425D
21.019

Name of Federal Program or Cluster
COVID-19 Education Stabilization Fund
COVID-19 Coronavirus Relief Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 yes X no

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

B. FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENT AUDIT

2021-001 Financial Statement Preparation

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: The District does not have an internal control policy in place over annual financial reporting that would enable management to prepare its annual financial statements and related footnote disclosures are complete and presented in accordance with U.S. generally accepted accounting principles (GAAP).

Criteria or specific requirement: Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements including the related disclosures, in conformity with GAAP.

Effect: The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the District's internal controls.

Cause: The District relies on the audit firm to prepare the annual financial statements and related footnote disclosures. However, management has reviewed and approved the annual financial statements and the related footnote disclosures.

Repeat finding: Yes – Finding 2020-001

Recommendation: Management should continue to evaluate its internal staff capacity to determine if an internal control policy over the annual financial reporting is beneficial.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding and there is a planned corrective action in place.

**NORTH BRANCH PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 138
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

B. FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENT AUDIT (CONTINUED)

2021-002 Segregation of Duties

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: The District has limited number of office personnel and accordingly, does not have adequate internal controls in the review and reconciliation of capital assets, because of a lack of segregation of duties.

Criteria or specific requirement: A good system of internal accounting control contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

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

Cause: The District's resources did not allow for personnel to address this issue in the current year.

Repeat finding: Not applicable.

Recommendation: While we recognize that the District may not be large enough to permit complete segregation of duties in all material respects for an effective system of internal controls, the functions should be reviewed to determine if additional segregation of duties is feasible and to improve efficiency and effectiveness of financial management of the District.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding and there is a planned corrective action in place.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

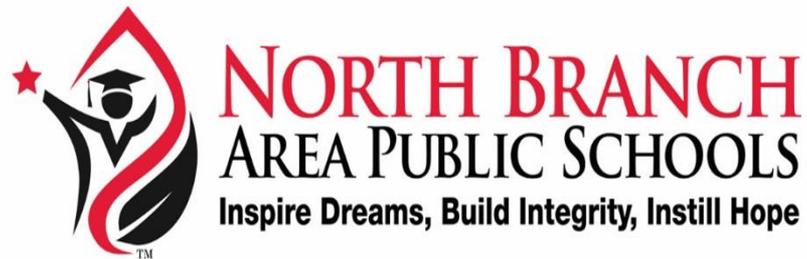
None reported

D. FINDINGS – MINNESOTA LEGAL COMPLIANCE

None reported



Property Tax Levy 2021



December 9, 2021

Topics

- Budget summary
(For FY ending June 30, 2021)
- Property tax levy
- Public comment

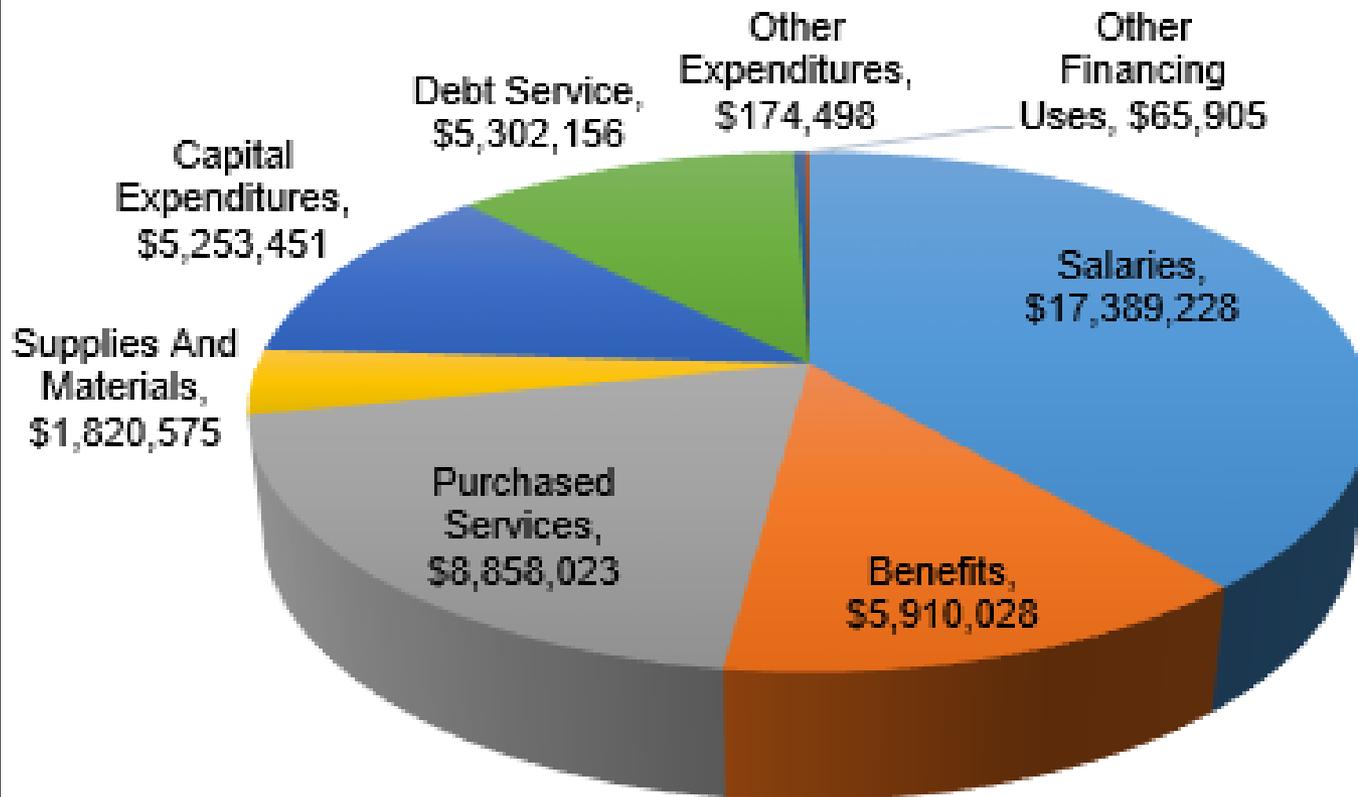
Timeline

- 2021 Levy, Payable 2022
 - For -
- 2022-2023 School Year

All Funds: 2020 – 2021 Revenues, Expenses, Fund Balances

	General Fund	Food Service Fund	Community Service Fund	Building Construction Fund	Debt Service Fund	Trust Fund	Internal Service Fund	Postemployment Benefits Irrevocable Trust Fund
REVENUES								
Local	5,121,676	0	943,855	(11,695)	5,004,970	0	261,679	409,516
State	25,448,892	1,855	326,380	0	447,612	0	0	0
Federal	1,695,081	1,103,036	32,707	0	0	0	0	0
Other	86,624	137,678	65,905	0	0	0	0	0
TOTAL REVENUE	32,352,272	1,242,570	1,368,847	(11,695)	5,452,582	0	261,679	409,516
EXPENDITURES								
Salaries	16,621,131	23,852	744,244	0	0	0	0	0
Benefits	5,255,609	3,407	186,047	0	0	0	194,841	270,124
Purchased Services	5,757,764	640,329	155,375	2,260,182	0	0	0	44,373
Supplies And Materials	1,287,938	516,467	15,968	202	0	0	0	0
Capital Expenditures	1,574,895	0	0	3,678,556	0	0	0	0
Debt Service	0	0	0	0	5,302,156	0	0	0
Other Expenditures	172,107	0	2,346	46	0	0	0	0
Other Financing Uses	65,905	0	0	0	0	0	0	0
TOTAL EXPENDITURES	30,735,348	1,184,056	1,103,980	5,938,986	5,302,156	0	194,841	314,497
SURPLUS / (DEFICIT)	1,616,924	58,514	264,867	(5,950,681)	150,426	0	66,838	95,018
FUND BALANCE								
Beginning of Period	4,022,648	101,921	58,365	6,546,115	827,462	0	542,006	3,084,140
End of Period	5,639,572	160,435	323,232	595,434	977,888	0	608,844	3,179,158

Expenditures by Object



303

NORTH BRANCH
Budget / Fund Balance Overview (Preliminary Final FY 21)
June 30 2021

	Beginning			End of Year	Net Increase
<i>General Fund - 01</i>	Fund Balance	Revenues	Expenditures	Proj. Balance	or Decrease
422 Unassigned Fund Balan	2,156,518	29,151,266	26,030,547	3,131,275	974,757
	7.38%			10.19%	
Restricted					
401 Student Activities	182,475	27,634	54,314	155,795	(26,680)
402 Scholarships	144,112	111,639	103,130	152,621	8,509
403 Staff Development	122,086	367,365	224,377	265,074	142,988
407 Capital Projects Levy	14,548	500,000	473,868	40,680	26,132
424 Operating Capital	32,149	608,517	600,521	40,145	7,996
428 Learning and Development	-	514,356	1,675,686	0	0
434 Area Learning Center	-	-	398,546	398,546	0
438 Gifted and Talented	-	36,392	129,320	92,927	(0)
441 Basic Skills Programs	-	591,843	687,920	96,077	0
449 Safe Schools Levy	130,589	102,014	130,902	101,701	(28,888)
459 Basic Skills Extended Time	38,228	20,423	-	58,651	20,423
467 Long-Term Facilities Maint	813,587	263,770	190,282	887,075	73,488
472 Medical Assistance	13,106	57,053	35,935	34,223	21,104
Subtotal Restricted	1,490,880	3,201,006	4,704,801	1,735,965	245,085
460 Nonspendable	28,431	-	-	28,431	-
Assigned Funds					
462 Assigned	102,918	-	-	397,082	397,082
Assigned - "detail"	-	-	-	-	-
Subtotal Assigned - 462	102,918	-	-	397,082	397,082
Total General Fund	4,022,648	32,352,272	30,735,348	5,639,572	1,616,924

Employees by Type

FTE Employee Type	'19-'20	'20-'21	'21-'22	% of Total
Teachers	154	154	161	52%
Administrator/Supervisor	12	13	13	4%
12-Month Support Staff	29	25	26	9%
9-Month Support Staff	97	87	93	29%
Custodian Staff	19	19	18	6%
Total	311	298	311	

Property Tax Levy

- School board authority to levy comes from:
 - Legislature
 - Local voters

State of Minnesota Levy Components

- Levies
 - Formulas established by legislature
 - Formula changes impact levy amounts
 - Based on estimates
- Adjustments for prior years
- Abatement adjustments
- Equalized levies increase and decrease with tax base

307

Additional Factors Beyond School District Levy

- City/Townships Taxes
- County Taxes
- Changes to Property Valuation

PROPOSED PAY '22 LEVY CERTIFICATION FOR NORTH BRANCH

Fund	Pay '22 Levy Limit	Increase (Decrease)	Percent Change
General	3,594,352	(-430,397)	(-10.69)
Community Education	232,888	(-1,391)	.60
General Debt Service	5,329,549	599,549	12.68
OPEB Debt Service	371.021	(-40,809)	(-9.91)
TOTAL	9,527,812	129,732	1.38

309



Summary

- Property values are increasing, however, the general levy is decreasing
- Total levy estimated to increase by \$129,732
- Impact on taxpayers varies

Levy Timeline

- December
 - Certification by School Board before December 31
- May
 - First half tax payments due

Property Tax Levy

- Questions?

Property Tax Levy

- Public Comment
- Contact school district for questions about school district levy
- Todd Tetzlaff, Director of Finance and Human Resources

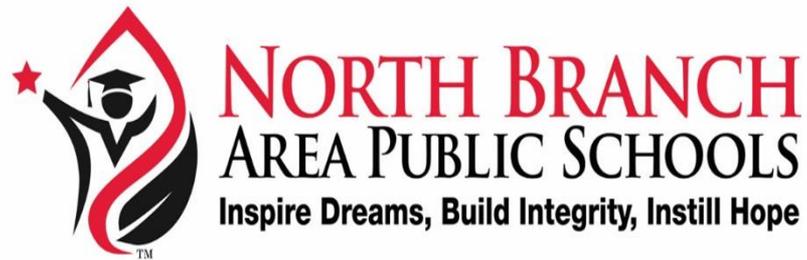
ttetzlaf@isd138.org

651 674-1009

313



Property Tax Levy 2021



December 9, 2021

Board & Administrator

FOR SCHOOL BOARD MEMBERS

December 2021 Vol. 35, No. 8

Make time to review, revise district policies

Outdated district policies may spell trouble for a school board, especially if those policies fail to account for current norms or evolutions in technology.

For example, recent incidents, including the discovery of hidden surveillance cameras in a high school, prompted the Madison Metropolitan (Wis.) School District to reassess its privacy policies. Although board officials noted that current policy prohibited cameras in areas where there is a reasonable expectation of privacy, it permitted the superintendent to authorize the use of hidden cameras in certain circumstances. Moreover, the board acknowledged that the policy had not been updated since 2001.

To prevent a similar mishap in your district, board members should make it a priority to review and revise obsolete policies. Stick to the following three tips to ensure your policies are efficient and modernized:

1. Set up a date for review. At least once a quarter or semester, set aside time to review

your policies one section at a time. If a policy is more than a few years old or contains ambiguous language, it's likely time for an update. Remember that policies relating to the use of technology, both in and out of the classroom, may need to be revised and updated on a more frequent basis.

2. Assign the policy to a committee. If an outdated policy needs a lot of revision, consider sending it to a committee. The committee can create discuss the policy in detail, draft revisions, and then submit those recommendations to the whole board.

3. Ask the superintendent, legal counsel for recommendations. Revamping an outdated policy may be intimidating for board members, especially if the purpose of that policy is to ensure the district's compliance with federal, state, or local requirements. If board members are unsure whether proposed revisions to the policy are appropriate, ask the superintendent and the district's legal counsel to look over the proposal. They will help the board formulate a policy that checks all the boxes. ■

Recognize interim superintendent's accomplishments

An interim superintendent's time in office may be fleeting, but her contributions may leave a lasting, positive impact on the district. If your board has tapped a different candidate to lead the district as its permanent superintendent, make sure to honor your interim superintendent before her departure.

On Oct. 12, 2021, the school board of Washington Township (N.J.) Schools recognized Interim Superintendent Laura Morana during her last board meeting. Board President Jessica DeCicco thanked Morana for all that she had done for the district. She also highlighted Morana's accomplishments, stating that Morana had devel-

oped rapport with the community, helped reopen schools safely during the pandemic, and assisted the board in navigating updates to policies and regulations.

Consider doing the same for your interim superintendent during her last board meeting. For example, your board may:

- Write an appreciation letter for the interim superintendent and read it out loud.
- Have a commemorative plaque made in

advance and present it to the interim superintendent.

- Invite students and members of the community to thank the interim superintendent during the public comment portion of the board meeting.

This will not only help show your interim superintendent how much your board appreciates her time and effort, it may also leave the door open for her to return (as interim superintendent or another position) in the future. ■

Make sure each board member gets a say

Although most school board members likely share a passion for education and a desire to serve the community, they may completely differ in their communication styles. For example, some board members may be vocal about their opinions while others may just sit back and quietly observe. However, because it's important for each board member to participate in decision-making procedures, don't let this become the norm.

Consider this idea to ensure each board member gets a say. During the board meeting, allow each board member to make one comment or express one idea about an item on the meeting agenda.

Go around the meeting table, either clockwise or counter-clockwise, and ask each board member for their thoughts on the same agenda item. Give board members approximately a minute to speak their minds. Once every board member at the table has provided feedback about a particular issue, repeat the process or open up the floor to discussion.

With this approach, each board member will have an equal opportunity to be heard without being interrupted by a more outspoken colleague. What's more, this tactic will encourage thoughtful deliberation and discussion among board members and prime the board to make better decisions as a group. ■

Prevent social media from stoking public tensions

Nowadays, almost every school district uses social media to share information and interact with members of the community. Unfortunately, like school board meetings, a district's social media page can become ground zero for combative dialogue and hostile remarks regarding controversial issues such as mask mandates, vaccination requirements, and critical race theory.

However, there are some preliminary steps school boards can take to prevent social media from stoking unnecessary conflict. Consider these two tips:

1. Tailor social media posts to promote positive responses. Use social media as a means to highlight positive events throughout the district, such as details about a community service event organized by a middle school club or news about a high school basketball team's recent victory. If the board needs to disseminate

important information that may be controversial or unpopular, such as updates to a mask mandate, it should consider using other communication methods such as individual phone calls or emails to parents or a public statement on its website.

2. Develop a code of civility for online discourse. If members of your social media community are engaging in name-calling, cyberbullying, or other antagonistic behaviors, the board may develop a code of civility. For example, the code may ask all individuals who are part of the district's online community to treat each other with respect. The code may also set out procedures for reporting or addressing threatening or abusive comments.

If the board continues to see vitriol on social media, it may need to consult legal counsel to determine its next steps. ■