

Dawson-Boyd School Board

Thursday, January 11, 2024 5:00 PM

Dawson-Boyd Board Room

Monthly Board Meeting

Google Meet joining info:

January School Board Meeting

Monday, January 8, 2024 · 6:00 - 9:00pm

Time zone: America/Chicago

Google Meet joining info

Video call link: <https://meet.google.com/kfq-ftjv-zua>

Or dial: +(US) +1 518-551-0246? PIN: ?447 778 373?#

Meeting Agenda

1. Call to order - 6:00 p.m.

Pledge of Allegiance

a. Reorganization of Dawson-Boyd Public School's Board

- Elect Officers
 - Board Chairperson
 - Board Vice-Chairperson
 - Board Clerk
 - Board Treasurer

b.

2. Adopt/Amend Agenda

3. Legal

a. Establish meeting times and dates: 6:00 pm

- January 8, 2024
- February 12, 2024
- March 11, 2024
- April 8, 2024
- May 13, 2024
- June 10, 2024
- July 8, 2024
- August 12, 2024
- September 9, 2024
- October 15, 2024 (Tuesday due to Indigenous People's Day)
- November 11, 2024

- December 9, 2024
 - January 13, 2025
1. Establish school board pay.
Currently: \$50 per meeting
Salaries: Chair-\$225, Clerk-\$275, Treasurer-\$175.
- b. Newspaper
 - Dawson Sentinel
 - c. Financial Institutions
 - Greater Community Credit Union
 - Minnwest Bank
 - d. School Attorney
 - Swenson/Nelson/Stulz
 - Pemberton Law
 1. Authority to contact on school business:
 - Board Chair
 - Ward
 - Stratmoen
 - e. Auditor
 - Dana F. Cole
 - f. Signatories
 - Board Chair
 - Board Clerk
 - Ward
 - Stratmoen
 - g. Committees
 - Policy Committee (3 people)
 - Personnel Committee (3 people)
 - Finance and Facilities Committee (3 people)
 - Committee to Negotiate with Certified Employees (three people)
 - Committee for Discussion with Classified Employees (three people)
 - Staff Development Representative (one person)
 - Health and Safety Representative (one person)
 - Cooperative Sponsorship Representatives (two people)
 - Curriculum & Achievement Representative (one person)
 - MSHSL Representative (one person)
 - Community Education Advisory Representative (one person)
 - Meet and Confer (one person)

- MRVED Representative (one person)
4. Public Comments
 5. Consent Agenda: THE FOLLOWING ITEMS ARE SUBMITTED FOR CONSENT APPROVAL
 - a. Approval of Meeting Minutes
 1. 12/15/2023 Special Meeting
 - b. Approval of Financial Report and Monthly Claims and Accounts
 - c. Approval of Staffing Matters/Personnel
 6. Communications: THE FOLLOWING ITEMS ARE SUBMITTED FOR CONSIDERATION
 - a. ICS Bid Review
Chris Ziemer
 - b. Presentation and review of the FY2023 audited financial statements
 7. Information Items:
 - a. Board Member Reports
 - b. Teacher Reports
 - c. AD/Community Ed/Transportation Reports
 - d. School Nurse Reports
 - e. Principal Reports
 - f. Technology Director Reports
 - g. Business Manager Reports
 - h. Superintendent Report
 8. Discussion/Approval Items:
 9. Action Items:
 - a. Resolution-District Donations
 - b. Approval of School Fundraisers
 1. Administration approved informational item:
Shadow's dance meal - 12/19/2023
UNITED softener salt - 12/10 - 12/21/2023
 2. Board Action Items:
Football Discount Cards - August-September 2024
FFA for Food Shelf
FCCLA Valentine's Day fundraiser
Afterglow Sandwich Meal - 2/3/24
 - c. Policies
 1. First Reading of Policies
413 - Harassment and Violence
413 - Form
507 - Corporal Punishment and Prone Restraint
516 - Student Medication

- d. Reaffirm 12/15/2023 special board meeting decision regarding foreign travel
10. Adjournment

Dawson-Boyd Independent School District No. 378
Regular December Board Meeting
December 11, 2023

The regular December meeting of the Board of Education was held on December 11, 2023, in the Dawson-Boyd upstairs common area. Members present were Marotzke, Schindler, Jurgenson, Kelly, Buer, Perkins and Lund as well as the administrative staff. Chair Lund called the meeting to order at 6:00 p.m. The meeting agenda was approved as amended (Perkins and Jurgenson). There were no public comments.

A break in the regular School Board meeting took place at 6:05 p.m. (Marotzke and Schindler). Superintendent Ward and Business Manager Stacy Stratmoen presented information relating to district finances to meet the Truth in Taxation requirements. 2023 levy components were discussed as well as total levies for the past school year. District fund balances and budget were also reviewed. Members reviewed the 2023 Payable 2024 Levy total and components. The Board adopted a 18.10% increase in final levy totaling \$3,112,441.89 (Buer and Jurgenson). The regular board meeting began again at 6:20 p.m.

Regular claims and accounts totaling \$266,881.53, \$6,098.49 for Student Activities & \$17,009.58 for the building project were approved as presented (Buer and Perkins). The Board reviewed electronic transfers and state tax payments made in November. The minutes of the November 13, 2023 regular meeting and the December 10, 2023 Treasurer's report were approved as presented in the consent agenda (Kelly and Schindler). Fundraiser approval was given to the Wrestling Program to sell softener salts from 12/11/23-12/21/23 and FFA to hold a Chili feed on 2/16/24 (Perkins and Buer).

RESOLUTION #R1-73 NOW THEREFORE BE IT RESOLVED BY THE DAWSON-BOYD SCHOOL DISTRICT OF DAWSON, MINNESOTA, that the gift of \$350.00, from the Greater Community Credit Union, be accepted by the district. BE IT FURTHER RESOLVED, that the gift will be used in the Elementary school physical education program for skate time. (Jurgenson and Marotzke). Members voting in favor of the resolution were Marotzke, Schindler, Jurgenson, Kelly, Buer, Perkins and Lund. There were no dissenting or abstaining votes. RESOLUTION #R1-73A NOW THEREFORE BE IT RESOLVED BY THE DAWSON-BOYD SCHOOL DISTRICT OF DAWSON, MINNESOTA, that the gift of \$500.00, from Ruby's Pantry, be accepted by the district. BE IT FURTHER RESOLVED, that the gift will be used to prepare meals to be sent home with children in need (Kelly and Perkins). Members voting in favor of the resolution were Marotzke, Schindler, Jurgenson, Kelly, Buer, Perkins and Lund. There were no dissenting or abstaining votes. RESOLUTION #R1-73B NOW THEREFORE BE IT RESOLVED BY THE DAWSON-BOYD SCHOOL DISTRICT OF DAWSON, MINNESOTA, Combined Polling Place for the 2024 Calendar Year in Lac qui Parle County and Yellow Medicine County is the Dawson City Building. BE IT FURTHER RESOLVED, this combined polling place serves all territory townships in ISD 378 located in Providence, Ten Mile Lake, Cerro Gordo, Hamlin, Maxwell, Omro, Tyro, Riverside, Baxter, Lisbon Camp Release, Precinct 1, the City of Dawson, the City of Boyd, LQP County in Minnesota. (Jurgenson and Buer). Members voting in favor of the resolution were Marotzke, Schindler, Jurgenson, Kelly, Buer, Perkins and Lund. There were no dissenting or abstaining votes.

In staffing matters, the Board approved the resignation of Jenna Norquist in the Daycare, effective November 18, 2023; the resignation of Joe Goblirsch in the Daycare, effective December 4, 2023 (Kelly and Marotzke). A special certificate was awarded to member Tonya Kelly from MSBA for completing Phases I-IV School Board training sessions.

In the Communications section of the agenda, Lori Moxness, with Otter Tail Power, presented on the Solar for Schools grant program established by the state, designed to stimulate the installation of solar energy systems while using the opportunity to integrate renewable energy use in the curriculum. With grants and rebates, the cost to the school could potentially be nothing except for maintenance and some operational costs. Otter Tail Power is informing schools about the opportunity, but they do not install or sell the equipment needed since this is done by private companies.

In the Information sections of the agenda Darla Swedzinski, school social worker, along with a few Project Respect council members, informed the board of the projects that support the school and community that promotes kindness and respect. Elissa Ward, Spanish/ELL teacher, asked the board for approval on a possible trip to Costa Rica for students and chaperones. The nine-day trip includes two travel days and the tour group would include an experienced tour director with them at all times. Students would be required to have at least two years of Spanish, fundraisers would be planned to help with the individual costs. Tony Aafedt, AD, Transportation, Community Ed, commented on winter sports are underway with many events happening the next few months. He also said they are reviewing the use/rules of the fitness center. Superintendent Ward informed the board of the pre-bid that was held on December 7th for the roof and indoor air quality projects. She said new Early Childhood Learning Coordinator Nancy Buell is a welcomed addition to the staff and she will continue to work on the solution for daycare in our community. First Children's Finance will be having a meeting December 13th concerning daycare options with stakeholders. Principals Stotesbery and Hiedeman reviewed a number of staff and student issues such as reviewing the 2022-23 combined World's Best Workforce (WBWF) summary and Achievement and Integration (A & I) progress reports. School boards are to hold the annual meeting to communicate plans for the upcoming school year based on a review of goals, outcomes and strategies for the previous years. The goal for the district concerning all students ready for school including percent of children screened between their third and fourth birthday to be maintained at 90 percent. A total of 100 percent of children identified in the local census were screened at Dawson-Boyd between their third and fourth birthdays and screened and evaluated for services identified as at-risk received services and were enrolled in the local Early Childhood programming or are scheduled for a re-screen at parents request. Stevens Elementary wants to ensure all students will achieve or exceed grade level proficiency, and read well by the end of grade three as measured by the Reading MN Comprehensive Assessments (MCAIII's). This goal is on track. The goal to close the achievement gap between student groups is also on track. While district wide students in grades 5-8 decreased in proficiency in reading in looking at the MCA results, the STAR reading assessment showed growth for 98 percent of the students in grades 5-8 focusing on on-fiction literature and allows students to work at their reading level with diagnostic data provided to show growth throughout the year. The goal of all students to be career and college-ready by graduation is on track. The percent of students in 12th grade earning credit in two or more CTE or college level courses will increase from 60 percent in 2020 to 80 percent in 2023. Seventy six percent of students in grades 12 earned credit in two or more CE or college level courses. The goal of all students graduating includes D-B will maintain graduation rates at or above 95

percent was met. Goal three of the achievement and integration portion was not met due to the baseline was incomplete because MCA's were not taken during the 2020-2021 school year due to COVID. The school's greatest challenge is closing the achievement gap through the MCA results. They have added designated intervention time related to math during the school day. They are also doing more STAR assessment testing to progress monitor the students. Other interventions relating to attendance and behavior are also considered when looking at an overall plan for a student. Other items addressed were the upcoming Spelling Bee, Elementary School Christmas Program and Elementary sing-a-long.

In action items the board approved the first readings of Policy #413 Harassment and Violence; Policy #413 Form of Harassment and Violence; Policy #506 Discipline Complaint Form; Policy #507 Corporal Punishment and Prone Restraint; Policy #516 Student Medication (Perkins and Marotzke); approved third readings of Policy #506 Student Discipline; Policy #806 Crisis Management and Policy #806 Form of Crisis Management (Marotzke and Perkins); approved John Morstad contract-interactive costing model (Jurgenson and Schindler); appointed two school board members as wellness committee representatives-Kelly and Marotzke accepted (Jurgenson and Buer); approved service contract for Student Training Experiences (pre-professional teachers) (Jurgenson and Schindler).

With no further business, Chairman Lund adjourned the regular meeting at 7:36 p.m. (Jurgenson and Buer). At 7:40 p.m., Lund under Minnesota Statute 13d.05, subdivision 3(a), went into a closed session with the board to discuss Superintendent Evaluation. The board came out of closed session at 8:16 p.m. With no additional issues before the board, Lund adjourned the regular meeting at 8:17 p.m. (Marotzke and Perkins).

Tonya Kelly, Board Clerk

Minutes of Special Board Meeting
12-15-23 7:30am

Present: Bruce Lund, Clint Schindler, Karla Perkins, Tonya Kelly

Call to order

Order of business:

Approve foreign travel

Discussion:

Perkins - What is the cost to the school and can the district afford it?

Elissa Ward expressed hope that the district would cover the cost of transportation to and from the airport from the school. Holly Ward indicated participants would need to fundraise for transportation costs; however, the district would cover the cost of a sub for the Spanish teacher.

Lund: "All in favor" (aye: Lund, Perkins, Kelly, Schindler)

Adjournment

DECEMBER 2023 TRANSFERS FROM MSDLAF TO DAWSON CO-OP CREDIT UNION

12/15/2023	\$ 250,000.00
12/28/2023	\$ 425,000.00

DECEMBER 2023 TRANSFERS FROM INVESTMENTS (CONSTRUCTION TO DAWSON CO-OP CU)

12/11/2023	\$ 17,009.58
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DECEMBER 2023 MANUAL CHECKS

12/11/2023	71457	Kemps LLC	\$ 1,043.10
12/15/2023	71458	Vendor Void	\$ 0.00
12/15/2023	71459	Vendor Void	\$ 0.00
12/15/2023	71460	Aviben	\$ 5,551.21
12/15/2023	71461	DBEA	\$ 1,944.63
12/15/2023	71462	Void	\$ 0.00
12/15/2023	71463	Vendor Void	\$ 0.00
12/15/2023	71464	Vendor Void	\$ 0.00
12/15/2023	71465	Void	\$ 0.00
12/15/2023	71466	Void	\$ 0.00
12/15/2023	71467	Vendor Void	\$ 0.00
12/15/2023	71468	PERA	\$ 11,992.78
12/15/2023	71469	TRA	\$ 24,143.09
12/15/2023	71470	WEX	\$ 2,994.33
12/18/2023	71471	Cherryroad Media	\$ 200.00
12/18/2023	71472	City of Dawson	\$ 425.00
12/18/2023	71473	Farmers Mutual Telephone Company	\$ 212.45
12/18/2023	71474	Foslien, Adam	\$ 140.00
12/18/2023	71475	Federick, Brian	\$ 140.00
12/18/2023	71476	Great Plains Natural Gas	\$ 5,424.69
12/18/2023	71477	Gullickson, Vance	\$ 140.00
12/18/2023	71478	Hanson, Eric	\$ 140.00
12/18/2023	71479	Lehne, Christopher	\$ 12.34
12/18/2023	71480	Lynk, Kristopher	\$ 250.00
12/18/2023	71481	Marquart, Cory	\$ 140.00
12/18/2023	71482	Pemberton Law Office	\$ 626.00
12/18/2023	71483	Rademacher, Michael	\$ 140.00
12/18/2023	71484	RP Activities	\$ 225.00
12/18/2023	71485	Ken Sather Construction LLC	\$ 344.03
12/18/2023	71486	Sletta, Shane	\$ 140.00
12/18/2023	71487	The Western Guard	\$ 80.75
12/18/2023	71488	Willmar Public School	\$ 80.00
12/18/2023	71489	DB Flex Account	\$ 675.03
12/29/2023	71490	Vendor Void	\$ 0.00
12/29/2023	71491	AFLAC	\$ 876.05
12/29/2023	71492	Vendor Void	\$ 0.00
12/29/2023	71493	Vendor Void	\$ 0.00
12/29/2023	71494	Aviben	\$ 5,551.21
12/29/2023	71495	DBEA	\$ 1,944.63
12/29/2023	71496	DB Flex Account	\$ 674.31

12/29/2023	71497	Vendor Void	\$	0.00
12/29/2023	71498	Vendor Void	\$	0.00
12/29/2023	71499	Void	\$	0.00
12/29/2023	71500	Madison National Life	\$	902.52
12/29/2023	71501	Void	\$	0.00
12/29/2023	71502	NCPERS Group Life Ins.	\$	16.00
12/29/2023	71503	Everly Life Insurance	\$	91.28
12/29/2023	71504	Vendor Void	\$	0.00
12/29/2023	71505	PERA	\$	13,112.06
12/29/2023	71506	TRA	\$	24,741.06
12/29/2023	71507	WEX	\$	2,994.25
12/21/2023	71508	Baker, Dustin	\$	56.00
12/21/2023	71509	Bot, Reid	\$	140.00
12/21/2023	71510	Brehmer, Aaron	\$	140.00
12/21/2023	71511	Slaba, Robert	\$	140.00
12/27/2023	71512	Breakdown Sports USA	\$	95.00
12/27/2023	71513	Busskohl, Brett	\$	140.00
12/27/2023	71514	Powers Investments	\$	615.00
12/27/2023	71515	Department of Employment & Econ	\$	27,292.03
12/27/2023	71516	Foslien, Adam	\$	140.00
12/27/2023	71517	Jim's Clothing	\$	166.00
12/27/2023	71518	Marquart, Cory	\$	140.00
12/27/2023	71519	Marquart, Cory	\$	140.00
12/27/2023	71520	Mogard, Ryan	\$	140.00
12/27/2023	71521	VOID	\$	0.00
01/05/2024	71522	Cribb, Anne	\$	231.00
01/05/2024	71523	Fike, Melissa	\$	141.00
01/05/2024	71524	Foslien, Adam	\$	140.00
01/05/2024	71525	Frandsen, Sean	\$	400.00
01/05/2024	71526	Hagedorn, Kalynn	\$	81.00
01/05/2024	71527	Hanson, Rod	\$	140.00
01/05/2024	71528	Marks, Rod	\$	140.00
01/05/2024	71529	McLain, Richardq	\$	140.00
01/05/2024	71530	Muenzbhuber, Kaylee	\$	206.00
01/05/2024	71531	Ringisen, Sydney	\$	101.00
01/05/2024	71532	Scignoli, Toni	\$	256.00
01/05/2024	71533	YME High School	\$	50.00
01/11/2024	71534-71618	VOID-Paper Jam	\$	0.00
			\$	139,477.83

DECEMBER 2023 FEDERAL & STATE TAX PAYMENT

FEDERAL	12/15/23	\$48,760.87	STATE	12/15/23	\$7,544.21
	12/29/23	\$52,178.26		12/29/23	\$7,977.62

Check Nbr	Vendor Name	Check Date	Check Amount
71619	A & B AUTO PARTS	01/11/2024	76.99
71620	AL'S MERCANTILE	01/11/2024	27.45
71621	AMERICAN WELDING & GAS INC	01/11/2024	53.77
71622	ARAMARK UNIFORM SERVICES	01/11/2024	377.20
71623	AVIBEN	01/11/2024	263.04
71624	BERGLUND, LOWELL	01/11/2024	117.56
71625	BOTHUN, LUKE	01/11/2024	33.64
71626	CITY OF DAWSON	01/11/2024	4,716.30
71627	CITY OF DAWSON	01/11/2024	66.75
71628	CULINEX	01/11/2024	157.69
71629	CULLIGAN WATER CONDITIONING	01/11/2024	824.50
71630	DANKS, BRIAN	01/11/2024	200.00
71631	DAWSON SENTINEL	01/11/2024	652.50
71632	GRAINGER	01/11/2024	100.55
71633	GRUWELL ELECTRIC	01/11/2024	446.00
71634	HARRY'S FROZEN FOOD	01/11/2024	940.00
71635	Vendor Continued Check	01/11/2024	0.00
71636	HILLYARD/HUTCHINSON	01/11/2024	4,362.24
71637	HORIZON COMMERCIAL POOL SUPPLY	01/11/2024	2,556.65
71638	HUTT'S TEXACO	01/11/2024	52.98
71639	Vendor Continued Check	01/11/2024	0.00
71640	IFD FOODSERVICE DISTRIBUTOR	01/11/2024	6,270.80
71641	INSTITUTE FOR ENVIRONMENTAL AS	01/11/2024	950.00
71642	JIM'S CLOTHING	01/11/2024	308.60
71643	Vendor Continued Check	01/11/2024	0.00

Check Nbr	Vendor Name	Check Date	Check Amount
71644	KEMPS LLC (DBA CASS-CLAY CREAM	01/11/2024	3,995.65
71645	KLEVEN, CARRIE L	01/11/2024	690.29
71646	LAC QUI PARLE COOP OIL	01/11/2024	7,796.15
71647	LEHNE, CHRISTOPHER	01/11/2024	7,000.00
71648	MADISON BOTTLING CO.	01/11/2024	21.00
71649	MAHARAJ, TRISHANA	01/11/2024	500.00
71650	MARCO TECHNOLOGIES LLC	01/11/2024	2,104.75
71651	MINNESOTA HISTORICAL SOCIETY	01/11/2024	399.76
71652	MINNESOTA VALLEY COOP CENTER	01/11/2024	17,076.80
71653	MSBA/MASA POLICY SERVICE	01/11/2024	1,095.00
71654	NORTH CENTRAL	01/11/2024	118.46
71655	NORTHLAND TRUST SERVICES INC	01/11/2024	1,248,433.13
71656	OLSON SANITATION LLC	01/11/2024	1,226.80
71657	OTTER TAIL POWER	01/11/2024	13,628.52
71658	PAN-O-GOLD BAKING COMPANY	01/11/2024	517.62
71659	PEMBERTON, SORLIE, RUFER & KER	01/11/2024	860.00
71660	J.W. PEPPER & SON, INC.	01/11/2024	153.73
71661	QUILL CORPORATION	01/11/2024	23.39
71662	RENAISSANCE LEARNING INC	01/11/2024	49.65
71663	RUNNINGS FARM & FLEET	01/11/2024	39.99
71664	SAFE ENVIRONMENTAL SOLUTIONS	01/11/2024	322.17
71665	SARLETTES MUSIC	01/11/2024	551.50
71666	SCHWEGEL, PRESTON L	01/11/2024	50.88
71667	SW/WC SC	01/11/2024	308.00
71668	SWEDZINSKI, DARLA	01/11/2024	85.96

Check Nbr	Vendor Name	Check Date	Check Amount
71669	SWENSON, AIDEN	01/11/2024	500.00
71670	SYSCO WESTERN MN	01/11/2024	7,248.74
71671	TEACHWELL SOLUTIONS	01/11/2024	4,884.55
71672	THE MCDOWELL AGENCY INC	01/11/2024	35.00
71673	TIM'S FOOD PRIDE	01/11/2024	171.43
71674	TITAN MACHINERY	01/11/2024	3,810.27
71675	TK ELEVATOR CORPORATION	01/11/2024	2,574.86
71676	TRACY AREA HIGH SCHOOL	01/11/2024	100.00
71677	VON HANSON'S SNACKS INC	01/11/2024	212.17
71678	WAGER CHIROPRACTIC P.L.L.C.	01/11/2024	450.00
71679	WARD, HOLLY L	01/11/2024	507.95
61	Computer	Check(s) For a Total of	1,351,099.38

Check Nbr	Vendor Name	Check Date	Check Amount
71680	DAWSON SENTINEL	01/11/2024	769.50
71681	ICS CONSULTING, LLC	01/11/2024	16,833.00
71682	TERRACON CONSULTANTS INC	01/11/2024	6,200.00
3	Computer	Check(s) For a Total of	23,802.50

INDEPENDENT SCHOOL DISTRICT NO. 378

TREASURER'S REPORT TO SCHOOL BOARD

DATE: JANUARY 1, 2024

MONTH: DECEMBER 2023

FUNDS	BEGINNING OF MONTH BAL.	CURRENT MONTH ACTIVITY	OTHER	END OF MONTH BALANCE
GENERAL	-\$1,329,671.56	-\$221,424.99	\$0.00	-\$1,551,096.55
FOOD SERVICE	\$108,431.05	\$8,253.94	\$0.00	\$116,684.99
COMMUNITY SERVICE	\$50,392.13	-\$10,498.63	\$0.00	\$39,893.50
BUILDING/CONST	\$0.00	\$0.00	\$0.00	\$0.00
DEBT REDEMPTION	\$1,422,062.65	\$149,428.29	\$0.00	\$1,571,490.94
TRUST AND AGENCY	\$6,750.00	\$0.00	\$0.00	\$6,750.00
TOTALS	\$257,964.27	-\$74,241.39	\$0.00	\$183,722.88

RECONCILIATION WITH BANK STATEMENT

BALANCE PER BANK STATEMENT	LESS OUTSTANDING CHECKS	LESS OUTSTANDING RECEIPTS	LESS INTERST ON B.S.	ADD INSUFFICIENT FUNDS CHECKS	ADD-OTHER	BALANCE AGREES W/ TREASURER'S
\$257,964.27	-\$74,241.39					\$183,722.88

INVESTMENTS

REGULAR FUND-600216	CERTIFICATE NUMBER	DOLLAR AMOUNT
MSDLAF		\$0.00
MSDMAX		\$0.00
MNTRUST		\$1,765,569.95
TOTAL		\$1,765,569.95

Resignations

Lauren Larson - 12/11/2023 - Daycare

Erika Ramirez - 12/19/2023 - Daycare

Kimberly Ramirez - 12/19/2023 - Daycare

Klarysa Ramirez - 12/19/2023 - Daycare

Todd Henneberg - Administrative leave without pay from bus driving - 12/18/2023

INDEPENDENT SCHOOL DISTRICT NO. 378

DAWSON, MINNESOTA

FINANCIAL STATEMENTS

JUNE 30, 2023



**DANA F. COLE
& COMPANY, LLP**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT SCHOOL DISTRICT NO. 378

DAWSON, MINNESOTA

FINANCIAL STATEMENTS

JUNE 30, 2023

**INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
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INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
ORGANIZATION
YEAR ENDED JUNE 30, 2023

<u>SCHOOL BOARD</u>	<u>Terms Expire On December 31,</u>
Bruce Lund, Chairperson	2024
Cameron Jurgenson, Vice Chairperson	2026
Brett Buer, Treasurer	2024
Tonya Kelly, Clerk	2026
Clint Schindler, Director	2026
Karla Perkins, Director	2024
Lynn Marotzke, Director	2026
 <u>SUPERINTENDENT</u>	
Troy Ferguson, Interim	Appointed



**DANA F. COLE
& COMPANY LLP**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Independent School District No. 378

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 378, Dawson, Minnesota, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Independent School District No. 378's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 378, as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Independent School District No. 378 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Independent School District No. 378's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Independent School District No. 378's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Independent School District No. 378's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 to 12 and the required supplementary information (RSI), as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate

operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Independent School District No. 378's basic financial statements. The individual major fund financial statements, schedules, and statistical tables on pages 76 to 94 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual major fund financial statements, schedules, statistical tables and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the audited report. The other information comprises the introductory section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, Independent School District No. 378's basic financial statements for the year ended June 30, 2022, which are not presented with the accompanying 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. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Independent School District No. 378's basic financial statements as a whole. The supplementary information on pages 76 to 94 related to the 2022 financial statements is presented for purposes of additional

analysis 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 2022 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2022 supplementary information is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2023, on our consideration of Independent School District No. 378'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 to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Independent School District No. 378'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 Independent School District No. 378's internal control over financial reporting and compliance.

Montevideo, Minnesota
December 19, 2023



Dana F. Cole - Company, LLP

**INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of Independent School District No. 378 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 are as follows:

- In total, net position increased \$1,454,689 from fiscal year 2022.
- General revenues accounted for \$7,594,527 in revenue or 64% of all revenues. Program specific revenues in the forms of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,301,235 or 36% of total revenues of \$11,895,762.
- Total assets decreased \$1,215,084, as net capital assets increased by \$2,208,429, current assets decreased by \$93,819 and restricted assets decreased by \$3,329,694.
- The School District had \$10,441,073 in expenses. Of these expenses \$4,301,235 were offset by program specific charges for services, grants or contributions.
- Among major funds, the General Fund had \$8,649,630 in revenues and \$9,425,983 in expenditures. The General Fund's unassigned fund balance decreased \$387,328 from fiscal year 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statements of Net Position and the Statement of Activities (on pages 13 - 16) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 17. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the district-wide statements by providing information about the District's most financially significant funds.

Statements of Net Position and the Statement of Activities

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all the financial statements and attempts to convey to the public how the district fared financially during the fiscal year ended June 30, 2023. The Statements of Net Position and the Statement of Activities will show this.

These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is actually received or paid.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Statements of Net Position and the Statement of Activities (Continued)

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the public that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's enrollment, property tax base, legislative funding and mandates, facility and technology needs, and other factors.

In the Statements of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of a school district's programs and services are reported including, but not limited to, instruction, support services, food services, operation and maintenance of facilities, pupil transportation, and extracurricular activities. The School District does not have any business-like activities.

Fund Financial Statements

The analysis of the School District's major funds will follow this report. Fund financial reports provide detailed information about the School District's major funds. The School District's major governmental funds are as follows:

General Fund	Food Service Fund	Community Education
Building Construction Fund	Debt Service	

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps us determine whether there are more or fewer financial resources that can be spent in the near future to finance our educational programs. The relationship (or differences) between governmental activities (reported in the Statements of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fiduciary Fund

The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that only those to whom the assets belong use the assets reported in these funds and use for the intended purpose. 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.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

Recall that the Statements of Net Position provide the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for FY 2023 compared to FY 2022. Explanations for significant changes are noted after Table 2.

Table 1
Net Position

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Assets		
Current and other assets	4,505,177	7,928,690
Capital assets	41,256,163	38,340,097
Accumulated depreciation	<u>(11,801,118)</u>	<u>(11,093,481)</u>
Total Assets	33,960,222	35,175,306
Deferred outflows of resources	<u>4,539,328</u>	<u>2,568,141</u>
Liabilities		
Current liabilities	1,792,479	2,863,264
Long-term liabilities	<u>28,264,724</u>	<u>26,177,805</u>
Total Liabilities	30,057,203	29,041,069
Deferred inflows of resources	<u>6,083,358</u>	<u>7,798,078</u>
Net Position		
Net investment in capital assets	7,992,150	7,176,486
Restricted	1,103,024	1,097,466
Unrestricted	<u>(6,736,185)</u>	<u>(7,369,652)</u>
Total Net Position	<u>2,358,989</u>	<u>904,300</u>

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Table 2
Changes in Net Position

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Revenues		
Program revenues		
Charges for services	930,180	653,953
Operating grants and contributions	3,141,748	2,761,543
Capital grants and contributions	229,307	258,495
General revenues		
Property tax levies	1,684,363	1,617,497
Unrestricted federal and state aid	5,724,825	5,532,420
Investment earnings	88,899	13,418
Other	95,688	96,437
Gain on sale of assets	752	
Total revenues	<u>11,895,762</u>	<u>10,933,763</u>
Program expenses		
Administration	446,492	518,446
District support services	375,160	361,011
Regular instruction	2,943,428	3,307,472
Vocational instruction	221,899	217,741
Special education instruction	1,362,025	1,511,349
Instructional support services	257,926	283,261
Pupil support services	1,245,277	911,226
Site, buildings and equipment	1,576,284	973,809
Fiscal and other fixed-cost programs	59,835	35,048
Food service	471,635	484,083
Community service	736,175	591,490
Loss on sale of assets		5,926
Interest and fiscal charges on long-term debt	744,937	749,166
Total expenses	<u>10,441,073</u>	<u>9,950,028</u>
Change in net position	1,454,689	983,735
Net position, beginning	<u>904,300</u>	<u>(79,435)</u>
Net position, ending	<u><u>2,358,989</u></u>	<u><u>904,300</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Revenues increased \$915,555, the majority of which is due to additional grants and an increase in student activity revenue, and property taxes. Expenses increased \$820,276, due to fewer items needed for COVID-19.

Due to significant changes in actuarial assumptions, the calculated amounts for the District's TRA and PERA pension reporting caused significant changes to the Statement of Net Position, as well as the Statement of Changes in Net Position, when compared to the June 30, 2022, as follows:

	TRA	PERA	Total
Deferred outflows increased from FY22	1,481,293	1,371,836	2,853,129
Deferred inflows increased (decreased) from FY22	(1,643,646)	604,980	(1,038,666)
Net pension liability increased (decreased) from FY22	2,074,889	880,868	2,955,757
Pension expenses/state aid - GASB 68	(1,398,198)	201,732	(1,196,466)

GASBS 68 requires the District to recognize assigned portions of the unfunded pension liabilities of TRA and PERA, even though they are separate legal entities from the District. The combined liability that the District must record for those entities is \$6,393,699 as of June 30, 2023. Inclusion of the TRA and PERA net pension liability and related accounts contributes to the District's net position of \$2,358,989 at June 30, 2023. Factoring in the related deferred inflows and outflows, under pre-GASBS 68 accounting rules, the district would have a positive net position of approximately \$7.7M.

Administration expenses include the activities of the Board of Education, Office of the Superintendent and school administration.

District support services include the expenses related to the administrative and financial activities of the school district.

Community Education and Services are those activities involving enrichment activities for district residents that are not part of the regular K-12 education program. This includes Early Childhood Family Education, School Readiness, Adult Basic Education, and other adult and youth recreation and enrichment programs.

Regular, Vocational and Special Education Instruction relate to the activities directly dealing with the teaching of students and the interaction between instructional staff and pupils.

Instructional Support Service are those services which provide for curriculum development, educational media and technology activities, staff development, and cooperative programs with other school districts through the Minnesota River Valley Education Districts.

Pupil Support Services are primarily the activities of School Food Service and Pupil Transportation. Also included here are student health and counseling services.

**INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Site, Buildings and Maintenance involve keeping the school grounds, buildings and equipment in effective working condition.

Fiscal and Other Fixed Cost Programs include payment for both current and long-term debt principal and interest payments. Cost of district property and liability insurance is included in this area also.

Sixty-eight percent (68%) of the district's total expenses are funded by unrestricted state aids and levies, making the school district's financial decisions subject to the economic and legislative conditions of the State of Minnesota.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (FUND FINANCIAL STATEMENTS)

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 \$1,497,317. This was down from \$4,010,640 at the end of the prior year, a decrease of \$2,513,323. This decrease was mainly due to the \$2.3M in capital outlay for the building construction. The bond proceeds for the construction were recorded in FY19. Revenues and other financing sources of the District's governmental funds totaled \$12,139,800 while total expenditures and other financing uses were \$14,653,123. The increase in expenditures in FY2023, is mainly due to the building construction costs, along with other capital additions. A summary of the revenues and expenditures reported on the governmental fund financial statements is as follows:

Revenues and Expenditures - Governmental Funds - 2023

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Increase/ (Decrease)</u>	<u>Fund Balance 6/30/23</u>
General	8,649,630	9,425,983	271,486	(504,867)	1,030,547
Food service	490,702	430,475		60,227	149,869
Community service	805,650	750,677	36,286	91,259	(51,499)
Building Construction	26,922	2,269,010		(2,242,088)	163,235
Debt service	1,859,124	1,776,978		82,146	205,165
Totals	<u>11,832,028</u>	<u>14,653,123</u>	<u>307,772</u>	<u>(2,513,323)</u>	<u>1,497,317</u>

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (FUND FINANCIAL STATEMENTS)

Revenues and Expenditures - Governmental Funds - 2022

	Revenues	Expenditures	Other Financing Sources	Increase/ (Decrease)	Fund Balance 6/30/22
General	7,754,017	8,172,559	59,466	(359,076)	1,535,414
Food service	610,091	772,159		(162,068)	89,642
Community service	631,887	605,542	31,609	57,954	(142,758)
Building Construction	158,573	9,998,200		(9,839,627)	2,405,323
Debt service	1,842,682	1,742,471		100,211	123,019
Totals	<u>10,997,250</u>	<u>21,290,931</u>	<u>91,075</u>	<u>(10,202,606)</u>	<u>4,010,640</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year ended June 30, 2023 the District did not revise its operating budget. The District's final general fund budget anticipated that expenditures would exceed revenues and other financing uses by \$218,145. The actual results for the year showed expenditures and other financial uses exceeded revenues by \$504,867, mainly due to capital outlay costs purchased that were not budgeted for, along with an increase in utility costs which were not expected when the budget was approved.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of the 2022-2023 school year, the District had \$29,455,045, net of depreciation, invested in a broad range of capital assets, including equipment, buildings, land, land improvements, and construction in progress (See Note 5). During the current year, \$2,921,191 was added to capital assets.

Depreciation and amortization expense for the year was \$711,139 for governmental activities.

Long-Term Debt

The district has seven debt service issues outstanding at June 30, 2023.

During the 2018-19 school year, the District issued \$21,675,000 General Obligation School Building Bonds, that will be used for an extensive building project.

During the 2014-15 school year, the District issued \$1,160,000 General Obligation Crossover Refunding Bonds, that were used to pay the 2009 School Building Bonds in February 2019.

During the 2019-20 school year, the District acquired a 2021 school bus, through the use of a Financed Purchase Arrangement. The initial lease cost was \$86,437.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Long-Term Debt (Continued)

During the 2021-22 school year, the District acquired a Capital Equipment Note payable to fund the \$70,040 down payment on a scoreboard.

During the 2022-23 school year, the District acquired a Capital Equipment Note payable to fund the remaining balance for the purchase of scoreboards, which was \$70,040.

During the 2022-23 school year, the District finished paying the remaining balance on the scoreboards, through the use of a financed purchase arrangement. The initial lease cost was \$82,590.

During the 2022-23 school year, the District acquired two 2020 school buses through the use of a Financed Purchase Arrangement. The initial lease cost was \$146,255.

CURRENT FINANCIAL ISSUES AND CONCERNS

- District revenue collected from 2021 voter-approved operating levies provides critical support for general education operations. This was approved in November 2021.
- The ACA (Affordable Care Act) continues to challenge the District as it offers affordable health insurance to employees. The District contribution increased significantly through negotiations and due to a large increase in the number of insurance premiums in FY 2019.
- In adoption of the 2021-26 Strategic Plan, teacher/staff attainment, training, and retention was identified. These costs will continue to increase.
- Decisions to hold back on building repair/upkeep will need to be addressed with a combination of Long Term Facilities Maintenance (LTFM) funding and Indoor Air Quality (IAQ) funding, concerning roofing and indoor air quality.
- TRA/PERA estimates will continue to impact the financial picture of the District.
- Update of curriculums and training for fidelity of implementation are needed.
- Lac qui Parle County reassess properties. Ranges of increase in assessments range 6-42%.
- A growing need for affordable child care and child care space.
- 2023 legislative changes include mandates demands for funding which outpace the increase in funding. Some of the largest changes from the 2023 legislative session include free meals for all students, unemployment for hourly employees, the READ Act mandates, earned safe and sick times (ESST).
- Upcoming negotiations for the 23-24 and 24-45 master agreement.
- The fall 2023 issuance of bonds to upgrade our parking and bus drop off/pick up.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or would like additional information, contact Holly Ward, Superintendent of Schools, 848 Chestnut Street, Dawson, Minnesota 56232.

FINANCIAL SECTION

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
 STATEMENTS OF NET POSITION
 JUNE 30, 2023 AND 2022

	Governmental Activities	
	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and temporary investments	737,331	1,012,022
Receivables		
Current taxes	1,764,265	1,644,997
Delinquent taxes	12,032	10,061
Accounts and interest receivable	48,717	18,641
Due from other governmental units	912,870	880,144
Prepays	152,315	152,315
Inventory	18,784	21,953
Total current assets	3,646,314	3,740,133
RESTRICTED ASSETS		
Cash and investments for debt service and building construction	858,863	4,188,557
Total restricted assets	858,863	4,188,557
CAPITAL ASSETS		
Nondepreciable	403,472	21,346,088
Depreciable	40,852,691	16,994,009
Less: accumulated depreciation/amortization	(11,801,118)	(11,093,481)
Total capital assets, net of depreciation/amortization	29,455,045	27,246,616
TOTAL ASSETS	33,960,222	35,175,306
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to OPEB	103,281	155,720
Deferred outflows related to PERA/TRA	4,436,047	2,412,421
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,539,328	2,568,141
LIABILITIES		
CURRENT LIABILITIES		
Salaries and benefits payable	106,012	85,889
Accounts and contracts payable	292,454	1,319,778
Accrued interest payable	323,191	332,103
Due to other governmental units	58,026	49,326
Unearned revenue	11,120	13,150
Current portion of long-term liabilities	1,001,676	1,063,018
Total current liabilities	1,792,479	2,863,264

See accompanying notes to financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022

	Governmental Activities	
	2023	2022
LIABILITIES (Continued)		
LONG TERM LIABILITIES		
Bonds payable	21,697,145	22,703,095
Equipment notes payable	114,190	70,040
Capital leases/financed purchases payable	342,521	218,161
OPEB payable	671,482	761,532
Net pension liability - TRA/PERA	6,393,699	3,437,942
Compensated absences payable	47,363	50,053
Less: current portion	(1,001,676)	(1,063,018)
Total long-term liabilities	28,264,724	26,177,805
TOTAL LIABILITIES	30,057,203	29,041,069
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to OPEB	167,441	138,362
Deferred inflows related to PERA/TRA	3,387,701	5,219,870
Property taxes levied for subsequent year's expenditures	2,528,216	2,439,846
TOTAL DEFERRED INFLOWS OF RESOURCES	6,083,358	7,798,078
NET POSITION		
Net investment in capital assets	7,992,150	7,176,486
Restricted for:		
Operating capital	246,506	250,674
Long-term facilities maintenance	112,878	159,026
Food service	149,869	89,642
Safe schools	4,875	82,125
Scholarships	4,343	4,286
Student activities	67,867	66,603
ECFE	105,432	101,992
Community service	103,179	203,056
Community Ed	77,161	
Debt redemption	205,165	123,019
Other projects	25,749	17,043
Unrestricted	(6,736,185)	(7,369,652)
TOTAL NET POSITION	2,358,989	904,300

See accompanying notes to financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH PARTIAL COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)

Functions/Programs	2023				2022	
	Expenses	Program Revenues		Net (Expense)	Net (Expense)	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position	Revenue and Changes in Net Position
				Governmental Activities	Governmental Activities	
Governmental activities						
District and school administration	446,492		39,535	(406,957)	(291,947)	
District support services	375,160			(375,160)	(361,011)	
Regular instruction	2,943,428	198,389	937,904	(1,807,135)	(2,649,656)	
Vocational instruction	221,899			(221,899)	(216,930)	
Special education instruction	1,362,025	1,782	1,238,459	(121,784)	(301,120)	
Instructional support services	257,926		1,000	(256,926)	(232,900)	
Pupil support services	1,245,277		43,794	(1,201,483)	(878,150)	
Sites and buildings	1,576,284		344,456	229,307	(1,002,521)	(656,733)
Fiscal and other fixed cost programs	59,835		43,742	(16,093)	(20,108)	
Food service	471,635	132,370	354,057	14,792	125,663	
Community service	736,175	597,639	135,411	(3,125)	(38,336)	
Loss on disposal of assets					(5,926)	
Interest and fiscal charges on long term debt	744,937		3,390	(741,547)	(748,883)	
Total governmental activities	10,441,073	930,180	3,141,748	229,307	(6,139,838)	(6,276,037)

See accompanying notes to financial statements

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH PARTIAL COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)

Functions/Programs	2023				2022
	Expenses	Program Revenues		Net (Expense)	Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
General revenues:				Governmental Activities	Governmental Activities
Taxes					
Property taxes, levied for general purposes				722,166	614,532
Property taxes, levied for community service				69,870	75,190
Property taxes, levied for debt service				892,327	927,775
State and federal aid - formula grants				5,724,825	5,532,420
Other general revenue				95,688	96,437
Investment earnings				88,899	13,418
Gain on sale of assets				752	
Total general revenues				<u>7,594,527</u>	<u>7,259,772</u>
CHANGE IN NET POSITION				1,454,689	983,735
NET POSITION - beginning of year				<u>904,300</u>	<u>(79,435)</u>
NET POSITION - end of year				<u><u>2,358,989</u></u>	<u><u>904,300</u></u>

See accompanying notes to financial statements

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023
(WITH PARTIAL COMPARATIVE INFORMATION AT JUNE 30, 2022)

	General	Food Service	Community Service	Building Construction	Debt Redemption	Total Governmental Funds	
						2023	2022
ASSETS							
Equity in pooled cash and investments	568,050	134,050	35,231	178,823	680,040	1,596,194	5,200,579
Current property taxes receivable	558,474		58,309		1,147,482	1,764,265	1,644,997
Delinquent property taxes receivable	3,389				8,643	12,032	10,061
Due from other governments	814,134		4,953		93,783	912,870	880,144
Other receivables	48,367		350			48,717	18,641
Due from other fund							86,893
Prepays				152,315		152,315	152,315
Inventory		18,784				18,784	21,953
Total assets	1,992,414	152,834	98,843	331,138	1,929,948	4,505,177	8,015,583
LIABILITIES							
Accounts and contracts payable	122,068	194	289	167,903	2,000	292,454	1,319,778
Salaries and benefits payable	51,911	2,718	51,383			106,012	85,889
Due to other fund							86,893
Due to other governments	57,526	53	447			58,026	49,326
Unearned revenue - other			11,120			11,120	13,150
Total liabilities	231,505	2,965	63,239	167,903	2,000	467,612	1,555,036

See accompanying notes to financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023
(WITH PARTIAL COMPARATIVE INFORMATION AT JUNE 30, 2022)

	General	Food Service	Community Service	Building Construction	Debt Redemption	Total Governmental Funds	
						2023	2022
DEFERRED INFLOWS OF RESOURCES							
Unearned revenue - delinquent taxes	3,389				8,643	12,032	10,061
Property taxes levied - subsequent years	726,973		87,103		1,714,140	2,528,216	2,439,846
Total deferred inflows of resources	730,362		87,103		1,722,783	2,540,248	2,449,907
FUND BALANCES							
Nonspendable		18,784		152,315		171,099	174,268
Restricted	462,218	131,085	285,772	10,920	205,165	1,095,160	3,226,529
Unassigned	568,329		(337,271)			231,058	609,843
Total fund balances	1,030,547	149,869	(51,499)	163,235	205,165	1,497,317	4,010,640
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	1,992,414	152,834	98,843	331,138	1,929,948	4,505,177	8,015,583

See accompanying notes to financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022

	2023	2022
Total fund balance, governmental funds	1,497,317	4,010,640
 Amounts reported for governmental activities in the Statements of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statements of Net Position.		
Cost of capital assets	41,256,163	38,340,097
Less: accumulated depreciation	(11,801,118)	(11,093,481)
Some liabilities, (such as Notes Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and therefore, are not included in the fund financial statement, but are included in the governmental activities of the		
Bonds, notes and capital lease payable	(22,153,856)	(22,991,296)
Compensated absences, postemployment benefits, and pensions	(7,112,544)	(4,249,527)
Deferred inflows/outflows related to PERA/TRA and OPEB	984,186	(2,790,091)
Governmental funds do not report a liability for accrued interest until due and payable	(323,191)	(332,103)
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds	12,032	10,061
Net position of governmental activities in the statements of net position	2,358,989	904,300

See accompanying notes to financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023
(WITH PARTIAL COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)

	General	Food Service	Community Service	Building Construction	Debt Redemption	2023	2022
REVENUES							
Local property tax levies	796,000		69,870		844,748	1,710,618	1,661,692
Interest earnings	36,769	3,648		26,922	21,617	88,956	93,476
Local sales and other revenues	394,242	132,370	690,365		47,075	1,264,052	956,157
Revenues from state sources	6,796,375	29,153	45,415		945,684	7,816,627	7,238,166
Revenues from federal sources	626,244	325,531				951,775	1,047,759
Total revenues	<u>8,649,630</u>	<u>490,702</u>	<u>805,650</u>	<u>26,922</u>	<u>1,859,124</u>	<u>11,832,028</u>	<u>10,997,250</u>
EXPENDITURES							
Current							
District and school administration	479,141					479,141	538,470
District support services	334,793					334,793	321,609
Regular instruction	3,537,069					3,537,069	3,144,867
Vocational instruction	221,899					221,899	217,741
Special education instruction	1,513,862					1,513,862	1,575,283
Instructional support services	254,705					254,705	280,039
Pupil support services	898,422					898,422	836,587
Sites, buildings and equipment	1,002,058					1,002,058	632,931
Fiscal and other fixed cost programs	59,835					59,835	35,048
Food service		427,972				427,972	447,721
Community service			740,612			740,612	599,060
Capital outlay	1,011,002	2,503	10,065	2,269,010		3,292,580	10,868,029
Debt service							
Principal	104,485				962,890	1,067,375	938,968
Interest and fiscal charges	8,712				814,088	822,800	854,578
Total expenditures	<u>9,425,983</u>	<u>430,475</u>	<u>750,677</u>	<u>2,269,010</u>	<u>1,776,978</u>	<u>14,653,123</u>	<u>21,290,931</u>

See accompanying notes to financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023
(WITH PARTIAL COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)

	General	Food Service	Community Service	Building Construction	Debt Redemption	2023	2022
REVENUE OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(776,353)	60,227	54,973	(2,242,088)	82,146	(2,821,095)	(10,293,681)
OTHER FINANCING SOURCES (USES)							
Proceeds from equipment loan/lease	298,885					298,885	70,040
Insurance recoveries	8,887					8,887	21,035
Transfers (to) from other funds	(36,286)		36,286				
Total other financing sources (uses)	<u>271,486</u>		<u>36,286</u>			<u>307,772</u>	<u>91,075</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(504,867)	60,227	91,259	(2,242,088)	82,146	(2,513,323)	(10,202,606)
FUND BALANCES (DEFICIT), beginning of year	<u>1,535,414</u>	<u>89,642</u>	<u>(142,758)</u>	<u>2,405,323</u>	<u>123,019</u>	<u>4,010,640</u>	<u>14,213,246</u>
FUND BALANCES (DEFICIT), end of year	<u><u>1,030,547</u></u>	<u><u>149,869</u></u>	<u><u>(51,499)</u></u>	<u><u>163,235</u></u>	<u><u>205,165</u></u>	<u><u>1,497,317</u></u>	<u><u>4,010,640</u></u>

See accompanying notes to financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Net change in fund balances - total governmental funds:	(2,513,323)	(10,202,606)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
<p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.</p>		
Capital outlay	2,921,191	10,672,081
Gain (loss) on disposal of asset	(1,623)	(5,926)
Proceeds from sale of assets		(8,000)
Depreciation and amortization expense	(711,139)	(571,574)
<p>Other revenues reported in the statement of activities do not require the use of current financial resources and therefore are not reported as revenues in the governmental funds</p>		
Accrued interest receivable		(80,025)
<p>Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.</p>		
Amortization of bond premium/discount	68,950	68,950
Note proceeds	(298,885)	(70,040)
Bond and lease repayments	1,067,375	938,968
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:</p>		
Accrued interest payable	8,912	15,312
<p>Compensated absences, severance and other postemployment benefits reported in the statements of net position do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds until actually due.</p>		
Severance, compensated absences, and OPEB	11,222	30,383
PERA and TRA	900,038	192,719
<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 deferred in the funds.</p>		
	1,971	3,493
Change in net position of governmental activities	1,454,689	983,735

See accompanying notes to financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original/Final	Actual
REVENUES		
Local sources		
Property taxes	699,047	796,000
Interest earnings	3,000	36,769
Other	169,283	391,867
Sale of property	2,500	2,375
State sources	6,446,967	6,796,375
Federal sources	244,208	626,244
TOTAL REVENUES	7,565,005	8,649,630
EXPENDITURES		
Current		
Administration	473,999	479,141
District support services	353,699	334,793
Elementary and secondary regular instruction	3,312,113	3,537,069
Vocational education instruction	226,021	221,899
Special education instruction	1,655,338	1,513,862
Instructional support services	75,268	254,705
Pupil support services	630,563	898,422
Sites and buildings	600,693	1,002,058
Fiscal and other fixed cost programs	163,495	173,032
Capital outlay	276,461	1,011,002
TOTAL EXPENDITURES	7,767,650	9,425,983
REVENUES UNDER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(202,645)	(776,353)

See accompanying notes to financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original/Final	Actual
OTHER FINANCING SOURCES (USES)		
Proceeds from equipment loan/lease		298,885
Insurance recoveries		8,887
Transfers to other funds	(15,500)	(36,286)
	(15,500)	271,486
TOTAL OTHER FINANCING SOURCES (USES)		
	(15,500)	271,486
REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES AND OTHER FINANCING USES	(218,145)	(504,867)
FUND BALANCE, beginning of year		1,535,414
FUND BALANCE, end of year		1,030,547

See accompanying notes to financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual
	Original/Final		
REVENUES			
Local sources			
Interest earnings			3,648
Sales and other revenues	197,015		132,370
State sources	44,817		29,153
Federal sources	182,908		325,531
	424,740		490,702
TOTAL REVENUES	424,740		490,702
EXPENDITURES			
Current			
Food service	424,740		427,972
Capital outlay			2,503
	424,740		430,475
TOTAL EXPENDITURES	424,740		430,475
REVENUES OVER EXPENDITURES			60,227
FUND BALANCE, beginning of year			89,642
FUND BALANCE, end of year			149,869

See accompanying notes to financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY SERVICE FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original/Final	Actual
REVENUES		
Local sources		
Property taxes	69,756	69,870
Other	610,424	690,365
State sources	23,706	45,415
TOTAL REVENUES	703,886	805,650
 EXPENDITURES		
Current		
Community service	660,830	740,612
Capital outlay	6,000	10,065
TOTAL EXPENDITURES	666,830	750,677
 REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES		
	37,056	54,973
 OTHER FINANCING SOURCES		
Transfer from other fund	15,000	36,286
TOTAL OTHER FINANCING SOURCES	15,000	36,286
 REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES		
	52,056	91,259
 FUND BALANCE (DEFICIT), beginning of year		
		(142,758)
 FUND BALANCE (DEFICIT), end of year		
		(51,499)

See accompanying notes to financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
 STATEMENTS OF FIDUCIARY NET POSITION
 JUNE 30, 2023 AND 2022

	Custodial Fund	
	2023	2022
ASSETS		
Non-pooled cash and temporary investments	24,818	25,318
TOTAL ASSETS	24,818	25,318
NET POSITION		
Restricted for scholarships	24,818	25,318
TOTAL NET POSITION	24,818	25,318

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
 STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
 YEARS ENDED JUNE 30, 2023 AND 2022

	Custodial Fund	
	2023	2022
ADDITIONS		
Gifts and contributions		2,500
Interest	500	500
Total additions	500	3,000
DEDUCTIONS		
Scholarships awarded	1,000	750
REVENUES OVER (UNDER) EXPENDITURES	(500)	2,250
NET POSITION, beginning of year	25,318	23,068
NET POSITION, end of year	24,818	25,318

See accompanying notes to financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Independent School District No. 378 are prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below:

A. REPORTING ENTITY

The District receives funding from local, state, and federal government sources and must comply with the accompanying requirements of these funding source entities. The District is not included in any other governmental “reporting entity” as defined in Section 2100 of Codification of Governmental Accounting and Financial Reporting Standards, since board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters. The District has no component units over which it exercises financial accountability as defined by *Government Auditing Standards*.

B. BASIC FINANCIAL STATEMENT PRESENTATION

The District-wide financial statements (i.e. the Statements 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 fund. The Fiduciary Fund is only reported in the Statements 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 segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The District applies restricted resources first when an expense is incurred for purpose for which both restricted and unrestricted net position is available. Depreciation expense can be specifically identified by function and is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Separate Fund financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary funds are presented in the fiduciary fund financial statements by type: private – purpose trust. Since by definition, fiduciary fund assets

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIC FINANCIAL STATEMENT PRESENTATION (Continued)

are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the District – wide statements.

As a general rule, the effect of inter-fund activity has been eliminated from the district-wide financial statements.

Description of Funds

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

Major Governmental Funds

General Fund - The General Fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the district, as well as the capital related activities.

Food Service Special Revenue Fund - The Food Service Fund is used to account for food service revenues and expenditures. Revenue in this fund comes from Federal and State grants and also from sales to students and adults.

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, adult or early childhood programs, K-6 extended day programs, or other similar services. Revenues in this fund come mainly from the state and also from fees charged to the community for programs.

Building Construction Fund - The Building Construction Fund is used to account for the use of the 2018 G.O. Facilities Maintenance Bond proceeds and the 2019 G.O. School Building Bond proceeds.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and payment of general obligation bond principal, interest, capital notes principal and interest, and related costs. The Debt Service Fund is used to make the debt service payments on the general obligation bonds.

Fiduciary Funds

Custodial Fund - The Custodial Fund accounts for assets held by the District in a trustee capacity for the purpose of yearly scholarships.

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Revenues

Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual; that is, when they become both measurable and available to finance the expenditures of the fiscal period. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues for nonexchange transactions are recognized based on the principal characteristics of the revenue. Exchange transactions are recognized as revenue when the exchange occurs.

Nonexchange Transactions

Imposed nonexchange transactions result from assessments by governments on nongovernmental entities and individuals. Property taxes are imposed nonexchange transactions. Revenues from property taxes are recognized in the period for which they were levied, to the extent they are collected in the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes receivable which are not available, are reported as deferred revenue and will be recognized as revenue in the fiscal year that they become available. The District considers these revenues as available if they are collected within 60 days after year-end.

Government-mandated nonexchange transactions occur when a government at one level provides resources to a government at another level and requires that government to use them for a specific purpose. The provider government

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Nonexchange Transactions (Continued)

establishes purpose restrictions and may also establish time requirements. Federal and state grants mandating the District perform particular programs are government-mandated nonexchange transactions. Revenues are recognized when the eligibility and time requirements are met, usually when the corresponding expenditure is incurred, using the guidelines of the legal and contractual requirements of the individual programs.

Voluntary nonexchange transactions result from legislative or contractual agreements, such as grants, entitlements, appropriations, and donations. The provider may establish purpose restrictions and eligibility requirements. Revenues are recognized in the year to which they apply according to statute or contract. Gifts and contributions from individuals and miscellaneous revenue are also considered voluntary nonexchange transactions, and they are generally recognized when received in cash because they are not measurable until received. Tax credits paid by the state (included in intergovernmental revenue) are recognized as revenue in the fiscal year that they become available. The District considers revenues from tax credits paid by the state as available if they are collected within 60 days after year-end.

Exchange Transactions

Exchange transactions include revenues such as interest earned, sales and service fees. Sales, service fees, and interest earned, are reported as revenue when they become both measurable and available to finance expenditures of the fiscal period. The District considers these revenues as available if they are collected within 60 days after year-end. Fees are reported as revenue when received in cash, because they are usually not measurable until received.

Expenditures

Expenditures are recorded under the modified accrual method when the fund liability is incurred, except for certain compensated absences, claims, and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The Custodial Fund Financial Statement is reported using the economic resources measurement focus and the accrual basis of accounting as described earlier in these notes.

The District reports unearned revenue on its combined balance sheet. Unearned revenues arise when potential revenues do not meet both the "measurable" and

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

"available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to incurring the qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

D. BUDGETING

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Revisions to the originally adopted budget require approval of the School Board. The budget was not amended during the year. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, and Debt Service Fund. Unexpected budget amounts lapse at the end of the budget year.

E. USE OF ESTIMATES

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

F. CASH AND INVESTMENTS

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings on these accounts are allocated to the individual funds based upon the average month-end cash and investment balances.

The District follows Governmental Accounting Standards Board Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." This statement establishes accounting and financial reporting standards for investments in: interest earning investment contracts, external investment pools, open-end mutual funds, debt securities, equity securities, option contracts, stock warrants, and stock rights that have readily determinable fair values. Under this statement, governmental entities other than external investment pools may report money market investments and participating interest-earning investment contracts at amortized cost. All other investments must be reported at their fair market value.

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. CASH AND INVESTMENTS (Continued)

The District's investment policies are structured to conform to Minnesota Statutes. During fiscal year 2023, the District's investments were comprised of government securities, term series investments and certificates of deposit whose costs approximate fair value.

G. RESTRICTED ASSETS

Restricted assets are cash and investments whose use is limited by legal requirements such as a bond indenture. Restricted assets are reported only in the district-wide financial statements.

H. ACCOUNTS RECEIVABLE

Accounts receivable have been adjusted for all known uncollectible accounts. No allowance for bad debts is considered necessary at year end.

I. PROPERTY TAXES RECEIVABLE

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

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 the revenue in the General Fund is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between property 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. The current tax shift as mandated by legislation recognizes \$107,291 of the property tax levy collectible in 2023 as revenue in fiscal year 2022-2023. The remaining portion of the taxes collectible in 2023 is recorded as a deferred inflow of resources (property taxes levied for subsequent years expenditures).

Taxes which remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. PROPERTY TAXES RECEIVABLE (Continued)

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

J. INVENTORY

Inventories of food and supplies are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method. Surplus commodities are stated at standardized costs, as determined by the Department of Agriculture.

K. CAPITAL ASSETS

Capital assets, which include land, buildings and equipment, are recorded in the district-wide financial statement, but are not reported in the fund financial statements. 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 estimated fair value at the date of donation. The District maintains a threshold level of \$1,000 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 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 purpose. Useful lives vary from 15 to 50 years for land improvements and buildings, and 5 to 20 years for equipment. Capital assets not being depreciated include land. The District does not possess any material amounts of infrastructure capital assets. Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

L. COMPENSATED ABSENCES

Employees' vacation benefits are recognized in the period earned. Employees are granted vacation days at various rates and accumulations. Sick leave is also earned at various rates with a maximum accumulation of 167 to 260 days. Leave time costs are recognized as expenditures when leave time is used. The liability for unused vacation time is recorded in the government wide financial statements. Unused sick

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. COMPENSATED ABSENCES

leave is not recorded in the financial statements as it is not paid upon termination. The accumulated unused sick pay at June 30, 2023 was approximately \$1,512,000.

M. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure/expense) until then. The District has several calculations related to PERA, TRA, and OPEB that qualify for reporting in this category.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District's Property Taxes Levied for Subsequent Year's Expenditures and also calculations related to PERA, TRA and OPEB qualify for reporting in this category.

N. 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 effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year the bonds are issued.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. Rather, the debt proceeds are reported as other financing sources, and payments of principal, interest, and issuance costs are reported as expenditures.

O. RETIREMENT PLANS

Substantially all employees of the district are required by State law to belong to pension plans administered by the Teachers Retirement Association (TRA) or Public Employees Retirement Association (PERA), all of which are administered on a statewide basis. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TRA/PERA and additions to/deductions from TRA/PERA's net position have been determined on the same basis as they are reported by TRA/PERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. RETIREMENT PLANS (Continued)

accordance with the benefit terms. Investments are reported at fair value.

P. OTHER POSTEMPLOYMENT BENEFITS

Under provisions of the various employee and union contracts the District allows retirees to continue with the District's Health Care coverage until age 65 if certain age and minimum years of service requirements are met. The amount to be incurred is limited as specified by contract. All premiums are funded on a pay-as-you-go basis. The total OPEB liability was actuarially determined at July 1, 2022.

Q. LEASES

The District adopted Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, as of July 1, 2021. A lease liability and a lease asset are recognized at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying assets. The lease liability is measured at the present value of payments expected during the lease term. The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease. The lease liability is reduced as payments are made and interest expense is recognized. The leased asset is generally amortized over the term of the lease unless the useful life of the underlying asset is less. A short-term lease is a lease that at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Short-term leases are expensed in period incurred. Contracts that transfer ownership of the underlying assets or contain a bargain purchase option are recognized as financing contracts. The District excludes immaterial leases from the provisions of GASB 87.

R. FUND EQUITY

Government-Wide Financial Statements - Equity is classified as net position and displayed in three components:

Net investment in capital assets - Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. FUND EQUITY (Continued)

Government-Wide Financial Statements (Continued)

Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resource related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

Unrestricted net position - Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets, net of related debt, or the restricted net position.

It is the District's policy to first use restricted components of net position prior to the use of unrestricted components of net position when an expense is incurred for purposes for which both restricted and unrestricted components of net position are available.

Fund Financial Statements – The District utilizes GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance – amounts that are in nonspendable form (such as inventory and prepaid items) or are required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts constrained by the District itself, using its highest level of decision-making authority (i.e., School Board). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the School Board or by an official or body to which the Board delegates the authority. The School Board has delegated authority to assign fund balances to the superintendent.

Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. FUND EQUITY (Continued)

Fund Financial Statements (Continued)

Unassigned fund balance (Continued)

In the general fund, the District strives to maintain a minimum unassigned general fund balance of two months of operating expenses. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

S. REVENUES, EXPENDITURES, AND EXPENSES

Program Revenues

In the statement of activities, revenues that are derived directly from each activity or from parties outside the District taxpayers are reported as program revenues. The District has the following program revenues in each activity:

District and school administration – specific bequest

Regular instruction – admission and student participation fees; governmental grants and aids; specific donations

Special education instruction – revenues from other districts; governmental grants and aids

Instructional support services – revenues from other districts or entities

Pupil support services – governmental grants and aids

Sites and buildings – capital grants received from State, and bond proceeds

Food Service – fees from students and staff; governmental grants and aids, including a capital grant

Community service – participation fees from students and adults; governmental grants and aids

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. REVENUES, EXPENDITURES, AND EXPENSES (Continued)

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function.

In the fund financial statements, expenditures are classified as follows:

Governmental funds - By each function
Current
Capital outlay
Debt service

T. FUND TRANSFERS

During 2023, the District transferred funds from the general fund to the community service fund to cover costs of TRA and FICA expenses. See further details in NOTE 16.

U. PRIOR-YEAR COMPARATIVE FINANCIAL INFORMATION

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with the applicable basis of accounting. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

V. NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement 96, *Subscription-Based Information Technology Arrangements*, was implemented on July 1, 2022. The standard provides guidance related to accounting and financial reporting for SBITAs. The standard generally requires the recording of a right-to-use subscription asset (intangible asset) and a corresponding liability. There is an exception for short-term SBITAs defined as those with maximum possible terms of 12 months or less including options to extend, regardless of their probability of being exercised.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER APPROPRIATIONS

Expenditures exceeded the appropriations during the year ended June 30, 2023 in the following funds. This excess was covered by current year revenues or existing fund balances.

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. EXCESS EXPENDITURES OVER APPROPRIATIONS (Continued)

	<u>Appropriations</u>	<u>Expenditures</u>	Expenditures Over <u>Appropriations</u>
General Fund	7,767,650	9,425,983	(1,658,333)
Food Service Fund	424,740	430,475	(5,735)
Community Service Fund	666,830	750,677	(83,847)
Building Construction Fund		2,269,010	(2,269,010)
Debt Redemption	1,742,494	1,776,978	(34,484)

B. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit fund or net position balances at year end. The following fund had a deficit fund balance at June 30, 2023

	<u>Total Fund Balance</u>
Community Service Fund	(51,499)

This deficit will be eliminated with future revenue amounts.

NOTE 3. EQUITY IN POOLED CASH AND INVESTMENTS

The District follows the provisions of GASB Statement 40, *Deposit and Investment Risk Disclosures*. This standard establishes requirements for disclosures regarding credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. The District maintains a cash and investment pool that is used by all funds, except the Fiduciary Fund. Each portion of this pool is displayed on the balance sheet as “Equity in Pooled Cash and Investments”.

Deposits

In accordance with Minnesota Statutes, the District maintains deposits at those depository banks authorized by the School Board all of which are members of the Federal Reserve System. Minnesota Statutes require that all District deposits be protected by insurance, security bond or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds.

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 3. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

Deposits (Continued)

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the District treasurer or in a financial institution other than that furnishing the collateral. As of June 30, 2023, the District was under collateralized \$5,652 at Dawson Coop Credit Union.

The District maintains a pooled cash account that is available for all funds. The carrying amount of the District's cash deposits was \$202,566 at June 30, 2023.

Deposits and Investments

The District's cash and investments are reported as follows:

Governmental activities	1,596,194
Custodial funds	<u>24,818</u>
Total cash and investments	<u><u>1,621,012</u></u>

The carrying value (fair value) of the cash and investments consisted of the following:

Deposits:	
Demand deposits	<u>293,545</u>
Investments:	
Certificates of Deposit	24,410
Money market shares	<u>1,303,057</u>
Total investments	<u><u>1,327,467</u></u>
Total cash and investments	<u><u>1,621,012</u></u>

The fair value of investments grouped by maturity is as follows:

Investment Maturities:	
Current to one year	<u>1,327,467</u>
Total	<u><u>1,327,467</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 3. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

Deposits and Investments (Continued)

Money Market Shares (Investment Pools)

The District holds assets in the MN Trust Investment Pool, which also seeks to maintain a stable net asset value of \$1 per share, however there is no assurance that this objective will be received. The MN Trust Investment Pool is not insured or guaranteed by the Federal Depository Insurance Corporation or any other governmental agency.

At June 30, 2023, the District had \$1,303,057 in MN Trust Investment shares. This investment is categorized as money market shares.

The District is exposed to risks noted below in relation to its investments in the money market share accounts. The District does not have a policy for these risks. The following MSDLAF+ Portfolio risk policies below were taken from footnotes in the MN Trust audit report.

Interest Rate Risk

The MN Trust Investment Share account is comprised of cash accounts that are 39% collateralized, with the remaining in investments in certificates of deposits and commercial paper. Due to the types of investments included in the MN Trust Investment Share account, the interest rate and credit risks are limited.

Concentration of Credit Risk

The MN Trust Investment Shares account is comprised of many individual investments, none of which exceed 5% of the net asset value of the Fund.

Custodial Credit risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the MN Trust Portfolio will not be able to recover the value of its investment. An investment in the MN Trust Investment Pool is not insured or guaranteed by the FDIC or any other governmental agency.

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 3. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

Money Market Shares (Investment Pools) (Continued)

Investments

At June 30, 2023, the District had the following investments:

Type	Carrying Amount	June 30, 2023 maturities in years less than 1	Credit Rating- Moody's/ S&P
MN Trust - Investment Pool (Operating)	1,303,057	1,303,057	AAAm
Dawson Co-op Credit Union	24,410	24,410	Not Rated
Total	1,327,467	1,327,467	

Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The three levels of the fair value hierarchy are as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs (other than quoted prices included within Level 1) that are observable for the asset or liability – either directly or indirectly.
- Level 3: Unobservable inputs – market data are not available and are developed using the best information available about the assumptions that market participants would use when pricing an asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. All investments are level 1, as market value equals cost.

NOTE 4. RESTRICTED CASH

All funds held in the Debt Service fund by the District are considered to be reserved for debt service, in accordance with the bond documents, and the funds in the Building Construction fund are considered to be reserved for the School Building Project. At June 30, 2023, Pooled Cash and Investments in the Debt Service Fund was \$680,040, and in the Building Construction Fund was \$178,823.

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

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

	Cost at June 30, 2022	Additions	Disposals	Cost at June 30, 2023
Construction in progress	20,942,616	2,269,010	(23,211,626)	
Land	403,472			403,472
Land improvements	289,615	2,725		292,340
Buildings	12,501,225	23,066,062		35,567,287
Equipment	4,081,934	795,020	(5,125)	4,871,829
Right of use asset	121,235			121,235
Total	38,340,097	26,132,817	(23,216,751)	41,256,163

Accumulated depreciation activity for the year ended June 30, 2023 is as follows:

	Accumulated Depreciation at June 30, 2022	Additions	Disposals	Accumulated Depreciation at June 30, 2023
Land improvements	128,435	15,411		143,846
Buildings	8,147,640	413,671		8,561,311
Equipment	2,793,159	257,810	(3,502)	3,047,467
Right of use asset	24,247	24,247		48,494
Total	11,093,481	711,139	(3,502)	11,801,118
Capital assets net of accumulated depreciation	27,246,616			29,455,045

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 5: CAPITAL ASSETS (Continued)

Depreciation and amortization expense of \$711,139 for the year ended June 30, 2023 was charged to the following governmental functions:

Pupil support services	75,718
Sites and buildings	468,666
Community services	6,354
Instructional support	3,221
Food service	<u>41,160</u>
Total depreciation/amortization expense	<u><u>711,139</u></u>

NOTE 6. LONG-TERM LIABILITIES

A. COMPONENTS OF LONG-TERM LIABILITIES

The following is a summary of the of long-term liabilities reported in the Statement of Net Position as of June 30, 2023:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
General Obligation					
Crossover Refunding Bond, Series 2015A	5/15/2015	2.00-2.55%	1,160,000	2/1/2029	735,000
General Obligation					
School Building Bonds, Series 2019A	5/7/2019	3.00-5.00%	<u>21,675,000</u>	2/1/2040	<u>19,790,000</u>
Debt			22,835,000		20,525,000
Plus Bond Premiums			<u>1,447,945</u>		<u>1,172,145</u>
Total Bonded Debt			<u><u>24,282,945</u></u>		<u><u>21,697,145</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (Continued)

A. COMPONENTS OF LONG-TERM LIABILITIES (Continued)

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
Other Long-Term Debt					
2022 Capital					
Equipment Note	4/18/2022	4.00%	70,040	4/18/2027	57,107
2023 Capital Equip					
Note	7/13/2022	4.00%	70,040	7/13/2027	57,083
2021 School Bus					
Financed Purchase	2/5/2020	2.80%	86,437	7/20/2024	56,710
2023 School Bus					
Financed Purchase	2/25/2023	5.00%	146,255	10/1/2026	146,255
Scoreboard financed					
purchase	9/28/2022	4.00%	82,590	10/1/2026	64,647
Compensated					
Absences		0.00%	<u>47,363</u>		<u>47,363</u>
Total other LT Debt			<u>502,725</u>		<u>429,165</u>
Total all long-term liabilities			<u><u>24,785,670</u></u>		<u><u>22,126,310</u></u>
During fiscal year					
2023 interest charged					
to expense was:					
	<u><u>808,332</u></u>				

The District has no unused lines of credit at June 30, 2023, and none of their long-term debt agreements have terms related to default or termination events with finance-related consequences, or subjective acceleration clauses.

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (Continued)

B. MINIMUM DEBT PAYMENTS

Minimum annual principal and interest payments required to retire long-term liabilities, excluding leases, pension, OPEB, early retirement and vacation benefits are as follows:

Year Ending June 30,	General Obligation Bonds	
	Principal	Interest
2024	865,000	764,886
2025	905,000	725,086
2026	930,000	699,136
2027	975,000	655,996
2028	1,020,000	610,746
2029-2033	5,785,000	2,376,786
2034-2038	6,930,000	1,223,120
2039-2041	3,115,000	146,715
	<u>20,525,000</u>	<u>7,202,471</u>

Year Ending June 30,	Direct Placement Note	
	Principal	Interest
2024	26,927	4,567
2025	28,004	3,490
2026	29,123	2,371
2027	30,136	1,207
	<u>114,190</u>	<u>11,635</u>

Year Ending June 30,	Direct Financed Purchase Agreements	
	Principal	Interest
2024	62,386	10,945
2025	97,055	7,253
2026	52,805	3,413
2027	55,366	760
	<u>267,612</u>	<u>22,371</u>

C. DESCRIPTION OF LONG-TERM LIABILITIES

General Obligation Crossover Refunding Bonds, Series 2015A

The General Obligation Crossover Refunding Bonds, Series 2015A, are recorded in the District-wide Financial Statements and are backed by the full faith and credit of the School District. The bonds were issued to call the G.O. Obligation Refunding Bonds, Series 2009A which were called February 2019. This issue is for \$1,160,000 and will

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (Continued)

C. DESCRIPTION OF LONG-TERM LIABILITIES (Continued)

General Obligation Crossover Refunding Bonds, Series 2015A (Continued)

be repaid in annual installments of \$115,000 to \$130,000 beginning February 1, 2020 through February 1, 2029; interest varies from 2.00% to 2.55%. Payments are made out of the Debt Service Fund.

General Obligation School Building Bonds, Series 2019A

The General Obligation School Building Bonds, Series 2019A, are recorded in the District-wide Financial Statements and are backed by the full faith and credit of the School District. This issue is for \$21,675,000 and will be repaid in annual installments of \$780,000 to \$1,580,000 beginning February 1, 2020 through February 1, 2040; interest varies from 3.00% to 5.00%. Payments are made out of the Debt Service Fund.

Capital Equipment Note Payable

The Capital Equipment Note Payable is recorded in the District-wide Financial Statements and is a note through the Dawson Co-op Credit Union. This note is for \$70,040, with five annual principal and interest payments of \$15,735, commencing April 18, 2023. Payments are made out of the Debt Service Fund, and are funded by contributions received.

Capital Equipment Note Payable

The Capital Equipment Note Payable is recorded in the District-wide Financial Statements and is a note through Minnwest Bank. This note is for \$70,040, with five annual principal and interest payments of \$15,759, commencing July 13, 2023. Payments are made out of the Debt Service Fund, and are funded by contributions received.

School Bus Financed Purchase Agreements

The School Bus Financed Purchase is recorded in the District-wide Financial Statements and is collateralized by the 2021 BBCV 77 passenger diesel bus purchased. This financed purchase is for \$86,437, with four annual lease payments of \$11,605 and one annual lease payment of \$48,000 commencing July 20, 2020. Payments are made out of the General Fund.

The School Bus Financed Purchase is recorded in the District-wide Financial Statements and is collateralized by the two 2020 IC 65 passenger diesel buses purchased. This financed purchase is for \$146,255, with four annual lease payments of \$40,070, commencing July 15, 2023. Payments are made out of the General Fund.

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (Continued)

C. DESCRIPTION OF LONG-TERM LIABILITIES (Continued)

Scoreboard Financed Purchase

The Scoreboard Financed Purchase is recorded in the District-wide Financial Statements and is collateralized by the scoreboards purchased. This finance purchase is for \$82,590 with four annual payments of \$15,739 and one annual payment of \$15,618, commencing October 1, 2022. Payments are made out of the General Fund.

Compensated Absences

The District compensates employees upon termination of employment for unused vacation leave. The liability for unused vacation leave has been recorded in the government wide financial statements.

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

	<u>6/30/2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>6/30/2023</u>	<u>Due within one year</u>
Long-term liabilities					
G.O. Bonds	21,355,000		830,000	20,525,000	865,000
Direct placement bonds	107,000		107,000		
Financed Purchases	119,742	228,845	80,975	267,612	62,386
Equipment Notes	70,040	70,040	25,890	114,190	26,927
Vacation payable	50,053	36,714	39,404	47,363	47,363
	<u>21,701,835</u>	<u>335,599</u>	<u>1,083,269</u>	<u>20,954,165</u>	<u>1,001,676</u>

NOTE 7. LEASES

As of June 30, 2022, the District has the following long-term lease accounted for in accordance with the provisions of GASB 87 – Leases (see Note 1):

	Inception	Maturity	Monthly Payment	Lease Liability
MARCO Technologies, LLC	7/1/2021	6/30/2026	2,173	74,909
		Current		24,226
		Long-term		50,683
				<u>74,909</u>

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 7. LEASES (Continued)

MARCO Technologies, LLC

The District entered into a lease agreement with MARCO Technologies, LLC for copiers and printers, with payments starting July 1, 2021. Terms of the lease agreement between the District and MARCO Technologies, LLC. require monthly lease payments of \$2,173 through July 1, 2026. The leased property includes seven Konica copiers, three HP LaserJet copiers and one HP LaserJet printer. The lease term is 5 years. There are no early termination rights. Amounts relating to the lease are reflected in the financial statements as right to use assets and lease liabilities. Future lease payments on leases classified as right to use assets are as follows:

	Principal	Interest	Total
2024	24,225	1,851	26,076
2025	24,962	1,114	26,076
2026	25,722	354	26,076
Total	74,909	3,319	78,228

There were no material contingent or sublease amounts relating to the above lease for 2023. The District accounts for the leases in accordance with the provisions of GASB 87, Leases (Note 1). Amortization on leased (right to use) assets is provided for based on the asset value at inception of leases over the lease terms. Amortization expenses was \$24,247 for 2023.

**INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS**

NOTE 8. FUND BALANCES

At June 30, 2023, the detail of the District's fund balances are as follows:

	General Fund	Food Service Fund	Community Service Fund	Building Construction Fund	Debt Redemption Fund	Total
Nonspendable						
Inventory/Prepays		18,784		152,315		171,099
Restricted						
Operating capital	246,506					246,506
Building project				10,920		10,920
Long-term facilities maintenance	112,878					112,878
Other projects	25,749					25,749
Safe schools	4,875					4,875
Community Ed			77,161			77,161
Community Service			103,179			103,179
ECFE			105,432			105,432
Food service		131,085				131,085
Scholarships	4,343					4,343
Student activities	67,867					67,867
Debt service					205,165	205,165
Total Restricted	462,218	131,085	285,772	10,920	205,165	1,095,160
Unassigned	568,329					568,329
Deficit - Sch readiness			(337,271)			(337,271)
Total Unassigned	568,329		(337,271)			231,058
Total fund balances	1,030,547	149,869	(51,499)	163,235	205,165	1,497,317

The deficit fund balances will be eliminated with future revenues.

NOTE 9. COMMITMENTS

In February 2014, the District, along with other districts from the Minnesota River Valley Education District, entered into a High Capacity Services Lease Agreement with New Ulm Telecom, Inc. (Nu-Tel). The lease effective date is July 1, 2014 and expires June 30, 2024. The total cost of the lease is \$3,471,958, and will be paid over the life of the lease by the participating districts. During fiscal year 2023, the total lease payment was

\$317,640. MRVED used part of their committed fund balance to cover the District's cost. The payment required by the District will vary each year depending on the future E-rate funding received by MRVED and their designated fund balance used.

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 10. RISK MANAGEMENT - CLAIMS AND JUDGMENTS

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District's property and liability premiums, unemployment claims and insurance coverage for vehicles are paid by the General Fund.

Workers compensation premiums are paid by the General, Food Service, and Community Service Funds based on salaries. The District purchases commercial insurance for property and liability, transferring the risk of loss to the insurance carrier. The District participates in a risk pool for workers compensation insurance. The pool in turn contracts with an insurance carrier, thereby transferring the risk from the pool members to the insurance carrier. The workers compensation policy is retrospectively rated in that the initial premium is adjusted based on the actual experience during coverage period of the group of entities that participate in the pool. There have been no settlements in excess of coverage in the past 3 years.

The District handles unemployment costs through a self-insurance plan. The District retains the risks associated with unemployment claims. As there are few unemployment claims against the District, no liability estimate has been recorded in the financial statements. At June 30, 2023 there are no outstanding claims of which the School District is aware.

NOTE 11. JOINT VENTURE

Independent School District No. 378 Dawson, Minnesota, along with other schools in West Central Minnesota created the Minnesota River Valley Education District #61-6018 in a joint venture agreement. The presence of either an ongoing financial interest or responsibility indicates a joint venture relationship exists. This joint venture provides for comprehensive educational programs within the geographical boundaries of member districts by continuing to facilitate cooperation and coordination among school districts and other agencies involved in providing learner outcomes. Services rendered by the Education District are billed to each member district based on the services provided; therefore, an ongoing financial responsibility exists. As of June 30, 2023, the audited financial statements of the Education District reflected a fund balance of \$3,891,887 which would be shared among participating school districts upon dissolution. This demonstrates that an ongoing financial interest exists. Audited financial statements are available from the Minnesota River Valley Education District #61-6018.

NOTE 12. CONTINGENT LIABILITIES

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

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLANS

Public Employees Retirement Association of Minnesota (PERA)

A. PLAN DESCRIPTION

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

The General Employees Retirement Plan covers certain full time and part-time employees of the Independent School District No. 378. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

B. BENEFITS PROVIDED

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

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

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

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLANS (Continued)

Public Employees Retirement Association of Minnesota (PERA) (Continued)

B. BENEFITS PROVIDED (Continued)

for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

C. CONTRIBUTIONS

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

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2023 and the District was required to contribute 7.50 percent for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2023 were \$134,180. The District's contributions were equal to the required contribution as set by state statute.

D. PENSION COSTS

At June 30, 2023, the District reported a liability of \$1,837,448 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 \$53,913. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0232 percent at the end of the measurement period and 0.0224 percent for the beginning of the period.

District's proportionate share of net pension liability	1,837,448
State of Minnesota's proportionate share of the net pension liability associated with the District	53,913
Total net pension liability	1,891,361

For the year ended June 30, 2023 the District recognized pension expense of \$284,566 for its proportionate share of General Employees Plan's pension expense.

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLANS (Continued)

Public Employees Retirement Association of Minnesota (PERA) (Continued)

D. PENSION COSTS (Continued)

In addition, the District recognized \$8,056 as grant revenue for its proportionate share of the State of Minnesota’s pension expense for the annual \$16 million contribution.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected/actual economic experience	15,348	18,899
Changes in actuarial assumptions	401,942	6,990
Net difference between projected/actual investment earnings	729,255	677,876
Changes in proportion	81,162	-
Contributions paid to PERA subsequent to the measurement date	134,180	
Total	1,361,887	703,765

The \$134,180 reported as deferred outflows of resources related to pensions resulting from the District’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Pension Expense
Year Ended	Pension Expense
2024	186,041
2025	(41,944)
2026	166,170
	310,267

E. LONG-TERM EXPECTED RETURN ON INVESTMENT

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

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLANS (Continued)

Public Employees Retirement Association of Minnesota (PERA) (Continued)

E. LONG-TERM EXPECTED RETURN ON INVESTMENT (Continued)

to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

F. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2022, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5 percent in the June 30, 2022 actuarial valuation and 7 percent in the June 30, 2023 actuarial valuation. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5 percent was deemed to be within that range of reasonableness for financial reporting purposes.

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

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

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

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

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLANS (Continued)

Public Employees Retirement Association of Minnesota (PERA) (Continued)

F. ACTUARIAL ASSUMPTIONS (Continued)

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

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

G. DISCOUNT RATE

The discount rate for the General Employees Plan used to measure the total pension liability in 2022 was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. PENSION LIABILITY SENSITIVITY

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
GERF Discount Rate	5.50%	6.50%	7.50%
District's proportionate share of the GERF net pension liability	2,902,345	1,837,448	964,068

I. PENSION PLAN FIDUCIARY NET POSITION

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

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLANS (Continued)

Teachers Retirement Association (TRA)

A. PLAN DESCRIPTION

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

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

B. BENEFITS PROVIDED

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

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

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

With these provisions:

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

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLANS (Continued)

Teachers Retirement Association (TRA) (Continued)

B. BENEFITS PROVIDED (Continued)

- (c) Unreduced benefits for early retirement under a Rule-of-90 (age plus allowable service equals 90 or more).

Or

Tier II Benefits:

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

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

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

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

C. CONTRIBUTION RATES

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

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLANS (Continued)

Teachers Retirement Association (TRA) (Continued)

C. CONTRIBUTION RATES (Continued)

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

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

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

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

D. ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLANS (Continued)

Teachers Retirement Association (TRA) (Continued)

D. ACTUARIAL ASSUMPTIONS (Continued)

Key Methods and Assumptions Used in Valuation of Total Pension Liability	
Actuarial Information	
Valuation date	July 1, 2022
Measurement date	June 30, 2022
Experience study	June 28, 2019 (demographic and economic assumptions)
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	7.00%
Price inflation	2.50%
Wage growth rate	2.85% before July 1, 2028 and 3.25% after June 30, 2028
Projected salary increase	2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028
Cost of living adjustment	1.0% for January 2019 through January 2023, then increasing 0.1% each year up to 1.5% annually
Mortality assumptions:	
Pre-retirement	RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale.
Post-retirement	RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.
Post-disability	RP-2014 disabled retiree mortality table, without adjustment

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

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLANS (Continued)

Teachers Retirement Association (TRA) (Continued)

D. ACTUARIAL ASSUMPTIONS (Continued)

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

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

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

Changes in actuarial assumptions since the 2021 valuation:

- None

E. DISCOUNT RATE

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

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLANS (Continued)

Teachers Retirement Association (TRA) (Continued)

F. NET PENSION LIABILITY

At June 30, 2023, the Independent School District No. 378 reported a liability of \$4,556,251 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. District proportionate share was 0.0569% at the end of the measurement period and 0.0567% for the beginning of the year.

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

District's proportionate share of net pension liability	4,556,251
State's proportionate share of the net pension liability associated with the district	<u>337,778</u>
Total net pension liability	<u><u>4,894,029</u></u>

For the year ended June 30, 2023, the District recognized pension expense of \$(1,003,604). It also recognized \$46,445 as a decrease to pension expense for the support provided by direct aid.

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

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLANS (Continued)

Teachers Retirement Association (TRA) (Continued)

F. NET PENSION LIABILITY (Continued)

Differences between expected/actual experience	42,781	39,189
Changes in assumptions	726,445	925,220
Net difference between projected/actual earnings on plan investments	1,831,671	1,706,965
Changes in proportion	170,366	12,562
Contributions paid to TRA subsequent to the measurement date	302,897	
Total	3,074,160	2,683,936

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

Year Ended June 30	Pension Expense Amount
2024	59,326
2025	628,314
2026	4,665
	692,305

G. PENSION LIABILITY SENSITIVITY

The following presents the net pension liability of TRA calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using discount rate one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLANS (Continued)

Teachers Retirement Association (TRA) (Continued)

G. PENSION LIABILITY SENSITIVITY (Continued)

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
TRA Discount Rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	7,182,682	4,556,251	2,403,397

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

H. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the plan's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at <https://minnesotatra.org>; by writing to TRA at 60 Empire Drive, Suite 400, St. Paul, Minnesota, 55103-4000; or by calling 651-296-2409 or 800-657-3669.

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS

The District follows Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The District engaged an actuary to determine the District's liability for postemployment healthcare benefits other than pensions as of July 1, 2022.

A. GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan Description. The District operates a single-employer retiree benefit plan ("the Plan") that provides health insurance to eligible employees and their spouses through the District's self-insured health insurance plan. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

Benefits Provided. The Plan provides healthcare benefits for retirees and their spouses. 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.

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

A. GENERAL INFORMATION ABOUT THE OPEB PLAN (Continued)

Employees Covered by Benefit Terms. At June 30, 2023, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Active plan members	117
	121

B. TOTAL OPEB LIABILITY

The District's total OPEB liability was determined by an actuarial valuation as of July 1, 2021 (the valuation date).

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

Inflation	2.50%
Salary increases	Service graded table
Healthcare cost trend rates	6.25% for 2022, grading to 5.0% over 5 years

A discount rate of 3.8% was applied in the measurement of the total OPEB liability. This is up from the 2.1% discount rate used for the July 1, 2021 measurement. The discount rate is based on the index rate for 20-year, AA-rated municipal bond yield. Mortality rates were based on the Pub-2010 Public Retirement Plan Headcount – Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale.

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

C. CHANGES IN THE TOTAL OPEB LIABILITY

Changes in the total OPEB liability were as follows:

	Total OPEB Liability
Balance at July 1, 2022	<u>761,532</u>
Changes for the year:	
Service cost	42,874
Interest	16,014
Assumption changes	(64,859)
Differences between expected and actual experience	-
Benefit payments	<u>(84,079)</u>
Net changes	<u>(90,050)</u>
 Balance at June 30, 2023	 <u><u>671,482</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate.

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80%) or 1-percentage-point higher (4.80%) than the current discount rate:

	1.0% Decrease (2.80%)	Discount Rate (3.80%)	1.0% Increase (4.80%)
Total OPEB liability	716,779	671,482	627,550

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.25% decreasing to 4.0%) or 1-percentage-point higher (7.25% decreasing to 6.0%) than the current healthcare cost trend rates:

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

C. CHANGES IN THE TOTAL OPEB LIABILITY (Continued)

	Healthcare Cost Trend Rates		
	1.0% Decrease (5.50% decreasing to 4.0%)	6.50% decreasing to 5.0%	1.0% increase (7.50% decreasing to 6.0%)
Total OPEB liability	618,537	671,482	754,785

D. OPEB EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2023, the District recognized OPEB expense of \$33,768. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected/actual experience	30,443	95,367
Changes in assumptions	30,538	72,074
Contributions made subsequent to measurement date	42,300	
Total	103,281	167,441

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

INDEPENDENT SCHOOL DISTRICT NO. 378 – DAWSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

D. OPEB EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (Continued)

Year Ended June 30	OPEB Expense
2024	(25,120)
2025	(25,120)
2026	(25,120)
2027	(25,117)
2028	2,551
Thereafter	(8,533)
	<u>(106,459)</u>

NOTE 15. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

As disclosed in NOTE 1M, the District reports deferred outflows of resources for consumption of resources that apply to future periods and reports deferred inflows of resources, which represent acquisition of net position or fund balance that applies to future periods. On the government-wide statements, the District's deferred outflows and inflows of resources at June 30, 2023, are as follows:

	Deferred Outflows	Deferred Inflows
TRA - pension	3,074,160	2,683,936
PERA - pension	1,361,887	703,765
OPEB	103,281	167,441
Property taxes levied for subsequent years		2,528,216
	<u>4,539,328</u>	<u>6,083,358</u>

NOTE 16. TRANSFERS

The following is a schedule of interfund transfers for the year ended June 30, 2023:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Community Service Fund	General Fund	36,286

NOTE 17. SUBSEQUENT EVENTS

Subsequent to year end, the District approved \$4,685,000 General Obligation Facilities Maintenance, Tax Abatement and School Building Bonds, for HVAC, parking lot and the roofing project.

REQUIRED SUPPLEMENTAL INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY (LAST 10 YEARS) *
 OTHER POST EMPLOYMENT BENEFITS (OPEB)

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability						
Service cost	42,874	53,685	49,340	43,277	51,581	50,079
Interest on TOL	16,014	17,711	22,176	31,758	32,304	32,856
Assumption changes	(64,859)	20,915	23,766	(30,646)		
Plan changes				(6,281)		
Differences between expected and actual experience		40,593		(190,735)		
Benefit payments	(84,078)	(110,605)	(43,810)	(99,947)	(83,469)	(117,591)
Net change in TOL	(90,049)	22,299	51,472	(252,574)	416	(34,656)
Total OPEB liability - beginning	761,532	739,233	687,761	940,335	939,919	974,575
Total OPEB liability - ending	671,483	761,532	739,233	687,761	940,335	939,919

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

NOTES TO SCHEDULE:

No plan assets are accumulated in a trust meeting all of the following criteria of GASBS 75, paragraph 4:

- (1) Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- (2) Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- (3) Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE TOTAL OPEB LIABILITY AND RELATED RATIOS (LAST 10 YEARS)
 OTHER POST EMPLOYMENT BENEFITS (OPEB)

Fiscal Year Ended	Total OPEB Liability	Covered Employee Payroll	Total OPEB Liability as a Percentage of its Covered Employee Payroll
June 30, 2018	\$939,919	\$3,921,213	23.97%
June 30, 2019	\$940,335	\$4,038,849	23.28%
June 30, 2020	\$687,761	\$4,286,505	16.04%
June 30, 2021	\$739,233	\$4,415,100	16.74%
June 30, 2022	\$761,532	\$4,709,971	16.17%
June 30, 2023	\$671,483	\$4,851,270	13.84%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

NOTES TO SCHEDULE:

Plan Assets

No assets are accumulated in a trust that meets all of the following criteria of GASBS 75, paragraph 4:

- (1) Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- (2) Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- (3) Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
 PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND (PERA)*

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions In Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered- Employee Payroll (d)	Contributions as a Percentage of Covered- Employee Payroll (b/d)
June 30, 2015	\$77,232	\$77,232	\$0	\$1,047,546	7.37%
June 30, 2016	\$82,741	\$82,741	\$0	\$1,103,211	7.50%
June 30, 2017	\$89,580	\$89,580	\$0	\$1,194,400	7.50%
June 30, 2018	\$102,058	\$102,058	\$0	\$1,360,635	7.50%
June 30, 2019	\$101,680	\$101,680	\$0	\$1,355,716	7.50%
June 30, 2020	\$116,151	\$116,151	\$0	\$1,549,487	7.50%
June 30, 2021	\$120,761	\$120,761	\$0	\$1,610,752	7.50%
June 30, 2022	\$129,862	\$129,862	\$0	\$1,731,493	7.50%
June 30, 2023	\$134,180	\$134,180	\$0	\$1,789,062	7.50%

* Option to provide RSI for ten years at transition or to provide RSI prospectively.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
 PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND (PERA)*

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	Employer's Covered- Employee Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered- Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2014	0.0189%	\$887,827	\$992,648	89.44%	78.75%
June 30, 2015	0.0176%	\$912,123	\$1,047,546	87.07%	78.19%
June 30, 2016	0.0178%	\$1,445,272	\$1,103,211	131.01%	68.19%
June 30, 2017	0.0185%	\$1,181,028	\$1,194,400	98.88%	75.90%
June 30, 2018	0.0202%	\$1,120,613	\$1,360,635	82.36%	79.53%
June 30, 2019	0.0192%	\$1,061,525	\$1,355,716	78.30%	80.23%
June 30, 2020	0.0217%	\$1,301,014	\$1,549,487	83.96%	79.06%
June 30, 2021	0.0224%	\$956,580	\$1,610,752	59.39%	87.00%
June 30, 2022	0.0217%	\$1,301,014	\$1,731,493	75.14%	76.70%

* Schedule is to be provided prospectively beginning with the employer's fiscal year ended June 30, 2014, the Measurement Date.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
 TEACHERS RETIREMENT ASSOCIATION (TRA)*

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered- Employee Payroll (d)	Contributions as a Percentage of Covered- Employee Payroll (b/d)
June 30, 2015	\$187,965	\$187,965	\$0	\$2,506,192	7.50%
June 30, 2016	\$198,514	\$198,514	\$0	\$2,647,120	7.50%
June 30, 2017	\$216,376	\$216,376	\$0	\$2,885,013	7.50%
June 30, 2018	\$226,266	\$226,266	\$0	\$3,016,880	7.50%
June 30, 2019	\$236,284	\$236,284	\$0	\$3,064,643	7.71%
June 30, 2020	\$248,993	\$248,993	\$0	\$3,143,636	7.92%
June 30, 2021	\$276,010	\$276,010	\$0	\$3,395,007	8.13%
June 30, 2022	\$293,128	\$293,128	\$0	\$3,514,724	8.34%
June 30, 2023	\$302,897	\$302,897	\$0	\$3,542,923	8.55%

*Option to provide RSI for ten years at transition or to provide RSI prospectively.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER'S NET PENSION LIABILITY
 TEACHERS RETIREMENT ASSOCIATION (TRA)*

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability (Asset) Associated with Employer (b)	Total Proportionate Share of Net Pension Liability (a+b) (1)	Employer's Covered- Employee Payroll (2)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered- Employee Payroll (1/2)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2014	0.0530%	\$2,442,202	\$171,719	\$2,613,921	\$2,423,223	100.78%	81.50%
June 30, 2015	0.0494%	\$3,055,879	\$375,107	\$3,430,986	\$2,506,192	121.93%	76.80%
June 30, 2016	0.0509%	\$12,140,864	\$1,218,429	\$13,359,293	\$2,647,120	458.64%	44.88%
June 30, 2017	0.0536%	\$10,699,532	\$1,034,618	\$11,734,150	\$2,885,009	370.87%	51.57%
June 30, 2018	0.0546%	\$3,429,391	\$322,041	\$3,751,432	\$3,016,880	113.67%	78.07%
June 30, 2019	0.0540%	\$3,441,971	\$304,714	\$3,746,685	\$3,064,643	112.31%	78.21%
June 30, 2020	0.0541%	\$3,996,981	\$334,766	\$4,331,747	\$3,143,636	127.15%	75.48%
June 30, 2021	0.0567%	\$2,481,362	\$209,336	\$2,690,698	\$3,394,957	73.09%	86.63%
June 30, 2022	0.0569%	\$4,556,251	\$46,445	\$4,602,696	\$3,514,736	129.63%	76.17%

*Schedule is to be provided prospectively beginning with the employer's fiscal year ended June 30, 2014, the Measurement Date.

OTHER SUPPLEMENTAL INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023		2022
	Final Budget	Actual	Actual
REVENUES			
LOCAL AND COUNTY REVENUES			
Local levies	699,047	767,774	636,207
County apportionment		28,226	25,110
Revenue from other MN districts	51,783	28,555	49,914
Fees from patrons	37,500	33,230	37,065
Admissions	62,500	168,769	127,516
Interest	3,000	36,769	1,915
Rent facilities	5,500	7,067	5,995
Gifts and bequests	10,000	137,294	75,159
Miscellaneous local revenue	2,000	16,952	29,896
	<u>871,330</u>	<u>1,224,636</u>	<u>988,777</u>
Total local and county revenues			
STATE REVENUES			
Endowment aid	23,368	26,632	23,174
General ed aid	5,214,664	5,147,007	5,062,041
Market value credit		4,292	5,580
Disparity reduction		6,700	6,365
Special education aid	991,957	1,139,419	1,085,277
School safety grant		335,569	
Other state aids	216,978	136,756	108,962
	<u>6,446,967</u>	<u>6,796,375</u>	<u>6,291,399</u>
Total state revenues			
FEDERAL REVENUES			
Teacher & principal training & recruitment	12,313	11,515	12,313
Title I, Part A	70,468	71,918	52,076
Special education - general & preschool	92,000	98,322	124,452
IEIC funds		2,500	500
Drug abuse prevention	30,000	20,440	9,907
Small, rural education achievement program	39,427	46,522	42,336
ESSER and GEER funds		375,027	227,410
	<u>244,208</u>	<u>626,244</u>	<u>468,994</u>
Total federal revenues			

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	<u>2023</u>		<u>2022</u>
	Final Budget	Actual	Actual
REVENUES (CONTINUED)			
LOCAL SALES			
Sales of materials	<u>2,500</u>	<u>2,375</u>	<u>4,847</u>
Total sales and insurance recoveries	<u>2,500</u>	<u>2,375</u>	<u>4,847</u>
Total revenues	<u>7,565,005</u>	<u>8,649,630</u>	<u>7,754,017</u>
EXPENDITURES			
DISTRICT AND SCHOOL ADMINISTRATION			
Salaries	356,417	319,930	354,610
Employee benefits	94,860	96,747	118,162
Purchased services	11,200	51,975	51,175
Supplies/materials	1,800	2,176	367
Capital expenditures	1,500		
Other expenditures	<u>9,722</u>	<u>8,313</u>	<u>14,156</u>
Total district and school administration	<u>475,499</u>	<u>479,141</u>	<u>538,470</u>
DISTRICT SUPPORT SERVICES			
Salaries	204,511	166,789	166,645
Employee benefits	94,643	94,032	86,710
Purchased services	30,800	46,460	45,251
Supplies/materials	19,545	23,895	20,786
Capital expenditures	38,011	15,153	15,808
Other expenditures	<u>4,200</u>	<u>3,617</u>	<u>2,217</u>
Total district support services	<u>391,710</u>	<u>349,946</u>	<u>337,417</u>

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	<u>2023</u>		<u>2022</u>
	Final Budget	Actual	Actual
EXPENDITURES (CONTINUED)			
REGULAR INSTRUCTION			
Salaries	2,248,736	2,330,629	2,159,546
Employee benefits	713,144	701,863	638,919
Purchased services	222,219	242,950	161,907
Supplies/materials	121,014	252,309	175,719
Capital expenditures	57,350	252,690	272,743
Other expenditures	7,000	9,318	8,776
	<u>3,369,463</u>	<u>3,789,759</u>	<u>3,417,610</u>
TOTAL regular instruction			
VOCATIONAL INSTRUCTION			
Salaries	152,723	154,633	149,150
Employee benefits	55,750	45,020	43,943
Purchased services		2,434	811
Supplies/materials	17,548	19,812	23,837
	<u>226,021</u>	<u>221,899</u>	<u>217,741</u>
TOTAL vocational instruction			
SPECIAL EDUCATION INSTRUCTION			
Salaries	1,169,212	1,051,798	1,100,647
Employee benefits	338,881	309,323	312,562
Purchased services	141,745	146,749	152,897
Supplies/materials	5,500	5,992	9,177
Capital expenditures	900		
	<u>1,656,238</u>	<u>1,513,862</u>	<u>1,575,283</u>
TOTAL special education instruction			

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	<u>2023</u>		<u>2022</u>
	Final Budget	Actual	Actual
EXPENDITURES (CONTINUED)			
INSTRUCTIONAL SUPPORT SERVICES			
Salaries	35,627	161,673	204,666
Employee benefits	15,191	46,764	45,156
Purchased services	20,500	40,900	23,459
Supplies/materials	3,950	5,368	6,758
	<u>75,268</u>	<u>254,705</u>	<u>280,039</u>
Total instructional support services			
PUPIL SUPPORT SERVICES			
Salaries	367,365	443,584	452,356
Employee benefits	58,380	77,002	80,915
Purchased services	72,918	179,048	118,973
Supplies/materials	131,900	198,788	184,193
Capital expenditures		503,594	113,356
Other expenditures			150
	<u>630,563</u>	<u>1,402,016</u>	<u>949,943</u>
Total pupil support services			
SITE, BUILDINGS AND EQUIPMENT			
Salaries	244,024	262,312	225,568
Employee benefits	66,970	90,555	82,310
Purchased services	257,699	489,761	292,949
Supplies/materials	32,000	159,430	32,104
Capital expenditures	178,700	239,565	137,002
	<u>779,393</u>	<u>1,241,623</u>	<u>769,933</u>
Total site, buildings and equipment			

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	<u>2023</u>		<u>2022</u>
	Final Budget	Actual	Actual
EXPENDITURES (CONTINUED)			
FISCAL AND OTHER FIXED COST PROGRAMS			
Employee benefits	50,954		
Purchased services	46,236	59,835	34,798
Lease principal	62,767	104,485	43,968
Interest expense	3,538	8,712	7,107
Other expenditures			250
	<u>163,495</u>	<u>173,032</u>	<u>86,123</u>
Total fiscal and other fixed cost programs			
	<u>7,767,650</u>	<u>9,425,983</u>	<u>8,172,559</u>
REVENUES UNDER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(202,645)	(776,353)	(418,542)
OTHER FINANCING SOURCES (USES)			
Proceeds from equipment loan/lease		298,885	70,040
Insurance recoveries		8,887	21,035
Transfers to other funds	(15,500)	(36,286)	(31,609)
	<u>(15,500)</u>	<u>271,486</u>	<u>59,466</u>
Total other financing sources (uses)			
REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES AND OTHER FINANCING USES	(218,145)	(504,867)	(359,076)
FUND BALANCE, beginning of year	<u>1,535,414</u>	<u>1,535,414</u>	<u>1,894,490</u>
FUND BALANCE, end of year	<u>1,317,269</u>	<u>1,030,547</u>	<u>1,535,414</u>

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
GENERAL FUND
SCHEDULE OF CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2023

	Fund Balance July 1	Add: Revenues	Deduct: Expenditures	Fund Balance June 30
Restricted for operating capital	250,674	215,786	219,954	246,506
Restricted for safe schools	82,125	23,811	101,061	4,875
Restricted for long-term facilities maintenance	159,026	122,059	168,207	112,878
Restricted for student activities	66,603	53,363	52,099	67,867
Restricted for scholarships	4,286	57		4,343
Restricted for operetta's	1,444	16,889	10,950	7,383
Restricted for backpacks for jacks		12,281	4,514	7,767
Restricted for Athletic Department	10,599			10,599
Restricted for special ed room	5,000		5,000	
Total restricted	579,757	444,246	561,785	462,218
Unassigned	955,657	8,513,156	8,900,484	568,329
Total unassigned	955,657	8,513,156	8,900,484	568,329
Total	1,535,414	8,957,402	9,462,269	1,030,547

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	<u>2023</u>		<u>2022</u>
	Final Budget	Actual	Actual
REVENUES			
LOCAL REVENUES			
Interest		3,648	344
Total local revenues		<u>3,648</u>	<u>344</u>
STATE REVENUES			
School lunch aid	21,863	11,788	9,253
Breakfast program	22,284	16,587	
Summer food service program			6,697
Other aids and grants	670	778	767
Total state revenues	<u>44,817</u>	<u>29,153</u>	<u>16,717</u>
FEDERAL REVENUES			
Lunch program aid		52,301	
Free and reduced lunch program	104,567	99,755	330,338
Breakfast program	55,873	60,528	153,947
Summer food service program		59,789	53,429
Supply chain assistance		24,656	14,296
Commodity distribution	22,468	27,874	26,755
Other aids and grants		628	
Total federal revenues	<u>182,908</u>	<u>325,531</u>	<u>578,765</u>
SALES AND OTHER REVENUES			
Sales to pupils	168,874	95,895	9,405
Sales to adults	13,000	9,576	
Other food sales	15,141	26,899	4,860
Total sales and other revenues	<u>197,015</u>	<u>132,370</u>	<u>14,265</u>
Total revenues	<u>424,740</u>	<u>490,702</u>	<u>610,091</u>

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	<u>2023</u>		<u>2022</u>
	Final Budget	Actual	Actual
EXPENDITURES			
PUPIL SUPPORT SERVICES			
Salaries	134,329	106,361	145,746
Employee benefits	27,873	23,797	29,876
Purchased services	15,240	14,197	18,588
Supplies/materials	246,848	283,617	253,511
Capital expenditures		2,503	324,438
Other expenditures	450		
	<u>424,740</u>	<u>430,475</u>	<u>772,159</u>
Total pupil support services	<u>424,740</u>	<u>430,475</u>	<u>772,159</u>
Total expenditures	<u>424,740</u>	<u>430,475</u>	<u>772,159</u>
REVENUES OVER (UNDER) EXPENDITURES		60,227	(162,068)
FUND BALANCE, beginning of year	<u>89,642</u>	<u>89,642</u>	<u>251,710</u>
FUND BALANCE, end of year	<u><u>89,642</u></u>	<u><u>149,869</u></u>	<u><u>89,642</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
COMMUNITY SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	<u>2023</u>		<u>2022</u>
	Final Budget	Actual	Actual
REVENUES			
LOCAL AND COUNTY REVENUES			
Local levies	69,756	69,870	76,239
Tuition from patrons	513,949	571,983	436,099
Fees from patrons	19,200	25,656	19,467
Interest	25		
Miscellaneous local revenue	<u>77,250</u>	<u>92,726</u>	<u>72,849</u>
Total local and county revenues	<u>680,180</u>	<u>760,235</u>	<u>604,654</u>
STATE REVENUES			
Disparity reduction aid	15	1,645	1,924
Market value credit		1,054	1,604
Other aids and grants	<u>23,691</u>	<u>42,716</u>	<u>23,705</u>
Total state revenues	<u>23,706</u>	<u>45,415</u>	<u>27,233</u>
Total revenues	<u>703,886</u>	<u>805,650</u>	<u>631,887</u>
EXPENDITURES			
COMMUNITY EDUCATION AND SERVICES			
Salaries	497,707	558,553	447,754
Employee benefits	124,998	117,549	101,049
Purchased services	9,425	19,993	24,455
Supplies/materials	28,500	44,353	25,650
Capital expenditures	6,000	10,065	6,482
Other expenditures	<u>200</u>	<u>164</u>	<u>152</u>
Total community education and services	<u>666,830</u>	<u>750,677</u>	<u>605,542</u>
Total expenditures	<u>666,830</u>	<u>750,677</u>	<u>605,542</u>

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
COMMUNITY SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	<u>2023</u>		<u>2022</u>
	Final Budget	Actual	Actual
REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES	37,056	54,973	26,345
OTHER FINANCING SOURCES			
Transfer from other fund	<u>15,000</u>	<u>36,286</u>	<u>31,609</u>
Total other financing sources	<u>15,000</u>	<u>36,286</u>	<u>31,609</u>
REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	52,056	91,259	57,954
FUND BALANCE (DEFICIT), beginning of year	<u>(142,758)</u>	<u>(142,758)</u>	<u>(200,712)</u>
FUND BALANCE (DEFICIT), end of year	<u><u>(90,702)</u></u>	<u><u>(51,499)</u></u>	<u><u>(142,758)</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
COMMUNITY SERVICE FUND
SCHEDULE OF CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2023

	<u>Restricted for Community Education</u>	<u>Restricted for ECFE</u>	<u>Restricted for School Readiness</u>	<u>Restricted for Community Service</u>	<u>Total</u>
FUND BALANCE (DEFICIT) - JULY 1	(84,524)	101,992	(261,290)	101,064	(142,758)
Add: revenues and other financing sources	668,397	26,516	144,193	2,830	841,936
Deduct: expenditures	<u>506,712</u>	<u>23,076</u>	<u>220,174</u>	<u>715</u>	<u>750,677</u>
FUND BALANCE (DEFICIT) - JUNE 30	<u><u>77,161</u></u>	<u><u>105,432</u></u>	<u><u>(337,271)</u></u>	<u><u>103,179</u></u>	<u><u>(51,499)</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
BUILDING CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	<u>2023</u>		<u>2022</u>
	Final Budget	Actual	Actual
REVENUES			
LOCAL REVENUES			
Interest		26,922	90,428
Miscellaneous local revenue			68,145
Total local revenues		<u>26,922</u>	<u>158,573</u>
Total revenues		<u>26,922</u>	<u>158,573</u>
EXPENDITURES			
SITE, BUILDINGS AND EQUIPMENT			
Capital expenditures		2,269,010	9,998,200
Total expenditures		<u>2,269,010</u>	<u>9,998,200</u>
REVENUES UNDER EXPENDITURES		(2,242,088)	(9,839,627)
FUND BALANCE, beginning of year	<u>2,405,323</u>	<u>2,405,323</u>	<u>12,244,950</u>
FUND BALANCE, end of year	<u><u>2,405,323</u></u>	<u><u>163,235</u></u>	<u><u>2,405,323</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
DEBT REDEMPTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023		2022
	Final Budget	Actual	Actual
REVENUES			
LOCAL REVENUES			
Local property tax levies	1,782,771	844,748	924,136
Donations		47,075	14,940
Interest		21,617	789
Total local revenues	1,782,771	913,440	939,865
STATE REVENUES			
Disparity reduction		41,969	42,025
Market value credit		26,888	36,846
Long term facilities maintenance aid	43,973	46,113	43,900
School building bond ag credit		830,714	780,046
Total state revenues	43,973	945,684	902,817
Total revenues	1,826,744	1,859,124	1,842,682
EXPENDITURES			
DEBT SERVICE			
Principal	937,000	962,890	895,000
Interest and fiscal charges	805,494	814,088	847,471
Total expenditures	1,742,494	1,776,978	1,742,471
REVENUES OVER EXPENDITURES	84,250	82,146	100,211
FUND BALANCE, beginning of year	123,019	123,019	22,808
FUND BALANCE, end of year	207,269	205,165	123,019

SCHEDULES AND STATISTICAL DATA

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA

SCHEDULE 1 - COMBINED SCHEDULE OF INDEBTEDNESS

JUNE 30, 2023

General Obligation Bond	Interest Rate	Authorized	Issued	Retired	Outstanding	Principal Due in Fiscal Year 2023-24	Interest Due in Fiscal Year 2023-24
General Obligation Crossover							
Refunding Bonds, Series 2015A	2.00/2.55%	1,160,000	1,160,000	425,000	735,000	115,000	16,592
General Obligation School							
Building Bonds, Series 2019A	3.00/5.00%	21,675,000	21,675,000	1,885,000	19,790,000	750,000	748,294
Other							
Direct Placement Notes -							
Capital Equipment Note - 2022	4.00%	70,040	70,040	12,933	57,107	13,451	2,284
Capital Equipment Note - 2023	4.00%	70,040	70,040	12,957	57,083	13,476	2,283
2021 Bus Financed Purchase	2.80%	86,437	86,437	29,727	56,710	10,018	1,588
2023 Bus Financed Purchase	5.00%	146,255	146,255		146,255	37,237	6,505
Scoreboard Financed Purchase	4.00%	82,590	82,590	17,943	64,647	15,131	2,852
Compensated Absences					47,363	47,363	
Total		23,290,362	23,290,362	2,383,560	20,954,165	1,001,676	780,398

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
SCHEDULE 2
JUNE 30, 2023

GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2015A

Year	Interest Rate	Bond Principal	Bond Interest	Total Principal and Interest
2023-24	2.00%	115,000	16,592	131,592
2024-25	2.00%	120,000	14,292	134,292
2025-26	2.00%	120,000	11,892	131,892
2026-27	2.00%	125,000	9,252	134,252
2027-28	2.55%	125,000	6,502	131,502
2028-29	2.55%	130,000	3,316	133,316
		735,000	61,846	796,846

GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2019A

Year	Interest Rate	Bond Principal	Bond Interest	Total Principal and Interest
2023-24	5.00%	750,000	748,294	1,498,294
2024-25	3.00%	785,000	710,794	1,495,794
2025-26	5.00%	810,000	687,244	1,497,244
2026-27	5.00%	850,000	646,744	1,496,744
2027-28	5.00%	895,000	604,244	1,499,244
2028-29	4.00%	940,000	559,494	1,499,494
2029-30	4.00%	1,110,000	521,894	1,631,894
2030-31	4.00%	1,155,000	477,494	1,632,494
2031-32	4.00%	1,200,000	431,294	1,631,294
2032-33	4.00%	1,250,000	383,294	1,633,294
2033-34	3.00%	1,300,000	333,294	1,633,294
2034-35	3.00%	1,335,000	294,294	1,629,294
2035-36	4.00%	1,375,000	254,244	1,629,244
2036-37	4.00%	1,430,000	199,244	1,629,244
2037-38	3.00%	1,490,000	142,044	1,632,044
2038-39	3.125%	1,535,000	97,344	1,632,344
2039-40	3.125%	1,580,000	49,371	1,629,371
		19,790,000	7,140,625	26,930,625

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
 SCHEDULE 2
 JUNE 30, 2023

FINANCED PURCHASE AGREEMENT - 2021 SCHOOL BUS

Year	Interest Rate	Principal	Interest	Total Principal and Interest
2023-24	2.80%	10,018	1,588	11,606
2024-25	2.80%	46,692	1,308	48,000
		<u>56,710</u>	<u>2,896</u>	<u>59,606</u>

FINANCED PURCHASE AGREEMENT - 2023 SCHOOL BUSES

Year	Interest Rate	Principal	Interest	Total Principal and Interest
2023-24	5.00%	37,237	6,505	43,742
2024-25	5.00%	34,565	3,760	38,325
2025-26	5.00%	36,310	1,925	38,235
2026-27	5.00%	38,143	-	38,143
		<u>146,255</u>	<u>12,190</u>	<u>158,445</u>

FINANCED PURCHASE AGREEMENT - SCOREBOARD

Year	Interest Rate	Principal	Interest	Total Principal and Interest
2023-24	4.00%	15,131	2,852	17,983
2024-25	4.00%	15,798	2,185	17,983
2025-26	4.00%	16,495	1,488	17,983
2026-27	4.00%	17,223	760	17,983
		<u>64,647</u>	<u>7,285</u>	<u>71,932</u>

CAPITAL EQUIPMENT NOTE - SCOREBOARD

Year	Interest Rate	Principal	Interest	Total Principal and Interest
2023-24	4.00%	13,451	2,284	15,735
2024-25	4.00%	13,989	1,746	15,735
2025-26	4.00%	14,548	1,187	15,735
2026-27	4.00%	15,119	606	15,725
		<u>57,107</u>	<u>5,823</u>	<u>62,930</u>

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
 SCHEDULE 2
 JUNE 30, 2023

CAPITAL EQUIPMENT NOTE - SCOREBOARD

<u>Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
2023-24	4.00%	13,476	2,283	15,759
2024-25	4.00%	14,015	1,744	15,759
2025-26	4.00%	14,575	1,184	15,759
2026-27	4.00%	15,017	601	15,618
		<u>57,083</u>	<u>5,812</u>	<u>62,895</u>

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
SCHEDULE 3 - DUE FROM STATE AND FEDERAL AGENCIES
JUNE 30, 2023

	<u>General</u>	<u>Community Service</u>	<u>Debt Service</u>	<u>Total</u>
DUE FROM DEPT OF EDUCATION				
General education aid	439,209			439,209
Agriculture land market value credit	429	105	2,689	3,223
Disparity reduction aid	670	165	4,197	5,032
Long term facilities maintenance	4,806		4,698	9,504
School building bond ag credit			82,199	82,199
Special education	144,967			144,967
Integration aid	3,682			3,682
Literacy incentive	2,700			2,700
Abatement aid	41	3		44
School readiness		1,724		1,724
Preschool screening		117		117
Home visiting		11		11
ECFE		551		551
Total due from Minnesota Department of Education	<u>596,504</u>	<u>2,676</u>	<u>93,783</u>	<u>692,963</u>
DUE FROM FEDERAL GOVERNMENT				
Federal SPED - 140	2,029			2,029
Federal SPED - 419	92,639			92,639
Federal SPED - 420	3,655			3,655
Federal SPED - 422	2,500			2,500
Title I - 401	56,755			56,755
Title II - Part A - 414	11,515			11,515
Title I - 433	3,220			3,220
ESSER - 161	16,229			16,229
Total due from Federal Government	<u>188,542</u>			<u>188,542</u>

**INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
 SCHEDULE 4 - TAXABLE VALUATIONS, TAX LEVIES AND TAX RATES, TAX CAPACITY
 AND TAX CAPACITY RATES AS APPROPRIATE**

YEAR COLLECTIBLE	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
TOTAL TAXABLE TAX CAPACITY						
Lac Qui Parle County	6,451,995	7,008,105	6,915,090	6,952,836	7,101,501	7,950,970
Yellow Medicine County	<u>577,360</u>	<u>574,549</u>	<u>570,880</u>	<u>571,340</u>	<u>580,889</u>	<u>657,244</u>
	<u><u>7,029,355</u></u>	<u><u>7,582,654</u></u>	<u><u>7,485,970</u></u>	<u><u>7,524,176</u></u>	<u><u>7,682,390</u></u>	<u><u>8,608,214</u></u>
TAX LEVIES						
Levied in Year	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2022</u>
Collected in Year	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2021</u>
Maintenance	685,638	516,687	651,206	601,327	699,071	834,264
Community Service	82,822	88,869	87,586	81,637	69,756	87,103
Debt Redemption	<u>431,964</u>	<u>483,697</u>	<u>1,798,504</u>	<u>1,783,079</u>	<u>1,782,775</u>	<u>1,714,140</u>
Total	<u><u>1,200,424</u></u>	<u><u>1,089,253</u></u>	<u><u>2,537,296</u></u>	<u><u>2,466,043</u></u>	<u><u>2,551,602</u></u>	<u><u>2,635,507</u></u>
TAX CAPACITY RATE						
Maintenance	9.754	6.814	8.699	7.992	9.100	9.691
Community Service	1.178	1.172	1.170	1.085	0.908	1.012
Debt Redemption	<u>6.145</u>	<u>6.379</u>	<u>24.025</u>	<u>23.698</u>	<u>23.206</u>	<u>19.913</u>
Total	<u><u>17.077</u></u>	<u><u>14.365</u></u>	<u><u>33.894</u></u>	<u><u>32.775</u></u>	<u><u>33.214</u></u>	<u><u>30.616</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Federal Expenditures
U.S. Department of Agriculture		
Nutrition Cluster		
Pass-through programs from MN Department of Education:		
Commodities	10.555	52,530
Summer Food Service Program - COVID-19	10.559	59,789
National School Lunch Program	10.553 / 10.555	152,056
National School Breakfast Program	10.553 / 10.555	60,528
Total Nutrition Cluster		<u>324,903</u>
U.S. Department of Education		
Special Education Cluster		
Pass-through programs from SW/WC ECSU:		
Special Ed General	84.027	92,639
Early Childhood Special Ed	84.173	3,655
Individuals with Disabilities Education Act	84.181	2,500
Total Special Education Cluster		<u>98,794</u>
Non-Clustered Programs		
Title V Part A - Small, Rural Education Achievement Program	84.358	46,522
Pass-through programs from MN Department of Education:		
Chapter I	84.010	71,918
American Rescue Plan Individuals w/ Disabilities Ed. Act. Part B	84.027	2,029
Title IV Part A - Student Support and Academic Enrichment	84.287	20,450
Teacher and Principal Training	84.367	11,515
Summer School Age Care	84.425C	16,650
Elementary and Secondary School Education Relief - COVID-19	84.425D	303,001
Learning Recovery-Lost Instructional Time	84.425U	52,025
Total Non-Clustered Programs		<u>524,110</u>
U.S. Department of Health and Human Services		
Pass-through programs from MN Department of Education:		
MN COVID-19 Testing Program - COVID 19	93.323	20,000
Total Non-Clustered Programs		<u>20,000</u>
Total Expenditures of Federal Awards		<u><u>967,807</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Independent School District #378, Dawson, Minnesota under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Independent School District #378, Dawson, Minnesota, it is not intended to and does not present the financial position, changes in net position, or cash flows of Independent School District #378, Dawson, Minnesota.

NOTE B: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C: Indirect Cost Rate

Independent School District #378, Dawson, Minnesota has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE D: Donated Commodities

Nonmonetary assistance of \$27,874 related to commodities, is reported in the schedule at the fair market value of the commodities received.

**ADDITIONAL REPORTS REQUIRED BY GENERALLY
ACCEPTED GOVERNMENT
AUDITING STANDARDS AND UNIFORM GUIDANCE**



**DANA F. COLE
& COMPANY LLP**
CERTIFIED PUBLIC ACCOUNTANTS

**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**

To the Board of Education
Independent School District No. 378
Dawson, 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. 378, Dawson, Minnesota, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Independent School District No. 378, Dawson, Minnesota's basic financial statements and have issued our report thereon dated December 19, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Independent School District No. 378, Dawson, Minnesota'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 Independent School District No. 378, Dawson, Minnesota's internal control. Accordingly, we do not express an opinion on the effectiveness of Independent School District No. 378, Dawson, Minnesota'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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as 2023-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Independent School District No. 378, Dawson, Minnesota'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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 2023-002.

Independent School District No. 378, Dawson, Minnesota's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Independent School District No. 378, Dawson, Minnesota's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Independent School District No. 378, Dawson, Minnesota's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Montevideo, Minnesota
December 19, 2023

Dana F. Cook - Company, LLP



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education
Independent School District No. 378
Dawson, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Independent School District No. 378, Dawson, Minnesota's compliance with the types of compliance requirements as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Independent School District No. 378, Dawson, Minnesota's major federal program for the year ended June 30, 2023. Independent School District No. 378, Dawson, Minnesota's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Independent School District No. 378, Dawson, Minnesota, 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance sections of our report.

We are required to be independent of Independent School District No. 378, Dawson, Minnesota, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Independent School District No. 378, Dawson, Minnesota's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Independent School District No. 378, Dawson, Minnesota's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Independent School District No. 378, Dawson, Minnesota's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Independent School District No. 378, Dawson, Minnesota's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Independent School District No. 378, Dawson, Minnesota's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Independent School District No. 378, Dawson, Minnesota's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Independent School District No. 378, Dawson, Minnesota's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Montevideo, Minnesota
December 19, 2023

Dana F. Cole & Company, CP

**OTHER REQUIRED REPORT
AND SCHEDULES**

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2023

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness identified: Yes No

Significant deficiencies identified that are not considered to be material weaknesses: Yes No

Noncompliance matter to the financial statements disclosed: Yes No

Federal Awards

Internal control over major programs:

Material weakness identified: Yes No

Significant deficiencies identified that are not considered to be material weaknesses: Yes No

Type of auditors' report issued on Compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) Yes No

Identification of major programs:
 Education Stabilization Funds 84.425C/84.425D/84.425U

Dollar threshold used to distinguish Between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee: Yes No

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2023-001: Significant Deficiency in Financial Reporting Process

Criteria: District management should possess the ability to prepare financial statements prepared in accordance with generally accepted accounting principles. This would include the ability to properly record and classify transactions in the general ledger, measure and record accrual basis adjustments to the accounts, and prepare the financial statements and related disclosures without the assistance from the auditors.

Condition: District management relies on audit staff to prepare financial statements and disclosures required by generally accepted accounting principles. In addition, the auditors proposed adjustments that result in significant changes to the District's financial statements.

Cause: District management reviews all financial statements to ensure that they are appropriately stated but do not have a background in financial reporting to ensure that all relevant disclosures are made.

Effect: The design of the controls over financial reporting process would affect the ability of the District to report their financial data consistently with the assertions of management in the financial statements.

Recommendation: We recommend that District management be aware of the responsibilities regarding financial reporting. If management chooses to undertake these financial reporting responsibilities, a number of policies, procedures, and reviews will need to be developed and implemented.

2023-002: Noncompliance – Collateral of Public Funds

Criteria: Minnesota Statutes require District's to obtain adequate collateral to cover excess District funds.

Conditions: The District's funds in one financial institution was not adequately collateralized at year end, due to the financial institution not obtaining additional collateral.

Cause: The District financial institution does not have a policy of obtaining additional collateral for funds in excess of FDIC insurance.

Effect: Because the District did not have adequate collateral, there is a risk that they could incur a loss of funds if the financial institution were to close.

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

2023-002: Noncompliance – Collateral of Public Funds – (Continued)

Recommendation: We recommend in the future the District use a financial institution that will obtain additional collateral, or monitor the District's funds to keep them under the FDIC limits.

Response: The District will monitor the District's balances and keep them under the limits, which may require moving money to investments more often.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM CLUSTER AUDIT

None

INDEPENDENT SCHOOL DISTRICT NO. 378 - DAWSON, MINNESOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023

2022-001: Significant deficiency in Financial Statements Reporting

Condition: The District relied on audit staff to prepare financial statements and disclosures required by general accepted accounting principles. In addition, the auditors proposed adjustments that resulted in significant changes to the District's financial statements.

Recommendation: The auditors recommended that the District's management be aware of the responsibilities regarding financial reporting. Management has decided not to undertake the financial reporting responsibilities, related to financial statement preparation.

Current Status: This is a significant deficiency finding in the fiscal year 2023 audit.

2022-002: Noncompliance – Equipment purchased without obtaining sealed bids

Condition: The District did not obtain sealed bids for the purchase of scoreboards for the gym and football stadium.

Recommendation: The auditors recommended that the District use of the sealed bids process in the future on any contracts over \$175,000.

Current Status: This is not a noncompliance in the fiscal year 2023 audit.



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

To the Board of Education
Independent School District No. 378
Dawson, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 378, Dawson, Minnesota as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 19, 2023.

In connection with our audit, we noted that Independent School District No. 378, Dawson, Minnesota failed to comply with the provisions of the depositories of public funds and public investments section of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters as described in the Schedule of Findings and Questioned Costs as item 2023-002. Also in connection with our audit, nothing came to our attention that caused us to believe that Independent School District No. 378, Dawson, Minnesota failed to comply with the provisions of the contracting and bidding, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards (UFARS) sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

Government Auditing Standards requires the auditor to perform limited procedures on Independent School District No. 378, Dawson, Minnesota's response to the legal compliance finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

Montevideo, Minnesota
December 19, 2023

Fiscal Compliance Report - 6/30/2023

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District: DAWSON (378-1) Back [Print](#)

	Audit	UFARS	Audit - UFARS		Audit	UFARS	Audit - UFARS
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenue	\$8,649,628	<u>\$8,649,628</u>	<u>\$0</u>	Total Revenue	\$26,923	<u>\$26,922</u>	<u>\$1</u>
Total Expenditures	\$9,425,982	<u>\$9,425,982</u>	<u>\$0</u>	Total Expenditures	\$2,269,010	<u>\$2,269,010</u>	<u>\$0</u>
<i>Non Spendable:</i>				<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	4.60 Non Spendable Fund Balance	\$152,315	<u>\$152,315</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>				<i>Restricted / Reserved:</i>			
4.01 Student Activities	\$67,866	<u>\$67,866</u>	<u>\$0</u>	4.07 Capital Projects Levy	\$0	<u>\$0</u>	<u>\$0</u>
4.02 Scholarships	\$4,343	<u>\$4,343</u>	<u>\$0</u>	4.13 Funded by COP/FP	\$0	<u>\$0</u>	<u>\$0</u>
4.03 Staff Development	\$0	<u>\$0</u>	<u>\$0</u>	4.67 LTFM	\$0	<u>\$0</u>	<u>\$0</u>
4.07 Capital Projects Levy	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted:</i>			
4.08 Cooperative Revenue	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$10,921	<u>\$10,921</u>	<u>\$0</u>
4.13 Funded by COP/FP	\$0	<u>\$0</u>	<u>\$0</u>	<i>Unassigned:</i>			
4.14 Operating Debt	\$0	<u>\$0</u>	<u>\$0</u>	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.16 Levy Reduction	\$0	<u>\$0</u>	<u>\$0</u>	07 DEBT SERVICE			
4.17 Taconite Building Maint	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$1,859,125	<u>\$1,859,125</u>	<u>\$0</u>
4.24 Operating Capital	\$246,506	<u>\$246,506</u>	<u>\$0</u>	Total Expenditures	\$1,776,978	<u>\$1,776,978</u>	<u>\$0</u>
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>	<i>Non Spendable:</i>			
4.27 Disabled Accessibility	\$0	<u>\$0</u>	<u>\$0</u>	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.28 Learning & Development	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted / Reserved:</i>			
4.34 Area Learning Center	\$0	<u>\$0</u>	<u>\$0</u>	4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
4.35 Contracted Alt. Programs	\$0	<u>\$0</u>	<u>\$0</u>	4.33 Maximum Effort Loan Aid	\$0	<u>\$0</u>	<u>\$0</u>
4.36 State Approved Alt. Program	\$0	<u>\$0</u>	<u>\$0</u>	4.51 QZAB Payments	\$0	<u>\$0</u>	<u>\$0</u>
4.38 Gifted & Talented	\$0	<u>\$0</u>	<u>\$0</u>	4.67 LTFM	\$0	<u>\$0</u>	<u>\$0</u>
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted:</i>			
4.41 Basic Skills Programs	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$205,166	<u>\$205,166</u>	<u>\$0</u>
4.48 Achievement and Integration	\$0	<u>\$0</u>	<u>\$0</u>	<i>Unassigned:</i>			
4.49 Safe Schools Levy	\$4,875	<u>\$4,875</u>	<u>\$0</u>	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.51 QZAB Payments	\$0	<u>\$0</u>	<u>\$0</u>	08 TRUST			
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.53 Unfunded Sev & Retirement Levy	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.59 Basic Skills Extended Time	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted / Reserved:</i>			
4.67 LTFM	\$112,878	<u>\$112,878</u>	<u>\$0</u>	4.01 Student Activities	\$0	<u>\$0</u>	<u>\$0</u>
4.72 Medical Assistance	\$0	<u>\$0</u>	<u>\$0</u>	4.02 Scholarships	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted:</i>				4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance	\$25,749	<u>\$25,749</u>	<u>\$0</u>	18 CUSTODIAL			
4.75 Title VII Impact Aid	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$500	<u>\$500</u>	<u>\$0</u>
4.76 Payments in Lieu of Taxes	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$1,000	<u>\$1,000</u>	<u>\$0</u>
<i>Committed:</i>				<i>Restricted / Reserved:</i>			
4.18 Committed for Separation	\$0	<u>\$0</u>	<u>\$0</u>	4.01 Student Activities	\$0	<u>\$0</u>	<u>\$0</u>
4.61 Committed Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	4.02 Scholarships	\$24,818	<u>\$24,818</u>	<u>\$0</u>
<i>Assigned:</i>				4.48 Achievement and Integration	\$0	<u>\$0</u>	<u>\$0</u>
4.62 Assigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Unassigned:</i>				20 INTERNAL SERVICE			
4.22 Unassigned Fund Balance	\$568,329	<u>\$568,329</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
02 FOOD SERVICES				Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
Total Revenue	\$490,704	<u>\$490,704</u>	<u>\$0</u>	4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$430,475	<u>\$430,475</u>	<u>\$0</u>	25 OPEB REVOCABLE TRUST			
<i>Non Spendable:</i>				Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.60 Non Spendable Fund Balance	\$18,784	<u>\$18,784</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>							
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>				
<i>Restricted:</i>							
4.64 Restricted Fund Balance	\$131,086	<u>\$131,086</u>	<u>\$0</u>				

Unassigned:

4.63 Unassigned Fund Balance \$0 \$0 \$0

04 COMMUNITY SERVICE

Total Revenue \$805,650 \$805,650 \$0

Total Expenditures \$750,677 \$750,677 \$0

Non Spendable:

4.60 Non Spendable Fund Balance \$0 \$0 \$0

Restricted / Reserved:

4.26 \$25 Taconite \$0 \$0 \$0

4.31 Community Education \$77,161 \$77,161 \$0

4.32 E.C.F.E \$105,432 \$105,432 \$0

4.40 Teacher Development and Evaluation \$0 \$0 \$0

4.44 School Readiness (\$337,271) (\$337,271) \$0

4.47 Adult Basic Education \$0 \$0 \$0

4.52 OPEB Liab Not In Trust \$0 \$0 \$0

Restricted:

4.64 Restricted Fund Balance \$103,178 \$103,178 \$0

Unassigned:

4.63 Unassigned Fund Balance \$0 \$0 \$0

4.22 Unassigned Fund Balance (Net Assets) \$0 \$0 \$0

45 OPEB IRREVOCABLE TRUST

Total Revenue \$0 \$0 \$0

Total Expenditures \$0 \$0 \$0

4.22 Unassigned Fund Balance (Net Assets) \$0 \$0 \$0

47 OPEB DEBT SERVICE

Total Revenue \$0 \$0 \$0

Total Expenditures \$0 \$0 \$0

Non Spendable:

4.60 Non Spendable Fund Balance \$0 \$0 \$0

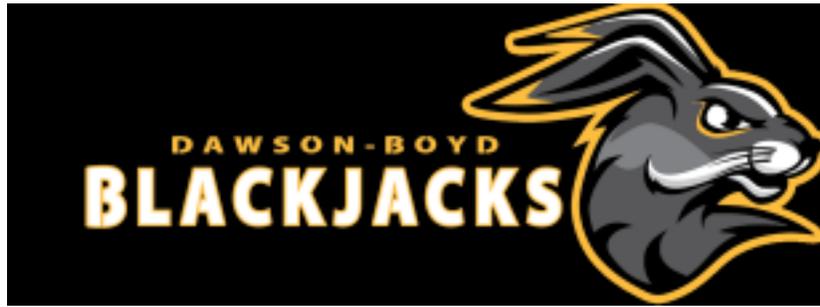
Restricted:

4.25 Bond Refundings \$0 \$0 \$0

4.64 Restricted Fund Balance \$0 \$0 \$0

Unassigned:

4.63 Unassigned Fund Balance \$0 \$0 \$0



Amy Hiedeman - Elementary Principal

Notes for January 2024 Board Meeting - 1.8.2024

- Congratulations to our Spelling Bee Finalists for 2024 - Finals tomorrow @ 10 am in Memorial Auditorium - open to the public
 - 5th Grade –
Sammantha Liebl
 - 6th Grade –
Gabriel Anderson
Alayna Ehrenberg
Macy Kleven
Alka Marlette
Noah Yang
 - 7th Grade –
Aleah Bayless
Max Frandsen
Gavin Moseng
 - 8th Grade –
Ava Bothun
Camryn Olesen
Stella Roth
Larain Steinke
- Thank you to our Music Department and all staff that helped prepare for our Winter Holiday Music Program! What a great evening and opportunity for our students! There were many compliments from families and community members.
- Our 4th-6th graders had a great opportunity to attend Peter Pan at the Ordway! Thank you to our staff that made this such a positive experience for our students! ● Continuing to work on READ ACT implementation - assessments, planning for training, and, hopefully soon, resources. Lots of decisions to be made and we will continue to update you in the coming months - as some things will be reflected in our budgeting.

What we're looking forward to:

- ★ January 9th - Afternoon visit from Rep Swedzinski who is participating in "principal for a day"
- ★ January 15th - No School - MRVED MELT Professional Day
- ★ January 18th - Last day of 2nd Quarter

★ January 19th - Inservice/Work Day

★ January 26th - Brass Quintet Performances - coordinated with DBAA

12/1/2023	DB Music Department	In Memory of Mitch Tv	\$350.00
12/1/2023	DB Musical	In Memory of Mitch Tv	\$350.00
12/10/2023	DB Music Department	Barbara Torstenson	\$1,000.00
12/21/2023	Theresa Vogel-Elem Library	Dawson Fire Departme	\$300.00
12/21/2023	Sadie Solem-11/12 English	Dawson Fire Departme	\$250.00
12/21/2023	Steph Kelly-Preschool	Dawson Fire Departme	\$250.00
12/21/2023	Ronda Krosch-Sped	Dawson Fire Departme	\$250.00
12/21/2023	Kallie Blascyk-Sped	Dawson Fire Departme	\$250.00
12/21/2023	Chris Lehne-Band	Dawson Fire Departme	\$500.00
12/21/2023	Amber Anderson-Preschool	Dawson Fire Departme	\$400.00
12/21/2023	Kelly Tufto-7/8 English	Dawson Fire Departme	\$250.00
12/21/2023	Alyssa Croatt-Sped	Dawson Fire Departme	\$250.00
12/21/2023	Karen Anderson-Finance class	Dawson Fire Departme	\$400.00
12/21/2023	Chelsea Ludvigson-Prairie Winds trip	Dawson Fire Departme	\$400.00
12/21/2023	Karen Anderson-Child Development	Dawson Fire Departme	\$400.00
12/21/2023	Amy Hiedeman-AR Program	Dawson Fire Departme	\$400.00
12/21/2023	Darla Swedzinski-Project Respect	Dawson Fire Departme	\$400.00
12/21/2023	Jennifer Mork-Kindergarten curriculum	Dawson Fire Departme	\$161.50
12/21/2023	C Wolner-Kindergarten curriculum	Dawson Fire Departme	\$161.50
12/21/2023	Kevin Norman-Student projects	Dawson Fire Departme	\$500.00
12/21/2023	Carrie Kleven-Jr Jks-rocker/cabinets	Dawson Fire Departme	\$400.00
12/21/2023	Carrie Kleven-storage bins/cabinets	Dawson Fire Departme	\$400.00
12/21/2023	Nichole Andrews-Sped	Dawson Fire Departme	\$250.00
12/21/2023	Nichole Swenson-Sped	Dawson Fire Departme	\$250.00
12/21/2023	Kassi Albertson-Preschool-materials	Dawson Fire Departme	\$200.00
12/21/2023	Kassi Albertson-Preschool furniture	Dawson Fire Departme	\$200.00

Approved @ the 1/8/24 mtg.

Independent School District No. 378
Dawson-Boyd Public Schools

FUNDRAISER APPLICATION

Today's Date: 12/18/23

Person Completing Form: Jessie Martenson

Organization Represented: Shadows

Describe Fundraiser Activity: [i.e. varsity hockey team selling candy door-to-door]

Chicken Sandwich Meal

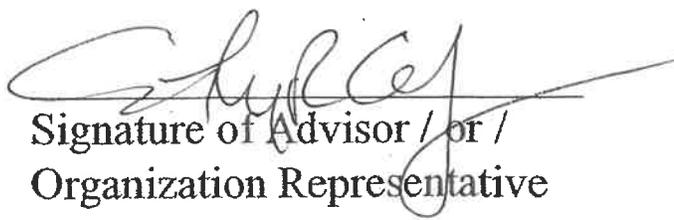
Start Date & End Date: 12/19/23

Estimated Revenue From Activity: \$500.00

Who Will Collect/Receipt Revenue: Shadows

How Will Revenue Be Used: Uniforms

Who Makes Decisions On How Revenue Will Be Disbursed: Booster Club


Signature of Advisor / or /
Organization Representative

► For Office Use Only ◀
► Fundraiser ◀
► JA Authorized ◀
_____ Not Authorized

Independent School District No. 378
Dawson-Boyd Public Schools

FUNDRAISER APPLICATION

Today's Date: 11-30-23

Person Completing Form: Hank Ireland

Organization Represented: wrestling

Describe Fundraiser Activity: [i.e. varsity hockey team selling candy door-to-door]

Selling Softener Salt

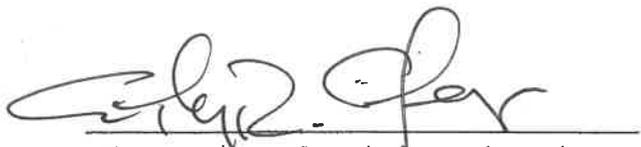
Start Date & End Date: Dec. 10 - Dec. 21

Estimated Revenue From Activity: \$1500.00

Who Will Collect/Receipt Revenue: Hank Ireland

How Will Revenue Be Used: Purchasing Equipment, Travel costs, Summer Camp Clinics

Who Makes Decisions On How Revenue Will Be Disbursed: Mgt Club


Signature of Advisor / or /
Organization Representative

- ▶ For Office Use Only ◀
- ▶ Fundraiser ◀
- ▶ _____ Authorized ◀
- ▶ _____ Not Authorized ◀

Independent School District No. 378
Dawson-Boyd Public Schools

FUNDRAISER APPLICATION

Today's Date: 12/19/23

Person Completing Form: Cory Larson

Organization Represented: DB Football

Describe Fundraiser Activity: [i.e. varsity hockey team selling candy door-to-door]
Discount Cards

Start Date & End Date: 8/15 - 9/15/2024

Estimated Revenue From Activity: \$ - 10,000

Who Will Collect/Receipt Revenue: Cory Larson / Kurt Schoephorst

How Will Revenue Be Used: Misc item for FB

Who Makes Decisions On How Revenue Will Be Disbursed: QB Club

Cory Larson
Signature of Advisor / or /
Organization Representative

► For Office Use Only ◀
► Fundraiser ◀
► _____ Authorized ◀
_____ Not Authorized

Independent School District No. 378
Dawson-Boyd Public Schools

FUNDRAISER APPLICATION

Today's Date: 1-4-24

Person Completing Form: John Shork

Organization Represented: PFA

Describe Fundraiser Activity: [i.e. varsity hockey team selling candy door-to-door]

half time sheet for Dawson Food Shelf

Start Date & End Date: ^{① 12-18-23} ② 12-21-23 ^④ 2-13-24

Estimated Revenue From Activity: ^{③ 1-2-24} \$100

Who Will Collect/Receipt Revenue: Officers / Shork

How Will Revenue Be Used: Dawson Food Shelf

Who Makes Decisions On How Revenue Will Be Disbursed: Food Shelf

John Shork
Signature of Advisor / or /
Organization Representative

► For Office Use Only ◀
► Fundraiser ◀
► _____ Authorized ◀
► _____ Not Authorized ◀

Independent School District No. 378
Dawson-Boyd Public Schools

FUNDRAISER APPLICATION

Today's Date: 2/3/24

Person Completing Form: P. Anderson

Organization Represented: FCCLA

Describe Fundraiser Activity: [i.e. varsity hockey team selling candy door-to-door]

crush pop, treat bags + carnations

Start Date & End Date: End of January - February 14

Estimated Revenue From Activity: \$100

Who Will Collect/Receipt Revenue: Members / Advisor

How Will Revenue Be Used: Fund FCCLA Activities

Who Makes Decisions On How Revenue Will Be Disbursed: Officers / Members

P. Anderson
Signature of Advisor / or /
Organization Representative

▶ For Office Use Only ◀
▶ Fundraiser ◀
▶ _____ Authorized ◀
▶ _____ Not Authorized ◀

Independent School District No. 378
Dawson-Boyd Public Schools

FUNDRAISER APPLICATION

Today's Date: December 18, 2023

Person Completing Form: Nichole Andrews

Organization Represented: Afterglow

Describe Fundraiser Activity: [i.e. varsity hockey team selling candy door-to-door]
Sandwich meal

Start Date & End Date: February 3, 2024

Estimated Revenue From Activity: \$2,000

Who Will Collect/Receipt Revenue: Sarah Johnson

How Will Revenue Be Used: Prizes & Food at Afterglow (post prom)
Schedule Updates for Dalton

Who Makes Decisions On How Revenue Will Be Disbursed: Afterglow Committee
Schedule Updates for Dalton

Sch. Nichole Andrews
Dalt
Signature of Advisor / or /
Organization Representative

► For Office Use Only ◀
► Fundraiser ◀
► _____ Authorized ◀
► _____ Not Authorized ◀

**INDEPENDENT SCHOOL DISTRICT NO. 378
HARASSMENT AND VIOLENCE REPORT FORM**

General Statement of Policy Prohibiting Harassment and Violence

Independent School District No. ____ maintains a firm policy prohibiting all forms of discrimination. This policy strictly prohibits 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, or disability (Protected Class). All persons are to be treated with respect and dignity. Harassment or violence on the basis of Protected Class by any pupil, teacher, administrator, or other school personnel, that create an intimidating, hostile, or offensive environment will not be tolerated under any circumstances.

Complainant _____

Home Address _____

Work Address _____

Home/Cell 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 \ 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 who 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

Adopted: _____

MSBA/MASA Model Policy 413

Orig. 1995

Revised: _____

Rev. 2023

413 HARASSMENT AND VIOLENCE

I. PURPOSE

The purpose of this policy is to maintain a learning and working environment 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, or disability (Protected Class).

II. GENERAL STATEMENT OF POLICY

- A. The policy of the school district is to maintain a learning and working environment free from harassment and violence on the basis of Protected Class. The school district prohibits any form of harassment or violence on the basis of Protected Class.
- 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 Class, 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 Class.
- 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 Class, and to discipline or take appropriate action against any student, teacher, administrator, or other school district personnel 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 who
 - a. a physical sensory or mental impairment that 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 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 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 to whom someone is, or is perceived of as being, emotionally, physically, or sexually attracted to based on sex or gender identity. A person may be attracted to men, women, both, neither, or to people who are genderqueer, androgynous, or have other gender identities.
 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 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 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 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
 - 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 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 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 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.

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

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.

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 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 (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)
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)
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)

Adopted: _____

MSBA/MASA Model Policy 507

Orig. 1995

Revised: _____

Rev. Oct. 2023

507 CORPORAL PUNISHMENT AND PRONE RESTRAINT

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

I. PURPOSE

The purpose of this policy is to describe limitations on the use of corporal punishment and prone restraint upon a student.

II. GENERAL STATEMENT OF POLICY

No employee or agent of the school district shall inflict corporal punishment or use prone restraint upon a student except as provided below.

III. DEFINITIONS

1. "Corporal punishment" means conduct involving:
 - a. hitting or spanking a person with or without an object; or
 - b. unreasonable physical force that causes bodily harm or substantial emotional harm.
2. "Prone restraint" means placing a child in a face-down position.

IV. PROHIBITIONS

1. An employee or agent of a district shall not inflict corporal punishment or cause corporal punishment to be inflicted upon a pupil to reform unacceptable conduct or as a penalty for unacceptable conduct.
2. An employee or agent of a district, including a school resource officer, security personnel, or police officer contracted with a district, shall not use prone or compressive restraint except that the restrictions on prone and compressive restraints do not apply under the circumstances enumerated in Minnesota Statutes, section 609.06, subdivision 1(1). All peace officers, including those who are school resource officers or otherwise agents of a school district, may use force as reasonably necessary to carry out official duties, including, but not limited to, making arrests and enforcing orders of the court.
3. An employee or agent of a district, including a school resource officer, security personnel, or police officer contracted with a district, shall not inflict any form of physical holding that restricts or impairs a pupil's ability to breathe; restricts or impairs a pupil's ability to communicate distress; places pressure or weight on a pupil's head, throat, neck, chest, lungs, sternum, diaphragm, back, or abdomen; or results in straddling a pupil's torso.
4. Conduct that violates this Article is not a crime under Minnesota Statutes, section 645.241, but may be a crime under Minnesota Statutes, chapter 609 if the conduct violates a provision of Minnesota Statutes, chapter 609. Conduct that violates IV.1 above is not per se corporal punishment under the statute. Nothing in this Minnesota Statutes, section 121A.58 or 125A.0941 precludes the use of reasonable force under Minnesota Statutes, section 121A.582.

V. EXCEPTIONS

A teacher, school principal, and other school staff may use reasonable force under the conditions set forth in Policy 506 (Student Discipline).

VI. VIOLATION

Employees who violate the provisions of this policy shall be subject to disciplinary action as appropriate. Any such disciplinary action shall be made pursuant to and in accordance with applicable statutory authority, collective bargaining agreements, and school district policies. Violation of this policy may also result in civil or criminal liability for the employee.

Legal References: Minn. Stat. § 121A.58 (Corporal Punishment)
Minn. Stat. § 121A.582 (Student Discipline; Reasonable Force)
Minn. Stat. § 123B.25 (Legal Actions Against Districts and Teachers)
Minn. Stat. § 609.06 Subd. 1 (6)(7) (Authorized Use of Force)
Op. Atty. Gen. 169f (August 22, 2023) (School Pupils: Discipline)
Op. Atty. Gen. 169f Supp. (September 20, 2023) (School Pupils: Discipline)

Cross References: MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)
MSBA/MASA Model Policy 414 (Mandated Reporting of Child Neglect or Physical or Sexual Abuse)
MSBA/MASA Model Policy 415 (Mandated Reporting of Maltreatment of Vulnerable Adults)
MSBA/MASA Model Policy 506 (Student Discipline)

Adopted: _____

MSBA/MASA Model Policy 516

Orig. 1995

Revised: _____

Rev. 2022

516 STUDENT MEDICATION

[Note: The necessary provisions for complying with Minnesota Statutes sections 121A.22, Administration of Drugs and Medicine, 121A.221, Possession and Use of Asthma Inhalers by Asthmatic Students, and 121A.222, Possession and Use of Nonprescription Pain Relievers by Secondary Students are included in this policy. The statutes do not regulate administration of drugs and medicine for students aged 18 and over or other nonprescription medications. Please note that section 121A.22 does not require school districts to apply the administration of medication rule to drugs or medicine used off school grounds, drugs or medicines used in connection with athletics or extra-curricular activities, and drugs and medicines that are used in connection with activities that occur before or after the regular school day.]

I. PURPOSE

The purpose of this policy is to set forth the provisions that must be followed when administering nonemergency prescription medication to students at school.

II. GENERAL STATEMENT OF POLICY

The school district acknowledges that some students may require prescribed drugs or medication during the school day. The school district's licensed school nurse, trained health clerk, principal, or teacher will administer prescribed medications, except any form of medical cannabis, in accordance with law and school district procedures.

III. REQUIREMENTS

- A. The administration of prescription medication or drugs at school requires a completed signed request from the student's parent. An oral request must be reduced to writing within two school days, provided that the school district may rely on an oral request until a written request is received.
- B. An "Administering Prescription Medications" form must be completed annually (once per school year) and/or when a change in the prescription or requirements for administration occurs. Prescription medication as used in this policy does not include any form of medical cannabis as defined in Minnesota Statutes section 152.22, subdivision 6.
- C. Prescription medication must come to school in the original container labeled for the student by a pharmacist in accordance with law and must be administered in a manner consistent with the instructions on the label.
- D. The school nurse may request to receive further information about the prescription, if needed, prior to administration of the substance.
- E. Prescription medications are not to be carried by the student, but will be left with the appropriate school district personnel. Exceptions to this requirement are: prescription asthma medications self-administered with an inhaler (See Part J.5. below), and medications administered as noted in a written agreement between the school district and the parent or as specified in an IEP (individualized education program), Section 504 plan, or IHP (individual health plan).
- F. The school must be notified immediately by the parent or student 18 years old or older in writing of any change in the student's prescription medication administration. A new medical authorization or container label with new pharmacy instructions shall be

required immediately as well.

- G. For drugs or medicine used by children with a disability, administration may be as provided in the IEP, Section 504 plan or IHP.
- H. The school nurse, or other designated person, shall be responsible for the filing of the Administering Prescription Medications form in the health records section of the student file. The school nurse, or other designated person, shall be responsible for providing a copy of such form to the principal and to other personnel designated to administer the medication.
- I. Procedures for administration of drugs and medicine at school and school activities shall be developed in consultation with a school nurse, a licensed school nurse, or a public or private health organization or other appropriate party (if appropriately contracted by the school district under Minnesota Statutes section 121A.21). The school district administration shall submit these procedures and any additional guidelines and procedures necessary to implement this policy to the school board for approval. Upon approval by the school board, such guidelines and procedures shall be an addendum to this policy.
- J. If the administration of a drug or medication described in this section requires the school district to store the drug or medication, the parent or legal guardian must inform the school if the drug or medication is a controlled substance. For a drug or medication that is not a controlled substance, the request must include a provision designating the school district as an authorized entity to transport the drug or medication for the purpose of destruction if any unused drug or medication remains in the possession of school personnel. For a drug or medication that is a controlled substance, the request must specify that the parent or legal guardian is required to retrieve the drug or controlled substance when requested by the school.
- K. Specific Exceptions:
 - 1. Special health treatments and health functions such as catheterization, tracheostomy suctioning, and gastrostomy feedings do not constitute administration of drugs and medicine;
 - 2. Emergency health procedures, including emergency administration of drugs and medicine are not subject to this policy;
 - 3. Drugs or medicine provided or administered by a public health agency to prevent or control an illness or a disease outbreak are not governed by this policy;
 - 4. Drugs or medicines used at school in connection with services for which a minor may give effective consent are not governed by this policy;
 - 5. Drugs or medicines that are prescription asthma or reactive airway disease medications can be self-administered by a student with an asthma inhaler if:
 - a. the school district has received a written authorization from the pupil's parent permitting the student to self-administer the medication;
 - b. the inhaler is properly labeled for that student; and
 - c. the parent has not requested school personnel to administer the medication to the student.

The parent must submit written authorization for the student to self-administer the medication each school year. In a school that does not have a school nurse or school nursing services, the student's parent or guardian must submit

written verification from the prescribing professional which documents that an assessment of the student's knowledge and skills to safely possess and use an asthma inhaler in a school setting has been completed.

If the school district employs a school nurse or provides school nursing services under another arrangement, the school nurse or other appropriate party must assess the student's knowledge and skills to safely possess and use an asthma inhaler in a school setting and enter into the student's school health record a plan to implement safe possession and use of asthma inhalers;

6. Medications:
 - a. that are used off school grounds;
 - b. that are used in connection with athletics or extracurricular activities; or
 - c. that are used in connection with activities that occur before or after the regular school day

are not governed by this policy.

[Note: The provisions of paragraph 6 are optional and the school board may choose to include or exclude any of the provisions specified.]

7. Nonprescription Medication. A secondary student may possess and use nonprescription pain relief in a manner consistent with the labeling, if the school district has received written authorization from the student's parent or guardian permitting the student to self-administer the medication. The parent or guardian must submit written authorization for the student to self-administer the medication each school year. The school district may revoke a student's privilege to possess and use nonprescription pain relievers if the school district determines that the student is abusing the privilege. This provision does not apply to the possession or use of any drug or product containing ephedrine or pseudoephedrine as its sole active ingredient or as one of its active ingredients. Except as stated in this paragraph, only prescription medications are governed by this policy.

[Note: School districts should consult with licensed medical and nursing personnel to address whether nonprescription medications will be allowed at elementary schools and whether and under what conditions school personnel will participate in storing or administering nonprescription medications.]

8. At the start of each school year or at the time a student enrolls in school, whichever is first, a student's parent, school staff, including those responsible for student health care, and the prescribing medical professional must develop and implement an individualized written health plan for a student who is prescribed epinephrine auto-injectors that enables the student to:
 - a. possess epinephrine auto-injectors; or
 - b. if the parent and prescribing medical professional determine the student is unable to possess the epinephrine, have immediate access to epinephrine auto-injectors in close proximity to the student at all times during the instructional day.

The plan must designate the school staff responsible for implementing the student's health plan, including recognizing anaphylaxis and administering epinephrine auto-injectors when required, consistent with state law. This

health plan may be included in a student's § 504 plan.

9. A student may possess and apply a topical sunscreen product during the school day while on school property or at a school-sponsored event without a prescription, physician's note, or other documentation from a licensed health care professional. School personnel are not required to provide sunscreen or assist students in applying sunscreen.

L. "Parent" for students 18 years old or older is the student.

M. Districts and schools may obtain and possess epinephrine auto-injectors to be maintained and administered by school personnel to a student or other individual if, in good faith, it is determined that person is experiencing anaphylaxis regardless of whether the student or other individual has a prescription for an epinephrine auto-injector. The administration of an epinephrine auto-injector in accordance with this section is not the practice of medicine.

A district or school may enter into arrangements with manufacturers of epinephrine auto-injectors to obtain epinephrine auto-injectors at fair-market, free, or reduced prices. A third party, other than a manufacturer or supplier, may pay for a school's supply of epinephrine auto-injectors.

N. Procedure regarding unclaimed drugs or medications.

1. The school district has adopted the following procedure for the collection and transport of any unclaimed or abandoned prescription drugs or medications remaining in the possession of school personnel in accordance with this policy. Before the transportation of any prescription drug or medication under this policy, the school district shall make a reasonable attempt to return the unused prescription drug or medication to the student's parent or legal guardian. Transportation of unclaimed or unused prescription drugs or medications will occur at least annually, but may occur more frequently at the discretion of the school district.
2. If the unclaimed or abandoned prescription drug is not a controlled substance as defined under Minnesota Statutes section 152.01, subdivision 4, or is an over-the-counter medication, the school district will either designate an individual who shall be responsible for transporting the drug or medication to a designated drop-off box or collection site or request that a law enforcement agency transport the drug or medication to a drop-off box or collection site on behalf of the school district.
3. If the unclaimed or abandoned prescription drug is a controlled substance as defined in Minnesota Statutes section 152.01, subdivision 4, the school district or school personnel is prohibited from transporting the prescription drug to a drop-off box or collection site for prescription drugs identified under this paragraph. The school district must request that a law enforcement agency transport the prescription drug or medication to a collection bin that complies with Drug Enforcement Agency regulations, or if a site is not available, under the agency's procedure for transporting drugs.

Legal References: Minn. Stat. § 13.32 (Educational Data)
Minn. Stat. § 121A.21 (Hiring of Health Personnel)
Minn. Stat. § 121A.22 (Administration of Drugs and Medicine)
Minn. Stat. § 121A.2205 (Possession and Use of Epinephrine Auto-Injectors; Model Policy)
Minn. Stat. § 121A.2207 (Life-Threatening Allergies in Schools; Stock Supply of Epinephrine Auto-Injectors)
Minn. Stat. § 121A.221 (Possession and Use of Asthma Inhalers by Asthmatic

Students)

Minn. Stat. § 121A.222 (Possession and Use of Nonprescription Pain Relievers by Secondary Students)

Minn. Stat. § 121A.223 (Possession and Use of Sunscreen)

Minn. Stat. § 151.212 (Label of Prescription Drug Containers)

Minn. Stat. § 152.01 (Definitions)

Minn. Stat. § 152.22 (Definitions)

Minn. Stat. § 152.23 (Limitations)

20 U.S.C. § 1400 *et seq.* (Individuals with Disabilities Education Act)

29 U.S.C. § 794 *et seq.* (Rehabilitation Act of 1973, § 504)

Cross References: MSBA/MASA Model Policy 418 (Drug-Free Workplace/Drug-Free School)