

Chisholm School District School Board Meeting Agenda

Wednesday, December 27, 2023 at 9:00 AM
Fiscal Year 2023 Audit Financial Report
Chisholm School Board Room

I. Determination of Quorum and Call to Order	
II. Approve Agenda	
III. Consent Agenda	
A. Minutes of the December 11, 2023 Regular Meeting	2
Minutes of the December 11, 2023 Truth-In-Taxation Hearing	
Attachments:	
12/11/2023 Regular Meeting	2
Truth-In-Taxation 2023 Special Meeting	4
IV. Action Agenda	
A. Presentation - Sterle & Co. fiscal year 2023 audit	5
Attachments:	
ISD 695 - 2023 Audit Slides	5
B. Motion to approve the fiscal year 2023 audit financial report.	
V. Adjourn	

The Regular Meeting of the School Board, Independent School District No. 695, was called to order at 5:00 P.M. on December 11, 2023, in the Elementary Board Room. Members present: Directors Randa Sauter, Rice, Corradi Simon, Lappi, Rahja, and Chair Casey.

Absent: None

Public Comment: Brady Boehm and Betsy Carroll addressed the board regarding the Perpich Center for the Arts and CAPP Program. Strategic plan for the Arts.

Recognition of Guests and Visitors:

-Principals Winter and Hake addressed the board regarding the World's Best Workforce progress and goals.

APPROVE AGENDA

Moved by Director Corradi Simon supported by Director Rahja to approve the agenda. Motion carried unanimously.

APPROVE CONSENT AGENDA

Moved by Director Randa Sauter supported by Director Lappi and approved unanimously to approve the Consent agenda which consists of the Minutes of the November 27, 2023, and the following for the month of November: Accounts Payable in the month of November 2023 in the amount of \$1,097,884.88 and Payrolls in the amount of \$674,767.61.

Personnel:

ACCEPT THE RESIGNATION OF LAWRENCE PERVENANZE

Moved by Director Rahja, supported by Director Rice to accept the resignation from Lawrence Pervenanze, Level II Football Coach, effective November 13, 2023. Motion carried unanimously.

Administrative Business:

APPROVE THE WORLD'S BEST WORKFORCE REPORT

Moved by Director Randa Sauter, supported by Director Corradi Simon to approve the World's Best Workforce Report. Motion carried unanimously.

APPROVE A SPECIAL MEETING TO BE HELD ON DECEMBER 27, 2023 AT 9:00 A.M. TO APPROVE THE FISCAL YEAR 2023 AUDIT FINANCIAL REPORT

Moved by Director Lappi, supported by Director Rahja to approve a special meeting to be held on December 27, 2023, at 9:00 A.M. to approve the fiscal year 2023 audit financial report. Motion carried unanimously.

APPROVE THE MEMORANDUM OF UNDERSTANDING BETWEEN INDEPENDENT SCHOOL DISTRICT #695 AND ITS LICENSED TEACHERS TO WAIVE THE REQUIREMENTS FOR STAFF DEVELOPMENT CONTAINED IN MINNESOTA STATUTE 122A.61 AS PRESENTED

Moved by Director Corradi Simon, supported by Director Rice to approve the memorandum of understanding between Independent School District #695 and its licensed teachers to waive the requirements for staff development contained in Minnesota statute 122A.61 as presented.

APPROVE FACILITY USE AGREEMENT FOR ST. LOUIS COUNTY SHERIFF DEPARTMENT TO USE THE VAUGHAN STEFFENSRUD FOR CRISIS TRAINING

Moved by Director Rahja, supported by Director Randa Sauter, to approve the facility and use agreement for St. Louis County Sheriff's department to use the Vaughan Steffensrud for crisis training. Motion carried unanimously.

APPROVE THE RESOLUTION TO ACCEPT DONATIONS

Moved by Director Corradi Simon, supported by Director Lappi to approve the resolution to accept donations. Being a resolution, a roll call vote was taken and carried as follows:

For: Directors Randa Sauter, Rice, Corradi Simon, Lappi, Rahja and Casey

Against: None

SECOND READING OF POLICY #501 SCHOOL WEAPONS

Chair Casey presented the Second Reading of Policy #501 School Weapons

SECOND READING OF POLICY #502 SEARCH OF STUDENT LOCKERS, DESKS, PERSONAL POSSESSIONS, AND STUDENT'S PERSON

Chair Casey presented the Second Reading of Policy #502 Search of Student Lockers, Desks, Personal Possessions, and Student's Person.

SECOND READING OF POLICY #504 STUDENT DRESS AND APPEARANCE

Chair Casey presented the Second Reading of Policy #504 Student Dress and Appearance.

SECOND READING OF POLICY #505 DISTRIBUTION OF NON-SCHOOL-SPONSORED MATERIALS ON SCHOOL PREMISES BY STUDENTS AND EMPLOYEES

Chair Casey presented the Second Reading of Policy #505 Distribution of Non-School-Sponsored Materials on School Premises by Students and Employees.

SECOND READING OF POLICY #508 EXTENDED SCHOOL YEAR FOR CERTAIN STUDENTS WITH INDIVIDUALIZED EDUCATION PROGRAMS

Chair Casey presented the Second Reading of Policy #508 Extended School Year for Certain Students with Individualized Education Programs.

SECOND READING OF POLICY #510 SCHOOL ACTIVITIES

Chair Casey presented the Second Reading of Policy #510 School Activities

Discussion: Reorganizational meeting is January 8, 2023 at 5:00 PM
 Director Lappi will set up a meeting with Dawn Koski, ECFE Coordinator after the holidays.
 The Kiwanis wanted to Thank the schools for allowing the Holly Jolly to be held at the VS.

Information: Enrollment Numbers

ADJOURN

Moved by Director Rice, supported by Director Rahja to adjourn the meeting at 5:53P.M. Motion carried unanimously.

Danielle Randa Sauter, clerk

DRS/lea

The Regular Meeting of the School Board, Independent School District No. 695, was called to order at 6:00 P.M. on December 11, 2023, in the Elementary Board Room. Members present: Directors Randa Sauter, Rice, Corradi Simon, Lappi, Rahja, and Chair Casey.
Absent: None

APPROVE AGENDA

Moved by Director Rahja supported by Director Lappi to approve the agenda. Motion carried unanimously.

Administrative Business:

PRESENTATION OF TRUTH IN TAXATION HEARING

Mr. Alex Kaczor presented the Truth in Taxation Hearing Virtually with the proposed property tax levy for the taxes payable in year 2024 and the proposed budget for the taxes payable in year 2024. The opportunity for the public input was given.

ADOPT AND CERTIFY THE FINAL 2023 PAYABLE 2024 LEVY IN THE AMOUNT OF \$2,161,307.18

Moved by Director Corradi Simon, supported by Director Rahja to Adopt and certify the final 2023 payable 2024 Levy in the amount of \$2,161,307.18. Motion carried unanimously.

ADJOURN

Moved by Director Rahja, supported by Director Randa Sauter to adjourn the meeting at 6:23 P.M. Motion carried unanimously.

DRS/lea

Danielle Randa Sauter, clerk



INDEPENDENT SCHOOL DISTRICT
695
CHISHOLM, MN

Financial Recap
Year Ending
June 30, 2023




Table of Contents

- Independent Auditor's Report
- RSI – Management's Discussion and Analysis
- Basic Financial Statements
 - *District Wide – Full accrual*
 - *Fund Based – Modified accrual/ UFARS*
 - *Notes*
- RSI – OPEB and NPL (TRA/PERA) schedules
- Supplementary information – Combining and individual funds
- Single Audit and Yellow Book reports
- Minnesota Legal Compliance report

Independent Auditor's Report

- Pages 1 through 3

- Unmodified audit report
 - *In our opinion, the financial statements are presented fairly, in all material respects, in accordance with generally accepted accounting principles*

RSI - Management's Discussion and Analysis

- Pages 4 through 16
- *Financial highlights from management that include comparative information from FY22 and includes additional narrative by management on FY23 factors with FY24 plans*

Basic Financial Statements (pages 17 through 25)

District Wide Financial Statements

(pages 17 to 18)

■ Total Assets and Deferred Outflows	\$58.7Million
■ Total Liabilities and Deferred Inflows	<u>(\$55.2 Million)</u>
■ Net Position	\$3.5 Million

Consists of:

Investment in capital assets of	\$4,418,051
Restricted	\$2,970,824
Unrestricted	\$(3,883,653)

Includes liabilities relating to OPEB of \$906,527 and NPL (TRA/PERA) of \$6,889,462

FY22 – Prior year overall net position was \$2,770,189 or an increase of \$735,034 for FY23

Fund Based Statement (pages 19 through 25)

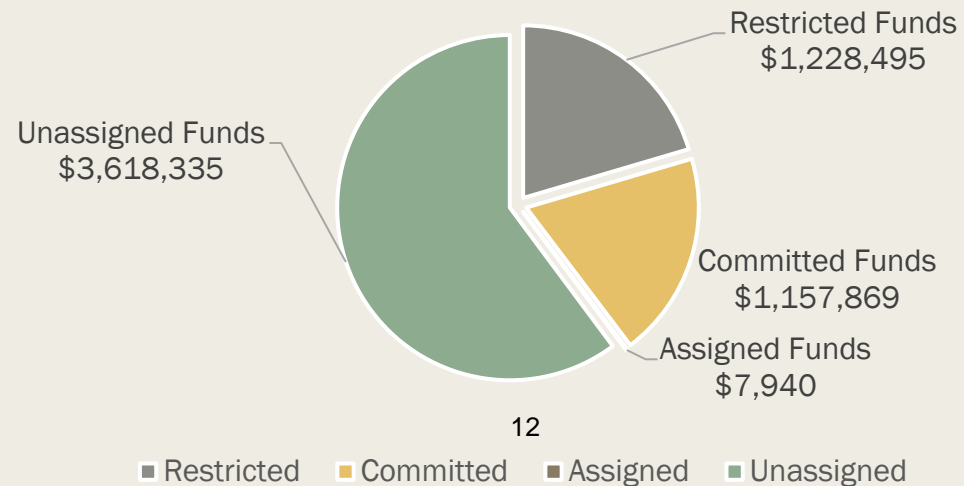
The District utilizes the following funds:

- General Fund
- Building Construction Fund
- Debt Service Fund
- OPEB – Debt Service Fund
- Nonmajor - Food service
- Nonmajor – Community service
- Fiduciary funds – OPEB Trust
- Fiduciary fund – Scholarship custodial (not under board direction)

General Fund

General Fund Net Position – FY 23 ending of \$6,012,639

- Restricted – Set aside required under state mandates
- Committed – Board set aside for future severance/benefits
- Assigned – Mgmt set aside for PBIS and School Patrols
- Unassigned – Met minimum 8% policy

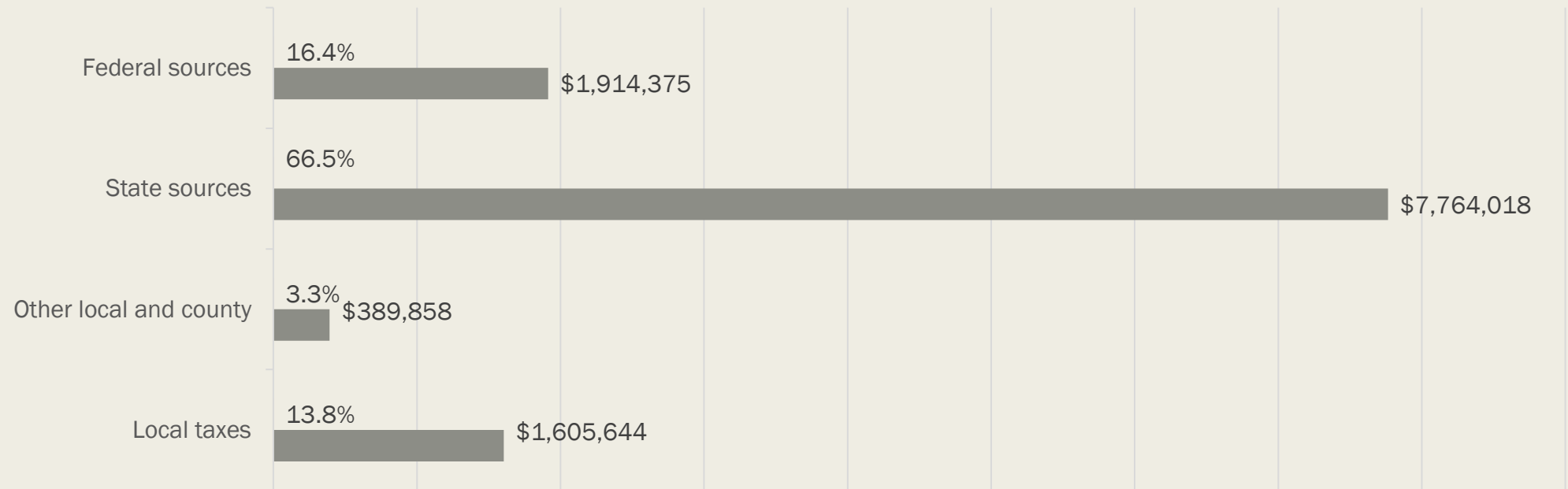


General Fund

- Overall Increase in fund balance of \$986,848 for the year
- Total revenues \$11,676,112 with another \$5000 in equipment sales
 - *Budgeted \$10,127,909*
 - *Over budgeted due to additional \$1M in federal COVID funds*
- Total expenditures of \$10,694,264
 - *Budgeted \$10,642,889*

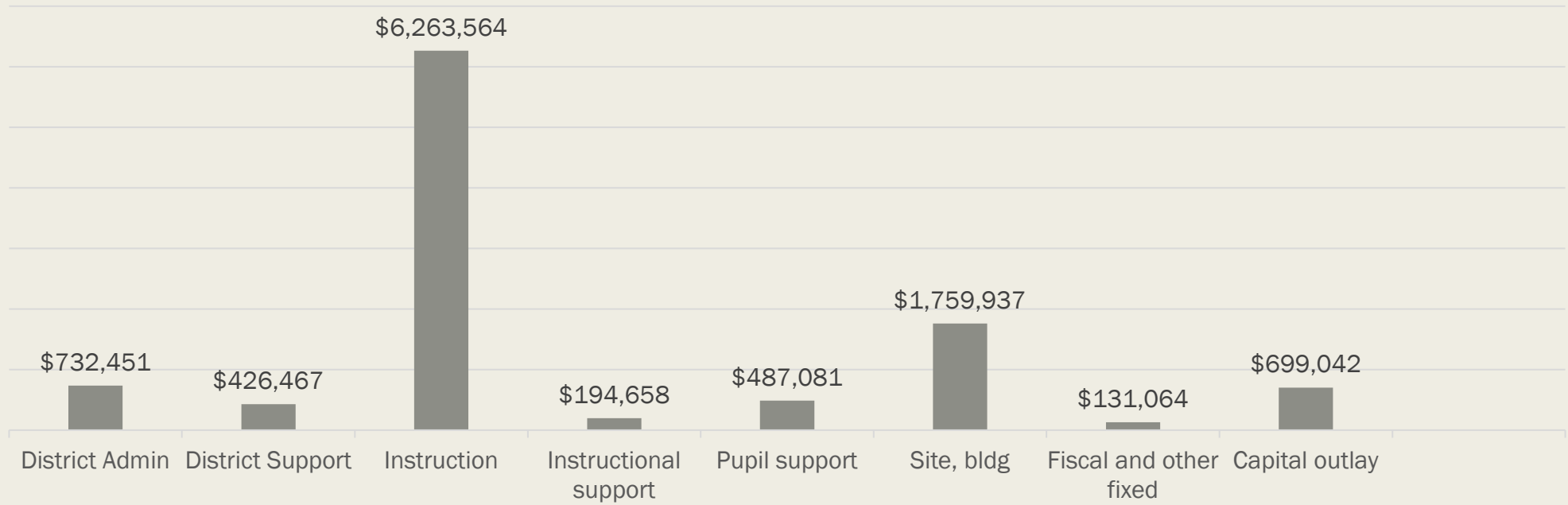
General Fund

Total FY 23 Revenue of \$11,676,112 before sale of equipment



General Fund

FY23 Expenditures by Program of \$10,694,264



Other Fund Highlights

- Building Construction Fund
 - *Fund Balance of \$31,392,996 – restricted*
 - *Bond issue of \$31,955,106*
 - *Bond premium associated with the issue of \$3,025,622 required to be transferred to Debt service fund to be amortized over debt term*

- Debt Service Fund
 - *Fund Balance of \$3,119,397 – restricted*
 - *Includes transfer of \$3,025,622 from blg construction bond issued during the year*
 - *Revenues of \$275,924 from local levy and state sources to cover debt service payments of \$317,631*

Other Fund Highlights

- OPEB – Debt Service
 - Total revenues of \$718,671
 - Total expenditures for debt service of \$710,726
 - Restricted fund balance of \$208,297

- Food Service
 - Total revenues of \$385,363
 - Total expenditures of \$343,974
 - Restricted fund balance of \$255,968

- Community Education
 - Total revenues of \$233,759
 - Total expenditures of \$259,568
 - Restricted fund balance of \$112,255

Fiduciary Funds – OPEB Trust

Total OPEB liability per actuary report	\$5,819,830
Total OPEB assets held in trust	<u>\$4,913,303</u>
Net OPEB liability (unfunded portion)	\$ 906,527

Currently funded at 84.4%

- *Prior year unfunded Net OPEB was at \$1,982,649 with decrease in current year report due to:*
 - Changes in actuarial assumptions, demographics
 - Increases in investment income

Approved transfer of \$281,484 done in FY23. Actuaries determining total obligation was at \$285,485 resulting in current District contribution outside of OPEB of \$4,001.

Fiduciary Funds – Scholarships

- Scholarship funds are reported:
 - *Under Board control (administrative oversight) fund 09 - restricted in general fund of \$234,405*
 - *Not under Board control (held as fiduciary) fund 18 – \$16,760 restricted*

Footnotes (pages 29 through 52)

- Note 5 Long term debt with debt service schedules
- Note 6 Pensions – TRA and PERA
- Note 9 Restricted fund balance details
- Note 11 OPEB

RSI and Supplementary Information (pages 53-68)

- Combining and Individual Fund Statements
- UFARS compliance report – agrees to MDE

Single Audit and Minnesota Legal Compliance Reports (pages 69-80)

- Unmodified report
- Schedule of Federal Awards (SEFA)
 - FY23 \$2,193,842 - COVID 19 funds accounted for \$1,579,773
 - FY22 \$1,684,510 - COVID 19 funds accounted for \$945,872
 - FY21 \$1,135,119 - COVID 19 funds accounted for \$601,942
 - FY20 <\$750,000 - no single audit required

Findings

- 2023-001 Lack of segregation of duties
- 2023-002 Assistance with statement preparation
- 2023-003 MN Legal Compliance - Contracting and bid laws

Other Communications

- Correspondence with Governance
- Correspondence with Management

Questions or Comments