

Business Committee
 Duluth Public Schools, ISD 709
 Agenda
 Tuesday, December 11, 2018
 District Services Center
 709 Portia Johnson Dr.
 Duluth, MN 55811
 4:30 PM

1. Financial Report

A. Financial Report

- | | |
|--|----|
| 1) The final audit of the financial report for fiscal year ending June 30, 2018 will be presented by a representative of Wipfli at the December 11, 2018 Business Committee meeting. | 4 |
| 2) Preliminary financial statements (unaudited) for the month ended October 2018 are attached. | 95 |

B. Approval of Payment of Claims - Attached as an "extra"

C. Budget Revisions 104

D. Wire Transfers 106

E. Investment Transactions 107

F. APU Projections 108

G. Fundraisers 111

2. Bids, R.F.P.s and Quotes Reports

A. Bid - None

B. RFPs - None

C. Quotes - None

3. Policies and Regulations

A. New Policy 714 - Fund Balances 112

Attached is the MSBA Model Policy 714 - Fund Balances for the first reading. This policy would replace current policy 3017.

Recommendation: It is recommended that the Duluth School Board approve Policy 714 - first reading.

B. Delete Policy 3017 - General Fund Reserve Balance 115

In moving to MSBA Model Policies, administration is recommending the deletion of Policy 3017 which will be replaced with MSBA Policy 714 - first reading.

Recommendation: It is recommended that the Duluth School Board approve the deletion of Policy 3017 - first reading.

4. Contracts, Change Orders, and Leases

A. Contracts - None


B. Change Orders

- 1) **PLACEHOLDER** - Other Change Orders

- C. Leases
 1) **PLACEHOLDER - Valley Youth/Welch Center**
5. **Resolutions**
- A. B-12-18-XXXX - Acceptance of Donations 116
- Recommendation: It is recommended that the Duluth School Board approve Resolution 12-18-XXXX.
- B. B-12-18-XXXX - Authorized Bank Account Signer 119
- Recommendation: It is recommended that the Duluth school Board approve Resolution B-12-18-XXXX.
- C. B-12-18-XXXX - Certified Tax Levy 120
- Recommendation: It is recommended that the Duluth School Board approve Resolution 12-18-XXXX.
- D. B-12-18-XXXX - Establishing Combined Polling Places for Multiple Precincts and Designating Hours During Which the Polling Places Will Remain Open for Voting for School District Elections not Held on the Day of a Statewide Election. 121
- Recommendation: It is recommended that the Duluth School Board approve Resolution B-12-18-XXXX.
- E. B-12-18-XXXX - Resolution of Support Authorizing Acceptance of Safe Routes to School Grants Related to Providing Improvements to Pedestrian Access to Various Schools in the City of Duluth 126
- Recommendation: It is recommended that the Duluth School Board approve Resolution B-12-18-XXXX.
- F. **PLACEHOLDER - Sale of Property**
6. **Informational - These items are provided for informational purposes only; no action is required.**
- A. Expenditure Contracts 127
 The Superintendent or CFO/Executive Director of Business has signed these contracts during the month of November 2018.
- B. Extension or Renewal Contracts - None
- C. No Cost Contracts 199
 The Superintendent or CFO/Executive Director of Business has signed these contracts during the month of November 2018.
- D. Revenue Contracts - None
- E. Change Orders Signed - None
- F. Facilities Management & Capital Project Status Report 211
- G. Property Sale Updates 212
7. **Future Items**
- A. 2019 Legislative Agenda (January or February 2019)
- B. Conflict of Interest Policy (January 2019)
- C. Policy Updates

December 5, 2018

TO: School Board, Superintendent, and Director of Business Services

FROM: Peggy Blalock, Finance Manager 

Enclosed is a draft copy of the audit report for Fiscal Year ended June 30, 2018. The audit firm, Wipfli, is still reviewing the report, but they approved us to submit audited data to Minnesota Department of Education. We submitted the audited data before the November 30 deadline.

A representative from Wipfli will make a presentation at the December 11, 2018 Business Committee meeting.

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Independent School
District No. 709
Duluth, Minnesota

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018
And Independent Auditors' Report

Prepared by the Finance Department

ISD
709
Duluth
Public Schools

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2018

DULUTH
INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

215 North First Avenue East
Duluth, MN 55802

Prepared by the
Finance Department

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INDEPENDENT SCHOOL DISTRICT NO. 709 DULUTH, MINNESOTA

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INDEPENDENT SCHOOL DISTRICT NO. 709 DULUTH, MINNESOTA

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INTRODUCTORY SECTION

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INDEPENDENT SCHOOL DISTRICT NO. 709 DULUTH, MINNESOTA

ORGANIZATION
JUNE 30, 2018

School Board Directors

Term Expires

David Kirby	Chairperson	01/08/2020
Rosie Loeffler-Kemp	Vice Chairperson	01/03/2022
Nora Sandstad	Clerk of the Board	01/06/2020
Josh Gorham	Treasurer	01/03/2022
Jill Lofald		01/03/2022
Alanna Oswald		01/06/2020
Sally Trnka		01/03/2022

Ex Officio Members

Superintendent
William Gronseth, Appointed February, 2012
Deputy Clerk
Douglas Hasler, November, 2016-June, 2018

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FINANCIAL SECTION

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**REQUIRED SUPPLEMENTARY
INFORMATION**

INDEPENDENT SCHOOL DISTRICT NO. 709 – DULUTH PUBLIC SCHOOLS
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018

As management of Independent School District No. 709 (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, 2018.

FINANCIAL HIGHLIGHTS

- The District’s total net position of governmental activities decreased approximately \$34 million versus 2017 to \$(61,756,909) primarily due to an increase in deferred outflows of resources related to our financial presentation of pension expenses and a restatement of beginning net position due to the implementation of GASB 75 in valuing other postemployment benefits.
- Overall program and general revenues were \$138.1 million, \$2.5 million less than related expenses of \$140.5 million excluding pension expense of \$38.8 million.
- General revenues accounted for \$100.7 million, or 73% of all fiscal year 2018 revenues. This amount is approximately the same percentage of total revenues as the prior year. Program specific revenues of \$37.4 million (related to services, grants and contributions) accounted for 27% of total fiscal 2018 revenues. This represents an increase of \$1.7 million versus the prior year.
- The District spent approximately \$160.4 million on governmental activities that includes \$38.8 million in pension expense. Excluding the pension expense, this represents a decrease of \$18 million (equal to 10%) versus prior year. Decreases of \$10 million in sites and buildings, interest and fiscal charges, and a reduction in regular and secondary instruction related to changes in pension related expenses, had the primary impact on this change.
- Among major funds, the General fund had \$105.6 million in revenues, consisting mainly of state aids and local property taxes, and \$104.3 million in expenditures. This resulted in a surplus of \$1.3 million. As a result, the fund balance was increased to \$1.4 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor’s Report, Required Supplementary Information which includes the Management’s Discussion and Analysis (this section), the Basic Financial Statements, and Supplemental Information. The District’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District’s finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the District’s assets and deferred outflows of resources and liabilities and deferred inflow of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation, and operation of non-instructional services.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Proprietary Funds. The District uses an internal service fund to report activities that provide supplies and services for the District's other programs and activities. The District currently has one internal service fund for self-insured dental benefits.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The accrual basis of accounting is used for fiduciary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's budget process. The District adopts an annual expenditure budget for all governmental funds. A budgetary comparison statement has been provided for the General fund as required supplementary information.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the major budgetary comparisons.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

Net position may serve over time as a useful indicator of a government's financial position. This presentation has been impacted significantly recently as the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, and GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*.

Duluth Public Schools			
Statement of Net Position			
As of June 30,			
	2018	2017	Total Percentage Change
Current and Other Assets	\$136,122,879	\$188,206,821	-28%
Capital Assets	<u>\$294,363,164</u>	<u>\$294,153,701</u>	0
Total Assets	\$430,486,043	\$171,890,098	-11%
Total Deferred Outflows of Resources	\$100,803,701	\$171,890,098	-42%
Total Assets and Deferred Outflows of Resources	\$531,289,744	\$654,250,620	-19%
Long-term Liabilities	\$535,852,037	\$625,210,115	-14%
Other Liabilities	<u>\$23,675,376</u>	<u>\$24,050,467</u>	-2%
Total Liabilities	\$559,527,413	\$649,260,582	-14%
Total Deferred Inflows of Resources	\$33,519,240	\$32,714,316	2%
Net Position/(Liabilities)			
Net investment in capital assets	\$117,462,005	\$62,473,463	88%
Restricted	38,889,627	\$80,609,731	-52%
Unrestricted (deficit)	<u>\$(218,108,541)</u>	<u>\$(170,807,473)</u>	28%
Total Net Position/(Liability)	<u>\$(61,756,909)</u>	<u>\$(27,724,279)</u>	127%

District Assets of \$430.4 million include, \$23 million in unrestricted cash, receivables of \$31 million, nearly all of which is made up of property tax and state aid receivables, capital assets being depreciated of \$283.5 million, \$81.7 million in restricted cash (for debt service and capital projects), \$10.9 million in undepreciated capital assets, and \$0.3 million in other assets.

Deferred outflows of resources includes approximately \$99.5 million for pension related items and \$1.3 million for OPEB related items.

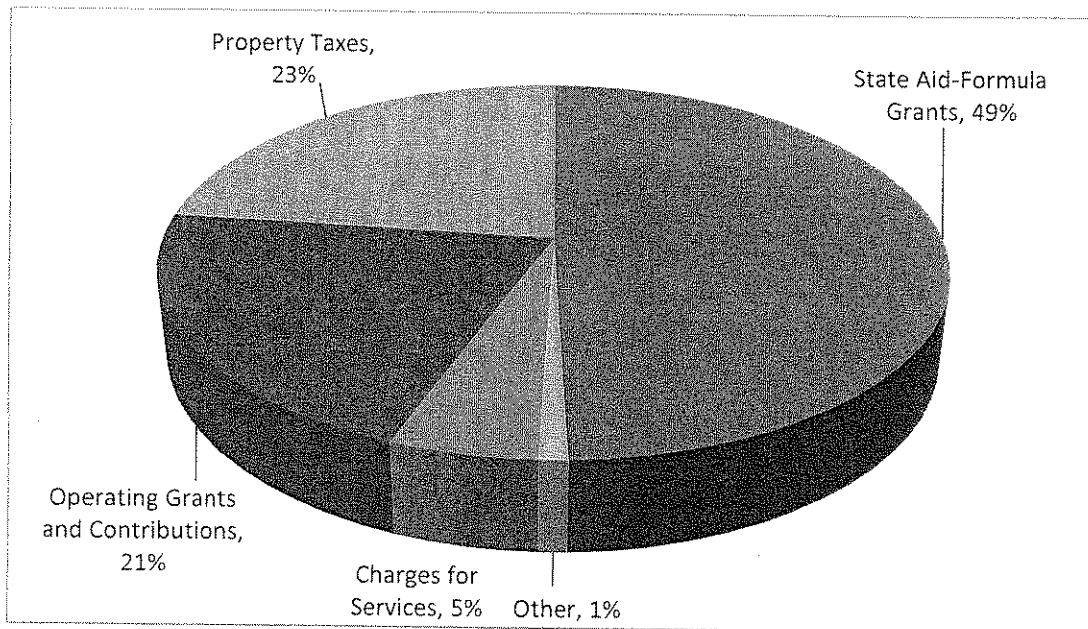
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District Liabilities of \$559.5 million include \$522.8 million in Long-term Debt (facilities plan and future pension liabilities), \$22.6 million due to employees and vendors for expenditures incurred but not paid as of fiscal year-end, and \$14.1 million in other liabilities.

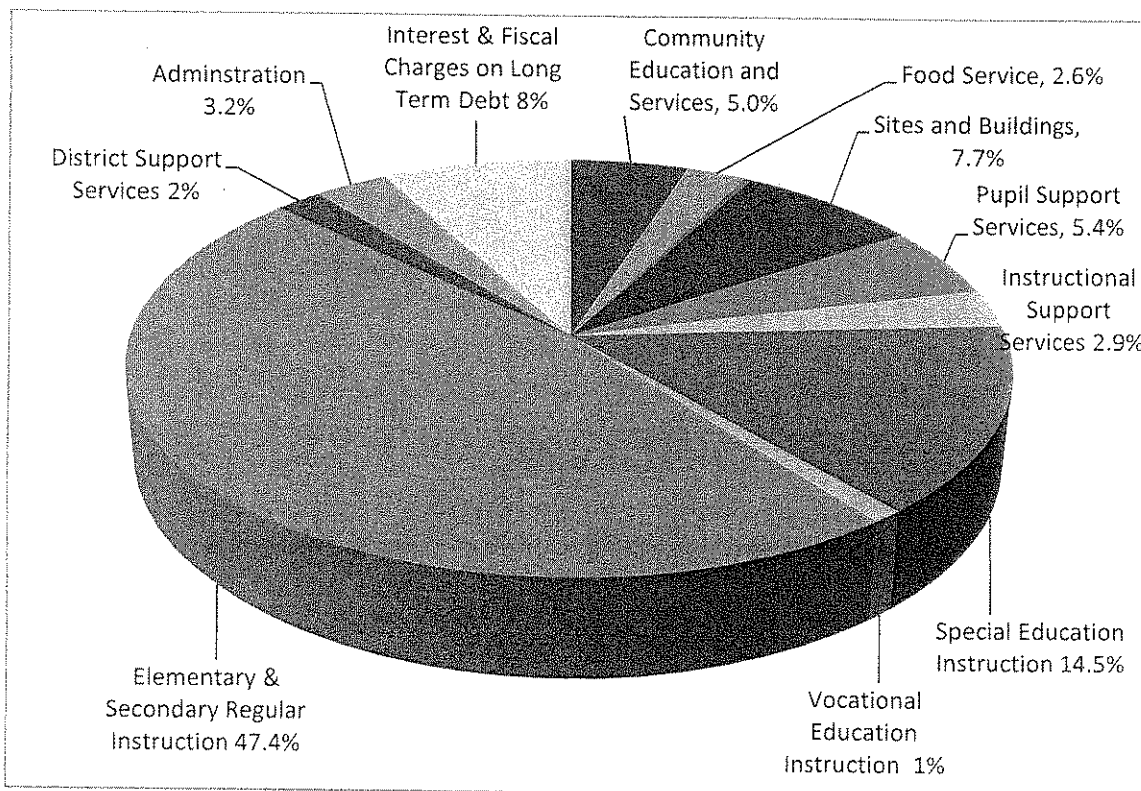
Deferred Inflows of Resources of \$33.5 million includes \$30.5 million of property taxes levied for subsequent years' expenditures and \$3 million for pension related items.

INDEPENDENT SCHOOL DISTRICT NO. 709
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Source of Revenues for Fiscal Year 2018



Expenses for Fiscal Year 2018



Changes in Net Position

In the following table, the change in net position and operations are reported on a government-wide basis with no reference to funds.

Duluth Public Schools			
Change in Net Position			
For the Year ended June 30,			
	2018	2017	Total % Change
Revenues:			
Program revenues:			
Charges for Services	\$7,196,302	\$6,952,313	3.5%
Operating grants and contributions	\$30,247,880	\$28,757,404	5.2%
General revenues:			
Property taxes	\$30,752,432	\$31,724,863	-3.1%
State aids	\$68,022,872	\$66,232,983	2.7%
Other	\$1,891,811	\$1,769,441	6.9%
Total Revenues	\$138,111,297	\$135,437,004	2.0%
Expenses:			
Administration	\$5,127,921	\$5,026,374	2.0%
District support services	\$3,122,948	\$3,340,170	-6.5%
Elementary and secondary regular instruction	\$76,357,900	\$85,009,159	-10.2%
Vocational education instruction	\$1,585,531	\$1,466,868	8.1%
Special education instruction	\$23,143,086	\$23,221,114	-0.3%
Instructional support services	\$4,632,083	\$5,328,829	-13.1%
Pupil support services	\$8,612,179	\$8,373,414	2.9%
Sites and buildings	\$12,379,545	\$19,294,425	-35.8%
Fiscal and other fixed program costs	\$436,404	\$299,573	45.7%
Food service	\$4,197,291	\$4,030,346	4.1%
Community Service	\$8,045,536	\$7,561,786	6.4%
Interest and fiscal charges on long-term debt	\$12,742,182	\$15,424,000	-17.4%
Total Expenses	\$160,382,606	\$178,376,058	-10.1%
Change in net position	\$(22,271,309)	\$(42,939,054)	-48.1%
Beginning of year net position	\$(27,724,279)	\$(27,724,279)	0.0%
Implementation of New Standard	\$(11,761,321)		
Net position restated	\$(39,485,600)		
End of year net position (deficit)	\$(61,756,909)	\$(27,724,279)	122.8%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

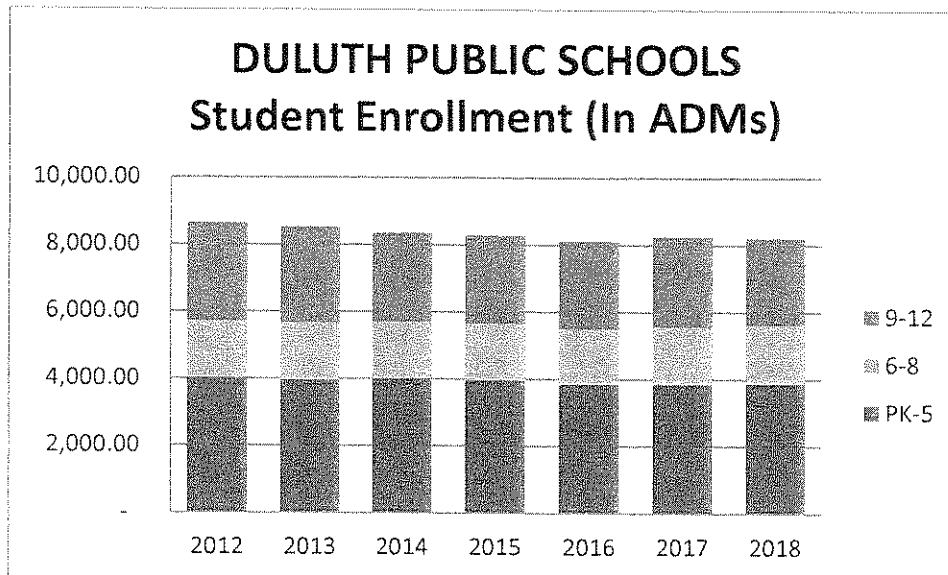
At the end of the 2017-18 fiscal year, the District's governmental funds reported a combined fund balance of \$89 million, a decrease of \$51.9 million from the prior year combined fund balance of \$140.9 million. This resulted from the use of escrow funds to pay General Obligation Bond Series 2008A on the February 1, 2018 call date.

General Fund

The General Fund is used to account for all revenues and expenditures of the school district not accounted for elsewhere. The General Fund is used to account for: PK-12 educational activities; district instructional and student support programs; expenditures for the superintendent; district administration; normal operations and maintenance; pupil transportation; capital expenditures; and legal school district expenditures not specifically designated to be accounted for in any other fund.

Enrollment is a critical factor in determining revenue. Like most Minnesota school districts, the District is facing declining enrollment. These declines have largely stabilized at the Elementary and Middle School levels. The following chart reflects that the number of students has decreased over the last five years with a small increase in 2017 and a small decrease in 2018.

**Student Enrollment
Average Daily Membership (ADM)**



General Fund Budgetary Highlights

General fund adopted revenue budget of \$104.7 million was revised upward to \$105.1 million due to a \$.6 million increase for grants and donations related to student and curriculum support, a \$.5 million decrease from state aids, and \$.3 million in miscellaneous revenues.

General fund adopted expenditure budget of \$105 million was increased by \$.1 million to \$105.1 million. This resulted in a balanced budget with the changes in revenues from the preceding paragraph.

General fund revenues were \$.7 million less than the revised budget (a difference of .6%). This was in part due to a reduction in enrollment and underspent Title funds. There were other sources of financing in the amount of \$.6 million.

General fund spending was \$4 million less than the revised budget, a difference of 3.7%. Spending was reduced to try to offset the reduction in revenues and reflects the Title spending level.

The General Fund balance increased \$1.3 million to a total of \$1.4 million as follows:

- Unassigned fund balance increased by \$.9 million.
- Restricted fund balances increased by \$304,363 to a total of \$773,236.
- Non-spendable fund balances increased by \$108,138 to a total of \$236,547.

Food Service Fund

The Food Service Fund revenues for 2017-18 totaled \$4,268,962 or \$482,562 more than the final budget. Expenditures were \$4,197,291 or \$18,687 more than the final budget. The resulting surplus of \$71,671 increased the year-end fund balance to \$973,719.

Community Service Fund

The Community Service Fund revenues for 2017-18 totaled \$7,892,232 or \$195,739 more than the final budget. Expenditures were \$7,952,742 or \$5,636 less than the final budget. The resulting deficit of \$60,510 decreased the year-end fund balance to \$1,227,352.

Capital Projects Fund

The Capital Projects Fund revenues for 2017-18 totaled \$20,271 or \$20,271 more than the final budget. Expenditures totaled \$3,030,698 or \$589,573 less than the final budget. There were other sources and uses of financing totaling \$3,652,955 that contributed to the fund balance. This resulted in the fund balance increasing by \$642,528 to \$642,715.

Debt Service Fund

The Debt Service Fund is used to record revenues and expenditures for a school district's outstanding bonded indebtedness, whether for building construction or operating capital acquired through either initial or refunding bonds. Revenues for 2017-18 totaled \$20,922,753 or \$1,763,946 less than the final budget. Expenditures totaled \$21,068,466 or \$9,205 less than the final budget. Other Financing Sources and Uses included and bond refunding payments from escrow accounts as a use of \$53,880,263. The resulting deficit of \$53,882,509 decreased the fund balance to \$84,715,346.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of fiscal 2018, the District had over \$362 million invested in a broad range of capital assets, reflecting the impact of our Long Range Facilities Plan. Depreciation of \$67.7 million has been taken on existing items. As of June 30, 2018, the District had capital items, which had a depreciated value of \$294.3 million. Most of the capital investment is in buildings and equipment.

ISD 709 CAPITAL ASSETS			
	2018	2017	% Change
Land	\$10,870,821	\$10,021,409	8%
Land Improvement	\$2,496,033	\$2,496,358	0%
Buildings and Improvements	\$340,939,760	\$335,178,420	2%
Equipment	\$7,747,809	\$7,364,660	5%
Less: Accumulated Depreciation	\$(67,691,259)	\$(60,907,147)	100%
TOTAL	\$294,363,164	\$294,153,700	0%

Long-Term Liabilities

At year-end, the District had \$294.5 million of outstanding bonds payable and certificates of participation. This reflects a decrease of \$59 million versus the principal amount of \$353.5 million outstanding at June 30, 2017. State statute limits the District's debt to 15% of the fair market value of property in the District. This sets the District debt limit at approximately \$965.5 million as of June 30, 2018.

The remainder of long-term liabilities is the \$34.5 million recognized for capital lease, severance benefits and other post-employment benefits (OPEB). During 2018, the District adopted GASB 75 in the valuation of other post-employment benefits. This resulted in a restatement of beginning OPEB as an increase of \$11,761,321. After restatement, the change from 2017 to 2018 was a decrease of \$7.7 million. The final item represents the net pension liability of \$193.7 million, a decrease of \$34 million versus 2017 due to a change in proportionate share for TRA.

ISD 709 LONG-TERM LIABILITIES			
	2018	2017	% Change
Certificates of Participation	\$247,430,425	\$263,135,425	-6%
General Obligation Bonds	\$47,100,000	\$90,445,000	-48%
Capital Lease	\$18,449	\$0	100%
Other Postemployment Benefits	\$16,985,845	\$17,479,620	-3%
Severance Obligation	\$17,567,541	\$24,803,441	-29%
Net Pension Liability	\$193,662,758	\$227,742,940	-15%
TOTAL	\$522,746,569	\$623,606,426	-16%
Long-Term Liabilities			
Due within one year	\$94,174,915	\$20,509,926	359%
Due in more than one year	\$428,571,654	\$589,827,555	-27%
TOTAL	\$522,746,569	\$610,337,481	-14%

ECONOMIC AND BUDGETARY FACTORS BEARING ON THE DISTRICT'S FUTURE

In November, 2013, the District presented two operating referendum questions for the consideration of the voters. Both referendum questions passed, and will be in place through FY19. As a result, the District will realize approximately \$1.8 million annually in new tax revenues, along with \$1.1 million annually in new equalization aid from the State of Minnesota. In November, 2018, the referendum was renewed for a period of ten (10) years along with an increase of approximately \$5 million annually.

In addition to the revenue noted above, the state legislature approved increases to the basic formula allowance, and funding for early childhood education as part of the 2015 session. These increases are spread between FY16, FY17, FY18 and FY19.

Other factors affecting the District's future financial condition include the following:

Declining enrollment – as the population of school-age children residing in the District declines, District revenues decline, as most of our funding is based on the number of pupils served in the District. A demographic study completed in 2017 projects slight declines in enrollment for the next five years.

School choice – in addition to population decline, more residents have chosen educational options other than the District. Increases in charter schools, home schooling and private school enrollment has contributed to pupil and corresponding revenue loss.

State Budget – Since K-12 education makes up over 40% of state spending and because State revenues account for over 76% of the District's General revenues, the District will be impacted by decisions made relative to education spending.

Medical Insurance – premium increases have been reduced through a plan change to a high-deductible statewide insurance plan. The District continues to work with employees to reduce the utilization of prescription drugs and medical services. As a result of these efforts, the District has realized a reduction of 8% in premiums for FY12, and an additional reduction of 5% for FY 13 with subsequent increases being reasonable at 5.4%, 1.7% and 0.7% from FY14 through FY16. The increase for FY17 was 6.8%. The increase for FY18 was 4.8%.

Retiree benefits (severance) – this large liability exceeds the amounts currently set aside to pay these benefits upon retirements. This may impact the General fund, as interest earned on any invested funds will accrue to the trust for severance and not be available as General fund revenue.

DISTRICT FINANCIAL CONTACT

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives and utilizes. Should you have questions about this report, or need additional information, please contact:

Office of Business Services, ISD #709
215 N. 1st Avenue East, Duluth, MN 55802
or call 218-336-8704

Financial and other district information is also available on the District website at
www.isd709.org

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BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTAStatement of Net Position
June 30, 2018

Exhibit 1

	Governmental Activities
Assets	
Cash and temporary investments	\$ 22,913,479
Receivables	
Taxes	19,192,551
Accounts and interest receivable	352,555
Due from other governmental units	11,534,804
Inventory	159,429
Prepayments	194,183
Restricted assets	
Cash and investments for debt service	80,069,866
Cash and investments for capital projects	1,706,012
Capital assets, net of depreciation	
Capital assets not being depreciated	10,870,821
Capital assets being depreciated	283,492,343
	<hr/>
Total assets	\$ 430,486,043
Deferred Outflows of Resources	
Pension related items	99,476,041
OPEB related items	1,327,660
	<hr/>
Total deferred outflows of resources	\$ 100,803,701
	<hr/>
Total assets and deferred outflows of resources	\$ 531,289,744
	<hr/>
Liabilities	
Salaries payable	\$ 10,912,686
Accounts and contracts payable	3,304,359
Accrued interest payable	8,415,027
Due to other funds	243,489
Due to other governmental units	116,835
Compensated absences	426,238
Unearned revenue	256,742
Long term liabilities	
Due within one year	94,179,343
Due in more than one year	428,585,675
Unamortized premium and discount, net	13,087,019
	<hr/>
Total liabilities	\$ 559,527,413
Deferred inflows of resources	
Property taxes levied for subsequent years' expenditures	30,533,601
OPEB related items	466,205
Pension related items	2,519,434
	<hr/>
Total deferred inflows of resources	\$ 33,519,240
Net Position (Deficit)	
Net investment in capital assets	\$ 117,462,005
Restricted for:	
State Restrictions	773,236
Food Service	870,127
Community Service	1,281,933
Debt Service	35,964,331
Unrestricted (Deficit)	(218,108,541)
Total net position (deficit)	<hr/> \$ (61,756,909)
	<hr/>
Total liabilities, deferred inflows of resources and net position (deficit)	\$ 531,289,744
	<hr/>

The notes to the financial statements are an integral part of this statement.

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Expenses
Governmental Activities	
Administration	\$ 5,127,921
District Support Services	3,122,948
Regular Instruction	76,357,900
Vocational Education Instruction	1,585,531
Special Education Instruction	23,143,086
Instructional Support Services	4,632,083
Pupil Support Services	8,612,179
Sites and Buildings	12,379,545
Fiscal and Other Fixed Cost Programs	436,404
Food Service	4,197,291
Community Service	8,045,536
Interest and Fiscal Charges on Long Term Debt	12,742,182
Total Governmental Activities	<u>\$ 160,382,606</u>

Exhibit 2

Program Revenues			Net (Expenses) Revenue and Changes in Net Position
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
\$	\$ 491,814	\$	\$ (4,636,107)
	143,152		(2,979,796)
2,996,016	3,164,752		(70,197,132)
-	137,502		(1,448,029)
700,195	12,442,232		(10,000,659)
21,408	1,790,114		(2,820,561)
-	2,621,515		(5,990,664)
177,476	-		(12,202,069)
			(436,404)
1,378,836	2,882,218		63,763
1,922,371	4,896,338		(1,226,827)
	1,678,243		(11,063,939)
<u>\$ 7,196,302</u>	<u>\$ 30,247,880</u>	<u>\$</u>	<u>\$ (122,938,424)</u>
General Revenues			
Taxes			
Property Taxes, levied for General Purposes		\$	12,798,710
Property Taxes, levied for Community Service			944,944
Property Taxes, levied for Debt Service			17,008,778
State aid-formula grants			68,022,872
Other general revenues			936,483
Investments Earnings			955,328
Total General Revenues		\$	<u>100,667,115</u>
Change in net position		\$	(22,271,309)
Net position - beginning			(27,724,279)
Implementation of New Standards - Note 1			(11,761,321)
Restated net position - beginning		\$	<u>(39,485,600)</u>
Net position (deficit) - ending		\$	<u>(61,756,909)</u>

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

Balance Sheet
GOVERNMENTAL FUNDS
June 30, 2018

	General Fund	Capital Projects Fund
Assets		
Cash and temporary investments	\$ 6,608,907	\$ 1,706,012
Cash and investments with fiscal agent		
Taxes and credits receivable	8,478,195	
Accounts and interest receivable	103,419	
Due from		
Other funds	13,998	
Other Minnesota school districts	1,233,038	
Department of Education	8,019,857	
Federal through Department of Education	1,223,642	
Federal - direct	9,885	
Other governmental units	43,424	
Inventory	57,652	
Prepayments	178,895	
Total Assets	\$ 25,970,912	\$ 1,706,012
Deferred Outflows of Resources		
Total Assets and deferred outflows of resources	\$ 25,970,912	\$ 1,706,012

Debt Service Fund	Other Funds	Total Governmental Funds
\$ 13,304,482	\$ 2,573,751	\$ 24,193,152
80,069,866		80,069,866
10,123,387	590,969	19,192,551
241,461	6,287	351,167
		13,998
		1,233,038
219,187	290,002	8,529,046
	80,916	1,304,558
	414,853	424,738
		43,424
	101,777	159,429
	15,288	194,183
<hr/>	<hr/>	<hr/>
\$ 103,958,383	\$ 4,073,843	\$ 135,709,150
<hr/>	<hr/>	<hr/>
<u>\$ 103,958,383</u>	<u>\$ 4,073,843</u>	<u>\$ 135,709,150</u>

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

Balance Sheet
GOVERNMENTAL FUNDS
June 30, 2018

	General Fund	Capital Projects Fund
	<u> </u>	<u> </u>
Liabilities		
Salaries payable	\$ 10,509,409	\$
Accounts and interest payable	1,587,109	893,284
Due to		
Other funds	154,662	
Other governmental units	116,835	
Claims payable	129,717	
Construction contracts	48,075	170,013
Unearned revenue	133,117	
	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 12,678,924</u>	<u>\$ 1,063,297</u>
Deferred inflows of resources		
Property taxes levied for subsequent year's expenditures	\$ 11,218,170	
Unavailable revenue - delinquent property taxes	664,869	
	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>\$ 11,883,039</u>	<u>\$</u>

Exhibit 3
(Continued)

Debt Service Fund	Other Funds	Total Governmental Funds
\$	\$ 403,277	\$ 10,912,686
	245,081	2,725,474
	102,825	257,487
		116,835
		129,717
		218,088
	5,735	138,852
<u>\$</u>	<u>\$ 756,918</u>	<u>\$ 14,499,139</u>
\$ 18,267,631	\$ 1,047,800	\$ 30,533,601
975,406	68,054	1,708,329
<u>\$ 19,243,037</u>	<u>\$ 1,115,854</u>	<u>\$ 32,241,930</u>

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

Balance Sheet
GOVERNMENTAL FUNDS
June 30, 2018

	General Fund	Capital Projects Fund
	<u> </u>	<u> </u>
Fund Balance		
NonSpendable:		
Inventory	\$ 57,652	\$
Prepayments	178,895	
Restricted for:		
Bond refunding		
Staff development	12,479	
Teacher Development & Evaluation	75,636	
Long Term Facilities Maintenance	343,062	642,690
Projects funded by COP		25
ALC	342,059	
Debt service		
Food service		
Community education		
Early childhood family education		
School readiness		
Adult basic education		
Community service		
Unassigned		
General	399,166	
Total Fund Balance	<u>\$ 1,408,949</u>	<u>\$ 642,715</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balance	 <u>\$ 25,970,912</u>	 <u>\$ 1,706,012</u>

Exhibit 3
(Continued)

Debt Service Fund	Other Funds	Total Governmental Funds
\$	\$ 101,777	\$ 159,429
	15,288	194,183
80,069,866		80,069,866
		12,479
		75,636
		985,752
		25
		342,059
4,645,480		4,645,480
	870,127	870,127
	873,996	873,996
	100,048	100,048
	124,391	124,391
	85,439	85,439
	30,005	30,005
		399,166
<u>\$ 84,715,346</u>	<u>\$ 2,201,071</u>	<u>\$ 88,968,081</u>
<u>\$ 103,958,383</u>	<u>\$ 4,073,843</u>	<u>\$ 135,709,150</u>

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

Exhibit 4

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Activities
June 30, 2018

Total fund balances - governmental funds	\$ 88,968,081
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	362,054,423
Less: accumulated depreciation	(67,691,259)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of:	
Bond principal payable	(47,100,000)
Certificates of participation	(247,430,425)
Long-term liabilities, including capital leases, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
	(18,449)
Long-term liabilities, including severance benefits, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
	(17,567,541)
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
	(426,238)
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.	
	1,708,329
Governmental funds do not report a liability for accrued interest until due and payable	
	(8,415,027)
The net pension liability and the deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the statement of net position.	
Net pension liability	(193,662,758)
Deferred inflows of resources related to pensions	(2,519,434)
Deferred outflows of resources related to pensions	99,476,041
Other post-employment benefits, deferred outflows of resources and deferred inflows of resources related to OPEB are only reported in the statement of net position.	
Total OPEB liability	(16,985,845)
Deferred inflows of resources related to OPEB	(466,205)
Deferred outflows of resources related to OPEB	1,327,660
Governmental funds report debt issuance premiums and discounts as an other financing source or use at the time of issuance, whereas, these amounts are deferred and amortized in the statement of net position.	
	(13,087,019)
An internal service fund is used by management to charge the costs of dental insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	
	78,757
Total net position (deficit) - governmental activities	<u>\$ (61,756,909)</u>

The notes to the financial statements are an integral part of this statement.

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INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

Statement of Revenues, Expenditures, and Changes in Fund Balance
GOVERNMENTAL FUNDS
Year Ended June 30, 2018

	General Fund	Capital Projects Fund
	<u> </u>	<u> </u>
Revenues		
Local property tax levies	\$ 12,829,419	\$ -
Interest income	186,902	20,271
Other local and county	3,863,690	-
State sources	81,532,066	-
Federal sources	5,840,535	-
Insurance/Judgement recovery	80	-
Sales and other conversions of assets	675,155	-
Total Revenues	<u>\$ 104,927,847</u>	<u>\$ 20,271</u>
Expenditures		
Administration	\$ 5,091,704	\$ -
District support services	2,801,448	-
Regular instruction	44,634,867	-
Vocational instruction	1,541,147	-
Special education instruction	23,128,596	-
Community education and services	58,829	-
Instructional support services	4,578,607	-
Pupil support services	8,184,343	-
Sites, buildings and equipment	7,785,096	-
Fiscal and other fixed cost programs	349,086	-
Debt service		
Principal	1,900,000	-
Interest and fiscal charges	1,471,085	-
Capital outlay	2,763,620	3,030,698
Total Expenditures	<u>\$ 104,288,428</u>	<u>\$ 3,030,698</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 639,419</u>	<u>\$ (3,010,427)</u>
Other Financing Sources (Uses)		
Sale of property	\$ 157,571	\$ -
Issuance of bonds	615,000	3,640,000
Transfer In	-	-
Transfer Out	(139,467)	(4,000)
Principal refunding payments from escrow	-	-
Interest refunding payments from escrow	-	-
Premium on bonds	2,870	16,955
Issuance of capital lease	22,138	-
Total Other Financing Sources (Uses)	<u>\$ 658,112</u>	<u>\$ 3,652,955</u>
Net change in fund balance	\$ 1,297,531	\$ 642,528
Fund Balance		
Beginning of Year	<u>111,418</u>	<u>187</u>
End of Year	<u>\$ 1,408,949</u>	<u>\$ 642,715</u>

The notes to the financial statements are an integral part of this statement.

Debt Service Fund	Other Funds	Total Governmental Funds
\$ 17,073,780	\$ 947,397	\$ 30,850,596
748,155		955,328
	2,037,630	5,901,320
2,215,181	2,798,803	86,546,050
885,637	4,998,528	11,724,700
	-	80
	1,378,836	2,053,991
<u>\$ 20,922,753</u>	<u>\$ 12,161,194</u>	<u>\$ 138,032,065</u>
\$	\$	\$ 5,091,704
		2,801,448
		44,634,867
		1,541,147
		23,128,596
	7,937,058	7,995,887
		4,578,607
	4,187,218	12,371,561
		7,785,096
		349,086
13,100,000		15,000,000
7,968,466		9,439,551
	25,757	5,820,075
<u>\$ 21,068,466</u>	<u>\$ 12,150,033</u>	<u>\$ 140,537,625</u>
<u>\$ (145,713)</u>	<u>\$ 11,161</u>	<u>\$ (2,505,560)</u>
\$	\$	\$ 157,571
		4,255,000
143,467		143,467
		(143,467)
(48,305,000)		(48,305,000)
(5,575,263)		(5,575,263)
		19,825
		22,138
<u>\$ (53,736,796)</u>	<u>\$</u>	<u>\$ (49,425,729)</u>
\$ (53,882,509)	\$ 11,161	\$ (51,931,289)
138,597,855	2,189,910	140,899,370
<u>\$ 84,715,346</u>	<u>\$ 2,201,071</u>	<u>\$ 88,968,081</u>

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

Exhibit 6

Reconciliation of the Statement of
Revenues, Expenditures, and Changes in Fund Balance
to the Statement of Activities
Governmental Funds
Year Ended June 30, 2018

Total net changes in fund balances - governmental funds \$ (51,931,289)

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

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

Capital outlays	7,503,828
Disposal of capital assets	(47,021)
Depreciation expense	(7,247,343)

Issuance of capital lease is a source of financing. Capital leases are not revenues, but rather constitute a long-term liability. (18,449)

The amount of bond proceeds is reported in the governmental funds as a source of financing. Bond proceeds are not revenues in the statement of activities, but rather constitute long-term liabilities. (4,255,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 63,305,000

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the statement of activities, however interest expense is recognized as the interest accrues regardless of when it is due. 487,017

Net amortization of premiums and discounts. 1,785,615

Change in severance benefits and post-employment benefits is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.

Change in severance benefits	7,235,900
Change in total OPEB liability	493,775
Change in deferred inflows related to OPEB	(466,205)
Change in deferred outflows related to OPEB	(179,964)

Payment of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 20,852

Pension expense is reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.

Change in deferred outflows of resources related to pensions	(72,414,057)
Change in deferred inflows of resources related to pensions	(440,882)
Change in net pension liability	34,080,182

Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditure and therefore are deferred in the funds. (98,164)

The change in net position of the internal service fund is reported with governmental activities. (85,104)

Change in net position (deficit) - governmental activities \$ (22,271,309)

The notes to the financial statements are an integral part of this statement.

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

Exhibit 7

STATEMENT OF NET POSITION
INTERNAL SERVICE FUND - DENTAL PLAN
PROPRIETARY FUND
JUNE 30, 2018

Assets	
Current Assets	
Cash and Cash Equivalents	\$ 426,339
Accounts and interest receivable	1,388
	<hr/>
Total Assets	\$ 427,727
Deferred Outflows of Resources	
	<hr/>
Total Assets and Deferred Outflows of Resources	<u>\$ 427,727</u>
Liabilities	
Current Liabilities	
Claims payable	\$ 231,080
Unearned revenue	117,890
	<hr/>
Total Liabilities	<u>\$ 348,970</u>
Deferred Inflows of Resources	
	<hr/>
Net Position	
Unrestricted	\$ 78,757
	<hr/>
Total Net Position	<u>\$ 78,757</u>
	<hr/>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 427,727</u>

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

Exhibit 8

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUND - DENTAL PLAN
PROPRIETARY FUND
For the Year Ended June 30, 2018

Operating revenues		
Charges for Premiums, Net of Refunds	\$	853,031
Operating expenses		
Employee benefits	\$	880,580
Services, supplies, and fees		<u>57,555</u>
Total Operating Expenses	\$	<u>938,135</u>
Operating income (loss)	\$	(85,104)
Total Net Position - Beginning		<u>163,861</u>
Total Net Position - Ending	\$	<u><u>78,757</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

Exhibit 9

STATEMENT OF CASH FLOW
INTERNAL SERVICE FUND - DENTAL PLAN
PROPRIETARY FUND
For the Year Ended June 30, 2018

Cash Flows from Operating Activities	
Receipts from Interfund Services Provided	\$ 527,595
Receipts from retirees	329,719
Payments for administrative costs	(57,555)
Payments for claims	<u>(752,375)</u>
Net Cash Provided by Operating Activities	\$ 47,384
Cash and Cash Equivalents - Beginning	<u>378,955</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 426,339</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Operating income (loss)	<u>\$ (85,104)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
(Increase) in Account Receivable	\$ (29)
Increase in Accounts Payable	128,205
Increase in Unearned Revenue	<u>4,312</u>
Total Adjustments	<u>\$ 132,488</u>
Net Cash Provided by Operating Activities	<u><u>\$ 47,384</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

Exhibit 10

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Federal Employee Benefit Trust Fund	Private- Purpose Funds
	<u> </u>	<u> </u>
Assets		
Cash and temporary investments	\$ 1,623,070	\$ 151,612
Due from other funds	257,487	
	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,880,557</u>	<u>\$ 151,612</u>
Liabilities		
Due to other funds	\$	\$ 13,998
	<u> </u>	<u> </u>
Net Position		
Restricted for endowment	\$	\$ 118,528
Restricted for clock tower		19,086
Restricted for retirees	1,880,557	
	<u> </u>	<u> </u>
Total Net Position	<u>\$ 1,880,557</u>	<u>\$ 137,614</u>
Total Liabilities and Net Position	<u>\$ 1,880,557</u>	<u>\$ 151,612</u>

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

Exhibit 11

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2018

	Federal Employee Benefit Trust Fund	Private- Purpose Funds
	<u> </u>	<u> </u>
Additions		
Interfund contribution	\$ 257,487	\$
Interest	21,005	574
	<u> </u>	<u> </u>
Total Additions	\$ 278,492	\$ 574
Deductions		
Benefits	\$ 250,000	\$
Pupil support services		13,998
	<u> </u>	<u> </u>
Total Deductions	\$ 250,000	\$ 13,998
Change in Net Position	\$ 28,492	\$ (13,424)
Net Position - Beginning	<u>1,852,065</u>	<u>151,038</u>
Net Position - Ending	<u>\$ 1,880,557</u>	<u>\$ 137,614</u>

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of Independent School District No. 709 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Financial Reporting Entity

The District is an instrumentality of the State of Minnesota established to function as an educational institution. The Board of Education consists of elected officials and is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board of Education and is responsible for administrative control of the District.

The District's financial statements include all funds, departments, agencies, boards, commissions, and other component units for which the District is considered to be financially accountable.

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

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

The financial transactions of student activities are included in the financial statements. Student activities are established by various student organizations (which have District employees as advisors). Amounts are usually generated and spent at the discretion of the student organizations and faculty advisors. The School Board has chosen to directly control the activities.

Basic Financial Statement Presentation

The district-wide financial statements (i.e., the Statement of Net position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District except for the fiduciary funds. The Fiduciary Funds are only reported in the 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 is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational; or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTANOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The Internal Service Fund is presented in the proprietary fund financial statements. Because the principal user of the internal services is the District's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the governmental-wide financial statements. The cost of these services is reported in the appropriated functional activity.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service fund is charges to customers for service. Operating expenses for the internal service fund include the cost of services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District applies restricted resources first when an expense is incurred for purpose for which both restricted and unrestricted net positions are available. Depreciation expense can be specifically identified by function and is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. The effect of interfund activity has been removed from the district-wide financial statements.

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. Aggregate information for the remaining non-major governmental funds is reported in a single column in the fund financial statements.

The fiduciary funds are presented in the fiduciary fund financial statements by type (pension and agency). Since, by definition, these assets are being held for the benefit of a third party (private parties, severance obligations, etc.) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the district-wide statements.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are fiduciary fund financial statements.

Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are generally recognized as revenues in the fiscal year for which they are levied, except for amounts advance recognized in accordance with a statutory "tax shift". Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

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

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Revenue Recognition – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within one year.
2. Recording of Expenditures – Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates.

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

Basis of Presentation

The District has established funds to account for and segregate the financial consequences of its various activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and by how such activities are controlled. Descriptions of the funds included in this report are as follows:

Major Governmental Funds

The General Fund accounts for administration, kindergarten through 12th grade instruction, transporting students to and from school, purchases of land, buildings, improvements, equipment, and textbooks, major repairs, activities and other costs to the District and related revenues.

The Capital Projects Fund accounts for construction of facility additions financed by levy or bonds.

The Debt Service Fund accounts for the retirement of bonds issued for kindergarten through 12th grade projects and payments of related interest. The assets of this fund are legally restricted to the aforementioned purpose.

Non-major Governmental Funds

The Food Service Fund accounts for meals provided to students. Revenues consist of state and federal aids and grants and sales to pupils and adults.

The Community Services Fund accounts for instruction of persons not in kindergarten through 12th grades. Revenues consist of state and federal aids and grants and participation fees.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Funds

Proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The District's internal service fund is used to account for dental benefits for employees who are covered by the dental self-insured plan of the District.

Fiduciary Funds

The Private Purpose Funds account for principal and unexpended earnings of the Miller Memorial Playground endowment and the Clock Tower endowment.

Federal Employee Benefit Trust Fund accounts for employees' severance for federally funded programs.

Budget Policies and Basis

The School Board is responsible for the budget and for the District's financial performance against the budget. District employees prepare a proposed budget on the modified accrual basis of accounting. The budget is amended and approved by the Board before the beginning of the fiscal year as required by Minn. Stat. § 123.B.77, subd. 4. The Board reviews the District's financial progress against the budget regularly throughout the year.

Budget and Budgetary Accounting

Formal budgetary accounting is employed as a management control for all funds of the District. For each fund for which a formal budget is adopted the same basis of accounting is used to reflect actual revenues and expenditures recognized on the basis of accounting principles generally accepted in the United States.

Reported budget amounts represent the originally adopted budget as amended. Expenditures in excess of the budget require approval of the School Board. Employees report significant deviations from budget line amounts to the Board as they are recognized throughout the year. The annual budget is not legally binding on the District unless the District has a total deficit in its K-12 general and operating funds that exceed 2.5 percent of expenditures. The budget is adopted through passage of a resolution. The School Board must approve revisions that alter total expenditures of any fund without offsetting revenues.

Cash and Temporary Investments

Cash and investments of the individual funds are combined to form a pool, except for the fiduciary funds, and are invested, to the extent available, in securities as authorized by state law. Investment income is reported in the General, Capital, and Fiduciary Funds. Funds with negative cash balances are not charged interest. Certificates of deposits and securities of the U.S. government and its agencies are recorded at fair value, based on quoted market price. External investment pools and money market funds are recorded at fair value, based on the fair value of the position in the pool.

The District considers highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Amounts due from individuals and organizations are recorded as receivables at year-end. Receivables are shown net of an allowance for uncollectible accounts. At June 30, 2018, the allowance for uncollectible accounts was \$6,018. The only receivables not expected to be collected within one year are current and delinquent property taxes receivable.

Inventory

General Fund inventory includes instructional and other materials held in the central storeroom. Inventory in the Food Service Fund consists of food and supplies. The General Fund central storeroom inventory is priced using the weighted average method. All inventories are accounted for using the consumption method. Under the consumption method, expenditures are recognized when inventory is used rather than when purchased. Food and supplies are valued at cost on a first-in, first-out basis.

Prepayments

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are reported using the consumption method and recorded as expenditure at the time of consumption.

Property Taxes

Property tax levies are established by the School Board in December of each year and are certified to the County for collection the following calendar year. In Minnesota, counties act as collection agents for all property taxes. The County spreads all levies over taxable property. Such taxes become a lien on January 1. Taxes are due on May 15 and October 15. The county generally remits taxes to the District at periodic intervals as they are collected. A portion of property taxes levied is paid through various state 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 a deferred inflow of resources (property taxes levied for subsequent year). The majority of District revenue in the General, Community Service Special Revenue Fund, and Debt Service Fund is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between taxes and state aids by the Legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift".

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is deferred because it is not known to be available to finance the operations of the district in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

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

Capital Assets

Capital assets are recorded 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 acquisition value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets. Capital assets are recorded in the district-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives, ranging from five to fifty years.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources related to pensions for its proportionate shares of collective deferred outflows of resources related to pensions and District contributions to pension plans and the postemployment healthcare plan subsequent to the measurement date of collective net pension liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has reported unavailable revenue from delinquent property taxes, which arises only under a modified accrual basis of accounting, in the governmental funds balance sheet. The District has also reported property taxes levied for subsequent year's expenditures as deferred inflow of resources in both the governmental funds balance sheet and the statement of net position. The District reports deferred inflows of resources for its proportionate share of collective deferred inflows of resources related to pensions. The District also reports deferred inflows of resources related to OPEB for changes in assumptions related to the postemployment healthcare plan. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

The District records a liability for earned but unpaid vacation. Unpaid sick leave does not vest and therefore is not accrued. Sick pay is recognized when paid and unused balances are used in severance calculations.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

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

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

Long-Term Liabilities

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. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are included in expenditures/expenses when incurred.

Fund Balances

In the fund financial statements, governmental funds report fund balance amounts within one of the following fund balance categories:

1. Non-spendable Fund Balances are either (a) not in spendable form, or (b) legally contractually required to remain intact.
2. Restricted Fund Balances are amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.
3. Committed Fund Balances include amounts that can be used only for the specific purpose determined by a formal action of the School Board.
4. Assigned Fund Balances include amounts intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned Fund Balance represents fund balance that has not been restricted, committed, or assigned to a specific purpose.

The District applies restricted resources first when an expense is incurred for the purpose which both restricted and unrestricted fund balance is available. If resources from more than one fund balance classification could be spent, the district will strive to spend resources from fund balance classifications in the following order: restricted, committed, assigned, and unassigned.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In accordance with the District's fund balance policy, formal board action is required to establish, modify or rescind a fund balance commitment and the District's management is authorized to assign fund balance to a specific purpose.

To ensure financial stability, the board adopted a fund balance policy that shall establish and maintain an amount in the general fund unassigned amount, and/or the severance-insurance restricted amount, equal to ten percent of the combined budgetary unrestricted expenditures from the general fund, food service fund, community services fund, capital fund, and debt service fund. The minimum fund balance was not achieved at June 30, 2018.

Net Position

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

Implementation of New Standards

During fiscal year 2018, the District adopted GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension*. The adoption resulted in the restatement of governmental activities net position at July 1, 2017 as follows:

Net Position, as previously reported, at July 1, 2017	\$ (27,724,278)
Net OPEB liability previously reported under GASB Statement No. 45	4,210,675
Total OPEB liability reported under GASB Statement No. 75	(17,479,620)
Deferred outflows of resources related to OPEB under GASB Statement No. 75	1,507,624
Net Position, as restated, at July 1, 2017	<u>\$ (39,485,599)</u>

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits

Minn. Stat. § 118A.04 authorizes the District to deposit its cash and to invest in financial institutions designated by the District's Board. Minnesota Statutes require that all District deposits be covered by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes: treasury bills, notes and bonds; issues of U.S. Government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

Investments

Minn. Stat. § 118A.04 and 118A.05 generally authorizes the following types of investments as available to the District:

1. Securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by subd. 6;
2. Shares of a Minnesota joint powers investment trust or shares of an investment company that is registered under the Federal Investment Company Act of 1940 pursuant to the restrictions of Minn. Stat § 118A.05 subd. 4;
3. General obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota or other states provided such obligations have certain specified bond ratings by a national bond rating service;
4. Time deposits that are fully insured by the Federal Deposit Insurance Corporation or bankers' acceptances of United States banks;
5. Commercial paper issued by United States corporations, or their Canadian subsidiaries, that is of the highest quality and matures in 270 days or less;
6. Guaranteed investment contracts (gic's) issued or guaranteed by United States commercial banks, or domestic branches of foreign banks, or United States insurance companies, if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories;
7. Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers; and
8. Securities lending agents under the provisions of Minn. Stat. § 118A.05 subd.3.

The Minnesota School District Liquid Asset Fund (MSDLAF) and MNTrust are external investment pools not registered with the Securities and Exchange Commission (SEC). The fair value of the position on the pool is the same as the value of the pool shares. The District's investment in MSDLAF and MN Trust Investment Shares Portfolio are measured at net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. MSDLAF and MN Trust are short-term money market portfolios. The portfolios are managed to maintain a dollar-weighted average portfolio maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1.00.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates that will adversely affect the fair value of an investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The District has the following investments at June 30, 2018:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 Yr</u>	<u>1-3 Years</u>	<u>Over 3 Years</u>
US Government Securities	\$ 81,063,859	\$ 81,063,859	\$ -	\$ -
External Investment Pools	20,896,816	20,896,816		
Negotiable CD's	2,872,479	2,872,479		
Total Investments	\$ 104,833,154	\$ 104,833,154	\$ -	\$ -

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the District's policy to invest only in securities that meet the ratings requirements set by state statute.

The District's exposure to credit risk as of June 30, 2018 is as follows:

<u>S & P or Moody's Rating</u>	<u>Fair Value</u>
AAAm	\$ 17,896,816
AA+	994,414
Not Rated	85,941,924
Total Investments	\$ 104,833,154

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. At June 30, 2018, none of the District's investments were subject to custodial credit risk.

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the District's investment in a single issuer. The District places no limit on the amount the District may invest in one issuer. At June 30, 2018 the District did not hold investments in any one issuer (excluding mutual funds and external investment pools) that represents five percent or more of the District's investments.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

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

The District has the following investments valued at recurring fair value measurements at June 30, 2018:

Investments by fair value level	Total	Active Markets	Significant Other	
		of Identical Assets	Observable Inputs	Unobservable Inputs
		(Level 1)	(Level 2)	(Level 3)
Negotiable certificates of deposit	\$ 2,872,479	\$	\$ 2,872,479	\$
U.S. Gov Securities	81,063,859		81,063,859	
	<u>83,936,338</u>	<u>\$</u>	<u>\$ 83,936,338</u>	<u>\$</u>
Investments measured at the net asset value (NAV)				
External investment pools	20,896,816			
	<u>\$ 104,833,154</u>			

The following table sets forth additional disclosures about the District's investments whose values are estimated using net asset value (NAV) as of June 30, 2018:

	Amount	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
External Investment Pool - MSDLAF	\$ 1,794,625	\$	14 days*	24-hour notice
External Investment Pool - MNTrust	19,102,191	\$	None	None
	<u>\$ 20,896,816</u>			

*With the exception of direct investments of funds distributed by the State of Minnesota

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

The District's total cash and investments as of June 30, 2018 are as follows:

Petty Cash	\$	2,605
Deposits		1,628,280
Investments		<u>104,833,154</u>
	\$	<u>106,464,039</u>

The District's total cash and investments as of June 30, 2018 are presented in the basic financial statements as follows:

Statement of Net Position		
Cash and Temporary Investments	\$	22,913,479
Restricted Assets		
Cash and Investments for Debt Service		80,069,866
Cash and Investments for Capital Projects		1,706,012
Statement of Fiduciary Net Position		
Cash and Cash Equivalents		
Federal Employee Benefit Trust Fund		1,623,070
Private Purpose Funds		<u>151,612</u>
Total Cash and Investments	\$	<u>106,464,039</u>

NOTE 3 – TAXES AND CREDITS RECEIVABLE

Current taxes and credits receivable represent the uncollected balance of the 2017 levy, collectible in 2018, including related state property tax relief aid. Delinquent taxes receivable represent taxes due from levies of the prior six years. At June 30, 2018, property taxes and credits receivable consisted of:

<u>Fund</u>	<u>Current</u>	<u>Delinquent</u>	<u>Total</u>
General Fund	\$ 7,813,327	\$ 664,869	\$ 8,478,196
Community Services Fund	522,915	68,054	590,969
Debt Services Fund	<u>9,147,981</u>	<u>975,406</u>	<u>10,123,387</u>
Total	<u>\$ 17,484,223</u>	<u>\$ 1,708,329</u>	<u>\$ 19,192,552</u>

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 - INVENTORY

Inventory at June 30, 2018, consisted of:

General Fund - Supplies	\$ 57,652
Food Service Fund - Food	<u>101,777</u>
Total	<u>\$ 159,429</u>

NOTE 5 - LEASE OBLIGATIONS

Operating Leases

The District is committed under various operating leases for building space, parking facilities, and equipment. Rent expense for the year ended June 30, 2018, was \$444,155.

Future minimum lease payments under operating leases, which are not reflected in these financial statements, consist of the following at June 30, 2018:

<u>Year Ending June 30</u>	
2019	\$311,029
2020	299,498
2021	132,231
2022	<u>45,311</u>
Total	<u>\$788,069</u>

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6 – CAPITAL ASSETS

A summary of the changes in capital assets in fiscal year 2018 is as follows:

Capital Assets Not Depreciated	Balance 6/30/2017	Additions	Disposals	Balance 6/30/2018
Land	\$ 10,021,409		\$ (43,873)	\$ 9,977,536
Construction Work in Process		893,285		\$ 893,285
Total Capital Assets Not Depreciated	<u>\$ 10,021,409</u>	<u>\$ 893,285</u>	<u>\$ (43,873)</u>	<u>\$ 10,870,821</u>
Capital Assets Depreciated				
Land Improvements	\$ 2,496,359	\$ 7,465	\$ (7,791)	\$ 2,496,033
Buildings	335,178,419	6,050,992	(289,651)	340,939,760
Furniture & Equipment	7,364,660	552,086	(168,937)	7,747,809
Total Capital Assets Depreciated	\$ 345,039,438	\$ 6,610,543	\$ (466,379)	\$ 351,183,602
Less Accumulated Depreciation	(60,907,147)	(7,247,343)	463,231	(67,691,259)
Capital assets, being depreciated, net	\$ 284,132,291	\$ (636,800)	\$ (3,148)	\$ 283,492,343
Total capital assts, net of depreciation	<u>\$ 294,153,700</u>	<u>\$ 256,485</u>	<u>\$ (47,021)</u>	<u>\$ 294,363,164</u>

Depreciation expense was charged to governmental functions as follows:

	2018 Depreciation
Administration	10,255
District Support Service	90,227
Elem/Sec Regular Instruction	13,889
Vocational Education Instruction	22,320
Special Education Instruction	4,712
Community Education and Service	32,125
Instructional Support Services	1,387
Pupil Support Services	187,454
Sites and Buildings	6,884,974
Total	<u>7,247,343</u>

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6 – CAPITAL ASSETS (Continued)

Included in amounts reported for capital assets are land, buildings, and equipment related to closure hearings conducted by the School Board. The closure hearings included Central High School, Secondary Technical Center, and Nettleton Elementary. Nettleton Elementary was sold in June, 2018. The net book value of the remaining assets total \$3,222,308.

NOTE 7 – LONG-TERM LIABILITIES

Certificates of Participation

\$111,440,000 Full Term Refunding Certificates of Participation, Series 2008B due in annual installments of \$2,440,000 to \$10,385,000 plus 3.50 to 5.00 percent interest from February 1, 2009 through February 1, 2028.	\$ 77,165,000
\$71,170,000 Taxable Full Term Certificates of Participation, Series 2009A (Build America Bonds - Direct Pay) due in annual installments of \$2,675,000 to \$6,265,000 plus 2.250 to 5.600 percent interest from February 1, 2010 through February 1, 2028.	49,400,000
\$35,400,000 Certificates of Participation, Series 2009B due in annual installments of \$1,300,000 to \$2,770,000 plus 4.00 to 5.00 percent interest from March 1, 2012 through March 1, 2030.	25,520,000
\$5,000,000 Full Term Refunding Certificates of Participation, Series 2010C due in annual installments of \$210,000 to \$370,000 plus 2.00 to 4.00 percent interest from August 1, 2011 through February 1, 2028.	3,215,000
\$1,605,000 Certificates of Participation, Series 2010D due in annual installments of \$90,000 to \$110,000 plus 2.50 to 4.65 percent interest from March 1, 2011 through March 1, 2030.	1,055,000
\$12,800,424.50 Full Term Capital Appreciation Certificates of Participation, Series 2012A due in annual installments of \$536,344 to \$2,304,404 plus 3.70 to 4.25 percent interest from February 1, 2021 through February 1, 2028.	12,800,425
\$6,340,000 Certificates of Participation, Series 2012B due in annual installments of \$260,000 to \$460,000 plus 3.00 to 5.25 percent interest from March 1, 2013 through March 1, 2032.	5,000,000
\$82,605,000 Full Term Refunding Certificates of Participation, Series 2016A due in annual installments of \$4,470,000 to \$9,900,000 plus 3.00 to 5.00 percent interest from February 1, 2017 through February 1, 2028.	73,275,000
Total	<u>\$ 247,430,425</u>

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 – LONG-TERM LIABILITIES (Continued)

The annual requirements to amortize the principal and interest are:

Year Ended June 30	Total	Principal	Interest
2019	\$ 99,102,480	\$ 88,430,000	\$ 10,672,480
2020	18,686,893	11,920,000	6,766,893
2021	19,674,422	13,151,344	6,523,078
2022	20,995,285	14,603,895	6,391,390
2023	21,458,283	15,583,340	5,874,943
2024-2028	118,480,480	96,416,846	22,063,634
2029-2032	7,978,075	7,325,000	653,075
Total	<u>\$ 306,375,918</u>	<u>\$ 247,430,425</u>	<u>\$ 58,945,493</u>

August 17, 2016, the District issued \$82,605,000 in Full Term Refunding Certificates of Participation, Series 2016A, to refund the Full Term Certificates of Participation, Series 2008B. The proceeds were placed in escrow and invested in U. S. government securities. The proceeds plus interest earned will be sufficient to pay the 2018 through 2028 payments of the Full Term Certificates of Participation, Series 2008B callable on February 1, 2019. The refunding was undertaken to reduce total debt service payments in an average amount annually of \$571,686 over twelve years.

Bonds Payable

\$44,320,000 General Obligation School Building Refunding Bonds (Series 2015B) due in annual installments of \$525,000 to \$5,135,000 plus 3.50 to 4.00 percent interest from August 1, 2015 to February 1, 2028.	\$ 43,730,000
\$3,640,000 Taxable General Obligation Facilities Maintenance Bonds (Series 2017A) due in annual installments of \$690,000 to \$755,000 plus 2.00 to 3.00 percent interest from February 1, 2018 through February 1, 2022.	2,885,000
\$615,000 Taxable General Obligation School Capital Facilities Bonds (Series 2017B) due in annual installments of \$115,000 to \$130,000 plus 2.00 to 3.00 percent interest from February 1, 2018 through February 1, 2022.	<u>485,000</u>
Total	<u>\$ 47,100,000</u>

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 – LONG-TERM LIABILITIES (Continued)

The annual requirements to amortize the principal and interest are:

Year Ended June 30	Total	Principal	Interest
2019	\$ 6,203,067	\$ 4,410,000	\$ 1,793,067
2020	6,194,950	4,565,000	1,629,950
2021	6,190,650	4,735,000	1,455,650
2022	6,191,000	4,955,000	1,236,000
2023	5,280,850	4,275,000	1,005,850
2024-2028	26,447,900	24,160,000	2,287,900
Total	<u>\$ 56,508,417</u>	<u>\$47,100,000</u>	<u>\$ 9,408,417</u>

Capital Leases

The District is committed under a capital lease for three (3) copiers. The term of the lease is for 60 months beginning September 1, 2017. At the end of the lease the District will purchase the copiers for one dollar.

The expense for the year ended June 30, 2018 was \$3,689. Future minimum lease payments, which are not reflected in these financial statements, consist of the following at June 30, 2018:

<u>Year Ending June 30</u>	
2019	\$ 4,428
2020	4,428
2021	4,428
2022	4,428
2023	737
	<u>\$ 18,449</u>

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Changes in long-term debt for the year ended June 30, 2018 are:

	Balance June 30, 2017	Increase	Payments/ Adjustments	Balance June 30, 2018
Certificates of participation	\$ 263,135,425		\$ 15,705,000	\$ 247,430,425
Bonds payable	90,445,000	4,255,000	47,600,000	47,100,000
Capital lease		22,138	3,689	18,449
OPEB, restated	17,479,620	1,545,257	2,039,032	16,985,845
Severance obligation	24,803,441	2,250,979	9,486,879	17,567,541
Net pension liability	227,742,940	4,943,435	39,023,617	193,662,758
Total	\$ 623,606,426	\$ 13,016,809	\$ 113,858,217	\$ 522,765,018

Certificates of Participation and bonds are paid from the General and Debt Service Funds. OPEB, severance obligations, and net pension liability are paid from the General, Food Service, Community Service, or the Federal Employee Benefit Trust funds.

The American Recovery and Reinvestment Act of 2009 (ARRA) created build America bonds and recovery zone economic development bonds. As a result of this act, the District receives direct payments from the Federal Government equal to 35 percent of the interest payments due on bond Series 2009A. During the year the District received an interest subsidy from the Federal Government totaling \$885,638.

The following is a summary of the current (due in one year or less) and the long-term portion (due in more than one year) of long-term debt as of June 30, 2018:

	Current Portion	Long-term Portion	Total
Certificates of participation	\$ 88,430,000	\$ 159,000,425	\$ 247,430,425
Bonds payable	4,410,000	42,690,000	47,100,000
Capital lease	4,428	14,021	18,449
OPEB		16,985,845	16,985,845
Severance obligation	1,334,915	16,232,626	17,567,541
Net pension liability		193,662,758	193,662,758
Total	\$ 94,179,343	\$ 428,585,675	\$ 522,765,018

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Legal Debt Margin

The District's legal debt limit is 15% of the fair market value of the property within the District. The District's legal debt margin at June 30, 2018 is approximately \$965,530,760.

NOTE 8 - COMPENSATED ABSENCES

Vacation and sick leave are earned based on various bargaining unit contracts and length of service as follows:

	<u>Vacation</u>	<u>Sick Leave</u>
Teachers	None	10 days per year
Administrative	10 - 25 days per year	10 - 13 days per year
Maintenance	2 - 5 weeks per year	18 days per year
Non-certified	0 - 6 weeks per year	13 - 18 days per year

At June 30, 2018, \$426,238 has been included in the district-wide financial statements.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9 - SEVERANCE OBLIGATIONS

Upon retirement, most District employees are entitled to a severance amount based on accumulated unused sick leave, age, years of service and wage rate at date of retirement, as established by contracts with bargaining units or other employment contracts. These contracts establish the terms and amounts each retiree is eligible to receive, and establish when these severance benefits vest, all of which may differ between each bargaining unit and employee group.

For some bargaining units, the District remits either a lump sum or one third of the calculated severance benefit to the Minnesota State Retirement System Health Care Savings Plan (HCSP) upon retirement of the employee. The remaining two thirds of the calculated amount due the employee are paid over a two year period. These funds will be disbursed in accordance with the HCSP account agreement, which is a separate agreement between the HCSP and the retiree.

For the remaining employees, the District pays a portion of the severance benefit to the state HCSP and retains a portion for the employees to use to pay future health insurance premiums. Severance is recorded as expenditure when paid. The retained severance obligation for this benefit is for future health insurance benefits and amounts due to the state HCSP.

During 2018, 118 retirees received a total benefit of \$2,468,190. The District funds these expenditures as paid except for the severance for employees of federal programs, which is funded through the Federal Employee Benefit Trust.

Retained severance benefit obligations for retirees	\$ 883,902
Retained severance benefit obligations for qualified employees	25,771,604
Total termination benefits payable	<u>\$26,655,506</u>
Amount available in Federal Employee Benefit Trust Fund	<u>(1,852,065)</u>
Total	<u><u>\$24,803,441</u></u>

NOTE 10 – INTERFUND TRANSACTIONS

Individual fund receivable and payable balances at June 30, 2018:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 13,998	\$ 154,662
Community Service Fund		102,825
Fiduciary Funds		
Federal Employee Benefit Trust Fund	\$ 257,487	
Private Purpose Funds		13,998
Total Funds	<u>\$ 271,485</u>	<u>\$ 271,485</u>

These amounts represent federal severance calculation and a donation match from an endowment, and are expected to be paid within one year.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 – FUND BALANCE

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

Restricted fund balances at June 30, 2018 are as follows:

1. Restricted for Teacher Development & Evaluations – This represents amounts available for development and evaluations for teachers and principals.
2. Restricted for Projects funded by Certificates of Participation (COP) – Represents unspent COP bond issue proceeds available for construction projects identified in the District's Long-Range Facility Plan.
3. Restricted for Area Learning Center - Represents available resources for students attending the Area Learning Center. Revenue is derived by state aid and expenditures are for salaries, benefits, and supplies.
4. Restricted for Debt Service - This amount represents available resources for the payment of long-term debt. Revenues are derived from local tax levies, state aids, and federal sources and expenditures are for principal and interest costs.
5. Restricted for Food Service - This amount represents available resources for food service programs. Revenues are derived from local, state, and federal sources and expenditures are for salaries, benefits and supplies.
6. Restricted for Community Education - This amount represents available resources for community education classes. Revenues are derived from local tax levies and state aids and expenditures are for salaries, benefits and supplies.
7. Restricted for Early Childhood and Family Education (ECFE) - This amount represents available resources for ECFE classes. Revenues are derived from local tax levies and state aids and expenditures are for salaries, benefits and supplies.
8. Restricted for School Readiness - This amount represents available resources to provide services for learning readiness programs.
9. Restricted for Adult Basic Education – This amount represents the balance of carryover monies for all activity involving Adult Basic Education
10. Restricted for Community Service - This amount represents available resources to provide services for community service.
11. Restricted for Long-Term Facilities Maintenance (LTFM) - This amount represents available resources to be used for LTFM projects in accordance with the 10 Year Plan.
12. Restricted for Bond Refunding - This amount represents amounts held in escrow on Refunding Bond Series 2016A. The amounts in escrow are used for future payments of principal and interest on Bond Series 2008B until the bond callable date.
13. Restricted for Staff Development – This amount represents funds available for staff development expenses consisting of substitute costs, registrations, trainings, etc.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 – FUND BALANCE (Continued)

Below is a detail description of the restricted fund balance amount reported on the Government's Balance Sheet on June 30, 2018.

Teacher Development & Eval	\$ 75,636
Staff Development	12,479
Bond Refunding	80,069,866
LTFM	985,752
Projects Funded by COP	25
Area Learning Center	342,059
Debt Service	4,645,480
Food Service	870,127
Community Education	873,996
Early Childhood Family Education	100,048
School Readiness	124,391
Adult Basic Education	85,439
Community Service	30,005
Total Restricted Fund Balance	<u>\$ 88,215,303</u>

NOTE 12 - POST-EMPLOYMENT HEALTHCARE PLAN

The cost of post-employment benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 75, the District recognizes the costs of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the District's future cash flows. The plan does not issue a standalone financial report, but is included in this report of the District.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - POST-EMPLOYMENT HEALTHCARE PLAN (Continued)

Plan Description

Duluth Public Schools administers a single-employer defined benefit OPEB plan which provides medical benefits to eligible retired employees and their dependents in accordance with the terms of the plan. The District has not established a trust fund to account for the plan.

Employees covered by benefit terms

At June 30, 2017, the following employees were covered by the benefit terms:

Active employees electing coverage	1,036
Active employees waiving coverage	53
Retirees electing coverage	801
	<u>1,890</u>

The District's total OPEB liability of \$16,985,845 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.75%	
Discount rate	3.56%	
Healthcare trend rates	Fiscal Year	
	Beginning	
	2017	Medical
	2018	6.80%
	2019	6.90%
	2020	6.30%
	2021-2054	5.80%
		5.20%
		Transition
		ultimate
	2055-2073	rate
	2074	4.40%

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

The discount rate was determined using the index rate for 20-Year, tax-exempt, municipal bonds.

Mortality rates were based on the 00 mortality tables with projected mortality improvements based on Scale AA and other adjustments.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at 6/30/2017	\$ 17,479,620
Changes for the year:	
Service cost	1,026,879
Interest	518,378
Changes of assumptions	(531,408)
Benefit payments	(1,507,624)
Net changes	<u>(493,775)</u>
Balances at 6/30/2018	<u>\$ 16,985,845</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 that the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56%) or one percentage point higher (4.6%) than the current discount rate:

	1% Decrease <u>2.56%</u>	Discount Rate <u>3.56%</u>	1% Increase <u>4.56%</u>
Total OPEB Liability	\$ 17,819,696	\$ 16,985,845	\$ 16,174,127

Sensitivity of the Total OPEB Liability to Changes in the Health Care 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 calculated using healthcare trend rates that are one percentage point lower or one percentage point higher than the current healthcare trend rates:

	1% Decrease <u> </u>	Discount Rate <u> </u>	1% Increase <u> </u>
Total OPEB Liability	\$ 16,506,568	\$ 16,985,845	\$ 17,534,836

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB

For the year ended June 30, 2018 the District recognized OPEB expense of \$2,468,190. The District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$	\$ 466,205
Contribution subsequent to measurement date	1,327,660	
Total	\$ 1,327,660	\$ 466,205

The amount of \$1,327,660 reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019.

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

<u>Year ended June 30</u>	<u>Pension Expense Amount</u>
2019	\$ (65,203)
2020	(65,203)
2021	(65,203)
2022	(65,203)
2023	(65,203)
Thereafter	(140,190)
Total	\$ (466,205)

NOTE 13 – DEFINED BENEFIT PENSION PLANS

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

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Teachers' Retirement Association of Minnesota

Plan Description

Certified employees of the District are covered by defined benefit plans administered by the Teachers' Retirement Association (TRA). 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.

Teachers employed in Minnesota's public elementary and secondary school, charter schools, and certain educational institutions maintained by the state (except those teachers employed by the cities of Duluth and St. Paul, and by the University of Minnesota system) are required to be TRA members.

State university, community college, and technical college teachers first employed by the Minnesota State College and Universities (MnSCU) may elect TRA coverage within one year of eligible employment. Alternatively, these teachers may elect coverage through the Defined Contribution Retirement Plan (DCR) administered by MnSCU.

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.

<u>Tier I Benefits</u>	<u>Step Rate Formula</u>	<u>Percentage</u>
Basic	First ten years of service	2.2%/year
	All years after	2.7%/year
Coordinated	First ten years if years up to 7/1/2006	1.2%/year
	First ten years if years 7/1/2006 or after	1.4%/year
	All other years if years up to 7/1/2006	1.7%/year
	All other years if years 7/1/2006 or after	1.9%/year

Under Tier I benefits, normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service; 3 percent per year early retirement reduction factor for all years under normal retirement age; and unreduced benefits for early retirement under a Rule-of-90 (age plus allowable service equals 90 or more).

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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 Plan members and 2.7 for Basic members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statute. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

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

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

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.

Contribution Rate

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal years ended June 30, 2016, June 30, 2017, and June 30, 2018, were:

Basic

Employee	11.00%
Employer	11.50%

Coordinated

Employee	7.50%
Employer	7.50%

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Employer contributions reported in TRA's CAFR, Statement of Changes in Fiduciary Net Position	\$367,791,000
Add employer contributions not related to future contribution efforts	810,000
Deduct TRA's contributions not included in allocation	<u>(456,000)</u>
Total employer contributions	\$368,145,000
Total non-employer contributions	<u>35,588,000</u>
Total contributions reported in Schedule of Employer and Non-Employer Allocations	<u><u>\$403,733,000</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.

Actuarial Assumptions

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information:

Valuation Date	July 1, 2017
Experience Study	June 5, 2015
	November 6, 2017 (economic assumptions)
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	5.12%, from the Single Equivalent Interest Rate calculation
Price inflation rate	2.50%
Wage growth rate	2.85% for 10 years, 3.25% thereafter
Projected salary increase	2.85% - 8.85% for 10 years and 3.25% to 9.25% thereafter
Cost of living adjustment	2.0%

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Mortality Assumption:

Pre-retirement:

RP-2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP-2015 scale.

Post-retirement:

RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.

Post-disability:

RP-2014 disabled retiree mortality table, without adjustment.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Stocks	39%	5.10%
International Stocks	19%	5.30%
Bonds	20%	0.75%
Alternative Assets	20%	5.90%
Unallocated Cash	2%	0.00%
Total	<u>100%</u>	

The TRA actuary has determined the average of the expected remaining service lives of all members for fiscal year 2016 is 6 years. The "Difference Between Expected and Actual Experience," "Changes of Assumptions," and "Changes in Proportion" use the amortization period of 6 years in the schedule presented. The amortization period for "Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments" is over a period of 5 years as required by GASB 68.

Changes in actuarial assumptions since the 2016 valuation:

1. The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
2. The COLA was not assumed to increase to 2.5%, but remain at 2.0% for all future years.

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

3. Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the non-vested inactive load increased from 4.0% to 9.0%.
4. The investment return assumption was changed from 8.0% to 7.5%.
5. The price inflation assumption was lowered from 2.75% to 2.50%.
6. The payroll growth assumption was lowered from 3.50% to 3.00%
7. The general wage growth assumption was lowered from 3.50% to 2.85% for ten years followed by 3.25% thereafter.
8. The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

Discount Rate

The discount rate used to measure the total pension liability was 5.12%. This is an increase from the discount rate at the prior measurement date of 4.66%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal 2017 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 projected to be depleted in 2053 and, as a result, the Municipal Bond Index Rate was used in the determination of the Single Equivalent Interest Rate (SEIR). The long-term expected rate of return (7.50%) was applied to all periods before 2053 and the Municipal Bond Index Rate of 3.56% was applied to periods on and after 2053, resulting in a SEIR of 5.12 percent. There was a change in the Municipal Bond Index Rate from the prior year measurement date (3.01%).

Net Pension Liability

At June 30, 2018, the District reported a liability of \$177,141,137 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. The District's proportionate share was 0.8874% at the end of the measurement period and 0.8681% 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 proportional share of net pension liability	\$ 177,141,137
State's proportional share of net pension liability associated with the District	\$ 17,123,980

For the year ended June 30, 2018, the District recognized pension expense of \$38,320,407. It also recognized \$328,425 as an increase to pension expense for the support provided by direct aid.

INDEPENDENT SCHOOL DISTRICT NO. 709
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

At June 30, 2018, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 1,219,323
Net difference between projected and actual earnings on plan investments	1,132,499	
Changes in assumptions	69,023,985	
Contributions paid to TRA subsequent to the measurement period	3,436,211	
Changes in proportion	23,654,437	
Total	\$ 97,247,132	\$ 1,219,323

\$3,436,211 reported as a deferred outflow 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, 2019.

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

Year Ended June 30	Pension Expense Amount
2019	\$ 29,202,881
2020	\$ 29,202,883
2021	\$ 20,989,569
2022	\$ 17,639,762
2023	\$ (4,443,527)
Total	\$ 92,591,568

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.12%, as well as the liability measured using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Discount Rate	4.12%	5.12%	6.12%
District's proportionate share of the TRA net pension liability	\$ 233,792,168	\$ 177,141,137	\$ 129,377,427

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

Pension Plan Fiduciary Net Position

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

Public Employees Retirement Association (PERA)

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.

All full-time and certain part-time employees of the District other than teachers are covered by the General Employees Plan (accounted for in the General Employees Retirement Fund). General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90% funded for two consecutive years are given 2.5% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases.

The benefit provisions stated in the following paragraph are current provisions and apply to active plan participants. 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.

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 services. Two methods are used to compute benefits for PERA's Coordinated Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first 10 years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 1.7% for Coordinated Plan members for each year 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 recipients will receive a future annual increase equal to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age (not applicable to Rule of 90 retirees, disability benefit recipients, or survivors). A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase.

Contributions

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

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2018. The District was required to contribute 7.5% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2018 were \$1,185,712. The District's contribution was equal to the contractually required contribution for the year as set by state statute.

Pension Costs

At June 30, 2018, the District reported a liability of \$16,521,621 for its proportionate share of 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 to the fund in 2018. 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 \$207,740.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

The net pension liability was measured as of June 30, 2017, 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 received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the District's proportion was 0.2588%, which was an increase of 0.0041% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$782,805 for its proportionate share of General Employees Plan's pension expense. In addition, the District recognized an additional \$6,000 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At June 30, 2018, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$	\$ 504,585
Net difference between projected and actual earnings on plan investments		793,618
Changes in assumptions	1,043,197	
Contributions paid to PERA subsequent to the measurement period	1,185,712	
Changes in proportion		<u>1,908</u>
Total	<u>\$ 2,228,909</u>	<u>\$ 1,300,111</u>

\$1,185,712 reported as a deferred outflow 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, 2019.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

<u>Year Ended June 30</u>	<u>Pension Expense Amount</u>
2019	\$ (281,240)
2020	967,311
2021	(241,674)
2022	(701,311)
2023	-
Total	<u>\$ (256,914)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the actuarial assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retiree, survivors and disabilitants were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be one percent per year for all future years.

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2015.

The following changes in actuarial assumptions occurred in 2017:

1. The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability, and 3.0% for non-vested deferred member liability.
2. The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

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

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – DEFINED BENEFIT PENSION PLANS (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
Domestic Stocks	39%	5.10%
International Stocks	19%	5.30%
Bonds	20%	0.75%
Alternative Assets	20%	5.90%
Cash	2%	0.00%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability in 2017 was 7.50%. 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.

Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Deferred Inflows Discount Rate	1% Increase in Discount Rate
Discount Rate	6.50%	7.50%	8.50%
District's proportionate share of the PERA net pension liability	\$ 25,626,262	\$ 16,521,621	\$ 9,067,819

Pension Plan Fiduciary Net Position

Detailed information about General Employees Fund 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.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14 - DENTAL SELF-INSURANCE PLAN

The District established an Internal Service Fund to account for and finance its uninsured risk of loss for employee dental insurance plans. Under these plans, the Internal Service Fund provides coverage to participating employees and their dependents for various dental costs as described in the plan.

The District makes premium payments to the Internal Services Fund on behalf of the program participants based on provisional rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss health insurance premium costs and administrative service charges.

District claim liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported. Because actual claim liabilities depend on complex factors such as inflation, changes in legal doctrines, and damage awards, the process used in computing a claim liability does not necessarily result in an exact amount. Claim liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Changes in the balance of dental claim liabilities for fiscal year 2018 were as follows:

Fiscal Year Ended June 30	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claims Payments	Balance of Fiscal Year End
2017	\$ 76,547	\$ 816,625	\$ 790,297	\$ 102,875
2018	102,875	938,135	809,930	231,080

NOTE 15 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employee health and dental; and natural disasters. Risks of loss related to employee dental claims are self-insured. Risk of loss associated with workers' compensation claims were insured through participation in the Minnesota School Boards Association Insurance Trust and continue to cover claims arising during their period of coverage. The District currently carries commercial workers' compensation insurance. This policy provides coverage for up to a maximum liability limit of \$2,000,000 with a medical deductible of \$2,500 for each workers' compensation claim. All other risks of loss are insured by the purchase of commercial insurance. There were no significant reductions in insurance coverage from the previous year. There were no settlements in excess of insurance for any of the past three fiscal years.

NOTE 16 - COMMITMENTS

At June 30, 2018, the District had commitments under various construction and service contracts totaling \$128,609. The construction commitments will be paid by the Capital Projects Fund.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 17 - CONTINGENT LIABILITIES

Amounts received or receivable from grant 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 that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's counsel the resolution of these matters will not have a material adverse effect on the financial conditions of the District.

NOTE 18 - SUBSEQUENT EVENT

On October 31, 2018, the District sold some vacant land to the City of Duluth. The District realized property sale revenue of \$388,241. This will be reflected in Fiscal Year 2019 financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

Statement A- 1

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
BUDGET AND ACTUAL

Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	Budget		Actual	Over	Prior Year
	Original	Final		(Under)	
				Final Budget	Actual
Revenues					
Local property tax levies	\$ 12,754,843	\$ 12,754,843	\$ 12,829,419	\$ 74,576	\$ 12,459,353
Interest income	51,734	51,734	186,902	135,168	108,910
Other local and county	3,340,866	3,580,920	3,863,690	282,770	4,085,377
State sources	81,357,215	81,064,075	81,532,066	467,991	78,037,330
Federal sources	5,866,551	5,953,682	5,840,535	(113,147)	6,524,445
Insurance/Judgement recovery	-	-	80	80	84,785
Sales and other conversions of assets	796,505	796,505	675,155	(121,350)	657,415
Total Revenues	\$ 104,167,714	\$ 104,201,759	\$ 104,927,847	\$ 726,088	\$ 101,957,615
Expenditures					
Administration	\$ 5,158,575	\$ 4,970,544	\$ 5,091,704	\$ (121,160)	\$ 5,009,606
District support services	4,861,946	4,920,341	2,801,448	2,118,893	2,800,224
Regular instruction	40,990,602	41,230,273	44,634,867	(3,404,594)	45,613,382
Vocational instruction	1,766,278	1,764,422	1,541,147	223,275	1,420,996
Special education instruction	20,987,241	21,081,111	23,128,596	(2,047,485)	23,214,740
Community education and services	-	63,439	58,829	4,610	89,191
Instructional support services	3,823,918	4,165,534	4,578,607	(413,073)	5,279,209
Pupil support services	8,148,892	8,155,814	8,184,343	(28,529)	7,887,262
Sites, buildings and equipment	6,783,901	5,163,809	7,785,096	(2,621,287)	8,131,440
Fiscal and other fixed cost programs	3,980,000	7,156,085	349,086	6,806,999	330,174
Debt Service					
Principal	1,900,000	1,900,000	1,900,000	-	1,830,000
Interest	1,471,085	1,471,085	1,471,085	-	1,540,935
Capital outlay	5,156,366	6,293,708	2,763,620	3,530,088	1,796,687
Total Expenditures	\$ 105,028,804	\$ 108,336,165	\$ 104,288,428	\$ 4,047,737	\$ 104,943,846
Excess (Deficiency) of Revenues Over Expenditures	\$ (861,090.00)	\$ (4,134,406)	\$ 639,419	\$ 4,773,825	\$ (2,986,231)
Other Financing Sources (Uses)					
Sale of property	\$ -	\$ 300,000	\$ 157,571	\$ (142,429)	\$ 1,001
Proceeds from bonds and loans, net	600,000	600,000	615,000	(15,000)	
Premium on bonds			2,870	(2,870)	
Operating transfers out	-	(136,272)	(139,467)	3,195	-
Proceeds from capital lease			22,138	(22,138)	
Total Other Financing Sources (Uses)	\$ 600,000	\$ 763,728	\$ 658,112	\$ (179,242)	\$ 1,001
Net change in fund balance	\$ (261,090)	\$ (3,370,678)	\$ 1,297,531	\$ 4,668,209	\$ (2,985,230)
Fund Balance					
Beginning of Year			\$ 111,418		\$ 3,096,648
End of Year			\$ 1,408,949		\$ 111,418

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

INFORMATION ABOUT THE DISTRICT'S OTHER POSTEMPLOYMENT
HEALTH CARE PLAN
June 30, 2018

Statement A- 2

Schedule of Changes in Total OPEB Liability and Related Ratios

	2018
Total OPEB Liability	
Service Cost	\$ 1,026,879
Interest	518,378
Changes in assumptions	(531,408)
Benefit payments	(1,507,624)
Net change in total OPEB liability	\$ (493,775)
Total OPEB Liability - beginning of year	17,479,620
Total OPEB Liability - end of year	\$ 16,985,845
 Covered payroll	 \$ 56,982,794
 Total OPEB liability as a percentage of covered payroll	 29.8%

For Fiscal Year 2018, GASB 75 was followed which establishes uniform standards of financial reporting by state and local governmental entities for postemployment benefit plans other than pension benefits (OPEB plans). The District elected to use the GASB 75 "lookback" method where assets and liabilities are measured as of the prior fiscal year-end, but applied to the current fiscal year. The measurement date is June 30, 2017. There are no assets accumulated in a trust that meets the criteria of GASB No. 75, paragraph 4, to pay related benefits.

Since the last valuation the following other changes have been made:

- Withdrawal, retirement, and mortality rates were updated from the rates used in the 7/1/2015 PERA General Employees Retirement Plan and 7/1/2015 Teachers Retirement Association valuations to the rates used in the 7/1/2017 valuations.
- Healthcare cost trend rates were reset to reflect updated cost increase expectations, including an adjustment to reflect the impact of the Affordable Care Act's Excise Tax on high-cost insurance plans.
- The discount rate was updated from 2.92% to 3.56% based on updated 20-year municipal bond rates.
- Medical per capita claims costs were updated to reflect recent experience.
- The actuarial cost method changed from using the Projected Unit Credit cost method the Entry Age Normal level percent of pay cost method due to new GASB 74/75 accounting rules.
- Salary scale increase assumption was updated from a flat \$.00% to rates used in the 7/1/2017 PERA General Employees Retirement Plan and 7/1/2017 Teachers Retirement Association valuations.
- The percent of future retirees assumed to elect coverage at retirement changed from 80% to 60% to reflect recent plan experience.
- The percent of retirees electing spouse coverage changed from 15% to 10% to reflect recent plan experience.

This schedule is intended to present information for the last 10 years. Additional information will be presented as it becomes available.

INFORMATION ABOUT THE DISTRICT'S NET PENSION LIABILITY
June 30, 2018

Statement A-3

Schedule of Employer Share of Net Pension Liability

Teacher's Retirement Association (TRA)

Measurement Date	Employer's Proportion (%) of Net Pension Liability	Employer's Proportionate Share (Amt) of Net Pension Liability (a)	State's Proportionate Share of Net Pension Liability associated with District	Total	Employer's Covered Payroll (b)	Employer's Proportionate Share of Net Pension Liability (Asset) as a % of Covered Payroll (a/b)	Plan Fiduciary Net Position as a % of Total Pension Liability
June 30, 2017	0.8674%	\$ 177,141,137	\$ 17,123,980	\$ 194,265,117	\$ 47,767,591	370.8%	51.57%
June 30, 2016	0.8681%	\$ 207,062,563	\$ 20,782,926	\$ 227,845,489	\$ 45,155,373	458.6%	44.88%
June 30, 2015	0.7225%	\$ 44,693,771	\$ 5,481,972	\$ 50,175,743	\$ 36,668,947	121.9%	76.80%

Duluth Teacher's Retirement Fund Association (DTRFA)

Measurement Date	Employer's Proportion (%) of Net Pension Liability	Employer's Proportionate Share (Amt) of Net Pension Liability (a)	State's Proportionate Share of Net Pension Liability associated with District	Total	Employer's Covered Payroll (b)	Employer's Proportionate Share of Net Pension Liability (Asset) as a % of Covered Payroll (a/b)	Plan Fiduciary Net Position as a % of Total Pension Liability
June 30, 2014	31.6004%	\$ 81,187,076		\$ 81,187,076	\$ 42,238,042	192.2%	46.80%

Public Employees Retirement Association (PERA)

Measurement Date	Employer's Proportion (%) of Net Pension Liability	Employer's Proportionate Share (Amt) of Net Pension Liability (a)	State's Proportionate Share of Net Pension Liability associated with District	Total	Employer's Covered Payroll (b)	Employer's Proportionate Share of Net Pension Liability (Asset) as a % of Covered Payroll (a/b)	Plan Fiduciary Net Position as a % of Total Pension Liability
June 30, 2017	0.2588%	\$ 16,521,621	\$ 207,740	\$ 16,729,361	\$ 16,672,067	99.0%	75.90%
June 30, 2016	0.2547%	\$ 20,680,377	\$ 270,170	\$ 20,950,547	\$ 15,804,347	130.9%	68.90%
June 30, 2015	0.2582%	\$ 13,381,264		\$ 13,381,264	\$ 14,926,453	89.6%	76.20%
June 30, 2014	0.2272%	\$ 12,772,500		\$ 12,772,500	\$ 14,262,165	89.6%	79.70%

Schedule of Employer Contributions

Teacher's 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 Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
June 30, 2018	\$ 3,436,211	\$ 3,436,211	\$ -	\$ 45,916,146	7.50%
June 30, 2017	\$ 3,582,569	\$ 3,582,569	\$ -	\$ 47,767,591	7.50%
June 30, 2016	\$ 3,386,653	\$ 3,386,653	\$ -	\$ 45,155,373	7.50%

Duluth Teacher's Retirement Fund Association (DTRFA)

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
June 30, 2015	\$ 2,750,171	\$ 2,750,171	\$ -	\$ 36,668,947	7.50%

Public Employees Retirement Association (PERA)

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
June 30, 2018	\$ 1,185,712	\$ 1,185,712	\$ -	\$ 15,809,497	7.50%
June 30, 2017	\$ 1,250,405	\$ 1,250,405	\$ -	\$ 16,672,067	7.50%
June 30, 2016	\$ 1,185,326	\$ 1,185,326	\$ -	\$ 15,804,347	7.50%
June 30, 2015	\$ 1,119,484	\$ 1,119,484	\$ -	\$ 14,926,453	7.25%

**SUPPLEMENTARY
INFORMATION**

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

Statement B-1

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND
BUDGET AND ACTUAL
Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	Budget		Actual	Over (Under) Final Budget	Prior Year Actual
	Original	Final			
Revenues					
Interest income	\$ -	\$ -	\$ 20,271	\$ 20,271	\$ 1,432
Expenditures					
Capital Outlay	\$ 3,600,000	\$ 3,600,000	\$ 3,030,698	\$ 569,302	\$ 3,129,913
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,600,000)	\$ (3,600,000)	\$ (3,010,427)	\$ 589,573	\$ (3,128,481)
Other Financing Sources (Uses)					
Proceeds from bonds and loans, net	\$ 3,600,000	\$ 3,600,000	\$ 3,640,000	\$ 40,000	\$
Premium on bonds			16,955	16,955	
Transfer Out			(4,000)	(4,000)	
Total Other Financing sources (Uses)	\$ 3,600,000	\$ 3,600,000	\$ 3,652,955	\$ 52,955	\$ -
Net change in fund balance	\$ -	\$ -	\$ 642,528	\$ 642,528	\$ (3,128,481)
Fund Balance					
Beginning of Year			187		3,128,668
End of Year			\$ 642,715		\$ 187

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

Statement C-1

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
BUDGET AND ACTUAL

Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	Budget		Actual	Over (Under) Final Budget	Prior Year Actual
	Original	Final			
Revenues					
Local property tax levies	\$ 18,559,220	\$ 18,559,220	\$ 17,073,780	\$ (1,485,440)	\$ 18,407,310
Interest income	1,000,000	1,000,000	748,155	(251,845)	566,891
State sources	2,242,317	2,242,317	2,215,181	(27,136)	2,227,094
Federal sources	885,162	885,162	885,637	475	932,076
Total Revenues	\$ 22,686,699	\$ 22,686,699	\$ 20,922,753	\$ (1,763,946)	\$ 22,133,371
Expenditures					
Principal	\$ 17,275,000	\$ 13,100,000	\$ 13,100,000	\$ -	\$ 11,495,000
Interest and fiscal charges	13,533,971	7,977,671	7,968,466	9,205	8,663,280
Total Expenditures	\$ 30,808,971	\$ 21,077,671	\$ 21,068,466	\$ 9,205	\$ 20,158,280
Excess (Deficiency) of Revenues Over Expenditures	\$ (8,122,272)	\$ 1,609,028	\$ (145,713)	\$ (1,754,741)	\$ 1,975,091
Other Financing Sources (Uses)					
Operating transfers in	\$ -	\$ -	\$ 143,467	\$ 143,467	\$ -
Issuance of bonds	-	-	-	-	82,605,000
Principal refunding payments from escrow	-	(48,305,000)	(48,305,000)	-	(8,522,522)
Interest refunding payments from escrow	-	(5,613,894)	(5,575,263)	38,631	-
Premium on bonds	-	-	-	-	11,521,782
Total Other Financing Sources (Uses)	\$ -	\$ (53,918,894)	\$ (53,736,796)	\$ 182,098	\$ 85,604,260
Net change in fund balance	\$ (8,122,272)	\$ (52,309,866)	\$ (53,882,509)	\$ (1,572,643)	\$ 87,579,351
Fund Balance					
Beginning of Year			138,597,855		51,018,504
End of Year			\$ 84,715,346		\$ 138,597,855

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

Statement D-1

COMBINING BALANCE SHEET
OTHER FUNDS
JUNE 30, 2018
With Comparative Amounts at June 30, 2017

	Food Service Fund	Community Services Fund	Totals	
			2018	2017
Assets				
Cash and investments	\$ 867,034	\$ 1,706,717	\$ 2,573,751	\$ 2,688,098
Taxes and credits receivable		590,969	590,969	597,845
Accounts and interest receivable	6,287		6,287	16,903
Due from				
Department of Education		290,002	290,002	342,635
Federal through Department of Education	50,950	29,966	80,916	72,587
Federal - direct		414,853	414,853	209,280
Inventory	101,777		101,777	123,829
Prepayments	1,815	13,473	15,288	5,001
Total Assets	\$ 1,027,863	\$ 3,045,980	\$ 4,073,843	\$ 4,056,178
Deferred Outflows of Resources				
Total assets and deferred outflows of resources	\$ 1,027,863	\$ 3,045,980	\$ 4,073,843	\$ 4,056,178
Liabilities				
Salaries payable	\$ 9,538	\$ 393,739	\$ 403,277	\$ 383,360
Accounts payable	44,606	200,475	245,081	277,597
Due to				
Other funds		102,825	102,825	96,433
Unearned revenue		5,735	5,735	9,529
Total Liabilities	\$ 54,144	\$ 702,774	\$ 756,918	\$ 766,919
Deferred Inflows of Resources				
Property taxes levied for subsequent year's expenditures	\$	\$ 1,047,800	\$ 1,047,800	\$ 1,028,842
Unavailable revenue - delinquent property taxes		68,054	68,054	70,507
Total Deferred Inflows of Resources	\$	\$ 1,115,854	\$ 1,115,854	\$ 1,099,349
Fund Balance				
NonSpendable:				
Inventory	\$ 101,777	\$	\$ 101,777	\$ 123,829
Prepayments	1,815	13,473	15,288	5,001
Restricted for:				
Community education		873,996	873,996	773,759
Early childhood family education		100,048	100,048	195,894
School readiness		124,391	124,391	260,060
Adult basic education		85,439	85,439	24,659
Community service		30,005	30,005	30,005
Food service	870,127		870,127	776,703
Total Fund Balance	\$ 973,719	\$ 1,227,352	\$ 2,201,071	\$ 2,189,910
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,027,863	\$ 3,045,980	\$ 4,073,843	\$ 4,056,178

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

Statement D-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
OTHER FUNDS

Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	Food Service Fund	Community Services Fund	Totals	
			2018	2017
Revenues				
Local property tax levies	\$	\$ 947,397	\$ 947,397	\$ 944,390
Other local and county	7,908	2,029,722	2,037,630	1,955,132
State sources	238,049	2,560,754	2,798,803	2,770,333
Federal sources	2,644,169	2,354,359	4,998,528	4,499,109
Sales and other conversions of assets	1,378,836		1,378,836	1,260,811
Total Revenues	\$ 4,268,962	\$ 7,892,232	\$ 12,161,194	\$ 11,429,775
Expenditures				
Community education and services	\$	\$ 7,937,058	\$ 7,937,058	\$ 7,424,128
Pupil support services	4,187,218		4,187,218	3,977,037
Capital outlay	10,073	15,684	25,757	68,661
Total Expenditures	\$ 4,197,291	\$ 7,952,742	\$ 12,150,033	\$ 11,469,826
Net change in fund balance	\$ 71,671	\$ (60,510)	\$ 11,161	\$ (40,051)
Fund Balance				
Beginning of Year	902,048	1,287,862	2,189,910	2,229,961
End of Year	<u>\$ 973,719</u>	<u>\$ 1,227,352</u>	<u>\$ 2,201,071</u>	<u>\$ 2,189,910</u>

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

Schedule E - 1

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOOD SERVICE FUND
BUDGET AND ACTUAL
Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	Budget		Actual	Over (Under) Final Budget	Prior Year Actual
	Original	Final			
Revenues					
Other local and county	\$ 6,000	\$ 6,000	\$ 7,908	\$ 1,908	\$ 20,972
State sources	190,000	190,000	238,049	48,049	217,925
Federal sources	2,371,000	2,385,400	2,644,169	258,769	2,531,315
Sales and other conversions of assets	1,204,000	1,205,000	1,378,836	173,836	1,260,811
Total Revenues	\$ 3,771,000	\$ 3,786,400	\$ 4,268,962	\$ 482,562	\$ 4,031,023
Expenditures					
Pupil support services	\$ 4,142,362	\$ 4,160,762	\$ 4,187,218	\$ (26,456)	\$ 3,977,037
Capital outlay	14,000	17,842	10,073	7,769	53,309
Total Expenditures	\$ 4,156,362	\$ 4,178,604	\$ 4,197,291	\$ (18,687)	\$ 4,030,346
Excess (Deficiency) of Revenues Over Expenditures	<u>\$</u>	<u>\$ (392,204)</u>	\$ 71,671	<u>\$ 463,875</u>	\$ 677
Fund Balance					
Beginning of Year			902,048		901,371
End of Year			<u>\$ 973,719</u>		<u>\$ 902,048</u>

INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH, MINNESOTA

Schedule F-1

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
COMMUNITY SERVICES FUND
BUDGET AND ACTUAL

Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	Budget		Actual	Over (Under) Final Budget	Prior Year Actual
	Original	Final			
Revenues					
Local property tax levies	\$ 953,547	\$ 953,547	\$ 947,397	\$ (6,150)	\$ 944,390
Other local and county	1,770,000	1,834,000	2,029,722	195,722	1,934,160
State sources	2,414,390	2,554,587	2,560,754	6,167	2,552,408
Federal sources	1,951,071	2,354,359	2,354,359	-	1,967,794
Total Revenues	\$ 7,089,008	\$ 7,696,493	\$ 7,892,232	\$ 195,739	\$ 7,398,752
Expenditures					
Community education and services	\$ 7,325,992	\$ 7,945,458	\$ 7,937,058	\$ 8,400	\$ 7,424,128
Capital outlay	4,900	12,920	15,684	(2,764)	15,352
Total Expenditures	\$ 7,330,892	\$ 7,958,378	\$ 7,952,742	\$ 5,636	\$ 7,439,480
Net change in fund balance	\$ (241,884)	\$ (261,885)	\$ (60,510)	\$ 201,375	\$ (40,728)
Fund Balance					
Beginning of Year			1,287,862		1,328,590
End of Year			\$ 1,227,352		\$ 1,287,862

INDEPENDENT SCHOOL DISTRICT 709
DULUTH, MINNESOTA

Schedule G-1

COMBINED SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES
STUDENT ACTIVITIES ACCOUNTS AND CERTAIN CURRICULAR AND CO-CURRICULAR ACCOUNTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Activity	Cash Balance 6/30/2017	Receipts and Transfers In	Disbursements and Transfers Out	Cash Balance 6/30/2018
High Schools				
Denfeld	\$ 313,850	\$ 438,053	\$ 451,599	\$ 300,304
East	251,066	757,553	672,188	336,431
Total High Schools	\$ 564,916	\$ 1,195,606	\$ 1,123,786	\$ 636,735
Middle Schools				
Lincoln Park	\$ 46,896	\$ 38,808	\$ 42,072	\$ 43,632
Ordean East	125,011	81,340	71,849	134,502
Total Middle Schools	\$ 171,906	\$ 120,148	\$ 113,921	\$ 178,134
Elementary Schools				
Congdon Park	\$ 15,698	\$ 44,951	\$ 37,283	\$ 23,366
Homecroft	18,510	30,808	30,344	18,973
Lakewood	26,522	15,902	14,311	28,113
Laura MacArthur	21,591	15,179	17,810	18,961
Lester Park	26,608	41,063	44,448	23,223
Lowell	44,872	6,466	15,949	35,389
Myers-Wilkins	64,609	8,549	15,017	58,141
Piedmont	7,584	52,054	49,287	10,351
Stowe	42,719	14,658	19,936	37,441
Total Elementary Schools	\$ 268,713	\$ 229,630	\$ 244,386	\$ 253,957
ALC/Unity	\$ 12,093	\$ 2,867	\$ 2,091	\$ 12,869
Barnes Early Childhood	4,935	4,897	5,747	4,086
Merritt Creek Academy	851	-	64	787
Rockridge	675	-	71	604
Total Student Activities	\$ 1,024,089	\$ 1,553,149	\$ 1,490,065	\$ 1,087,173
District Funds				
Co-curricular	\$ 856,367	\$ 1,319,833	\$ 1,279,262	\$ 896,939
Extra-curricular	167,722	233,315	210,803	190,234
Total Funds	\$ 1,024,089	\$ 1,553,149	\$ 1,490,065	\$ 1,087,173

		General Fund			Percent of year	33.33%
		Oct-18				
		FY19	FY 19 Budget		Revised	Percent
		Actual	Adopted	Revised	Budget	Budget
					Balance	Remaining
Revenues						
Levy	\$	-	\$ 12,802,626	\$ 12,780,894	\$ 12,780,894	100%
State aids		24,049,989	71,873,563	69,994,407	45,944,418	66%
Special ED (fin 740)		2,450,565	13,737,860	13,496,247	11,045,682	82%
Federal		1,088,987	5,623,431	5,709,298	4,620,311	81%
Other		388,241	-	-	(388,241)	
Other Local		594,183	2,949,850	2,894,567	2,300,384	79%
Student Activities		-	1,496,993	1,496,993	1,496,993	100%
<hr/>						
Total Revenue	\$	28,571,965	\$ 108,484,323	\$ 106,372,406	\$ 77,800,441	73%
<hr/>						
Expenditures						
010-050 Administration	\$	1,240,740	\$ 4,885,552	\$ 5,227,718	\$ 3,986,978	76%
105-110 District Support Services		2,045,225	4,049,994	5,405,076	3,359,851	62%
200-298 Elem & Secondary Reg		7,269,687	42,493,820	42,254,005	34,984,318	83%
300-380 Vocational Education		310,257	1,701,341	1,710,785	1,400,528	82%
400-422 Special Education		3,969,273	23,158,015	22,333,577	18,364,304	82%
505-590 Community Education						
605-640 Instructional Support		826,807	3,890,733	3,953,519	3,126,712	79%
710-770 Pupil Support		1,795,413	8,047,695	7,880,527	6,085,114	77%
805-865 Sites and Buildings		3,018,318	15,160,113	12,826,602	9,808,284	76%
910-940 Fiscal & Other Fixed		283,287	3,480,000	3,260,000	2,976,713	91%
Student Activities		-	1,496,993	1,496,993	1,496,993	100%
<hr/>						
Total Expenditures	\$	20,759,007	\$ 108,364,256	\$ 106,348,802	\$ 85,589,795	80%
<hr/>						
Excess Rev Over (Under)	\$	7,812,958	\$ 120,067	\$ 23,604	\$ (7,789,354)	

		Percent of year			33.33%	
		General Fund Unrestricted				
		Oct-18				
		FY19	FY 19 Budget		Revised	
		Actual	Adopted	Revised	Budget	
					Balance	
					Percent	
					Budget	
					Remaining	
Revenues						
Levy	\$	-	\$ 9,519,071	\$ 9,497,339	\$ 9,497,339	100%
State aids		23,713,061	61,109,019	59,230,727	35,517,666	60%
Special ED (fin 740)		2,450,565	13,737,860	13,496,247	11,045,682	82%
Federal		-	-	-	-	
Other		388,241	-	-	(388,241)	
Other Local		560,822	2,095,153	2,147,154	1,586,332	74%
Student Activities		-	1,496,993	1,496,993	1,496,993	100%
<hr/>						
Total Revenue	\$	27,112,689	\$ 87,958,096	\$ 85,868,460	\$ 58,755,771	68%
<hr/>						
Expenditures						
010-050 Administration	\$	1,240,740	\$ 4,885,552	\$ 5,227,718	\$ 3,986,978	76%
105-110 District Support Services		2,045,225	3,899,994	5,265,380	3,220,155	61%
200-298 Elem & Secondary Reg		5,194,783	30,362,497	30,051,365	24,856,582	83%
300-380 Vocational Education		277,648	1,569,790	1,579,234	1,301,586	82%
400-422 Special Education		3,552,658	20,296,764	19,577,536	16,024,878	82%
505-590 Community Education						
605-640 Instructional Support		387,845	1,446,097	1,418,697	1,030,852	73%
710-770 Pupil Support		1,726,798	8,047,695	7,873,161	6,146,363	78%
805-865 Sites and Buildings		2,442,583	12,352,647	10,019,136	7,576,553	76%
910-940 Fiscal & Other Fixed		283,287	3,260,000	3,260,000	2,976,713	91%
Student Activities		-	1,496,993	1,496,993	1,496,993	100%
<hr/>						
Total Expenditures	\$	17,151,567	\$ 87,618,029	\$ 85,769,220	\$ 68,617,653	80%
<hr/>						
Excess Rev Over (Under)	\$	9,961,122	\$ 340,067	\$ 99,240	\$ (9,861,882)	

		Percent of year			33.33%
		General Fund Restricted			
		Oct-18			
	FY19	FY 19 Budget		Revised	Percent
	Actual	Adopted	Revised	Budget	Budget
				Balance	Remaining
Revenues					
Levy	\$ -	\$ 3,283,555	\$ 3,283,555	\$ 3,283,555	100%
State aids	336,928	10,764,544	10,763,680	10,426,752	97%
Special ED (fin 740)	-	-	-	-	
Federal	1,088,987	5,623,431	5,709,298	4,620,311	81%
Other	-	-	-	-	
Other Local	33,361	854,697	747,413	714,052	96%
Student Activities	-	-	-	-	
Total Revenue	\$ 1,459,276	\$ 20,526,227	\$ 20,503,946	\$ 19,044,670	93%
Expenditures					
010-050 Administration	\$ -	\$ -	\$ -	\$ -	
105-110 District Support Services	-	150,000	139,696	139,696	100%
200-298 Elem & Secondary Reg	2,074,904	12,131,323	12,202,640	10,127,736	83%
300-380 Vocational Education	32,609	131,551	131,551	98,942	75%
400-422 Special Education	416,615	2,861,251	2,756,041	2,339,426	85%
505-590 Community Education					
605-640 Instructional Support	438,962	2,444,636	2,534,822	2,095,860	83%
710-770 Pupil Support	68,615	-	7,366	(61,249)	
805-865 Sites and Buildings	575,735	2,807,466	2,807,466	2,231,731	79%
910-940 Fiscal & Other Fixed	-	-	-	-	
Student Activities					
Total Expenditures	\$ 3,607,440	\$ 20,526,227	\$ 20,579,582	\$ 16,972,142	82%
Excess Rev Over (Under)	\$ (2,148,164)	\$ -	\$ (75,636)	\$ 2,072,528	

		Percent of year			33.33%	
		Food Service Fund				
		Oct-18				
		FY19	FY 19 Budget		Revised	
		Actual	Adopted	Revised	Budget	
					Balance	
					Percent	
					Budget	
					Remaining	
Revenues						
Levy	\$	-	\$	-	\$	-
State aids		1,500	220,000	220,000	218,500	99%
Special ED (fin 740)		-	-	-	-	
Federal		138,611	2,617,000	2,633,320	2,494,709	95%
Other		228,004	6,000	1,259,500	1,031,496	82%
Other Local		1,846		6,000	4,154	69%
Student Activities		-	-	-	-	
<hr/>						
Total Revenue	\$	369,961	\$ 2,843,000	\$ 4,118,820	\$ 3,748,859	91%
<hr/>						
Expenditures						
010-050 Administration	\$	-	\$	-	\$	-
105-110 District Support Services		-	-	-	-	
200-298 Elem & Secondary Reg		-	-	-	-	
300-380 Vocational Education		-	-	-	-	
400-422 Special Education		-	-	-	-	
505-590 Community Education		-	-	-	-	
605-640 Instructional Support		-	-	-	-	
710-770 Pupil Support		679,952	4,182,661	4,198,981	3,519,029	84%
805-865 Sites and Buildings		-	-	-	-	
910-940 Fiscal & Other Fixed		-	-	-	-	
Student Activities		-	-	-	-	
<hr/>						
Total Expenditures	\$	679,952	\$ 4,182,661	\$ 4,198,981	\$ 3,519,029	84%
<hr/>						
Excess Rev Over (Under)	\$	(309,991)	\$ (1,339,661)	\$ (80,161)	\$ 229,830	

		Percent of year			33.33%	
		Community Service Fund				
		Oct-18				
		FY19	FY 19 Budget		Revised	
		Actual	Adopted	Revised	Budget	
					Percent	
					Budget	
					Remaining	
Revenues						
Levy	\$	-	\$ 972,505	\$ 972,505	\$ 972,505	100%
State aids		1,350,339	2,548,536	2,548,536	1,198,197	47%
Special ED (fin 740)		-	-	-	-	
Federal		632,579	2,093,958	2,093,958	1,461,379	70%
Other		-	-	-	-	
Other Local		727,962	1,787,700	1,802,700	1,074,738	60%
Student Activities		-	-	-	-	
<hr/>						
Total Revenue	\$	2,710,880	\$ 7,402,699	\$ 7,417,699	\$ 4,706,819	63%
<hr/>						
Expenditures						
010-050 Administration	\$	-	\$ -	\$ -	\$ -	
105-110 District Support Services		-	-	-	-	
200-298 Elem & Secondary Reg		-	-	-	-	
300-380 Vocational Education		-	-	-	-	
400-422 Special Education		-	-	-	-	
505-590 Community Education		1,583,754	7,674,184	7,689,184	6,105,430	79%
605-640 Instructional Support		-	-	-	-	
710-770 Pupil Support		-	-	-	-	
805-865 Sites and Buildings		-	-	-	-	
910-940 Fiscal & Other Fixed		-	-	-	-	
Student Activities		-	-	-	-	
<hr/>						
Total Expenditures	\$	1,583,754	\$ 7,674,184	\$ 7,689,184	\$ 6,105,430	79%
<hr/>						
Excess Rev Over (Under)	\$	1,127,126	\$ (271,485)	\$ (271,485)	\$ (1,398,611)	

Percent of year **33.33%**

**Capital Projects Fund
Oct-18**

	FY19 Actual	FY 19 Budget		Revised Budget Balance	Percent Budget Remaining
		Adopted	Revised		
Revenues					
Levy	\$ -	\$ -	\$ -	\$ -	
State aids	-	-	-	-	
Special ED (fin 740)	-	-	-	-	
Federal	-	-	-	-	
Sales	-	-	-	-	
Other Local	3,928	-	-	(3,928)	
Student Activities	-	-	-	-	
Total Revenue	\$ 3,928	\$ -	\$ -	\$ (3,928)	
Expenditures					
010-050 Administration	\$ -	\$ -	\$ -	\$ -	
105-110 District Support Services	-	-	-	-	
200-298 Elem & Secondary Reg	-	-	-	-	
300-380 Vocational Education	-	-	-	-	
400-422 Special Education	-	-	-	-	
505-590 Community Education	-	-	-	-	
605-640 Instructional Support	-	-	-	-	
710-770 Pupil Support	-	-	-	-	
805-865 Sites and Buildings	95,769	-	642,690	546,921	
910-940 Fiscal & Other Fixed Student Activities	-	-	-	-	
Total Expenditures	\$ 95,769	\$ -	\$ 642,690	\$ 546,921	
Excess Rev Over (Under)	\$ (91,841)	\$ -	\$ (642,690)	\$ (550,849)	

		Percent of year			33.33%	
		Debt Service Fund				
		Oct-18				
		FY19	FY 19 Budget		Revised	
		Actual	Adopted	Revised	Budget	
					Balance	
					Percent	
					Budget	
					Remaining	
Revenues						
Levy	\$	-	\$ 18,274,130	\$ 18,274,130	\$ 18,274,130	100%
State aids		915,464	2,198,818	2,198,818	1,283,354	58%
Special ED (fin 740)		-	-	-	-	
Federal		426,863	833,957	833,957	407,094	49%
Other		-	-	-	-	
Other Local		296,055	1,000,000	1,000,000	703,945	70%
Student Activities		-	-	-	-	
<hr/>						
Total Revenue	\$	1,638,382	\$ 22,306,905	\$ 22,306,905	\$ 20,668,523	93%
<hr/>						
Expenditures						
010-050 Administration	\$	-	\$ -	\$ -	\$ -	
105-110 District Support Services		-	-	-	-	
200-298 Elem & Secondary Reg		-	-	-	-	
300-380 Vocational Education		-	-	-	-	
400-422 Special Education		-	-	-	-	
505-590 Community Education		-	-	-	-	
605-640 Instructional Support		-	-	-	-	
710-770 Pupil Support		-	-	-	-	
805-865 Sites and Buildings		-	-	-	-	
910-940 Fiscal & Other Fixed		5,540,356	105,560,113	105,560,113	100,019,757	95%
Student Activities		-	-	-	-	
<hr/>						
Total Expenditures	\$	5,540,356	\$ 105,560,113	\$ 105,560,113	\$ 100,019,757	95%
<hr/>						
Excess Rev Over (Under)	\$	(3,901,974)	\$ (83,253,208)	\$ (83,253,208)	\$ (79,351,234)	

		Trust Fund Oct-18			Percent of year	33.33%
		FY19 Actual	FY 19 Budget		Revised Budget Balance	Percent Budget Remaining
			Adopted	Revised		
Revenues						
Levy	\$	-	\$ -	\$ -	\$ -	
State aids		-	-	-	-	
Special ED (fin 740)		-	-	-	-	
Federal		-	-	-	-	
Other		-	-	-	-	
Other Local		8,174	262,450	262,450	254,276	97%
Student Activities		-	-	-	-	
<hr/>						
Total Revenue	\$	8,174	\$ 262,450	\$ 262,450	\$ 254,276	<u>97%</u>
Expenditures						
010-050 Administration	\$	-	\$ -	\$ -	\$ -	
105-110 District Support Services		-	-	-	-	
200-298 Elem & Secondary Reg		177,630				
300-380 Vocational Education		-	-	-	-	
400-422 Special Education		-	-	-	-	
505-590 Community Education		-	-	-	-	
605-640 Instructional Support		-	-	-	-	
710-770 Pupil Support		-	1,421,043	1,421,043	1,421,043	100%
805-865 Sites and Buildings		-	-	-	-	
910-940 Fiscal & Other Fixed		-	-	-	-	
Student Activities		-	-	-	-	
<hr/>						
Total Expenditures	\$	177,630	\$ 1,421,043	\$ 1,421,043	\$ 1,421,043	<u>100%</u>
<hr/>						
Excess Rev Over (Under)	\$	(169,456)	\$ (1,158,593)	\$ (1,158,593)	\$ (1,166,767)	

Percent of year **33.33%**

**Dental Internal Service Fund
Oct-18**

	FY19 Actual	FY 19 Budget		Revised Budget Balance	Percent Budget Remaining
		Adopted	Revised		
Revenues					
Levy	\$ -	\$ -	\$ -	\$ -	
State aids	-	-	-	-	
Special ED (fin 740)	-	-	-	-	
Federal	-	-	-	-	
Other	-	-	-	-	
Other Local	347,729	840,000	840,000	492,271	59%
Student Activities	-	-	-	-	
Total Revenue	\$ 347,729	\$ 840,000	\$ 840,000	\$ 492,271	59%
Expenditures					
010-050 Administration	\$ -	\$ -	\$ -	\$ -	
105-110 District Support Services	-	-	-	-	
200-298 Elem & Secondary Reg	-	-	-	-	
300-380 Vocational Education	-	-	-	-	
400-422 Special Education	-	-	-	-	
505-590 Community Education	-	-	-	-	
605-640 Instructional Support	-	-	-	-	
710-770 Pupil Support	-	-	-	-	
805-865 Sites and Buildings	-	-	-	-	
910-940 Fiscal & Other Fixed Student Activities	50,228	819,000	819,000	768,772	94%
Total Expenditures	\$ 50,228	\$ 819,000	\$ 819,000	\$ 768,772	94%
Excess Rev Over (Under)	\$ 297,501	\$ 21,000	\$ 21,000	\$ (276,501)	

ISD #709 - Duluth Public Schools
ACH & Wire Transfer Summary
Period Ending 10/31/2018

<u>CHECK DATE</u>	<u>VENDOR ID</u>	<u>DESCRIPTION</u>	<u>MSDLFA</u>
10/05/2018	V109781	AFSCME MN COUNCIL 5 EFT	11,179.41
10/05/2018	V79764	DULUTH FEDERATION OF TEA	34,048.96
10/05/2018	V106637	EBC - FLEX EFT	10,869.89
10/05/2018	V106636	EBC - TSA EFT	57,439.44
10/05/2018	V79771	EDUCATION MN CLERICAL EFT	874.22
10/05/2018	V102915	FEDERAL 941 PR TAXES	577,496.40
10/05/2018	V107231	HARBOR POINTE CREDIT UNION	6,671.00
10/05/2018	V108066	MG TRUST	140,004.02
10/05/2018	V05173	MN CHILD SUPPORT EFT	2,123.34
10/05/2018	V108320	MN DEPT OF REVENUE EFT	1,023.65
10/05/2018	V102916	MN STATE PR TAXES	101,935.48
10/05/2018	V79708	PUBLIC EMPLOYEES RETIREMENT	98,899.50
10/05/2018	V108783	TEACHERS RETIREMENT ASSOC EFT	276,423.81
10/05/2018	V79704	U S BANK - PY DIRECT DEPOSIT	1,643,831.59
10/19/2018	V106466	CITISTREET FOR MSRS	117,019.65
10/19/2018	V79764	DULUTH FEDERATION OF TEA	34,162.05
10/19/2018	V106637	EBC - FLEX EFT	10,849.06
10/19/2018	V106636	EBC - TSA EFT	58,798.30
10/19/2018	V79771	EDUCATION MN CLERICAL EFT	874.22
10/19/2018	V102915	FEDERAL 941 PR TAXES	576,655.16
10/19/2018	V107231	HARBOR POINTE CREDIT UNION	6,671.00
10/19/2018	V108066	MG TRUST	130,823.69
10/19/2018	V05173	MN CHILD SUPPORT EFT	1,921.22
10/19/2018	V108320	MN DEPT OF REVENUE EFT	1,572.60
10/19/2018	V102916	MN STATE PR TAXES	101,343.57
10/19/2018	V79708	PUBLIC EMPLOYEES RETIREMENT	101,410.18
10/19/2018	V108783	TEACHERS RETIREMENT ASSOC EFT	273,103.51
10/19/2018	V79704	U S BANK - PY DIRECT DEPOSIT	1,662,944.47
10/25/2018	V108783	TEACHERS RETIREMENT ASSOC EFT	728.03
10/30/2018	V106638	PEIP - HLTH EFT	1,483,707.18
10/30/2018	V06645	MEDICA HEALTH PLAN (EFT)	177,515.60
10/30/2018	V80030	DELTA DENTAL PLAN OF MN(EFT)	57,831.99
10/30/2018	V104923	HARRIS BANK	30,747.55
10/30/2018	V100499	MN DEPT OF REVENUE EFT	27.00
			7,791,526.74

ISD 709 - Duluth Public Schools
GF Investment Activity for FY 2019
As of October 31, 2018

Beginning Investment Balance (September 30, 2018) \$ 10,626,271.16

Add Purchases:

Date	Issuer	Broker	Matures	Yield (YTM)	
10/5/2018	United States Treasury Bills	MBS	1/10/2019	2.05%	\$ 1,989,160.00
10/15/2018	Federal Home Loan Bank	MBS	12/14/2018	1.75%	\$ 999,500.00
10/25/2018	MN Trust Term Series	MNT	11/26/2018	2.21%	\$ 8,000,000.00
10/26/2018	United States Treasury Bills	MBS	1/24/2019	2.20%	\$ 994,600.00
Total Purchases					\$ 11,983,260.00

Deduct Maturities/Calls/Sales:

Date	Issuer	Broker	Matures	Yield (YTM)	
10/1/2018	Bank Baroda New York	MBS	10/1/2018	1.90%	\$ 248,000.00
10/12/2018	Level One Bk Farmington Hills MI	MBS	10/12/2018	1.85%	\$ 247,000.00
10/25/2018	MN Trust Term Series	MNT	10/25/2018	2.12%	\$ 6,000,000.00
Total Maturities					\$ 6,495,000.00

Other items:

Add:	Money Market Funds Interest				\$ 124.88
	Beginning Value Adjustment				
	Other Interest/Cash Balance on Account (Reverse)				
Deduct:	Transaction Fees/Other				
	Market Value Adjustment-Adjust for Cost Basis				
	Other Interest/Cash Balance on Account (Reverse)				
Total Other					\$ 124.88

Ending Investment Balance (October 31, 2018) \$ 16,114,656.04

Note: Ending Investment Balance as of October 31, 2017 was \$4,681,536.58

Duluth Public Schools-ISD 709
Average Pupil Units / Pupil Units Projection Report - FY 2018
December 2018

Grade Levels	Dec Enrollment	Progression <i>to PU</i>	Projected PU	PUW	Projected APU	MFR
						PRELIMINARY
KG	581.50	0.9924027624486	577.08	1.00	577.08	607.15
HK	80	1.0356198060447	82.85	1.00	82.85	74.02
Gr 1-3	1850	0.9912704206765	1833.85	1.00	1833.85	1844.36
Gr 4-6	1853.19	0.9840332112247	1823.60	1.00	1823.60	1789.58
Gr 7-8	1192.6	0.9663565983317	1152.48	1.20	1382.97	1399.07
Gr 9-12	2761.03	0.9347966903849	2581.00	1.20	3097.20	3114.90
Sub-Total	8318.32		8050.86116		8797.56	8829.08
Other APU Generators						
	Dec Enrollment	Progression <i>to PU</i>	Projected PU	PUW	Projected APU	
Early Childhood	224	0.42560991	95.34	1.000	95.34	100.33
Early Childhood Details	Final Count	Dec 1 Count	Final PU			
15-16	367	228	86.97			
16-17	384	210	95.08			
17-18	422	224	100.32			
18-19*		224	95.34			
Resident Tuition**						
Resident Tuition Details		Total APU			33.07	
15-16		35.28				
16-17		30.01				
17-18		33.91				
18-19*		33.07				
ALC**						
ALC Details		Total APU			254.93	
15-16		260.40				
16-17		238.06				
17-18		266.33				
18-19*		254.93				
Projected Total APU					8892.89	8929.41
Budgeted APU					8884.00	
Net					8.89	

* Projected

** Included in Grade level projections

PU: Pupil Unit

APU: Average Pupil Unit

PUW: Pupil Unit Weight

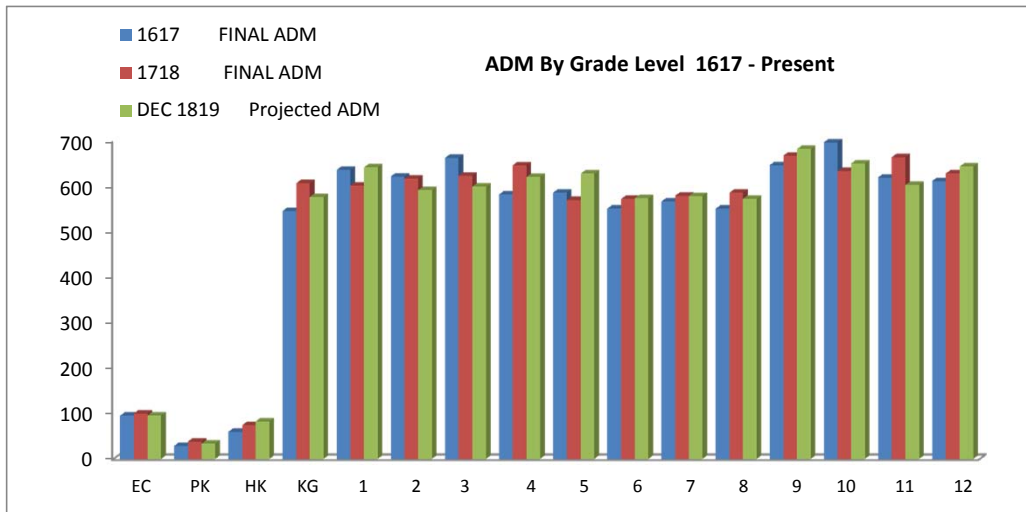
EOY: End of Year

MFR:MN Funding Reports

**Duluth Public Schools Projected Average Daily Membership (ADM) Report
December 2018**

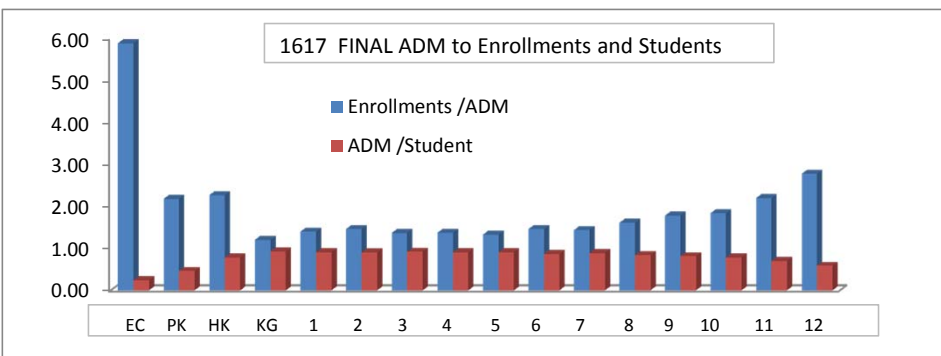
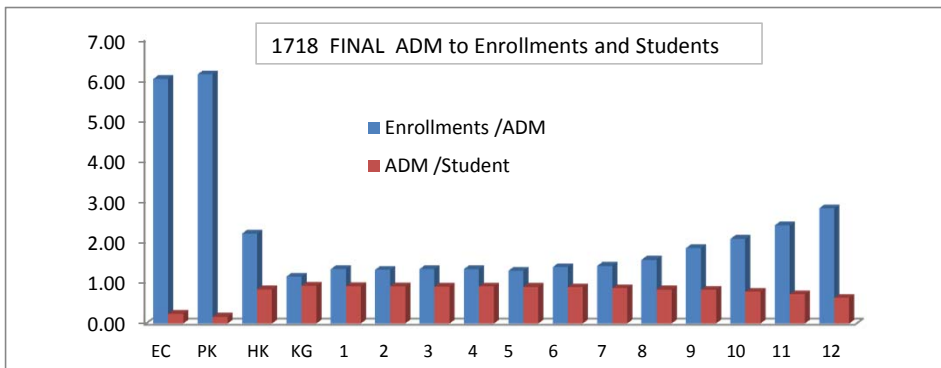
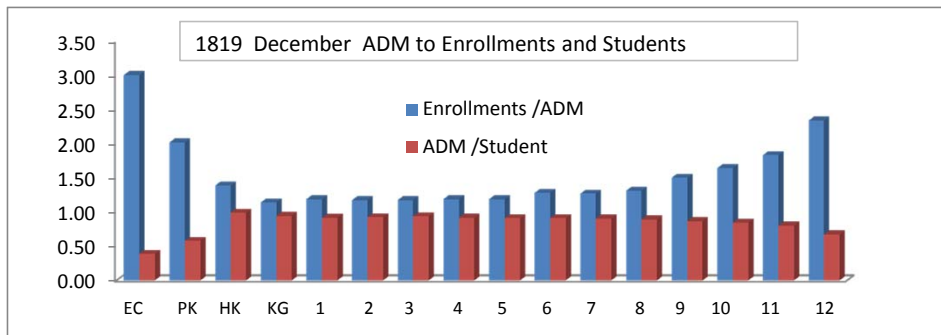
Grade	Total Number of Enrollments	Unique Student Count	Current Enrollments	Projected ADM	Budgeted ADM	Enrollments /ADM	ADM /Student
EC	287	245	224	95.34	97.00	3.01	0.39
PK	68	58	56	33.60	48.10	2.02	0.58
HK	116	84	80	82.85	67.00	1.40	0.99
KG	660	609	581.5	577.08	568.00	1.14	0.95
1	766	701	648	642.34	660.00	1.19	0.92
2	698	639	597	591.79	581.00	1.18	0.93
3	707	638	605	599.72	610.00	1.18	0.94
4	736	671	631	620.92	599.00	1.19	0.93
5	745	685	638.69	628.49	631.00	1.19	0.92
6	734	626	583.5	574.18	547.00	1.28	0.92
7	737	639	599.6	579.43	593.00	1.27	0.91
8	753	641	593	573.05	613.00	1.31	0.89
9	1032	788	730.38	682.76	681.00	1.51	0.87
10	1077	772	696.5	651.09	655.00	1.65	0.84
11	1113	754	645.35	603.27	590.00	1.84	0.80
12	1515	956	688.8	643.89	638.00	2.35	0.67
Total:	11744	9506	8598.32	8179.80	8178.1	1.48	0.84

GRADE	1617 FINAL ADM	1718 FINAL ADM	DEC 1819 Projected ADM
EC	95.09	100.31	95.34
PK	28.85	38.4	33.60
HK	59.83	74.02	82.85
KG	546.04	607.15	577.08
1	636.59	602.43	642.34
2	622.13	617.88	591.79
3	662.99	624.05	599.72
4	582.37	646.85	620.92
5	586.63	570.25	628.49
6	551.39	572.48	574.18
7	567.26	579.71	579.43
8	551.08	586.18	573.05
9	647.17	668.14	682.76
10	697.38	634.02	651.09
11	619.99	664.72	603.27
12	612.03	628.87	643.89
Total:	8066.82	8215.46	8179.80



**Duluth Public Schools: Enrollments, Students and Projected Average Daily Membership (ADM)
December 2018**

Grade	Total Number of Enrollments	Unique Student Count	Current Enrollments	Projected ADM	Budgeted ADM	Enrollments /ADM	ADM /Student
EC	287	245	224	95.34	97.00	3.01	0.39
PK	68	58	56	33.60	48.10	2.02	0.58
HK	116	84	80	82.85	67.00	1.39	0.99
KG	660	609	581.5	577.08	568.00	1.14	0.95
1	766	701	648	642.34	660.00	1.19	0.92
2	698	639	597	591.79	581.00	1.18	0.93
3	707	638	605	599.72	610.00	1.18	0.94
4	736	671	631	620.92	599.00	1.19	0.92
5	745	685	638.69	628.49	631.00	1.19	0.91
6	734	626	583.5	574.18	547.00	1.28	0.91
7	737	639	599.6	579.43	593.00	1.27	0.91
8	753	641	593	573.05	613.00	1.31	0.89
9	1032	788	730.38	682.76	681.00	1.51	0.87
10	1077	772	696.5	651.09	655.00	1.65	0.85
11	1113	754	645.35	603.27	590.00	1.84	0.80
12	1515	956	688.8	643.89	638.00	2.34	0.68
Total:	11744	9506	8598.32	8179.80	8178.1	1.44	0.87



Fundraisers - November 2018

School	Organization	Profit	Description
Denfeld	Volleyball	\$1,000.00	Butter Braids
Denfeld	Girls Swim	\$1,000.00	Pop Sockets
East	Boys Hockey	\$1,100.00	Wreath sales
East	Boys Hockey	\$500.00	Gift Card sales
East	Boys Hockey	\$5,000.00	Program ad sales
East	Cheer Booster	\$600.00	50/50 Rubber Duck Toss
Homecroft	5th grade students	\$600.00	Spaghetti feed
Lakewood	5th grade students	\$1,562.50	Calendar sales
Lakewood	5th grade students	\$440.00	Candy bars
Lester Park	School-wide	\$2,000.00	Cherrydale fundraiser
Lester Park	The Lester Park Foundation	\$3,700.00	Boosterthon Fun Run
Lester Park ECFE	ECFE Parent Advisory Council	\$350.00	Gym night and bake sale
Piedmont ECFE	ECFE Parent Advisory Council	\$2,500.00	Betty's Pies

714 FUND BALANCES

I. PURPOSE

The purpose of this policy is to create new fund balance classifications to allow for more useful fund balance reporting and for compliance with the reporting guidelines specified in Statement No. 54 of the Governmental Accounting Standards Board (GASB).

II. GENERAL STATEMENT OF POLICY

The policy of this school district is to comply with GASB Statement No. 54. To the extent a specific conflict occurs between this policy and the provisions of GASB Statement No. 54, the GASB Statement shall prevail.

III. DEFINITIONS

- A. "Assigned" fund balance amounts are comprised of unrestricted funds constrained by the school district's intent that they be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, the assigned fund balance represents the remaining amount that is not restricted or committed. The assigned fund balance category will cover the portion of a fund balance that reflects the school district's intended use of those resources. The action to assign a fund balance may be taken after the end of the fiscal year. An assigned fund balance cannot be a negative number.
- B. "Committed" fund balance amounts are comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action of the school board and that remain binding unless removed by the school board by subsequent formal action. The formal action to commit a fund balance must occur prior to fiscal year end; however, the specific amounts actually committed can be determined in the subsequent fiscal year. A committed fund balance cannot be a negative number.
- C. "Enabling legislation" means legislation that authorizes a school district to assess, levy, charge, or otherwise mandate payment of resources from external providers and includes a legally enforceable requirement that those resources be used only for the specific purposes listed in the legislation.
- D. "Fund balance" means the arithmetic difference between the assets and liabilities reported in a school district fund.
- E. "Non-spendable" fund balance amounts are comprised of funds that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. They include items that are inherently unspendable, such as, but not limited to, inventories, prepaid items, long-term receivables, non-financial assets held for resale, or the permanent principal of endowment funds.
- F. "Restricted" fund balance amounts are comprised of funds that have legally enforceable constraints placed on their use that either are externally imposed by resource providers or creditors (such as through debt covenants),

grantors, contributors, voters, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.

- G. "Unassigned" fund balance amounts are the residual amounts in the general fund not reported in any other classification. Unassigned amounts in the general fund are technically available for expenditure for any purpose. The general fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of non-spendable, restricted, and committed fund balances exceed the total net resources of that fund.
- H. "Unrestricted" fund balance is the amount of fund balance left after determining both non-spendable and restricted net resources. This amount can be determined by adding the committed, assigned, and unassigned fund balances.

IV. CLASSIFICATION OF FUND BALANCES

The school district shall classify its fund balances in its various funds in one or more of the following five classifications: non-spendable, restricted, committed, assigned, and unassigned.

V. MINIMUM FUND BALANCE

The school district will strive to maintain a minimum unassigned general fund balance of ***Eight (8)*** percent of the ***unrestricted general fund*** annual budget. ~~***months of operating expenses.***~~

VI. ORDER OF RESOURCE USE

If resources from more than one fund balance classification could be spent, the school district will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned, and unassigned.

VII. COMMITTING FUND BALANCE

A majority vote of the school board is required to commit a fund balance to a specific purpose and subsequently to remove or change any constraint so adopted by the board.

VIII. ASSIGNING FUND BALANCE

The school board, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The board also delegates the power to assign fund balances to the following: ***Superintendent and/or Chief Financial Officer.*** Assignments so made shall be reported to the school board on a monthly basis, either separately or as part of ongoing reporting by the assigning party if other than the school board.

An appropriation of an existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected

excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance.

IX. REVIEW

The school board will conduct an annual review of the sufficiency of the minimum unassigned general fund balance level.

Legal References: Statement No. 54 of the Governmental Accounting Standards Board

Cross References: MSBA Service Manual, Chapter 7, Education Funding

New Policy

Replacing: 3017

First Reading: 12-18-2018

Adopted:

~~3017—GENERAL FUND RESERVE BALANCE~~

~~The School Board of Independent School District No. 709, St. Louis County, Minnesota recognizes the importance of maintaining enduring financial stability. To ensure financial stability, the District shall establish and maintain an amount in the general fund- undesignated reserve and/or the severance insurance premium reserve equal to ten percent of the combined budgeted unrestricted expenditures from the general fund, food service fund, transportation fund, community services fund, capital fund, and debt service fund.~~

~~Any reduction in the above named general fund reserve may only be made through Board resolution voted upon by a two-thirds majority of the members of the School Board.~~

~~Adopted: 04-15-1997 ISD 709~~

~~Revised: 01-21-2003 ISD 709~~

RESOLUTION

Acceptance of Donations to Duluth Public Schools

WHEREAS, Minnesota Statute 465.03 requires a school district to accept donations by resolution expressed in the terms prescribed by the donor in full; and,

WHEREAS, acceptance of the donations in accordance with the donor's terms is in the best interest of the Duluth Public Schools:

NOW, THEREFORE, BE IT RESOLVED that the Duluth Public Schools does accept the below-described donations from said organizations in accordance with the terms set forth herein.

BE IT FURTHER RESOLVED that the Duluth Public Schools wishes to extend its grateful appreciation to these various individuals and organizations.

SCHOOL	DONOR	AMOUNT	RESTRICTION	COMMENTS
Area Learning Center	DFT	\$100.00	ALC Student Holiday Auction	
Congdon	Maurices	\$67.00	None	Grand Give event
Denfeld	Thomas and Michelle Stender	\$500.00	Drama Department	
Denfeld	Joe Westerberg	\$125.00	Boys Basketball	
Denfeld	Joe Westerberg	\$125.00	Girls Basketball	
Denfeld	Allete Clean Energy, Inc.	\$500.00	Drama Department	
Denfeld	The Jamar Company	\$100.00	Fab Labs at East and Denfeld	
Denfeld	Parsons Electric	In Kind	None	Donated manpower, supplies and materials to cover the electrical installation of two new automotive hoists in the Denfeld CTE Automotive lab.
Denfeld	Graybar Electric Supply	In Kind	None	Donated manpower, supplies and materials to cover the electrical installation of two new automotive hoists in the Denfeld CTE Automotive lab.
Denfeld	Pete and Maureen Olson	In Kind	Gym class	Ping pong table

Denfeld	Karen and Royal Alworth	\$100.00	Hunter Hut	
District-Wide	Carolyn Zanko	In Kind	None	78 pairs of hand knitted mittens and 10 hats (sent to Laura MacArthur, Myers-Wilkins, and Stowe)
District-Wide	Advantage Emblem	In Kind	None	Two \$100 gift certificates
District-Wide	Nancy Holmgren	\$100.00	Families in Transition program	
District-Wide	Stephanie & Thomas Chartier	\$25.00	Families in Transition program	
ECFE Families in Transition	Barnes Noble customers	In Kind	ECFE families and library	Customers could purchase a book from a list and donate it. A majority of the books will be given to families; some will be kept for the ECFE library.
HOCHS	MN Teachers Retirement Association	In Kind	None	Cubicle for CFO's office (they donated when they moved offices)
Lakewood	Maurices	\$33.00	None	Grand Give event
Laura MacArthur	Bethany Community Church	In Kind	None	Hats and mittens for students
Laura MacArthur	Anonymous	In Kind	None	9 bags of handmade hats for students
Laura MacArthur	Elks Lodge Auxiliary	In Kind	None	Supplies for students
Laura MacArthur	Maurices	\$40.00	None	Grand Give event
Laura MacArthur	Skybridge Americas, Inc	\$25.90	None	CocaCola Give
Laura MacArthur	West Duluth American Legion Auxiliary	In Kind	Students	School supplies
Lester Park	Maurices	\$67.00	None	Grand Give event
Lincoln Park	Maurices	\$30.00	None	Grand Give event

Lincoln Park	Duluth Elks Lodge and All American Club Auxiliary	In Kind	None	Misc school supplies
Lincoln Park	Tonia Villegas	\$600.00	Student lunch balances	Lunches for students who are not free and reduced but are behind on their bill
Lowell	Rotary Club of Duluth #25	In Kind	Library	16 books
Lowell	Citon Computer Corp.	In Kind	Computer lab	50 mouse pads
Lowell	Maurices	\$33.00	None	Grand Give event
Stowe	Parent Group	\$1,000.00	Wolf Ridge trip	
Stowe	Parent Group	\$1,300.00	Teacher classroom accounts	
Stowe	Maurices	\$33.00	None	Grand Give event
Stowe	Sammy's Pizza & Restaurant	In Kind	After school clubs	Provided pizza's at cost for end of season party
Stowe	Susan Woods	In Kind	Students	Brought a few pair of new tennis shoes
Stowe	Asbury United Methodist Church	In Kind	Students	Backpacks and hats and mittens/gloves
Stowe	Bethany Community Church	In Kind	Students	School supplies and hats/mittens
Stowe	Beacon Pointe Hotel	In Kind	Students	Towels, soaps and lotions for Wolf Ridge trip

RESOLUTION

Authorized Bank Account Signer – December 2018

RESOLVED, by the School Board of Independent School District No. 709, St. Louis County, Minnesota, that it hereby authorizes the following:

District Building	Banking Institution	Account Number	Addition of Authorized Signer	Removal of Authorized Signer
Congdon Park	North Shore	XXXX4030	Heidi Klassen	Mikilia Carroll

RESOLUTION
Certified Tax Levy 2018 Payable 2019

BE IT RESOLVED, By the School Board of Independent School District No. 709, St. Louis County, Minnesota, to hereby set the Tax Levy for 2018 Payable 2019 at \$39,837,624.11.

RESOLUTION

Establishing Combined Polling Places for Multiple Precincts and Designating Hours During Which the Polling Places Will Remain Open for Voting For School District Elections Not Held on the Day of a Statewide Election

BE IT RESOLVED by the School Board of Independent School District No. 709, State of Minnesota, as follows:

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

2. Pursuant to Minnesota Statutes, Section 205A.11, the board may establish a combined polling place for several precincts for school district elections not held on the day of a statewide election. **Each combined polling place must be a polling place that has been designated by a county or municipality.** The following combined polling places are established to serve the precincts specified for all school district special and general elections not held on the same day as a statewide election:

Combined Polling Places (District #1): Lakeview Covenant Church
(City of Duluth, Precinct #5)
1001 Jean Duluth Road
Duluth, MN 55804

Rice Lake City Hall
(City of Rice Lake, 4 Townships, Unorgs 2 & 23)
4107 Beyer Road
Duluth, MN 55803

"These combined polling places serve all territory in Independent School District No. 709 located in the City of Duluth (Precincts 1, 2, 4-7), City of Rice Lake, Gnesen Township, Lakewood Township, Normanna Township, North Star Township, Unorg Township 2 and Unorg Township 23 located in St. Louis County, Minnesota."

Combined Polling Place (District #2): Unitarian Universalist Congregation of Duluth
(City of Duluth, Precinct 12)
835 West College Street
Duluth, MN 55811

"This combined polling place serves all territory in Independent School District No. 709 located in the City of Duluth (Precincts 3, 8-14) located in St. Louis County, Minnesota."

Combined Polling Place (District #3): Duluth Heights Community Club
(City of Duluth, Precinct #22)
33 West Mulberry Street
Duluth, MN 55811

"This combined polling place serves all territory in Independent School District No. 709 located in the City of Duluth (Precincts 15-20, 22-25) located in St. Louis County, Minnesota."

Combined Polling Place (District #4): Asbury United Methodist Church
(City of Duluth, Precinct #32)
6822 Grand Avenue
Duluth, MN 55807

"This combined polling place serves all territory in Independent School District No. 709 located in the City of Duluth (Precincts 21, 26-30, 32-34) located in St. Louis County, Minnesota."

Combined Polling Places (District At-Large): Use combined polling places for Districts 1-4

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

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

5. As required by Minnesota Statutes, Section 204B.16, Subdivision 1a, the clerk is hereby authorized and directed to give written notice of new polling place locations to each affected household with at least one registered voter in the school district whose school district polling place location has been changed. The notice must be a non-forwardable notice mailed at least twenty-five (25) days before the date of the first election to which it will apply. A notice that is returned as undeliverable must be forwarded immediately to the appropriate county auditor, who shall change the registrant's status to "challenged" in the statewide registration system.

INFORMATION ON RESOLUTION TO COMBINE POLLING PLACES

A new election law from the 2017 Legislative Session ([205A.11](#)) gave school districts the authority to establish combined polling places for those elections in which no other election is being held within the school district (for example, this resolution would *not* apply to general elections or city elections). This resolution must be passed annually by December. The board must designate the combined polling place (or places) they would use in the future calendar year should there be a stand-alone special school board election. The school district must also notify the county auditor by sending them a copy of the resolution. The district currently has no plans to call a stand-alone school district special election; this resolution is a preemptive in case one is needed in the 2019 calendar year.

Criteria for selection of combined polling places include: (1) polling place must be a designated polling place used by the county or municipality, (2) geographical distribution, (3) population distribution and (4) one combined polling place per district.

If the Board passes the resolution with combined polling places, it appears the Board may elect later to NOT combine polling places should a special election occur (the law is silent but verbiage in the law suggests it is okay. MSBA suggests checking with our attorneys). However, if the Board passes the resolution to combine polling places, the district may not further restrict polling places down to a lower number (like 4) or to a higher number (like 10) during that year. Once the resolution and number of combined polling places are determined and approved/passed, the resolution stands and cannot be changed for the year. However, it sounds like it could be ignored should the district elect to use all polling places if a special election occurs.

If the Board does not pass this resolution, and a special school board election is needed (not held in conjunction with city or state elections), the district would be required to pay for all costs related to this election. This would include, but not limited to, election judge hiring, training and wages, voting machine usage, printing of ballots, staff time, etc. Currently, when a 'regular' school board election occurs, it is coordinated with the City of Duluth's election cycle (odd numbered years). The school board elections are tied to the Duluth's elections as a result of a law passed in 1974. Because the city also has offices up for election, regulations mandate that the city 'run' the election with input from the election clerk from the school district. The bulk of the work completed is performed by the city. Election costs between the city and school district are divided using a state mandated cost sharing formula. This means the school district does not shoulder the entire cost of the election. If this resolution is not passed, all costs for the special election would be incurred by the district, as well as considerable staff time to conduct the election. Attached is a listing of costs paid by the school district and the city for the 2015 and 2017 election cycles.

The savings by passing this resolution would be substantial. Without a resolution:

- At-large election would have 39 polling places that would need to be operated, staffed with judges and supplies, and all ballot expenses. This would all be coordinated and paid for by the school district. With a resolution, the polling places could be combined down to 5 (or whatever number is chosen) centrally located ones.
- 1st District has 13 polling places which could be combined down to 2 with this resolution.
- 2nd District has 8 polling places which could be combined down to 1 centrally located one with this resolution.
- 3rd District has 10 polling places which could be combined down to 1 centrally located one with this resolution.
- 4th District has 9 polling places which could be combined down to 1 centrally located one with this resolution. As an FYI, Precinct 30, even though is in the city of Duluth, does not vote for ISD 709 as their students go to Proctor.

2015 Total Election Costs	Primary	General	Total
City of Duluth	\$50,050.91	\$67,480.86	\$117,531.77
Duluth Public Schools*	\$31,782.36	\$25,258.45	\$57,040.81
Total**	\$81,833.27	\$92,739.31	\$174,572.58

2017 Total Election Costs	Primary	General	Total
City of Duluth	\$74,056.54	\$84,090.28	\$158,146.82
Duluth Public Schools*	\$39,886.96	\$33,132.13	\$73,019.09
Total**	\$111,582.54	\$117,222.41	\$231,165.91

* The costs listed for the school district do NOT include the wages/overtime paid to the school district election clerk during the election cycle.

** The district pays the full costs of the polling places for the City of Rice Lake, the four townships and the two unorg precincts (voting machine testing and usage, election judge wages, all supplies, public notice postings, etc.) This is because these areas do NOT vote for Duluth elected officials and the only reason their polling places are open is because the school district is holding a special election (their residents votes for Duluth Public School officials, referendums, etc).

RESOLUTION**Resolution of Support Authorizing Acceptance of Safe Routes to School Grants Related to Providing Improvements to Pedestrian Access to Various Schools in the City of Duluth**

RESOLVED, that the city of Duluth (“city”) act as the legal sponsor for the Safe Routes to School project as contained in the 2018 Infrastructure Grant applications to be submitted prior to January 4, 2019, and that the mayor and clerk are hereby authorized to apply to the Minnesota Department of Transportation, Federal Highway Administration for a grant not to exceed \$300,000 for funding of each of the following two projects: 1) Sidewalk improvements along designated Safe Routes to School to Lincoln Park Middle School, and 2) Pedestrian crossing improvements identified in Safe Routes to School plans for elementary schools;

FURTHER RESOLVED, that the city has the legal authority to apply for financial assistance, and the institutional, managerial and financial capability to ensure adequate project administration;

FURTHER RESOLVED, that although no local match contribution is required, the city commits to provide an additional \$100,000 in funds for the Lincoln Park application.

FURTHER RESOLVED, that the city designate the Lincoln Park Middle School Pedestrian and ADA Improvements as the first priority for funding, and that the Duluth Elementary Schools Pedestrian Crossing Improvements be ranked the second priority.

FURTHER RESOLVED, that the city has adopted Ordinance 18-049 on September 24, 2018 requiring new subdivisions to incorporate Safe Routes to School Infrastructure;

FURTHER RESOLVED, that upon approval of its application by the state, the mayor and clerk may enter into a grant agreement with the state of Minnesota for the above referenced projects and receive said grant payable into Permanent Improvement Fund 411, Department 035 (Capital Projects Accounts). Source 4210-01 (Pass-thru federal grants capital), and that the city certifies that it will comply with all applicable laws and regulations.

FURTHER RESOLVED, that the mayor and clerk are hereby authorized to execute such documents as are necessary to implement the project on behalf of the city.

**Expenditure Contracts Signed
November 2018**

For your information, the Superintendent or the Executive Director of Business Services has signed the following expenditure contracts during the month of October 2018:

Name	Amount (or Not to Exceed)	Source	Description
Brian StillDay Jr.	\$3,000.00	American Indian Education	Drumming at presentations, events and cultural activities
Jeremy Davis	\$2,500.00	American Indian Education	Hand drumming and other cultural activities and teachings
Pat St. Germaine	\$2,500.00	American Indian Education	Jingle dress dancing/teachings and other cultural activities
Shawn Carr	\$2,500.00	American Indian Education	Teachings of our Veteran Eagle Staff Carriers and other cultural activities
True North Americorps	\$3,875.00	Congdon Park	Math interventionalist
Daniel Oyinloye	\$16,065.00	Denfeld	Teaching artist (paid in full by grant)
Gary Boelhower	\$13,005.00	Denfeld	Teaching artist (paid in full by grant)
Karen Perry	\$13,005.00	Denfeld	Community Connections Consultant (paid in full by grant)
Sources of Strength	\$20,000.00	Denfeld & Duluth East	Training and support (paid in full by grant)
William Mittlefehldt	\$16,524.00	Denfeld	Service Learning Pilot Program (paid in full by grant)
North Shore Scenic Railroad	\$450.00	Lester Park	Field trip
Zeitgeist Center for Arts & Community	\$4,000.00	Office of Education Equity	After school activities for middle/high schools for various programs
Cassandra Williams	\$6,000.00	Special Services	Sign language interpreting
Concordia Community Arts	\$2,150.00	Special Services	Preschool planning as required by IEP
Lakeview Christian Academy	\$25,000.00	Transportation	Transportation reimbursements for 2018-19 school year
Many Rivers Montessori	\$25,000.00	Transportation	Transportation reimbursements for 2018-19 school year
Spirit of the Lake Community School	\$25,000.00	Transportation	Transportation reimbursements for 2018-19 school year

AGREEMENT

THIS AGREEMENT, made and entered into this 2nd__ day of _November_, 2018__, by and between Independent School District #709, a public corporation, hereinafter called District, and __Brian StillDay Jr.__, an independent contractor, hereinafter called Contractor.

THE PURPOSE OF THE AGREEMENT is to set out the terms and conditions whereby Contractor will provide programs or services for the District at the times and locations set forth in this Agreement.

The terms and conditions of this Agreement are as follows: *(insert or attach as appropriate)*

1. **Dates of Service.** This Agreement shall be deemed to be effective as of _11-2-2018_____ and shall remain in effect until _____6-30-2019_____, unless terminated earlier as provided for herein, or unless and until all obligations set forth in this Agreement have been satisfactorily fulfilled, whichever occurs first.

2. **Performance.** *(insert/attach a list of programs/services to be performed by contractor)*

3. **Background Check.** *(applies to contractors working independent with students)*

Contractor must provide an executed criminal history consent form and a money order or check payable to the District in an amount equal to the actual cost of conducting a criminal history background check on all of its employees assigned to the program. Contractor is precluded from performance of contract until the results of the criminal background check(s) are on file.

4. **Reimbursement.** In consideration of the performance of Contractor of its obligations pursuant to this Agreement, District hereby agrees to reimburse Contractor for its services and expenses in performing said obligations up to a sum not to exceed \$ __\$3000.00____. Contractor is required by Minnesota Statutes, Section 270.66, subd. 3, to provide their Taxpayer Identification Number (TIN) used in the enforcement of Federal and State tax laws. The TIN will be available to Federal and State tax authorities and State personnel involved in the payment of State obligations. This Agreement will not be approved unless TIN is provided.

5. **Requests for Reimbursement.** The terms of payment under this Agreement are as follows:

- a. Payment shall be made by the District within 30 days of submission of a proper invoice by the Contractor;
- b. Any other terms of payment in the performance of services are incorporated by reference in this Agreement.

6. **Propriety of Expenses.** The fact that the District has reimbursed Contractor for any expense claimed by Contractor shall not preclude District from questioning the propriety of any such item. District reserves the right to offset any overpayment or disallowance of any item or items at any time under this Agreement by reducing future payments to Contractor. This clause shall not be construed to bar any other legal remedies District may have to recover funds expended by Contractor for disallowed costs.

7. **Ownership of Materials.** The District reserves the rights to reproduce the programming in any fashion, or appropriate the contents of the programming, or any portion thereof, to its own use for any and all programs, forms and other materials that Contractor has provided, prepared, or utilized in performance of the terms of this Agreement.

8. **Independent Contractor.** Both the District and Contractor agree that they will act as an independent contractor in the performance of its duties under this Agreement. Nothing contained in this Agreement shall be construed as in any manner creating a relationship of joint venture between the parties, which shall remain independent contractors with respect to all actions performed pursuant to this Agreement.

Accordingly, Contractor shall be responsible for payment of all taxes, including Federal, State, and local taxes, arising out of Contractor's activities in accordance with this Agreement, including by way of illustration, but not limited to, Federal and State income tax, Social Security tax, Unemployment Insurance taxes, workers compensations, and any other taxes or business license fees as required.

9. **Indemnity and defense of the District.** Contractor hereby agrees to defend, indemnify and hold the District harmless from all claims relating to its work pursuant to this Agreement.

In the event that Contractor breaches its obligation to defend, indemnify and hold the District harmless, then in addition to its other damages the District shall be entitled to recover its attorney's fees and costs and disbursements incurred in enforcing this Agreement.

10. **Notices.** All notices to be given by Contractor to District shall be deemed to have been given by depositing the same in writing in the United States Mail: ISD 709, Duluth Public Schools, 215 North 1st Avenue East, Duluth, MN 55802.

All notices to be given by District to Contractor shall be deemed to have been given by depositing the same in writing in the United States Mail to (mailing address with zip) _____
Attn: Brian StillDay Jr., 114 N. 30th Ave W. Duluth MN, 55806 _____.

11. **Assignment.** Contractor shall not in any way assign or transfer any of its rights, interests or obligations under this Agreement in any way whatsoever without the prior written approval of the District.

12. **Modification or Amendment.** No amendment, change or modification of this Agreement shall be valid unless in writing signed by the parties' hereto.

13. **Governing Laws.** This Agreement, together with all its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

14. **Entire Agreement.** This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and shall not be changed or otherwise altered except by written agreement of the parties.

15. **Cancellation.** Either party shall have the right to terminate this Agreement, without cause, upon (30) days written notice to the other party as provided for in this Agreement.

16. **Data Practices.** Contractor further understands and agrees that it shall be bound by the Minnesota Government Data Practices Act (Minnesota Statutes 13.03-13.04) with respect to “data on individuals”; as defined in 13.02, subd. 5 of that Statute) which it collects, receives, stores, uses, creates or disseminates pursuant to this Agreement.

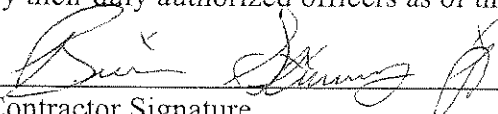
17. **Insurance.** (If applicable) Contractor shall not commence work under the contract until they have obtained all the insurance described below and Duluth Public Schools has approved such insurance. Contractor shall maintain such insurance in force and effect throughout the term of the contract.

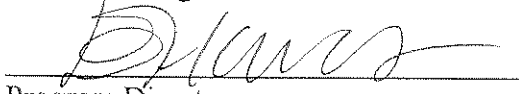
Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:

Workers’ Compensation Insurance: Contractor must provide Worker’s Compensation insurance for all its employees and, in case any work is subcontracted, Contractor will require the subcontractor to provide Workers’ Compensation insurance in accordance with the statutory requirements of the State of Minnesota including Coverage B, Employer’s Liability.

Commercial General Liability: Contractor is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the contractor or subcontractor or by anyone directly or indirectly employed under the contract.


AS EVIDENCE OF THEIR ASSENT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, set forth above, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

 _____ 11-2-18
 Contractor Signature SSN/Tax ID Number Date

 _____ 11/19/18
 Program Director Date

Please note: All signatures *must* be obtained AND the following *must* be completed by Program Director before submission to the CFO for review and approval. This contract is funded by the following budget (include full 16 digit code):

01	605	005	510	340	130300
XX	XXX	XXX	XXX	XXX	XXXXXX

 _____ 11-26-18
 CFO/Superintendent of Schools/Board Chair Date

To: Edye Howes - American Indian Education Coordinator
From: Jamie de la Cruz - American Indian Liaison Myers-Wilkins / Lowell School
Re: Description of Performances for Contractor Brian Stillday Jr.

The contractor will perform drumming groups at Myers-Wilkins and Lowell Schools. These services will include drumming during presentations at the Myers-Wilkins school Pow wow, Hand drumming and presentations on Drumming during cultural activities for DPS students. His/Her rate will be _\$ 50 a session. Tuesday after school at Myers-Wilkins, and Wednesday after school at Lowell.

AGREEMENT

THIS AGREEMENT, made and entered into this 9 day of **October**, 2018, by and between Independent School District #709, a public corporation, hereinafter called District, and **Jeremy Davis**, an independent contractor, hereinafter called Contractor.

THE PURPOSE OF THE AGREEMENT is to set out the terms and conditions whereby Contractor will provide programs or services for the District at the times and locations set forth in this Agreement.

The terms and conditions of this Agreement are as follows: (insert as appropriate)

1. **Dates of Service.** This Agreement shall be deemed to be effective as of **10/9/18**, and shall remain in effect until **6/30/19**, unless terminated earlier as provided for herein, or unless and until all obligations set forth in this Agreement have been satisfactorily fulfilled, whichever occurs first.

2. **Performance.** The Contactor will be **on contract with DPS American Indian Education Department to provide Hand Drumming and other cultural activities and teachings at Piedmont Elementary School and Lincoln Park Middle School. Contractor rate will be \$50.00 (fifty dollars) per session.**

3. **Background Check .** (Applies to contractors working independent with students)

Contractor must provide an executed criminal history consent form and a money order or check payable to the District in an amount equal to the actual cost of conducting a criminal history background check on all of its employees assigned to the program. Contractor is precluded from performance of contract until the results of the criminal background check(s) are on file.

4. **Reimbursement.** In consideration of the performance of Contractor of its obligations pursuant to this Agreement, District hereby agrees to reimburse Contractor for its services and expenses in performing said obligations up to a sum not to exceed \$2,500.00. Contractor is required by Minnesota Statutes, Section 270.66, subd. 3, to provide their Taxpayer Identification Number (TIN) used in the enforcement of Federal and State tax laws. The TIN will be available to Federal and State tax authorities and State personnel involved in the payment of State obligations. This Agreement will not be approved unless TIN is provided.

5. **Requests for Reimbursement.** The terms of payment under this Agreement are as follows:

- a. Payment shall be made by the District within 30 days of submission of a proper invoice by the Contractor;
- b. Any other terms of payment in the performance of services are incorporated by reference in this Agreement.

6. **Propriety of Expenses.** The fact that the District has reimbursed Contractor for any expense claimed by Contractor shall not preclude District from questioning the propriety

6. **Propriety of Expenses.** The fact that the District has reimbursed Contractor for any expense claimed by Contractor shall not preclude District from questioning the propriety of any such item. District reserves the right to offset any overpayment or disallowance of any item or items at any time under this Agreement by reducing future payments to Contractor. This clause shall not be construed to bar any other legal remedies District may have to recover funds expended by Contractor for disallowed costs.

7. **Ownership of Materials.** The District reserves the rights to reproduce the programming in any fashion, or appropriate the contents of the programming, or any portion thereof, to its own use for any and all programs, forms and other materials that Contractor has provided, prepared, or utilized in performance of the terms of this Agreement.

8. **Independent Contractor.** Both the District and Contractor agree that they will act as an independent contractor in the performance of its duties under this Agreement. Nothing contained in this Agreement shall be construed as in any manner creating a relationship of joint venture between the parties, which shall remain independent contractors with respect to all actions performed pursuant to this Agreement.

Accordingly, Contractor shall be responsible for payment of all taxes, including Federal, State, and local taxes, arising out of Contractor's activities in accordance with this Agreement, including by way of illustration, but not limited to, Federal and State income tax, Social Security tax, Unemployment Insurance taxes, workers compensations, and any other taxes or business license fees as required.

9. **Indemnity and defense of the District.** Contractor hereby agrees to defend, indemnify and hold the District harmless from all claims relating to its work pursuant to this Agreement.

In the event that Contractor breaches its obligation to defend, indemnify and hold the District harmless, then in addition to its other damages the District shall be entitled to recover its attorney's fees and costs and disbursements incurred in enforcing this Agreement.

10. **Notices.** All notices to be given by Contractor to District shall be deemed to have been given by depositing the same in writing in the United States Mail care of the American Indian Education office, ISD 709, Duluth Public Schools, 215 North 1st Avenue East, Duluth, MN 55802. All notices to be given by District to Contractor shall be deemed to have been given by depositing the same in writing in the United States Mail **315 North Lake Avenue Apt. 328 Duluth, MN 55806.**

11. **Assignment.** Contractor shall not in any way assign or transfer any of its rights, interests or obligations under this Agreement in any way whatsoever without the prior written approval of the District.

12. **Modification or Amendment.** No amendment, change or modification of this

Agreement shall be valid unless in writing signed by the parties' hereto.

13. **Governing Laws.** This Agreement, together with all its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

14. **Entire Agreement.** This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and shall not be changed or otherwise altered except by written agreement of the parties.

15. **Cancellation.** Either party shall have the right to terminate this Agreement, without cause, upon (30) days written notice to the other party as provided for in this Agreement.

16. **Data Practices.** Contractor further understands and agrees that it shall be bound by the Minnesota Government Data Practices Act (Minnesota Statutes 13.03-13.04) with respect to "data on individuals"; as defined in 13.02, subd. 5 of that Statute) which it collects, receives, stores, uses, creates or disseminates pursuant to this Agreement.

17. **Insurance.** (If applicable) Contractor shall not commence work under the contract until they have obtained all the insurance described below and Duluth Public Schools has approved such insurance. Contractor shall maintain such insurance in force and effect throughout the term of the contract.

Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:

Workers' Compensation Insurance: Contractor must provide Workers Compensation insurance for all its employees and, in case any work is subcontracted, Contractor will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota including Coverage B, Employer's Liability.

Commercial General Liability: Contractor is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the contractor or subcontractor or by anyone directly or indirectly employed under the contract.

AS EVIDENCE OF THEIR ASSENT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, set forth above, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.


Contractor Signature

SSN/ Tax Identification Number

10-9-18
Date

D. Lums

Program Director

10/26/18

Date

J. M. Y. C.

Director of Curriculum and Instruction

10-30-18

Date

Catherine Elson

Director of Business Service / Superintendent of Schools

11-5-18

Date

AGREEMENT

THIS AGREEMENT, made and entered into this 9 day of **October**, 2018, by and between Independent School District #709, a public corporation, hereinafter called District, and **Pat St. Germaine**, an independent contractor, hereinafter called Contractor.

THE PURPOSE OF THE AGREEMENT is to set out the terms and conditions whereby Contractor will provide programs or services for the District at the times and locations set forth in this Agreement.

The terms and conditions of this Agreement are as follows: (insert as appropriate)

1. **Dates of Service.** This Agreement shall be deemed to be effective as of 10/9/18, and shall remain in effect until **6/30/19**, unless terminated earlier as provided for herein, or unless and until all obligations set forth in this Agreement have been satisfactorily fulfilled, whichever occurs first.

2. **Performance.** The Contractor will be **on contract with DPS American Indian Education Department to provide Jingle Dress dancing/teachings and other cultural activities at Piedmont Elementary School and Lincoln Park Middle School. Contractor rate will be \$50.00 (fifty dollars) per session.**

3. **Background Check .** (Applies to contractors working independent with students)

Contractor must provide an executed criminal history consent form and a money order or check payable to the District in an amount equal to the actual cost of conducting a criminal history background check on all of its employees assigned to the program. Contractor is precluded from performance of contract until the results of the criminal background check(s) are on file.

4. **Reimbursement.** In consideration of the performance of Contractor of its obligations pursuant to this Agreement, District hereby agrees to reimburse Contractor for its services and expenses in performing said obligations up to a sum not to exceed \$2,500.00. Contractor is required by Minnesota Statutes, Section 270.66, subd. 3, to provide their Taxpayer Identification Number (TIN) used in the enforcement of Federal and State tax laws. The TIN will be available to Federal and State tax authorities and State personnel involved in the payment of State obligations. This Agreement will not be approved unless TIN is provided.

5. **Requests for Reimbursement.** The terms of payment under this Agreement are as follows:

- a. Payment shall be made by the District within 30 days of submission of a proper invoice by the Contractor;
- b. Any other terms of payment in the performance of services are incorporated by reference in this Agreement.

6. **Propriety of Expenses.** The fact that the District has reimbursed Contractor for any expense claimed by Contractor shall not preclude District from questioning the propriety

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7. **Ownership of Materials.** The District reserves the rights to reproduce the programming in any fashion, or appropriate the contents of the programming, or any portion thereof, to its own use for any and all programs, forms and other materials that Contractor has provided, prepared, or utilized in performance of the terms of this Agreement.

8. **Independent Contractor.** Both the District and Contractor agree that they will act as an independent contractor in the performance of its duties under this Agreement. Nothing contained in this Agreement shall be construed as in any manner creating a relationship of joint venture between the parties, which shall remain independent contractors with respect to all actions performed pursuant to this Agreement.

Accordingly, Contractor shall be responsible for payment of all taxes, including Federal, State, and local taxes, arising out of Contractor's activities in accordance with this Agreement, including by way of illustration, but not limited to, Federal and State income tax, Social Security tax, Unemployment Insurance taxes, workers compensations, and any other taxes or business license fees as required.

9. **Indemnity and defense of the District.** Contractor hereby agrees to defend, indemnify and hold the District harmless from all claims relating to its work pursuant to this Agreement.

In the event that Contractor breaches its obligation to defend, indemnify and hold the District harmless, then in addition to its other damages the District shall be entitled to recover its attorney's fees and costs and disbursements incurred in enforcing this Agreement.

10. **Notices.** All notices to be given by Contractor to District shall be deemed to have been given by depositing the same in writing in the United States Mail care of the American Indian Education office, ISD 709, Duluth Public Schools, 215 North 1st Avenue East, Duluth, MN 55802. All notices to be given by District to Contractor shall be deemed to have been given by depositing the same in writing in the United States Mail **216 6th Avenue East Superior, WI 54880**

11. **Assignment.** Contractor shall not in any way assign or transfer any of its rights, interests or obligations under this Agreement in any way whatsoever without the prior written approval of the District.

12. **Modification or Amendment.** No amendment, change or modification of this

Agreement shall be valid unless in writing signed by the parties' hereto.

13. **Governing Laws.** This Agreement, together with all its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

14. **Entire Agreement.** This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and shall not be changed or otherwise altered except by written agreement of the parties.

15. **Cancellation.** Either party shall have the right to terminate this Agreement, without cause, upon (30) days written notice to the other party as provided for in this Agreement.

16. **Data Practices.** Contractor further understands and agrees that it shall be bound by the Minnesota Government Data Practices Act (Minnesota Statutes 13.03-13.04) with respect to "data on individuals"; as defined in 13.02, subd. 5 of that Statute) which it collects, receives, stores, uses, creates or disseminates pursuant to this Agreement.

17. **Insurance.** (If applicable) Contractor shall not commence work under the contract until they have obtained all the insurance described below and Duluth Public Schools has approved such insurance. Contractor shall maintain such insurance in force and effect throughout the term of the contract.

Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:

Workers' Compensation Insurance: Contractor must provide Workers Compensation insurance for all its employees and, in case any work is subcontracted, Contractor will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota including Coverage B, Employer's Liability.

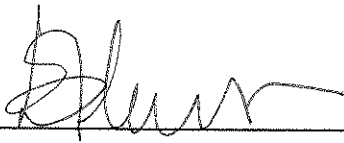
Commercial General Liability: Contractor is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the contractor or subcontractor or by anyone directly or indirectly employed under the contract.

AS EVIDENCE OF THEIR ASSENT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, set forth above, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.


Contractor Signature

SSN/ Tax Identification Number

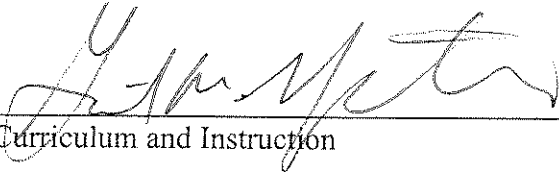
10-9-18
Date



Program Director

10/16/18

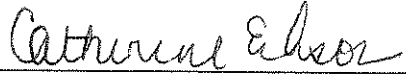
Date



Director of Curriculum and Instruction

10-22-18

Date



Director of Business Service / Superintendent of Schools

11-5-18

Date

AGREEMENT

THIS AGREEMENT, made and entered into this 9 day of October, 2018, by and between Independent School District #709, a public corporation, hereinafter called District, and Shawn Carr, an independent contractor, hereinafter called Contractor.

THE PURPOSE OF THE AGREEMENT is to set out the terms and conditions whereby Contractor will provide programs or services for the District at the times and locations set forth in this Agreement.

The terms and conditions of this Agreement are as follows: (insert as appropriate)

1. **Dates of Service.** This Agreement shall be deemed to be effective as of 10/9/18, and shall remain in effect until 6/30/19, unless terminated earlier as provided for herein, or unless and until all obligations set forth in this Agreement have been satisfactorily fulfilled, whichever occurs first.

2. **Performance.** The Contractor will be on contract with DPS American Indian Education Department to provide awareness and teachings of our Veteran Eagle Staff Carriers and other cultural activities at Piedmont Elementary School and Lincoln Park Middle School. Contractor rate will be \$50.00 (fifty dollars) per session.

3. **Background Check.** (Applies to contractors working independent with students)

Contractor must provide an executed criminal history consent form and a money order or check payable to the District in an amount equal to the actual cost of conducting a criminal history background check on all of its employees assigned to the program. Contractor is precluded from performance of contract until the results of the criminal background check(s) are on file.

4. **Reimbursement.** In consideration of the performance of Contractor of its obligations pursuant to this Agreement, District hereby agrees to reimburse Contractor for its services and expenses in performing said obligations up to a sum not to exceed \$2,500.00. Contractor is required by Minnesota Statutes, Section 270.66, subd. 3, to provide their Taxpayer Identification Number (TIN) used in the enforcement of Federal and State tax laws. The TIN will be available to Federal and State tax authorities and State personnel involved in the payment of State obligations. This Agreement will not be approved unless TIN is provided.

5. **Requests for Reimbursement.** The terms of payment under this Agreement are as follows:

- a. Payment shall be made by the District within 30 days of submission of a proper invoice by the Contractor;
- b. Any other terms of payment in the performance of services are incorporated by reference in this Agreement.

6. **Propriety of Expenses.** The fact that the District has reimbursed Contractor for any expense claimed by Contractor shall not preclude District from questioning the propriety

6. **Propriety of Expenses.** The fact that the District has reimbursed Contractor for any expense claimed by Contractor shall not preclude District from questioning the propriety of any such item. District reserves the right to offset any overpayment or disallowance of any item or items at any time under this Agreement by reducing future payments to Contractor. This clause shall not be construed to bar any other legal remedies District may have to recover funds expended by Contractor for disallowed costs.

7. **Ownership of Materials.** The District reserves the rights to reproduce the programming in any fashion, or appropriate the contents of the programming, or any portion thereof, to its own use for any and all programs, forms and other materials that Contractor has provided, prepared, or utilized in performance of the terms of this Agreement.

8. **Independent Contractor.** Both the District and Contractor agree that they will act as an independent contractor in the performance of its duties under this Agreement. Nothing contained in this Agreement shall be construed as in any manner creating a relationship of joint venture between the parties, which shall remain independent contractors with respect to all actions performed pursuant to this Agreement.

Accordingly, Contractor shall be responsible for payment of all taxes, including Federal, State, and local taxes, arising out of Contractor's activities in accordance with this Agreement, including by way of illustration, but not limited to, Federal and State income tax, Social Security tax, Unemployment Insurance taxes, workers compensations, and any other taxes or business license fees as required.

9. **Indemnity and defense of the District.** Contractor hereby agrees to defend, indemnify and hold the District harmless from all claims relating to its work pursuant to this Agreement.

In the event that Contractor breaches its obligation to defend, indemnify and hold the District harmless, then in addition to its other damages the District shall be entitled to recover its attorney's fees and costs and disbursements incurred in enforcing this Agreement.

10. **Notices.** All notices to be given by Contractor to District shall be deemed to have been given by depositing the same in writing in the United States Mail care of the American Indian Education office, ISD 709, Duluth Public Schools, 215 North 1st Avenue East, Duluth, MN 55802. All notices to be given by District to Contractor shall be deemed to have been given by depositing the same in writing in the United States Mail **214 East 4th Street Apt. 26 Duluth, MN 55805**

11. **Assignment.** Contractor shall not in any way assign or transfer any of its rights, interests or obligations under this Agreement in any way whatsoever without the prior written approval of the District.

12. **Modification or Amendment.** No amendment, change or modification of this

Agreement shall be valid unless in writing signed by the parties' hereto.

13. **Governing Laws.** This Agreement, together with all its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

14. **Entire Agreement.** This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and shall not be changed or otherwise altered except by written agreement of the parties.

15. **Cancellation.** Either party shall have the right to terminate this Agreement, without cause, upon (30) days written notice to the other party as provided for in this Agreement.

16. **Data Practices.** Contractor further understands and agrees that it shall be bound by the Minnesota Government Data Practices Act (Minnesota Statutes 13.03-13.04) with respect to "data on individuals"; as defined in 13.02, subd. 5 of that Statute) which it collects, receives, stores, uses, creates or disseminates pursuant to this Agreement.

17. **Insurance.** (If applicable) Contractor shall not commence work under the contract until they have obtained all the insurance described below and Duluth Public Schools has approved such insurance. Contractor shall maintain such insurance in force and effect throughout the term of the contract.

Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:

Workers' Compensation Insurance: Contractor must provide Workers Compensation insurance for all its employees and, in case any work is subcontracted, Contractor will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota including Coverage B, Employer's Liability.

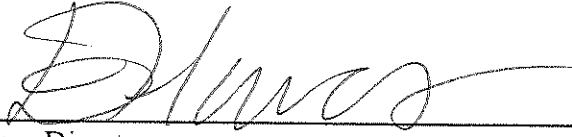
Commercial General Liability: Contractor is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the contractor or subcontractor or by anyone directly or indirectly employed under the contract.

AS EVIDENCE OF THEIR ASSENT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, set forth above, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.


Contractor Signature


SSN/ Tax Identification Number

10-9-18
Date




Program Director

10/16/18
Date



Director of Curriculum and Instruction

10-22-18
Date



Director of Business Service / Superintendent of Schools

11-5-18
Date



2018-19 Partner Site Agreement Service Year 8/16/2018- 8/15/2019



This Agreement is between True North AmeriCorps, a program of the Duluth Area Family YMCA (hereafter referred to as the "Program") and Congdon Park Elementary School (hereafter referred to as the "Partner Site"). Through this agreement, the program will assign AmeriCorps member(s) (hereafter referred to as the "Member") to the Partner Site for the purpose of performing service to support on-time graduation, ensuring that youth are prepared for academic, civic, and economic success for youth in grades K-8.

This Agreement will remain in effect for the period of August 16, 2018, through August 15, 2019, and is based on acceptance and approval of a Partner Site application, which outlines service activities that meet the goals of the Program, to be performed by the Member.

I. PARTNER SITE RESPONSIBILITIES

The Partner Site agrees to meet the following requirements and responsibilities as outlined by the Corporation for National and Community Service (hereafter referred to as the "Corporation") and the Program:

A. ELIGIBILITY

The Partner Site must meet the following requirements to maintain positive status with the AmeriCorps program and to be eligible for future member placement. Eligibility for continued member placement does not guarantee continued participation in the program. The Partner Site agrees to:

- 1) Evaluate Member service impact and communicate with the Program concerning development and attainment of those measures and impact;
- 2) Encourage and support Member efforts to develop and implement collaborative programs involving other Members and Partner Sites to address youth needs in the community;
- 3) Ensure adequate and safe work environments for the Member and provide appropriate materials and workspace for Member as outlined in I.C.2 "Work Space and Materials";
- 4) Provide and maintain supervision and open communications with the Member;
- 5) Develop service activities with the Member throughout the service year allowing for leadership development opportunities and support the Member with their Global Youth Service Day Project;
- 6) Allow and positively support Member time during the work week for on-site AmeriCorps related research, reporting and evaluative activities, off-site training, education, and development meetings as scheduled by the Program, and other relevant meetings or activities;
- 7) Provide the Member with orientation to the Partner Site organization, including but not limited to mission, structure, expectations, space, staff, resources for support, personnel policies, and procedures;
- 8) Provide the Member with on-site training and involve the Member in appropriate staff meetings, retreats, and training events, including a minimum of two trainings of at least four hours each to help build skills specific to their service site. These can include workshops, in-service training or conferences. Documentation of these two trainings along with the Independent Service Hours sheet must be signed by the Member and Site Supervisor and submitted to Program staff;

- 9) Complete evaluations of the Member's service two times per year, to be submitted December 15th and June 15th, using the forms provided by the Program;
- 10) Support the AmeriCorps Member Agreement and notify the Program immediately if the Member is in violation of their contract;
- 11) Notify the Program immediately of any problems or concerns with the Member or their service (Staff support and other resources are available to assist in resolving such challenges);
- 12) Understand if for any reason the Member withdraws or is released from the Partner Site or the Program, there exists no guarantee of the assignment of another member;
- 13) Participate fully as a partner of the Program by attending meetings, special events, displaying the AmeriCorps signage, promoting AmeriCorps through program and site public relations, and other activities as appropriate;
- 14) Attend Partner Site Supervisor orientation and mid-year training meeting;
- 15) Host site visits conducted by the Program, twice yearly and additionally as required;
- 16) Review and approve timesheets and other documentation in a timely manner.

B. CASH MATCH PAYMENT

The Partner Site is responsible for paying a Cash Match for each position awarded. Schools and Out-of-School-Time (OST) Programs partner to share a member. Full time members are expected to spend approximately 30 hours/week in the classroom during the school year and 10 hours/week in the OST program and 25 hours/week in the summer program. School Day only positions are available on a limited basis and cash match amounts for those positions are included below. Given the school/OST partnership, below is a breakdown of the plan to share the cash match:

Full Time (1740 hrs)	Total Cash Match:	\$7,750
	Amount paid by district funds:	\$3,500
	Amount paid by City of Duluth:	\$1,500
	Amount paid by KEY Zone:	\$2,750
Half Time (920 hrs)	Total Cash Match:	\$3,875
	Amount paid by district funds:	\$3,875

*** Please note that federal funding cannot be used to pay the cash match.**

Fifty percent of the cash match amount is due **September 15, 2018**. Failure to meet this deadline may result in the Program reassigning the position to another Partner Site.

The second half is due by **January 15, 2019**. Failure to meet these deadlines will be reflected negatively in the 2018-2019 site selection process.

Payments not submitted by the contracted due date will accrue an additional charge of \$50 for each 30 day period unpaid.

Grant provisions from the Corporation for National and Community Service state that if AmeriCorps members leave their position before their term of service is ended, the Program is

unable to fill that position with a new person if they have completed more than 30% of their hours.

The Partner Site is responsible for the entire cash match amount regardless of whether the Member completes their term of service.

C. IN-KIND MATCH

In-Kind Match reporting is required as a Partner Site. Please note that federal funding cannot be used to pay in-kind match (e.g. a Site Supervisor who receives their salary from federal grant funds will not be able to report their supervisory hours as "in-kind"). If in-kind is not reported, the site will be assessed an additional \$2,500 per member for in-kind costs.

- 1) **Member Supervision.** The Partner Site will assign a Site Supervisor, who will be responsible for assisting in Member recruitment and daily Member management including the following activities: scheduling, supervision, training, performance evaluation, compliance with ethical standards, and communication with Program staff. In-Kind Hours related to supervision of the Member must be reported monthly. Site Supervisors are required to attend two meetings per year to train on and discuss AmeriCorps requirements and expectations.
- 2) **Work Space and Materials.** The Partner Site must provide the Member with a workspace which includes access to a computer, internet, office supplies, phone, fax, and all materials necessary to complete assigned tasks. In-Kind costs related to work space, materials, travel, and training provided by the Partner Site must be reported monthly. Receipts, invoices, or other proof of costs must be made available upon request of the Program or auditors. Reasonable accommodations to work space must be provided when required.
- 3) **Data Collection.** The Partner Site agrees to assist the Member with data collection, including but not limited to the collection of academic grades, behavior and attendance, the administration of surveys, and the accurate recording of tutoring and mentoring time, volunteer recruitment, and service projects. Data collection documents will be provided to the Member and the Partner Site along with instruction. The Partner Site is required to have appropriate data collection consents, signed by a parent or guardian, for every student evaluated on file before any collection begins. The Partner Site will evaluate all consented youth taking part in programming.

D. COMMUNICATION AND DOCUMENTATION

- 1) **Program Information.** The Partner Site is responsible for tracking, archiving, communicating, and following through on all information presented at site visits, site supervisor meetings, future communications, and additional information shared by the Program regarding terms of placements, member rules of conduct, grievance procedures, prohibited activities, and all other program expectations and conditions.
- 2) **Site Supervisor and Contact Information.** The Partner Site is responsible for immediately informing the Program of any changes in the leadership of the Partner Site, either of the Site Supervisor or within the Site Supervisor's direct chain of supervision. The Partner Site will update contact information whenever a change is made.
- 3) **Documentation.** The Partner Site will maintain records, make reports, and submit any relevant documents required by the Program concerning matters involving the Member. This includes, but is not limited to, email, postal, and fax correspondence that may aid in the investigation of the Member's service and completion or termination. These records will be maintained for a period of five years.

E. LEGAL COMPLIANCE

- 1) The Partner Site will ensure that, while charging time to the AmeriCorps program, accumulating service or training hours, or otherwise performing activities supported by the AmeriCorps program or the Corporation, staff and members may not engage in the following activities:
 - a. Attempting to influence legislation;
 - b. Organizing or engaging in protests, petitions, boycotts, or strikes;
 - c. Assisting, promoting, or deterring union organizing;
 - d. Impairing existing contracts for services or collective bargaining agreements;
 - e. Engaging in partisan political activities, or other activities designed to influence the outcome of an election to any public office;
 - f. Participating in, or endorsing, events or activities that are likely to include advocacy for or against political parties, political platforms, political candidates, proposed legislation, or elected officials;
 - g. Engaging in religious instruction, conducting worship services, providing instruction as part of a program that includes mandatory religious instruction or worship, constructing or operating facilities devoted to religious instruction or worship, maintaining facilities primarily or inherently devoted to religious instruction or worship, or engaging in any form of religious proselytizing;
 - h. Providing a direct benefit to—
 - i. A business organized for profit;
 - ii. A labor union;
 - iii. A partisan political organization;
 - iv. A nonprofit organization that fails to comply with the restrictions contained in section 501(c)(3) of the Internal Revenue Code of 1986 except that nothing in this section shall be construed to prevent participants from engaging in advocacy activities undertaken at their own initiative; and
 - v. An organization engaged in the religious activities described in paragraph (g) of this section, unless Corporation assistance is not used to support those religious activities;
 - i. Conducting a voter registration drive or using Corporation funds to conduct a voter registration drive;
 - j. Providing abortion services or referrals for receipt of such services; and
 - k. Such other activities as the Corporation may prohibit.

Individuals may exercise their rights as private citizens and may participate in the activities listed above on their own initiative, on non-AmeriCorps time, and using non-Corporation funds. Individuals should not wear the AmeriCorps logo while doing so. *Before approving timesheets, be sure your member has not recorded time to any of the prohibited activities listed above on their timesheet.*

- 2) The Partner Site must verify that no jobs will be lost, no present employees will be replaced, and no hours of current employees will be reduced as a result of Member placement. The Partner Site may employ and compensate the Member for time spent above and beyond contracted AmeriCorps hours; however, the duties during this time and hours committed must be separate from AmeriCorps time and must be submitted in writing to the Program in advance.
- 3) Ensure grant-funded activities are compliant with non-supplantation, nonduplication and nondisplacement restrictions.
 - a. *Supplantation.* Corporation assistance may not be used to replace State and local public funds that had been used to support programs of the type eligible to receive Corporation support. For any given program, this condition will be satisfied if the aggregate non-Federal public expenditure for that program in the fiscal year that support is to be provided is not less than the previous fiscal year.
 - b. *Nonduplication and Nondisplacement.* The Member cannot replace present employees and no hours of current employees will be reduced as a result of Member placement at a site. The Partner Site may employ and compensate the Member for time spent above and beyond contracted AmeriCorps hours; however, the duties during this time and hours committed must be separate from AmeriCorps time and must be submitted in writing to the Program in advance.

- 4) The Member will not engage in or conduct any fundraising activities that support the Partner Site's general operating expenses, including financial campaigns, endowment drives, solicitation of gifts and bequests, and grant writing, or any political, or protest activities or activities of a religious nature, including religious instruction, worship services, or proselytizing.
- 5) The Member will not engage in ongoing administrative duties, including filing, photocopying, collating, mailing, unless these activities are directly related to the duties approved by the Program and supplement the Member's service activities.
- 6) The Member will not assist, promote, or deter union organization, as well as not violate the Hatch or Federal Anti-lobbying Acts.
- 7) The Partner Site will not discriminate against a member on the basis of age, ancestry, color, disability (non-job related), ethnicity, gender, national origin, political affiliation, religious creed, sexual orientation, and/or union membership. The Partner Site will comply with all Federal and State statutes relating to nondiscrimination, including but not limited to Title VI of the Civil Rights Act of 1994 (42 U.S.C., 2000d et. seq.), Title IX of the Education Amendments of 1972 (20 U.S.C., 1681 et. seq.), The Rehabilitation Act of 1973 (29 U.S.C. 701 et. seq.), The Age Discrimination Act of 1975 (42 U.S.C. 6101 et. seq.).
- 8) The Partner Site will follow the guidelines of the Drug Free Workplace Act.
- 9) The Member will not engage in activities that pose a significant safety risk.
- 10) The Partner Site will maintain a "workplace" free from sexual harassment.
- 11) Members must be released to aid in relief efforts related to natural or man-made disasters at the direction of program staff.
- 12) Other activities as the Corporation determines will be prohibited, upon notice to the Partner Site.
- 13) Members may not accumulate any hours prior to the official start date of service, which is on the Member contract.
- 14) Members must pass a National Service background check prior to the start of service. The cost for the finger printing background check will be paid for by the Program.
- 15) Direct supervisors who are reporting in-kind must pass a National Service background check. The Program will pay for one supervisor at the site. If a site changes supervisor, it will be the sites responsibility to pay for the additional check.

F. MEMBER RECRUITMENT

Recruitment is a joint responsibility between the Program and the Partner Site. Each will seek individuals with an interest in AmeriCorps service. It is the responsibility of the Program to ensure candidates meet the minimum qualifications outlined by the Corporation and it is the responsibility of the Partner Site to select an individual who will be the best fit for the organization. Sites must use the True North AmeriCorps mandatory interview questions when interviewing applicants.

Preferred member selection and placement date is **July 15, 2018**. The Partner Site must select a Member by **August 1, 2018** for an on time fall service term start. Failure to meet this deadline may result in the Program reassigning the position to another Partner Site unless extension is granted by the Program.

G. ADDITIONAL REQUIREMENTS

The Member provides direct service to community beneficiaries (individuals, families, and/or groups) while hosted and supervised by community or school based organizations. The Member is not an employee,

intern, or volunteer of the Partner Site; they are participants in a national service program. The Member does not serve an organization; they serve the community through direct service supervised by the Partner Site. While Partner Sites are encouraged to integrate the Member into the overall staff as fully as possible, the Member activities must be very closely related to the activities described within the position description submitted upon application with the Program.

H. NONDUPLICATION

Corporation assistance may not be used to duplicate an activity that is already available in the locality of a program. And, unless the requirements of paragraph (f) of this section are met, Corporation assistance will not be provided to a private nonprofit entity to conduct activities that are the same or substantially equivalent to activities provided by a State or local government agency in which such entity resides.

I. NONDISPLACEMENT

- 1) An employer may not displace an employee or position, including partial displacement such as reduction in hours, wages, or employment benefits, as a result of the use by such employer of a participant in a program receiving Corporation assistance.
- 2) An organization may not displace a volunteer by using a participant in a program receiving Corporation assistance.
- 3) A service opportunity will not be created under this chapter that will infringe in any manner on the promotional opportunity of an employed individual.
- 4) A participant in a program receiving Corporation assistance may not perform any services or duties or engage in activities that would otherwise be performed by an employee as part of the assigned duties of such employee.
- 5) A participant in any program receiving assistance under this chapter may not perform any services or duties, or engage in activities, that
 - a. Will supplant the hiring of employed workers; or
 - b. Are services, duties, or activities with respect to which an individual has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures.
- 6) A participant in any program receiving assistance under this chapter may not perform services or duties that have been performed by or were assigned to any—
 - a. Presently employed worker;
 - b. Employee who recently resigned or was discharged;
 - c. Employee who is subject to a reduction in force or who has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures;
 - d. Employee who is on leave (terminal, temporary, vacation, emergency, or sick); or
 - e. Employee who is on strike or who is being locked out.

J. NONDISCRIMINATION

The Program is an Equal Opportunity/Affirmative Action program, providing equal opportunities to all those qualified without regard to factors such as race; color; national origin; sex; sexual orientation; religion; age; disability; political affiliation; marital or parental status; military service; or religious, community, or social affiliations. Reasonable accommodations will be provided upon request. The Partner Site will abide by this same policy when interviewing, selecting, and supervising the Member.

The True North AmeriCorps Program receives a large portion of funding from the Corporation for National and Community Service (CNCS); we therefore, adopt the CNCS policy stated below:

Grant Program Civil Rights and Non-Harassment Policy

The Corporation for National and Community Service (CNCS) has zero tolerance for the harassment of any individual or group of individuals for any reason. CNCS is committed to treating all persons with dignity and respect. CNCS prohibits all forms of discrimination based upon race, color, national origin, gender, age, religion, sexual orientation, disability, gender identity or expression, political affiliation, marital or parental status, or military service. All programs administered by, or receiving Federal financial assistance from CNCS, must be free from all forms of harassment. Whether in CNCS offices or campuses, in other

service-related settings such as training sessions or service sites, or at service-related social events, such harassment is unacceptable. Any such harassment, if found, will result in immediate corrective action, up to and including removal or termination of any CNCS employee or volunteer. Recipients of Federal financial assistance, be they individuals, organizations, programs and/or projects are also subject to this zero tolerance policy. Where a violation is found, and subject to regulatory procedures, appropriate corrective action will be taken, up to and including termination of Federal financial assistance from all Federal sources.

Slurs and other verbal or physical conduct relating to an individual's gender, race, ethnicity, religion, sexual orientation or any other basis constitute harassment when it has the purpose or effect of interfering with service performance or creating an intimidating, hostile, or offensive service environment. Harassment includes, but is not limited to: explicit or implicit demands for sexual favors; pressure for dates; deliberate touching, leaning over, or cornering; offensive teasing, jokes, remarks, or questions; letters, phone calls, or distribution or display of offensive materials; offensive looks or gestures; gender, racial, ethnic, or religious baiting; physical assaults or other threatening behavior; or demeaning, debasing or abusive comments or actions that intimidate.

CNCS does not tolerate harassment by anyone including persons of the same or different races, sexes, religions, or ethnic origins; or from a CNCS employee or supervisor; a project, or site employee or supervisor; a non-employee (e.g., client); a co-worker or service member.

I expect supervisors and managers of CNCS programs and projects, when made aware of alleged harassment by employees, service participants, or other individuals, to immediately take swift and appropriate action. CNCS will not tolerate retaliation against a person who raises harassment concerns in good faith. Any CNCS employee who violates this policy will be subject to discipline, up to and including termination, and any grantee that permits harassment in violation of this policy will be subject to a finding of non-compliance and administrative procedures that may result in termination of Federal financial assistance from CNCS and all other Federal agencies.

Any person who believes that he or she has been discriminated against in violation of civil rights laws, regulations, or this policy, or in retaliation for opposition to discrimination or participation in discrimination complaint proceedings (e.g., as a complainant or witness) in any CNCS program or project, may raise his or her concerns with our Office of Civil Rights and Inclusiveness (OCRI). Discrimination claims not brought to the attention of OCRI within 45 days of their occurrence may not be accepted in a formal complaint of discrimination. No one can be required to use a program, project or sponsor dispute resolution procedure before contacting OCRI. If another procedure is used, it does not affect the 45-day time limit. OCRI may be reached at (202) 606- 7503 (voice), (202) 606-3472 (TTY), eo@cns.gov, or through www.nationalservice.gov.

K. COMPENSATION

The Partner Site may not provide the Member with monetary compensation, beyond the living allowance provided by the Program, for AmeriCorps service hours. The Partner site may employ and compensate the Member for hours beyond their AmeriCorps service only if the duties performed are entirely separate and does not overlap with AmeriCorps service time.

The Partner Site is encouraged, though not required, to support the Member with non-monetary benefits, including housing subsidization, meal per diem, and work-related mileage reimbursement.

II. PROGRAM RESPONSIBILITIES

The Program agrees to meet the following requirements and responsibilities as outlined by the Corporation and the standards set by the Program and its fiscal host, the Duluth Area Family YMCA:

A. MEMBER PLACEMENT AND SUPPORT

- 1) The Program's primary responsibility is the success of the Member. The Program will provide the Member with the following:
 - a. A living stipend, provided twice monthly, when the Member completes a minimum of five hours per week during each stipend period excluding holidays, emergencies, school breaks, and vacation time that is prearranged with their site supervisor and communicated to the Program Staff. The member cannot count hours during a leave of absence, which may include the following: vacation, sick, personal, or school/work closing days.
 - b. A post-service education award when the Member completes their contracted hours.
 - c. Orientation and in-service training on topics relevant to the service of the Member.
 - d. Health Insurance if the Member is designated as full-time and qualifies for such coverage.
 - e. Child Care assistance if the Member is full-time and qualifies for such coverage.
 - f. Appropriate support in situations or life events that may delay or prevent the Member from successfully completing their service year.
 - g. Appropriate support when a situation with the Partner Site or Site Supervisor prevents the Member from successfully completing their service year.
 - h. Consistent communication.
- 2) The Program will make every effort to match the Member with a Partner Site that provides the best fit for qualifications, time commitment, and personal development goals.
- 3) The Program has the authority to dismiss or suspend the Member from the Program or the Partner Site for any reason in accordance with the rules of the Corporation. The Program may also reassign the Member to another Service Site or change the number of contracted service hours when necessary.
- 4) Upon written request and after all other disciplinary procedures have been followed by the Partner Site, the Program will consider holding the Member's living stipend or removing the Member from the Partner Site or the Program, in accordance with the Program's policies and procedures.

B. SITE SELECTION AND SUPPORT

1. The Program will select programs whose missions are aligned with the Program, the Program's fiscal host, and the Corporation and whose application for a Member performing service to support on-time graduation, ensuring that youth are prepared for academic, civic, and economic success for youth in grades K-6.
2. The Program will provide support to the site in managing the Member, collecting evaluation data (with parental consent) from all youth attending programming, documentation as required by the Program, and developing appropriate duties and training opportunities for the Member.
3. The Program will provide two Site Supervisor trainings and a minimum of two site visits per service year. A Partner Site may request additional training or meetings as required.
4. The Program will provide the Partner Site with relevant results from evaluation data analysis once this data has been reported to the Corporation.

III. STATEMENT OF UNDERSTANDING

The Partner Site and the Program hereby acknowledge by their signatures that they have read, understand, and agree to all terms and conditions of this agreement.

This Agreement can be terminated by mutual agreement of the parties or by either party giving thirty (30) days written notice prior to the effective date of the termination. The Program may, with five (5) days written notice, suspend or terminate the Agreement in whole or in part whenever the Program determines there is a material failure or threat of failure to comply with the applicable terms and conditions of the Agreement.

In witness whereof, the parties whose signatures appear below attest to having the authority to enter into such agreements.

Partner Site Name: Congdon Park Elementary School
Supervisor Name: Kathi Kusch Marshall

Supervisor Contact: 218-336-8825 Kathi.Marshall@isd709.org
(Phone number) (Email)

Kathi Kusch Marshall 11-27-18 Principal Signature
(signature) (date)

Alice Jacobson 11/29/18 True North AmeriCorps Program Staff
(signature) (date)

Send To:
True North AmeriCorps
Attn: Alice Jacobson
302 West First Street
Duluth, MN 55802
Fax: 218-464-5300
Email: ajacobson@duluthymca.org

Catherine Erickson 11-30-18 CFO
Catherine Erickson (date)

AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of SEPT., 2018, by and between Independent School District #709, a public corporation, hereinafter called District, and DANIEL CYNDILOYE, an independent contractor, hereinafter called Contractor.

THE PURPOSE OF THE AGREEMENT is to set out the terms and conditions whereby Contractor will provide programs or services for the District at the times and locations set forth in this Agreement.

The terms and conditions of this Agreement are as follows: *(insert or attach as appropriate)*

1. **Dates of Service.** This Agreement shall be deemed to be effective as of 09/01/18 and shall remain in effect until 06/30/19, unless terminated earlier as provided for herein, or unless and until all obligations set forth in this Agreement have been satisfactorily fulfilled, whichever occurs first.

2. **Performance.** *(insert/attach a list of programs/services to be performed by contractor)*

3. **Background Check.** *(applies to contractors working independent with students)*

Contractor must provide an executed criminal history consent form and a money order or check payable to the District in an amount equal to the actual cost of conducting a criminal history background check on all of its employees assigned to the program. Contractor is precluded from performance of contract until the results of the criminal background check(s) are on file.

4. **Reimbursement.** In consideration of the performance of Contractor of its obligations pursuant to this Agreement, District hereby agrees to reimburse Contractor for its services and expenses in performing said obligations up to a sum not to exceed \$ 16,065.00. Contractor is required by Minnesota Statutes, Section 270.66, subd. 3, to provide their Taxpayer Identification Number (TIN) used in the enforcement of Federal and State tax laws. The TIN will be available to Federal and State tax authorities and State personnel involved in the payment of State obligations. This Agreement will not be approved unless TIN is provided.

5. **Requests for Reimbursement.** The terms of payment under this Agreement are as follows:

- a. Payment shall be made by the District within 30 days of submission of a proper invoice by the Contractor;
- b. Any other terms of payment in the performance of services are incorporated by reference in this Agreement.

6. **Propriety of Expenses.** The fact that the District has reimbursed Contractor for any expense claimed by Contractor shall not preclude District from questioning the propriety of any such item. District reserves the right to offset any overpayment or disallowance of any item or items at any time under this Agreement by reducing future payments to Contractor. This clause shall not be construed to bar any other legal remedies District may have to recover funds expended by Contractor for disallowed costs.

7. **Ownership of Materials.** The District reserves the rights to reproduce the programming in any fashion, or appropriate the contents of the programming, or any portion thereof, to its own

use for any and all programs, forms and other materials that Contractor has provided, prepared, or utilized in performance of the terms of this Agreement.

8. **Independent Contractor.** Both the District and Contractor agree that they will act as an independent contractor in the performance of its duties under this Agreement. Nothing contained in this Agreement shall be construed as in any manner creating a relationship of joint venture between the parties, which shall remain independent contractors with respect to all actions performed pursuant to this Agreement.

Accordingly, Contractor shall be responsible for payment of all taxes, including Federal, State, and local taxes, arising out of Contractor's activities in accordance with this Agreement, including by way of illustration, but not limited to, Federal and State income tax, Social Security tax, Unemployment Insurance taxes, workers compensations, and any other taxes or business license fees as required.

9. **Indemnity and defense of the District.** Contractor hereby agrees to defend, indemnify and hold the District harmless from all claims relating to its work pursuant to this Agreement.

In the event that Contractor breaches its obligation to defend, indemnify and hold the District harmless, then in addition to its other damages the District shall be entitled to recover its attorney's fees and costs and disbursements incurred in enforcing this Agreement.

10. **Notices.** All notices to be given by Contractor to District shall be deemed to have been given by depositing the same in writing in the United States Mail: ISD 709, Duluth Public Schools, Attn: Daniel Ovinloye, 215 North 1st Avenue East, Duluth, MN 55802.

All notices to be given by District to Contractor shall be deemed to have been given by depositing the same in writing in the United States Mail to (mailing address with zip) 315 N. Lake Ave, Apt 221, Duluth 55806.

11. **Assignment.** Contractor shall not in any way assign or transfer any of its rights, interests or obligations under this Agreement in any way whatsoever without the prior written approval of the District.

12. **Modification or Amendment.** No amendment, change or modification of this Agreement shall be valid unless in writing signed by the parties' hereto.

13. **Governing Laws.** This Agreement, together with all its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

14. **Entire Agreement.** This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and shall not be changed or otherwise altered except by written agreement of the parties.

15. **Cancellation.** Either party shall have the right to terminate this Agreement, without cause, upon (30) days written notice to the other party as provided for in this Agreement.

16. **Data Practices.** Contractor further understands and agrees that it shall be bound by the Minnesota Government Data Practices Act (Minnesota Statutes 13.03-13.04) with respect to

Budget

Line Item	Amount	Percent	Narrative
IN-KIND			
In-kind	\$0		n/a
REVENUE			
Project Earned Income	\$400	0.61%	Estimate 200 tickets sold at community performance at a suggested donation of \$2.00 each.
Applicant Cash or Other Income	\$6,500	9.85%	Denfeld match contribution
Regional Arts Council Grant(s)	\$0	0%	n/a
Other income -			
SUBTOTAL	\$6,900	10.45%	
Arts Board Request	\$59,100	89.55%	
Project Revenue -			
SUBTOTAL	\$66,000	100.0%	
in-kind	\$0		
REVENUE TOTAL	\$66,000		
EXPENSES			
Artist Compensation	\$49,725	75.34%	Teaching Artists----- \$19,125- Angie Frank-- Semester 1- 36 hours @ \$85/hour (average 2 hours/week)-- Semester 2- 189 hours @ \$85/hour (5 days/week 5.5 hours in class, 5 hours prep)--Lead teaching artist record keeping(attendance, grades, etc.) 18 hours @ \$85/hour (1 hour/week)----- \$16,065- Daniel Oyinloye-- Semester 1- 36 hours @ \$85/hour (average 2 hours/week)-- Semester 2- 153 hours @ \$85/hour (4 days per week, 4.5 hours in class, 4 hours prep)----- \$13,005- Gary Boelhower-- Semester 1- 36 hours @ \$85/hour (average 2 hours/week)-- Semester 2- 117 hours @ \$85/hour (3 days per week, 3.5 hours in class, 3 hours prep).
Other Project Personnel	\$8,640	13.09%	\$8640- Community Connections Consultant-- Semester 1- 36 hours @ \$40/hour (average 2 hours/week)-- Semester 2-180 hours @ \$40/hour (5 days/week 5.5 hours in class, 4.5 hours in community for 18 weeks)
Travel	\$0	0%	n/a
Rent	\$0	0%	n/a
Materials and Supplies	\$1,775	2.69%	\$1055- Group t-shirts/costumes, props, set, misc,----- \$720- Scripts of documentary style plays to demonstrate how artists have used theatre to engage the world on relevant issues- Class sets of 36 for two plays (possibly "No Child" by Nilaja Sun and "Fires in the Mirror" by Anna Devereare Smith or "Notes from the Field" if available.)
Promotion and Marketing	\$1,500	2.27%	Professional poster/postcard design and printing by Blackbird Revolt, a new design company in Duluth, created in response to the lack of representation and exclusion of diverse voices from the dominant narrative.
Planning and Evaluation	\$1,360	2.06%	Lead teaching artist planning and evaluation duties, 16 hours @ \$85/hour
ADA Accessibility	\$500	0.76%	ASL interpreter for community performance (school performance will use district interpreters if necessary)
Equipment Purchase	\$0	0%	n/a
Equipment Rental	\$0	0%	n/a
In-kind	\$0	0%	
Other	\$2,500	3.79%	\$1500- Video recording and editing; \$1000- Visiting guest stipends (estimate 10 guests @ \$100)
Administration	\$0	0%	n/a
EXPENSES TOTAL	\$66,000	100.0%	

Financial and Fiscal Sponsor Materials

Financial Attachment Instructions

<https://apply.mnartsboard.com/getApplicationPrintPreview.do?documentPk=1518104373107>

AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____, 20____, by and between Independent School District #709, a public corporation, hereinafter called District, and Gary Boelhower, an independent contractor, hereinafter called Contractor.

THE PURPOSE OF THE AGREEMENT is to set out the terms and conditions whereby Contractor will provide programs or services for the District at the times and locations set forth in this Agreement.

The terms and conditions of this Agreement are as follows: *(insert or attach as appropriate)*

1. **Dates of Service.** This Agreement shall be deemed to be effective as of Sept, 2018 and shall remain in effect until June 30, 2019 unless terminated earlier as provided for herein, or unless and until all obligations set forth in this Agreement have been satisfactorily fulfilled, whichever occurs first.

2. **Performance.** *(insert/attach a list of programs/services to be performed by contractor)*

3. **Background Check.** *(applies to contractors working independent with students)*

Contractor must provide an executed criminal history consent form and a money order or check payable to the District in an amount equal to the actual cost of conducting a criminal history background check on all of its employees assigned to the program. Contractor is precluded from performance of contract until the results of the criminal background check(s) are on file.

4. **Reimbursement.** In consideration of the performance of Contractor of its obligations pursuant to this Agreement, District hereby agrees to reimburse Contractor for its services and expenses in performing said obligations up to a sum not to exceed \$ 13,005.⁰⁰. Contractor is required by Minnesota Statutes, Section 270.66, subd. 3, to provide their Taxpayer Identification Number (TIN) used in the enforcement of Federal and State tax laws. The TIN will be available to Federal and State tax authorities and State personnel involved in the payment of State obligations. This Agreement will not be approved unless TIN is provided.

5. **Requests for Reimbursement.** The terms of payment under this Agreement are as follows:

- a. Payment shall be made by the District within 30 days of submission of a proper invoice by the Contractor;
- b. Any other terms of payment in the performance of services are incorporated by reference in this Agreement.

6. **Propriety of Expenses.** The fact that the District has reimbursed Contractor for any expense claimed by Contractor shall not preclude District from questioning the propriety of any such item. District reserves the right to offset any overpayment or disallowance of any item or items at any time under this Agreement by reducing future payments to Contractor. This clause shall not be construed to bar any other legal remedies District may have to recover funds expended by Contractor for disallowed costs.

7. **Ownership of Materials.** The District reserves the rights to reproduce the programming in any fashion, or appropriate the contents of the programming, or any portion thereof, to its own

use for any and all programs, forms and other materials that Contractor has provided, prepared, or utilized in performance of the terms of this Agreement.

8. Independent Contractor. Both the District and Contractor agree that they will act as an independent contractor in the performance of its duties under this Agreement. Nothing contained in this Agreement shall be construed as in any manner creating a relationship of joint venture between the parties, which shall remain independent contractors with respect to all actions performed pursuant to this Agreement.

Accordingly, Contractor shall be responsible for payment of all taxes, including Federal, State, and local taxes, arising out of Contractor's activities in accordance with this Agreement, including by way of illustration, but not limited to, Federal and State income tax, Social Security tax, Unemployment Insurance taxes, workers compensations, and any other taxes or business license fees as required.

9. Indemnity and defense of the District. Contractor hereby agrees to defend, indemnify and hold the District harmless from all claims relating to its work pursuant to this Agreement.

In the event that Contractor breaches its obligation to defend, indemnify and hold the District harmless, then in addition to its other damages the District shall be entitled to recover its attorney's fees and costs and disbursements incurred in enforcing this Agreement.

10. Notices. All notices to be given by Contractor to District shall be deemed to have been given by depositing the same in writing in the United States Mail: ISD 709, Duluth Public Schools, Attn: _____, 215 North 1st Avenue East, Duluth, MN 55802.

All notices to be given by District to Contractor shall be deemed to have been given by depositing the same in writing in the United States Mail to (mailing address with zip)
30 E Saint Andrews St, Duluth, MN 55803

11. Assignment. Contractor shall not in any way assign or transfer any of its rights, interests or obligations under this Agreement in any way whatsoever without the prior written approval of the District.

12. Modification or Amendment. No amendment, change or modification of this Agreement shall be valid unless in writing signed by the parties' hereto.

13. Governing Laws. This Agreement, together with all its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

14. Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and shall not be changed or otherwise altered except by written agreement of the parties.

15. Cancellation. Either party shall have the right to terminate this Agreement, without cause, upon (30) days written notice to the other party as provided for in this Agreement.

16. Data Practices. Contractor further understands and agrees that it shall be bound by the Minnesota Government Data Practices Act (Minnesota Statutes 13.03-13.04) with respect to

"data on individuals"; as defined in 13.02, subd. 5 of that Statute) which it collects, receives, stores, uses, creates or disseminates pursuant to this Agreement.

17. **Insurance.** (If applicable) Contractor shall not commence work under the contract until they have obtained all the insurance described below and Duluth Public Schools has approved such insurance. Contractor shall maintain such insurance in force and effect throughout the term of the contract.

Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:

Workers' Compensation Insurance: Contractor must provide Worker's Compensation insurance for all its employees and, in case any work is subcontracted, Contractor will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota including Coverage B, Employer's Liability.

Commercial General Liability: Contractor is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the contractor or subcontractor or by anyone directly or indirectly employed under the contract.

AS EVIDENCE OF THEIR ASSENT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, set forth above, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.



Contractor Signature

SSN/Tax ID Number


Date

Program Director

Date

Please note: All signatures *must* be obtained AND the following *must* be completed by Program Director before submission to the CFO for review and approval. This contract is funded by the following budget (include full 16 digit code):

01	211	215	202	000	130500
XX	XXX	XXX	XXX	XXX	XXXXXX



CFO/Superintendent of Schools/Board Chair

11-22-13

Date

Budget

Line Item	Amount	Percent	Narrative
IN-KIND			
in-kind	\$0		n/a
REVENUE			
Project Earned Income	\$400	0.61%	Estimate 200 tickets sold at community performance at a suggested donation of \$2.00 each.
Applicant Cash or Other Income	\$6,500	9.85%	Denfeld match contribution
Regional Arts Council Grant(s)	\$0	0%	n/a
Other Income - SUBTOTAL	\$6,900	10.45%	
Arts Board Request	\$59,100	89.55%	
Project Revenue - SUBTOTAL	\$66,000	100.0%	
In-kind	\$0		
REVENUE TOTAL	\$66,000		
EXPENSES			
Artist Compensation	\$49,725	75.34%	Teaching Artists----- \$19,125- Angie Frank-- Semester 1- 36 hours @ \$85/hour (average 2 hours/week)-- Semester 2- 189 hours @ \$85/hour (5 days/week 5.5 hours in class, 5 hours prep)--Lead teaching artist record keeping(attendance, grades, etc.) 18 hours @ \$85/hour (1 hour/week)----- \$16,065- Daniel Oyiniyoye-- Semester 1- 36 hours @ \$85/hour (average 2 hours/week)-- Semester 2- 153 hours @ \$85/hour (4 days per week, 4.5 hours in class, 4 hours prep)----- \$13,005- Gary Boelhower-- Semester 1- 36 hours @ \$85/hour (average 2 hours/week)-- Semester 2- 117 hours @ \$85/hour (3 days per week, 3.5 hours in class, 3 hours prep).
Other Project Personnel	\$8,640	13.09%	\$8640- Community Connections Consultant-- Semester 1- 36 hours @ \$40/hour (average 2 hours/week)-- Semester 2-180 hours @ \$40/hour (5 days/week 5.5 hours in class, 4.5 hours in community for 18 weeks)
Travel	\$0	0%	n/a
Rent	\$0	0%	n/a
Materials and Supplies	\$1,775	2.69%	\$1055- Group t-shirts/costumes, props, set, misc,---- \$720- Scripts of documentary style plays to demonstrate how artists have used theatre to engage the world on relevant issues- Class sets of 36 for two plays (possibly "No Child" by Niiaja Sun and "Fires in the Mirror" by Anna Deveare Smith or "Notes from the Field" if available.)
Promotion and Marketing	\$1,500	2.27%	Professional poster/postcard design and printing by Blackbird Revolt, a new design company in Duluth, created in response to the lack of representation and exclusion of diverse voices from the dominant narrative.
Planning and Evaluation	\$1,360	2.06%	Lead teaching artist planning and evaluation duties, 16 hours @ \$85/hour
ADA Accessibility	\$500	0.76%	ASL interpreter for community performance (school performance will use district interpreters if necessary)
Equipment Purchase	\$0	0%	n/a
Equipment Rental	\$0	0%	n/a
In-kind	\$0	0%	
Other	\$2,500	3.79%	\$1500- Video recording and editing; \$1000- Visiting guest stipends (estimate 10 guests @ \$100)
Administration	\$0	0%	n/a
EXPENSES TOTAL	\$66,000	100.0%	

Financial and Fiscal Sponsor Materials

Financial Attachment Instructions

<https://apply.mnartsboard.com/getApplicationPrintPreview.do?documentPk=1518104373107>

AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of Sept, 2018, by and between Independent School District #709, a public corporation, hereinafter called District, and Karen Perry, an independent contractor, hereinafter called Contractor.

THE PURPOSE OF THE AGREEMENT is to set out the terms and conditions whereby Contractor will provide programs or services for the District at the times and locations set forth in this Agreement.

The terms and conditions of this Agreement are as follows: *(insert or attach as appropriate)*

1. **Dates of Service.** This Agreement shall be deemed to be effective as of 09/01/18 and shall remain in effect until 10/31/19, unless terminated earlier as provided for herein, or unless and until all obligations set forth in this Agreement have been satisfactorily fulfilled, whichever occurs first.

2. **Performance.** *(insert/attach a list of programs/services to be performed by contractor)*

3. **Background Check.** *(applies to contractors working independent with students)*

Contractor must provide an executed criminal history consent form and a money order or check payable to the District in an amount equal to the actual cost of conducting a criminal history background check on all of its employees assigned to the program. Contractor is precluded from performance of contract until the results of the criminal background check(s) are on file.

4. **Reimbursement.** In consideration of the performance of Contractor of its obligations pursuant to this Agreement, District hereby agrees to reimburse Contractor for its services and expenses in performing said obligations up to a sum not to exceed \$ 13,005.00. Contractor is required by Minnesota Statutes, Section 270.66, subd. 3, to provide their Taxpayer Identification Number (TIN) used in the enforcement of Federal and State tax laws. The TIN will be available to Federal and State tax authorities and State personnel involved in the payment of State obligations. This Agreement will not be approved unless TIN is provided.

5. **Requests for Reimbursement.** The terms of payment under this Agreement are as follows:

- a. Payment shall be made by the District within 30 days of submission of a proper invoice by the Contractor;
- b. Any other terms of payment in the performance of services are incorporated by reference in this Agreement.

6. **Propriety of Expenses.** The fact that the District has reimbursed Contractor for any expense claimed by Contractor shall not preclude District from questioning the propriety of any such item. District reserves the right to offset any overpayment or disallowance of any item or items at any time under this Agreement by reducing future payments to Contractor. This clause shall not be construed to bar any other legal remedies District may have to recover funds expended by Contractor for disallowed costs.

7. **Ownership of Materials.** The District reserves the rights to reproduce the programming in any fashion, or appropriate the contents of the programming, or any portion thereof, to its own

use for any and all programs, forms and other materials that Contractor has provided, prepared, or utilized in performance of the terms of this Agreement.

8. **Independent Contractor.** Both the District and Contractor agree that they will act as an independent contractor in the performance of its duties under this Agreement. Nothing contained in this Agreement shall be construed as in any manner creating a relationship of joint venture between the parties, which shall remain independent contractors with respect to all actions performed pursuant to this Agreement.

Accordingly, Contractor shall be responsible for payment of all taxes, including Federal, State, and local taxes, arising out of Contractor's activities in accordance with this Agreement, including by way of illustration, but not limited to, Federal and State income tax, Social Security tax, Unemployment Insurance taxes, workers compensations, and any other taxes or business license fees as required.

9. **Indemnity and defense of the District.** Contractor hereby agrees to defend, indemnify and hold the District harmless from all claims relating to its work pursuant to this Agreement.

In the event that Contractor breaches its obligation to defend, indemnify and hold the District harmless, then in addition to its other damages the District shall be entitled to recover its attorney's fees and costs and disbursements incurred in enforcing this Agreement.

10. **Notices.** All notices to be given by Contractor to District shall be deemed to have been given by depositing the same in writing in the United States Mail: ISD 709, Duluth Public Schools, Attn: Karen Perry, 215 North 1st Avenue East, Duluth, MN 55802.

All notices to be given by District to Contractor shall be deemed to have been given by depositing the same in writing in the United States Mail to (mailing address with zip) 104 38th Ave. W., Duluth, MN 55808

11. **Assignment.** Contractor shall not in any way assign or transfer any of its rights, interests or obligations under this Agreement in any way whatsoever without the prior written approval of the District.

12. **Modification or Amendment.** No amendment, change or modification of this Agreement shall be valid unless in writing signed by the parties' hereto.

13. **Governing Laws.** This Agreement, together with all its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

14. **Entire Agreement.** This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and shall not be changed or otherwise altered except by written agreement of the parties.

15. **Cancellation.** Either party shall have the right to terminate this Agreement, without cause, upon (30) days written notice to the other party as provided for in this Agreement.

16. **Data Practices.** Contractor further understands and agrees that it shall be bound by the Minnesota Government Data Practices Act (Minnesota Statutes 13.03-13.04) with respect to

"data on individuals"; as defined in 13.02, subd. 5 of that Statute) which it collects, receives, stores, uses, creates or disseminates pursuant to this Agreement.

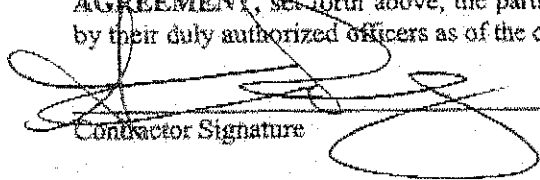
17. Insurance. (If applicable) Contractor shall not commence work under the contract until they have obtained all the insurance described below and Duluth Public Schools has approved such insurance. Contractor shall maintain such insurance in force and effect throughout the term of the contract.

Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:

Workers' Compensation Insurance: Contractor must provide Worker's Compensation insurance for all its employees and, in case any work is subcontracted, Contractor will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota including Coverage B, Employer's Liability.

Commercial General Liability: Contractor is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the contractor or subcontractor or by anyone directly or indirectly employed under the contract.

AS EVIDENCE OF THEIR ASSENT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, set forth above, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.



Contractor Signature

SSN/Tax ID Number

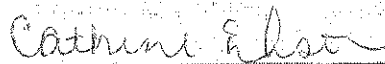
09/01/18
Date

Program Director

Date

Please note: All signatures *must* be obtained AND the following *must* be completed by Program Director before submission to the CFO for review and approval. This contract is funded by the following budget (include full 16 digit code):

01	211	215	202	000	130500
XX	XXX	XXX	XXX	XXX	XXXXXX



CFO/Superintendent of Schools/Board Chair

11-26-18
Date

Budget

Line Item	Amount	Percent	Narrative
IN-KIND			
In-kind	\$0		n/a
REVENUE			
Project Earned Income	\$400	0.61%	Estimate 200 tickets sold at community performance at a suggested donation of \$2.00 each.
Applicant Cash or Other Income	\$6,500	9.85%	Denfeld match contribution
Regional Arts Council Grant(s)	\$0	0%	n/a
Other Income - SUBTOTAL	\$6,900	10.45%	
Arts Board Request	\$59,100	89.55%	
Project Revenue - SUBTOTAL	\$66,000	100.0%	
In-kind	\$0		
REVENUE TOTAL	\$66,000		
EXPENSES			
Artist Compensation	\$49,725	75.34%	Teaching Artists----- \$19,125- Angie Frank-- Semester 1- 36 hours @ \$85/hour (average 2 hours/week)-- Semester 2- 189 hours @ \$85/hour (5 days/week 5.5 hours in class, 5 hours prep)--Lead teaching artist record keeping(attendance, grades, etc.) 18 hours @ \$85/hour (1 hour/week)----- \$16,065- Daniel Oyinloye-- Semester 1- 36 hours @ \$85/hour (average 2 hours/week)-- Semester 2- 153 hours @ \$85/hour (4 days per week, 4.5 hours in class, 4 hours prep)----- \$13,005- Gary Boelhower-- Semester 1- 36 hours @ \$85/hour (average 2 hours/week)-- Semester 2- 117 hours @ \$85/hour (3 days per week, 3.5 hours in class, 3 hours prep).
Other Project Personnel	\$8,640	13.09%	\$8640- Community Connections Consultant-- Semester 1- 36 hours @ \$40/hour (average 2 hours/week)-- Semester 2-180 hours @ \$40/hour (5 days/week 5.5 hours in class, 4.5 hours in community for 18 weeks)
Travel	\$0	0%	n/a
Rent	\$0	0%	n/a
Materials and Supplies	\$1,775	2.69%	\$1055- Group t-shirts/costumes, props, set, misc.---- \$720- Scripts of documentary style plays to demonstrate how artists have used theatre to engage the world on relevant issues- Class sets of 36 for two plays (possibly "No Child" by Nitaja Sun and "Fires in the Mirror" by Anna Deveare Smith or "Notes from the Field" if available.)
Promotion and Marketing	\$1,500	2.27%	Professional poster/postcard design and printing by Blackbird Revolt, a new design company in Duluth, created in response to the lack of representation and exclusion of diverse voices from the dominant narrative.
Planning and Evaluation	\$1,360	2.06%	Lead teaching artist planning and evaluation duties, 16 hours @ \$85/hour
ADA Accessibility	\$500	0.76%	ASL interpreter for community performance (school performance will use distinct interpreters if necessary)
Equipment Purchase	\$0	0%	n/a
Equipment Rental	\$0	0%	n/a
In-kind	\$0	0%	
Other	\$2,500	3.79%	\$1500- Video recording and editing; \$1000- Visiting guest stipends (estimate 10 guests @ \$100)
Administration	\$0	0%	n/a
EXPENSES TOTAL	\$66,000	100.0%	

Financial and Fiscal Sponsor Materials**Financial Attachment Instructions**

<https://apply.mnartsboard.com/getApplicationPrintPreview.do?documentPk=1518104373107>

AGREEMENT

THIS AGREEMENT, made and entered into this 12 day of NOV., 2018, by and between Independent School District #709, a public corporation, hereinafter called District, and William Mittelscheldt, an independent contractor, hereinafter called Contractor.

THE PURPOSE OF THE AGREEMENT is to set out the terms and conditions whereby Contractor will provide programs or services for the District at the times and locations set forth in this Agreement.

The terms and conditions of this Agreement are as follows: *(insert or attach as appropriate)*

1. **Dates of Service.** This Agreement shall be deemed to be effective as of 9/4/18 and shall remain in effect until 6/30/19, unless terminated earlier as provided for herein, or unless and until all obligations set forth in this Agreement have been satisfactorily fulfilled, whichever occurs first.

2. **Performance.** *(insert/attach a list of programs/services to be performed by contractor)*

3. **Background Check.** *(applies to contractors working independent with students)*

Contractor must provide an executed criminal history consent form and a money order or check payable to the District in an amount equal to the actual cost of conducting a criminal history background check on all of its employees assigned to the program. Contractor is precluded from performance of contract until the results of the criminal background check(s) are on file.

4. **Reimbursement.** In consideration of the performance of Contractor of its obligations pursuant to this Agreement, District hereby agrees to reimburse Contractor for its services and expenses in performing said obligations up to a sum not to exceed \$ 16,524. Contractor is required by Minnesota Statutes, Section 270.66, subd. 3, to provide their Taxpayer Identification Number (TIN) used in the enforcement of Federal and State tax laws. The TIN will be available to Federal and State tax authorities and State personnel involved in the payment of State obligations. This Agreement will not be approved unless TIN is provided.

5. **Requests for Reimbursement.** The terms of payment under this Agreement are as follows:

- a. Payment shall be made by the District within 30 days of submission of a proper invoice by the Contractor;
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6. **Propriety of Expenses.** The fact that the District has reimbursed Contractor for any expense claimed by Contractor shall not preclude District from questioning the propriety of any such item. District reserves the right to offset any overpayment or disallowance of any item or items at any time under this Agreement by reducing future payments to Contractor. This clause shall not be construed to bar any other legal remedies District may have to recover funds expended by Contractor for disallowed costs.

7. **Ownership of Materials.** The District reserves the rights to reproduce the programming in any fashion, or appropriate the contents of the programming, or any portion thereof, to its own use for any and all programs, forms and other materials that Contractor has provided, prepared, or utilized in performance of the terms of this Agreement.

8. **Independent Contractor.** Both the District and Contractor agree that they will act as an independent contractor in the performance of its duties under this Agreement. Nothing contained in this Agreement shall be construed as in any manner creating a relationship of joint venture between the parties, which shall remain independent contractors with respect to all actions performed pursuant to this Agreement.

Accordingly, Contractor shall be responsible for payment of all taxes, including Federal, State, and local taxes, arising out of Contractor's activities in accordance with this Agreement, including by way of illustration, but not limited to, Federal and State income tax, Social Security tax, Unemployment Insurance taxes, workers compensations, and any other taxes or business license fees as required.

9. **Indemnity and defense of the District.** Contractor hereby agrees to defend, indemnify and hold the District harmless from all claims relating to its work pursuant to this Agreement.

In the event that Contractor breaches its obligation to defend, indemnify and hold the District harmless, then in addition to its other damages the District shall be entitled to recover its attorney's fees and costs and disbursements incurred in enforcing this Agreement.

10. **Notices.** All notices to be given by Contractor to District shall be deemed to have been given by depositing the same in writing in the United States Mail: ISD 709, Duluth Public Schools, Attn: Service Pilot Budget, 215 North 1st Avenue East, Duluth, MN 55802.

All notices to be given by District to Contractor shall be deemed to have been given by depositing the same in writing in the United States Mail to (mailing address with zip) Katherine Erickson
5247 Greenwood Rd., Duluth, MN 55804

11. **Assignment.** Contractor shall not in any way assign or transfer any of its rights, interests or obligations under this Agreement in any way whatsoever without the prior written approval of the District.

12. **Modification or Amendment.** No amendment, change or modification of this Agreement shall be valid unless in writing signed by the parties' hereto.

13. **Governing Laws.** This Agreement, together with all its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

14. **Entire Agreement.** This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and shall not be changed or otherwise altered except by written agreement of the parties.

15. **Cancellation.** Either party shall have the right to terminate this Agreement, without cause, upon (30) days written notice to the other party as provided for in this Agreement.

16. **Data Practices.** Contractor further understands and agrees that it shall be bound by the Minnesota Government Data Practices Act (Minnesota Statutes 13.03-13.04) with respect to "data on individuals"; as defined in 13.02, subd. 5 of that Statute) which it collects, receives, stores, uses, creates or disseminates pursuant to this Agreement.

17. **Insurance.** (If applicable) Contractor shall not commence work under the contract until they have obtained all the insurance described below and Duluth Public Schools has approved such insurance. Contractor shall maintain such insurance in force and effect throughout the term of the contract.

Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:

Workers' Compensation Insurance: Contractor must provide Worker's Compensation insurance for all its employees and, in case any work is subcontracted, Contractor will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota including Coverage B, Employer's Liability.

Commercial General Liability: Contractor is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the contractor or subcontractor or by anyone directly or indirectly employed under the contract.

AS EVIDENCE OF THEIR ASSENT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, set forth above, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

<u>William Mitchellfeldt</u>	SSN/Tax ID Number	<u>11/12/18</u>
Contractor Signature		Date
<u>Joseph M. Bernieris</u>		<u>11/12/18</u>
Program Director		Date

Please note: All signatures *must* be obtained AND the following *must* be completed by Program Director before submission to the CFO for review and approval. This contract is funded by the following budget (include full 16 digit code):

XX	XXX	XXX	XXX	XXX	XXXXXX
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<u>Catherine Eason</u>	<u>11-12-18</u>
CFO/Superintendent of Schools/Board Chair	Date

Denfeld High School Service Learning Pilot: Budget 2018 - 2019

Funding Source: Duluth Superior Area Community Foundation

Budget Allocations for Step Two of DHS Service Pilot of \$16,524.

Print & Publications	\$300.
Meetings & Gatherings	\$200.
Rewards: Certificates & ribbons	\$224.
Travel & Food	\$200.
Wages (\$26./hr X 150 hr/ Quarter for four quarters	<u>\$15,600.</u>
<u>Total Budget</u>	<u>\$16,524.</u>

Four Pay Periods: one each quarter

Q1 Sept 4- Nov 2 = \$3,900.

Q2 Nov 5 – Jan 18 = \$3,900.

Q3 Jan 21 – Mar 29 = \$3,900.

Q4 Ap 1 – Jun-7 = \$3,900.

Contact Information:

Bill Mittlefehldt, DHS Service Pilot Coordinator

5247 Greenwood Rd

Duluth, MN 55804

218 525 3693, c: 218 600 7580 email: wdmittle@gmail.com

DULUTH SUPERIOR AREA COMMUNITY FOUNDATION
GRANT AGREEMENT

JUL 05 2018

169

The undersigned hereby agrees to the following grant conditions:

1. To use the funds only for the designated purpose as described in the grant application and subsequent grant notification letter; to notify the Duluth Superior Area Community Foundation of and obtain its consent to any substantial deviation from said grant application, to use the grant in accordance with current and applicable laws and pursuant to the Internal Revenue Code, as amended, and the regulations issued there under; and to not use the funds for any purpose prohibited by law.
2. To maintain its books and records to show, and separately account for, the funds received under this grant, and to maintain records of expenditures adequate to identify the purposes for which, and manner in which, grant funds have been expended. Expenses charged against this grant may not be incurred prior to the date the grant period begins or subsequent to its termination date. The grantee will return any unexpended funds to the Foundation at the close of the grant period.
3. To ensure the grant funds are not used to commit, advocate, facilitate or participate in terrorist acts, to influence legislation, to influence the outcome of any public election, or to carry on a voter registration drive.
4. To permit the Duluth Superior Area Community Foundation, at its request, to have reasonable access to the grantee's files and records for the purpose of making such financial audits, verifications, and investigations as it deems necessary concerning the grant, and to maintain such files and records for a period of at least four years after completion or termination of the project.
5. To return to the Duluth Superior Area Community Foundation any unexpended funds or any portion of the grant which is not used for the purposes specified herein.
6. To recognize the Duluth Superior Area Community Foundation in all publicity materials related to the funded project or program, as specified in the grant notification letter.
7. To permit the Duluth Superior Area Community Foundation to use photographs, news clippings, social media, and interview content resulting from the grant to promote the grant, the work of the Foundation, or to facilitate related philanthropic fundraising efforts.
8. To submit the Final Project Report, including all requested materials, by August 14, 2019 as specified in the grant notification letter.

Name of Organization:

ISD#709 - Duluth Public Schools
215 North First Avenue East
Duluth, MN 55802

Payee:

ISD#709 - Duluth Public Schools
215 North First Avenue East
Duluth, MN 55802

Project Title:

Denfeld High School Service Learning Collaboration

Grant Amount:

\$16,524

Fund: Wildey H. Mitchell Family Fund

Grant Number: 20180510



Mr. William Gronseth
Superintendent

7/2/18

Date

~Please remember that in order to promptly process your agreement and distribute funds, this form must be signed and returned to the Community Foundation within a month of the date received. An extension may be approved if necessary.

AGREEMENT

THIS AGREEMENT, made and entered into this 15th day of November, 2018, by and between Independent School District #709, a public corporation, hereinafter called District, and Sources of Strength, Inc., an independent contractor, hereinafter called Contractor.

THE PURPOSE OF THE AGREEMENT is to set out the terms and conditions whereby Contractor will provide programs or services for the District at the times and locations set forth in this Agreement.

The terms and conditions of this Agreement are as follows: *(insert or attach as appropriate)*

1. **Dates of Service.** This Agreement shall be deemed to be effective as of November 9, 2018 and shall remain in effect until June 30, 2020, unless terminated earlier as provided for herein, or unless and until all obligations set forth in this Agreement have been satisfactorily fulfilled, whichever occurs first.

2. **Performance.**

- **Training Adult Advisors/Coordinators** - This is a three to six hour training for Adult Advisors who will be supporting and guiding Peer Leader teams. This training is held in the local communities/schools, generally the day before a peer training or the morning of a peer training. It will cover core philosophy of upstream and strength-based prevention, social network theory and safe messaging strategies. This training will provide experiential learning, set expectations and requirements of adult roles during a Peer Leader training, as well as outlining their ongoing role in the program. Adult Advisors/Coordinators will also be given access to the myriad support resources available.
- **Peer Leader Training** - This is a five to six hour training with a group of 15-80 Peer Leaders (depending on school size), along with Adult Advisors. The training is highly interactive and focuses on empowering Peer Leaders to leverage the power of their social influence to become agents of change and connectors to help in their schools and communities. Peer Leader teams are requested to meet back together within ten days of training and complete their first peer-to-peer campaign within the first thirty days following training. Peer Leader teams are advised to have planning meetings twice a month on an ongoing basis, where they will continue to grow in strength based sharing/messaging and plan various hope, help, strength based messages and campaigns.

3. **Background Check.** *(applies to contractors working independent with students)*

Contractor must provide an executed criminal history consent form and a money order or check payable to the District in an amount equal to the actual cost of conducting a criminal history background check on all of its employees assigned to the program. Contractor is precluded from performance of contract until the results of the criminal background check(s) are on file.

4. **Reimbursement.** In consideration of the performance of Contractor of its obligations pursuant to this Agreement, District hereby agrees to reimburse Contractor for its services and

expenses in performing said obligations up to a sum not to exceed \$20,000. Contractor is required by Minnesota Statutes, Section 270.66, subd. 3, to provide their Taxpayer Identification Number (TIN) used in the enforcement of Federal and State tax laws. The TIN will be available to Federal and State tax authorities and State personnel involved in the payment of State obligations. This Agreement will not be approved unless TIN is provided.

5. **Requests for Reimbursement.** The terms of payment under this Agreement are as follows:
- a. Payment shall be made by the District within 30 days of submission of a proper invoice by the Contractor;
 - b. Any other terms of payment in the performance of services are incorporated by reference in this Agreement.

6. **Propriety of Expenses.** The fact that the District has reimbursed Contractor for any expense claimed by Contractor shall not preclude District from questioning the propriety of any such item. District reserves the right to offset any overpayment or disallowance of any item or items at any time under this Agreement by reducing future payments to Contractor. This clause shall not be construed to bar any other legal remedies District may have to recover funds expended by Contractor for disallowed costs.

7. **Independent Contractor.** Both the District and Contractor agree that they will act as an independent contractor in the performance of its duties under this Agreement. Nothing contained in this Agreement shall be construed as in any manner creating a relationship of joint venture between the parties, which shall remain independent contractors with respect to all actions performed pursuant to this Agreement.

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9. **Notices.** All notices to be given by Contractor to District shall be deemed to have been given by depositing the same in writing in the United States Mail: ISD 709, Duluth Public Schools, Attn: Catherine Erickson, CFO of Duluth Public Schools, 215 North 1st Avenue East, Duluth, MN 55802.

All notices to be given by District to Contractor shall be deemed to have been given by depositing the same in writing in the United States Mail to: Jaymie Sheehan, 601 N. 5th St. Bismarck, ND 58501.

10. **Assignment.** Contractor shall not in any way assign or transfer any of its rights, interests or obligations under this Agreement in any way whatsoever without the prior written approval of the District.

11. **Modification or Amendment.** No amendment, change or modification of this Agreement shall be valid unless in writing signed by the parties' hereto.

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AS EVIDENCE OF THEIR ASSENT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, set forth above, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.



Contractor Signature

45-0451560
SSN/Tax ID Number

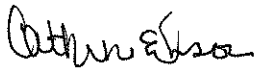
11/19/2018
Date

Program Director

Date

Please note: All signatures *must* be obtained AND the following *must* be completed by Program Director before submission to the CFO for review and approval. This contract is funded by the following budget (include full 16 digit code):

Budget Code					
01	740	005	221	151	



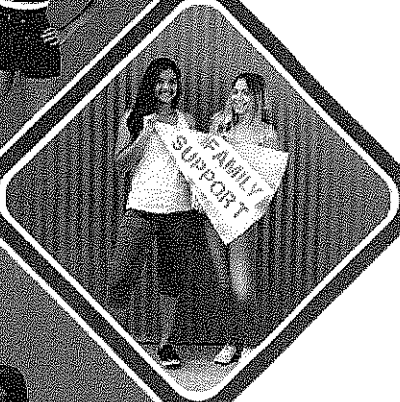
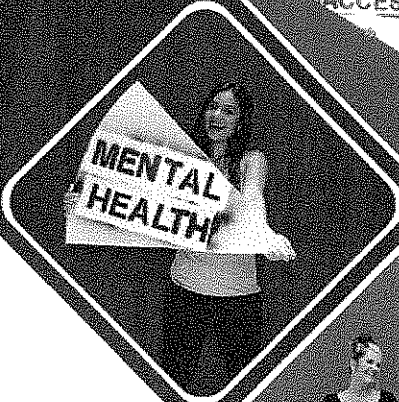
CFO/Superintendent of Schools/Board Chair

11-20-18

Date

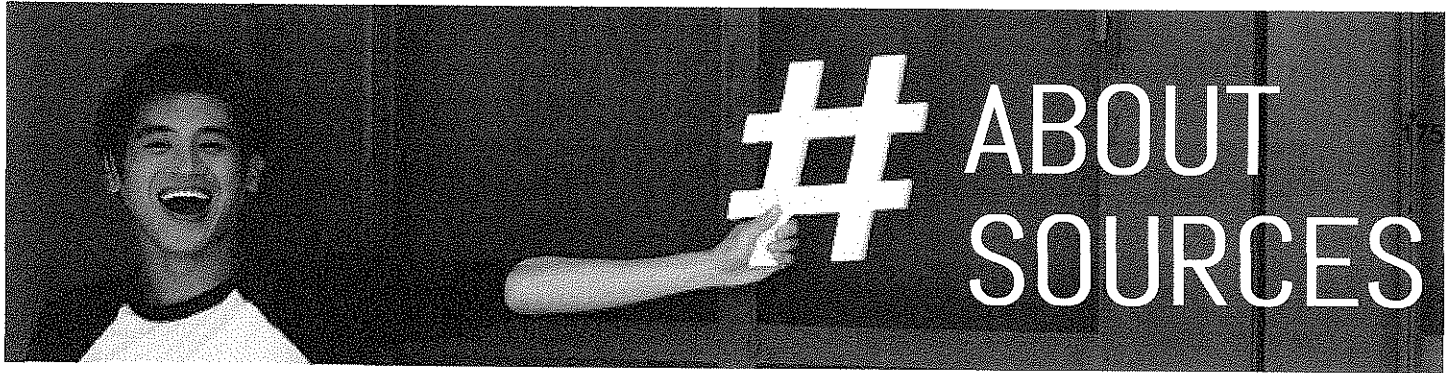
SOURCES OF STRENGTH

MOA for Duluth Public Schools



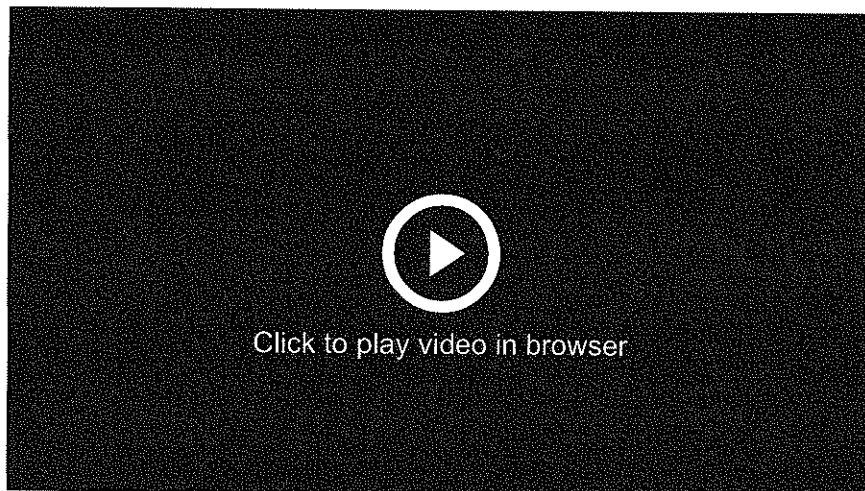
Delivered on November 14, 2018

Submitted by Jaymie Sheehan



What is Sources of Strength?

Sources of Strength is a best practice youth suicide prevention project designed to harness the power of peer social networks to change unhealthy norms and culture, ultimately preventing suicide, bullying, and substance abuse. The mission of Sources of Strength is to prevent suicide by increasing help seeking behaviors and promoting connections between peers and caring adults. Sources of Strength moves beyond a singular focus on risk factors by utilizing an upstream approach for youth suicide prevention. This upstream model strengthens multiple sources of support (protective factors) around young individuals so that when times get hard they have strengths to rely on.

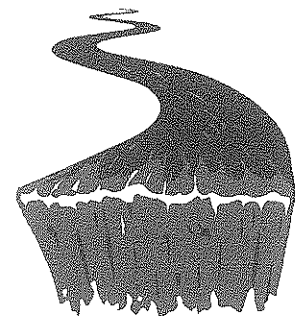


An Upstream Approach

Many of the suicide "prevention" efforts occurring globally would be more aptly described as intervention, primarily focused on teaching risk factors and warning signs and equipping gate keepers to make mental health referrals. Sources of Strength incorporates these intervention strategies, and expands on them. Our primary mission is to move **upstream** in the prevention cycle: to build resilience, increase connections, change unhealthy norms around help seeking and codes of secrecy and silence, to teach healthy coping strategies, and to ultimately prevent the very onset of suicidality.

A Rising Tide Lifts All Boats

By employing this approach we have a more comprehensive and universal model of prevention that can have impact on a wide variety of issues beyond suicide, including substance abuse, bullying, violence, truancy and more. Ultimately, it's not just about keeping people alive, it's about helping people live healthy and full lives.





EVIDENCE-BASED

With implementations across the United States, Canada, Australia, and many American Indian/Alaska Native and First Nations communities, Sources of Strength is one of the most widely disseminated and rigorously evaluated upstream prevention programs in the world.

Sources of Strength has participated in research projects with:

- University of Rochester
- Stanford University
- Johns Hopkins University
- University of Manitoba
- Australian National University
- Black Dog Institute
- National Institute of Mental Health
- Centers for Disease Control

**"Sources of Strength is the first suicide prevention program involving peer leaders to enhance protective factors associated with reducing suicide at the school population level."
- Wyman (2010)**

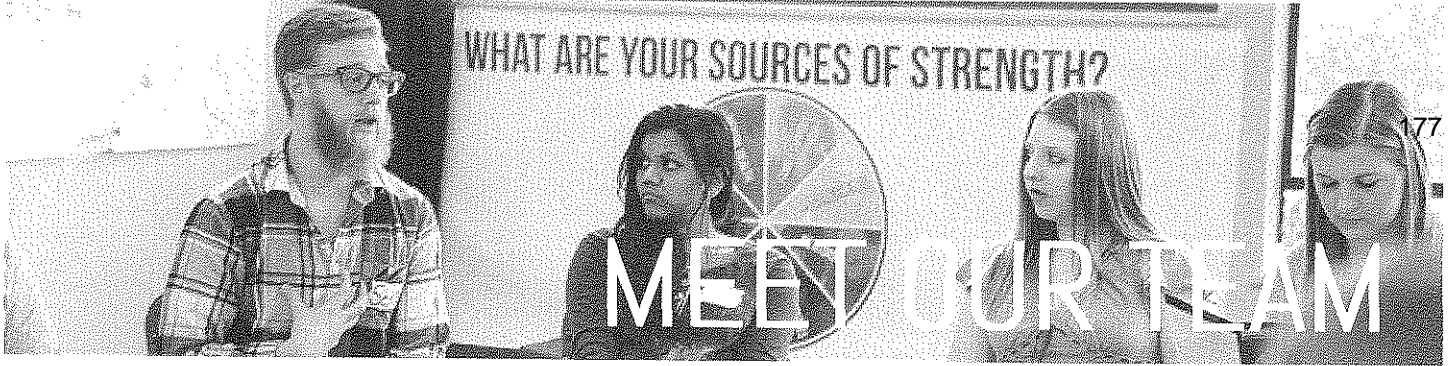


Included in SAMHSA's
National Registry of
Evidence-based
Programs and Practices

Additional outcomes have shown:

- Increase in connectedness to adults
- Increase in school engagement
- Increase in likelihood to refer a suicidal friend to an adult
- Increase in positive perceptions of adult support
- Increased acceptability of seeking help
- Largest increases amongst students with a history of suicidal ideation

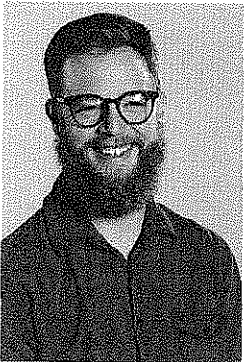
Wyman, P. et al. (2010). An outcome evaluation of the Sources of Strength suicide prevention program delivered by adolescent peer leaders in high schools. *American Journal of Public Health*, Vol. 100:1653-1661.



Mark LoMurray

FOUNDER, EXECUTIVE DIRECTOR

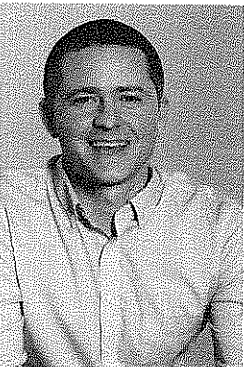
Mark has been working in the prevention/intervention field for the better part of three decades. Before founding Sources of Strength, he was the Director of the North Dakota Tribal-Rural Mentoring Partnership (a best practices project, highlighted by the Department of Education), and his community-based Anger/Conflict Program also received the national Gould-Wysinger Award from OJJDP for excellence in violence prevention. Mark is a consultant for the National Native American Mentoring Project, and a frequent speaker at national conferences on youth and young adult suicide prevention, promoting wellness based connection models.



Scott LoMurray

DEPUTY DIRECTOR

Scott manages the day to day operations of Sources of Strength, and coordinates and facilitates trainings with our community partners around the world. He also serves on the board of the Suicide Prevention Coalition of Colorado (SPCC) and advocates to move the prevention field forward as a frequent speaker and trainer. Scott lives in Lakewood, CO with his wife and 2 adorable children.



Dan Adams

DIRECTOR OF TRAINING

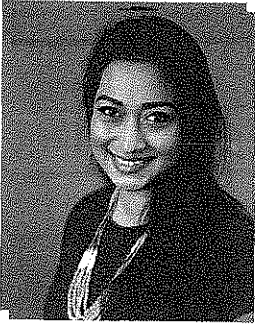
Dan manages our staff of National Trainers, trains and supports Sources of Strength communities and schools, and dabbles as our amateur tech guy. He has 10 years experience working with youth and young adults and a Masters degree in Religious Studies from the University of Cape Town where he also helped to create and run a program for juveniles awaiting trial at Pollsmoor Correctional Facility. Dan lives in Denver, Colorado with his wife Tanya, son Jack, and dog Esky.



Janell Anema

NATIONAL TRAINER

Janell is a national trainer, based in Denver, CO. Janell has years of nonprofit community development experience, both domestically and abroad, and Masters degree in International Development from Eastern University. She has worked in urban and rural communities with kids from hard places, impacted by violence and poverty. Janell loves to adventure, spend time with her dozens of nieces and nephews, and often gets lost in a good book.



Rana Razzaque

PROGRAM DEVELOPMENT COORDINATOR

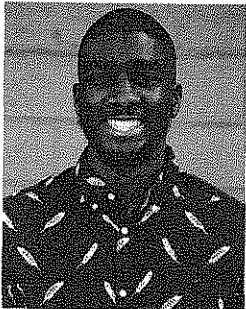
Rana is passionate about impacting people and systems to create a more holistic, equitable and multi-faceted education experience for youth. She has worked in various positions in college and K-12 settings, and has her Doctorate in Educational Leadership. She is thrilled to put her experiences to use as the Program Development Coordinator for Sources as we expand our reach and supports. When she's not geeking out about books and food, she can usually be found hiking. And, when she's struggling with something in her life, talking it out with her phenomenal husband, family and friends, or walking it out with her awesome dog are what help her through it.



Mish Bennett Moore

NATIONAL TRAINER

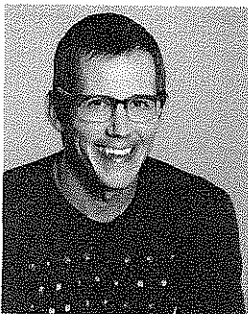
Mish has an MA in Clinical Mental Health and has worked as a therapist as well as an art therapy teacher to middle and high school students with diverse learning needs in Denver. She is a National Trainer for Sources, where she still can't believe she could get paid to play games with awesome people. Mish's healthy activities include drinking a lot of coffee, running, and art, as well as trying to convince her husband that she definitely needed those shoes she just bought.



Emores Petty

NATIONAL TRAINER

Emores is a national trainer for Sources by day and BMX stunt man by night. He loves "LOVE" and people inspire him! He has worked with Young Life, Wheels In Motion, and many other youth programs throughout the United States. Also, he knows a little something about Organizational Leadership. What helps him the most? Family, rest and his YouTube fans.



Cody Sletten

COMMUNICATIONS AND MEDIA COORDINATOR

Cody takes care of our Bismarck office and most of our graphic design needs. In previous positions, he has worked as a graphic designer at advertising agencies and a church. Family Support is the first thing Cody goes to when he is feeling off. Cody and his wife, Megan have two beautiful daughters and a very average looking dog.



The focus of this Memorandum of Agreement is to implement Sources of Strength at Duluth East High School and Denfeld High School.

Deliverables

Below is a brief summary of specific deliverables on the part of Sources of Strength and responsibilities on the part of Duluth Public Schools, Duluth East High School, and Denfeld High School. These deliverables and responsibilities will be further outlined in the Project Activities section below.

SOURCES OF STRENGTH

Specific duties of Sources of Strength include the following:

- Provide a Sources of Strength National Trainer to support schools in implementing an innovative, evidence-based, upstream prevention program.
- Provide on site trainings for Duluth East High School and Denfeld High School Adult Advisors and Peer Leaders.
- Provide ongoing support services and resources for Duluth East High School and Denfeld High School Advisors and Peer Leaders as they seek effectiveness, fidelity, scalability, and sustainability in their prevention programming.

DULUTH PUBLIC SCHOOLS

Specific duties of Duluth Public Schools include the following:

- Assign a leader within their organization to work with Sources of Strength Duluth East High School and Denfeld High School and any local partners.
- Assist in recruiting Duluth East High School and Denfeld High School Peer Leaders and Adult Advisors.
- Participate in support framework to ensure fidelity and effectiveness of implementation.

DULUTH EAST HIGH SCHOOL, DENFELD HIGH SCHOOL, AND ANY PARTNERING AGENCIES

Specific duties of Duluth East High School and Denfeld High School and any local partners include the following:

- Assist in identifying Adult Advisors to work with Peer Leader teams (1 to 10 ratio).
- Assist in recruiting Peer Leaders (aiming for 10% of school population) and obtaining appropriate parental consent for participation in the project (*forms and templates provided by Sources of Strength*).
- Provide drinks and snacks for Adult Advisor and Peer Leader trainings (if necessary).

- Provide a time and location for Adult Advisor and Peer Leader trainings to take place, following Sources of Strength room set-up guidelines (*room set-up*).
- Adult Advisors participate in at least three support phone, webinar, or on-site contacts during the action step phase of the project.
- Implement Sources of Strength program with fidelity, following safe messaging guidelines.

PROJECT ACTIVITIES

Training Phase

Implementation will begin in the training phase which will include the following areas of focus:

- **Training Adult Advisors/Coordinators** - This is a three to six hour training for Adult Advisors who will be supporting and guiding Peer Leader teams. This training is held in the local communities/schools, generally the day before a peer training or the morning of a peer training. It will cover core philosophy of upstream and strength-based prevention, social network theory and safe messaging strategies. This training will provide experiential learning, set expectations and requirements of adult roles during a Peer Leader training, as well as outlining their ongoing role in the program. Adult Advisors/Coordinators will also be given access to the myriad support resources available.
- **Peer Leader Training** - This is a five to six hour training with a group of 15-80 Peer Leaders (depending on school size), along with Adult Advisors. The training is highly interactive and focuses on empowering Peer Leaders to leverage the power of their social influence to become agents of change and connectors to help in their schools and communities. Peer Leader teams are requested to meet back together within ten days of training and complete their first peer-to-peer campaign within the first thirty days following training. Peer Leader teams are advised to have planning meetings twice a month on an ongoing basis, where they will continue to grow in strength based sharing/messaging and plan various hope, help, strength based messages and campaigns.

Support Phase

Sources of Strength treats every institution we work with as part of our team. Relationships and individual support are very important to us. Our model is flexible, and our implementations are tailored to your specific schools/communities. The team at Sources will help implement and promote the program with you, ensuring the peer teams gain maximum benefit from participating in this innovative prevention program. Through communication and feedback from Duluth East High School, Denfeld High School, local communities, and in partnership with Duluth Public Schools we will offer support to:

- Connect Adult Advisors and Peer Leaders with resources; campaign materials, social media resources, website tools, webinars, videos, etc.
- Implement an automated weekly email/text system for Adult Advisors and Peer Leaders featuring tips and ideas that assist during the first three months of startup. These can include video clips, teaching points, stories, campaign examples from other peer teams, and newly developed resources.
- Develop a support call plan to help guide Adult Advisor and Peer Leader teams through a process of brainstorming campaign ideas and activities, troubleshooting, and problem solving.



Year One: National Trainer Led Training at Duluth East High School and
Denfeld High School

December 2018



Year One: Support Phase

December 2018-June 2019





BUDGET

PROJECTED BUDGET	PRICE
<p>(2018) National Trainers Training Phase - 2 Schools</p> <p>Sources of Strength National Trainer will travel and train at Duluth East High School and Denfeld High School to assist in the implementation of the program.</p> <p>December 2018.</p> <p><i>2 Schools @ \$5,000</i></p>	<p>\$10,000</p>
<p>Support Phase</p> <p>Ongoing webinar and teleconference support, assisting Duluth East High School and Denfeld High School through automated support systems and consultation around sustainability and fidelity.</p>	<p>Included in program costs</p>
<p>Additional Program Licensure</p> <p>After the initial three year implementation period teams can either continue to contract with Sources of Strength to offer training (\$5,000 per school) or shift to paying a yearly licensing fee/sustaining cost of \$500 per school for ongoing materials and support.</p>	<p>Varies depending on scale</p>
<p>TOTAL</p>	<p>\$10,000</p>



Compensation/Budget:

Sources of Strength shall receive cost reimbursement from Duluth Public Schools for the deliverable and costs outlined above totaling \$10,000.00.

Sources of Strength will invoice for the full amount of \$10,000.00 upon completion of school trainings.

Authorizing signatures


20/11/2018

Cathy Erickson
Chief Financial Officer
Duluth Public Schools


20/11/2018

Daniel Adams
Director of Training
Sources of Strength

CONNECT WITH US



sourcesofstrength.org



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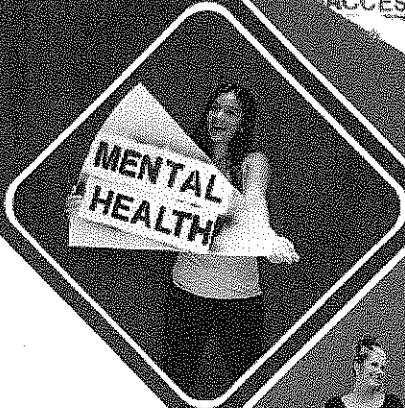
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Duluth & North Shore Railway, Inc.
 d.b.a. North Shore Scenic Railroad
 506 West Michigan Street Duluth, MN 55802
 (800)423-1273 (218)722-1273
 Fax (218)733-7596
 E-mail trains@northshorescenicrailroad.org

2018 RAIL CHARTER CONTRACT

This contract is made between the DULUTH & NORTH SHORE RAILWAY, Inc d.b.a. NORTH SHORE SCENIC RAILROAD (NSSR) (hereafter called Operator) and **Lester Park Elementary** (hereafter called Chartering Party). The Chartering Party's authorized representative is Annette Loisel, Annette.loiselle@isd709.org, 336-8875

TERMS OF CHARTER

In consideration of payments made and performance herein specified on the part of the Chartering Party, the Operator shall provide rolling stock and crew for the benefit of the Chartering Party excursion. The Conductor shall be responsible for the operation of the rolling stock that the Operator warrants to be rail worthy. The train excursion will depart from: **54th Ave East**.

On **December 12th, 2018 at 9:30am** the Operator will provide an excursion for the Chartering Party. The rolling stock (train) will be used exclusively for the transportation of passengers on a pleasure excursion on the Lake Front Line. The rolling stock of **Coach seating for up to 120 persons** will be available for the purpose of loading and unloading passenger's ten minutes prior and ten minutes following the chartered time without additional charge. The Operator reserves the right to substitute the rolling stock, but will usually notify the Chartering Party. Trains are subject to delays at no fault to the Operator. The total number of passengers is estimated to be **100 people** and will be finalized by date 10 business days prior to excursion dates. A performance in the museum and museum touring-time will be included in this excursion.

FEES

The Chartering Party agrees to pay the total sum of **\$450**. This cost includes a **roundtrip** excursion to **Duluth Depot and Back**.

DEPOSIT & PAYMENTS

A signed copy of this contract must be returned within 30 days of its issue, with a \$50 non-refundable booking fee, put towards the total listed above. A deposit of **\$225** (1/2 total costs) is due within 1 month of the scheduled charter event. The remaining amount is due upon arrival prior to departure. Failure by the Chartering Party to return a signed copy of this agreement and the deposit by the due date will result in the cancellation of the reservation date at the sole discretion of the Operator without notification to the Chartering Party.

Total fees as indicated above are due and payable in full before boarding will begin unless prior arrangements are made and approved in writing by the Business Manager of the North Shore Scenic Railroad. There can be no more than 10 payment transactions

CANCELLATION & REFUNDS

The Chartering Party must cancel the reserved excursion at least 10 business days prior to departure to receive ninety percent reimbursement of deposit. Any cancellation made after 10 business days prior to departure will result in forfeiture of the entire deposit. Full refund of the initial deposit plus any additional payments will be made on account of equipment breakdown, lay up for repairs or any other occurrence which causes the Operator to cancel the excursion. The Chartering Party releases the Operator from any damage resulting from such cancellation. In the case of difficulty the Operator reserves the option to furnish the Chartering Party with substitute equipment and/or rolling stock. If a damage deposit is required, it will be refunded by mail within 10 days of the charter date providing no damage occurred to the rolling stock or other equipment by the Chartering Party, its members or guests. Damage in excess of the damage deposit will be the responsibility of the Chartering Party. The \$50 booking fee, is a non-refundable fee applied to the total expenses.


CONDITIONS

The Chartering Party assumes responsibility for the maintenance of order and the conduct of passengers aboard the rolling stock during the terms of this excursion and shall not engage in or permit guests brought aboard the rolling stock by the Chartering Party to engage in any unlawful acts or to cause damage to any of the Operator's equipment. The Chartering Party agrees to indemnify and hold the Operator harmless from any loss or claim of loss or damage which the Operator might incur as a result of failure by the Chartering Party to observe the conditions of this agreement.

Any violation of this Charter Agreement by the Chartering Party shall enable the Operator to terminate this agreement. If such a violation occurs while the rolling stock is underway, the Operator may proceed immediately to the station and all passengers will disembark. A termination of this agreement while underway shall result in the forfeiture of the Charter fee and in some cases results in additional penalty fees for broken or damaged equipment. Any extension of the Charter period, once the excursion is underway, shall be made only with the consent of the Business and Operations Managers.


This excursion, sponsored by the Chartering Party is adhered to all Policies of the Operator, including Alcohol Policies, requiring all passengers over the age of 21 to have a valid ID. No outside alcohol is allowed on the train, no illegal substances, and no weapons are allowed on the train. Passengers are subject to search prior to boarding, and we reserve the right to search any bags or carry-ons. Any Marketing for the event will need to include this information to assure all passengers are compliant with the policies of the Operator. The Operator reserves the right to require security personnel to be hired.

In the event that the Chartering Party causes a delay to the operation of a scheduled train, without having given Operator adequate prior notice of such delay, Operator shall have the sole right to assess a penalty fee of \$900 for any delay in excess of 20 minutes to a scheduled train departure. Further penalties may be assessed depending upon additional delay, per 20 minute period. Chartering Party shall have passengers available for boarding not less than 10 minutes prior to scheduled train departure. Any such penalty shall be paid by the Chartering Party within 5 days of the operating date



 CHARTERING PARTY AGENT signature
 Cathy Erickson, CFO

 CHARTERING PARTY AGENT print name



 NORTH SHORE SCENIC RAILROAD AGENT
 Josh Miller, Station Manager

 NSSR AGENT print name

Date: 11-28-18

Date: 11/28/2018

Please SIGN & RETURN a copy of this contract within 10 business days.

AGREEMENT

THIS AGREEMENT, made and entered into this 21st day of November, 2018, by and between Independent School District #709, a public corporation, hereinafter called District, and Zeitgeist Center for Arts & Community, an independent contractor, hereinafter called Contractor.

THE PURPOSE OF THE AGREEMENT is to set out the terms and conditions whereby Contractor will provide programs or services for the District at the times and locations set forth in this Agreement.

The terms and conditions of this Agreement are as follows: (insert as appropriate)

1. **Dates of Service.** This Agreement shall be deemed to be effective as of November 21, 2018, and shall remain in effect until June 30, 2019 unless terminated earlier as provided for herein, or unless and until all obligations set forth in this Agreement have been satisfactorily fulfilled, whichever occurs first.
2. **Performance.** The Contractor will provide services at the middle and high schools during after-school activities, school class periods, and W.I.N. periods in the following areas: Recruiting *ARE* student participants, Recruiting Volunteers and Spoken Word Artists for *ARE*, Facilitating the Be Heard Poetry Slam Program, Assist *ARE* youths in developing and presenting their narratives, Working with Truartspeaks (Be Heard Poetry Slam organizers) staff on hosting Duluth Semi-Final, Design & Video Editing, Event Planning, Marketing for Slam Preliminary. *The Be Heard MN Youth Poetry Slam Series is an annual youth program that identifies six Minnesota youth poets between the ages of 13-19 to represent the state in the international Brave New Voices youth poetry slam festival. Be Heard advances literacy levels and leadership skills of participants through cohort specific writing and performance workshops, community engagement activities, and specialized training for participants.
3. **Background Check.** (Applies to contractors working independent with students) Contractor must provide an executed criminal history consent form and a money order or check payable to the District in an amount equal to the actual cost of conducting a criminal history background check on all of its employees assigned to the program. Contractor is precluded from performance of contract until the results of the criminal background check(s) are on file.
4. **Reimbursement.** In consideration of the performance of Contractor of its obligations pursuant to this Agreement, District hereby agrees to reimburse Contractor for the performance services listed above at a rate of \$25.00/hour up to a sum not to exceed \$4,000.00 (four thousand and no/100 dollars). Contractor is required by Minnesota Statutes, Section 270.66, subd. 3, to provide their Taxpayer Identification Number (TIN) used in the enforcement of Federal and State tax laws. The TIN will be available to Federal and State tax authorities and State personnel involved in the payment of State obligations. This Agreement will not be approved unless TIN is provided.
5. **Requests for Reimbursement.** The terms of payment under this Agreement are as follows:
 - a. Payment shall be made by the District within 30 days of submission of a proper invoice by the Contractor;
 - b. Any other terms of payment in the performance of services are incorporated by reference in this Agreement.

6. **Propriety of Expenses.** The fact that the District has reimbursed Contractor for any expense claimed by Contractor shall not preclude District from questioning the propriety of any such item. District reserves the right to offset any overpayment or disallowance of any item or items at any time under this Agreement by reducing future payments to Contractor. This clause shall not be construed to bar any other legal remedies District may have to recover funds expended by Contractor for disallowed costs.

7. **Ownership of Materials.** The District reserves the rights to reproduce the programming in any fashion, or appropriate the contents of the programming, or any portion thereof, to its own use for any and all programs, forms and other materials that Contractor has provided, prepared, or utilized in performance of the terms of this Agreement.

8. **Independent Contractor.** Both the District and Contractor agree that they will act as an independent contractor in the performance of its duties under this Agreement. Nothing contained in this Agreement shall be construed as in any manner creating a relationship of joint venture between the parties, which shall remain independent contractors with respect to all actions performed pursuant to this Agreement. Accordingly, Contractor shall be responsible for payment of all taxes, including Federal, State, and local taxes, arising out of Contractor's activities in accordance with this Agreement, including by way of illustration, but not limited to, Federal and State income tax, Social Security tax, Unemployment Insurance taxes, workers compensations, and any other taxes or business license fees as required.

9. **Indemnity and defense of the District.** Contractor hereby agrees to defend, indemnify and hold the District harmless from all claims relating to its work pursuant to this Agreement. In the event that Contractor breaches its obligation to defend, indemnify and hold the District harmless, then in addition to its other damages the District shall be entitled to recover its attorney's fees and costs and disbursements incurred in enforcing this Agreement.

10. **Notices.** All notices to be given by Contractor to District shall be deemed to have been given by depositing the same in writing in the United States Mail care of the Office of Education Equity, ISD 709, Duluth Public Schools, 215 North 1st Avenue East, Duluth, MN 55802. All notices to be given by District to Contractor shall be deemed to have been given by depositing the same in writing in the United States Mail to: AH Zeppa Family Foundation DBA Zeitgeist Center for Arts & Community 222 E Superior St, STE 326 Duluth, MN 55802
Contact: Brooke Wetmore, (218) 336-1361

11. **Assignment.** Contractor shall not in any way assign or transfer any of its rights, interests or obligations under this Agreement in any way whatsoever without the prior written approval of the District.

12. **Modification or Amendment.** No amendment, change or modification of this Agreement shall be valid unless in writing signed by the parties' hereto.

13. **Governing Laws.** This Agreement, together with all its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

14. **Entire Agreement.** This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and shall not be changed or otherwise altered

except by written agreement of the parties.

15. **Cancellation.** Either party shall have the right to terminate this Agreement, without cause, upon (30) days written notice to the other party as provided for in this Agreement.

16. **Data Practices.** Contractor further understands and agrees that it shall be bound by the Minnesota Government Data Practices Act (Minnesota Statutes 13.03-13.04) with respect to "data on individuals"; as defined in 13.02, subd. 5 of that Statute) which it collects, receives, stores, uses, creates or disseminates pursuant to this Agreement.

17. **Insurance.** (If applicable) Contractor shall not commence work under the contract until they have obtained all the insurance described below and Duluth Public Schools has approved such insurance. Contractor shall maintain such insurance in force and effect throughout the term of the contract.

Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:

Workers' Compensation Insurance: Contractor must provide Worker's Compensation insurance for all its employees and, in case any work is subcontracted, Contractor will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota including Coverage B, Employer's Liability.

Commercial General Liability: Contractor is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the contractor or subcontractor or by anyone directly or indirectly employed under the contract.

AS EVIDENCE OF THEIR ASSENT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, set forth above, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

A. Curo _____ 20-6424699 _____ 11/26/18
Contractor Signature SSN/ Tax Identification Number Date

William Howes _____ 9/21/17 11/25/18
Initiator - (Contact with questions) Date

W. Howes _____ 11/28/18
Program Director Date

Hammett _____ 11-30-18
Director of Curriculum and Instruction Date

Cathryn G. ... _____ 11-30-18
Director of Business Service / Superintendent of Schools Date

OEE Budget

AGREEMENT

THIS AGREEMENT, made and entered into this 30 day of Oct., 2018, by and between Independent School District #709, a public corporation, hereinafter called District, and Cassandra Williams, an independent contractor, hereinafter called Contractor.

THE PURPOSE OF THE AGREEMENT is to set out the terms and conditions whereby Contractor will provide programs or services for the District at the times and locations set forth in this Agreement.

The terms and conditions of this Agreement are as follows: *(insert or attach as appropriate)*

1. **Dates of Service.** This Agreement shall be deemed to be effective as of Nov. 1, 2018, and shall remain in effect until June 7, 2018, unless terminated earlier as provided for herein, or unless and until all obligations set forth in this Agreement have been satisfactorily fulfilled, whichever occurs first.

2. **Performance.** *(insert/attach a list of programs/services to be performed by contractor)*

3. **Background Check.** *(applies to contractors working independent with students)*

Contractor must provide an executed criminal history consent form and a money order or check payable to the District in an amount equal to the actual cost of conducting a criminal history background check on all of its employees assigned to the program. Contractor is precluded from performance of contract until the results of the criminal background check(s) are on file.

4. **Reimbursement.** In consideration of the performance of Contractor of its obligations pursuant to this Agreement, District hereby agrees to reimburse Contractor for its services and expenses in performing said obligations up to a sum not to exceed \$ 40.00 per hour up to \$6,000. Contractor is required by Minnesota Statutes, Section 270.66, subd. 3, to provide their Taxpayer Identification Number (TIN) used in the enforcement of Federal and State tax laws. The TIN will be available to Federal and State tax authorities and State personnel involved in the payment of State obligations. This Agreement will not be approved unless TIN is provided.

5. **Requests for Reimbursement.** The terms of payment under this Agreement are as follows:

- a. Payment shall be made by the District within 30 days of submission of a proper invoice by the Contractor;
- b. Any other terms of payment in the performance of services are incorporated by reference in this Agreement.

6. **Propriety of Expenses.** The fact that the District has reimbursed Contractor for any expense claimed by Contractor shall not preclude District from questioning the propriety of any such item. District reserves the right to offset any overpayment or disallowance of any item or items at any time under this Agreement by reducing future payments to Contractor. This clause shall not be construed to bar any other legal remedies District may have to recover funds expended by Contractor for disallowed costs.

7. **Ownership of Materials.** The District reserves the rights to reproduce the programming in any fashion, or appropriate the contents of the programming, or any portion thereof, to its own use for any and all programs, forms and other materials that Contractor has provided, prepared, or utilized in performance of the terms of this Agreement.

8. **Independent Contractor.** Both the District and Contractor agree that they will act as an independent contractor in the performance of its duties under this Agreement. Nothing contained in this Agreement shall be construed as in any manner creating a relationship of joint venture between the parties, which shall remain independent contractors with respect to all actions performed pursuant to this Agreement.

Accordingly, Contractor shall be responsible for payment of all taxes, including Federal, State, and local taxes, arising out of Contractor's activities in accordance with this Agreement, including by way of illustration, but not limited to, Federal and State income tax, Social Security tax, Unemployment Insurance taxes, workers compensations, and any other taxes or business license fees as required.

9. **Indemnity and defense of the District.** Contractor hereby agrees to defend, indemnify and hold the District harmless from all claims relating to its work pursuant to this Agreement.

In the event that Contractor breaches its obligation to defend, indemnify and hold the District harmless, then in addition to its other damages the District shall be entitled to recover its attorney's fees and costs and disbursements incurred in enforcing this Agreement.

10. **Notices.** All notices to be given by Contractor to District shall be deemed to have been given by depositing the same in writing in the United States Mail: ISD 709, Duluth Public Schools, Attn: Brenda Vieths, 215 North 1st Avenue East, Duluth, MN 55802.

All notices to be given by District to Contractor shall be deemed to have been given by depositing the same in writing in the United States Mail to (mailing address with zip) 5678 Hwy 33 Saginaw MN 55779.

11. **Assignment.** Contractor shall not in any way assign or transfer any of its rights, interests or obligations under this Agreement in any way whatsoever without the prior written approval of the District.

12. **Modification or Amendment.** No amendment, change or modification of this Agreement shall be valid unless in writing signed by the parties' hereto.

13. **Governing Laws.** This Agreement, together with all its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

14. **Entire Agreement.** This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and shall not be changed or otherwise altered except by written agreement of the parties.

15. **Cancellation.** Either party shall have the right to terminate this Agreement, without cause, upon (30) days written notice to the other party as provided for in this Agreement.

16. **Data Practices.** Contractor further understands and agrees that it shall be bound by the Minnesota Government Data Practices Act (Minnesota Statutes 13.03-13.04) with respect to “data on individuals”; as defined in 13.02, subd. 5 of that Statute) which it collects, receives, stores, uses, creates or disseminates pursuant to this Agreement.

17. **Insurance.** (If applicable) Contractor shall not commence work under the contract until they have obtained all the insurance described below and Duluth Public Schools has approved such insurance. Contractor shall maintain such insurance in force and effect throughout the term of the contract.

Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:

Workers’ Compensation Insurance: Contractor must provide Worker’s Compensation insurance for all its employees and, in case any work is subcontracted, Contractor will require the subcontractor to provide Workers’ Compensation insurance in accordance with the statutory requirements of the State of Minnesota including Coverage B, Employer’s Liability.

Commercial General Liability: Contractor is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the contractor or subcontractor or by anyone directly or indirectly employed under the contract.

AS EVIDENCE OF THEIR ASSENT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, set forth above, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

Cassandra Williams _____ 10-30-18
 Contractor Signature SSN/Tax ID Number Date

Jackie Ward _____ 10-31-18
 Program Director Date

Please note: All signatures *must* be obtained AND the following *must* be completed by Program Director before submission to the CFO for review and Approval. This contract is funded by the following budget (include full 16 digit code):

01	405	005	740	000	1305.00
XX	XXX	XXX	XXX	XXX	XXXXXX

Catherine Ekson _____ 11-5-18
 CFO/Executive Director of Business Services/Superintendent of Schools Date

Cassandra Williams
Licensed Sign Language Interpreter

Performance:

Substitute interpret or transliterate for Deaf/hard of hearing students in pre-school, elementary school, middle School and high school.

Ability to work with students

Understanding children and their development

Understanding of the English Language, especially grammar



Special Services Department
 Independent School District #709
 215 N 1st Ave E
 Duluth, MN 55802

CONTRACT FOR PRE-SCHOOL PLACEMENT

This contract, entered into this day **November 20, 2018** by and between Independent School District # 709, Duluth MN (hereafter referred to as the SCHOOL DISTRICT) and **Concordia Community Arts Playcare** hereafter referred to as the AGENCY) witnesses that:

WHEREAS, THE SCHOOL DISTRICT has determined that it is necessary to retain the services of a qualified agency to meet needs documented in _____ individual Education Plan (IEP).

Whereas the AGENCY is duly qualified to perform these services for preschool program as determined by student's IEP team.

NOW THEREFORE, the parties agree as follows:

1. The AGENCY shall provide the following services:
Preschool programming for 6.5 hours (390 minutes) Monday/Wednesday and 5.5 hours (330 minutes) on Friday, and up to 45 days.
 2. The AGENCY shall perform these services at: **2501 Woodland Avenue Duluth, MN 55803.**
 3. The approximate date the service will begin is, **September 4, 2018** and shall not extend beyond **January 4, 2019**; the contract not to exceed a total of **45 Days** (3 Days per Week) and a total cost up to **\$2150.** (\$430.00 per month).
 4. The SCHOOL DISTRICT shall make payments for the services to the AGENCY as follows: **Upon receipt of monthly/quarterly billing statement**
 5. The SCHOOL DISTRICT shall monitor the services of the AGENCY provided as follows: Supervision will be provided by the Special Education Director located in the Special Services Department. **Student attendance will be provided to the Early Childhood Special Education (ECSE) program at Historical Old Central High School (HOCHS) on the 15th of each month for the preceding month.**
-



Page 2 - Contract for Purchase of Special Education Services

6. Either party may terminate this agreement as follows: Thirty (30) days written notice, or upon mutual agreement.

7. Both parties agree to comply with the terms of the Minnesota Data Practices Act, Minnesota Statutes, Chapter 13, in handling all data related to this Agreement.

SIGNED:

Name of Agency

By
Authorized Agent

Date

INDEPENDENT SCHOOL DISTRICT #709

Duluth, Minnesota

Arthur Elson

C.F.O. Executive Director of Business Services

Date 11/20/18

Special Services Department
215 N. 1st Ave. East
Duluth, MN 55802

By Jana Chan 11/20/18
Director

LAKEVIEW CHRISTIAN ACADEMY
 Guidelines for
TRANSPORTATION REIMBURSEMENT
 2018-2019

1. Each parent is to submit an initial odometer reading from home to school.
2. Request for payments must be made on Form 3326.1 "Invoice". These will be available from the Transportation Department.
 - A. The invoice must be signed.
 - B. The invoice must be submitted each month by the school. Claims older than 60 days will not be paid.
 - C. Under "description" list transportation of students to Lakeview Christian Academy.

$$\underline{\hspace{1cm}} \text{ days X } \underline{\hspace{1cm}} \text{ miles X 30 Cents per mile = reimbursement.}$$
 (Round trip from home to school)
3. Mail or bring "Invoice" to the Transportation Department. A check will be sent to your school in 3-4 weeks from the date received at the Transportation Department.
4. Reimbursement is per family when Duluth Public School is in session and only for their mileage. Car pool mileage should not be submitted. For the 2018-2019 school year one family reimbursement is maximum of \$310.00.
5. All reimbursement claims must be received at ISD 709 by June 7, 2019.

LAKEVIEW CHRISTIAN ACADEMY

BY

Miss Brown

LCA Director

INDEPENDENT SCHOOL DISTRICT NO. 709

BY

Catherine & Love

Director of Business Services

MANY RIVERS MONTESSORI
 Guidelines for
TRANSPORTATION REIMBURSEMENT
 2018-2019

1. Each parent is to submit an initial odometer reading from home to school.
2. Request for payments must be made on Form 3326.1 "Invoice". These will be available from the Transportation Department.
 - A. The invoice must be signed.
 - B. The invoice must be submitted each month by the school. Claims older than 60 days will not be paid.
 - C. Under "description" list transportation of students to Many Rivers Montessori.

_____ days X _____ miles X 30 Cents per mile = reimbursement.
 (Round trip from home to school)
3. Mail or bring "Invoice" to the Transportation Department. A check will be sent to your school in 3-4 weeks from the date received at the Transportation Department.
4. Reimbursement is per family when Duluth Public School is in session and only for their mileage. Car pool mileage should not be submitted. For the 2018-2019 school year one family reimbursement is maximum of \$310.00.
5. All reimbursement claims must be received at ISD 709 by June 7, 2019.

MANY RIVERS MONTESSORI

BY _____

Many Rivers Montessori Director

INDEPENDENT SCHOOL DISTRICT NO. 709

BY _____

Director of Business Services

SPIRIT OF THE LAKE COMMUNITY SCHOOL

Guidelines for

TRANSPORTATION REIMBURSEMENT

2018-2019

1. Each parent is to submit an initial odometer reading from home to school.
2. Request for payments must be made on Form 3326.1 "Invoice". These will be available from the Transportation Department.
 - A. The invoice must be signed.
 - B. The invoice must be submitted each month by the school. Claims older than 60 days will not be paid.
 - C. Under "description" list transportation of students to Spirit of the Lake Community School.

_____ days X _____ miles X 30 Cents per mile = reimbursement.
(Round trip from home to school)
3. Mail or bring "Invoice" to the Transportation Department. A check will be sent to your school in 3-4 weeks from the date received at the Transportation Department.
4. Reimbursement is per family when Duluth Public School is in session and only for their mileage. Car pool mileage should not be submitted. For the 2018-2019 school year one family reimbursement is maximum of \$310.00.
5. All reimbursement claims must be received at ISD 709 by June 7, 2019.

SPIRIT OF THE LAKE COMMUNITY SCHOOL

BY 

Spirit of the Lake Community School Director

INDEPENDENT SCHOOL DISTRICT NO. 709

BY 

Director of Business Services

**No Cost Contracts Signed
October 2018**

For your information, the Superintendent or the Executive Director of Business Services has signed the following no cost contracts during the month of October 2018:

Name	Source	Description
Second Harvest Northern Lakes Food Bank	Families in Transition	Participation in Backpack program
University of Minnesota Duluth (UMD)	Superintendent	Affiliation agreement for students participating in social work field placements (internships)



BackPack Program Partner Agreement

This BackPack Program Partner Agreement is an agreement between Second Harvest Northern Lakes Food Bank (hereinafter referred to as SHNLFB) and Lester Park (hereinafter referred to as the Program Partner). By signing this agreement, both parties acknowledge their respective duties and responsibilities related to the administration of the BackPack Program.

A. Program Partner Agrees To:

- The safe and proper handling of food, which conforms to all local, state and federal regulations
- Abide by the policies, procedures, and record keeping requirements of SHNLFB
- Ensure that staff and/or volunteer of the program do not engage in discrimination, in the provision of service, against any person because of race, color, citizenship, religion, gender, national origin, ancestry, age, marital status, disability, sexual orientation including gender identify or expression, unfavorable discharge from the military or status as a protected veteran

B. The BackPack Program Description

The mission of the BackPack Program is to help solve child hunger by providing nutritious and easy-to-prepare food to children to take home on weekends and school vacation when other resources are not available.

C. The BackPack Program Partner Agrees To:

1. Appoint a BackPack Program coordinator to be the primary contact for the BackPack Program.
2. Identify "chronically hungry" or "food insecure" children that meet the eligibility guidelines established for your school/site and ensure that BackPack Program kits are not used privately by paid school/site staff, volunteers or ineligible recipients or distributed at, or to, any other location not authorized by Second Harvest Northern Lakes Food Bank.
3. Distribute healthy, nutritious food included in the BackPack Program kits to eligible children free of charge.
4. Distribute the BackPack Program kits to eligible children in accordance with the agreed upon distribution schedule and at minimum once each month while the program is in operation.
5. Use school records to identify food allergies that children may have (peanuts, milk, etc.) and flag their name so that those items will not be distributed to them.
6. Ensure that staff and volunteers with direct repetitive contact with the children pass a national background search.
7. Provide information to Second Harvest Northern Lakes Food Bank about the school/site(s).



8. Allow Second Harvest Northern Lakes Food Bank to monitor the school/site and storage locations at least once every two years.
9. Ensure that at least one key program staff or volunteer complete Food Safety Training, approved or provided by, Second Harvest Northern Lakes Food Bank.
10. Ensure that the program, school/site(s) and storage locations comply with all applicable federal and local statutes, ordinances and regulations.
11. Store food that is delivered to the school/site(s) in a location that will ensure the safety, security and integrity of the food until it is used and/or distributed. This should include: secure, food-safe, sanitary, temperature-controlled, storage space; a location that allows food to be at least 4" off of the floor, away from walls, 6" below the ceiling, and away from cleaning materials and toxic chemicals.
12. Use the "First In, First Out" (FIFO) method of distribution for the Backpack Program kits to ensure that food is distributed within its food-safety guideline and to ensure its highest quality.
13. Work with Second Harvest Northern Lakes Food Bank to develop a Backpack Program kit pick-up or delivery schedule that meets the needs of all partners.
14. Provide food-safe transportation if the Backpack Program kits are being picked up at Second Harvest Northern Lakes Food Bank or provide delivery assistance if kits are being delivered to the designated schools/site(s).
15. Inform Second Harvest Northern Lakes Food Bank in writing of any changes in the Backpack Program personnel, days and hours of operation, and/or number of children served.
16. Keep accurate records and submit required reports to the Program Director at Second Harvest Northern Lakes Food Bank by the 10th of each month, following the Backpack Program distribution month.
17. Assist in program evaluations.
18. Communicate any issues and/or program requests to Second Harvest Northern Lakes Food Bank in a timely manner.
19. Support fundraising and marketing efforts which will ensure long-term program sustainability.

D. Second Harvest Northern Lakes Food Bank Agrees To:

1. Appoint a primary contact for the Backpack Program providing oversight and leadership in program research, design and development, and collaborative guidance in program implementation.
2. Ensure that program partner meets national and local Backpack Program objectives through annual monitoring inspections and periodic site visits during designated hours of operation. Any issues needing to be addressed will be communicated in writing to the program partner within seven (7) business days.
3. Identify and procure staple food items and/or supplies necessary for the operation of the Backpack Program.
4. Recruit and coordinate volunteers for the packing of the Backpack Program kits.
5. Provide delivery, if desired, for the Backpack Program kits to the designated schools/site(s).
6. Provide or coordinate training opportunities for Backpack Program staff and volunteers as appropriate such as program administration, safe food handling and nutrition education.
7. Schedule Backpack Program meetings to facilitate communication and information sharing among program partners.
8. Support fundraising and marketing efforts which will ensure long-term program sustainability.



E. General Provisions

This Agreement may be terminated at will by either party with written notice delivered to either. Upon termination of this agreement, the Program Partner will return any equipment, materials and/or food provided by SHNLFB for the Program to SHNLFB within 30 days of termination date.

F. Signatures

The Program's authorized representative's signature below confirms that the Program site is accepting and agrees to abide by all terms of this agreement.

Program Partner Signature:

Sue Lehna - Principal
Program Partner Signature (Principal or Executive Director)

11-2-18
Date

SUE LEHNA
Printed Name

Principal
Title

Make sure to read and sign the National Background Check Policy and Procedure on the following pages before returning your signed Partnership Agreement

Questions regarding this agreement should be directed to:

Dan Wilson, Program Director
Second Harvest Northern Lakes Food Bank
4503 Airpark Boulevard
Duluth, MN 55811
(218) 336-2303
dan@northernlakesfoodbank.org



Wm Gronseth

11/6/18

Wm Gronseth

Supt



National Background Check Policy and Procedure

Purpose

The purpose of this policy is to ensure the safety of all children that participate in Second Harvest Northern Lakes Food Bank's BackPack Program. Further, careful screening of staff and volunteers who work with children is an important risk management precaution.

Policy

Site management must ensure that all staff and volunteers at your site who have "direct repetitive contact with children" undergo a *National Background Check*.

Some examples of **who is required to have** a background search performed:

- ✓ Staff who work directly with the kids in the program daily
- ✓ Volunteers who work directly with the kids in the program daily
- ✓ Anyone who has ongoing, frequent or recurring interactions with or around the kids who participate in the program (e.g. once each week or several times over the course of a summer)

Participants must limit the volunteer involvement of any one-time or non-regular volunteer who has not been subject to a national background check strictly to open and supervised activities. A child should never be alone with a single staff member or volunteer.

Fingerprint checks are also a volunteer screening best practice. Some state require youth-serving organizations to inform all potential volunteers that they may be required to be fingerprinted, whether or not the organization intends to conduct a fingerprint check.

Procedure

It is the responsibility of the Program Site to perform and verify the following background checks as a minimum:

- Social Security History to assure proper identification
- National Sexual Offender search
- Criminal History record search

Second Harvest Northern Lakes Food Bank reserves the right to see proof of the completed background searches on program staff and volunteers during routine site inspections.



Verification

By signing this form the Backpack Program Partner acknowledges that it understands and agrees to the National Background Search Policy of Second Harvest Northern Lakes Food Bank. Further, the Program Partner verifies that all individuals who participate in the Backpack Program who have direct repetitive contact with children are listed here, and have undergone, and passed, a National Background Search as described on the previous page.

The Backpack Program Partner is required to submit this form when becoming a partner of Second Harvest Northern Lakes Food Bank and each time a new staff or volunteer with direct repetitive contact with children joins the program or a minimum of once every year.

Program Partner Signature:

Sue Lehna
 Program Partner Signature (Principal or Executive Director)

11-2-18
 Date

SUE LEHNA
 Printed Name

Principal
 Title

Names of staff or volunteer(s) helping with program:	Staff	Volunteer
Julie Davern	✓	
Ron Lake	✓	

Se William Gronseth
 William Gronseth
 Superintendent

equal opportunity provider and employer.



UNIVERSITY OF MINNESOTA
AGREEMENT OF INSTITUTIONAL AND PROGRAM AFFILIATION

between
Regents of the University of Minnesota
through its Department of Social Work, University of Minnesota Duluth (“University”)
and
Duluth Public Schools (“Affiliate”)

WITH THIS AGREEMENT OF INSTITUTIONAL AND PROGRAM AFFILIATION (“Agreement”), effective November 1, 2018 through October 31, 2023 (term may not exceed five years), University and Affiliate, sharing common goals of education and desiring to facilitate a relationship for the purpose of providing educational experiences at Affiliate’s sites for certain University students enrolled in the program, the parties agree as follows:

1. Description of Affiliation.

1.1 With this Agreement, University and Affiliate establish a program of education and training which requires facilities, equipment, services and personnel appropriate for students to obtain necessary clinical experiences.

1.2 Contact Information:

<u>Affiliate:</u>	<u>University:</u>
<u>Duluth Public Schools</u>	<u>University of Minnesota</u>
<u>Attn: Bill Gronseth</u>	<u>Attn: Sara Lien</u>
<u>215 N. 1st Avenue East, Rm 213</u>	<u>220 Bohannon Hall</u>
<u>Duluth, MN 55802</u>	<u>1207 Ordean Court</u>
<u>Phone: 218-336-8752</u>	<u>Duluth, MN 55812</u>
<u>E-mail: william.gronseth@isd709.org</u>	<u>Phone: 218-726-8353</u>
	<u>E-mail: liensara@d.umn.edu</u>

2. Responsibilities of the Parties.

2.1 Joint Responsibilities.

2.1.1 University and Affiliate will each identify a person or persons responsible for liaison during the course of this affiliation. The appointment of liaisons shall be subject to mutual approval of the parties.

2.1.2 The persons responsible for the liaison will jointly plan for:

- a. Selection, assignment and orientation of students;

- b. Periodic review and preparation of objectives for the instructional program; and
- c. Evaluation of student performance.

2.1.3 University has authority to withdraw, suspend or terminate a student for academic deficiencies, behavioral violations or other sufficient reason subject to certain procedures afforded to the student. In cases where a student's performance or conduct threatens the safety or welfare of patients, visitors or staff of Affiliate, Affiliate may suspend the student's participation at Affiliate site(s). Affiliate liaison will consult University liaison before suspending a student, except where consultation is not reasonably possible under the circumstances.

2.1.4 The student is a participant in an educational program, and for purposes of this Agreement, shall not be considered an employee of either Affiliate or University and neither party shall have responsibility for payment of workers' compensation benefits to the student.

2.1.5 Both parties agree to comply with all applicable federal, state and local laws, rules and regulations including Title 45, Section 160-164 of the Code of Federal Regulations ("HIPAA"). Both parties agree that when protected health information ("PHI"), as defined by HIPAA, is provided or made available to the other party for any purpose, the receiving party, and its agents or representatives will not use or disclose the PHI other than as permitted or required by this Agreement or state and federal law. Both parties shall take reasonable steps to prevent unauthorized disclosures by its employees, officers, directors, agents, contractors or consultants.

2.1.6 The parties agree to review this Agreement periodically to ensure that it meets with University's curriculum requirements, as well as the standards of the accrediting agency. Additionally, the parties shall evaluate the operations and effectiveness of this Agreement. Modifications to this Agreement shall be made pursuant to section 5.6 of this Agreement.

2.1.7 University and Affiliate are committed to fostering a professional learning environment and, through their respective liaisons, shall see that appropriate canons of professional behavior are maintained in all educational settings under this Agreement so as to promote the development of appropriate professional attributes in students.

2.2. University Responsibilities.

2.2.1 University shall assume overall responsibility for the general educational experience of students assigned to Affiliate, which responsibility includes the following:

- a. Determination of educational goals for each student;
- b. Establishing prerequisite criteria for placement of students with Affiliate;
- c. Determination of completion of the assignment;

- d. If required, educational goals and objectives for the students in the program are outlined in Attachment _____;
- e. Provision of information regarding dates for instruction and forecasts of the numbers of students to be assigned to Affiliate;
- f. Final evaluation of student performance; and
- g. If Affiliate members who participate in training of University students are to be appointed to the faculty of the University of Minnesota, then Affiliate faculty members shall be appointed in accord with the policy of University in effect at the time of appointment.

2.2.2 For students who provide direct patient care or interact with staff in patient areas, at the request of Affiliate, the students will be required to provide proof of immunization for measles (rubeola), mumps and rubella or positive titre; annual influenza; chicken pox (varicella), documented positive history, or positive titre; pertussis; hepatitis B series or documented immunity; and evidence of annual tuberculosis test or a statement from a provider stating that the student does not have active tuberculosis (TB). Exceptions will be made when there is a shortage of vaccine. Students will be required to comply once vaccine supply levels allow for vaccination.

2.2.3 At the request of Affiliate, University will require students who have direct contact with patients to undergo criminal/maltreatment background studies pursuant to Minn. Stat. §§ 144.057 and 245A.04 as a pre-requisite to participation in the program.

2.2.4 University certifies that its students have been instructed on the confidentiality of medical and personal information related to patients and/or clients, and, where applicable, have been trained in universal precautions and transmission of blood-borne pathogens prior to beginning the clinical program.

2.2.5 University shall require that students carry hospitalization and medical insurance. Neither Affiliate nor University is responsible for hospitalization or medical costs incurred by the student during the affiliation.

2.2.6 University shall inform students that they will be required to comply with all applicable rules, regulations, policies and procedures of Affiliate.

2.3. Affiliate Responsibilities.

2.3.1 Affiliate shall assume full responsibility for the care and welfare of its patients and/or clients. It is understood that individual patient care and client services are not controlled, supervised, or paid for by University, and University does not derive revenue from Affiliate patients or clients or third-party payors for services at Affiliate.

2.3.2 Affiliate agrees to provide educational experience opportunities for students in patient care areas, service departments and other selected areas. In this regard, Affiliate

will provide the equipment, facilities, supplies and services for students and faculty assigned to Affiliate necessary to meet the objectives of the program.

2.3.3 Affiliate staff members, or Affiliate staff members with University of Minnesota faculty appointments, shall be responsible for teaching, supervising and evaluating the performance of students assigned to Affiliate. Such Affiliate staff members shall provide University with written evaluations of the performance of the students.

2.3.4 Affiliate agrees to identify and provide University with current copies of any policies and procedures at the clinical site, which apply to the educational experience of the students.

2.3.5 Affiliate agrees to render the same emergency medical care to students that it provides for its employees in the event of an accident or sudden illness that occurs at the Affiliate site during the course of students' clinical experience under this Agreement. As set forth in section 2.2.5, neither Affiliate nor University is responsible for hospitalization or medical costs incurred by the student during this affiliation.

2.3.6 To the extent Affiliate generates or maintains educational records related to students participating under this Agreement, Affiliate will maintain the privacy of those records and limit access to only those employees or agents with a need to know. For purposes of this Agreement, pursuant to the Family Educational Rights and Privacy Act ("FERPA"), University hereby designates Affiliate as a school official with a legitimate educational interest in the educational records of the participating students to the extent that access to University's records is required by Affiliate to perform its responsibilities under this Agreement.

3. Liability Insurance and Indemnity

3.1. The University shall maintain professional and general liability insurance in minimum amounts of \$1,000,000 for each claim/\$3,000,000 annual aggregate, and that policy shall include within the scope of its coverage all University students for activities performed within the course and scope of their duties under this agreement. General liability coverage for students is limited to bodily injury and property damage claims. Upon request, the University will provide a certificate of insurance evidencing such coverage.

3.2. The University agrees to defend, hold harmless, and indemnify the Affiliate, its officers, agents, employees, and representatives against all claims for loss or damage to property or injury or death to persons arising from the negligent or wrongful acts or omissions of the University, its employees, agents, or representatives (including students) during the performance of its obligation under this agreement. The University's liability is limited to the extent of its insurance coverage pursuant to the Minnesota State Tort Claims Act, Minn. Stat. § 3.736.

3.3. The Affiliate shall maintain professional and general liability insurance in minimum amounts of \$1,000,000 for each claim/\$3,000,000 annual aggregate.

3.4. The Affiliate agrees to defend, hold harmless, and indemnify the Regents of the University of Minnesota, its officers, agents, employees, and representatives (including students) against all claims for loss or damage to property or injury or death to persons arising from the negligent or wrongful acts or omissions of the Affiliate, its employees, agents, or representatives, during the performance of its obligations under this agreement.

4. Financial Terms. (Check appropriate financial description.)

Financial arrangements between our program and your site, including stipends, benefits and other costs as agreed by the parties, are set forth in Attachment _____.

None

5. Other Terms.

5.1 This Agreement may be terminated by either party upon at least six (6) months written notice to the other party.

5.2 Neither University nor Affiliate shall discriminate on the basis of race, religion, creed, color, sex, national origin, disability, age, marital status, public assistance status, veteran status, sexual orientation, gender identity, or gender expression.

5.3 This Agreement supersedes all other affiliation agreements between University and Affiliate for the above-named program.

5.4 Nothing in this Agreement is intended or should be construed as creating the relationship of copartners, joint ventures, or an association among the parties, nor shall any party, its employees, agents, students or representatives be considered employees, agents or representatives of any other party.

5.5 It is specifically agreed that neither party shall be responsible for costs or expenditures incurred by the other in the conduct of the clinical education and training program, except as expressly provided in this Agreement.

5.6 Subject to the written authorization by appropriate representatives of University and Affiliate, amendments to this Agreement may be developed to facilitate execution of the goals of this Agreement. Each amendment shall be in writing and duly executed by the signatories to this Agreement, or their successors in office. To the extent an amendment is not properly executed by persons authorized to do so, it shall be considered null and void.

IN WITNESS WHEREOF, the authorized representative(s) of the parties hereto execute this Agreement as follows:

Regents of the University of Minnesota	Affiliate
By: _____ Name: _____ Title: _____ Date: _____	By: <u>Catherine Ekison</u> Name: <u>Catherine Ekison</u> Title: <u>CFO</u> Date: <u>11/26/18</u>
By: _____ Name: <u>Scott Carlson</u> Title: <u>Associate Dean, CEHSP</u> Date: _____	
By: _____ Name: <u>Fernando Delgado</u> Title: <u>UMD Exec Vice Chancellor of Academic Affairs</u> Date: _____	

NOTE: This Agreement should be executed by Affiliate before University representatives begin the execution process.

Facilities Management & Capital Project Status Report

November 2018

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Facilities Management – Maintenance and Operations - General

- In the past month, the Facilities maintenance crews have completed 399 work orders, and are currently working on 410 open work orders.
- Facilities maintenance trade crews are currently scheduled at Lowell Elementary.
- The Rockridge lease with “The Hills” is finalized and executed.
- Continuing to work with HR and Union to review and update position descriptions.
- Lowell Elementary staff and volunteers have presented a Nature Play expansion project to enhance play features at Lowell School.
- Facilities is evaluating an alternative service provider for hard phone lines in efforts to save funds.
- The FCC has reallocated radio frequencies in the 600 to 700 MHZ range. This service band of frequencies was sold to T-Mobile, and we will have to cease use by July 13, 2020 at the latest. T-Mobile has started to use these frequencies in St Louis County, and this is impacting our various audio (wireless mic and amp) systems in gyms, auditoriums, pools, stadiums and other spaces. We are currently auditing the numbers, but expect to find many systems operating in that range. Just as an example, EHS has 8 out of 10 systems that need replacement at roughly \$1200 material cost only per system. We expect to have a full count in the next month.
- Safe Routes to Schools Grant (SRTS) is moving forward with the City submitting a competitive grant request to the state requesting funds to improve four sites as defined through public meetings.
- Three Facilities staff each won a \$500 MASMS (Minnesota Education Facility Management Professionals Association) 2018 Expo Grant while attending the MASMS annual conference. It is intended for a building/grounds general fund project.

Capital Construction:

- The FY19 HOCHS audit will begin shortly.
- We are working with “The Hills” to determine a timeframe to replace the gym floor.

Building Operations

- Operations have scheduled interviews for three engineer positions at Lowell, Myers-Wilkins, and Congdon Elementary Schools for early December. In addition, Operations seeks to fill a recent custodian retirement. Site has yet to be determined as we go through the internal lateral transfer process. Lastly, a maintenance custodian position is open. Site has yet to be determined as we go through the internal lateral transfer process. Operations seek to fill these positions in a timely manner as we enter the busy holiday season.

Health, Safety & Environmental Management

Environmental/Health/Safety

- Reviewed safety work orders and updated in the system to match current regulations.
- Completed regular duties as assigned.

Emergency Response Crisis Management

- Continued planning ALICE training and implementation beyond certified staff.

Workers’ Compensation Activities

- OSHA Recordables for the month: 0
- First report of injuries: 30



230 East Superior Street • Duluth, MN 55802 • 218.310.0013 • gregfollmer@gmail.com

November 29, 2018

William Gronseth
Superintendent of Schools

David J. Spooner, C.P.E.
Manger of Facilities

Duluth Public Schools
215 N 1st Ave E
Duluth, MN 55802

RE: Marketing Update
800 E Central Entrance "Central High School Property"
"Hartley Lots"

Hartley Residential Lots

- All marketing in place and active.
- No new updates or inquiries.
- Signage is recommended but some brush clearing and lot line locations are needed.

800 E. Central Entrance "Central High School Property"

- November 15 showing
- One new inquiry this month.

Activity and inquiries have increased recently regarding the Central site. Discussions with parties are continuing. The site continues to generate inquiries from various Developers, Brokers and Investors as expected.

Please do not hesitate to reach out with any questions.

Respectfully,

Greg Follmer
Broker