

**GOODHUE COUNTY EDUCATION DISTRICT BOARD AGENDA**

**Tuesday, December 5, 2023 at 7:00 PM**  
**River Bluff Education Center, Red Wing**  
**395 Guernsey Ln**  
**Red Wing, MN 55066**

**AGENDA**

- I. **Call to Order/Adoption of Agenda:**
- II. **Consent Agenda:**
  - A. Approval of November 2, 2023 Minutes

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# GOODHUE COUNTY EDUCATION DISTRICT BOARD MINUTES

Thursday, November 2, 2023 at 7:00 PM

River Bluff Education Center

395 Guernsey Ln

Red Wing, MN 55066

**MEMBERS PRESENT:** A. Dicke, B. Brintnall, D. Balow, T. Bjornstad, J. Lohmann

**MEMBERS ABSENT:** M. Syverson

**OTHERS:** C. Johnson, J. Paradis, C. Luhman, J. Whitcomb, W. Johnson, N. Bolduan

- I. **Call to Order/Adoption of Agenda:** D. Balow called the meeting to order. One addition to the agenda was under New Business Health & Dental Information. J. Lohmann motioned to adopt the agenda with the addition. B. Brintnall seconded, motion carried.
- II. **Consent Agenda:** B. Brintnall motioned to approve the consent agenda. J. Lohmann seconded, motion carried.
  - A. Approval of September 28, 2023 Minutes
  - B. Approval of Claims: Terese Bjornstad (please come early to review claims)
  - C. Staff Updates:
    1. **Resignations:**
    2. **New Hire:** *Rebecca Susag, .4 FTE Speech Language Pathologist - RBEC/5RO effective 10/9/2023*
    3. **Transfers:**
    4. **Re-assignment:**
- III. **Public Input:** The policy of the education district board is to encourage discussion by persons of subjects related to the management of the district at board meetings. The board shall, as a matter of policy, protect the legal rights to privacy and due process of employees and students. Persons who wish to have a subject discussed at a public board meeting must notify the executive director's office in advance of the board meeting. The person should provide his or her name, address, the name of group represented (if any), and the subject to be covered or the issue to be addressed. The board retains the discretion to limit discussion of any agenda item to a reasonable period of time as determined by the board.
- IV. **Reports and Communication:**
  - A. Business Manager Report: J. Paradis reported on the 2022-23 budget as of 6/30/2023. This is our fourth look at year end 6-30-23. We have earned \$18,005,558 or 99.85% of the revised budget. We have expended \$18,300,473 or 100.52% of the revised budget. Budget 2023-24 as of 9/30/23, we have received \$3,094,755 or 16.53% of the budget compared to 17.18% in September 30, 2022 and 15.87% in September 30, 2021. We have expended \$2,641,989 or 14.05% of the budget compared to 14.30% on September 30, 2022 and 13.70% on September 30, 2021. Cash flow is still very low in late winter, but there are some aids that we are entitled to that are still not showing up on our state aid reports, which is not unusual for this time of year, example would be Q-Comp. The September Bank Reconciliation is included in the packet for your information.
  - B. GCED Reading Center Update: Weston Johnson, GCED Coordinator of Early Reading Interventions & Dyslexia Specialist presented information on the Reading Center.
  - C. GoalBook Implementation: Nicole Bolduan updated the Board on Goalbook Implementation. This is the second year of implementation for this special education teacher resource.
- V. **New Business:**
  - A. First Reading Policy 70 Remote Work Policy: The Board passed the first reading of Policy 70 Remote Work Policy.
  - B. 2024 Health/Dental Information: J. Paradis gave an update on the 2024 health and dental information. We will be offering 3 different plans for health and dental that staff can choose from.
- VI. **Old Business:**
  - A. Substitute Rates and Fill Rate: C Johnson returned the Board to the discussion of substitute teacher pay rates. Of the seven districts, the GCED has the second to lowest substitute pay rate. Absentee and fill rate information was discussed. With the current shortage of teachers and substitutes that all districts are facing, raising the pay rate will not resolve the issue nor will any one solution. The Board asked C. Johnson to look into Red Rover which is used in Lake City. The Board discussed raising the substitute pay rate for general education teachers to \$180/day and for special education teachers to \$210/day. J.

Lohmann motioned to approve the increase. A. Dicke seconded, motion carried.

**VII. Other:**

**VIII. Comments: Board/Director**

**IX. Next Meeting Date: Thursday, December 7, 2023 at 6:00 PM at the River Bluff Education Center in Red Wing.**

**X. Adjournment:** J. Lohman motioned to adjourn. B. Brintnall seconded, motion carried.



## Goodhue County Ed District Payment Reg by Bank and Check

Bank	Batch	Pmt No	Check No	Pay Type	Grp Code	Rcd	Vendor	Tax Class	Print	Recon	Void	Pay/Void Date	Amount
MERC		38750		Wire	1	04060	PERA-PUBLIC EMPLOYEES RETIREMT		No	Yes	No	10/27/2023	9,755.68
MERC		38751		Wire	1	04062	MN TEACHERS RETIREMENT ASSOC		No	Yes	No	10/27/2023	52,278.62
MERC		38752		Wire	1	2216	KWIK TRIP EXTENDED NETWORK		No	Yes	No	10/27/2023	1,023.00
MERC		38753		Wire	1	2284	E. B. C., LLC /ACS		No	Yes	No	10/27/2023	19,319.79
MERC		38754		Wire	1	2392	US DEPT. OF TREASURY		No	Yes	No	10/27/2023	87,127.40
MERC		38755		Wire	1	2396	MN Dept of Revenue		No	Yes	No	10/27/2023	15,484.34
MERC		38756		Wire	1	2501	Merchants Bank		No	Yes	No	10/27/2023	2,362.84
MERC		38757		Wire	1	3232	ENTERPRISE FM TRUST		No	Yes	No	10/27/2023	4,142.66
MERC		38758		Direct Pymt	1	00707	MENARD'S RED WING		Yes	Yes	No	10/27/2023	470.85
MERC		38759		Direct Pymt	1	02672	METRO SALES, INC.		Yes	Yes	No	10/27/2023	675.00
MERC		38760		Direct Pymt	1	03350	REGION V COMPUTER SERVICES		Yes	Yes	No	10/27/2023	1,557.75
MERC		38761		Direct Pymt	1	04565	ZUMBROTA-MAZEPPA PUBLIC SCHOOL		Yes	Yes	No	10/27/2023	19,216.25
MERC		38762		Direct Pymt	1	09129	RED WING IND SCHOOL DIST 256		Yes	Yes	No	10/27/2023	91,861.60
MERC		38763		Direct Pymt	1	09448	ABLE NET INC		Yes	Yes	No	10/27/2023	255.00
MERC		38764		Direct Pymt	1	1784	NCS PEARSON, INC.	C Corporation	Yes	Yes	No	10/27/2023	5,018.43
MERC		38765		Direct Pymt	1	1984	E. B. C., LLC/Flex Contributions		Yes	Yes	No	10/27/2023	919.17
MERC		38766		Direct Pymt	1	2197	JOHNSON, CHERYL		Yes	Yes	No	10/27/2023	2,103.21
MERC		38767		Direct Pymt	1	2284	E. B. C., LLC /ACS		Yes	Yes	No	10/27/2023	133.46
MERC		38768		Direct Pymt	1	2324	BLUUM OF MINNESOTA, LLC		Yes	Yes	No	10/27/2023	217.65
MERC		38769		Direct Pymt	1	2435	LEARNING A-Z		Yes	Yes	No	10/27/2023	234.00
MERC		38770		Direct Pymt	1	2528	SUNBELT STAFFING		Yes	Yes	No	10/27/2023	12,675.00
MERC		38771		Direct Pymt	1	2585	TEACHERS ON CALL	C Corporation	Yes	Yes	No	10/27/2023	921.60
MERC		38772		Direct Pymt	1	2780	HOUGHTON MIFFLIN HARCOURT PUBL		Yes	Yes	No	10/27/2023	867.68
MERC		38773		Direct Pymt	1	2865	INTELLICENTS		Yes	Yes	No	10/27/2023	1,250.00
MERC		38774		Direct Pymt	1	2941	IXL LEARNING	C Corporation	Yes	Yes	No	10/27/2023	2,500.00
MERC		38775		Direct Pymt	1	3128	HELWIG, MAGGIE		Yes	Yes	No	10/27/2023	11.06
MERC		38776		Direct Pymt	1	3184	MCLAREN, ARLIE		Yes	Yes	No	10/27/2023	222.70
MERC		38777		Direct Pymt	1	3409	RIVERSIDE INSIGHTS		Yes	Yes	No	10/27/2023	338.75
MERC		38778		Direct Pymt	1	3415	AMAZON CAPITAL SERVICES		Yes	Yes	No	10/27/2023	2,840.88
MERC		38779		Direct Pymt	1	3421	ALBIN ACQUISITION CORP		Yes	Yes	No	10/27/2023	433.50
MERC		38780		Direct Pymt	1	3464	NAVIGATE360,LLC	Ind/Sole Proprietor	Yes	Yes	No	10/27/2023	2,060.19
MERC		38781		Direct Pymt	1	3468	YUSTEN, NIKKI		Yes	Yes	No	10/27/2023	194.54
MERC		38782		Direct Pymt	1	3504	SENECHALLE, MEGAN		Yes	Yes	No	10/27/2023	63.34
MERC		38783		Direct Pymt	1	3618	SOLIANI		Yes	Yes	No	10/27/2023	4,359.74
MERC		38784		Direct Pymt	1	3668	NEW DIRECTION SOLUTIONS, LLC	LLC - Partnership	Yes	Yes	No	10/27/2023	12,360.00
MERC		38785		Direct Pymt	1	00360	CARLSON, MELISSA		Yes	No	No	11/10/2023	155.56
MERC		38786		Direct Pymt	1	00702	SOUTHPAW ENTERPRISES		Yes	No	No	11/10/2023	127.68
MERC		38787		Direct Pymt	1	00707	MENARD'S RED WING		Yes	No	No	11/10/2023	77.94
MERC		38788		Direct Pymt	1	1497	BODENHAMER, SUSAN		Yes	No	No	11/10/2023	279.82

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Bank	Batch	Pmt No	Check No	Pay Type	Grp Code	Rcd	Vendor	Tax Class	Print	Recon	Void	Pay/Void Date	Amount
MERC		38789		Direct Pymt	1	2284	E. B. C., LLC /ACS		Yes	No	No	11/10/2023	133.46
MERC		38790		Direct Pymt	1	2435	LEARNING A-Z		Yes	No	No	11/10/2023	385.00
MERC		38791		Direct Pymt	1	2440	LIBERTY'S RESTAURANT		Yes	No	No	11/10/2023	144.03
MERC		38792		Direct Pymt	1	2528	SUNBELT STAFFING		Yes	No	No	11/10/2023	10,035.00
MERC		38793		Direct Pymt	1	2585	TEACHERS ON CALL	C Corporation	Yes	No	No	11/10/2023	204.80
MERC		38794		Direct Pymt	1	2645	WPS PUBLISHING		Yes	No	No	11/10/2023	2,226.80
MERC		38795		Direct Pymt	1	3249	BUCHAL, AMY		Yes	No	No	11/10/2023	111.35
MERC		38796		Direct Pymt	1	3287	KREMER, MICHELE		Yes	No	No	11/10/2023	15.72
MERC		38797		Direct Pymt	1	3328	LILJEVALL BRITTANY		Yes	No	No	11/10/2023	39.30
MERC		38798		Direct Pymt	1	3414	COULSON, TESS		Yes	No	No	11/10/2023	305.23
MERC		38799		Direct Pymt	1	3415	AMAZON CAPITAL SERVICES		Yes	No	No	11/10/2023	489.69
MERC		38800		Direct Pymt	1	3417	LEMMON, KELSEY		Yes	No	No	11/10/2023	113.32
MERC		38801		Direct Pymt	1	3544	OLSON, MEGAN		Yes	No	No	11/10/2023	26.20
MERC		38802		Direct Pymt	1	3545	ROHAN, JILL		Yes	No	No	11/10/2023	286.24
MERC		38803		Direct Pymt	1	3547	NOLAN, REBECCA		Yes	No	No	11/10/2023	372.70
MERC		38804		Direct Pymt	1	3601	ESPIRICUETA VALDEZ, ILIANA		Yes	No	No	11/10/2023	337.99
MERC		38805		Direct Pymt	1	3612	WUNDERLICH, STEPHANIE		Yes	No	No	11/10/2023	86.46
MERC		38806		Direct Pymt	1	3616	PRICE, MORGAN		Yes	No	No	11/10/2023	456.54
MERC		38807		Direct Pymt	1	3617	DICK, OLIVIA		Yes	No	No	11/10/2023	273.14
MERC		38808		Direct Pymt	1	3618	SOLIANI		Yes	No	No	11/10/2023	4,985.75
MERC		38809		Direct Pymt	1	3628	AMPION PBC C/O DEPT. 8121		Yes	No	No	11/10/2023	4,446.09
MERC		38810		Direct Pymt	1	3663	REYES, JESSICA		Yes	No	No	11/10/2023	86.46
MERC		38811		Direct Pymt	1	3668	NEW DIRECTION SOLUTIONS, LLC	LLC - Partnership	Yes	No	No	11/10/2023	9,000.00
MERC		38812		Direct Pymt	1	3669	CHRISTENSEN, SARAH		Yes	No	No	11/10/2023	85.15
MERC		38813		Direct Pymt	1	3670	GREEN, MADELYN		Yes	No	No	11/10/2023	110.04
MERC		38814		Direct Pymt	1	3671	LARSON, KATIE		Yes	No	No	11/10/2023	73.36
MERC		38815		Direct Pymt	1	3673	AMPION PBC C/O DEPT. 8125		Yes	No	No	11/10/2023	7.66
MERC		38832		Wire	1	03977	SOUTHEAST SERVICE COOPERATIVE		No	No	No	11/10/2023	90,757.09
MERC		38833		Wire	1	1280	DELTA DENTAL PLAN OF MN		No	No	No	11/10/2023	6,693.83
MERC		38834		Wire	1	2216	KWIK TRIP EXTENDED NETWORK		No	No	No	11/10/2023	543.77
MERC		38835		Wire	1	3329	CHASE CARD SERVICES		No	No	No	11/10/2023	6,384.70
MERC		38838		Wire	1	04060	PERA-PUBLIC EMPLOYEES RETIREMT		No	No	No	11/16/2023	9,095.02
MERC		38839		Wire	1	04062	MN TEACHERS RETIREMENT ASSOC		No	No	No	11/16/2023	52,529.51
MERC		38840		Wire	1	2284	E. B. C., LLC /ACS		No	No	No	11/16/2023	19,319.79
MERC		38841		Wire	1	2392	US DEPT. OF TREASURY		No	No	No	11/16/2023	86,462.56
MERC		38842		Wire	1	2396	MN Dept of Revenue		No	No	No	11/16/2023	15,340.19
MERC		38843		Wire	1	2501	Merchants Bank		No	No	No	11/16/2023	2,362.84
MERC		38844		Direct Pymt	1	1984	E. B. C., LLC/Flex Contributions		Yes	No	No	11/16/2023	794.17
MERC		38845		Direct Pymt	1	2941	IXL LEARNING	C Corporation	Yes	No	No	11/22/2023	2,500.00

## Goodhue County Ed District Payment Reg by Bank and Check

Bank	Batch	Pmt No	Check No	Pay Type	Grp Code	Rcd	Vendor	Tax Class	Print	Recon	Void	Pay/Void Date	Amount
MERC		38744	21053	Check	1	3284	ALLSTREAM	C Corporation	Yes	Yes	No	10/27/2023	290.00
MERC		38721	21054	Check	1	01903	CANNON FALLS ISD #252		Yes	No	No	10/27/2023	322.50
MERC		38746	21055	Check	1	3567	CENTRAL INSTITUTE FOR THE DEAF		Yes	No	No	10/27/2023	475.00
MERC		38736	21056	Check	1	2894	DEPARTMENT OF HUMAN SERVICES - EDMENTUM		Yes	No	No	10/27/2023	99.00
MERC		38740	21057	Check	1	3117	EDUCATION MN - GCED		Yes	No	No	10/27/2023	530.00
MERC		38725	21058	Check	1	09118	EMC Insurance Companies		Yes	Yes	No	10/27/2023	3,115.28
MERC		38735	21059	Check	1	2871	EMPLOYERS PREFERRED INS. CO		Yes	No	No	10/27/2023	6,160.60
MERC		38747	21060	Check	1	3641	FERNBROOK FAMILY CENTER	S Corporation	Yes	No	No	10/27/2023	4,112.70
MERC		38742	21061	Check	1	3126	Goodhue Co Ed Dist Paraprofessional Unit		Yes	No	No	10/27/2023	21,345.12
MERC		38743	21062	Check	1	3235	GOODHUE PUBLIC SCHOOL		Yes	No	No	10/27/2023	232.59
MERC		38722	21063	Check	1	01904	GRAFTON SCHOOL, INC	Other	Yes	No	No	10/27/2023	307.50
MERC		38748	21064	Check	1	3662	HILLYARD FLOOR CARE SUPPLY		Yes	No	No	10/27/2023	4,216.76
MERC		38726	21065	Check	1	09162	INNOVATIVE OFFICE SOLUTIONS		Yes	No	No	10/27/2023	1,465.28
MERC		38731	21066	Check	1	2174	KENNEDY & GRAVEN		Yes	No	No	10/27/2023	292.93
MERC		38732	21067	Check	1	2251	KENYON-WANAMINGO PUBLIC SCHOC		Yes	No	No	10/27/2023	1,764.91
MERC		38720	21068	Check	1	00367	LANGUAGE LINE SERVICES	C Corporation	Yes	No	No	10/27/2023	120.00
MERC		38737	21069	Check	1	2960	MASE		Yes	No	No	10/27/2023	315.05
MERC		38723	21070	Check	1	05403	MINNESOTA UC FUND		Yes	No	No	10/27/2023	615.00
MERC		38727	21071	Check	1	09346	MISSISSIPPI WELDING SUPPLY	S Corporation	Yes	No	No	10/27/2023	39,796.26
MERC		38749	21072	Check	1	3675	NEILSON, TASHA		Yes	Yes	No	10/27/2023	688.45
MERC		38745	21073	Check	1	3494	OAKTREE PRODUCTS, INC.		Yes	No	No	10/27/2023	47.60
MERC		38729	21074	Check	1	1300	OTICON		Yes	No	No	10/27/2023	184.97
MERC		38734	21075	Check	1	2648	PRO-ED, INC		Yes	No	No	10/27/2023	20.70
MERC		38724	21076	Check	1	06510	RED WING AREA CHAMBER OF COMMI		Yes	No	No	10/27/2023	1,319.90
MERC		38741	21077	Check	1	3121	RODGERS, MATT		Yes	No	No	10/27/2023	40.00
MERC		38728	21078	Check	1	1115	RYAN MECHANICAL		Yes	No	No	10/27/2023	500.00
MERC		38730	21079	Check	1	1468	SHRED-N-GO	S Corporation	Yes	Yes	No	10/27/2023	507.11
MERC		38739	21080	Check	1	3078	U.S. BANK EQUIPMENT FINANCE		Yes	Yes	No	10/27/2023	73.89
MERC		38738	21081	Check	1	3011	WINONA PUBLIC SCHOOLS		Yes	No	No	10/27/2023	290.00
MERC		38733	21082	Check	1	2315	CAPITAL ONE		Yes	No	No	10/27/2023	5,903.17
MERC		38828	21083	Check	1	3505	CITY OF RED WING		Yes	No	No	11/10/2023	487.72
MERC		38816	21084	Check	1	00433	DAKOTA COUNTY TECH. COLLEGE		Yes	No	No	11/10/2023	2,101.75
MERC		38820	21085	Check	1	1850	LANGUAGE LINE SERVICES	C Corporation	Yes	No	No	11/10/2023	657.75
MERC		38824	21086	Check	1	2960	MISSISSIPPI WELDING SUPPLY	S Corporation	Yes	No	No	11/10/2023	210.06
MERC		38830	21087	Check	1	3675	MUTUAL OF OMAHA		Yes	No	No	11/10/2023	49.97
MERC		38826	21088	Check	1	3296	PETERSEN, LYNNE		Yes	No	No	11/10/2023	2,560.07
MERC		38821	21089	Check	1	2200	PHONAK, LLC		Yes	No	No	11/10/2023	467.67
MERC		38819	21090	Check	1	1150	PICNICK'S	Ind/Sole Proprietor	Yes	No	No	11/10/2023	223.92
MERC		38831	21091	Check	1	3677			Yes	No	No	11/10/2023	400.00

## Goodhue County Ed District Payment Reg by Bank and Check

Bank	Batch	Pmt No	Check No	Pay Type	Grp Code	Rcd	Vendor	Tax Class	Print	Recon	Void	Pay/Void Date	Amount
MERC	38827	21092	Check	1	3462		PYRAMID EDUCATIONAL CONSULTANT		Yes	No	No	11/10/2023	135.30
MERC	38829	21093	Check	1	3517		Q MEDIA GROUP LLC	LLC - Partnership	Yes	No	No	11/10/2023	500.00
MERC	38817	21094	Check	1	00443		RED WING ACE HARDWARE		Yes	No	No	11/10/2023	11.09
MERC	38823	21095	Check	1	2723		SCHOOL SPECIALTY		Yes	No	No	11/10/2023	229.64
MERC	38822	21096	Check	1	2212		SMITH-SCHAFFER & ASSOC., LTD	C Corporation	Yes	No	No	11/10/2023	13,000.00
MERC	38818	21097	Check	1	1015		THREE RIVERS COMMUNITY ACTION	C Corporation	Yes	No	No	11/10/2023	80.00
MERC	38825	21098	Check	1	3011		U.S. BANK EQUIPMENT FINANCE		Yes	No	No	11/10/2023	689.00
MERC	38836	21099	Check	1	09118		EDUCATION MN - GCED		Yes	No	No	11/16/2023	3,019.70
MERC	38837	21100	Check	1	3235		Goodhue Co Ed Dist Paraprofessional Uninc		Yes	No	No	11/16/2023	232.59
Bank Total:												\$803,726.13	
Report Total:												\$803,726.13	

C. Staff Updates:

1. **Resignations:**

2. **New Hire:** *Carissa Youngsma, .2 EL Teacher - 5RO effective 11/20/23; Kaylee Hakseth, 1.0 REACH Teacher effective pending licensure issuance*

3. **Transfers:**

4. **Re-assignment:**

III. **Public Input:** The policy of the education district board is to encourage discussion by persons of subjects related to the management of the district at board meetings. The board shall, as a matter of policy, protect the legal rights to privacy and due process of employees and students. Persons who wish to have a subject discussed at a public board meeting must notify the executive director's office in advance of the board meeting. The person should provide his or her name, address, the name of group represented (if any), and the subject to be covered or the issue to be addressed. The board retains the discretion to limit discussion of any agenda item to a reasonable period of time as determined by the board.

IV. **Reports and Communication:**

A. Habitat Florida Trip Update

B. Business Manager Report

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**GOODHUE CO ED DISTRICT  
2023-24 CASH FLOW**

**AS OF 11-29-23**

**JULY**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
7/1/2023	-	-	1,603.57	-	-	1,003,056.61
7/1/2023	-	-	-	-	-	1,003,056.61
7/9/2023	-	-	-	-	-	1,003,056.61
7/15/2023	(271,391.34)	(277,664.68)	67,837.20	314,930.30	-	836,768.09
7/20/2023	(308,213.95)	-	1,090.37	-	-	529,644.51
7/31/2023	(178,383.28)	(240,492.18)	276,079.02	77,677.55	61,780.51	526,306.13
<b>ENDING BALANCE</b>	<b>(757,988.57)</b>	<b>(518,156.86)</b>	<b>346,610.16</b>	<b>392,607.85</b>	<b>61,780.51</b>	<b>526,306.13</b>

**AUGUST**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
8/1/2023	(453,695.56)	-	151,257.20	-	212,697.05	436,564.82
8/4/2023	-	-	-	-	-	436,564.82
8/15/2023	(214,977.22)	(318,114.24)	1,090.37	370,141.37	-	274,705.10
8/17/2023	(357,589.07)	-	454,841.60	-	113,877.73	485,835.36
8/30/2023	(1,198,597.93)	(269,155.08)	907,932.32	573,071.30	183,809.99	682,895.96
<b>ENDING BALANCE</b>	<b>(2,224,859.78)</b>	<b>(587,269.32)</b>	<b>1,515,121.49</b>	<b>943,212.67</b>	<b>510,384.77</b>	<b>682,895.96</b>

**SEPTEMBER**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
9/1/2023	(38,522.02)	-	29,566.64	-	-	673,940.58
9/15/2023	(323,063.52)	(248,185.80)	-	107,402.03	-	210,093.29
9/17/2023	-	-	592,277.48	-	-	802,370.77
9/30/2023	(770,976.32)	(275,607.55)	33,543.63	321,807.92	43,908.23	155,046.68
<b>ENDING BALANCE</b>	<b>(1,132,561.86)</b>	<b>(523,793.35)</b>	<b>655,387.75</b>	<b>429,209.95</b>	<b>43,908.23</b>	<b>155,046.68</b>

**OCTOBER**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
10/1/2023	-	-	-	-	-	155,046.68
10/9/2023	-	-	890,886.69	-	195,059.91	1,240,993.28
10/15/2023	(914,369.47)	(254,961.51)	379,993.20	93,170.11	-	544,825.61
10/20/2023	-	-	340,498.67	-	-	885,324.28
10/31/2023	(450,550.71)	(258,702.57)	90,897.75	201,634.02	-	468,602.77
<b>ENDING BALANCE</b>	<b>(1,364,920.18)</b>	<b>(513,664.08)</b>	<b>1,702,276.31</b>	<b>294,804.13</b>	<b>195,059.91</b>	<b>468,602.77</b>

**NOVEMBER**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
11/1/2023	(161,661.81)	-	-	-	837.66	307,778.62
11/5/2023	-	-	81,467.16	-	-	389,245.78
11/15/2023	(189,156.37)	(256,923.46)	-	92,387.83	-	35,553.78
11/20/2023	-	-	14.32	-	261,650.04	297,218.14
11/30/2023	(194,871.27)	(271,759.31)	374,100.00	253,963.06	10,092.24	468,742.86
<b>ENDING BALANCE</b>	<b>(545,689.45)</b>	<b>(528,682.77)</b>	<b>455,581.48</b>	<b>346,350.89</b>	<b>272,579.94</b>	<b>468,742.86</b>

**DECEMBER**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
12/1/2023	(219,349.34)	-	-	-	-	249,393.53
12/8/2023	-	-	-	-	-	249,393.53
12/15/2023	(250,497.73)	(277,166.89)	216,104.76	219,247.31	450,000.00	607,080.97
12/20/2023	-	-	192,078.76	-	-	799,159.73
12/31/2023	(213,545.88)	(275,250.59)	2,948.55	119,589.44	-	432,901.25
<b>ENDING BALANCE</b>	<b>(683,392.95)</b>	<b>(552,417.48)</b>	<b>411,132.07</b>	<b>338,836.75</b>	<b>450,000.00</b>	<b>432,901.25</b>

**JANUARY**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
1/1/2024	-	(1,682.11)	-	-	-	431,219.14
1/8/2024	(326,791.08)	-	167,890.36	-	-	272,318.42
1/15/2024	(982,352.01)	(255,474.21)	215,537.68	209,045.21	-	(540,924.91)
1/20/2024	-	-	272,421.44	-	244,075.28	(24,428.19)
1/31/2024	(181,560.52)	(264,091.43)	2,032.83	159,452.59	-	(308,594.72)
<b>ENDING BALANCE</b>	<b>(1,490,703.61)</b>	<b>(521,247.75)</b>	<b>-</b>	<b>657,882.31</b>	<b>368,497.80</b>	<b>244,075.28</b>

**FEBRUARY**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
2/1/2024	(116,959.54)	-	349,174.32	-	-	(76,379.95)
2/15/2024	(426,339.87)	(265,973.28)	248,725.23	168,895.74	-	(351,072.13)
2/20/2024	-	-	14,472.42	-	-	(336,599.71)
2/28/2024	(186,923.57)	(266,872.80)	272,923.33	199,315.73	-	(318,157.01)
<b>ENDING BALANCE</b>	<b>(730,222.98)</b>	<b>(532,846.08)</b>	<b>-</b>	<b>885,295.30</b>	<b>368,211.47</b>	<b>(318,157.01)</b>

**MARCH**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
3/1/2024	(288,674.79)	-	339,541.66	-	151,490.33	(115,799.81)
3/15/2024	(295,519.40)	(264,021.67)	248,691.21	261,219.20	6,913.65	(158,516.83)
3/20/2024	-	-	483,426.97	-	-	324,910.14
3/31/2024	(362,618.84)	(273,372.60)	1,400.64	313,463.03	-	3,782.37
<b>ENDING BALANCE</b>	<b>(946,813.03)</b>	<b>(537,394.27)</b>	<b>-</b>	<b>1,073,060.48</b>	<b>574,682.23</b>	<b>158,403.98</b>

**APRIL**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
4/9/2024	-	-	126,501.16	-	-	130,283.53
4/15/2024	(488,259.53)	(261,480.11)	227,345.51	208,975.36	-	(183,135.24)
4/20/2024	-	-	94,306.12	-	-	(88,829.12)
4/30/2024	(355,976.51)	(259,263.26)	333,165.08	416,424.47	-	45,520.66
<b>ENDING BALANCE</b>	<b>(844,236.04)</b>	<b>(520,743.37)</b>	<b>-</b>	<b>781,317.87</b>	<b>625,399.83</b>	<b>(45,520.66)</b>

**MAY**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
5/1/2024	-	-	294,943.78	-	382,388.63	722,853.07
5/15/2024	(288,502.97)	(268,058.67)	286,865.41	261,219.20	-	714,376.03
5/20/2024	(147,703.02)	-	-	-	-	566,673.02
5/31/2024	(186,948.50)	(262,635.26)	266,144.96	261,219.20	-	644,453.41
<b>ENDING BALANCE</b>	<b>(623,154.49)</b>	<b>(530,693.93)</b>	<b>-</b>	<b>847,954.15</b>	<b>522,438.39</b>	<b>382,388.63</b>

**JUNE**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
6/1/2024	(347,246.70)	-	-	-	-	297,206.71
6/15/2024	(220,134.69)	(312,365.26)	10.17	-	3,130.49	(232,152.57)
6/20/2024	(41,332.37)	-	335,235.10	261,219.20	-	322,969.36
6/30/2024	(200,925.38)	(277,724.64)	230,710.82	-	211,220.84	286,250.99
<b>ENDING BALANCE</b>	<b>(809,639.14)</b>	<b>(590,089.90)</b>	<b>-</b>	<b>565,956.09</b>	<b>261,219.20</b>	<b>214,351.33</b>

<b>TOTALS</b>	<b>(12,154,182.07)</b>	<b>(6,456,999.17)</b>	<b>-</b>	<b>9,897,575.46</b>	<b>5,465,471.15</b>	<b>2,532,932.58</b>	<b>286,250.99</b>
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## **Business Manager Report 12-5-23**

### **Budget 2023-24 as of 10/31/23**

We have received \$3,910,913 or 20.89% of the adopted budget, compared to 21.87% at Oct 31, 2022 and 19.99% at Oct 31, 2021. We have expended \$4,065,744 or 21.62% of the adopted expense budget, compared to 21.80% at Oct 31, 2022 and 21.28% at Oct 31, 2021.

### **Cash Flow**

For your information. It is still very low in late winter, but there are some aids that we are entitled to that are still not showing up on our state aid reports, which is not unusual for this time of year. An example would be Q-comp.

### **Oct Bank Rec**

For your information

## Goodhue County Ed District Reconciliation Worksheet Report 10/31/2023

Audit No	Statement Date	Co	Bank Code	Bank Name/Description
1523	10/31/2023	6051	MERC	MERCHANTS BANK GENERAL

### Worksheet has been Finalized

Statement Amount 577,260.68

Deposits in Transit 0.00

**Outstanding Payments**

Checks 107,702.04

Wires 279.17

SHR - Payments 0.00

SHR - Third Party 0.00

Cash 0.00

ACH 0.00

**Adjustment Amount** (676.70)

Amount Per Bank 468,602.77

GL Account Balance 468,602.77

<b>Co</b>	<b>L</b>	<b>Fd</b>	<b>Org</b>	<b>Pro</b>	<b>Crs</b>	<b>Fin</b>	<b>O/S</b>	<b>Ty</b>
6051	B	01	101	000				F

Difference 0.00

**Adjustments**

Manual 10/31/2023 KT Wire 151.82 KT RECORDED IN NOV

Manual 10/31/2023 SWEEP Deposit (828.52) FROM SWEEP

# REVENUE & EXPENDITURE SUMMARY BY SOURCE, OBJECT SERIES & PROGRAM SERIES

Goodhue County Ed District | October 31, 2023

REVENUE CATEGORIES						June 30, 2024	June 30, 2023	June 30, 2022	Current YTD vs. PYTD	September 30, 2022	September 30, 2021
	June 30, 2022	June 30, 2023	Adopted Budget	Received YTD	Budget Remaining	% of Budget Received	% of Actuals Received	% of Actuals Received			
STATE	4,813,151	5,526,275	5,804,871	1,108,654	4,696,217	19.10%	19.14%	18.09%	50,936	1,057,718	870,888
FEDERAL	2,251,202	2,587,427	2,260,703	0	2,260,703	0.00%	7.22%	0.00%	(186,747)	186,747	0
PROPERTY TAXES	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
LOCAL SALES, INS RECOVERY & JUDGEMENTS	685	(38)	0	0	0	0.00%	0.00%	0.00%	0	0	0
SALE OF BONDS & LOANS	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
INCOMING TRANSFERS FROM OTH FUNDS	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
LOCAL (FEES, INTEREST, ETC.)	9,223,672	9,891,895	10,655,749	2,802,259	7,853,490	26.30%	27.22%	25.87%	109,766	2,692,493	2,385,774
<b>TOTALS</b>	<b>16,288,710</b>	<b>18,005,558</b>	<b>18,721,323</b>	<b>3,910,913</b>	<b>14,810,410</b>	<b>20.89%</b>	<b>21.87%</b>	<b>19.99%</b>	<b>(26,044)</b>	<b>3,936,958</b>	<b>3,256,662</b>

EXPENDITURES (OBJECT SERIES)						June 30, 2024	June 30, 2023	June 30, 2022	Current YTD vs. PYTD	September 30, 2022	September 30, 2021
	June 30, 2022	June 30, 2023	Adopted Budget	Expended YTD	Budget Remaining	% of Budget Expended	% of Actuals Expended	% of Actuals Expended			
SALARIES & WAGES	8,344,468	9,460,185	9,916,686	2,056,998	7,859,688	20.74%	21.39%	19.28%	33,843	2,023,154	1,609,217
EMPLOYEE BENEFITS	2,223,951	2,512,992	2,561,895	588,971	1,972,924	22.99%	20.77%	19.15%	66,929	522,042	425,803
PURCHASED SERVICES	3,795,640	4,342,464	4,440,752	726,563	3,714,189	16.36%	16.60%	11.84%	5,843	720,719	449,308
SUPPLIES	890,342	742,772	773,369	431,768	341,601	55.83%	54.93%	54.72%	23,786	407,983	487,234
EQUIPMENT	1,128,431	1,122,686	1,084,745	242,033	842,712	22.31%	26.58%	44.70%	(56,386)	298,419	504,417
DEBT SERVICE	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
OTHER EXPENDITURES	21,215	119,374	26,150	19,411	6,739	74.23%	14.40%	69.56%	2,222	17,189	14,757
OTHER FINANCING USES	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	14
<b>TOTALS</b>	<b>16,404,047</b>	<b>18,300,473</b>	<b>18,803,597</b>	<b>4,065,744</b>	<b>14,737,853</b>	<b>21.62%</b>	<b>21.80%</b>	<b>21.28%</b>	<b>76,237</b>	<b>3,989,507</b>	<b>3,490,735</b>

EXPENDITURES (PROGRAM SERIES)						June 30, 2024	June 30, 2023	June 30, 2022	Current YTD vs. PYTD	September 30, 2022	September 30, 2021
	June 30, 2022	June 30, 2023	Adopted Budget	Expended YTD	Budget Remaining	% of Budget Expended	% of Actuals Expended	% of Actuals Expended			
SITE ADMINISTRATION	287,209	320,461	325,209	105,022	220,187	32.29%	29.44%	30.25%	10,681	94,340	86,884
DISTRICT ADMINISTRATION	69,508	68,996	74,691	25,172	49,519	33.70%	35.22%	41.80%	873	24,299	29,055
SUPPORT SERVICES	245,155	250,828	300,137	183,456	116,681	61.12%	57.93%	54.25%	38,140	145,316	132,995
REGULAR INSTRUCTION	2,522,391	3,033,317	3,013,938	358,948	2,654,990	11.91%	12.29%	9.48%	(13,956)	372,904	239,239
EXTRA-CURRICULAR ACTIVITIES	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
VOCATIONAL INSTRUCTION	351,614	299,927	385,019	74,499	310,520	19.35%	14.80%	13.14%	30,107	44,392	46,206
SPECIAL EDUCATION	9,014,155	10,162,969	10,478,105	2,393,694	8,084,411	22.84%	24.06%	19.95%	(51,441)	2,445,135	1,798,086
COMMUNITY SERVICES	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
INSTRUCTIONAL SUPPORT	698,392	752,469	553,089	272,665	280,424	49.30%	28.41%	48.76%	58,881	213,784	340,526
PUPIL SUPPORT SERVICES	1,800,017	1,982,331	2,197,000	385,506	1,811,494	17.55%	17.20%	14.48%	44,449	341,057	260,580
FACILITIES	1,415,606	1,429,174	1,476,409	266,781	1,209,628	18.07%	21.57%	39.36%	(41,498)	308,279	557,164
OTHER FINANCING USES	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
<b>TOTALS</b>	<b>16,404,047</b>	<b>18,300,473</b>	<b>18,803,597</b>	<b>4,065,744</b>	<b>14,737,853</b>	<b>21.62%</b>	<b>21.80%</b>	<b>21.28%</b>	<b>76,237</b>	<b>3,989,507</b>	<b>3,490,735</b>

SUMMARY - ALL FUNDS						June 30, 2024	June 30, 2023	June 30, 2022	Current YTD vs. PYTD	September 30, 2022	September 30, 2021
	June 30, 2022	June 30, 2023	Adopted Budget	YTD	Budget Remaining	% of Budget Expended	% of Actuals Expended	% of Actuals Expended			
<b>SUMMARY</b>											
REVENUE	16,288,710	18,005,558	18,721,323	3,910,913	14,810,410	20.89%	21.87%	19.99%	(26,044)	3,936,958	3,256,662
EXPENDITURES	16,404,047	18,300,473	18,803,597	4,065,744	14,737,853	21.62%	21.80%	21.28%	76,237	3,989,507	3,490,735
SPENDING VARIANCE	(115,336)	(294,915)	(82,274)	(154,830)	N/A	N/A	N/A	N/A	(102,281)	(52,550)	(234,073)

- C. Opioid Grant Participation
- V. **Old Business:**
  - A. Second Reading of Policy 70 Remote Work Policy

**70 REMOTE WORK POLICY**

**I. PURPOSE**

The purpose of this policy is to provide remote work opportunities for Goodhue County Education District staff as necessary and appropriate.

**II. REMOTE WORK ELIGIBILITY DEFINITIONS**

- A. Full-Time Remote  
Eligible for Full-Time, 5 days a week remote work.
- B. Hybrid Remote  
Eligible for a regular remote work schedule, up to 3 days of remote work per week, determine schedule with advanced consultation with direct supervisor.
- C. Ad-Hoc Remote  
Eligible for up to 8 hours per work week, on an ad hoc basis, with advance consultation with supervisor, no regular remote work schedule.
- D. Direct School Support  
No regular remote work schedule because role is expected to provide direct school-based support while students are present or building is open to public.

**III. GENERAL STATEMENT OF POLICY**

- A. The policy of the Education District is to provide remote work options for staff who can complete the essential functions of their position by working remotely.
- B. Determination of position eligibility is determined by the Executive Director in consultation with direct supervisors.
- C. Eligible remote work schedules will be determined by the direct supervisor.
- D. Remote work may be short-term (less than 30 days) or long-term (more than 30 days) as determined by the Executive Director.
- E. The Education District reserves the right to terminate a remote work arrangement at any time without agreement from the affected employee.
- F. No grievances may result from remote work arrangements.

VI. **New Business:**  
A. FY23 Audit Report

November 30, 2023

To the Board of Education of  
Goodhue County Education District #6051-61

Red Wing, Minnesota

We have audited the financial statements of Goodhue County Education District #6051-61 as of and for the year ended June 30, 2023, and have issued our report thereon dated November 30, 2023. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit and Single Audit**

As stated in our engagement letter dated September 28, 2023, we are responsible for conducting our audits in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), *Government Auditing Standards* of the Comptroller General of the United States of America, the requirements of the Single Audit Act, as amended; and the provisions of the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), for the purpose of forming and expressing opinions on the financial statements and on major federal award program compliance. Our audits do not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Goodhue County Education District #6051-61 solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility as it relates to the schedule of expenditures of federal awards is to evaluate its presentation for the purpose of forming and expressing an opinion as to whether it is presented fairly in all material respects in relation to the financial statements as a whole.

Our audits included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions to be examined and the areas to be tested. Our audit procedures also included determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs.

**Our Responsibility in Relation to the Financial Statement Audit and Single Audit (continued)**

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or material noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards* of the Comptroller General of the United States of America, the requirements of the Single Audit Act, as amended; and the provisions of the Uniform Guidance.

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

We have provided our findings regarding significant control deficiencies over financial reporting and other matters noted during our audit in a separate letter to you dated November 30, 2023.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you in the engagement letter dated September 28, 2023.

**Compliance with All Ethics Requirements Regarding Independence**

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

**Significant Risks Identified**

We have identified the following significant risks:

Segregation of duties are an issue for any entity of your size. Management's awareness of the risk was considered and there was no reliance on any controls in place during the audit.

Receivables and related revenue recognition, which require special audit consideration due to the potential magnitude of misstatement.

**Qualitative Aspects of the Entity's Significant Accounting Practices**

*Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As discussed in Note 1 to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, during the year ended June 30, 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

**Qualitative Aspects of the Entity's Significant Accounting Practices (continued)**

*Significant Accounting Estimates*

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

The most sensitive accounting estimates affecting the financial statements were:

*Depreciation of Capital Assets*

Management's estimate of the useful life of purchased, constructed or contributed capital assets is based on the estimated productive life of these assets. We evaluated key factors and assumptions used to develop the estimated useful lives assigned to capital assets and determined that these lives were reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

*OPEB and Pension Liabilities*

Management's estimate of the OPEB and Pension liabilities are actuarially determined. We evaluated key factors and assumptions used to develop the estimates used in the study and determined they were reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

*General and Special Education Aid Receivables*

Management's estimate of federal and special education aid receivables are based on the latest reports available from the Minnesota Department of Education. We evaluated key factors and assumptions used to develop these estimates and determined that they were reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

*Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement user.

**Significant Difficulties Encountered during the Audit**

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

**Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant Goodhue County Education District #6051-61's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

**Representations Requested from Management**

We have requested certain written representations from management, which are included in our separate letter dated November 30, 2023.

**Management's Consultations with Other Accountants**

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

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with Goodhue County Education District #6051-61 we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Goodhue County Education District #6051-61's auditors.

Restriction on Use

This information is intended solely for the use of the Board of Education and management of Goodhue County Education District #6051-61, Red Wing, Minnesota, the Minnesota Department of Education, the Minnesota State Auditor's Office and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Smith, Schaefer and Associates, Ltd.*

Red Wing, Minnesota

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**



**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA  
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**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**INTRODUCTORY SECTION**

**JUNE 30, 2023**

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**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
 RED WING, MINNESOTA  
 BOARD OF EDUCATION AND ADMINISTRATION  
 JUNE 30, 2023**

	<u>2022 - 2023</u>	<u>Representative of School District</u>
Dawn Balow	Chairperson	Lake City
Jerry Stehr	Vice Chairperson	Goodhue
Bob Brintnall	Office of Business Affairs	Cannon Falls
Jason Lohmann	Director	Zumbrota-Mazeppa
Terese Bjornstad	Director	Red Wing
Marilyn Syverson	Director	Kenyon - Wanamingo

Executive Director

Cherie Johnson

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**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**FINANCIAL SECTION**

**JUNE 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Goodhue County Education District #6051-61  
**Red Wing, Minnesota**

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Goodhue County Education District #6051-61, Red Wing, Minnesota, as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

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

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

***Other Information***

Management is responsible for the other information included in the report. The other information comprises the introductory section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Report on Summarized Comparative Information***

The financial statements include partial prior year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statement for the year ended June 30, 2022, from which such partial information was derived.

We have previously audited the District's 2022 financial statements and our report, dated November 14, 2022, expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated November 30, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Smith, Schafu and Associates, Ltd.*

Red Wing, Minnesota  
November 30, 2023

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the Goodhue County Education District #6051-61's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2022-2023 fiscal year include the following:

- Goodhue County Education District is made up of six member districts including Cannon Falls #252, Goodhue #253, Kenyon-Wanamingo #2172, Lake City #813, Red Wing #256, and Zumbrota-Mazeppa #2805.
- The District is the fiscal host for Alternative Education Services. In 2021-22 the District was host to two alternative high schools, Pathways, and Tower View ALC, one middle level program, Pathways. Targeted Services and Credit Recovery programs, hosted by GCED, were held in all of our member districts.
- The District began hosting supplemental online courses for its districts beginning in 2015-16. In 2020-21 the District was approved to be an Online Learning Provider. 5RiversOnline, a comprehensive full-time option, opened in the fall of 2022.

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**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 supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide financial statements.
- The governmental funds statements tell how basic services such as elementary and secondary regular instruction and special education were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The remainder of this overview section of Management's Discussion and Analysis highlights the structure and contents of each of the statements.

**DISTRICT-WIDE STATEMENTS**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating. To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and facilities.

In the district-wide financial statements the District's activities are shown in one category titled Governmental Activities. Most of the District's basic services are included here, such as elementary and secondary regular instruction, special education, and administration. These activities are financed mainly by participating district's revenues and federal funds.

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the District's fund. Funds are accounting devices the District used to keep track of specific sources of funding and spending on particular programs.

**The District funds include:**

- **Governmental funds** – All of the District's basic services are included in a governmental fund. The focus of the governmental fund is how cash and other financial assets can be converted to cash flow in and out, and the balances remaining at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional reconciliations that explain the relationship between them.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Position.** The District's net position from governmental activities was a deficit balance of \$7,413,852 on June 30, 2023. This was a decrease in the deficit balance of \$816,255 from the prior year.

	Total	
	2023	2022
<b>Assets</b>		
Current and other assets	\$ 4,599,836	\$ 4,198,514
Capital assets	10,749,493	11,079,428
Total assets	15,349,329	15,277,942
<b>Deferred Outflows of Resources</b>	4,906,589	4,269,739
<b>Liabilities</b>		
Current liabilities	3,716,756	3,024,070
Long-Term liabilities	22,466,062	17,501,381
Total liabilities	26,182,818	20,525,451
<b>Deferred Inflows of Resources</b>	1,486,952	7,252,337
<b>Net Position</b>		
Net investment in capital assets	(939,551)	(1,111,042)
State-mandated restrictions	84,274	71,346
Unrestricted	(6,558,575)	(7,190,411)
Total net position	\$ (7,413,852)	\$ (8,230,107)

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)**

**District's Revenue.** The District's total revenues were \$18,005,562 for the year ended June 30, 2023, compared to \$16,288,709 for the year ended June 30, 2022. The federal government subsidized certain programs with grants and contributions totaling \$2,587,428. However, most of the District's costs were paid with \$13,962,094 in charges for services, \$543,728 in aid from Goodhue County, and the remainder with other general revenues and investment earnings.

A condensed version of the Statement of Activities follows:

	Total	
	2023	2022
<b>Revenue</b>		
Program revenues:		
Charges for services	\$ 13,962,094	\$ 13,017,914
Operating grants and contributions	3,254,499	2,803,321
General revenues:		
Unrestricted state sources	762,265	451,444
Other sources	26,704	16,030
Total revenues	18,005,562	16,288,709
<b>Expenses</b>		
District and school administration	245,595	348,821
District support services	189,738	242,979
Regular instruction	3,149,197	2,496,748
Vocational instruction	301,018	336,253
Special education	8,625,570	8,891,259
Instructional support services	797,250	604,260
Pupil support services	2,302,557	1,770,601
Site, buildings, and equipment	1,231,399	1,085,902
Fiscal and other fixed cost programs	346,983	325,566
Total expenses	17,189,307	16,102,389
Change in net position	816,255	186,320
Net position, beginning of year	(8,230,107)	(8,416,427)
Net position, end of year	\$ (7,413,852)	\$ (8,230,107)

The cost of all governmental activities was \$17,189,307 for the year ended June 30, 2023, compared to \$16,102,389 for the year ended June 30, 2022. This increase of \$1,086,918 is primarily due to increased staffing needs because of growth in all programs.

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$1,010,638, a decrease of \$294,913 from last year's ending fund balance of \$1,305,551.

**General Fund**

The General Fund includes the primary operations of the District in providing educational services to students from birth through age 21.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the annual operating budget. In June 2022, a preliminary budget was approved. In February 2023, the final revision of the budget was approved, but the revision was done for the following reasons:

- Programs have to be decided on over the summer months due to changing number of children attending. For instance, Early Childhood class registration numbers in the member districts often changes as children qualify.
- Final hiring of the complete staff.
- High needs students enrolling throughout the year requiring staffing changes or additions.
- Addition of new grants and updated federal grant allocations.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2023, the District had \$10,749,493 of capital assets, net of accumulated depreciation. Total depreciation expense for the year was \$650,531.

	Total	
	2023	2022
Land	\$ 134,200	\$ 134,200
Site Improvements	397,610	397,610
Buildings	14,073,528	14,000,028
Equipment	960,530	713,434
Total Capital Assets	15,565,868	15,245,272
Less accumulated depreciation	(4,816,375)	(4,165,844)
Total	<u>\$ 10,749,493</u>	<u>\$ 11,079,428</u>

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)**

**Long-Term Liabilities**

A summary of outstanding long-term liability as of June 30, 2023, is as follows:

	Total	
	2023	2022
Taxable Refunding Certificates of Participation 2020	\$ 11,720,000	\$ 12,330,000
2015 Capital Lease Payable - HVAC	155,200	230,047
2022 Capital Lease Payable - Chromebooks Lease #1	17,933	23,627
2022 Capital Lease Payable - Chromebooks Lease #2	39,704	52,310
2023 Capital Lease Payable - Enterprise Vehicle 25NJ4N	16,706	
2023 Capital Lease Payable - Enterprise Vehicle 25NJ4S	16,707	
2023 Capital Lease Payable - Enterprise Vehicle 25NJ4V	16,706	
2023 Capital Lease Payable - Enterprise Vehicle 25NJ4X	16,707	
2023 Capital Lease Payable - Enterprise Vehicle 25NJ5C	16,706	
2023 Capital Lease Payable - Enterprise Vehicle 25NJ53	16,685	
2023 Capital Lease Payable - Enterprise Vehicle 25NJ58	16,681	
2023 Capital Lease Payable - Enterprise Vehicle 25NPFZ	16,632	
2023 Capital Lease Payable - Enterprise Vehicle 263V7W	20,569	
2023 Capital Lease Payable - Enterprise Vehicle 263V8V	20,569	
Compensated Absences Payable	57,476	46,381
Severance Payable	25,347	18,751
Certificates of Participation Discount	(39,697)	(42,314)
Total	<u>\$ 12,150,631</u>	<u>\$ 12,658,802</u>

**FACTORS BEARING ON THE DISTRICT'S FUTURE**

The District is dependent on the member districts' participation. The member districts are billed according to the services provided to them and the number of students that are attending the Setting IV, online, and ALC programs, as well as services they each require. The Education District, to the extent possible, keeps the local costs down by using federal funds, reductions in member district bills, county grants, and, if possible, sharing employees so the districts do not incur the entire cost of a full-time staff person when only a part time staff person is needed. Starting in the 2013-14 school year the District became the fiscal host for the county-wide Alternative Education Programs. Starting in the 2015-2016 school year, the District began hosting supplemental online course licenses, with the addition of full-time online courses in 2021-22.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the District Office, Goodhue County Education District, 395 Guernsey Lane, Red Wing, MN 55066.

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2023**

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**GOODHUE COUNTY EDUCATION DISTRICT #6051-61**  
**RED WING, MINNESOTA**  
**STATEMENT OF NET POSITION**  
June 30, 2023  
(With Comparative Data as of June 30, 2022)

	Governmental Activities	
	2023	2022
<b>Assets</b>		
Cash and investments	\$ 1,001,453	\$ 324,087
Accounts receivable	8,313	2,273
Due from other Minnesota districts	1,608,640	2,168,881
Due from Department of Education	1,060,541	709,575
Due from Federal through Minnesota Department of Education	812,693	853,745
Due from other governmental units	1,604	25,733
Prepaid items	106,592	114,220
Capital Assets:		
Nondepreciable	134,200	134,200
Depreciable, net	10,615,293	10,945,228
<b>TOTAL ASSETS</b>	<b>15,349,329</b>	<b>15,277,942</b>
<b>Deferred Outflows of Resources</b>		
Deferred outflows from pension activities	4,512,890	3,851,229
Deferred outflows from OPEB activities	14,935	15,310
Deferred charge on debt refunding	378,764	403,200
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>4,906,589</b>	<b>4,269,739</b>
<b>Liabilities</b>		
Accounts payable	62,903	92,765
Salaries and wages payable	1,204,190	1,103,502
Due to other Minnesota districts	1,497,596	946,729
Due to other governmental units	491,708	467,944
Accrued payroll taxes and benefits	286,788	275,853
Accrued interest payable	127,558	131,107
Unearned revenue	46,013	6,170
Long-Term Liabilities:		
Due within one year	760,067	707,831
Due in more than one year	11,390,564	11,950,971
Net pension liability	10,075,598	4,644,669
Other postemployment benefits payable	239,833	197,910
<b>TOTAL LIABILITIES</b>	<b>26,182,818</b>	<b>20,525,451</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows from pension activities	1,409,826	7,159,747
Deferred inflows from OPEB activities	77,126	92,590
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,486,952</b>	<b>7,252,337</b>
<b>Net Position</b>		
Net investment in capital assets	(939,551)	(1,111,042)
State-mandated restrictions	84,274	71,346
Unrestricted	(6,558,575)	(7,190,411)
<b>TOTAL NET POSITION</b>	<b>\$ (7,413,852)</b>	<b>\$ (8,230,107)</b>

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61**  
**RED WING, MINNESOTA**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2023  
(With Partial Comparative Data as of June 30, 2022)

	2023			
		Program Revenues		
<u>Functions/Programs</u>	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
District and school administration	\$ 245,595	\$	\$	\$
District support services	189,738			
Regular instruction	3,149,197	1,486,400		
Vocational instruction	301,018		250,103	
Special education	8,625,570	12,475,694	3,004,396	
Instructional support services	797,250			
Pupil support services	2,302,557			
Site, buildings, and equipment	1,231,399			
Fiscal and other fixed cost programs	346,983			
Total governmental activities	\$ 17,189,307	\$ 13,962,094	\$ 3,254,499	\$

General Revenues:  
State sources  
Other general revenues  
Investment earnings  
Sale of materials  
Total general revenues

Change in net position

Net position - Beginning

Net Position - Ending

2023	2022
Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Governmental Activities	Governmental Activities
\$ (245,595)	\$ (348,821)
(189,738)	(242,979)
(1,662,797)	(1,072,290)
(50,915)	(98,980)
6,854,520	5,268,245
(797,250)	(604,260)
(2,302,557)	(1,770,601)
(1,231,399)	(1,085,902)
(346,983)	(325,566)
27,286	(281,154)
762,265	451,444
9,011	14,225
17,693	1,330
	475
788,969	467,474
816,255	186,320
(8,230,107)	(8,416,427)
\$ (7,413,852)	\$ (8,230,107)

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61**  
**RED WING, MINNESOTA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2023  
(With Comparative Data as of June 30, 2022)

	<u>Total Governmental Funds</u>	
	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and investments	\$ 1,001,453	\$ 324,087
Accounts receivable	8,313	2,273
Due from other Minnesota districts	1,608,640	2,168,881
Due from Department of Education	1,060,541	709,575
Due from Federal through Minnesota Department of Education	812,693	853,745
Due from other governmental units	1,604	25,733
Prepaid items	106,592	114,220
<b>TOTAL ASSETS</b>	<b>\$ 4,599,836</b>	<b>\$ 4,198,514</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 62,903	\$ 92,765
Salaries and wages payable	1,204,190	1,103,502
Due to other Minnesota districts	1,497,596	946,729
Due to other governmental units	491,708	467,944
Accrued payroll taxes and benefits	286,788	275,853
Unearned revenue	46,013	6,170
<b>TOTAL LIABILITIES</b>	<b>3,589,198</b>	<b>2,892,963</b>
<b>FUND BALANCE</b>		
Nonspendable	106,592	114,220
Restricted	84,274	71,346
Unassigned	819,772	1,119,985
<b>TOTAL FUND BALANCES</b>	<b>1,010,638</b>	<b>1,305,551</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 4,599,836</b>	<b>\$ 4,198,514</b>

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA  
RECONCILIATION OF NET POSITION IN THE  
DISTRICT-WIDE FINANCIAL STATEMENTS AND FUND BALANCE  
IN THE FUND BASIS FINANCIAL STATEMENTS  
June 30, 2023**

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

Total governmental fund balances (pages 14)		\$ 1,010,638
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental funds - capital assets	\$ 15,565,868	
Less: Accumulated depreciation	<u>(4,816,375)</u>	10,749,493
Interest on long-term debt is not accrued in governmental funds, but rather recognized as an expenditure when paid		
		(127,558)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		
Certificates of participation payable	\$ (11,720,000)	
Unamortized certificates of participation discount	39,697	
Deferred charge on debt refunding	378,764	
Capital leases payable	(387,505)	
Net pension liability	(6,972,534)	
Compensated absences	(57,476)	
Separation and severance payable	(25,347)	
Other postemployment benefits payable	<u>(302,024)</u>	<u>(19,046,425)</u>
Net position of governmental activities (page 11)		<u><u>\$ (7,413,852)</u></u>

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61**  
**RED WING, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2023  
(With Comparative Data for the Year Ended June 30, 2022)

	<u>Total Governmental Funds</u>	
	<u>2023</u>	<u>2022</u>
<b>REVENUES</b>		
Other local and county sources	\$ 9,891,858	\$ 9,223,671
State sources	5,526,276	4,813,152
Federal sources	2,587,428	2,251,201
Sales and other conversion of assets		210
<b>TOTAL REVENUES</b>	<b>18,005,562</b>	<b>16,288,234</b>
<b>EXPENDITURES</b>		
District and school administration	389,460	356,718
District support services	250,828	245,155
Regular instruction	3,033,317	2,522,391
Vocational instruction	299,927	351,614
Special education	10,112,093	9,014,155
Instructional support services	732,306	698,392
Pupil support services	1,982,331	1,800,017
Site, buildings, and equipment	648,255	513,872
Fiscal and other fixed cost programs	1,069,337	997,834
<b>TOTAL EXPENDITURES</b>	<b>18,517,854</b>	<b>16,500,148</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(512,292)</b>	<b>(211,914)</b>
<b>OTHER FINANCING SOURCES</b>		
Sale of materials		475
Issuance of capital leases payable	217,379	96,100
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>217,379</b>	<b>96,575</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(294,913)</b>	<b>(115,339)</b>
<b>FUND BALANCE - BEGINNING</b>	<b>1,305,551</b>	<b>1,420,890</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 1,010,638</b>	<b>\$ 1,305,551</b>

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2023**

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

Net change in fund balances - total governmental funds (pages 16) \$ (294,913)

Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$ 320,596	
Depreciation expense	(650,531)	
		(329,935)

The governmental funds report long-term debt proceeds as financing sources, while repayment of long-term debt principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligations bonds and related items is as follows.

Principal retirement on certificates of participation	\$ 610,000	
Change in accrued interest expense	3,549	
Amortization of deferred charge on debt refunding	(24,436)	
Amortization of certificate of participation discount	(2,617)	
		586,496

Some capital asset additions are financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability. Repayment of capital lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the statement of net position.

Principal retirement of capital leases payable	\$ 135,858	
Issuance of capital leases payable	(217,379)	
		(81,521)

In the statement of activities, certain operating expenses - severance benefits, compensated absences, and other postemployment benefits - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).

Net pension liability	\$ 980,653	
Compensated absences payable	(11,095)	
Severance payable	(6,596)	
Other postemployment benefits payable	(26,834)	
		936,128

Change in net position of governmental activities (pages 12 and 13) \$ 816,255

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61**  
**RED WING, MINNESOTA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2023  
(With Partial Comparative Data for the Year Ended June 30, 2022)

	Budgeted Amounts		2023 Actual	Over (Under) Final Budget	2022 Actual
	Original	Final			
<b>REVENUES</b>					
Other local and county sources	\$ 10,551,321	\$ 10,407,571	\$ 9,891,858	\$ (515,713)	\$ 9,223,671
State sources	4,664,266	5,071,764	5,526,276	454,512	4,813,152
Federal sources	2,432,443	2,550,560	2,587,428	36,868	2,251,201
Sales and other conversion of assets	1,700	1,700		(1,700)	210
<b>TOTAL REVENUES</b>	<b>17,649,730</b>	<b>18,031,595</b>	<b>18,005,562</b>	<b>(26,033)</b>	<b>16,288,234</b>
<b>EXPENDITURES</b>					
District and school administration	374,464	406,183	389,460	(16,723)	356,718
District support services	233,940	258,749	250,828	(7,921)	245,155
Regular instruction	2,893,416	2,870,775	3,033,317	162,542	2,522,391
Vocational instruction	364,528	292,187	299,927	7,740	351,614
Special education	9,935,178	10,206,232	10,112,093	(94,139)	9,014,155
Instructional support services	371,105	550,306	732,306	182,000	678,229
Pupil support services	2,087,135	2,051,663	1,982,331	(69,332)	1,800,017
Site, buildings, and equipment	478,568	485,235	648,255	163,020	513,872
Fiscal and other fixed cost programs	1,083,673	1,083,673	1,069,337	(14,336)	1,017,997
<b>TOTAL EXPENDITURES</b>	<b>17,822,007</b>	<b>18,205,003</b>	<b>18,517,854</b>	<b>312,851</b>	<b>16,500,148</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(172,277)</b>	<b>(173,408)</b>	<b>(512,292)</b>	<b>(338,884)</b>	<b>(211,914)</b>
<b>OTHER FINANCING SOURCES</b>					
Sale of materials	300	300		(300)	475
Issuance of capital leases payable			217,379	217,379	96,100
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>300</b>	<b>300</b>	<b>217,379</b>	<b>217,079</b>	<b>96,575</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(171,977)</b>	<b>(173,108)</b>	<b>(294,913)</b>	<b>(121,805)</b>	<b>(115,339)</b>
<b>FUND BALANCE - BEGINNING</b>	<b>1,305,551</b>	<b>1,305,551</b>	<b>1,305,551</b>		<b>1,420,890</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 1,133,574</b>	<b>\$ 1,132,443</b>	<b>\$ 1,010,638</b>	<b>\$ (121,805)</b>	<b>\$ 1,305,551</b>

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**NOTES TO FINANCIAL STATEMENTS**

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**1. Summary of Significant Accounting Policies**

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Goodhue County Education District #6051-61 (the District) is a public agency established to provide, by cooperative effort, comprehensive educational programs and other such services as can be efficiently and effectively operated by its group of six-member Independent School Districts (ISD).

The governing body consists of one School Board member representative from each of the six member districts. These Districts are Kenyon-Wanamingo ISD #2172, Goodhue ISD #253, Zumbrota-Mazeppa ISD #2805, Red Wing ISD #256, Cannon Falls ISD #252, and Lake City ISD #813.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The GASB pronouncements are recognized as accounting principles generally accepted in the United States of America for state and local governments. The following is a summary of the more significant accounting policies:

*Financial Reporting Entity*

Accounting principles generally accepted in the United States of America (GAAP) require that the District's financial statements include all funds, account groups, departments, agencies, boards, commissions, and other organizations which are not legally separated from the District. In addition, the District's financial statements are to include all component units - entities for which the District is financially accountable.

The criteria for including organizations as component units within the District's reporting entity, as set forth in Governmental Accounting Standards Board (GASB) accounting reporting standards, include whether the organization is legally separate (can sue and be sued in their own name), holds the corporate powers of the organization, appoints a voting majority of the organization's board, is able to impose its will on the organization, the organization has the potential to impose a financial benefit/burden on the District, and there is fiscal dependency by the organization on the District. Based on the aforementioned criteria, the District has no component units.

*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.

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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**1. Summary of Significant Accounting Policies (Continued)**

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Basic Financial Statement Presentation (Continued)

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, restricted resources are applied first. The School Board reports all direct expenses by function in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. Generally, the effect of material interfund activity has been removed from the District-wide financial statements.

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

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The District-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

Governmental fund types are accounted for using the modified accrual basis of accounting. Under this method revenues are recognized when susceptible to accrual, i.e. both measurable and available to finance expenditures of the fiscal period. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Minnesota statutes generally control when state aids revenues should be recognized. Federal revenues are recorded in the year in which the eligible expenditures are made. If the amounts of Minnesota or federal revenues cannot be reasonably estimated or realization is not reasonably assured, they are not recorded as revenue in the current year. Special education revenue and property taxes are received by individual school districts; the Education District then bills schools on a pro rata share of their total expenditures.

Expenditures are generally recognized using the modified accrual basis of accounting when a related fund liability is incurred. Exceptions to this rule include (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued, and (2) principal and interest on general long-term debt which is recognized when due.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange transaction takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**1. Summary of Significant Accounting Policies (Continued)**

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Measurement Focus and Basis of Accounting (Continued)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include grants and donations. Revenue from grants and donations are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements including timing requirements, which specify the year in when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it is recognized.

Unearned revenue is recorded when assets are recognized before revenue recognition criteria have been satisfied. Grants received before eligibility requirements other than time requirements are met and recorded as unearned revenue. Grants received before time requirements are met are recorded as a deferred inflow of resources.

Description of Funds

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of the individual funds in the governmental fund category) for the determination of major funds.

A description of each major fund of the District is presented as follows:

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

Budgets and Budgetary Accounting

The Board adopts an annual budget for funds of the District on a basis consistent with United States generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as revised by the Board of Education.

Unexpended budgeted amounts lapse at the end of the budget year. Spending control for the general fund is established by the amount of expenditures budgeted for the fund, but management control is exercised at budgetary line item levels.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**1. Summary of Significant Accounting Policies (Continued)**

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Cash and Investments

Cash balances are invested, to the extent available, in the Minnesota School District Liquid Asset Fund. Earnings from such investments are recorded in the General Fund. These short-term investments are stated at cost, which approximates market value.

Accounts Receivable

Represents amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary.

Prepaid Items

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

Deferred Outflows of Resources

In addition to assets, the financial statements will sometimes report a separate section of deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The District has three types of items which occur related to revenue recognition. The deferred outflows of resources are related to the deferred charge on refunding, pension, and OPEB. The deferred charge on refunding resulted from a difference between the reacquisition price and net carrying amount of the old debt. This difference is being amortized and charged to operations over the bond term using the straight-line method.

Deferred Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate financial statement element, deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items which occur related to revenue recognition. The deferred outflows of resources are pension and OPEB related.

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 investment in 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 is reported as restricted in the District-wide financial statement when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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1. Summary of Significant Accounting Policies (Continued)

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Fund Balance

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable portions of fund balance relate to prepaid items. Restricted funds are constrained by outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the Board of Education. The District currently doesn't report any committed fund balances. The Board of Education passed a resolution authorizing the Board Chair, Director, and Business Manager the ability to assign fund balances and their intended uses. Unassigned fund balances are considered the remaining amounts.

Capital Assets

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$1,500. Donated capital assets are recorded at their estimated acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the District-wide financial statements but are not reported in the Fund financial statements. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

	<u>Useful Life in Years</u>
Buildings	20 - 50
Equipment and site improvements	5 -20

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.

Pensions

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

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis and Minneapolis School District. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association 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 (DTRFA) in 2015. Additional information can be found in Note 10.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**1. Summary of Significant Accounting Policies (Continued)**

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Compensated Absences

Unpaid sick leave has not been accrued in the General Fund, as this benefit does not vest to employees. It is recorded as an expense in the period paid. (See Note 7 on compensated absences and severance pay.)

Long-term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Long-term debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Long-term debt payable is reported net of the applicable premium or discount. Long-term debt issuance costs are reported as expense in the period they are incurred.

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

Other Postemployment Benefits

Under the terms of certain collectively bargained employment contracts, including the teachers' and administrators' contracts, the District makes no contributions toward the health insurance premiums of retired employees. However, the District has an implicit rate or subsidy for OPEB. This amount was actuarially determined in accordance with GASB Statement No. 75.

Use of Estimates

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

Prior Period Comparative Financial Data

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**1. Summary of Significant Accounting Policies (Continued)**

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Implementation of New Accounting Principles

During the year, the District implemented *GASB Statement No. 96, Subscription-Based Information Technology Arrangements*. This Statement provides guidance on accounting and financial reporting for subscription-based information technology. Under this Statement, government organizations are required to recognize a subscription liability and a right-to-use capitalized asset. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. This Statement establishes uniform accounting and financial reporting requirements for Subscription Based Information Technology Arrangements; improves the comparability of government financial statements; and enhances the relevance, understandability, reliability, and consistency of information regarding these arrangements. The Statement has been implemented.

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**2. Stewardship and Accountability**

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Excess of expenditures over appropriations at the individual fund level during 2023 were as follows:

General Fund	\$ 312,851
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All excess expenditures were the result of planned processes.

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**3. Cash and Investments**

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Summary of Cash and Investments

As of June 30, 2023, the District's cash and investments consisted of the following items:

Deposits	\$ 663,983
Minnesota School District Liquid Asset Fund (MSDLAF)	<u>337,470</u>
Total Cash and Investments	<u>\$ 1,001,453</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**3. Cash and Investments (Continued)**

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*Investments Authorized by Minnesota Statutes*

The District is authorized by Minnesota Statutes to invest idle funds as follows:

- a) Direct obligations or obligations guaranteed by the United States or its agencies.
- b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and receives the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less.
- c) General obligations rated "A" or better; revenue obligations rated "AA" or better.
- d) General obligations of the Minnesota Housing Finance Agency rated "A" or better.
- e) Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System.
- f) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality category by at least two nationally recognized rating agencies and maturing in 270 days or less.
- g) Repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
- h) Guaranteed Investments Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories.

*Custodial Credit Risk*

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's deposit policy for custodial credit risk follows Minnesota Statutes for deposits. The District's deposits are entirely covered by federal depository insurance or by collateral held by the District's custodial banks in the District's name.

Minnesota Statutes require that all District deposits be insured, secured by surety bonds or be collateralized. Except for notes secured by first mortgages of future maturity, the market value of collateral pledged by the custodial bank must equal 110% of the deposits not covered by insurance or surety bonds.

Authorized collateral includes certain state or local government obligations and legal investments. Minnesota Statutes also require that securities pledged as collateral be held in safekeeping by the Treasurer, or in a financial institution other than the institution furnishing the collateral.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**3. Cash and Investments (Continued)**

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Credit Risk

The District has no investment policy that would limit its investment choices.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Fair Value Measurement

Fair value measurements are determined utilizing the framework established by the Governmental Accounting Standards Board. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data. Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets
  - Quoted prices for identical assets or liabilities in inactive markets
  - Inputs other than quoted prices that are observable for the asset or liability
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specific (contractual) term, Level 2 input must be observable for substantially the full term of the asset or liability

- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

There were no assets measured at fair value on a reoccurring basis noted at the District.

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**3. Cash and Investments (Continued)**

*Fair Value Measurement (Continued)*

At June 30, 2023, the District's investment balances were as follows:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk - Maturity Duration in Years				
	Rating	Agency		No Maturity Date	Less Than 1	1 to 5	6 to 10	Total
MSDLAF+ Liquid Class	AAAa	S&P	N/A	\$ 4,416	\$	\$	\$	\$ 4,416
MSDLAF+ Max Class	AAAa	S&P	N/A	333,054				333,054
Total Investments				\$ 337,470	\$	\$	\$	\$ 337,470

N/A - Not applicable

Minnesota School District Liquid Asset Fund (MSDLAF) Plus Liquid Class, and MSDLAF Plus Max Class are external investment pools not registered with the Securities and Exchange Commission regulated by Minnesota Statutes. The District's investments in these investment pools are measured at the net asset value per share provided by the pool, which is based on amortized cost method that approximates fair value. For the MSDLAF Plus Liquid Class and MSDLAF Plus Max Class investment pools, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required.

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**4. Capital Assets**

Capital asset activity for the year ended June 30, 2023 was as follows:

<b>Governmental Activities</b>	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 134,200	\$	\$	\$ 134,200
Total capital assets, not being depreciated	134,200			134,200
Capital assets, being depreciated:				
Site improvements	397,610			397,610
Buildings	14,000,028	73,500		14,073,528
Equipment	713,434	247,096		960,530
Total capital assets, being depreciated	15,111,072	320,596		15,431,668
Less accumulated depreciation for:				
Site improvements	129,224	19,880		149,104
Buildings	3,635,399	561,471		4,196,870
Equipment	401,221	69,180		470,401
Total accumulated depreciation	4,165,844	650,531		4,816,375
Total capital assets, being depreciated, net	10,945,228	(329,935)		10,615,293
Governmental activities capital assets, net	<u>\$ 11,079,428</u>	<u>\$(329,935)</u>	<u>\$</u>	<u>\$ 10,749,493</u>

Depreciation expense was charged to governmental activities as follows:

**Governmental Activities:**

District and school administration	\$ 914
Regular instruction	6,082
Vocational instruction	4,131
Special education	13,533
Instructional support services	26,843
Pupil Support	9,301
Site, buildings and equipment	589,727
Total depreciation expense - governmental activities	<u>\$ 650,531</u>

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**5. Long-Term Liabilities**

A summary of interest rates, maturities, and June 30, 2023 balances are as follows:

	Original Amount of Debt	Range of Interest Rates	Final Maturity	Balance June 30, 2023
Taxable Refunding Certificates of Participation 2020	\$ 13,530,000	0.65-3.1%	2039	\$ 11,720,000
2015 Capital Lease Payable - HVAC	706,500	2.42%	2025	155,200
2022 Capital Lease Payable - Chromebooks Lease #1	29,900	2.45%	2026	17,933
2022 Capital Lease Payable - Chromebooks Lease #2	66,200	2.45%	2026	39,704
2023 Capital Lease Payable - Enterprise Vehicle 25NJ4N	20,471	4.13%	2027	16,706
2023 Capital Lease Payable - Enterprise Vehicle 25NJ4S	20,471	4.13%	2027	16,707
2023 Capital Lease Payable - Enterprise Vehicle 25NJ4V	20,471	4.13%	2027	16,706
2023 Capital Lease Payable - Enterprise Vehicle 25NJ4X	20,471	4.13%	2027	16,707
2023 Capital Lease Payable - Enterprise Vehicle 25NJ5C	20,471	4.13%	2027	16,706
2023 Capital Lease Payable - Enterprise Vehicle 25NJ53	20,444	4.13%	2027	16,685
2023 Capital Lease Payable - Enterprise Vehicle 25NJ58	20,440	4.13%	2027	16,681
2023 Capital Lease Payable - Enterprise Vehicle 25NPFZ	20,380	4.13%	2027	16,632
2023 Capital Lease Payable - Enterprise Vehicle 263V7W	26,880	4.13%	2026	20,569
2023 Capital Lease Payable - Enterprise Vehicle 263V8V	26,880	4.13%	2026	20,569
Compensated Absences Payable				57,476
Severance Payable				25,347
Certificates of Participation Discount				(39,697)
Total				<u>\$ 12,150,631</u>

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**5. Long-Term Liabilities (Continued)**

The following is a summary of changes in long-term obligations for the year ended June 30, 2023.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Taxable Refunding Certificates of Participation 2020	\$ 12,330,000	\$	\$ 610,000	\$ 11,720,000	\$ 615,000
Capital Leases Payable:					
2015 - HVAC	230,047		74,847	155,200	76,668
2022 - Chromebooks Lease #1	23,627		5,694	17,933	5,833
2022 - Chromebooks Lease #2	52,310		12,606	39,704	12,915
2023 - Enterprise Vehicle 25NJN4		20,471	3,765	16,706	3,922
2023 - Enterprise Vehicle 25NJ4S		20,471	3,764	16,707	3,922
2023 - Enterprise Vehicle 25NJ4V		20,471	3,765	16,706	3,922
2023 - Enterprise Vehicle 25NJ4X		20,471	3,764	16,707	3,922
2023 - Enterprise Vehicle 25NJ5C		20,471	3,765	16,706	3,922
2023 - Enterprise Vehicle 25NJ53		20,444	3,759	16,685	3,917
2023 - Enterprise Vehicle 25NJ58		20,440	3,759	16,681	3,916
2023 - Enterprise Vehicle 25NPFZ		20,380	3,748	16,632	3,904
2023 - Enterprise Vehicle 263V7W		26,880	6,311	20,569	6,576
2023 - Enterprise Vehicle 263V8V		26,880	6,311	20,569	6,576
Compensated Absences Payable	46,381	16,247	5,152	57,476	5,152
Severance Payable	18,751	6,596		25,347	
Certificates of Participation Discount	(42,314)		(2,617)	(39,697)	
	<u>\$ 12,658,802</u>	<u>\$ 240,222</u>	<u>\$ 748,393</u>	<u>\$ 12,150,631</u>	<u>\$ 760,067</u>

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**5. Long-Term Liabilities (Continued)**

The annual requirements to amortize all long-term debt outstanding as of June 30, 2023, over the life of the debt, are summarized below:

Certificates of Participation			
Years	Principal	Interest	Total
<u>Governmental Activities</u>			
2024	\$ 615,000	\$ 301,627	\$ 916,627
2025	630,000	293,018	923,018
2026	635,000	282,622	917,622
2027	650,000	271,193	921,193
2028	660,000	258,192	918,192
2029 - 2033	3,555,000	1,047,078	4,602,078
2034 - 2038	4,085,000	517,125	4,602,125
2039	890,000	27,590	917,590
Totals	<u>\$ 11,720,000</u>	<u>\$ 2,998,445</u>	<u>\$ 14,718,445</u>

Capital Leases Payable			
Years	Principal	Interest	Total
<u>Governmental Activities</u>			
2024	\$ 139,915	\$ 11,082	\$ 150,997
2025	144,112	6,884	150,996
2026	68,003	3,036	71,039
2027	35,475	799	36,274
Totals	<u>\$ 387,505</u>	<u>\$ 21,801</u>	<u>\$ 409,306</u>

In July 2022, the District issued ten capital lease payable totaling \$217,379 for vehicles with an interest rate of 4.13%.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**6. Net Position/Fund Balance**

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The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

- *Nonspendable*, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
- *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action by the District's School Board (the district's highest level of decision-making authority).
- *Assigned* fund balance classification includes balance amounts that are intended to be used for a specific purpose that are neither considered restricted or committed. Fund balance may be assigned by agreement of the Board Chair, Director, and Business Manager.
- *Unassigned* fund balance classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balance in other governmental funds.

*Order of Fund Balance Spending Policy*

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District has a formal minimum fund balance policy for the General Fund Unassigned Fund Balance to be at least seven percent of the prior fiscal year's general fund expenditures and a maximum of fifteen percent of the prior fiscal year's general fund expenditures.

Restriction of fund balance indicates that a portion of the fund balance is legally segregated for a specific future use. The following is a summary of the restricted fund balances for the governmental funds:

*Restricted for Long Term Facilities Maintenance* – Represents the resources available to be used for LTFM projects in accordance with the 10 Year Plan.

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**6. Net Position/Fund Balance (Continued)**

The following is a summary of fund balances as of June 30, 2023 with comparative totals for June 30, 2022:

	<u>2023 Totals</u>	<u>2022 Totals</u>
Nonspendable		
Prepaid items	<u>\$ 106,592</u>	<u>\$ 114,220</u>
Restricted		
Long-term facilities maintenance	<u>84,274</u>	<u>71,346</u> ▼
Unassigned	<u>819,772</u>	<u>1,119,985</u> ▼
Total Fund Balance	<u><u>\$ 1,010,638</u></u>	<u><u>\$ 1,305,551</u></u>

The Uniform Financial Accounting and Reporting Standards (UFAR) fund balance reporting standards are slightly different than the reporting standards under GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. Below is a reconciliation between the fund balances following GASB standards and UFARS reporting standards:

	<u>GASB Balance</u>	<u>Reconciling Balance</u>	<u>UFARS Balance June 30, 2023</u>	<u>UFARS Balance June 30, 2022</u>
Nonspendable				
Prepaid items	<u>\$ 106,592</u>	<u>\$</u>	<u>\$ 106,592</u>	<u>\$ 114,220</u>
Restricted				
Long-term facilities maintenance	<u>84,274</u>	<u></u>	<u>84,274</u>	<u>71,346</u>
Unassigned	<u>819,772</u>	<u></u>	<u>819,772</u>	<u>1,119,985</u>
Total Fund Balance	<u><u>\$ 1,010,638</u></u>	<u><u>\$</u></u>	<u><u>\$ 1,010,638</u></u>	<u><u>\$ 1,305,551</u></u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**7. Compensated Absences and Severance Pay**

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In accordance with current contracts, the District compensates substantially all full-time non-certified employees for vacation benefits at various rates based on length of service. The expenditure for vacation pay is recognized when payment is made. As of June 30, 2023, covered employees had accrued compensated absences in the amount of \$57,476.

In addition, the Education District agreed to provide and pay the cost of a long-term disability insurance plan for the District Director and Program Directors until the age of 64 years and 9 months. As of June 30, 2023, an estimate of the future costs of this disability insurance coverage is \$25,347.

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**8. Risk Management**

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The District is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The District manages these various risks of loss through commercial insurance coverage. Insurance claims have not exceeded coverage during the past three years and there have not been any significant reductions to coverage.

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**9. Commitments and Contingencies**

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The District participates in a number of federal and state agency assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District does not anticipate any audit adjustments or disallowed program expenditures that would be material in relation to the general-purpose financial statements taken as a whole.

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**10. Defined Benefit Pension Plans – Statewide**

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Plan Description

1. General Employees Retirement Plan

The District participates in the following cost-sharing multiple-employer defined benefit pension plans administered by 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 plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**10. Defined Benefit Pension Plans – Statewide**

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Plan Description (Continued)

All full-time and certain part-time employees of the District, other than teachers, are covered by the General Employee Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Teachers Retirement Association (TRA)

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

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

Benefits Provided

1. General Employees Plan Benefits

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

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**10. Defined Benefit Pension Plans – Statewide (Continued)**

Benefits Provided (Continued)

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

**2. TRA Benefits**

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

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

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

With these provisions:

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

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**10. Defined Benefit Pension Plans – Statewide (Continued)**

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Benefits Provided (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 members and 2.7 percent 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 benefit calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 66.

Six different types of annuities are available to members upon retirement. The No Refund Life Plan is a lifetime annuity that ceases upon the death of the retiree - no survivor annuity is payable. A retiring member may also choose to provide survivor benefits to a designated beneficiary(ies) by selecting one of 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 also 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.

Contributions

1. General Employees Fund Contributions

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

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2023 and the District was required to contribute 7.50 percent for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2023 were \$88,637. The District's contributions were equal to the required contributions as set by the state statute.

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**10. Defined Benefit Pension Plans – Statewide (Continued)**

Contributions (Continued)

2. TRA Contributions

*Minnesota Statute*, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year ended were:

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

The District's contributions to the TRA Fund for the year ended June 30, 2023 were \$567,870. The District's contributions were equal to the required contributions as set by the state statute.

The following is a reconciliation of employer contributions in TRA's fiscal year 2022 ACFR "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 ACFR, Statement of Changes in Fiduciary Net Position	\$ 482,679,000
Employer contributions not related to future contribution efforts	(2,178,000)
TRA's contributions not included in allocation	<u>(572,000)</u>
Total employer contributions	\$ 479,929,000
Total non-employer contributions	<u>35,590,000</u>
Total contributions reported in <i>Schedule of Employer and Non-Employer Allocations</i>	<u><u>\$ 515,519,000</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.

Pension Costs

1. General Employees Fund Pension Costs

At June 30, 2023, the District reported a liability of \$1,251,365 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$36,544.

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**10. Defined Benefit Pension Plans – Statewide (Continued)**

*Pension Costs (Continued)*

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0158 percent at the end of the measurement period and 0.0152 percent for the beginning of the period.

District's proportionate share of net pension liability	\$	1,251,365
State of Minnesota's proportionate share of the net pension liability associated with the District		<u>36,544</u>
Total	\$	<u><u>1,287,909</u></u>

For the year ended June 30, 2023, the District recognized pension expense of \$56,682 for its proportionate share of General Employees Plan's pension expense. In addition, the District recognized an additional \$5,460 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, 2023, the District reported its proportionate share of 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>
Difference between expected and actual economic experience	\$ 10,452	\$ 12,861
Changes in actuarial assumptions	272,777	4,897
Net collective difference between projected and actual investment earnings	38,008	
Changes in proportion	28,893	
Contributions paid to PERA subsequent to the measurement date	<u>110,594</u>	
Total	<u><u>\$ 460,724</u></u>	<u><u>\$ 17,758</u></u>

The \$110,594 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**10. Defined Benefit Pension Plans – Statewide (Continued)**

*Pension Costs (Continued)*

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

Year ending June 30:	Pension Expense Amount
2024	\$ 125,775
2025	120,850
2026	(27,421)
2027	113,168

**2. TRA Pension Costs**

At June 30, 2023, the District reported a liability of \$8,824,233 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.1102 percent at the end of the measurement period and 0.0913 percent for the beginning of the period.

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

District's proportionate share of net pension liability	\$ 8,824,233
State of Minnesota's proportionate share of the net pension liability associated with the District	<u>654,548</u>
Total	<u><u>\$ 9,478,781</u></u>

For the year ended June 30, 2023, the District recognized pension expense of (\$1,037,335). It also recognized \$90,002 as an increase to pension expense for the support provided by direct aid.

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**10. Defined Benefit Pension Plans – Statewide (Continued)**

*Pension Costs (Continued)*

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 106,137	\$ 61,186
Changes in actuarial assumptions	1,170,944	1,330,882
Net collective difference between projected and actual investment earnings	735,923	
Changes in proportion	1,373,759	
Contributions paid to TRA subsequent to the measurement date	665,403	
	<u>665,403</u>	
Total	<u>\$ 4,052,166</u>	<u>\$ 1,392,068</u>

The \$665,403 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	Pension Expense Amount
2024	\$ (545,996)
2025	604,752
2026	474,175
2027	1,317,689
2028	144,075

*Aggregate Pension Costs*

Pension expense recognized by the District for the year ended June 30, 2023 is as follows:

General Employee Retirement Fund	\$ 62,142
TRA	<u>(947,333)</u>
Total	<u>\$ (885,191)</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**10. Defined Benefit Pension Plans – Statewide (Continued)**

*Long-Term Expected Return on Investment*

1. General Employees Fund Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
Total	100%	

2. TRA Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Private Markets	25.0%	5.90%
Fixed Income	25.0%	0.75%
Total	100%	

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**10. Defined Benefit Pension Plans – Statewide (Continued)**

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Actuarial Methods and Assumptions

1. General Employees Fund Actuarial Methods and Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.50 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.50 percent was deemed to be within that range of reasonableness for financial reporting purposes.

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

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service.

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

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

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

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**10. Defined Benefit Pension Plans – Statewide (Continued)**

2. TRA Actuarial Assumptions

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

<b>Key Methods and Assumptions Used in Valuation of Total Pension Liability</b>	
<b>Actuarial Information</b>	
Valuation Date	July 1, 2022
Measurement Date	June 30, 2022
Experience Study	June 28, 2019 (demographic and economic assumptions)
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00%
Price Inflation	2.50%
Wage Growth Rate	2.85% before July 1, 2028 and 3.25% after June 30, 2028
Projected Salary Increase	2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028
Cost of Living Adjustment	1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.
Mortality Assumptions:	
Pre-Retirement:	RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale.
Post-Retirement:	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 TRA actuary has determined the average of the expected remaining service lives of all members for the fiscal year 2023 is six years. The *Difference between Expected and Actual Experience*, *Changes of Assumptions*, and *Changes in Proportion* use the amortization period of six years in the schedule presented. The amortization period for *Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments* is five years as required by GASB 68.

The following changes in TRA actuarial assumptions since the 2021 valuation:

- None

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**10. Defined Benefit Pension Plans – Statewide (Continued)**

Discount Rate

1. General Employees Fund Discount Rate

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

2. TRA Discount Rate

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

Pension Liability Sensitivity

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
General Employees Retirement Fund Discount Rate	5.50%	6.50%	7.50%
District’s proportionate share of the General Employees Retirement Fund net pension liability	\$ 1,976,597	\$ 1,251,365	\$ 656,563
TRA Discount Rate	6.00%	7.00%	8.00%
District’s proportionate share of the TRA net pension liability	\$ 13,910,923	\$ 8,824,233	\$ 4,654,733

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**10. Defined Benefit Pension Plans – Statewide (Continued)**

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*Pension Plan Fiduciary Net Position*

Detailed information about General Employees Retirement Fund’s fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

Detailed information about TRA’s fiduciary net position is available in a separately issued TRA financial report. That report can be obtained at [www.MinnesotaTRA.org](http://www.MinnesotaTRA.org); by writing to TRA at 60 Empire Drive 400, St. Paul, Minnesota, 55103-4000; or by calling (651) 296-2409 or 1-800-657-3669.

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**11. Other Postemployment Benefit Plan**

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The District engaged an actuary to determine the District’s liability for postemployment healthcare benefits other than pensions for the year ended June 30, 2023.

*Plan Description*

The District operates a single-employer retiree benefit plan (“the Plan”) that provides health and dental insurance to eligible employees and their spouses through the District’s health insurance plan. Benefit and eligibility provisions are established through negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available financial report.

*Benefits Provided*

These retirees will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the District’s health benefits program. Retirees are required to pay 100% of the total premium cost. Since the premium is a blended rate determined on the entire active retiree population, the retirees are receiving an implicit rate subsidy. As of June 30, 2023, there were 129 active participants and no retired participants in the District’s group health plan.

*Funding Policy*

The required contribution is based on projected pay-as-you-go method under which contributions to the plan are generally made at the same time and in the same amount as retiree benefits and expenses become due. Contribution requirements are also negotiated between the District and union representatives. The District contributes \$1,500 per year (increasing with trend until retirement) toward single medical coverage for 8 years as a subsidized payment of the cost of current-year premiums for eligible retired plan member. For fiscal year 2023, the District contributed \$2,761 to the plan all of which was implicit subsidy.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**11. Other Postemployment Benefit Plan (Continued)**

Total OPEB Liability

The District's total liability was measured as of July 1, 2022 and was determined by an actuarial valuation as of July 1, 2021. The components of the total OPEB liability of the District at year-end were as follows:

Total OPEB liability	\$ 239,833
Covered employee payroll	<u>7,817,167</u>
Total OPEB liability as % of payroll	<u><u>3%</u></u>

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

The total OPEB liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.10%
20-year Municipal Bond Yield	2.10%
Inflation rate	2.00%
Mortality	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale
Medical trend rate	6.25% as of July 1, 2021 grading to 5.00% over 6 years and then to 4.00% over the next 48 years. The medical trend rates have been chosen based on a review of historical health care increase rates, projected health care increase rates, and projected health care expenditures as a percentage of GDP. The components of health care costs were considered when developing the aggregate set of trend rates.

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**11. Other Postemployment Benefit Plan (Continued)**

*Changes in Total OPEB Liability*

	<u>Total OPEB Liability</u>	
Beginning Balance 7/1/2022	\$	197,910
Changes for the year:		
Service cost		37,893
Interest		4,942
Benefit payments		(912)
Net changes		<u>41,923</u>
Balance End of Year 6/30/2023	<u>\$</u>	<u>239,833</u>

*Total OPEB Liability Sensitivity to Discount and Health-Care Cost Trend Rate Changes*

The following presents the total OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	<u>Total OPEB Liability</u>	
1% decrease in Discount Rate (1.10%)	\$	259,953
Current Discount Rate (2.10%)		239,833
1% increase in Discount Rate (3.10%)		220,437

The following presents the total OPEB liability of the District if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	<u>Total OPEB Liability</u>	
1% decrease in Trend Rates	\$	201,608
Current Trend Rates		239,833
1% increase in Trend Rates		286,789

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**11. Other Postemployment Benefit Plan (Continued)**

OPEB Deferred Outflows and Inflows of Resources

As of the year ended June 30, 2023, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual investment earnings	\$	\$ 69,970
Changes in actuarial assumptions	12,174	7,156
Contributions paid to OPEB subsequent to the measurement date	2,761	
Total	\$ 14,935	\$ 77,126

The \$2,761 reported as deferred outflows of resources related to OPEB resulting from District contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year ending June 30:	OPEB Expense Amount
2024	\$ (13,240)
2025	(13,240)
2026	(13,240)
2027	(13,232)
2028	(5,417)
Thereafter	(6,583)

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**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2023**

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

Schedule of Changes in the District's Total OPEB Liability and Related Ratios  
Year Ended June 30, 2023

<b>Total OPEB Liability</b>	2023	2022	2021	2020	2019	2018
Service cost	\$ 37,893	\$ 36,789	\$ 30,591	\$ 26,972	\$ 29,878	\$ 29,008
Interest cost	4,942	5,981	6,386	8,171	7,350	6,745
Difference between expected and actual experience		(61,118)		(48,268)		
Changes in actuarial assumptions		8,447	9,343	(14,316)		
Benefit payments	(912)	(9,197)	(9,375)	(11,610)	(8,753)	(28,727)
Net changes in total OPEB liability	41,923	(19,098)	36,945	(39,051)	28,475	7,026
Total OPEB liability - beginning of year	197,910	217,008	180,063	219,114	190,639	183,613
Total OPEB liability - end of year	<u>\$ 239,833</u>	<u>\$ 197,910</u>	<u>\$ 217,008</u>	<u>\$ 180,063</u>	<u>\$ 219,114</u>	<u>\$ 190,639</u>
 <b>Covered-Employee Payroll</b>	 \$7,817,167	 \$7,589,483	 \$6,160,297	 \$5,980,871	 \$5,412,192	 \$5,254,555
 <b>Total OPEB liability as a Percentage of Covered-Employee Payroll</b>	 3%	 3%	 4%	 3%	 4%	 4%

Note: There are no assets in a trust to pay related benefits.

See Note 11, Other Postemployment Benefit Plan, for more information.

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**Schedule of District's Contributions  
General Employees Retirement Funds  
Last Ten Years**

Fiscal Year Ended June 30	Pension Plan	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District Covered Payroll	Contributions as a Percentage of Payroll
2015	PERA	\$ 63,118	\$ 63,118	\$	\$ 841,573	7.50%
2016	PERA	84,914	84,914		1,132,187	7.50%
2017	PERA	82,400	82,400		1,098,667	7.50%
2018	PERA	79,418	79,418		1,058,907	7.50%
2019	PERA	81,779	81,779		1,090,387	7.50%
2020	PERA	77,094	77,094		1,027,920	7.50%
2021	PERA	81,334	81,334		1,084,453	7.50%
2022	PERA	82,128	82,128		1,095,040	7.50%
2023	PERA	88,637	88,637		1,181,827	7.50%

**Schedule of District's Contributions  
TRA Retirement Funds  
Last Ten Years**

Fiscal Year Ended June 30	Pension Plan	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District Covered Payroll	Contributions as a Percentage of Payroll
2015	TRA	\$ 215,857	\$ 215,857	\$	\$ 2,878,093	7.50%
2016	TRA	248,327	248,327		3,311,027	7.50%
2017	TRA	267,897	267,897		3,571,960	7.50%
2018	TRA	295,873	295,873		3,944,973	7.50%
2019	TRA	325,441	325,441		4,339,213	7.50%
2020	TRA	349,979	349,979		4,539,287	7.71%
2021	TRA	388,249	388,249		4,902,134	7.92%
2022	TRA	444,167	444,167		5,463,309	8.13%
2023	TRA	567,870	567,870		6,808,993	8.34%

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**Schedule of District's and Non-Employer Proportionate Share of Net Pension Liability  
PERA General Employees Retirement Fund  
Last Ten Years (presented prospectively)**

<b>Fiscal Year Ended June 30</b>	<b>District's Proportionate (Percentage) of the Net Pension Liability (Asset)</b>	<b>District's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)</b>	<b>State's Proportionate Share (Amount) of the Net Pension Liability Associated with the District (b)</b>	<b>District's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated With the District (a+b)</b>	<b>Covered Payroll (c)</b>	<b>District's Proportionate Share (Amount) of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll ((a+b)/c)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2014	0.0181%	\$ 850,247	\$	\$ 850,247	\$ 841,573	101%	78.70%
2015	0.0196%	1,015,774		1,015,774	1,132,187	90%	78.20%
2016	0.0177%	1,437,152	18,737	1,455,889	1,098,667	133%	68.90%
2017	0.0164%	1,046,965	13,194	1,060,159	1,058,907	100%	75.90%
2018	0.0162%	898,710	29,600	928,310	1,090,387	85%	79.53%
2019	0.0145%	801,673	24,999	826,672	1,027,920	80%	80.23%
2020	0.0152%	911,309	28,158	939,467	1,084,453	87%	79.06%
2021	0.0152%	649,108	19,868	668,976	1,095,040	61%	87.00%
2022	0.0158%	1,251,365	36,544	1,287,909	1,181,827	109%	76.70%

**Schedule of District's and Non-Employer Proportionate Share of Net Pension Liability  
TRA  
Last Ten Years (presented prospectively)**

<b>Fiscal Year Ended June 30</b>	<b>District's Proportionate (Percentage) of the Net Pension Liability (Asset)</b>	<b>District's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)</b>	<b>State's Proportionate Share (Amount) of the Net Pension Liability Associated with the District (b)</b>	<b>District's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated With the District (a+b)</b>	<b>Covered Payroll (c)</b>	<b>District's Proportionate Share (Amount) of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll ((a+b)/c)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2014	0.0676%	\$ 3,114,959	\$ 219,268	\$ 3,334,227	\$ 2,878,093	116%	81.50%
2015	0.0652%	4,033,265	494,736	4,528,001	3,311,027	137%	76.80%
2016	0.0687%	16,386,589	1,644,880	18,031,469	3,571,960	505%	44.90%
2017	0.0733%	14,632,010	1,414,681	16,046,691	3,944,973	407%	51.57%
2018	0.0785%	4,933,001	463,371	5,396,372	4,339,213	124%	78.07%
2019	0.0800%	5,099,217	451,370	5,550,587	4,539,287	122%	78.07%
2020	0.0844%	6,235,585	522,715	6,758,300	4,902,134	138%	75.48%
2021	0.0913%	3,995,561	336,980	4,332,541	5,463,309	79%	86.63%
2022	0.1102%	8,824,233	654,548	9,478,781	6,808,993	139%	76.17%

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**COMPLIANCE AND INTERNAL CONTROL REPORTS**

**JUNE 30, 2023**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Education  
Goodhue County Education District #6051-61  
Red Wing, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the provisions of the *Minnesota Legal Compliance Audit Guide for School Districts* promulgated by the Legal Compliance Task Force pursuant to Minnesota Statutes Section 6.65, the financial statements of the governmental activities and each major fund of the District, as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated November 30, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

To the Board of Education  
Goodhue County Education District #6051-61  
Page Two

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Minnesota Legal Compliance**

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

### **Purpose of this Report**

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

*Smith, Schafu and Associates, Ltd.*

Red Wing, Minnesota  
November 30, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE  
UNIFORM GUIDANCE**

To the Board of Education  
Goodhue County Education District #6051-61  
Red Wing, Minnesota

**Report on Compliance for Each Major Federal Program**

***Opinion on Compliance for Each Major Federal Program***

We have audited the District's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance we:

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

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

### **Report on Internal Control over Compliance**

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

### **Report on Internal Control over Compliance (Continued)**

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

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

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities and each major fund of the District, as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 30, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Purpose of this Report**

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

*Smith, Schepke and Associates, Ltd.*

Red Wing, Minnesota  
November 30, 2023

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**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**JUNE 30, 2023**

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**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2023**

<u>Federal Grantor/Pass-through Grantor/Program</u>	<u>Federal ALN Number</u>	<u>Passed Through to Sub Recipients</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education</u>			
Pass-through programs from:			
Minnesota Department of Education:			
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	\$ 952,624	\$ 1,496,456
Special Education - American Rescue Plan	84.027X		193,667
Special Education - American Rescue Plan - Mandatory CEIS	84.027X		7,223
Special Education - Early Intervention	84.173	32,848	265,519
Special Education - Preschool Grants	84.173	16,823	75,831
Special Education - American Rescue Plan - Preschool Incentive	84.173X		30,377
Subtotal:		1,002,295	2,069,073 ***
Career and Technical Education - Basic Grants to States (Perkins Reserves)	84.048	34,964	51,096
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	140,738	199,007
Special Education - Grants for Infants and Toddlers	84.181		40,053
Special Education - Grants for Infants and Toddlers with Disabilities	84.181X		10,868
English Language Acquisition Grants (Title III)	84.365		30,840
Governors Emergency Education Relief Fund	84.425C		111,453
Elementary and Secondary School Emergency Relief Fund	84.425D		29,355
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U		33,814
Total U.S. Department of Education		1,177,997	2,575,559
<u>U.S. Department of Health and Human Services</u>			
Pass-through programs from:			
Minnesota Department of Education:			
Minnesota COVID-19 Testing	93.323		11,869
Total expenditures of federal awards		\$ 1,177,997	\$ 2,587,428

\*\* Major Program

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2023**

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**1. General**

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The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Goodhue County Education District #6051-61 under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

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

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**2. Summary of Significant Accounting Policies**

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

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**3. Indirect Cost Rate**

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The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA  
SCHEDULE OF PRIOR YEAR FINDINGS  
Year Ended June 30, 2023**

**FINDINGS – FINANCIAL STATEMENT AUDIT**

No findings.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

No findings.

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2023**

**SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

1. Type of auditor's report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified?                      Yes           X           No
  - Significant deficiency(ies) identified?                      Yes           X           None reported
3. Noncompliance material to financial statements noted?                      Yes           X           No

***Federal Awards***

1. Internal control over major federal programs:
- Material weakness(es) identified?                      Yes           X           No
  - Significant deficiency(ies) identified?                      Yes           X           None reported
2. Type of auditor's report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?                      Yes           X           No

***Programs Tested as a Major Program***

- | <b>ALN Number(s)</b>   | <b>Name of Federal Program or Cluster</b>                       |
|--|---|
| - 84.027, 84.173   | Special Education Cluster (IDEA)                                |
| Dollar threshold used to distinguish between Type A and Type B programs: <u>\$ 750,000</u> |   |
| Auditee qualified as low-risk auditee?   | <u>          X          </u> Yes <u>                    </u> No |

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA**

**COMPLIANCE TABLE**

**JUNE 30, 2023**

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**Fiscal Compliance Report - 6/30/2023**  
**District: GOODHUE COUNTY ED. DIST. (6051-61)**

	Audit	UFARS	Audit - UFARS		Audit	UFARS	Audit - UFARS
<b>01 GENERAL FUND</b>				<b>06 BUILDING CONSTRUCTION</b>			
Total Revenue	\$18,005,562	\$18,005,558	\$4	Total Revenue	\$0	\$0	\$0
Total Expenditures	\$18,517,854	\$18,517,853	\$1	Total Expenditures	\$0	\$0	\$0
<i>Non Spendable:</i>				<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$106,592	\$106,592	\$0	4.60 Non Spendable Fund Balance	\$0	\$0	\$0
<i>Restricted / Reserved:</i>				<i>Restricted / Reserved:</i>			
4.01 Student Activities	\$0	\$0	\$0	4.07 Capital Projects Levy	\$0	\$0	\$0
4.02 Scholarships	\$0	\$0	\$0	4.13 Funded by COP/FP	\$0	\$0	\$0
4.03 Staff Development	\$0	\$0	\$0	4.67 LTFM	\$0	\$0	\$0
4.07 Capital Projects Levy	\$0	\$0	\$0	<i>Restricted:</i>			
4.08 Cooperative Revenue	\$0	\$0	\$0	4.64 Restricted Fund Balance	\$0	\$0	\$0
4.13 Funded by COP/FP	\$0	\$0	\$0	<i>Unassigned:</i>			
4.14 Operating Debt	\$0	\$0	\$0	4.63 Unassigned Fund Balance	\$0	\$0	\$0
4.16 Levy Reduction	\$0	\$0	\$0	<b>07 DEBT SERVICE</b>			
4.17 Taconite Building Maint	\$0	\$0	\$0	Total Revenue	\$0	\$0	\$0
4.24 Operating Capital	\$0	\$0	\$0	Total Expenditures	\$0	\$0	\$0
4.26 \$25 Taconite	\$0	\$0	\$0	<i>Non Spendable:</i>			
4.27 Disabled Accessibility	\$0	\$0	\$0	4.60 Non Spendable Fund Balance	\$0	\$0	\$0
4.28 Learning & Development	\$0	\$0	\$0	<i>Restricted / Reserved:</i>			
4.34 Area Learning Center	\$0	\$0	\$0	4.25 Bond Refundings	\$0	\$0	\$0
4.35 Contracted Alt. Programs	\$0	\$0	\$0	4.33 Maximum Effort Loan Aid	\$0	\$0	\$0
4.36 State Approved Alt. Program	\$0	\$0	\$0	4.51 QZAB Payments	\$0	\$0	\$0
4.38 Gifted & Talented	\$0	\$0	\$0	4.67 LTFM	\$0	\$0	\$0
4.40 Teacher Development and Evaluation	\$0	\$0	\$0	<i>Restricted:</i>			
4.41 Basic Skills Programs	\$0	\$0	\$0	4.64 Restricted Fund Balance	\$0	\$0	\$0
4.48 Achievement and Integration	\$0	\$0	\$0	<i>Unassigned:</i>			
4.49 Safe Schools Levy	\$0	\$0	\$0	4.63 Unassigned Fund Balance	\$0	\$0	\$0
4.51 QZAB Payments	\$0	\$0	\$0	<b>08 TRUST</b>			
4.52 OPEB Liab Not In Trust	\$0	\$0	\$0	Total Revenue	\$0	\$0	\$0
4.53 Unfunded Sev & Retirement Levy	\$0	\$0	\$0	Total Expenditures	\$0	\$0	\$0
4.59 Basic Skills Extended Time	\$0	\$0	\$0	<i>Restricted / Reserved:</i>			
4.67 LTFM	\$84,274	\$84,274	\$0	4.01 Student Activities	\$0	\$0	\$0
4.72 Medical Assistance	\$0	\$0	\$0	4.02 Scholarships	\$0	\$0	\$0
<i>Restricted:</i>				4.22 Unassigned Fund Balance (Net Assets)	\$0	\$0	\$0
4.64 Restricted Fund Balance	\$0	\$0	\$0	<b>18 CUSTODIAL</b>			
4.75 Title VII Impact Aid	\$0	\$0	\$0	Total Revenue	\$0	\$0	\$0
4.76 Payments in Lieu of Taxes	\$0	\$0	\$0	Total Expenditures	\$0	\$0	\$0
<i>Committed:</i>				<i>Restricted / Reserved:</i>			
4.18 Committed for Separation	\$0	\$0	\$0	4.01 Student Activities	\$0	\$0	\$0
4.61 Committed Fund Balance	\$0	\$0	\$0	4.02 Scholarships	\$0	\$0	\$0
<i>Assigned:</i>				4.48 Achievement and Integration	\$0	\$0	\$0
4.62 Assigned Fund Balance	\$0	\$0	\$0	4.64 Restricted Fund Balance	\$0	\$0	\$0
<i>Unassigned:</i>				<b>20 INTERNAL SERVICE</b>			
4.22 Unassigned Fund Balance	\$819,772	\$819,771	\$1	Total Revenue	\$0	\$0	\$0
<b>02 FOOD SERVICES</b>				Total Expenditures	\$0	\$0	\$0
Total Revenue	\$0	\$0	\$0	4.22 Unassigned Fund Balance (Net Assets)	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	<b>25 OPEB REVOCABLE TRUST</b>			
<i>Non Spendable:</i>				Total Revenue	\$0	\$0	\$0
4.60 Non Spendable Fund Balance	\$0	\$0	\$0	Total Expenditures	\$0	\$0	\$0
<i>Restricted / Reserved:</i>				4.22 Unassigned Fund Balance (Net Assets)	\$0	\$0	\$0
4.52 OPEB Liab Not In Trust	\$0	\$0	\$0	<b>45 OPEB IRREVOCABLE TRUST</b>			
<i>Restricted:</i>				Total Revenue	\$0	\$0	\$0
4.64 Restricted Fund Balance	\$0	\$0	\$0	Total Expenditures	\$0	\$0	\$0
<i>Unassigned:</i>				4.22 Unassigned Fund Balance (Net Assets)	\$0	\$0	\$0
4.63 Unassigned Fund Balance	\$0	\$0	\$0	<b>47 OPEB DEBT SERVICE</b>			
<b>04 COMMUNITY SERVICE</b>				Total Revenue	\$0	\$0	\$0
Total Revenue	\$0	\$0	\$0	Total Expenditures	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	<i>Non Spendable:</i>			
<i>Non Spendable:</i>				4.60 Non Spendable Fund Balance	\$0	\$0	\$0
4.60 Non Spendable Fund Balance	\$0	\$0	\$0	<i>Restricted:</i>			
<i>Restricted / Reserved:</i>				4.25 Bond Refundings	\$0	\$0	\$0
4.26 \$25 Taconite	\$0	\$0	\$0	4.64 Restricted Fund Balance	\$0	\$0	\$0
4.31 Community Education	\$0	\$0	\$0	<i>Unassigned:</i>			
4.32 E.C.F.E	\$0	\$0	\$0	4.63 Unassigned Fund Balance	\$0	\$0	\$0
4.40 Teacher Development and Evaluation	\$0	\$0	\$0	<b>45 OPEB IRREVOCABLE TRUST</b>			
4.44 School Readiness	\$0	\$0	\$0	Total Revenue	\$0	\$0	\$0
4.47 Adult Basic Education	\$0	\$0	\$0	Total Expenditures	\$0	\$0	\$0
4.52 OPEB Liab Not In Trust	\$0	\$0	\$0	4.22 Unassigned Fund Balance (Net Assets)	\$0	\$0	\$0
<i>Restricted:</i>				<b>47 OPEB DEBT SERVICE</b>			
4.64 Restricted Fund Balance	\$0	\$0	\$0	Total Revenue	\$0	\$0	\$0
<i>Unassigned:</i>				Total Expenditures	\$0	\$0	\$0
4.63 Unassigned Fund Balance	\$0	\$0	\$0	<i>Non Spendable:</i>			



SMITH SCHAFFER

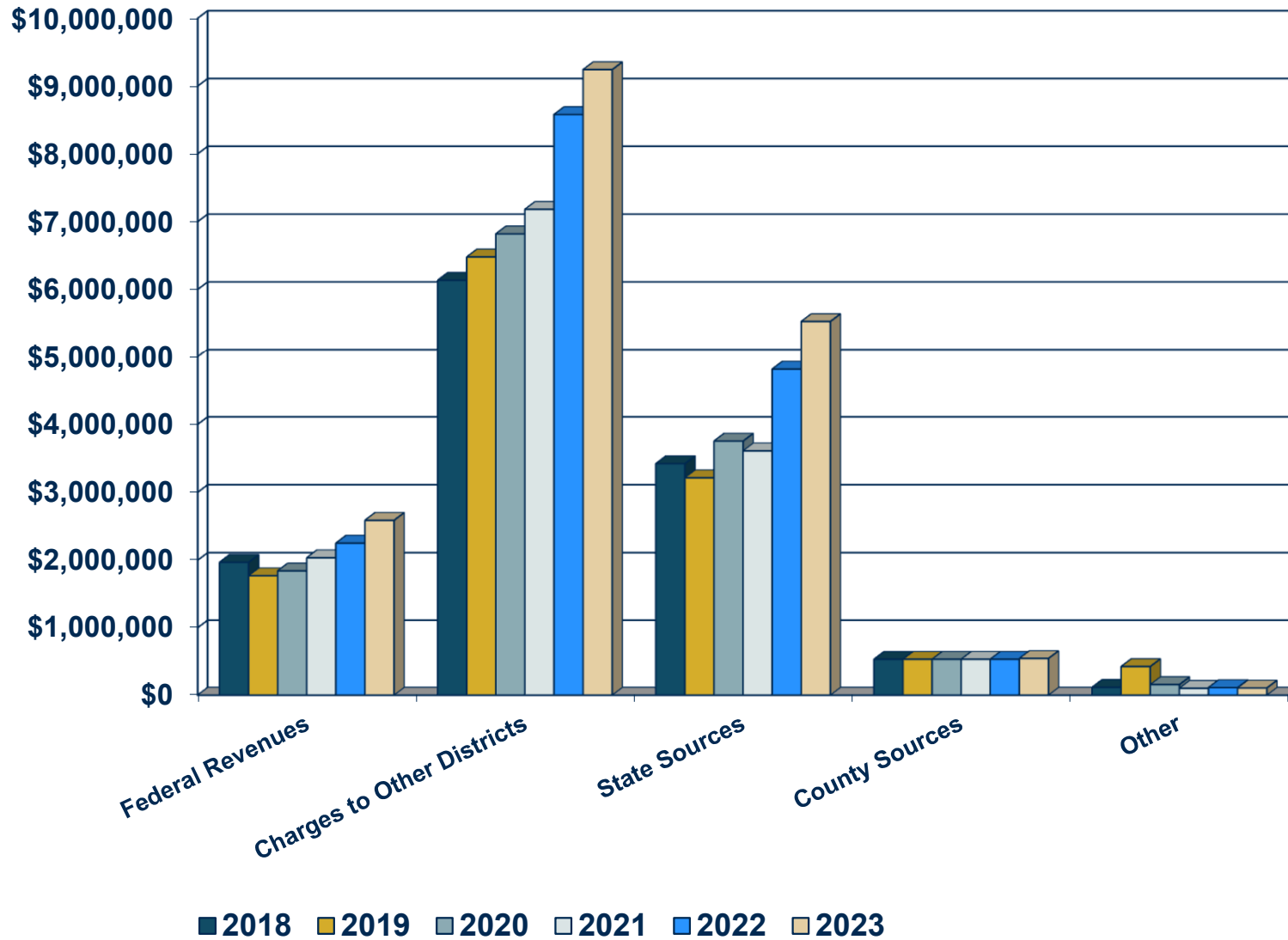
GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
Financial Summary June 30, 2023

# AUDIT

- **Audit Opinion**
  - *Smith Schafer issued an unmodified “clean” opinion on the District’s June 30, 2023 Financial Statements*
  - *Provides reasonable, but not absolute, assurance that District’s financials are free of material misstatement*
- **Minnesota Legal Compliance**
  - *No findings*
- **Internal Control Letter**
  - *No findings*
- **Single Audit**
  - *No findings*
- **Audit Committee Letter**

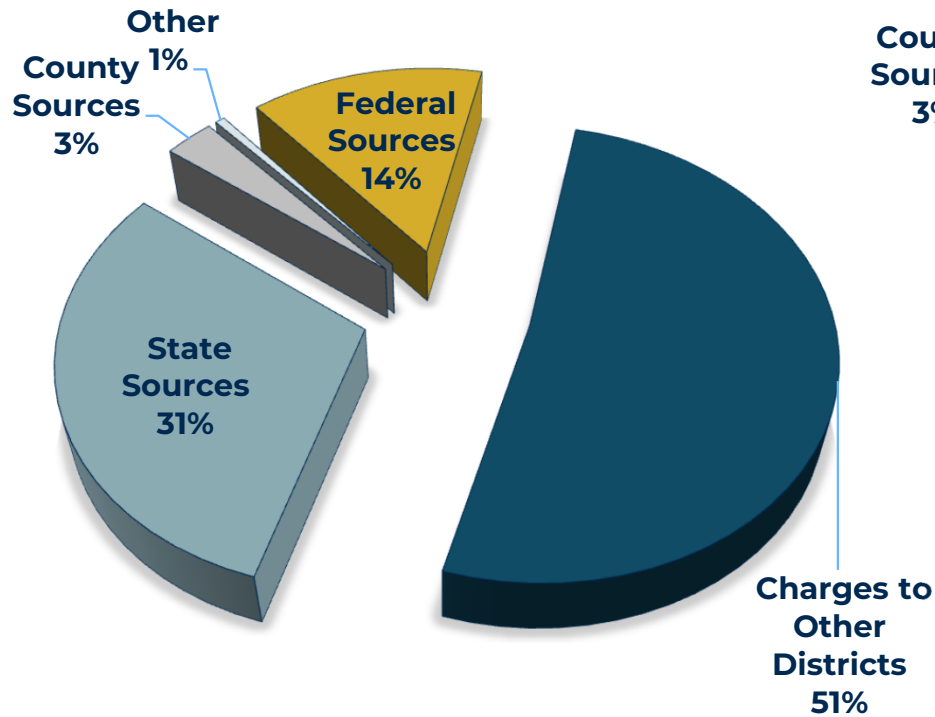
108

# REVENUES

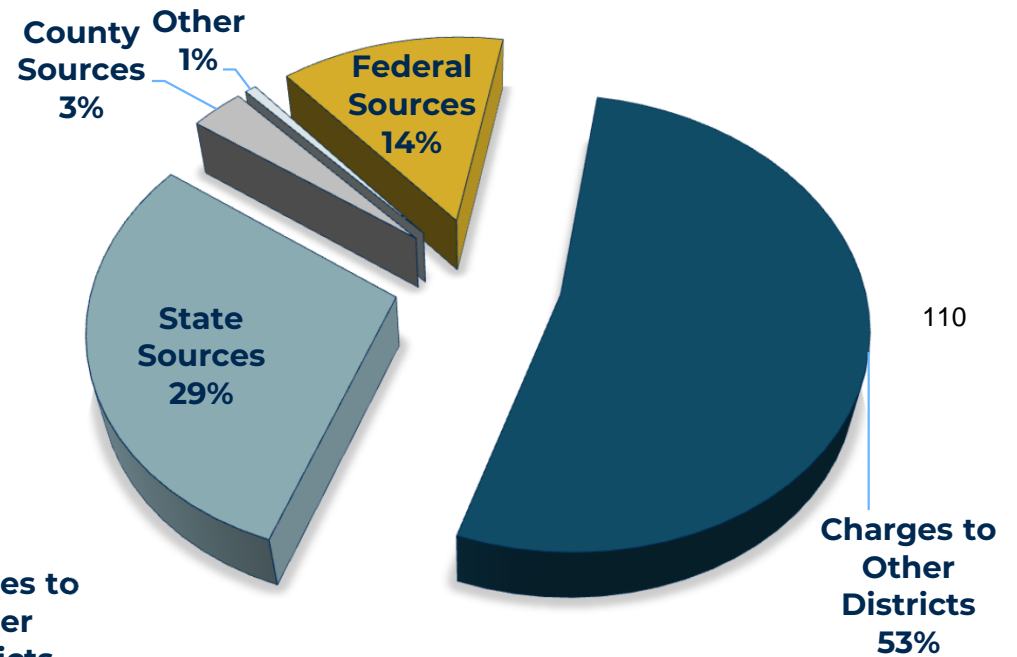


# REVENUES – ALL FUNDS

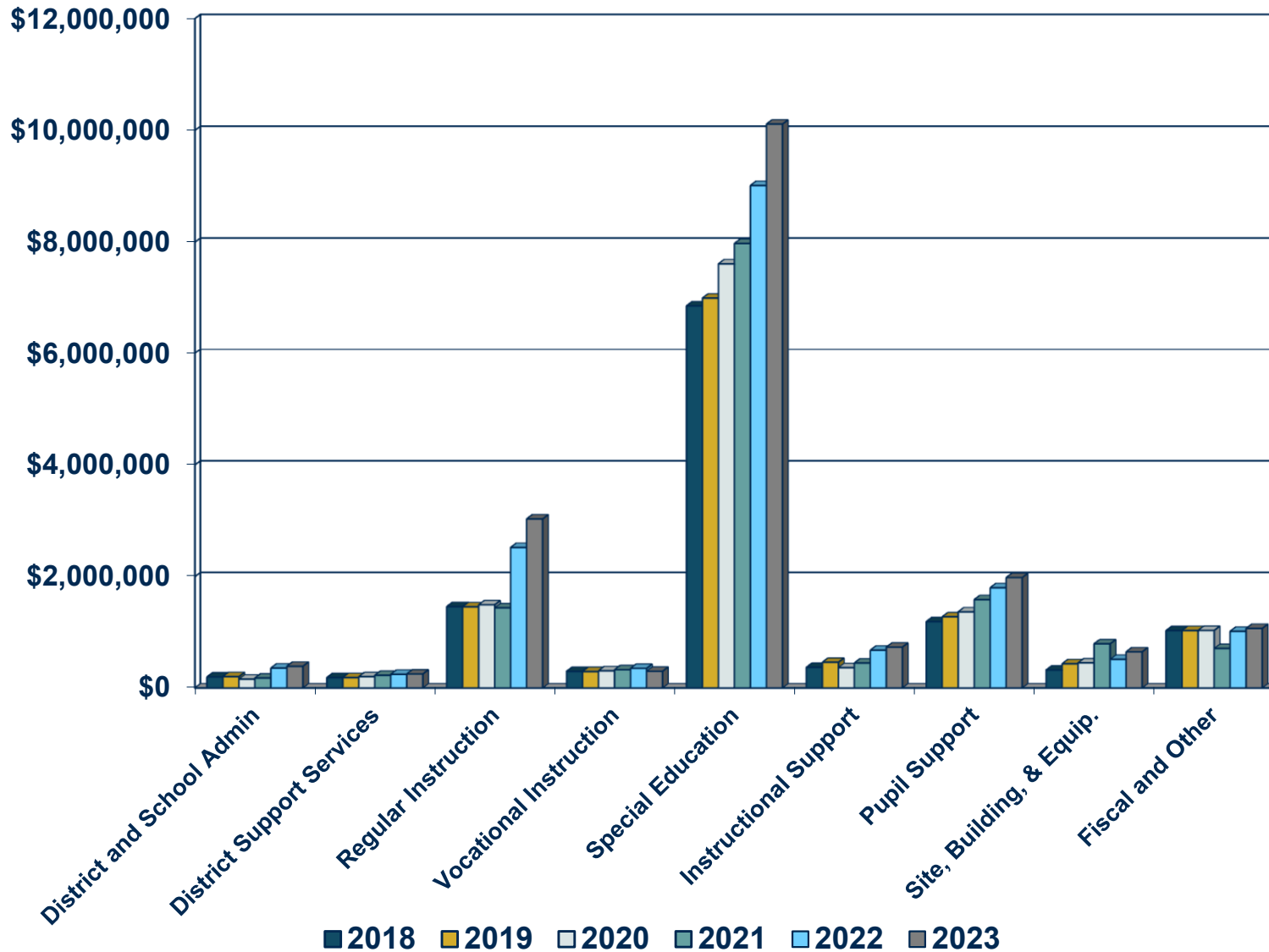
**2023**



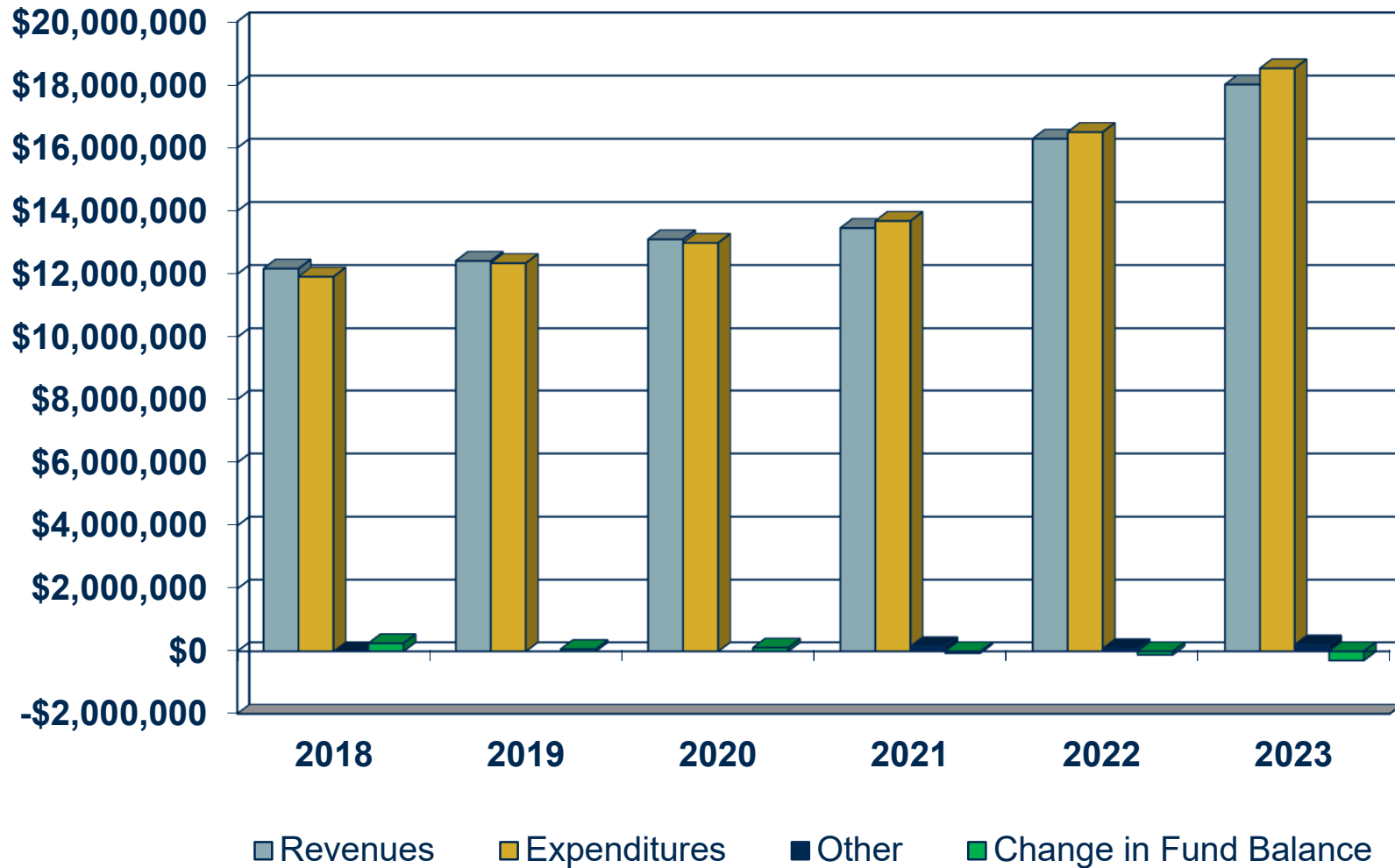
**2022**



# EXPENDITURES – GENERAL FUND

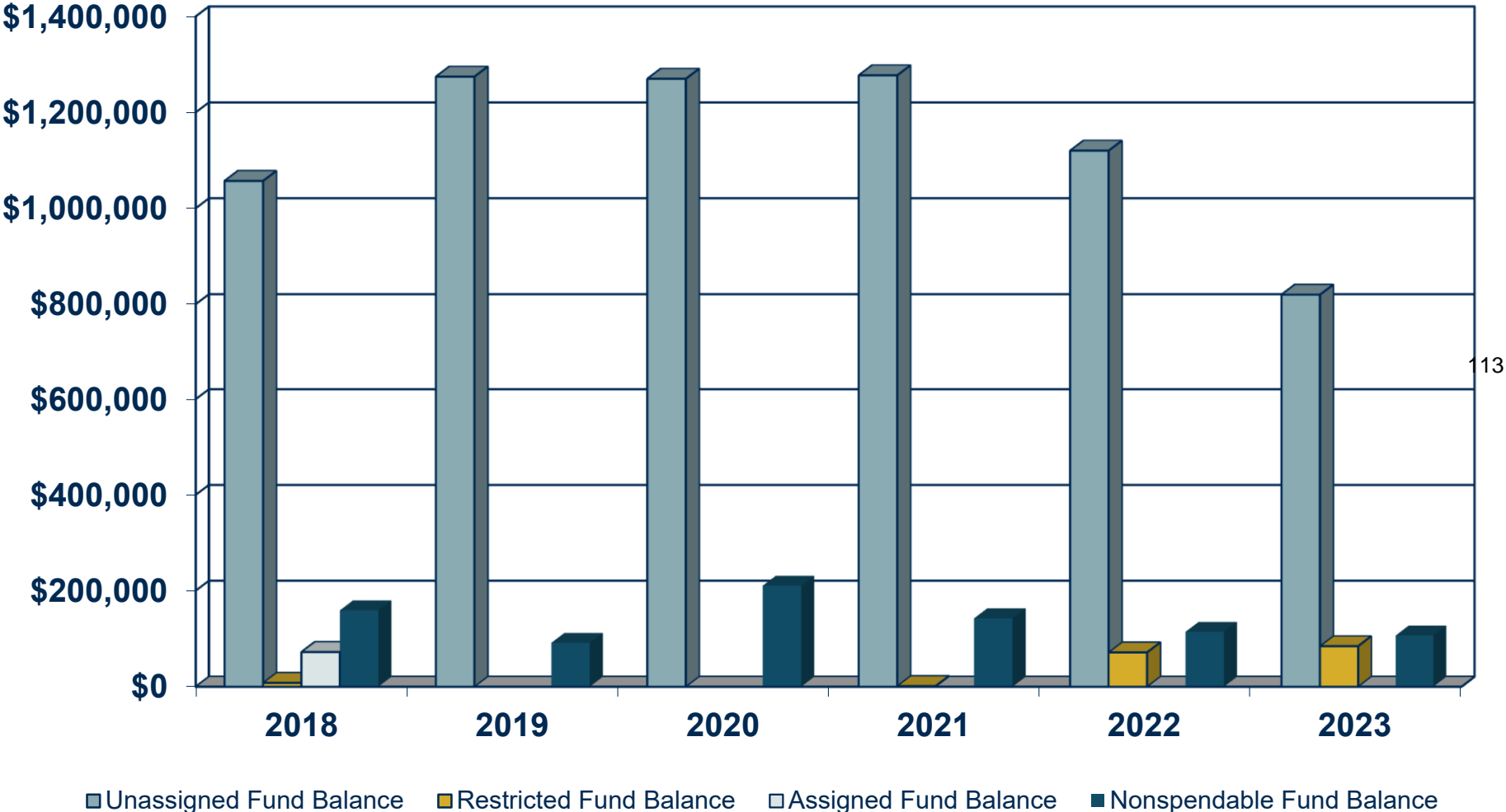


# GENERAL FUND ACTIVITIES



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# GENERAL FUND BALANCE



# SUMMARY

- General Fund expenditures exceeded revenues and other sources by \$294,913 in FY 2023.
- The unassigned General Fund balance on June 30, 2023 is 4.4% of current General Fund expenditures.
- Cash flow and Fund balance considerations include:
  - Changes in metering of State payments which effects payments of State special education aid and payments by member districts
  - No authority to borrow or levy taxes

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## EXECUTIVE DIRECTOR'S CONTRACT ~~2019-2022~~2022-2023

The Goodhue County Education District Board #6051, Red Wing, Minnesota (Goodhue County), enters into this Contract with **Cheryl Johnson**, (Executive Director) a licensed Director, who agrees to perform the duties of Education District Director under the provisions of M.S. 122A.40.

The Executive Director and Education District Board agree as follows:

I. Applicable Statute:

This contract is entered into between the Education District and Executive Director in conformance with M.S. 122A.40.

II. Licensure:

The Executive Director shall obtain and maintain throughout the life of this Contract a valid and appropriate license as an Administrator in the State of Minnesota.

III. Duration, Expiration, Termination, and Mutual Consent:

Section 1. Duration:

This Contract is for a term of three years commencing July 1, ~~2019~~2022, and ending June 30, ~~2022~~2023. It shall remain in full force and effect unless modified by mutual consent of the Education District Board and the Executive Director or unless terminated as provided in Section 3 and Section 4 below.

Section 2. Subsequent Contract:

The Director shall be afforded all employment rights according to applicable Minnesota Statutes (M.S.) relating to dissolution of cooperative units.

Section 3. Termination:

The Executive Director's employment may be terminated during the term of this Contract only for cause as defined in M.S. 122A.40 Subd. 9 or Subd. 13. If the Education District Board proposes to terminate the Executive Director for cause, according to M.S. 122A.40 Subd. 9 or Subd. 13 it shall notify the Executive Director in writing of the proposed grounds for termination. The Executive Director shall be entitled to a hearing before an arbitrator provided the Executive Director makes such a request in writing within fifteen calendar days after receipt of written notice. In such event the parties shall jointly petition the Commissioner of Minnesota Bureau of Mediation Services (BMS) for a list of five arbitrators. The arbitrator shall be selected by the parties through the normal striking process as provided by BMS rules. The arbitrator shall conduct a hearing under normal arbitration procedures and rules and issue a written decision. The Executive Director may be suspended with or without pay pending final determination by the arbitrator.

Section 4. Mutual Consent:

This Contract may be terminated at any time by mutual consent of the Education District Board and the Director.

IV. Duties:

The Executive Director shall have charge of administration of the Education District under the direction of the Education District Board. The Executive Director shall be the chief executive officer of the Education District Board; shall direct and assign teachers and other employees of the Education District under the Executive Director's supervision; shall organize, reorganize, and arrange the administrative and supervisory staff, including instruction and business affairs, as best serves the Education District subject to approval of the Education District Board; shall from time to time suggest policies and procedures deemed necessary for the Education District, and in general, perform all duties incident to the office of the Executive Director and such other ~~duties~~ as may be prescribed by the Education

District Board from time to time. The Executive Director shall have the right to attend all Education District Board meetings and all committee meetings, serve as an ex-officio member of all committees and provide administrative recommendations on each item of business considered by each of these groups.

IV. Duty Year and Leaves:

Section 1. Basic Work Year:

The Executive Director's duty year shall be for the entire year as provided in the Contract and the Executive Director shall perform services on those legal holidays on which the Education District Board is authorized to conduct school if the Education District Board so determines. The Executive Director shall be on duty during any emergency, natural or unnatural, unless otherwise excused in accordance with the Education District Board's administrative policy.

Section 2. Vacation:

The Executive Director shall earn twenty-five working days of annual paid vacation each contract year. Upon separation from employment, the Education District Board shall pay the Executive Director for earned but unused vacation time at the current daily rate of pay.

Section 3. Sick Leave:

The Executive Director shall earn paid sick leave at the rate of fifteen days each Contract year, which may be accumulated to a maximum of one hundred and twenty days. If the Executive Director has at least twenty days of accrued unused sick leave, s/he may elect to cash out up to seven days of sick leave per year to be paid at the then current daily rate of pay. If the Director cashes out less than seven days of sick leave in a given fiscal year, s/he will be able to carry forward the difference between the maximum number of days of sick leave s/he is eligible to cash out that year and the number of days actually cashed out to the next fiscal year. The number of days carried forward shall be added to seven and that shall be the total number of days of sick leave the Executive Director may elect to cash out that year.

Section 4. Personal Leave:

The Executive Director may use up to four paid personal leave days, non-accumulative, during each contract year.

Section 5. Long Term Disability Insurance:

The Education District Board shall provide and pay the cost of a long-term disability insurance plan for the Executive Director providing a benefit of sixty percent of the Executive Director's regular monthly compensation, up to \$3,500.00 per month, with a waiting period of not more than ninety calendar days after the date of disability with such benefits to continue until the Executive Director reaches the age of sixty-four years and nine months and as long as the Executive Director remains disabled.

Section 6. Medical Leave:

- a. The Executive Director and Education District Board agree to incorporate by reference and be bound by the provisions of M.S. 122A.40, Subd. 12 relating to suspension and leave of absence for health reasons.
- b. If the Executive Director is unable to perform regular duties because of personal illness or disability and has exhausted all sick leave credit available or has become eligible for long term disability (LTD) compensation and has not been suspended or placed on leave of absence pursuant to M.S. 122A.40, Subd. 12, the Executive Director shall, upon written request to the Education District Board, be granted a medical leave of absence up to one year in duration without pay. The Education District Board may, in its discretion, extend such a leave upon written request. A request for this medical leave of absence or its extension pursuant to this section shall be accompanied by a written statement from a physician outlining the condition of health and estimated time at which

the Executive Director is expected to be able to resume normal responsibilities. The Executive Director, when on this medical leave of absence is eligible to continue to participate in group insurance programs as permitted under the insurance policy provisions, but the Executive Director shall pay the entire premium to the Education District for such programs as the Executive Director wishes to retain commencing with the beginning of the leave.

Section 7. Bereavement Leave:

The Executive Director shall be granted up to five days of paid leave due to the death of a member of the Executive Director's or his/her spouse's immediate family. No deductions will be made for the first two days; however, the next three days shall be deducted from accrued sick leave days. The "immediate family" will include father, mother, sister, brother, husband, wife, son, daughter, grandfather, grandmother, aunt, uncle, and guardian. The specific amount of leave allowed is subject to the discretion of the Education District Board. If necessary, the Executive Director may be allowed more time. Such absences shall be deducted from sick leave.

V. Holidays:

The Executive Director shall be entitled to 11 paid holidays each contract year including: New Year's Eve, New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Thanksgiving Friday, Christmas Eve, Christmas Day.

VI. Insurance:

Section 1. Health and Hospitalization and Dental Insurance:

The Education District Board shall provide the Executive Director and his/her dependents with health and hospitalization and dental insurance coverage, under the Education District's group plan, at the expense of the Education District.

Section 2. Life Insurance:

The Education District shall provide a group term life insurance plan providing \$100,000.00 of coverage for the Executive Director, payable to the Executive Director's named beneficiary, at the expense of the Education District.

Section 3. Long Term Disability Insurance:

The Education District shall provide, at the Education District's expense, LTD insurance for the Executive Director in the Education District's group LTD insurance plan.

Section 5. Claims Against the Education District.

The eligibility of the Executive Director or his/her dependents or beneficiary for insurance benefits shall be governed by the terms of the insurance policies purchased by the Education District pursuant to this section. The Education District's only obligation is to purchase the insurance policies described in this Contract, and no claim shall be made against the Education District as a result of denial by an insurer of insurance benefits if the Education District has purchased the policies and paid the premiums described.

VII. Other Benefits:

Section 1. Tax Sheltered Annuities:

The Executive Director is eligible to participate in a tax-sheltered annuity plan through payroll deduction established pursuant to Section 403(b) of the Internal Revenue Code of 1986, M.S.123B.02, Subd. 15, and Education District policy.

Section 2. Deferred Compensation: The Education District will contribute a matching amount of up to \$6,000.00 per year for the Executive Director to a deferred compensation plan in accordance with M.S. 356.24, Subd. 1 (5). If the Director contributes an amount of \$6000.00 which is matched, then the Education District will contribute an additional \$3000.00.

Section 3. HSA Match: The Education District will contribute \$5000 per year for the Executive Director to an HSA plan.

Section 3. Vehicle:

The Education District shall compensate the Executive Director for business use of the Executive Director's private automobile at the current federal rate.

Section 4. Conferences and Meetings:

The Education District shall pay all legally valid expenses and fees for the Executive Director's attendance at professional conferences and meetings with other educational agencies when such attendance is required, directed, or permitted by the Education District Board. The Director shall advise the Board of all meetings and conferences that the Executive Director will be attending and shall at least annually report to the Education District Board relative to all meetings and conferences attended. The Executive Director shall be allowed one National conference every year at the Education District expense. The Executive Director shall file itemized expense statements to be processed and approved as provided by law.

Section 5. Professional Growth:

The Education District agrees to reimburse tuition fees for coursework. Maximum reimbursed is 9/year credits. Reimbursed costs will be taken out of staff development funds designated for Executive Director.

VIII. Salary:

The annual salary may be modified as hereinafter provided for and shall not be reduced except as herein required, during the term of this Contract. The salary shall be paid in twenty-four equal installments during the Contract year.

Salary

<del>2019-2020</del>	<del>\$140,005</del>
<del>2020-2021</del>	<del>\$143,505</del>
<del>2021-2022</del>	<del>\$147,092</del>
<u>2022-2023</u>	<u>\$161,801</u>

IX. Outside Provisions:

Section 1. Outside Activities:

While the Executive Director shall devote full time and due diligence to the affairs and the activities of the Education District, the Executive Director may serve as a consultant to other Education Districts or educational agencies, lecture, engage in writing and speaking activities, and engage in other activities if such activities do not impede the Director's ability to perform their duties.

Section 2. Indemnification and Provision of Counsel:

In the event that an action is brought or a claim is made against the Executive Director arising out of or in connection with the Executive Director's employment, and the Executive Director is acting within the scope of employment or official duties, the Education District shall defend and indemnify to the extent permitted by law. Indemnification, as provided in this section, shall not apply in the case of malfeasance in office or willful or wanton neglect of duty, and the obligation of the Education District in this regard shall be subject to the limitations as provided in M.S. Chapter 466.

Section 3. Dues:

The Executive Director is encouraged to belong to appropriate professional educational and civic organizations in which such membership will serve the best interests of the Education District. Accordingly, the Education District will pay such membership dues for

organizations as are required, directed, or permitted, by the Education District Board including payment for membership in one state and national organization.

Section 4. Severance:

After 15 years of continuous service with the Education District and age 55, the Executive Director shall be eligible for severance pay to a maximum of 80 days. The 80 days will be based on the accumulated number of sick days. The amount of accumulated sick days will then be multiplied by the current daily rate of pay. In applying these provisions, the Executive Director's daily rate of pay shall be the basic rate at the time of resignation, and shall not include the cost of fringe benefits. For the purpose of severance pay determination, the Executive Director's total workdays shall be 260 days. Severance pay shall be paid by the school district at a time and in a manner mutually agreed upon by the Executive Director and the Board and shall not be granted if the Executive Director is discharged by the district.

This Contract shall be effective only upon signatures of the Executive Director and of the officers of the Education District Board after authorization for such signatures by the officers is given by the Education District Board in appropriate action recorded in its minutes.

IN WITNESS WHEREOF, I have subscribed  
my signature this \_\_\_\_\_ day  
of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Director

IN WITNESS WHEREOF, I have subscribed  
my signature the \_\_\_\_\_ day  
of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Clerk

- VII. **Other:**
- VIII. **Comments: Board/Director**
- IX. **Next Meeting Date: Thursday, January 25, 2024 at 7:00 PM at the River Bluff Education Center in Red Wing.**
- X. **Adjournment**