

**GOODHUE COUNTY EDUCATION DISTRICT BOARD AGENDA**

**Thursday, December 5, 2024 at 7:00 PM**  
**River Bluff Education Center, Red Wing**  
**395 Guernsey Ln**  
**Red Wing, MN 55066**

**AGENDA**

- I. **Pledge of Allegiance**
- II. **Call to Order/Adoption of Agenda:**
- III. **Consent Agenda:**
  - A. Approval of October 24, 2024 Board Meeting Minutes

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**GOODHUE COUNTY EDUCATION DISTRICT BOARD MINUTES**

**Thursday, October 24, 2024 at 7:00 PM**

**River Bluff Education Center**

**395 Guernsey Lane, Red Wing, MN 55066**

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

**MEMBERS ABSENT:**

**OTHERS:** C. Johnson, J. Paradis, B. Cashman (minutes)

**I. Pledge of Allegiance**

**II. Call to Order/Adoption of Agenda:**

J. Lohmann called the meeting to order at 7:03pm.

Motion to adopt the agenda: D. Balow

Second by: T. Bjornstad

Motion: Passed, 6-0

**III. Consent Agenda:**

Motion to approve the consent agenda: M. Syverson

Second by: D. Balow

Motion: Passed, 6-0

**A.** Approval of September 26, 2024 Minutes

**B.** Approval of Claims: T. Bjornstad

**C.** Staff Updates:

**1. Resignations:**

**2. New Hire:** *Mackenzie Diggins, ML Teacher Goodhue*

**3. Transfers:**

**4. Re-assignment:**

**IV. 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 the 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.

**V. Reports and Communication:**

**A.** Business Manager Report

J. Paradis reported the following:

Preliminary Audit Results 2023-24

Audit has progressed through the field audit work. The audit is not complete yet, so changes could still be made. We are estimating that we will use \$142k of the unassigned fund balance for FY 24, bringing our fund balance percentage to 3.40%. This is below the Fund Balance Policy percentage (7%). This is in line with the board approved plan to use \$80k for the equipment lease payments and \$50k towards assessments (Fastbridge).

Budget 2024-25

We have received \$3,551,603 or 18.10% of the adopted budget, compared to 15.60% at Sept 30, 2023 and 18.99% at Sept 30, 2022. We have expended \$2,915,855 or 14.77% of the adopted expense budget, compared to 13.25% at Sept 30, 2023 and 15.96% at Sept 30, 2022.

#### Cash Flow

Cash flow is looking good through the end of the fiscal year. 2024-25 Cash flow has some lower spots through the winter right now as is the usual case. We'll keep an eye on it as we get closer to Nov-Dec and adjust accordingly.

#### Bank Requisitions

Reconciled to books. Transactions accounted for through the month.

#### Student Enrollment

We have increased 9 students since September.

D. Balow thanked J. Paradis and C. Johnson for providing updated monthly enrollment numbers.

#### B. Habitat for Humanity Trip

C. Johnson commented that the GCED Board has been a staunch supporter of the Habitat for Humanity Trips. There was a recent news article - a really cool article - that underscored how important these experiences are. She is glad to celebrate the students. J. Lohmann commented that the Zumbrota-Mazeppa students have really enjoyed it. T. Bjornstad asked if there are any in-town Habitat for Humanity opportunities happening in the future. C. Johnson responded that although she wasn't sure on the current status, the students do have upcoming experiential learning opportunities. C. Johnson offered that the students can come to a future GCED School Board meeting for updates.

### VI. Old Business:

#### A. 2nd Reading of Policy 104 Education District Missions Statement

C. Johnson noted that for this particular year, the GCED School Board reviews the 0, 100, 200 and 300 Policies. GCED has not had Policy 104 before and it is important to review. There are no redlines.

B. Brintnall moved to approve Policy 104. Second by J. Lohmann. The motion passed, 6-0.

### VII. New Business:

#### A. 2024-26 Paraprofessional Agreement

J. Lohmann stated that the agreement was approved by the Paraprofessionals last week. C. Johnson provided the Board with a summary of the tentative agreement and also gave the Board a printed redline version. Both J. Lohmann and C. Johnson commented that it was a really good process and that everyone was engaged and active in the discussions.

D. Balow moved to approve the 2024-26 Paraprofessional Agreement. Second by T. Bjornstad. The motion passed, 6-0.

#### B. Executive Director Agreement

J. Lohmann and J. Stehr worked on this with C. Johnson. This Agreement covers last year, this year, and next year.

D. Balow moved to approve the Executive Director Agreement. Second by A. Dicke. The motion passed, 6-0.

#### C. GCED Health Insurance Plan Changes<sup>3</sup>

J. Paradis reviewed the 2025 Health Insurance overview from the Minnesota Health Consortium (Medica). This came back at a 14.65% increase for all plans. She shared a table summary with

the Board.

C. Johnson remarked that the GCED employees are in agreement that we should move forward with a higher deductible plan. Because it is a change, it does need Board approval.

D. Balow asked if the change impacts the District budget. J. Paradis responded that it does not because the district has a defined contribution that remains unchanged.

D. Balow moved to approve the change in the HSA dedication. Second by M. Syverson. The motion passed, 6-0.

#### **D. GCED Organizational Chart**

C. Johnson provided historical background on the GCED organizational chart. Its structure has not changed significantly for many years and GCED has changed over that time. The current organizational chart doesn't work well for clear communication. The Superintendents asked that work be done on updating the organizational chart.

C. Johnson shared with the Board a plan for an updated organizational chart. Because this is the first time trying to reorganize like this, she indicated that it will be a soft roll-out, with an emphasis on gathering feedback and analysis before bringing a final version to the Board in May.

D. Balow asked if it has been shared with the Superintendents. C. Johnson shared that not the whole group at the moment, just a sub-group that worked with her on it. T. Bjornstad asked if this proposal is an action item. C. Johnson indicated that she is looking for approval for a soft roll-out. T. Bjornstad indicated that she would like to see all of the Superintendents review the plan before the Board moves forward. Discussion ensued on the most appropriate way to move forward, with M. Syverson indicating that it would be best to move forward with a soft roll-out/pilot in order to start to gather feedback. J. Lohmann concurred. C. Johnson added that the final Board approval would come in May, thus giving the soft roll-out/pilot time to generate feedback and analysis. T. Bjornstad remarked that this timeline helps her feel better about the process.

M. Syverson moved to approve a soft roll-out/pilot of the updated GCED Organizational Chart. Second by D. Balow. The motion passed, 6-0.

#### **E. Business Support Services**

C. Johnson reviewed the past and current practice of district invoices. She shared that the Superintendents have asked GCED to increase the frequency of billing/truing up. C. Johnson said that GCED will need some additional support in order to make this work. Specifically looking at a Service Agreement with SMS to add Business Support. D. Balow asked if it was clear to the Superintendents that this would be an additional cost. C. Johnson responded that, yes, they are informed. C. Johnson offered that the additional time/position could pay for itself, as it would give more margin for J. Paradis to focus on bigger picture items. It is not that people are not working hard - both at GCED and Member Districts - it is just a function of the workload. D. Balow asked on a start date. J. Paradis responded that it could /be as soon as November 1st. T. Bjornstad asked about the length of the contract. J. Paradis shared that a contract with SMS is typically three years with a 60 day out on either end. J. Lohmann added that if the Superintendents are asking for more frequent billing and it would give J. Paradis more time to focus on the bigger picture items, it makes sense.

D. Balow moved to approve the additional contracted services (Business Support and Accounts Payable) with SMS. Second by J. Lohmann. The motion passed, 6-0.

**F. Revised 2024-25 District Invoices**

C. Johnson shared revised 2024-25 District invoices.

M. Syverson moved to approve the revised invoices. Second by T. Bjornstad. The motion passed, 6-0.

**VIII. Other:**

**5RiversOnline Meeting**

J. Lohmann shared the effort to have the GCED Board and all of the GCED Member District Superintendents get together to review 5RiversOnline. An initial Doodle Poll was sent by C. Johnson but responses did not indicate a common date and time where everyone could attend. J. Lohmann requested that the Board select two dates/times and then request that the Superintendents determine, as a group, which date/time they will all attend. He shared that this meeting is very important, as it impacts students and school districts across the county. Discussion ensued on potential days and times. M. Syverson suggested that the Board look at an early morning time. There was general agreement that an early morning time could work. The Board settled on two options:

November 13, 2024: 6:30am - 8:30am at the River Bluff Education Center

November 20, 2024: 6:30am - 8:30am at the River Bluff Education Center

D. Balow asked if there was an existing Superintendent meeting on November 20th. C. Johnson indicated that, yes, this was the day for the monthly Superintendent meeting. Based on that feedback, the Board agreed to tentatively plan for November 20th. C. Johnson will communicate this with the Board and the Superintendents.

**IX. Comments: Board/Director:**

C. Johnson thanked the Board for providing her an updated contract.

**X. Next Meeting Date:** December 5, 2024, at 7:00 PM at the River Bluff Education Center in Red Wing.

**XI. Adjournment:**

Motion to adjourn: M. Syverson

Second by: B. Brintnall

Motion, Passed: 6-0

Minutes respectfully submitted by B. Cashman.



**GOODHUE COUNTY EDUCATION DISTRICT**  
**BOARD WORK SESSION MINUTES**  
*Wednesday, November 20, 2024 at 6:30 AM*  
**River Bluff Education Center**  
**395 Guernsey Ln.**  
**Red Wing, MN 55066**

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

**MEMBERS ABSENT:**

**OTHERS: J. Sampson, B. Giese, B. Jaszczak, E. Gough, R. Barnick, A. Wright, C. Johnson, J. Paradis, J. Whitcomb, K. Cory**

- I. Pledge of Allegiance**
- II. Call Work Session to Order:** J. Lohmann called the work session to order.
- III. Adopt Agenda:** M. Syverson motioned to adopt the agenda. D. Balow seconded, motion passed 6-0.
- IV. Items for Discussion:**
  - A. GCED Board Role:** C. Johnson began with how do we move and change going forward, how can this be managed together as a team. Serving on a cooperative board can be difficult due to the complex nature of balancing the needs of all members, navigating potential conflicts of interest, managing financial responsibility while prioritizing member benefits, and often requiring a deep understanding of cooperative principles, all while dealing with a potentially steep learning curve for new board members; essentially, it's harder than being a director on a board in many other types of organizations because of the added layer of member-centric decision making. Legal duties of board members are the duty of care - obligation to be reasonably informed, to act in good faith and to be diligent decision makers; duty of loyalty-obligation to be accountable by putting personal interests aside for the greater good of the organization and the duty of obedience-comply with legal regulatory, reporting requirements and to serve as the guardian of the organization's mission.
  - B. Creation of 5RiversOnline Timeline and Approvals:** 5RO became an online school the 2021-2022 school year. Online schooling is an option for all students. All courses aligned to state standards and graduation requirements. Support for students was verified. Program met all the components of the iNACOL Online Learning Program Standards - leadership, planning, pd, evaluation, etc... Teachers must be available, have office hours and monitor student progress. An annual report is due to MDE and a curriculum review every three years. C. Johnson mentioned that every district can now offer supplemental courses to its own students. Many are most likely doing this with fidelity. There isn't a requirement to apply or to submit any plans or have any follow-up.
  - C. GCED Hiring Procedures:** C. Johnson mentioned that GCED hires the staff for 5RO. Some staff are from the member districts that GCED purchases a portion of and sometimes all of that staff members contract. Due to the loss of 200 supplemental students, each of whom are taking 1, 2 or 3 courses after the start of the 2024-2025 school, staffing cuts needed to be made, staff whose contracts were purchased, had to return to their district.
  - D. 5RiversOnline Current Data and Information:** C. Johnson mentioned that due to enrollment shifts \$197,000 has been reduced from the 5RO budget since September. GCED will also need to reduce an additional \$150,000 in other programs for the remainder of the year due to other impacts unrelated to 5RO. Non-member enrollment has gone up but in order to maintain 5RO we would need to have 200-250 supplemental students each taking 1 or more classes enrolled in the secondary level.
  - E. Next Steps and Communication:** Following discussion, consensus was to review the Joint

Powers Agreement and Bylaws with the superintendents to possibly add timelines as to when districts can notify GCED/5RO if they will be allowing students to enroll in supplemental courses for the upcoming school year. C. Johnson would like a deadline of December 31st as she starts on staffing for the upcoming school year in January. B. Giese mentioned that she would like to have equal opportunity for her staff to be able to teach some 5RO courses. K. Cory commented that she does have a process with all the member districts to see which teachers are interested in teaching a course. C. Johnson will meet with superintendents and review the JPA and Bylaws, make suggestions and bring them back to the board for consideration.

**F. Other:** None.

**G. Adjourn:** M. Syverson motioned to adjourn. D. Balow seconded, motion passed 6-0.



## 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		40141		Wire	1	2216	KWIK TRIP EXTENDED NETWORK		No	Yes	No	10/18/2024	439.61
MERC		40142		Wire	1	2396	MN Dept of Revenue		No	Yes	No	10/18/2024	513.73
MERC		40143		Wire	1	3232	ENTERPRISE FM TRUST		No	Yes	No	10/18/2024	5,408.33
MERC		40144		Direct Pymt	1	00360	CARLSON, MELISSA		Yes	Yes	No	10/18/2024	41.14
MERC		40145		Direct Pymt	1	02672	METRO SALES, INC.		Yes	Yes	No	10/18/2024	742.00
MERC		40146		Direct Pymt	1	03350	REGION V COMPUTER SERVICES		Yes	Yes	No	10/18/2024	2,206.25
MERC		40147		Direct Pymt	1	03977	SOUTHEAST SERVICE COOPERATIVE		Yes	Yes	No	10/18/2024	1,700.00
MERC		40148		Direct Pymt	1	04565	ZUMBROTA-MAZEPPA PUBLIC SCHOOL		Yes	Yes	No	10/18/2024	57,327.76
MERC		40149		Direct Pymt	1	1984	E. B. C., LLC/Flex Contributions		Yes	Yes	No	10/18/2024	481.25
MERC		40150		Direct Pymt	1	2440	LIBERTY'S RESTAURANT		Yes	Yes	No	10/18/2024	193.76
MERC		40151		Direct Pymt	1	2585	TEACHERS ON CALL	C Corporation	Yes	Yes	No	10/18/2024	1,625.40
MERC		40152		Direct Pymt	1	2865	INTELLIGENTS		Yes	Yes	No	10/18/2024	1,250.00
MERC		40153		Direct Pymt	1	3415	AMAZON CAPITAL SERVICES		Yes	Yes	No	10/18/2024	169.60
MERC		40154		Direct Pymt	1	3417	LEMMON, KELSEY		Yes	Yes	No	10/18/2024	51.59
MERC		40155		Direct Pymt	1	3465	WEISENBECK, STEPHANIE		Yes	Yes	No	10/18/2024	5.36
MERC		40156		Direct Pymt	1	3563	IMAGINE LEARNING, LLC		Yes	Yes	No	10/18/2024	325.00
MERC		40157		Direct Pymt	1	3592	PELLETIER, CORI	LLC - C Corp	Yes	Yes	No	10/18/2024	14.74
MERC		40158		Direct Pymt	1	3601	ESPIRICUETA VALDEZ, ILIANA		Yes	Yes	No	10/18/2024	344.38
MERC		40159		Direct Pymt	1	3623	E.B.C. LLC/FLEX MONTHLY		Yes	Yes	No	10/18/2024	125.00
MERC		40160		Direct Pymt	1	3628	AMPION PBC C/O DEPT. 8121	C Corporation	Yes	Yes	No	10/18/2024	5,435.33
MERC		40161		Direct Pymt	1	3638	DEFINED LEARNING, LLC	LLC - S Corp	Yes	Yes	No	10/18/2024	15,120.00
MERC		40162		Direct Pymt	1	3673	AMPION PBC C/O DEPT. 8125	C Corporation	Yes	Yes	No	10/18/2024	224.01
MERC		40163		Direct Pymt	1	3681	QUELLE, REBECCA		Yes	Yes	No	10/18/2024	49.84
MERC		40164		Direct Pymt	1	3736	EBERT, ABBY		Yes	Yes	No	10/18/2024	326.96
MERC		40165		Wire	1	04060	PERA-PUBLIC EMPLOYEES RETIREMT		No	Yes	No	10/29/2024	10,064.01
MERC		40166		Wire	1	04062	MIN TEACHERS RETIREMENT ASSOC		No	Yes	No	10/29/2024	64,142.51
MERC		40167		Wire	1	2284	E. B. C., LLC /ACS		No	Yes	No	10/29/2024	21,033.64
MERC		40168		Wire	1	2392	US DEPT. OF TREASURY		No	Yes	No	10/29/2024	114,712.43
MERC		40169		Wire	1	2396	MN Dept of Revenue		No	Yes	No	10/29/2024	21,223.42
MERC		40170		Wire	1	2501	Merchants Bank		No	Yes	No	10/29/2024	3,480.68
MERC		40190		Wire	1	03977	SOUTHEAST SERVICE COOPERATIVE		No	No	No	11/01/2024	108,155.98
MERC		40191		Wire	1	1280	DELTA DENTAL PLAN OF MN		No	No	No	11/01/2024	7,551.82
MERC		40192		Wire	1	2216	KWIK TRIP EXTENDED NETWORK		No	No	No	11/01/2024	812.16
MERC		40193		Direct Pymt	1	00231	ZUMBRO EDUCATION DISTRICT		Yes	No	No	11/01/2024	1,469.97
MERC		40194		Direct Pymt	1	00360	CARLSON, MELISSA		Yes	No	No	11/01/2024	42.08
MERC		40195		Direct Pymt	1	00707	MENARD'S RED WING		Yes	No	No	11/01/2024	48.54
MERC		40196		Direct Pymt	1	02672	METRO SALES, INC.		Yes	No	No	11/01/2024	811.10
MERC		40197		Direct Pymt	1	03977	SOUTHEAST SERVICE COOPERATIVE		Yes	No	No	11/01/2024	75.00
MERC		40198		Direct Pymt	1	04565	ZUMBROTA-MAZEPPA PUBLIC SCHOOL		Yes	No	No	11/01/2024	150.00

## 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		40199		Direct Pymt	1	09129	RED WING IND SCHOOL DIST 256		Yes	No	No	11/01/2024	1,000.00
MERC		40200		Direct Pymt	1	1483	LAKE CITY PUBLIC SCHOOLS		Yes	No	No	11/01/2024	250.00
MERC		40201		Direct Pymt	1	1784	NCS PEARSON, INC.	C Corporation	Yes	No	No	11/01/2024	1,318.49
MERC		40202		Direct Pymt	1	1984	E. B. C., LLC/Flex Contributions		Yes	No	No	11/01/2024	481.25
MERC		40203		Direct Pymt	1	2585	TEACHERS ON CALL	C Corporation	Yes	No	No	11/01/2024	1,509.30
MERC		40204		Direct Pymt	1	3145	MARQUARDT, JENNIFER		Yes	No	No	11/01/2024	75.04
MERC		40205		Direct Pymt	1	3220	BORAAS, TIFFANY		Yes	No	No	11/01/2024	150.00
MERC		40206		Direct Pymt	1	3409	RIVERSIDE INSIGHTS		Yes	No	No	11/01/2024	183.00
MERC		40207		Direct Pymt	1	3414	COULSON, TESS		Yes	No	No	11/01/2024	164.82
MERC		40208		Direct Pymt	1	3415	AMAZON CAPITAL SERVICES		Yes	No	No	11/01/2024	903.90
MERC		40209		Direct Pymt	1	3468	YUSTEN, NIKKI		Yes	No	No	11/01/2024	313.55
MERC		40210		Direct Pymt	1	3470	BOWE, KATEE		Yes	No	No	11/01/2024	259.29
MERC		40211		Direct Pymt	1	3562	NOTABLE, INC	C Corporation	Yes	No	No	11/01/2024	231.00
MERC		40212		Direct Pymt	1	3601	ESPIRICUETA VALDEZ, ILIANA		Yes	No	No	11/01/2024	440.86
MERC		40213		Direct Pymt	1	3709	AUSTIN, MADASYN		Yes	No	No	11/01/2024	18.09
MERC		40214		Direct Pymt	1	3724	SMISEK, ALLEGRA		Yes	No	No	11/01/2024	246.56
MERC		40215		Direct Pymt	1	3736	EBERT, ABBY		Yes	No	No	11/01/2024	389.27
MERC		40216		Direct Pymt	1	3741	KRUEGER, SAMANTHA		Yes	No	No	11/01/2024	21.78
MERC		40217		Direct Pymt	1	1984	E. B. C., LLC/Flex Contributions		Yes	No	No	11/11/2024	481.25
MERC		40220		Wire	1	04060	PERA-PUBLIC EMPLOYEES RETIREMT		No	No	No	11/11/2024	9,468.28
MERC		40221		Wire	1	04062	MN TEACHERS RETIREMENT ASSOC		No	No	No	11/11/2024	63,039.62
MERC		40222		Wire	1	2284	E. B. C., LLC /ACS		No	No	No	11/11/2024	19,771.14
MERC		40223		Wire	1	2392	US DEPT. OF TREASURY		No	No	No	11/11/2024	101,121.77
MERC		40224		Wire	1	2396	MN Dept of Revenue		No	No	No	11/11/2024	18,716.94
MERC		40225		Wire	1	2501	Merchants Bank		No	No	No	11/11/2024	3,480.68
MERC		40226		Wire	1	2216	KWIK TRIP EXTENDED NETWORK		No	No	No	11/15/2024	466.63
MERC		40227		Wire	1	3505	CAPITAL ONE		No	No	No	11/15/2024	590.99
MERC		40228		Direct Pymt	1	02672	METRO SALES, INC.		Yes	No	No	11/14/2024	1,276.00
MERC		40229		Direct Pymt	1	1497	BODENHAMER, SUSAN		Yes	No	No	11/14/2024	63.38
MERC		40230		Direct Pymt	1	2200	PETERSEN, LYNN		Yes	No	No	11/14/2024	706.85
MERC		40231		Direct Pymt	1	2284	E. B. C., LLC /ACS		Yes	No	No	11/14/2024	138.40
MERC		40232		Direct Pymt	1	2410	SCHOOL MANAGEMENT SERVICES	S Corporation	Yes	No	No	11/14/2024	15,000.00
MERC		40233		Direct Pymt	1	2440	LIBERTY'S RESTAURANT		Yes	No	No	11/14/2024	217.34
MERC		40234		Direct Pymt	1	2585	TEACHERS ON CALL	C Corporation	Yes	No	No	11/14/2024	2,240.09
MERC		40235		Direct Pymt	1	2719	LUHMAN, CINDY		Yes	No	No	11/14/2024	48.24
MERC		40236		Direct Pymt	1	2766	CASHMAN BRIAN		Yes	No	No	11/14/2024	92.20
MERC		40237		Direct Pymt	1	2865	INTELLICENTS		Yes	No	No	11/14/2024	774.86
MERC		40238		Direct Pymt	1	2941	IXL LEARNING	C Corporation	Yes	No	No	11/14/2024	5,568.75
MERC		40239		Direct Pymt	1	3002	MOLDE-BOEDING, JAYNE		Yes	No	No	11/14/2024	58.00

## 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		40240		Direct Pymt	1	3249	BUCHAL, AMY		Yes	No	No	11/14/2024	116.58
MERC		40241		Direct Pymt	1	3360	BOLDUAN, NICOLE		Yes	No	No	11/14/2024	346.26
MERC		40242		Direct Pymt	1	3414	COULSON, TESS		Yes	No	No	11/14/2024	390.61
MERC		40243		Direct Pymt	1	3415	AMAZON CAPITAL SERVICES		Yes	No	No	11/14/2024	337.98
MERC		40244		Direct Pymt	1	3417	LEMMON, KELSEY		Yes	No	No	11/14/2024	53.60
MERC		40245		Direct Pymt	1	3421	ALBIN ACQUISITION CORP		Yes	No	No	11/14/2024	24.50
MERC		40246		Direct Pymt	1	3465	WEISENBECK, STEPHANIE		Yes	No	No	11/14/2024	59.63
MERC		40247		Direct Pymt	1	3468	YUSTEN, NIKKI		Yes	No	No	11/14/2024	480.90
MERC		40248		Direct Pymt	1	3504	SENECHALLE, MEGAN		Yes	No	No	11/14/2024	96.68
MERC		40249		Direct Pymt	1	3538	HEWLETT-PACKARD FINANCIAL SERVI		Yes	No	No	11/14/2024	20,162.74
MERC		40250		Direct Pymt	1	3544	OLSON, MEGAN		Yes	No	No	11/14/2024	18.76
MERC		40251		Direct Pymt	1	3545	ROHAN, JILL		Yes	No	No	11/14/2024	366.49
MERC		40252		Direct Pymt	1	3592	PELLETIER, CORI		Yes	No	No	11/14/2024	32.16
MERC		40253		Direct Pymt	1	3601	ESPIRICUETA VALDEZ, ILIANA		Yes	No	No	11/14/2024	366.49
MERC		40254		Direct Pymt	1	3616	PRICE, MORGAN		Yes	No	No	11/14/2024	523.27
MERC		40255		Direct Pymt	1	3643	AWOLOPE, KAYLA		Yes	No	No	11/14/2024	1,129.73
MERC		40256		Direct Pymt	1	3669	CHRISTENSEN, SARAH		Yes	No	No	11/14/2024	75.71
MERC		40257		Direct Pymt	1	3670	GREEN, MADELYN		Yes	No	No	11/14/2024	120.60
MERC		40258		Direct Pymt	1	3740	BONINE, KATHERINE		Yes	No	No	11/14/2024	187.60
MERC		40259		Direct Pymt	1	3744	TULIP, KAYCEE		Yes	No	No	11/14/2024	66.33
MERC		40138	21614	Check	1	3586	ADAM'S PEST CONTROL - MAIN	S Corporation	Yes	Yes	No	10/18/2024	102.00
MERC		40129	21615	Check	1	1132	CULLIGAN		Yes	Yes	No	10/18/2024	31.00
MERC		40136	21616	Check	1	3297	DEL CARMEN POSADA JARAMILLO, MA	Ind/Sole Proprietor	Yes	Yes	No	10/18/2024	310.94
MERC		40127	21617	Check	1	09118	EDUCATION MN - GCED		Yes	Yes	No	10/18/2024	3,199.36
MERC		40132	21618	Check	1	2871	EMC Insurance Companies		Yes	No	No	10/18/2024	7,909.07
MERC		40135	21619	Check	1	3235	Goodhue Co Ed Dist Paraprofessional Unic		Yes	No	No	10/18/2024	254.46
MERC		40140	21620	Check	1	3743	HIAWATHA HOMECARE		Yes	No	No	10/18/2024	5,336.00
MERC		40126	21621	Check	1	00367	KENYON-WANAMINGO PUBLIC SCHOC		Yes	No	No	10/18/2024	403.00
MERC		40133	21622	Check	1	2960	LANGUAGE LINE SERVICES	C Corporation	Yes	Yes	No	10/18/2024	122.88
MERC		40128	21623	Check	1	09346	MINNESOTA UC FUND		Yes	Yes	No	10/18/2024	38,533.66
MERC		40137	21624	Check	1	3427	SPECIAL SCHOOL DISTRICT #1		Yes	No	No	10/18/2024	138.60
MERC		40139	21625	Check	1	3742	TeachTown		Yes	Yes	No	10/18/2024	21,875.00
MERC		40134	21626	Check	1	3011	U.S. BANK EQUIPMENT FINANCE		Yes	Yes	No	10/18/2024	212.00
MERC		40130	21627	Check	1	1789	UPS		Yes	Yes	No	10/18/2024	8.54
MERC		40131	21628	Check	1	2303	WABASHA-KELLOGG PUBLIC SCHOOL		Yes	Yes	No	10/18/2024	194.25
MERC		40187	21629	Check	1	3657	AMPLIFY EDUCATION, INC	C Corporation	Yes	No	No	11/01/2024	3,788.06
MERC		40185	21630	Check	1	3347	ASL INTERPRETING SERVICES, INC		Yes	No	No	11/01/2024	607.50
MERC		40174	21631	Check	1	01903	CANNON FALLS ISD #252		Yes	No	No	11/01/2024	600.00
MERC		40184	21632	Check	1	3329	CHASE CARD SERVICES		Yes	No	No	11/01/2024	11,681.82

## 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		40172	21633	Check	1	00433	CITY OF RED WING		Yes	No	No	11/01/2024	2,163.88
MERC		40183	21634	Check	1	3297	DEL CARMEN POSADA JARAMILLO, MA	Ind/Sole Proprietor	Yes	No	No	11/01/2024	149.92
MERC		40176	21635	Check	1	09118	EDUCATION MN - GCED		Yes	No	No	11/01/2024	3,199.36
MERC		40186	21636	Check	1	3641	EMPLOYERS PREFERRED INS. CO		Yes	No	No	11/01/2024	3,501.40
MERC		40180	21637	Check	1	3126	FERNBROOK FAMILY CENTER	S Corporation	Yes	No	No	11/01/2024	32,632.09
MERC		40181	21638	Check	1	3235	Goodhue Co Ed Dist Paraprofessional Unic		Yes	No	No	11/01/2024	254.46
MERC		40175	21639	Check	1	01904	GOODHUE PUBLIC SCHOOL		Yes	No	No	11/01/2024	600.00
MERC		40189	21640	Check	1	3743	HIAWATHA HOMECARE		Yes	No	No	11/01/2024	942.50
MERC		40179	21641	Check	1	3088	HILLYARD/HUTCHINSON		Yes	No	No	11/01/2024	1,858.48
MERC		40171	21642	Check	1	00367	KENYON-WANAMINGO PUBLIC SCHOC		Yes	No	No	11/01/2024	100.00
MERC		40182	21643	Check	1	3296	MUTUAL OF OMAHA		Yes	No	No	11/01/2024	2,821.27
MERC		40173	21644	Check	1	00670	RATWIK ROSZAK & MALONEY PA		Yes	No	No	11/01/2024	1,124.05
MERC		40178	21645	Check	1	3078	SHRED-N-GO-446138	S Corporation	Yes	No	No	11/01/2024	81.93
MERC		40188	21646	Check	1	3739	TEACHER SYNERGY LLC	LLC - Partnership	Yes	No	No	11/01/2024	2,400.00
MERC		40177	21647	Check	1	3011	U.S. BANK EQUIPMENT FINANCE		Yes	No	No	11/01/2024	290.00
MERC		40218	21648	Check	1	09118	EDUCATION MN - GCED		Yes	No	No	11/11/2024	3,162.88
MERC		40219	21649	Check	1	3235	Goodhue Co Ed Dist Paraprofessional Unic		Yes	No	No	11/11/2024	254.46
MERC		40265	21650	Check	1	1945	B & H PHOTO		Yes	No	No	11/14/2024	77.58
MERC		40272	21651	Check	1	3297	DEL CARMEN POSADA JARAMILLO, MA	Ind/Sole Proprietor	Yes	No	No	11/14/2024	355.49
MERC		40269	21652	Check	1	2871	EMC Insurance Companies		Yes	No	No	11/14/2024	7,894.06
MERC		40277	21653	Check	1	3743	HIAWATHA HOMECARE		Yes	No	No	11/14/2024	2,310.00
MERC		40278	21654	Check	1	3745	HIAWATHA VALLEY SHRM		Yes	No	No	11/14/2024	85.00
MERC		40260	21655	Check	1	00367	KENYON-WANAMINGO PUBLIC SCHOC		Yes	No	No	11/14/2024	1,517.18
MERC		40270	21656	Check	1	2960	LANGUAGE LINE SERVICES	C Corporation	Yes	No	No	11/14/2024	91.93
MERC		40275	21657	Check	1	3737	LISTEN INNOVATION, INC	C Corporation	Yes	No	No	11/14/2024	1,810.00
MERC		40268	21658	Check	1	2369	MABEL-CANTON PUBLIC SCHOOLS		Yes	No	No	11/14/2024	512.70
MERC		40273	21659	Check	1	3536	PATITZ, KAREN	Ind/Sole Proprietor	Yes	No	No	11/14/2024	123.52
MERC		40262	21660	Check	1	1150	PHONAK, LLC		Yes	No	No	11/14/2024	178.01
MERC		40261	21661	Check	1	06510	PRO-ED, INC		Yes	No	No	11/14/2024	371.80
MERC		40274	21662	Check	1	3610	SIEVERS, LILIAN ALEJANDRA	Ind/Sole Proprietor	Yes	No	No	11/14/2024	249.26
MERC		40264	21663	Check	1	1855	TOM PARKER ELECTRIC	S Corporation	Yes	No	No	11/14/2024	466.21
MERC		40271	21664	Check	1	3011	U.S. BANK EQUIPMENT FINANCE		Yes	No	No	11/14/2024	212.00
MERC		40263	21665	Check	1	1789	UPS		Yes	No	No	11/14/2024	47.01
MERC		40276	21666	Check	1	3738	VIRCO, INC	C Corporation	Yes	No	No	11/14/2024	428.74
MERC		40266	21667	Check	1	2303	WABASHA-KELLOGG PUBLIC SCHOOL		Yes	No	No	11/14/2024	291.38
MERC		40267	21668	Check	1	2315	WINONA PUBLIC SCHOOLS		Yes	No	No	11/14/2024	1,818.64

### 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	Date	Amount
MERC		40279	21669	Check	1 3746		ZHENG, YUPING	Ind/Sole Proprietor	Yes	No	No	11/14/2024	220.00
Bank Total:													\$894,033.94
Report Total:													\$894,033.94

D. Staff Updates:

1. **Resignations:** *Allegra Smisek, Director of Cradle to Career & Indian Education, effective 11/19/24*
2. **Terminations:** *Mackenzie Diggins, EL Teacher - Goodhue effective 11/22/24*
3. **New Hire:** *Jeimmy Yusty-Rojas, Director of Cradle to Career effective 1/2/25*
4. **Leave of Absence:** *Jeimmy Yusty-Rojas, Cultural Liaison - RW effective 1/1/2025-6/30/2025*
5. **Re-assignment:**

IV. **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.

V. **Reports and Communication:**

A. Business Manager Report

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As of 11/21/24

District	REACH / Setting IV	STEP	Pathways 6-7	Pathways 8-12	5RO Elementary	5RO Secondary	5RO Part Time	Total
Cannon Falls	2	3		5	1	23	41	75
Goodhue	2	1		1	1	5	4	14
Kenyon-Wanamingo	10	3		0	1	11	14	39
Lake City	5	1	1	3	0	23	23	56
Red Wing	32	4	9	21	15	101	5	187
Zumbrota-Mazeppa	4	3		1	3	13	11	35
Non Members	0	0		0	4	54	7	65
<b>Total Program</b>	<b>55</b>	<b>15</b>	<b>10</b>	<b>31</b>	<b>25</b>	<b>230</b>	<b>105</b>	<b>471</b>

<b>Total Special Ed</b>	55	15		9	4	46	1	130
<b>Percent Special Ed</b>	100.00%	100.00%	0.00%	29.03%	16.00%	20.00%	0.95%	27.60%

**Color Code Key**

	MDE Tuition Billing System	16
	Billed to Districts at or below APU amount	
	Billed to Districts throughout year for cash flow and trued up at year end (Open Enrollment)	

## Goodhue County Ed District Reconciliation Worksheet Report 10/31/2024

Audit No	Statement Date	Co	Bank Code	Bank Name/Description
1547	10/31/2024	6051	MERC	MERCHANTS BANK GENERAL

### Worksheet has been Finalized

Statement Amount 1,069,928.90

Deposits in Transit 0.00

**Outstanding Payments**

Checks 32,355.91

Wires 0.00

SHR - Payments 0.00

SHR - Third Party 0.00

Cash 0.00

ACH 0.00

**Adjustment Amount** 738.96

Amount Per Bank 1,038,311.95

GL Account Balance 1,038,311.95

<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 10/31/2024 KT Wire 812.16 KWIK TRIP BKD NOV

Manual 10/31/2024 SWEEP Deposit (73.20) FROM SWEEP

## Business Manager Report 12-5-24

### Budget 2024-25 as of 10/31/24

We have received \$4,444,910 or 22.65% of the adopted budget, compared to 19.62% at Oct 31, 2023 and 21.87% at Oct 31, 2022. We have expended \$4,218,260 or 21.36% of the adopted expense budget, compared to 20.27% at Oct 31, 2023 and 21.80% at Oct 31, 2022.

### Cash Flow

For your information. Cash flow is looking good through the end of the fiscal year. 2024-25 Cash flow has some lower spots through the winter right now as is the usual case. We'll keep an eye on it as we get closer and adjust accordingly.

### Oct Bank Rec

For your information

### Enrollment

We have increased 34 students since October. Below is the change by program.

Program	Oct 24	Nov 24	Change
REACH	52	55	+3
STEP	14	15	+1
Pathways 6-7	10	10	0
Pathways 8-12	31	31	0
5RO Elementary	26	25	-1
5RO Secondary FT	204	230	+26
5RO Secondary PT	100	105	+5
Total	437	471	+34



**GOODHUE CO ED DISTRICT  
2024-25 CASH FLOW**

**AS OF 11-27-24**

**JULY**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
7/1/2024	(20,928.28)	(9,194.74)	-		180.54	1,166,131.27
7/9/2024	(430,444.50)	-	255.36		-	735,942.13
7/15/2024	(215,249.41)	(301,019.29)	-	615,136.93	-	834,810.36
7/20/2024	(270,423.19)	-	566,979.61		-	1,131,366.78
7/31/2024	(197,465.86)	(265,620.92)	3,541.59	89,355.93		761,177.52
<b>ENDING BALANCE</b>	<b>(1,134,511.24)</b>	<b>(575,834.95)</b>	<b>570,776.56</b>	<b>704,492.86</b>	<b>180.54</b>	<b>761,177.52</b>

**AUGUST**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
8/1/2024		-	262,301.05			1,023,478.57
8/4/2024	(355,715.77)	-	-		-	667,762.80
8/15/2024	(237,065.62)	(343,024.91)		339,552.54	-	427,224.81
8/17/2024	(234,651.62)	-	575,308.28			767,881.47
8/30/2024	(199,410.49)	(267,390.10)	599,822.03	733,458.21		1,634,361.12
<b>ENDING BALANCE</b>	<b>(1,026,843.50)</b>	<b>(610,415.01)</b>	<b>1,437,431.36</b>	<b>1,073,010.75</b>	<b>-</b>	<b>1,634,361.12</b>

**SEPTEMBER**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
9/1/2024	(670,307.09)	-	326,141.94		239,257.93	1,529,453.90
9/15/2024	(223,964.95)	(303,040.23)	15,065.60	154,323.75	17,931.01	1,189,769.08
9/17/2024	(1,043,703.19)	-	407,172.99		-	553,238.88
9/30/2024	(213,866.69)	(289,324.42)	530,764.35	457,190.06	427,848.88	1,465,851.06
<b>ENDING BALANCE</b>	<b>(2,151,841.92)</b>	<b>(592,364.65)</b>	<b>1,279,144.88</b>	<b>611,513.81</b>	<b>685,037.82</b>	<b>1,465,851.06</b>

**OCTOBER**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
10/1/2024	(279,762.16)	-	-		-	1,186,088.90
10/9/2024	-	-	76,171.00			1,262,259.90
10/15/2024	(386,994.03)	(297,710.71)		100,686.08	-	678,241.24
10/20/2024	-	-	472,857.71		-	1,151,098.95
10/31/2024	(235,348.44)	(318,667.31)	3,238.09	421,982.25	16,008.41	1,038,311.95
<b>ENDING BALANCE</b>	<b>(902,104.63)</b>	<b>(616,378.02)</b>	<b>552,266.80</b>	<b>522,668.33</b>	<b>16,008.41</b>	<b>1,038,311.95</b>

**NOVEMBER**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
11/1/2024	(195,869.57)	-	-		-	842,442.38
11/5/2024	-	-			6,379.90	848,822.28
11/15/2024	(290,755.88)	(301,627.81)	276,480.59	109,044.62	-	641,963.80
11/20/2024	-	-	338,197.08			980,160.88
11/30/2024	(458,373.34)	(296,897.56)	3,200.00	203,746.08	-	431,836.06
<b>ENDING BALANCE</b>	<b>(944,998.79)</b>	<b>(598,525.37)</b>	<b>617,877.67</b>	<b>312,790.70</b>	<b>6,379.90</b>	<b>431,836.06</b>

**DECEMBER**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
12/1/2024	-	-	-		-	431,836.06
12/8/2024	(241,258.77)	-	214,800.63		247,273.25	652,651.16
12/15/2024	(192,796.86)	(287,692.72)	221,985.96	240,810.56	137,318.10	772,276.19
12/20/2024	(85,335.60)	-	416,912.63		62,408.73	1,166,261.95
12/31/2024	(190,385.95)	(288,224.39)	1,484.57	131,351.22	-	820,487.41
<b>ENDING BALANCE</b>	<b>(709,777.18)</b>	<b>(575,917.11)</b>	<b>855,183.79</b>	<b>372,161.78</b>	<b>447,000.08</b>	<b>820,487.41</b>

**JANUARY**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
1/1/2025	-	-	142,360.40	-	-	962,847.81
1/8/2025	(185,918.69)	-	-	-	-	776,929.12
1/15/2025	(996,536.03)	(262,992.73)	1,618.07	239,553.31	105,270.22	(136,158.05)
1/20/2025	-	-	322,315.70	-	-	186,157.65
1/31/2025	-	(275,249.43)	151,320.75	175,134.95	1,603.66	238,967.58
<b>ENDING BALANCE</b>	<b>(1,182,454.73)</b>	<b>(538,242.16)</b>	<b>617,614.91</b>	<b>414,688.26</b>	<b>106,873.89</b>	<b>238,967.58</b>

**FEBRUARY**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
2/1/2025	(402,446.18)	-	213,371.69	-	22,919.27	72,812.37
2/15/2025	(195,550.90)	(286,735.61)	177,267.30	188,748.04	6,035.04	(37,423.77)
2/20/2025	(48,060.06)	-	277,058.20	-	-	191,574.37
2/28/2025	(531,427.76)	(277,444.74)	279,117.60	408,918.69	161,373.18	232,111.34
<b>ENDING BALANCE</b>	<b>(1,177,484.91)</b>	<b>(564,180.35)</b>	<b>946,814.79</b>	<b>597,666.73</b>	<b>190,327.49</b>	<b>232,111.34</b>

**MARCH**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
3/1/2025	-	-	305,591.48	-	28,788.70	566,491.51
3/15/2025	(411,889.95)	(277,398.66)	236,935.96	285,343.34	-	399,482.19
3/20/2025	-	-	363,513.45	-	-	762,995.63
3/31/2025	(432,403.77)	(274,877.81)	70,548.50	342,412.00	-	468,674.56
<b>ENDING BALANCE</b>	<b>(844,293.72)</b>	<b>(552,276.47)</b>	<b>976,589.38</b>	<b>627,755.34</b>	<b>28,788.70</b>	<b>468,674.56</b>

**APRIL**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
4/9/2025	-	-	151,518.81	-	-	620,193.37
4/15/2025	(360,107.20)	(263,326.75)	602,324.55	228,274.67	263,759.95	1,091,118.59
4/20/2025	-	-	256,476.55	-	-	1,347,595.14
4/30/2025	(433,369.45)	(302,357.65)	2,256.88	455,312.17	-	1,069,437.10
<b>ENDING BALANCE</b>	<b>(793,476.65)</b>	<b>(565,684.39)</b>	<b>1,012,576.79</b>	<b>683,586.84</b>	<b>263,759.95</b>	<b>1,069,437.10</b>

**MAY**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
5/1/2025	(251,706.29)	-	-	-	862.59	818,593.39
5/15/2025	(343,011.36)	(305,000.00)	232,147.96	285,343.34	-	688,073.33
5/20/2025	(154,144.83)	-	351,448.48	-	-	885,376.98
5/31/2025	(234,354.48)	(338,897.46)	221,192.30	285,343.34	-	818,660.68
<b>ENDING BALANCE</b>	<b>(983,216.95)</b>	<b>(643,897.46)</b>	<b>804,788.74</b>	<b>570,686.67</b>	<b>862.59</b>	<b>818,660.68</b>

**JUNE**

DATE	ACCOUNTS PAYABLE	PAYROLL	MISC. RECEIPTS	STATE AID	FEDERAL GRANT	RUNNING BALANCE
6/1/2025	(489,389.13)	-	704,652.44	-	-	1,033,923.99
6/15/2025	(223,675.69)	(319,983.92)	375,050.79	-	-	865,315.18
6/20/2025	-	-	439,044.67	285,343.34	-	1,589,703.18
6/30/2025	(411,775.79)	(296,362.63)	105,758.69	-	323,955.28	1,311,278.74
<b>ENDING BALANCE</b>	<b>(1,124,840.60)</b>	<b>(616,346.54)</b>	<b>1,624,506.58</b>	<b>285,343.34</b>	<b>323,955.28</b>	<b>1,311,278.74</b>

<b>TOTALS</b>	<b>(12,975,844.81)</b>	<b>(7,050,062.49)</b>	<b>-</b>	<b>11,295,572.26</b>	<b>6,776,365.40</b>	<b>2,069,174.64</b>	<b>1,311,278.74</b>
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# REVENUE & EXPENDITURE SUMMARY BY SOURCE, OBJECT SERIES & PROGRAM SERIES

Goodhue Co Ed District | October 31, 2024

REVENUE CATEGORIES						October 31, 2024	October 31, 2023	October 31, 2022	Current YTD vs. PYTD	October 31, 2023	October 31, 2022
	June 30, 2023	June 30, 2024	Adopted Budget	Received YTD	Budget Remaining	% of Budget Received	% of Actuals Received	% of Actuals Received			
STATE	5,526,275	6,262,303	6,340,963	1,321,986	5,018,977	20.85%	17.70%	19.14%	213,332	1,108,654	1,057,718
FEDERAL	2,587,427	2,370,023	2,178,935	0	2,178,935	0.00%	0.00%	7.22%	0	0	186,747
PROPERTY TAXES	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
LOCAL SALES, INS RECOVERY & JUDGEMENTS	(38)	19,221	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.)	9,891,895	11,284,638	11,104,042	3,122,924	7,981,118	28.12%	24.83%	27.22%	320,665	2,802,259	2,692,493
<b>TOTALS</b>	<b>18,005,558</b>	<b>19,936,185</b>	<b>19,623,940</b>	<b>4,444,910</b>	<b>15,179,030</b>	<b>22.65%</b>	<b>19.62%</b>	<b>21.87%</b>	<b>533,997</b>	<b>3,910,913</b>	<b>3,936,958</b>

EXPENDITURES (OBJECT SERIES)						October 31, 2024	October 31, 2023	October 31, 2022	Current YTD vs. PYTD	October 31, 2023	October 31, 2022
	June 30, 2023	June 30, 2024	Adopted Budget	Expended YTD	Budget Remaining	% of Budget Expended	% of Actuals Expended	% of Actuals Expended			
SALARIES & WAGES	9,460,185	10,093,545	11,007,974	2,309,747	8,698,227	20.98%	20.38%	21.39%	252,750	2,056,998	2,023,154
EMPLOYEE BENEFITS	2,512,992	2,843,575	2,993,894	668,143	2,325,751	22.32%	20.71%	20.77%	79,172	588,971	522,042
PURCHASED SERVICES	4,342,464	5,105,484	3,876,561	535,538	3,341,023	13.81%	14.23%	16.60%	(191,025)	726,563	720,719
SUPPLIES	742,772	819,001	691,907	378,622	313,285	54.72%	52.72%	54.93%	(53,146)	431,768	407,983
EQUIPMENT	1,122,686	1,073,045	1,150,815	303,858	846,957	26.40%	22.56%	26.58%	61,825	242,033	298,419
DEBT SERVICE	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
OTHER EXPENDITURES	119,374	124,731	26,626	22,351	4,275	83.95%	15.56%	14.40%	2,940	19,411	17,189
OTHER FINANCING USES	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
<b>TOTALS</b>	<b>18,300,473</b>	<b>20,059,380</b>	<b>19,747,777</b>	<b>4,218,260</b>	<b>15,529,517</b>	<b>21.36%</b>	<b>20.27%</b>	<b>21.80%</b>	<b>152,516</b>	<b>4,065,744</b>	<b>3,989,502</b>

EXPENDITURES (PROGRAM SERIES)						October 31, 2024	October 31, 2023	October 31, 2022	Current YTD vs. PYTD	October 31, 2023	October 31, 2022
	June 30, 2023	June 30, 2024	Adopted Budget	Expended YTD	Budget Remaining	% of Budget Expended	% of Actuals Expended	% of Actuals Expended			
SITE ADMINISTRATION	320,461	357,053	380,753	126,446	254,307	33.21%	29.41%	29.44%	21,424	105,022	94,340
DISTRICT ADMINISTRATION	68,996	92,977	77,591	28,313	49,278	36.49%	27.07%	35.22%	3,141	25,172	24,299
SUPPORT SERVICES	250,828	338,571	297,375	189,599	107,776	63.76%	54.19%	57.93%	6,143	183,456	145,316
REGULAR INSTRUCTION	3,033,317	3,275,290	2,906,194	431,339	2,474,855	14.84%	10.96%	12.29%	72,391	358,948	372,904
EXTRA-CURRICULAR ACTIVITIES	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
VOCATIONAL INSTRUCTION	299,927	454,237	454,250	100,009	354,241	22.02%	16.40%	14.80%	25,510	74,499	44,392
SPECIAL EDUCATION	10,162,969	10,794,455	10,988,391	2,418,009	8,570,382	22.01%	22.18%	24.06%	24,315	2,393,694	2,445,135
COMMUNITY SERVICES	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
INSTRUCTIONAL SUPPORT	752,469	893,095	604,624	251,658	352,966	41.62%	30.53%	28.41%	(21,007)	272,665	213,784
PUPIL SUPPORT SERVICES	1,982,331	2,499,034	2,572,894	416,222	2,156,672	16.18%	15.43%	17.20%	30,715	385,506	341,057
FACILITIES	1,429,174	1,354,668	1,465,705	256,665	1,209,040	17.51%	19.69%	21.57%	(10,116)	266,781	308,279
OTHER FINANCING USES	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
<b>TOTALS</b>	<b>18,300,473</b>	<b>20,059,380</b>	<b>19,747,777</b>	<b>4,218,260</b>	<b>15,529,517</b>	<b>21.36%</b>	<b>20.27%</b>	<b>21.80%</b>	<b>152,516</b>	<b>4,065,744</b>	<b>3,989,507</b>

SUMMARY - ALL FUNDS						2024	2023	2022	Current YTD vs. PYTD	October 31, 2023	October 31, 2022
	June 30, 2023	June 30, 2024	Adopted Budget	YTD	Budget Remaining	% of Budget Expended	% of Actuals Expended	% of Actuals Expended			
<b>SUMMARY</b>											
REVENUE	18,005,558	19,936,185	19,623,940	4,444,910	15,179,030	22.65%	19.62%	21.87%	533,997	3,910,913	3,936,958
EXPENDITURES	18,300,473	20,059,380	19,747,777	4,218,260	15,529,517	21.36%	20.27%	21.80%	152,516	4,065,744	3,989,507
SPENDING VARIANCE	(294,915)	(123,195)	(123,837)	226,650	N/A	N/A	N/A	N/A	381,481	(154,830)	(52,550)

- B. Review of Agreements, Bylaws and Joint Powers
- C. Limb Lab Pilot Site
- VI. **Old Business:**
- VII. **New Business:**
  - A. FY24 Audit Report

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**



**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, 2024**

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**GOODHUE COUNTY EDUCATION DISTRICT #6051-61  
RED WING, MINNESOTA  
BOARD OF EDUCATION AND ADMINISTRATION  
JUNE 30, 2024**

	<u>2023 - 2024</u>	<u>Representative of School District</u>
Jason Lohmann	Board Chair	Zumbrota-Mazeppa
Jerry Stehr	Vice Chairperson	Goodhue
Bob Brintnall	Office of Business Affairs	Cannon Falls
Dawn Balow	Board Clerk	Lake City
Terese Bjornstad	Board Clerk	Red Wing
Marilyn Syverson	Board Clerk	Kenyon - Wanamingo

Executive Director

Cherie Johnson

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

**FINANCIAL SECTION**

**JUNE 30, 2024**

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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 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, 2024, 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, 2024, 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 (GAS)*, 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 GAS 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.

***Auditor’s Responsibilities for the Audit of the Financial Statements (Continued)***

In performing an audit in accordance with GAAS and GAS, 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 basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***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, 2023, from which such partial information was derived.

We have previously audited the District's 2023 financial statements and our report, dated November 30, 2023, 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, 2023, 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 26, 2024, 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 26, 2024

**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, 2024. Please read it in conjunction with the District's financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2023-2024 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 2023-24 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 2021.

**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 \$7,918,444 on June 30, 2024. This was a decrease in the balance of \$504,592 from the prior year.

	Total	
	2024	2023
<b>Assets</b>		
Current and other assets	\$ 4,348,777	\$ 4,599,836
Capital assets	10,143,814	10,749,493
Total assets	14,492,591	15,349,329
<b>Deferred Outflows of Resources</b>	4,474,425	4,906,589
<b>Liabilities</b>		
Current liabilities	3,584,536	3,716,756
Long-Term liabilities	22,751,441	22,466,062
Total liabilities	26,335,977	26,182,818
<b>Deferred Inflows of Resources</b>	549,483	1,486,952
<b>Net Position</b>		
Net investment in capital assets	(817,368)	(939,551)
State-mandated restrictions	111,031	84,274
Unrestricted	(7,212,107)	(6,558,575)
Total net position	\$ (7,918,444)	\$ (7,413,852)

**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 \$19,936,185 for the year ended June 30, 2024, compared to \$18,005,562 for the year ended June 30, 2023. The federal government subsidized certain programs with grants and contributions totaling \$2,370,024. However, most of the District's costs were paid with \$15,517,119 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	
	2024	2023
<b>Revenue</b>		
Program revenues:		
Charges for services	\$ 15,517,119	\$ 13,962,094
Operating grants and contributions	3,060,834	3,254,499
General revenues:		
Unrestricted state sources	1,283,924	762,265
Other sources	74,308	26,704
Total revenues	19,936,185	18,005,562
<b>Expenses</b>		
District and school administration	466,011	245,595
District support services	340,283	189,738
Regular instruction	3,341,028	3,149,197
Vocational instruction	460,216	301,018
Special education	11,135,123	8,676,446
Instructional support services	900,593	817,413
Pupil support services	2,585,065	2,302,557
Site, buildings, and equipment	948,089	1,231,399
Fiscal and other fixed cost programs	264,369	275,944
Total expenses	20,440,777	17,189,307
Change in net position	(504,592)	816,255
Net position, beginning of year	(7,413,852)	(8,230,107)
Net position, end of year	\$ (7,918,444)	\$ (7,413,852)

The cost of all governmental activities was \$20,440,777 for the year ended June 30, 2024, compared to \$17,189,307 for the year ended June 30, 2023. This increase of \$3,251,470 is primarily due to increased staffing needs because of growth in 5RiversOnline.

**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 \$887,443, a decrease of \$123,195 from last year's ending fund balance of \$1,010,638.

**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 2023, a preliminary budget was approved. In February 2024, 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 change 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, 2024, the District had \$10,143,814 of capital assets, net of accumulated depreciation. Total depreciation expense for the year was \$672,284.

	Total	
	2024	2023
Land	\$ 134,200	\$ 134,200
Site Improvements	397,610	397,610
Buildings	14,073,528	14,073,528
Equipment	1,027,135	960,530
Total Capital Assets	15,632,473	15,565,868
Less accumulated depreciation	(5,488,659)	(4,816,375)
Total	\$ 10,143,814	\$ 10,749,493

**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, 2024, is as follows:

	Total	
	2024	2023
Taxable Refunding Certificates of Participation 2020	\$ 11,105,000	\$ 11,720,000
2015 Capital Lease Payable - HVAC	78,532	155,200
2022 Capital Lease Payable - Chromebooks Lease #1	12,100	17,933
2022 Capital Lease Payable - Chromebooks Lease #2	26,789	39,704
2023 Capital Lease Payable - Enterprise Vehicle 25NJ4N	12,784	16,706
2023 Capital Lease Payable - Enterprise Vehicle 25NJ4S	12,785	16,707
2023 Capital Lease Payable - Enterprise Vehicle 25NJ4V	12,784	16,706
2023 Capital Lease Payable - Enterprise Vehicle 25NJ4X	12,785	16,707
2023 Capital Lease Payable - Enterprise Vehicle 25NJ5C	12,784	16,706
2023 Capital Lease Payable - Enterprise Vehicle 25NJ53	12,768	16,685
2023 Capital Lease Payable - Enterprise Vehicle 25NJ58	12,765	16,681
2023 Capital Lease Payable - Enterprise Vehicle 25NPFZ	12,728	16,632
2023 Capital Lease Payable - Enterprise Vehicle 263V7W	13,993	20,569
2023 Capital Lease Payable - Enterprise Vehicle 263V8V	13,993	20,569
Compensated Absences Payable	74,436	57,476
Severance Payable	24,021	25,347
Certificates of Participation Discount	(37,080)	(39,697)
Total	\$ 11,413,967	\$ 12,150,631

**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.

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

**BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2024**

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**GOODHUE COUNTY EDUCATION DISTRICT #6051-61**  
**RED WING, MINNESOTA**  
**STATEMENTS OF NET POSITION**  
June 30, 2024  
(With Comparative Data as of June 30, 2023)

	Governmental Activities	
	2024	2023
<b>Assets</b>		
Cash and investments	\$ 1,196,074	\$ 1,001,453
Accounts receivable	977	8,313
Due from other Minnesota districts	836,798	1,608,640
Due from Department of Education	1,490,292	1,060,541
Due from Federal through Minnesota Department of Education	707,426	812,693
Due from other governmental units	1,104	1,604
Prepaid items	116,106	106,592
Capital Assets:		
Nondepreciable	134,200	134,200
Depreciable, net	10,009,614	10,615,293
<b>TOTAL ASSETS</b>	<b>14,492,591</b>	<b>15,349,329</b>
<b>Deferred Outflows of Resources</b>		
Deferred outflows from pension activities	4,043,639	4,512,890
Deferred outflows from OPEB activities	76,458	14,935
Deferred charge on debt refunding	354,328	378,764
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>4,474,425</b>	<b>4,906,589</b>
<b>Liabilities</b>		
Accounts payable	26,788	62,903
Salaries and wages payable	1,300,783	1,204,190
Due to other Minnesota districts	1,301,888	1,497,596
Due to other governmental units	446,605	491,708
Accrued payroll taxes and benefits	362,197	286,788
Accrued interest payable	123,202	127,558
Unearned revenue	23,073	46,013
Noncurrent liabilities:		
Due within one year:		
Long-term liabilities	776,169	760,067
Postemployment benefits payable	11,610	9,372
Due in more than one year:		
Long-term liabilities	10,637,798	11,390,564
Net pension liability	11,027,194	10,075,598
Postemployment benefits payable	298,670	230,461
<b>TOTAL LIABILITIES</b>	<b>26,335,977</b>	<b>26,182,818</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows from pension activities	453,243	1,409,826
Deferred inflows from OPEB activities	96,240	77,126
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>549,483</b>	<b>1,486,952</b>
<b>Net Position</b>		
Net investment in capital assets	(817,368)	(939,551)
State-mandated restrictions	111,031	84,274
Unrestricted	(7,212,107)	(6,558,575)
<b>TOTAL NET POSITION</b>	<b>\$ (7,918,444)</b>	<b>\$ (7,413,852)</b>

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61**  
**RED WING, MINNESOTA**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2024  
(With Partial Comparative Data as of June 30, 2023)

	2024			
	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b><u>Functions/Programs</u></b>				
District and school administration	\$ 466,011	\$	\$ 2,438	\$
District support services	340,283		5	
Regular instruction	3,341,028	1,483,291	13,974	
Vocational instruction	460,216		240,141	
Special education	11,135,123	14,017,598	2,780,716	
Instructional support services	900,593		4,587	
Pupil support services	2,585,065	16,230	18,973	
Site, buildings, and equipment	948,089			
Fiscal and other fixed cost programs	264,369			
Total governmental activities	\$ 20,440,777	\$ 15,517,119	\$ 3,060,834	\$

General Revenues:  
State sources  
Other general revenues  
Investment earnings  
Insurance recovery  
Total general revenues

Change in net position

Net position - Beginning

Net Position - Ending

2024	2023
Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Governmental Activities	Governmental Activities
\$ (463,573)	\$ (245,595)
(340,278)	(189,738)
(1,843,763)	(1,662,797)
(220,075)	(50,915)
5,663,191	6,803,644
(896,006)	(817,413)
(2,549,862)	(2,302,557)
(948,089)	(1,231,399)
(264,369)	(275,944)
(1,862,824)	27,286
1,283,924	762,265
51,730	9,011
19,587	17,693
2,991	
1,358,232	788,969
(504,592)	816,255
(7,413,852)	(8,230,107)
\$ (7,918,444)	\$ (7,413,852)

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61**  
**RED WING, MINNESOTA**  
**BALANCE SHEETS**  
**GOVERNMENTAL FUNDS**  
June 30, 2024  
(With Comparative Data as of June 30, 2023)

	<u>Total Governmental Funds</u>	
	2024	2023
<b>ASSETS</b>		
Cash and investments	\$ 1,196,074	\$ 1,001,453
Accounts receivable	977	8,313
Due from other Minnesota districts	836,798	1,608,640
Due from Department of Education	1,490,292	1,060,541
Due from Federal through Minnesota Department of Education	707,426	812,693
Due from other governmental units	1,104	1,604
Prepaid items	116,106	106,592
<b>TOTAL ASSETS</b>	<b>\$ 4,348,777</b>	<b>\$ 4,599,836</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 26,788	\$ 62,903
Salaries and wages payable	1,300,783	1,204,190
Due to other Minnesota districts	1,301,888	1,497,596
Due to other governmental units	446,605	491,708
Accrued payroll taxes and benefits	362,197	286,788
Unearned revenue	23,073	46,013
<b>TOTAL LIABILITIES</b>	<b>3,461,334</b>	<b>3,589,198</b>
<b>FUND BALANCE</b>		
Nonspendable	116,106	106,592
Restricted	111,031	84,274
Unassigned	660,306	819,772
<b>TOTAL FUND BALANCES</b>	<b>887,443</b>	<b>1,010,638</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 4,348,777</b>	<b>\$ 4,599,836</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, 2024**

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

Total governmental fund balances (pages 13)		\$ 887,443
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental funds - capital assets	\$ 15,632,473	
Less: Accumulated depreciation	<u>(5,488,659)</u>	
		10,143,814
Interest on long-term debt is not accrued in governmental funds, but rather recognized as an expenditure when paid		
		(123,202)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		
Certificates of participation payable	\$ (11,105,000)	
Unamortized certificates of participation discount	37,080	
Deferred charge on debt refunding	354,328	
Capital leases payable	(247,590)	
Net pension liability	(7,436,798)	
Compensated absences	(74,436)	
Separation and severance payable	(24,021)	
Other postemployment benefits payable	<u>(330,062)</u>	
		<u>(18,826,499)</u>
Net position of governmental activities (page 10)		<u>\$ (7,918,444)</u>

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61**  
**RED WING, MINNESOTA**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2024  
(With Comparative Data for the Year Ended June 30, 2023)

	<u>Total Governmental Funds</u>	
	<u>2024</u>	<u>2023</u>
<b>REVENUES</b>		
Other local and county sources	\$ 11,284,638	\$ 9,891,858
State sources	6,262,302	5,526,276
Federal sources	2,370,024	2,587,428
<b>TOTAL REVENUES</b>	<b>19,916,964</b>	<b>18,005,562</b>
<b>EXPENDITURES</b>		
District and school administration	450,030	389,460
District support services	338,571	250,828
Regular instruction	3,275,290	3,033,317
Vocational instruction	454,236	299,927
Special education	10,794,456	10,112,093
Instructional support services	893,095	732,306
Pupil support services	2,499,034	1,982,331
Site, buildings, and equipment	358,081	648,255
Fiscal and other fixed cost programs	996,587	1,069,337
<b>TOTAL EXPENDITURES</b>	<b>20,059,380</b>	<b>18,517,854</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(142,416)</b>	<b>(512,292)</b>
<b>OTHER FINANCING SOURCES</b>		
Sale of materials	16,230	
Insurance recovery	2,991	
Issuance of capital leases payable		217,379
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>19,221</b>	<b>217,379</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(123,195)</b>	<b>(294,913)</b>
<b>FUND BALANCE - BEGINNING</b>	<b>1,010,638</b>	<b>1,305,551</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 887,443</b>	<b>\$ 1,010,638</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, 2024**

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

Net change in fund balances - total governmental funds (pages 15) \$ (123,195)

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	\$ 66,605	
Depreciation expense	<u>(672,284)</u>	(605,679)

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	\$ 615,000	
Change in accrued interest expense	4,356	
Amortization of deferred charge on debt refunding	(24,436)	
Amortization of certificate of participation discount	<u>(2,617)</u>	592,303

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		139,915
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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	\$ (464,264)	
Compensated absences payable	(16,960)	
Severance payable	1,326	
Other postemployment benefits payable	<u>(28,038)</u>	(507,936)

Change in net position of governmental activities (pages 11 and 12) \$ (504,592)

**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, 2024  
(With Partial Comparative Data for the Year Ended June 30, 2023)

	Budgeted Amounts		2024 Actual	Over (Under) Final Budget	2023 Actual
	Original	Final			
<b>REVENUES</b>					
Other local and county sources	\$ 10,655,749	\$ 11,592,395	\$ 11,284,638	\$ (307,757)	\$ 9,891,858
State sources	5,804,871	5,583,147	6,262,302	679,155	5,526,276
Federal sources	2,136,762	2,297,187	2,370,024	72,837	2,587,428
<b>TOTAL REVENUES</b>	18,597,382	19,472,729	19,916,964	444,235	18,005,562
<b>EXPENDITURES</b>					
District and school administration	399,900	449,146	450,030	884	389,460
District support services	300,137	365,651	338,571	(27,080)	250,828
Regular instruction	3,013,938	3,054,011	3,275,290	221,279	3,033,317
Vocational instruction	385,019	404,910	454,236	49,326	299,927
Special education	10,354,164	10,800,830	10,794,456	(6,374)	10,162,969
Instructional support services	553,089	639,667	893,095	253,428	752,469
Pupil support services	2,197,000	2,354,086	2,499,034	144,948	1,982,331
Site, buildings, and equipment	479,822	449,720	358,081	(91,639)	648,255
Fiscal and other fixed cost programs	996,587	996,587	996,587		998,298
<b>TOTAL EXPENDITURES</b>	18,679,656	19,514,608	20,059,380	544,772	18,517,854
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(82,274)	(41,879)	(142,416)	(100,537)	(512,292)
<b>OTHER FINANCING SOURCES</b>					
Sale of materials		16,230	16,230		
Insurance recovery			2,991	2,991	
Issuance of capital leases payable					217,379
<b>TOTAL OTHER FINANCING SOURCES</b>		16,230	19,221	2,991	217,379
<b>NET CHANGE IN FUND BALANCE</b>	(82,274)	(25,649)	(123,195)	(97,546)	(294,913)
<b>FUND BALANCE - BEGINNING</b>	1,010,638	1,010,638	1,010,638		1,305,551
<b>FUND BALANCE - ENDING</b>	\$ 928,364	\$ 984,989	\$ 887,443	\$ (97,546)	\$ 1,010,638

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2024**

**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.

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

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

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.

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 which 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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1. Summary of Significant Accounting Policies (Continued)

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Description of Funds (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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1. Summary of Significant Accounting Policies (Continued)

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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.

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:

	Useful Life in Years
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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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1. Summary of Significant Accounting Policies (Continued)

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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.

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, 2023, from which the summarized data was derived.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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**2. Stewardship and Accountability**

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Excess of expenditures over appropriations at the individual fund level during 2024 were as follows:

General Fund                 \$     544,772

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, 2024, the District's cash and investments consisted of the following items:

Deposits	\$ 213,730
Minnesota School District Liquid Asset Fund (MSDLAF)	<u>982,344</u>
Total Cash and Investments	<u><u>\$1,196,074</u></u>

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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3. Cash and Investments (Continued)

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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.

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

Fair Value Measurement (Continued)

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.

At June 30, 2024, the District's investment balances were as follows:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk - Maturity Duration in Years				Total
	Rating	Agency		No Maturity Date	Less Than 1	1 to 5	6 to 10	
MSDLAF+ Liquid Class	AAAa	S&P	N/A	\$ 53	\$	\$	\$	\$ 53
MSDLAF+ Max Class	AAAa	S&P	N/A	982,291				982,291
<b>Total Investments</b>				<b>\$ 982,344</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$982,344</b>

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 Statues. 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, 2024 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	<u>134,200</u>			<u>134,200</u>
Capital assets, being depreciated:				
Site improvements	397,610			397,610
Buildings	14,073,528			14,073,528
Equipment	960,530	66,605		1,027,135
Total capital assets, being depreciated	<u>15,431,668</u>	<u>66,605</u>		<u>15,498,273</u>
Less accumulated depreciation for:				
Site improvements	149,104	19,881		168,985
Buildings	4,196,870	562,941		4,759,811
Equipment	470,401	89,462		559,863
Total accumulated depreciation	<u>4,816,375</u>	<u>672,284</u>		<u>5,488,659</u>
Total capital assets, being depreciated, net	<u>10,615,293</u>	<u>(605,679)</u>		<u>10,009,614</u>
Governmental activities capital assets, net	<u>\$ 10,749,493</u>	<u>\$ (605,679)</u>	<u>\$</u>	<u>\$ 10,143,814</u>

Depreciation expense was charged to governmental activities as follows:

<b>Governmental Activities:</b>		
District and school administration		\$ 162
Regular instruction		6,082
Vocational instruction		5,723
Special education		24,031
Instructional support services		33,618
Pupil Support		12,660
Site, buildings and equipment		<u>590,008</u>
Total depreciation expense - governmental activities		<u>\$ 672,284</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, 2024 balances are as follows:

	Original Amount of Debt	Range of Interest Rates	Final Maturity	Balance June 30, 2024
Taxable Refunding Certificates of Participation 2020	\$ 13,530,000	1.4-3.1%	2039	\$ 11,105,000
2015 Capital Lease Payable - HVAC	706,500	2.42%	2025	78,532
2022 Capital Lease Payable - Chromebooks Lease #1	29,900	2.45%	2026	12,100
2022 Capital Lease Payable - Chromebooks Lease #2	66,200	2.45%	2026	26,789
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				74,436
Severance Payable				24,021
Certificates of Participation Discount				(37,080)
Total				<u>\$ 11,458,466</u>

Description of long-term debt

*Certificates of Participation.* On February 5, 2015, the District issued a Certificates of Participation for \$12,995,000 for building improvements. On December 22, 2020 this was refunded at a value of \$13,530,000.

*Capital Lease Payable.* On May 25, 2015, the District entered into a capital lease for HVAC upgrades. Annual principal and interest will be paid by the General Fund.

On August 31, 2021, the District entered into two capital leases for equipment. Annual principal and interest will be paid by the General Fund.

On July 1, 2022, the District entered into ten capital leases for transportation vehicles. Annual principal and interest will be paid by the General Fund.

*Compensated Absences Payable.* Compensated absences payable consists of convertible sick leave benefits payable to non-certified employees upon retirement. These benefits are paid by the General Fund.

*Severance Payable.* Severance payable provides for early retirement severance pay that qualifies as a termination benefit. These benefits are paid by the General Fund.

**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, 2024.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Taxable Refunding Certificates of Participation 2020	\$ 11,720,000	\$	\$ 615,000	\$ 11,105,000	\$ 630,000
Capital Leases Payable:					
2015 - HVAC	155,200		76,668	78,532	78,532
2022 - Chromebooks Lease #1	17,933		5,833	12,100	5,977
2022 - Chromebooks Lease #2	39,704		12,915	26,789	13,232
2023 - Enterprise Vehicle 25NJV4	16,706		3,922	12,784	4,087
2023 - Enterprise Vehicle 25NJV4S	16,707		3,922	12,785	4,087
2023 - Enterprise Vehicle 25NJV4V	16,706		3,922	12,784	4,087
2023 - Enterprise Vehicle 25NJV4X	16,707		3,922	12,785	4,087
2023 - Enterprise Vehicle 25NJV5C	16,706		3,922	12,784	4,087
2023 - Enterprise Vehicle 25NJV53	16,685		3,917	12,768	4,082
2023 - Enterprise Vehicle 25NJV58	16,681		3,916	12,765	4,081
2023 - Enterprise Vehicle 25NPFZ	16,632		3,904	12,728	4,069
2023 - Enterprise Vehicle 263V7W	20,569		6,576	13,993	6,852
2023 - Enterprise Vehicle 263V8V	20,569		6,576	13,993	6,852
Compensated Absences Payable	57,476	19,017	2,057	74,436	2,057
Severance Payable	25,347		1,326	24,021	
Certificates of Participation Discount	(39,697)		(2,617)	(37,080)	
	<u>\$ 12,150,631</u>	<u>\$ 19,017</u>	<u>\$ 755,681</u>	<u>\$ 11,413,967</u>	<u>\$ 776,169</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. Long-Term Liabilities (Continued)

The annual requirements to amortize all long-term debt outstanding as of June 30, 2024, over the life of the debt, are summarized below:

Certificates of Participation			
Years	Principal	Interest	Total
<u>Governmental Activities</u>			
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	675,000	244,003	919,003
2030-2034	3,650,000	954,080	4,604,080
2035-2039	4,205,000	393,710	4,598,710
Totals	<u>\$ 11,105,000</u>	<u>\$ 2,696,818</u>	<u>\$ 13,801,818</u>

Capital Leases Payable			
Years	Principal	Interest	Total
<u>Governmental Activities</u>			
2025	\$ 144,112	\$ 6,884	\$ 150,996
2026	68,003	3,036	71,039
2027	35,475	799	36,274
Totals	<u>\$ 247,590</u>	<u>\$ 10,719</u>	<u>\$ 258,309</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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**6. 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. Fund Balance (Continued)**

The following is a summary of fund balances as of June 30, 2024 with comparative totals for June 30, 2023:

	<u>2024 Totals</u>	<u>2023 Totals</u>
Nonspendable		
Prepaid items	<u>\$ 116,106</u>	<u>\$ 106,592</u>
Restricted		
Long-term facilities maintenance	<u>111,031</u>	<u>84,274</u>
Unassigned	<u>660,306</u>	<u>819,772</u>
Total Fund Balance	<u><u>\$ 887,443</u></u>	<u><u>\$ 1,010,638</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, 2024</u>	<u>UFARS Balance June 30, 2023</u>
Nonspendable				
Prepaid items	<u>\$ 116,106</u>	<u>\$</u>	<u>\$ 116,106</u>	<u>\$ 106,592</u>
Restricted				
Long-term facilities maintenance	<u>111,031</u>	<u></u>	<u>111,031</u>	<u>84,274</u>
Unassigned	<u>660,306</u>	<u></u>	<u>660,306</u>	<u>819,772</u>
Total Fund Balance	<u><u>\$ 887,443</u></u>	<u><u>\$</u></u>	<u><u>\$ 887,443</u></u>	<u><u>\$ 1,010,638</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, 2024, covered employees had accrued compensated absences in the amount of \$74,436.

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, 2024, an estimate of the future costs of this disability insurance coverage is \$24,021.

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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.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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10. Defined Benefit Pension Plans – Statewide (Continued)

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Plan Description (Continued)

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.

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. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

Benefits Provided (Continued)

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).

Or

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.

*Tier II Benefits*

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 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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

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 2024 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, 2024 were \$109,454. The District's contributions were equal to the required contributions as set by the state statute.

2. TRA Contributions

*Minnesota Statute*, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year ended June 30, 2023 and June 30, 2024 were:

	Ended June 30, 2023		Ended June 30, 2024	
	Employee	Employer	Employee	Employer
Basic	11.00%	12.55%	11.25%	12.75%
Coordinated	7.50%	8.55%	7.75%	8.75%

The District's contributions to the TRA Fund for the year ended June 30, 2024 were \$658,264. 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 2023 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	\$ 508,764,000
Employer contributions not related to future contribution efforts	(87,000)
TRA's contributions not included in allocation	(643,000)
Total employer contributions	508,034,000
Total non-employer contributions	35,587,000
Total contributions reported in <i>Schedule of Employer and Non-Employer Allocations</i>	\$ 543,621,000

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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

Pension Costs

1. General Employees Fund Pension Costs

At June 30, 2024, the District reported a liability of \$1,028,907 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 \$28,353.

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, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0184 percent at the end of the measurement period and 0.0158 percent for the beginning of the period.

District's proportionate share of the net pension liability	\$	1,028,907
State of Minnesota's proportionate share of the net pension liability associated with the District		<u>28,353</u>
Total	<u>\$</u>	<u>1,057,260</u>

For the year ended June 30, 2024, the District recognized pension expense of \$91,654 for its proportionate share of General Employees Plan's pension expense. In addition, the District recognized \$127 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the annual \$16 million contribution.

At June 30, 2024, 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>
Differences between expected and actual economic experience	\$ 32,643	\$ 5,856
Net difference between projected and actual investment earnings		34,422
Changes in actuarial assumptions	137,814	282,015
Changes in proportion	167,252	
Contributions paid to PERA subsequent to the measurement date	<u>113,438</u>	
Total	<u>\$ 451,147</u>	<u>\$ 322,293</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

*Pension Costs (Continued)*

The \$113,438 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, 2025. 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
2025	\$ 64,562
2026	(83,709)
2027	56,882
2028	(22,319)

**2. TRA Pension Costs**

At June 30, 2024, the District reported a liability of \$9,998,287 for its proportionate share of the net pension liability. 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 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 0.1211 percent at the end of the measurement period and 0.1102 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 the net pension liability	\$ 9,998,287
State of Minnesota's proportionate share of the net pension liability associated with the District	<u>700,458</u>
Total	<u>\$ 10,698,745</u>

For the year ended June 30, 2024, the District recognized pension expense of \$372,610. It also recognized \$98,630 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 74,905	\$ 130,950
Net difference between projected and actual investment earnings on pension plan investments	267,595	
Changes of assumptions	877,973	
Changes in proportion	1,642,839	
Contributions paid to TRA subsequent to the measurement date	<u>729,180</u>	
 Total	 <u>\$ 3,592,492</u>	 <u>\$ 130,950</u>

The \$729,180 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, 2025. 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:	<u>Pension Expense Amount</u>
2025	\$ 620,877
2026	490,300
2027	1,333,814
2028	160,202
2029	127,169

Aggregate Pension Costs

Pension expense recognized by the District for the year ended June 30, 2024 is as follows:

General Employee Retirement Fund	\$ 91,781
TRA	<u>471,240</u>
Total	<u>\$ 563,021</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%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
Total	100%	

Actuarial Methods and Assumptions

1. General Employees Fund Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023 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 7.0 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 7.0 percent was deemed to be within that range of reasonableness for financial reporting purposes.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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10. Defined Benefit Pension Plans – Statewide (Continued)

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*Actuarial Methods and Assumptions (Continued)*

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 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation.

The following changes in PERA actuarial assumptions and plan provisions occurred in 2023:

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

10. Defined Benefit Pension Plans – Statewide (Continued)

Actuarial Methods and Assumptions (Continued)

2. TRA Actuarial Assumptions

The total pension liability in the June 30, 2023, 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, 2023
Measurement Date	June 30, 2023
Experience Studies	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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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10. Defined Benefit Pension Plans – Statewide (Continued)

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Actuarial Methods and Assumptions (Continued)

The following changes in TRA actuarial assumptions since the 2022 valuation:

- The 2023 Tax Finance and Policy Bill, effective July 1, 2025:
  - The employer contribution rate will increase from 8.75% to 9.5% on July 1, 2025.
  - The employee contribution rate will increase from 7.75% to 8% on July 1, 2025.
  - The pension adjustment rate for school districts and the base budgets for Minnesota State, Perpich Center for Arts Education, and Minnesota Academies will increase to reflect the 0.75% employer contribution rate increase.
  
- The 2024 Omnibus Pensions and Retirement Bill:
  - The Normal Retirement Age (NRA) for active and eligible deferred Tier II members will be 65 effective July 1, 2024.
  - TRA's amortization date will remain the same at 2048.

Discount Rate

1. General Employees Fund Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.0 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 2023 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).

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

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	6.00%	7.00%	8.00%
District’s proportionate share of the General Employees Retirement Fund net pension liability	\$ 1,820,220	\$ 1,028,907	\$ 378,023
TRA Discount Rate	6.00%	7.00%	8.00%
District’s proportionate share of the TRA net pension liability	\$ 15,946,533	\$ 9,998,287	\$ 5,128,924

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.

**11. Other Postemployment Benefit Plan**

The District engaged an actuary to determine the District’s liability for postemployment healthcare benefits other than pensions for the year ended June 30, 2024.

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.

The District has no assets accumulated in a trust that meet the criteria of GASB Statement No. 75.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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11. Other Postemployment Benefit Plan (Continued)

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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, 2024, there were 136 active participants and one retired participant 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. Teachers hired before July 1, 1989 are eligible for district contributions of \$1,500 per year towards medical premium for eight years upon retirement. As of July 1, 2021, no active teachers remain who are eligible for this benefit.

Total OPEB Liability

The District's total liability was measured as of July 1, 2023 and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of July 1, 2023. The components of the total OPEB liability of the District at year-end were as follows:

Total OPEB liability	<u>\$ 310,280</u>
Liability discount rate	<u>3.90%</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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

*Actuarial Methods and Assumptions (Continued)*

The total OPEB liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Plan Type	Single Employer
Discount rate	3.90%
20-Year Municipal Bond Yield	3.90%
Inflation rate	2.50%
Salary Increases	Service graded table, see sample rates
Medical Trend Rate	6.50% as of July 1, 2023 grading to 5.00% over 6 years and then to 4.00% over the next 48 years
Dental Trend Rate	NA

The following changes since the last valuation have been made:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP- 2021 Generational Improvement Scale.
- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.10% to 3.90%.

*Changes in Total OPEB Liability*

	<u>Total OPEB Liability</u>
Beginning Balance 7/1/2023	\$ 239,833
Changes for the year:	
Service cost	41,547
Interest	5,880
Assumption changes	(39,518)
Difference between expected and actual	65,299
Benefit payments	<u>(2,761)</u>
Net changes	<u>70,447</u>
Balance End of Year 6/30/2024	<u>\$ 310,280</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

11. Other Postemployment Benefit Plan (Continued)

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

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

	<u>Total OPEB Liability</u>
1% decrease in Discount Rate (2.90%)	\$ 336,528
Current Discount Rate (3.90%)	310,280
1% increase in Discount Rate (4.90%)	285,394

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a 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	\$ 268,889
Current Trend Rates	310,280
1% increase in Trend Rates	360,235

OPEB Deferred Outflows and Inflows of Resources

As of the year ended June 30, 2024, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between projected and actual investment earnings	\$ 57,136	\$ 56,296
Changes in actuarial assumptions	9,950	39,944
Contributions paid to OPEB subsequent to the measurement date	9,372	
Total	<u>\$ 76,458</u>	<u>\$ 96,240</u>

The \$9,372 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, 2025. 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:	<u>OPEB Expense Amount</u>
2025	\$ (10,017)
2026	(10,017)
2027	(10,009)
2028	(2,194)
2029	(3,360)
Thereafter	6,443
82	

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2024**

**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, 2024

	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>							
Service cost	\$ 41,547	\$ 37,893	\$ 36,789	\$ 30,591	\$ 26,972	\$ 29,878	\$ 29,008
Interest cost	5,880	4,942	5,981	6,386	8,171	7,350	6,745
Difference between expected and actual experience	65,299		(61,118)		(48,268)		
Changes in actuarial assumptions	(39,518)		8,447	9,343	(14,316)		
Benefit payments	(2,761)	(912)	(9,197)	(9,375)	(11,610)	(8,753)	(28,727)
Net changes in total OPEB liability	70,447	41,923	(19,098)	36,945	(39,051)	28,475	7,026
Total OPEB liability - beginning of year	239,833	197,910	217,008	180,063	219,114	190,639	183,613
Total OPEB liability - end of year	\$ 310,280	\$ 239,833	\$ 197,910	\$ 217,008	\$ 180,063	\$ 219,114	\$ 190,639
<b>Total OPEB Liability - End of Year</b>	\$ 310,280	\$ 239,833	\$ 197,910	\$ 217,008	\$ 180,063	\$ 219,114	\$ 190,639
<b>Covered-Employee Payroll</b>	\$ 8,822,323	\$ 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>	3.5%	3.1%	2.6%	3.5%	3.0%	4.0%	3.6%

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 (presented prospectively)**

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%
2024	PERA	109,454	109,454		1,459,387	7.50%

**Schedule of District's Contributions  
TRA Retirement Funds  
Last Ten Years (presented prospectively)**

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%
2024	TRA	658,264	658,264		7,698,994	8.55%

**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)**

Fiscal Year Ended June 30	District's Proportionate (Percentage) of the Net Pension Liability (Asset)	District's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the District (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)		Covered Payroll (c)	District's Proportionate Share (Amount) of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
				Proportionate Share of the Net Pension Liability Associated With the District (a)	Proportionate Share of the Net Pension Liability Associated With the District (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%
2023	0.0184%	1,028,907	28,353		1,057,260	1,459,387	72%	83.10%

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

Fiscal Year Ended June 30	District's Proportionate (Percentage) of the Net Pension Liability (Asset)	District's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the District (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)		Covered Payroll (c)	District's Proportionate Share (Amount) of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
				Proportionate Share of the Net Pension Liability Associated With the District (a)	Proportionate Share of the Net Pension Liability Associated With the District (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%
2023	0.1211%	9,998,287	700,458		10,698,745	7,698,994	139%	76.42%

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

**COMPLIANCE AND INTERNAL CONTROL REPORTS**

**JUNE 30, 2024**

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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 (*Government Auditing Standards*), 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 Goodhue County Education District #6051-61, Red Wing, Minnesota (the District), as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated November 26, 2024.

**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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control over financial reporting 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 of 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

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

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

### **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 bid - laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing 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, Schafn and Associates, Ltd.*

Red Wing, Minnesota  
November 26, 2024

## 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 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, 2024. 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 direct and material effect on each of its major federal programs for the year ended June 30, 2024.

#### *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 (GAS) issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the 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 major federal programs. 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 major 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 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, GAS, 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.

***Auditor's Responsibilities for the Audit of Compliance (Continued)***

In performing an audit in accordance with GAAS, GAS, 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

### **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 Goodhue County Education District #6051-61, Red Wing, Minnesota, as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon, dated November 26, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

### **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, Schafn and Associates, Ltd.*

Red Wing, Minnesota  
November 26, 2024

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**JUNE 30, 2024**

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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, 2024

<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	\$ 1,102,925	\$ 1,544,607
Special Education - American Rescue Plan	84.027X		93,564
Special Education - Early Intervention	84.173	33,089	275,872
Special Education - Preschool Grants	84.173	<u>65,099</u>	<u>111,786</u>
Subtotal:		1,201,113	2,025,829 ***
Career and Technical Education -			
Basic Grants to States (Perkins Reserves)	84.048	47,945	55,229
Career and Technical Education -			
Basic Grants to States (Perkins IV)	84.048	153,183	183,159
Special Education - Grants for Infants and Toddlers	84.181		43,034
Special Education - Grants for Infants and Toddlers with Disabilities	84.181X		22,500
English Language Acquisition Grants (Title III)	84.365		21,105
Governors Emergency Education Relief Fund	84.425C		1,339
Elementary and Secondary School Emergency Relief Fund	84.425D		8,753
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U		<u>9,076</u>
Total U.S. Department of Education		<u>1,402,241</u>	<u>2,370,024</u>
Total expenditures of federal awards		<u>\$ 1,402,241</u>	<u>\$ 2,370,024</u>

\*\*\* 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, 2024**

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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, 2024. 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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Goodhue County Education District #6051-61 has not charged indirect costs to any of the federal programs. Therefore, the election of the 10 percent de minimis indirect cost rate is not applicable as allowed under the Uniform Guidance.

**GOODHUE COUNTY EDUCATION DISTRICT #6051-61**  
**RED WING, MINNESOTA**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
Year Ended June 30, 2024

**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, 2024

**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: \$ 750,000

Auditee qualified as low-risk auditee?       X       Yes            No

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

**COMPLIANCE TABLE**

**JUNE 30, 2024**

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**Fiscal Compliance Report - 6/30/2024**  
**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	\$19,916,964	<u>\$19,916,964</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$20,059,380	<u>\$20,059,380</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Non Spendable:</i>				<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$116,106	<u>\$116,106</u>	<u>\$0</u>	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>				<i>Restricted / Reserved:</i>			
4.01 Student Activities	\$0	<u>\$0</u>	<u>\$0</u>	4.07 Capital Projects Levy	\$0	<u>\$0</u>	<u>\$0</u>
4.02 Scholarships	\$0	<u>\$0</u>	<u>\$0</u>	4.13 Funded by COP/FP	\$0	<u>\$0</u>	<u>\$0</u>
4.03 Staff Development	\$0	<u>\$0</u>	<u>\$0</u>	4.67 LTFM	\$0	<u>\$0</u>	<u>\$0</u>
4.07 Capital Projects Levy	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted:</i>			
4.08 Cooperative Revenue	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.12 Literacy Incentive Aid	\$0	<u>\$0</u>	<u>\$0</u>	<i>Unassigned:</i>			
4.14 Operating Debt	\$0	<u>\$0</u>	<u>\$0</u>	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.16 Levy Reduction	\$0	<u>\$0</u>	<u>\$0</u>	<b>07 DEBT SERVICE</b>			
4.17 Taconite Building Maint	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.20 American Indian Education Aid	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.24 Operating Capital	\$0	<u>\$0</u>	<u>\$0</u>	<i>Non Spendable:</i>			
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.27 Disabled Accessibility	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted / Reserved:</i>			
4.28 Learning & Development	\$0	<u>\$0</u>	<u>\$0</u>	4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
4.34 Area Learning Center	\$0	<u>\$0</u>	<u>\$0</u>	4.33 Maximum Effort Loan Aid	\$0	<u>\$0</u>	<u>\$0</u>
4.35 Contracted Alt. Programs	\$0	<u>\$0</u>	<u>\$0</u>	4.51 QZAB Payments	\$0	<u>\$0</u>	<u>\$0</u>
4.36 State Approved Alt. Program	\$0	<u>\$0</u>	<u>\$0</u>	4.67 LTFM	\$0	<u>\$0</u>	<u>\$0</u>
4.38 Gifted & Talented	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted:</i>			
4.39 English Learner	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	<u>\$0</u>	<i>Unassigned:</i>			
4.41 Basic Skills Programs	\$0	<u>\$0</u>	<u>\$0</u>	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.43 School Library Aid	\$0	<u>\$0</u>	<u>\$0</u>	<b>08 TRUST</b>			
4.48 Achievement and Integration	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.49 Safe Schools Levy	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.51 QZAB Payments	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted / Reserved:</i>			
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>	4.01 Student Activities	\$0	<u>\$0</u>	<u>\$0</u>
4.53 Unfunded Sev & Retiree Levy	\$0	<u>\$0</u>	<u>\$0</u>	4.02 Scholarships	\$0	<u>\$0</u>	<u>\$0</u>
4.59 Basic Skills Extended Time	\$0	<u>\$0</u>	<u>\$0</u>	4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>
4.67 LTFM	\$111,031	<u>\$111,031</u>	<u>\$0</u>	<b>18 CUSTODIAL</b>			
4.71 Student Support Personnel Aid	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.72 Medical Assistance	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted:</i>				<i>Restricted / Reserved:</i>			
4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	4.01 Student Activities	\$0	<u>\$0</u>	<u>\$0</u>
4.75 Title VII Impact Aid	\$0	<u>\$0</u>	<u>\$0</u>	4.02 Scholarships	\$0	<u>\$0</u>	<u>\$0</u>
4.76 Payments in Lieu of Taxes	\$0	<u>\$0</u>	<u>\$0</u>	4.48 Achievement and Integration	\$0	<u>\$0</u>	<u>\$0</u>
<i>Committed:</i>				4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.18 Committed for Separation	\$0	<u>\$0</u>	<u>\$0</u>	<b>20 INTERNAL SERVICE</b>			
4.61 Committed Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
<i>Assigned:</i>				Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.62 Assigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>
<i>Unassigned:</i>				<b>25 OPEB REVOCABLE TRUST</b>			
4.22 Unassigned Fund Balance	\$660,306	<u>\$660,306</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
<b>02 FOOD SERVICES</b>				Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted / Reserved:</i>			
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>	4.01 Student Activities	\$0	<u>\$0</u>	<u>\$0</u>
<i>Non Spendable:</i>				4.02 Scholarships	\$0	<u>\$0</u>	<u>\$0</u>
4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	4.48 Achievement and Integration	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>				4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>	<b>45 OPEB IRREVOCABLE TRUST</b>			
<i>Restricted:</i>				Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Unassigned:</i>				<i>Restricted / Reserved:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>
<b>04 COMMUNITY SERVICE</b>				<b>47 OPEB DEBT SERVICE</b>			
Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Non Spendable:</i>				<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>				<i>Restricted:</i>			
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>	4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
4.31 Community Education	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.32 E.C.F.E	\$0	<u>\$0</u>	<u>\$0</u>	<i>Unassigned:</i>			
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	<u>\$0</u>	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.44 School Readiness	\$0	<u>\$0</u>	<u>\$0</u>	<b>47 OPEB DEBT SERVICE</b>			
4.47 Adult Basic Education	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted:</i>				<i>Non Spendable:</i>			
4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Unassigned:</i>				<i>Restricted:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
				4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
				<i>Unassigned:</i>			
				4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

- B. Acceptance of Donations/Grants Resolution: Grant from the Liz Quackenbush Foundation in the amount of \$1500. Grant from The Jones Family Foundation in the amount of \$10,000 for the RBEC Coffee Shop.
- C. Acceptance of Donations/Grants Resolution: Future Forward Impact Grant from the Southeast Service Cooperative in the amount of \$11,500 for the RBEC Coffee Shop.
- D. Annual Policy Updates - 200 Series including: 105
- 202 Education District Board Officer
  - 203 Operation of the Education District Board - Governing Rules
  - 203.1 Education District Board Procedures; Rules of Order
  - 203.2 Order of the Regular Education District Board Meeting
  - 203.5 Education District Board Meeting Agenda
  - 203.6 Consent Agendas
  - 204 Education District Board Meeting Minutes
  - 205 Open Meetings & Closed Meetings
  - 206 Public Participation in Education District Board Meetings
  - 207 Public Hearings
  - 208 Development, Adoption, and Implementation of Policies
  - 209 Code of Ethics
  - 210 Conflict of Interest - Education District Board Meetings
  - 211 Criminal or Civil Action Against Education District, Education District Board Member, Employee, or Student
  - 213 Education District Board Committees
  - 214 Out-Of-State Travel by Education District Board Members

## 202 EDUCATION DISTRICT BOARD OFFICERS

### I. PURPOSE

Education district board officers are charged with the duty of carrying out the responsibilities entrusted to them for the care, management, and control of the public schools of the education district. The purpose of this policy is to delineate those responsibilities.

### II. GENERAL STATEMENT OF POLICY

- A. The education district board shall meet annually and organize by selecting a chair, ~~a clerk, a treasurer,~~ officer of business affairs and such other officers as determined by the education district board. At its option, the education district board may appoint a vice-chair to serve in the temporary absence of the chair.
- B. The education district board shall appoint an executive director who shall be an ex officio, non voting member of the education district board.

### III. ORGANIZATION

The education district board shall meet annually on the ~~first Monday~~ fourth Thursday in January, or as soon thereafter as practicable, and organize by selecting a chair, officer of business affairs ~~a clerk, a treasurer,~~ and such other officers as determined by the education district board. These officers shall hold office for one year and until their successors are elected and qualify.

- A. The persons who perform the duties of ~~clerk and treasurer~~ officer of business affairs need not be members of the education district board.
- B. The education district board by resolution may combine the duties of the offices of clerk and treasurer in a single person in the office of business affairs.

### IV. OFFICER'S RESPONSIBILITIES

- A. Chair
  - 1. The chair, when present, shall preside at all meetings of the education district board, countersign all orders upon the treasurer for claims allowed by the education district ~~board,~~ represent the education district in all

actions, and perform all duties a chair usually performs.

2. In case of absence, inability, or refusal of the clerk to draw orders for the payment of money authorized by a vote of the majority of the education district board to be paid, the chair may draw the orders, or the office of the clerk may be declared vacant by the chair and treasurer and filled by appointment.

~~B. Treasurer~~

1. ~~The treasurer or designee shall deposit the funds of the education district in the official depository.¶¶~~
2. ~~The treasurer or designee shall make all reports which may be called for by the education district board and perform all duties a treasurer usually performs.¶¶~~
3. ~~In the event there are insufficient funds on hand to pay valid orders presented to the treasurer, the treasurer shall receive, endorse, and process the orders in accordance with Minn. Stat. § Minnesota statutes section 123B.12.¶¶~~

C. ~~Clerk~~ Officer of Business Affairs

1. The officer of business affairs or designee shall deposit the funds of the education district in the official depository.
2. The officer of business affairs or designee shall make all reports which may be called for by the education district board and perform all duties the treasurer usually performs.
3. In the event there are insufficient funds on hand to pay valid orders presented to the officer of business affairs or designee, the officer of business affairs or designee shall receive, endorse, and process the orders in accordance with Minn. Stat. § Minnesota statutes section 123B.12.
4. The ~~clerk~~ officer of business affairs or designee shall keep a record of all meetings in the books provided.
5. On or before September 15 of each year, the ~~clerk~~ officer of business affairs shall verify that the board and the MDE has been provided the following:

- a. a report of the revenues, expenditures, and balances in each fund for the preceding fiscal year.
  - b. Make and transmit to the Commissioner of the Minnesota Department of Education (Commissioner) certified reports, showing:
    - (1) revenues and expenditures in detail, and such other financial information required by law, rule, or as may be called for by the Commissioner;
    - (2) length of education district term and enrollment and attendance by grades; and
    - (3) other items of information as called for by the Commissioner.
3. The ~~clerk~~ officer of business affairs shall verify that the business manager has copies of all reports and of the teachers' term reports, and of the proceedings of any meeting, and keep an itemized account of all expenses of the education district.
  4. The ~~clerk~~ officer of business affairs shall draw and sign all orders upon the treasurer for the payment of money for bills allowed by the education district board for salaries of officers and for teachers' wages and all claims, to be countersigned by the chair.
  5. The ~~clerk~~ officer of business affairs shall perform the duties of the chair in the event of the chair's and the vice-chair's temporary absences.

D. Vice-Chair

The vice-chair shall perform the duties of the chair in the event of the chair's temporary absence.

E. Executive Director

1. The executive director shall be an ex officio, non voting member of the education district board.
2. The executive director shall perform the following:
  - a. visit and supervise the schools in the education district, report and make recommendations about their condition when advisable or on request by the education district board;

- b. recommend to the education district board employment and dismissal of teachers;
- c. annually evaluate each education district principal assigned responsibility for supervising a education district building within the district;
- d. superintend education district grading practices and examinations for promotions;
- e. make reports required by the commissioner; and
- f. perform other duties prescribed by the education district board.

***Legal References:*** Minn. Stat. § 123B.12 (~~Finance~~ Insufficient Funds to Pay Orders)  
Minn. Stat. § 123B.14 (Officers of Independent School Districts)  
Minn. Stat. § 123B.143 (Superintendent)  
Minn. Stat. § 126C.17 (Referendum Revenue)  
Minn. Stat. Ch. 205A (School District Elections)

***Cross References:*** MSBA/MASA Model Policy 101 (Legal Status of the School District)  
MSBA/MASA Model Policy 201 (Legal Status of the School Board)  
MSBA/MASA Model Policy 203 (Operation of the School Board – Governing Rules)  
MSBA Service Manual, Chapter 1, School District Governance, Powers and Duties

Adopted: 6/23/21

MSBA/MASA Model Policy 203

Orig. 1995

Revised: 12/5/24

Rev. 2009

## **203 OPERATION OF THE EDUCATION DISTRICT BOARD – GOVERNING RULES**

### **I. PURPOSE**

The purpose of this policy is to provide governing rules for the conduct of meetings of the education district board.

### **II. GENERAL STATEMENT OF POLICY**

An orderly education district board meeting allows education district board members to participate in discussion and decision of education district district issues. Rules of order allow education district board members the opportunity to review education district-related topics, discuss education district business items, and bring matters to conclusion in a timely and consistent manner.

### **III. RULES OF ORDER**

Rules of order for education district board meetings shall be as follows:

- A. Minnesota statutes where specified;
- B. Specific rules of order as provided by the education district board consistent with Minnesota statutes; and
- C. *Robert's Rules of Order, Revised* (latest edition) where not inconsistent with A. and B., above.

**Legal References:** Minn. Stat. Ch. 13D (Open Meeting Law)  
Minn. Stat. § 123B.09, Subds. 6, 7, and 10 (School Board Matters)  
Minn. Stat. § 123B.14 (Officers)

**Cross References:**

Adopted: 06/23/21

MSBA/MASA Model Policy 203.1

Orig. 1997

Revised: 12/5/24

Rev. 1999

## **203.1 EDUCATION DISTRICT BOARD PROCEDURES; RULES OF ORDER**

### **I. PURPOSE**

The purpose of this policy is to provide specific rules of order to conduct meetings of the education district board.

### **II. GENERAL STATEMENT OF POLICY**

To ensure that education district board meetings are conducted in an orderly fashion, the education district board will follow rules of order which will allow the education district board:

- A. To establish guidelines by which the business of the education district board can be conducted in a regular and internally consistent manner;
- B. To organize the meetings so all necessary matters can be brought to the education district board and decisions of the education district board can be made in an orderly and reasonable manner;
- C. To insure that members of the education district board have the necessary information to make decisions on substantive issues and to insure adequate discussion of decisions to be made; and
- D. To insure that meetings and actions of the education district board are conducted so as to be informative to the staff and the public, and to produce a clear record of actions taken and decisions made.

### **III. RULES OF ORDER**

- A. Education district board members need not rise to gain the recognition of the chair.
- B. A motion will be adopted or carried if it receives the affirmative votes of a majority of those actually voting on the matter. Abstentions are considered to be acquiescence to the vote of the majority. It should be noted that some motions by statute or Robert's Rules of Order require larger numbers of affirmative votes.
- C. All motions that require a second shall receive a second prior to opening the issue for discussion of the education district board. If a motion that requires a second

does not receive a second, the chair may declare that the motion fails for lack of a second or may provide the second. The names of the members making and seconding a motion shall be recorded in the minutes.

- D. The chair shall decide the order in which education district board members will be recognized to address an issue. An attempt should be made to alternate between pro and con positions if appropriate to the discussion. A member shall only speak to an issue after the member is recognized by the chair.
- E. The chair shall rule on all questions relating to motions and points of order brought before the education district board.
- F. A ruling by the chair is subject to appeal to the full education district board pursuant to Robert's Rules of Order.
- G. The education district board shall have authority to recognize any member of the audience regarding a request to be heard at the education district board meeting. Members of the public who wish to be heard shall follow education district board procedures.
- H. The chair has the authority to declare a recess at any time for the purpose of restoring decorum to the meeting or for any other necessary purpose.
- I. The chair shall repeat a motion or the substance of a motion prior to the vote. The chair shall call for an affirmative and a negative vote on all motions.
- J. The order in which names will be called for roll call votes will be determined by the education district board.
- K. The chair has the same right and responsibility as each education district board member to vote on all issues.
- L. The chair shall announce the result of each vote. The vote of each member, including abstentions, shall be recorded in the minutes. If the vote is unanimous, it may be reflected as unanimous in the minutes if the minutes also reflect the members present.
- M. A majority of the voting members of the education district board constitute a quorum. The absence of a quorum may be raised by the chair or any member. Generally any action taken in the absence of a quorum is null and void. The only legal actions the education district board may take in the absence of a quorum are to fix the time at which to adjourn, to adjourn, to recess or to take measures to obtain a quorum.

***Legal References:*** Minn. Stat. § 13D.01, Subd. 4 (Open Meeting Law)  
Minn. Stat. § 122A.40 (Employment Contracts, Termination)  
Minn. Stat. § 123B.09, Subds. 6 and 7 (School Board Powers)  
Minn. Stat. § 126C.53 (Enabling Resolution; Form of Certificates of Indebtedness)  
Minn. Stat. § 331A.01, Subd. 6 (Newspapers; Definitions)  
Minn. Stat. § 331A.04, Subd. 6 (Newspapers; Exception to Designation Priority)  
Minn. Stat. § 471.88 (Exceptions)

***Cross References:*** MSBA/MASA Model Policy 203 (Operation of the School Board – Governing Rules)  
MSBA/MASA Model Policy 204 (School Board Meeting Minutes)  
MSBA/MASA Model Policy 206 (Public Participation in School Board Meetings/Complaints about Persons at School Board Meetings and Data Privacy Considerations)  
MSBA/MASA Model Policy 207 (Public Hearings)

Adopted: 6/23/21

MSBA/MASA Model Policy 203.2

Orig. 1997

Revised: 12/5/24

Rev. 2007

## **203.2 ORDER OF THE REGULAR EDUCATION DISTRICT BOARD MEETING**

### **I. PURPOSE**

The purpose of this policy is to ensure consistency in the order of business at regular education district board meetings.

### **II. GENERAL STATEMENT OF POLICY**

It is the policy of the education district board to consider matters that come before it in a consistent and orderly manner.

### **III. ORDER**

A. The education district board shall conduct an orderly education district board meeting. The education district board will, at all regular education district board meetings, follow an agenda order similar to:

1. Call to order.
2. Approval of agenda.
3. Consent agenda.
4. Approval of prior meeting minutes.
5. Presentation of bills for payment.
6. Staff actions.
7. Public Input.
8. Reports.
9. Old Business.
10. New Business.
11. Executive Director announcements.

12. Adjournment.

- B. Items in this order may be considered as part of a consent agenda.
- C. The education district board may depart from the order of business with the consent of the majority of members present.

***Legal References:*** Minn. Stat. § 123B.09, Subd. 7 (School Board Powers)

***Cross References:*** MSBA/MASA Model Policy 203 (Operation of the School Board – Governing Rules)  
MSBA/MASA Model Policy 203.5 (School Board Meeting Agenda)  
MSBA/MASA Model Policy 203.6 (Consent Agendas)

Adopted: 6/23/21

MSBA/MASA Model Policy 203.5

Orig. 1997

Revised: 12/5/24

Rev. 20 ~~12~~22

## **203.5 EDUCATION DISTRICT BOARD MEETING AGENDA**

### **I. PURPOSE**

The purpose of this policy is to provide procedures for the preparation of the education district board meeting agenda to ensure that the education district board can accomplish its business as efficiently and expeditiously as possible.

### **II. GENERAL STATEMENT OF POLICY**

The policy of the education district board is that education district board meetings shall be conducted in a manner to allow the education district board to accomplish its business while allowing reasoned debate and discussion of each matter to be acted upon.

### **III. PROCEDURES**

- A. While all education district board members may provide input, it shall be the responsibility of the education district board chair and executive director to develop, prepare, and arrange the order of items for the tentative education district board meeting agenda for each education district board meeting.
- B. Persons wishing to place an item on the agenda must make a request to the education district board chair or executive director in a timely manner. The person making the request is encouraged to state the person's name, address, purpose of the item, action desired, and pertinent background information. The chair and executive director shall determine whether to place the matter on the tentative agenda.
- C. The tentative agenda and supporting documents shall be sent to the education district board members five (5) days prior to the scheduled education district board meeting.
- D. Items may only be added to the agenda by a motion adopted at the meeting. If an added item is acted upon, the minutes of the education district board meeting shall include a description of the matter.
- E. At least one copy of any printed materials, including electronic communications, relating to the agenda items of the meeting prepared or distributed by or at the direction of the education district board or its employees and: (i) distributed at the meeting to all members of the governing body; (ii) distributed before the meeting

to all members; or (iii) available in the meeting room to all members shall be available in the meeting room for inspection by the public while the education district board considers their subject matter. This does not apply to materials classified by law as other than public or to materials relating to the agenda items of a closed meeting.

**Legal References:** Minn. Stat. § 13D.01, Subd. 6 (Open Meeting Law)  
Minn. Stat. § 123B.09, Subd. 7 ( ~~School Board Powers~~Boards of Independent School Districts)  
Dept. of Admin. Advisory Op. No. 10-013 (April 29, 2010)  
Dept. of Admin. Advisory Op. No. 08-015 (July 9, 2008)  
Dept. of Admin. Advisory Op. No. 13-015 (December 23, 2013)

**Cross References:** MSBA/MASA Model Policy 203 (Operation of the School Board – Governing Rules)  
MSBA/MASA Model Policy 203.2 (Order of the Regular School Board Meeting)  
MSBA/MASA Model Policy 203.6 (Consent Agendas)  
MSBA/MASA Model Policy 204 (School Board Meeting Minutes)  
MSBA/MASA Model Policy 207 (Public Hearings)

## **203.6 CONSENT AGENDAS**

### **I. PURPOSE**

The purpose of this policy is to allow the use of a consent agenda.

### **II. GENERAL STATEMENT OF POLICY**

In order for a more efficient administration of education district board meetings, the education district board may elect to use a consent agenda for the passage of noncontroversial items or items of a similar nature.

### **III. CONSENT AGENDAS**

- A. The executive director, in consultation with the education district board chair, may place items on the consent agenda. By using a consent agenda, the education district board has consented to the consideration of certain items as a group under one motion. Should a consent agenda be used, an appropriate amount of discussion time will be allowed to review any item upon request.
- B. Consent items are those which usually do not require discussion or explanation prior to education district board action, are noncontroversial and/or similar in content, or are those items which have already been discussed and/or explained and do not require further discussion or explanation. Such agenda items might include ministerial tasks such as, but not limited to, the approval of the agenda, approval of previous minutes, approval of bills, approval of reports, etc. These items might also include similar groups of decisions such as, but not limited to, approval of staff contracts, approval of maintenance details for the education district district buildings and grounds or approval of various schedules.
- C. Items shall be removed from the consent agenda by a timely request by an individual education district board member for independent consideration. A request is timely if made prior to the vote on the consent agenda. The request does not require a second or a vote by the education district board. An item removed from the consent agenda will then be discussed and acted on separately immediately following the consideration of the consent agenda.
- D. Consent agenda items are approved en masse by one vote of the education district board. The consent agenda items shall be separately recorded in the minutes.

***Legal References:*** Minn. Stat. § 123B.09, Subd. 7 (School Board Powers)

***Cross References:*** MSBA/MASA Model Policy 203.2 (Order of the Regular School Board Meeting)

MSBA/MASA Model Policy 203.5 (School Board Meeting Agenda)

MSBA/MASA Model Policy 204 (School Board Meeting Minutes)

## **204 EDUCATION DISTRICT BOARD MEETING MINUTES**

*[Note: The provisions of this policy are required by statute.]*

### **I. PURPOSE**

The purpose of this policy is to establish procedures relating to the maintenance of records of the education district board and the publication of its official proceedings.

### **II. GENERAL STATEMENT OF POLICY**

It is the policy of the education district to maintain its records so that they will be available for inspection by members of the general public and to provide for the publication of its official proceedings in compliance with law.

### **III. MAINTENANCE OF MINUTES AND RECORDS**

A. The ~~clerk~~ **officer of business affairs or designee** shall keep and maintain permanent records of the education district board, including records of the minutes of education district board meetings and other required records of the education district board. All votes taken at meetings required to be open to the public pursuant to the Minnesota Open Meeting Law shall be recorded in a manner that preserves them. Public records maintained by the education district shall be available for inspection by members of the public during the regular business hours of the education district. Minutes of meetings shall be available for inspection at the administrative offices of the education district after they have been prepared. Minutes of an education district board meeting shall be approved or modified by the education district board at a subsequent meeting, which action shall be reflected in the official proceedings of that subsequent meeting.

#### **B. Recordings of Closed Meetings**

1. All closed meetings, except those closed as permitted by the attorney-client privilege, must be electronically recorded at the expense of the education district. Recordings of closed meetings shall be made separately from the recordings of an open meeting, to the extent such meetings are recorded. If a meeting is closed to discuss more than one (1) matter, each matter shall be separately recorded.
2. Recordings of closed meetings shall be preserved by the education district for the following time periods:

- a. Meetings closed to discuss labor negotiations strategy shall be preserved for two (2) years after the contract is signed.
  - b. Meetings closed to discuss security matters shall be preserved for at least four (4) years.
  - c. Meetings closed to discuss the purchase or sale of property shall be preserved for at least eight (8) years after the date of the meeting.
  - d. All other closed meetings shall be preserved by the education district for at least three (3) years after the date of the meeting.
  - e. Following the expiration of the above time periods, recordings of closed meetings shall be maintained as set forth in the education district's Records Retention Schedule.
3. Recordings of closed meetings shall be classified by the education district as protected non-public data that is not accessible by the public or any subject of the data, with the following exceptions:
- a. Recordings of labor negotiations strategy meetings shall be classified as public data and made available to the public after all labor contracts are signed by the education district for the current budget period.
  - b. Recordings of meetings related to the purchase or sale of property shall be classified as public data and made available to the public after all real or personal property discussed at the meeting has been purchased or sold or the education district has abandoned the purchase or sale.
  - c. Recordings of any other closed meetings shall be classified and/or released as required by court order.
4. Recordings of closed meetings shall be maintained separately from recordings of open meetings, to the extent recordings of open meetings are maintained by the education district, with the exception of recordings that have been classified as public data as set forth in Section III.B.3. above. Recordings of closed meetings classified as non-public data also shall be maintained in a secure location, separate from recordings classified as public data.
5. Recordings of closed meetings shall be maintained in a manner to easily identify the data classification of the recording. The recordings shall be identified with at least the following information:

- a. The date of the closed meeting;
  - b. The basis upon which the meeting was closed (i.e.: labor negotiations strategy, purchase or sale of real property, educational data, etc.); and
  - c. The classification of the data.
6. Recordings of closed meetings related to labor negotiations strategy and the purchase or sale of property shall be maintained and monitored in a manner that reclassifies the recording as public upon the occurrence of an event reclassifying that data as set forth in Section III.B.3. above.

#### IV. PUBLICATION OF OFFICIAL PROCEEDINGS

- A. The education district board shall cause its official proceedings to be published on the website of the education district within thirty (30) days of the meeting at which the proceedings occurred; however, if the education district board conducts regular meetings not more than once every thirty (30) days, the education district board need not publish the minutes until ten (10) days after they have been approved by the education district board.

**[NOTE: In 2024, the Minnesota legislature enacted two laws regarding publication of school board minutes. Under Chapter 109 (2024), five school districts are authorized to publish their minutes on their websites; this section expires on August 1, 2026.**

**Under Chapter 115 (2024), the Minnesota legislature enacted the following:**

(a) Notwithstanding any law to the contrary, when a qualified newspaper designated by a school district ceases to exist for any reason except consolidation with another newspaper, the school district may publish its proceedings on the school district's website instead of publishing the proceedings in a newspaper. The school district must also request that the same information be posted at each public library located within the school district for the notice's publication period. This section expires August 1, 2026.

(b) If, before August 1, 2026, there is a newspaper located within a school district's boundaries that is qualified to be designated as the school district's official newspaper pursuant to Minnesota Statutes, section 331A.04, then the exemption provided in this section shall not apply, provided that the qualified newspaper's legal rate is not more than ten percent above the rate charged by the school district's previous official newspaper and the qualified newspaper provides some coverage of the activities of the school district that is publishing the notice.

**[NOTE: MSBA has not inserted paragraph (a) into this model policy because its application is limited to specific circumstances and for a defined period. School districts that meet the conditions in paragraph (a) may choose to publish on the school district's website.]**

- B. The proceedings to be published shall be sufficiently full to fairly set forth the proceedings. They must include the substance of all official actions taken by the education district board at any regular or special meeting, and at minimum must include the subject matter of a motion, the persons making and seconding the motion, a listing of how each member present voted on the motion, the character of resolutions offered including a brief description of their subject matter and whether adopted or defeated. The minutes and permanent records of the education district board may include more detail than is required to be published with the official proceedings. If the proceedings have not yet been approved by the education district board, the proceedings to be published may reflect that fact.
- C. The proceedings to be published may be a summary of the essential elements of the proceedings, and/or of resolutions and other official actions of the education district board. Such a summary shall be written in a clear and coherent manner and shall, to the extent possible, avoid the use of technical or legal terms not generally familiar to the public. When a summary is published, the publication shall clearly indicate that the published material is only a summary and that the full text is available for public inspection at the administrative offices of the education district and that a copy of the proceedings, other than attachments to the minutes, is available without cost at the offices of the education district or by means of standard or electronic mail.

**Legal References:** Minn. Stat. § 13D.01, Subds. 4-6 ( Meetings Must be Open to the Public; Exceptions)

Minn. Stat. § 123B.09, Subd. 10 (Publishing Proceedings)

Minn. Stat. § 123B.14, Subd. 7 (Record of Meetings)

Minn. Stat. § 331A.01 (Definition)

Minn. Stat. § 331A.05, Subd. 8 (Notice Regarding Published Summaries)

Minn. Stat. § 331A.08, Subd. 3 (Publication of Proceedings)

Op. Atty. Gen. 161-a-20, December 17, 1970

*Ketterer v. Independent School District No. 1*, 248 Minn. 212, 79 N.W.2d 428 (1956)

**Cross References:** MSBA/MASA Model Policy 205 (Open Meetings and Closed Meetings)

## **205 OPEN MEETINGS AND CLOSED MEETINGS**

*[Note: The provisions of this policy accurately reflect Minnesota’s Open Meeting Law statutes and are not discretionary in nature.]*

### **I. PURPOSE**

- A. The education district board embraces accountability and transparency in the conduct of its business, in the belief that openness produces better programs, more efficient—administration of programs, and an organization more responsive to public interest and less susceptible to private interest. The education district board shall conduct its business under a presumption of openness. At the same time, the education district board recognizes and respects the privacy rights of individuals as provided by law. The education district board also recognizes that there are certain exceptions to the Minnesota Open Meeting Law as recognized in statute where it has been determined that, in limited circumstances, the public interest is best served by closing a meeting of the education district board.
- B. The purpose of this policy is to provide guidelines to assure the rights of the public to be present at education district board meetings, while also protecting an individual’s rights to privacy under law, and to close meetings when the public interest so requires as recognized by law.

### **II. GENERAL STATEMENT OF POLICY**

- A. Except as otherwise expressly provided by statute, all meetings of the education district board, including executive sessions, shall be open to the public.
- B. Meetings shall be closed only when expressly authorized by law.

### **III. DEFINITION**

“Meeting” means a gathering of at least a quorum of education district board members-or quorum of a committee or subcommittee of education district board members, at which members discuss, decide, or receive information as a group on issues relating to the official business of the education district board. The term does not include a chance or social gathering or the use of social media by members of a public body so long as the social media use is limited to exchanges with all members of the general public. For purposes of the Open Meeting Law, social media does not include e-mail.

## IV. PROCEDURES

### A. Meetings

#### 1. Regular Meetings

A schedule of the regular meetings of the education district board shall be kept on file at the education district office. If the education district board decides to hold a regular meeting at a time or place different from the time or place stated in its regular meeting schedule, it shall give the same notice of the meeting as for a special meeting.

#### 2. Special Meetings

- a. For a special meeting, the education district board shall post written notice of the date, time, place, and purpose of the meeting on the principal bulletin board of the education district or on the door of the education district board's usual meeting room if there is no principal bulletin board. The education district board's actions at the special meeting are limited to those topics included in the notice.
- b. The notice shall also be mailed or otherwise delivered to each person who has filed a written request for notice of special meetings. This notice shall be posted and mailed or delivered at least three days before the date of the meeting.
- c. As an alternative to mailing or otherwise delivering notice to persons who have filed a written request, the education district board may publish the notice once, at least three days before the meeting, in the official newspaper of the education district or, if none, in a qualified newspaper of general circulation within the area of the education district.
- d. A person filing a request for notice of special meetings may limit the request to particular subjects, in which case the education district board is required to send notice to that person only concerning those particular subjects.
- e. The education district board will establish an expiration date on requests for notice of special meetings and require refiling once each year. Not more than sixty (60) days before the expiration date of request for notice, the education district board shall send notice of the refiling requirement to each person who filed during the preceding year.

3. Emergency Meetings

- a. An emergency meeting is a special meeting called because of circumstances that, in the education district board's judgment, require immediate consideration.

~~*{Note: While the statute leaves the question to the board of whether the circumstances require immediate consideration at an emergency meeting, advisory opinions of the Minnesota Commissioner of Administration would limit such meetings to responding to natural disasters or health epidemics caused by an event such as an accident or terrorist attack.}*~~

- b. If matters not directly related to the emergency are discussed or acted upon, the minutes of the meeting shall include a specific description of those matters.
- c. The education district board shall make good faith efforts to provide notice of the emergency meeting to each news medium that has filed a written request for notice if the request includes the news medium's telephone number.
- d. Notice of the emergency meeting shall be given by telephone or any other method used to notify the members of the education district board.
- e. Notice shall be provided to each news medium which has filed a written request for notice as soon as reasonably practicable after notice has been given to the education district board members.
- f. Notice shall include the subject of the meeting.
- g. Posted or published notice of an emergency meeting shall not be required.
- h. The notice requirements for an emergency meeting as set forth in this policy shall supersede any other statutory notice requirement for a special meeting that is an emergency meeting.

4. Recessed or Continued Meetings

If a meeting is a recessed or continued session of a previous meeting, and the time and place of the meeting was established during the previous meeting and recorded in the minutes of that meeting, then no further published or mailed notice is necessary.

5. Closed Meetings

The notice requirements of the Minnesota Open Meeting Law apply to closed meetings.

6. Actual Notice

If a person receives actual notice of a meeting of the education district board at least twenty-four (24) hours before the meeting, all notice requirements are satisfied with respect to that person, regardless of the method of receipt of notice.

7. Meetings during Pandemic or Chapter 12 Emergency

In the event of a health pandemic or an emergency declared under Minn. Stat. Ch. 12, a meeting may be conducted by telephone or interactive technology in compliance with Minn. Stat. § 13D.021.

8. Meetings by Interactive Technology

A meeting may be conducted by interactive technology, Zoom, Skype, or other similar electronic means in compliance with Minn. Stat. § 13D.02.

B. Votes

The votes of education district board members shall be recorded in a journal or minutes kept for that purpose. The journal or any minutes used to record votes of a meeting must be open to the public during all normal business hours at the education district's administrative offices.

C. Written Materials

1. In any open meeting, a copy of any printed materials, including electronic communications, relating to the agenda items of the meeting prepared or distributed by or at the direction of the education district board or its employees and distributed to or available to all education district board members shall be available in the meeting room for inspection by the public while the education district board considers their subject matter.
2. This provision does not apply to materials not classified by law as public, or to materials relating to the agenda items of a closed meeting.

D. Open Meetings and Data

1. Meetings may not be closed to discuss data that are not public data, except as provided under Minnesota law.

2. Data that are not public data may be discussed at an open meeting if the disclosure relates to a matter within the scope of the education district board's authority and is reasonably necessary to conduct the business or agenda item before the education district board.
3. Data discussed at an open meeting retain the data's original classification; however, a record of the meeting, regardless of form, shall be public.

E. Closed Meetings

1. Labor Negotiations Strategy

- a. The education district board may, by a majority vote in a public meeting, decide to hold a closed meeting to consider strategy for labor negotiations, including negotiation strategies or developments or discussion and review of labor negotiation proposals, conducted pursuant to Minnesota's Public Employment Labor Relations Act (PELRA)
- b. The time and place of the closed meeting shall be announced at the public meeting. A written role of education district board members and all other persons present at the closed meeting shall be made available to the public after the closed meeting. The proceedings of a closed meeting to discuss negotiation strategies shall be tape recorded, and the tape recording shall be preserved for two years after the contract discussed at the meeting is signed. The recording shall be made available to the public after all labor contracts are signed by the education district board for the current budget period.

2. Sessions Closed by Bureau of Mediation Services

All negotiations, mediation meetings, and hearings between the education district board and its employees or their respective representatives are public meetings. Mediation meetings may be closed only by the Commissioner of the Bureau of Mediation Services (BMS). The use of recording devices, stenographic records, or other recording methods is prohibited in mediation meetings closed by the BMS.

3. Preliminary Consideration of Allegations or Charges

The education district board shall close one or more meetings for preliminary consideration of allegations or charges against an individual subject to its authority. If the education district board members conclude that discipline of any nature may be warranted as a result of those specific charges or allegations, further meetings or hearings relating to those specific charges or allegations held after that conclusion is reached must

be open. A meeting must also be open at the request of the individual who is the subject of the meeting. A closed meeting for this purpose must be electronically recorded at the expense of the education district, and the recording must be preserved for at least three years after the date of the meeting. The recording is not available to the public.

4. Performance Evaluations

The education district board may close a meeting to evaluate the performance of an individual who is subject to its authority. The education district board shall identify the individual to be evaluated prior to closing a meeting. At its next open meeting, the education district board shall summarize its conclusions regarding the evaluation. A meeting must be open at the request of the individual who is the subject of the meeting. A closed meeting for this purpose must be electronically recorded at the expense of the education district, and the recording must be preserved for at least three years after the date of the meeting. The recording is not available to the public.

5. Attorney-Client Privilege Meeting

A meeting may be closed if permitted by the attorney-client privilege. Attorney-client privilege applies when litigation is imminent or threatened, or when the education district board needs advice above the level of general legal advice, for example, regarding specific acts and their legal consequences. A meeting may be closed to seek legal advice concerning litigation strategy, but the mere threat that litigation might be a consequence of deciding a matter one way or another does not, by itself, justify closing the meeting. The motion to close the meeting must specifically describe the matter to be discussed at the closed meeting, subject to relevant privacy and confidentiality considerations under state and federal law. The law does not require that such a meeting be recorded.

6. Dismissal Hearing

- a. A hearing on dismissal of a licensed teacher shall be public or private at the teacher's discretion. A hearing regarding placement of teachers on unrequested leave of absence shall be public.
- b. A hearing on dismissal of a student pursuant to the Pupil Fair Dismissal Act shall be closed unless the pupil, parent, or guardian requests an open hearing.
- c. To the extent a teacher or student dismissal hearing is held before the education district board and is closed, the closed meeting must be electronically recorded at the expense of the education district, and the recording must be preserved for at least three years after

the date of the meeting. The recording is not available to the public.

7. Coaches; Opportunity to Respond

- a. If the education district board has declined to renew the coaching contract of a licensed or non-licensed head varsity coach, it must notify the coach within fourteen (14) days of that decision.
- b. If the coach requests the reasons for the nonrenewal, the education district board must give the coach its reasons in writing within ten (10) days of receiving the request. The existence of parent complaints must not be the sole reason for the education district board not to renew a coaching contract.
- c. On the request of the coach, the education district board must provide the coach with a reasonable opportunity to respond to the reasons at an education district board meeting.
- d. The meeting may be open or closed at the election of the coach unless the meeting is closed as required by Minn. Stat. § 13D.05, Subd. 2, to discuss educational or certain other nonpublic data.
- e. A meeting closed for this purpose must be electronically recorded at the expense of the education district, and the recording must be preserved for at least three years after the date of the meeting. The recording is not available to the public.

8. Meetings to Discuss Certain Not Public Data

- a. Any portion of a meeting must be closed if the following types of data are discussed:
  - (1) data that would identify alleged victims or reporters of criminal sexual conduct, domestic abuse, or maltreatment of minors or vulnerable adults;
  - (2) active investigative data collected or created by a law enforcement agency;
  - (3) educational data, health data, medical data, welfare data, or mental health data that are not public data; or
  - (4) an individual's personal medical records.
- b. A closed meeting must be electronically recorded at the expense of the education district, and the recording must be preserved for at least

three years after the date of the meeting. The recording is not available to the public.

9. Purchase and Sale of Property

- a. The education district board may close a meeting:
  - (1) to determine the asking price for real or personal property to be sold by the education district;
  - (2) to review confidential or nonpublic appraisal data; and
  - (3) to develop or consider offers or counteroffers for the purchase or sale of real or personal property.
- b. Before closing the meeting, the education district board must identify on the record the particular real or personal property that is the subject of the closed meeting.
- c. The closed meeting must be tape recorded at the expense of the education district. The tape must be preserved for eight years after the date of the meeting and be made available to the public after all real or personal property discussed at the meeting has been purchased or sold or the education district board has abandoned the purchase or sale. The real or personal property that is the subject of the closed meeting must be specifically identified on the tape. A list of education district board members and all other persons present at the closed meeting must be made available to the public after the closed meeting.
- d. An agreement reached that is based on an offer considered at a closed meeting is contingent on its approval by the education district board at an open meeting. The actual purchase or sale must be approved at an open meeting and the purchase price or sale price is public data.

10. Security Matters

- a. The education district board may close a meeting to receive security briefings and reports, to discuss issues related to security systems, to discuss emergency response procedures, and to discuss security deficiencies in or recommendations regarding public services, infrastructure, and facilities, if disclosure of the information discussed would pose a danger to public safety or compromise security procedures or responses.
- b. Financial issues related to security matters must be discussed and

all related financial decisions must be made at an open meeting.

- c. Before closing a meeting, the education district board must refer to the facilities, systems, procedures, services, or infrastructures to be considered during the closed meeting.
- d. The closed meeting must be tape recorded at the expense of the education district and the recording must be preserved for at least four years.

11. Other Meetings

Other meetings shall be closed as provided by law, except as provided above. A closed meeting must be electronically recorded at the expense of the education district, and the recording must be preserved for at least three years after the date of the meeting. The recording is not available to the public.

F. Procedures for Closing a Meeting

The education district board shall provide notice of a closed meeting just as for an open meeting. An education district board meeting may be closed only after a majority vote at a public meeting. Before closing a meeting, the education district board shall state on the record the specific authority permitting the meeting to be closed and shall describe the subject to be discussed.

***Legal References:*** Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)  
Minn. Stat. Ch. 13D (Open Meeting Law)  
Minn. Stat. § 121A.47, Subd. 5 (Exclusion and Expulsion Procedures))  
Minn. Stat. § 122A.33, Subd. 3 (Coaches; Opportunity to Respond)  
Minn. Stat. § 122A.40, Subd. 14 (Teacher Discharge Hearing)  
Minn. Stat. § 179A.14, Subd. 3 (Labor Negotiations)  
Minn. Rules Part 5510.2810 (Bureau of Mediation Services)  
*Brown v. Cannon Falls Township*, 723 N.W.2d 31 (Minn. App. 2006)  
*Brainerd Daily Dispatch v. Dehen*, 693 N.W.2d 435 (Minn. App. 2005)  
*The Free Press v. County of Blue Earth*, 677 N.W.2d 471 (Minn. App. 2004)  
*Prior Lake American v. Mader*, 642 N.W.2d 729 (Minn. 2002)  
*Star Tribune v. Board of Education, Special School District No. 1*, 507 N.W.2d 869 (Minn. App. 1993)  
*Minnesota Daily v. University of Minnesota*, 432 N.W.2d 189 (Minn. App. 1988)  
*Moberg v. Independent School District No. 281*, 336 N.W.2d 510 (Minn. 1983)  
*Sovereign v. Dunn*, 498 N.W.2d 62 (Minn. App. 1993), *rev. denied.* (Minn. 1993)

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Dept. of Admin. Advisory Op. No. 08-015 (July 9, 2008)  
Dept. of Admin. Advisory Op. No. 06-027 (September 28, 2006)  
Dept. of Admin. Advisory Op. No. 04-004 (February 3, 2004)

***Cross References:*** MSBA/MASA Model Policy 204 (School Board Meeting Minutes)  
MSBA/MASA Model Policy 206 (Public Participation in School Board  
Meetings/Complaints about Persons at School Board Meetings and Data  
Privacy Considerations)  
MSBA/MASA Model Policy 207 (Public Hearings)  
MSBA/MASA Model Policy 406 (Public and Private Personnel Data)  
MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil  
Records)  
MSBA Law Bulletin “C” (Minnesota’s Open Meeting Law)

**206 PUBLIC PARTICIPATION IN EDUCATION DISTRICT BOARD MEETINGS/COMPLAINTS ABOUT PERSONS AT EDUCATION DISTRICT BOARD MEETINGS AND DATA PRIVACY CONSIDERATIONS**

**I. PURPOSE**

- A. The education district board recognizes the value of participation by the public in deliberations and decisions on education district matters. At the same time, the education district board recognizes the importance of conducting orderly and efficient proceedings, with opportunity for expression of all participants' respective views.
- B. The purpose of this policy is to provide procedures to assure open and orderly public discussion as well as to protect the due process and privacy rights of individuals under the law.

**II. GENERAL STATEMENT OF POLICY**

- A. The policy of the education district board is to encourage discussion by persons of subjects related to the management of the education district at education district board meetings. The education district board may adopt reasonable time, place, and manner restrictions on public expression in order to facilitate free discussion by all interested parties.
- B. The education district board shall, as a matter of policy, protect the legal rights to privacy and due process of employees and students.

**III. DEFINITIONS**

- A. "Personnel data" means government data on individuals maintained because the individual is or was an employee or applicant for employment. For purposes of this policy, "employee" includes a volunteer or an independent contractor.
- B. Personnel data on current and former employees that is "public" includes:  
  
Name; employee identification number, which must not be the employee's social security number; actual gross salary; salary range; terms and conditions of employment relationship; contract fees; actual gross pension; the value and nature of employer paid fringe benefits; the basis for and the amount of any added remuneration, including expense reimbursement, in addition to salary; bargaining unit; job title; job description; education and training background; previous work experience; date of first and last employment; the existence and status of any complaints or charges against the employee, regardless of whether the complaint or charge resulted in a disciplinary action; the final disposition of any disciplinary action as defined in Minn. Stat. § 13.43, Subd. 2(b), together with the specific reasons for the action and data documenting the basis of the action, excluding data that would identify confidential sources who are employees of the public body; the complete terms of any agreement settling any dispute arising out of the employment relationship, including a buyout agreement as defined in Minn. Stat. § 123B.143, Subd. 2, except that the agreement must include specific reasons for the agreement if it involves the payment of more than \$10,000 of public money; work location; work telephone number; badge number; work-related continuing education; honors and awards received; and payroll time sheets or other comparable data that are only used

to account for employee's work time for payroll purposes, except to the extent that release of time sheet data would reveal the employee's reasons for the use of sick or other medical leave or other not public data.

- C. Personnel data on current and former applicants for employment that is "public" includes:  
  
Veteran status; relevant test scores; rank on eligible list; job history; education and training; and work availability. Names of applicants shall be private data except when certified as eligible for appointment to a vacancy or when applicants are considered by the appointing authority to be finalists for a position in public employment. For purposes of this subdivision, "finalist" means an individual who is selected to be interviewed by the appointing authority prior to selection.
- D. "Educational data" means data maintained by the education district which relates to a student.
- E. "Student" means an individual currently or formerly enrolled or registered in the education district, or applicants for enrollment, or individuals who receive shared time services.
- F. Data about applicants for appointments to a public body, including a education district board, collected by the education district as a result of the applicant's application for appointment to the public body are private data on individuals, except that the following are public: name; city of residence, except where the appointment has a residency requirement that requires the entire address to be public; education and training; employment history; volunteer work; awards and honors; prior government service; any data required to be provided or that is voluntarily provided in an application to a multi member agency pursuant to Minn. Stat. § 15.0597; and veteran status. Once an individual has been appointed to a public body, the following additional items of data are public: residential address; either a telephone number or electronic mail address where the appointee can be reached, or both at the request of the appointee; the first and last dates of service on the public body; the existence and status of any complaints or charges against an appointee; and, upon completion of an investigation of a complaint or charge against an appointee, the final investigative report unless access to the data would jeopardize an active investigation. Any electronic mail address or telephone number provided by a public body for use by an appointee shall be public. An appointee may use an electronic mail address or telephone number provided by the public body as the designated electronic mail address or telephone number at which the appointee can be reached.

#### **IV. RIGHTS TO PRIVACY**

- A. Education district employees have a legal right to privacy related to matters which may come before the education district board, including, but not limited to, the following:
  - 1. right to a private hearing for teachers, pursuant to Minn. Stat. § 122A.40, Subd. 14 (Teachers Discharge Hearing);
  - 2. right to privacy of personnel data as provided by Minn. Stat. § 13.43 (Personnel Data);
  - 3. right to consideration by the education district board of certain data treated as not public as provided in Minn. Stat. § 13D.05 (Not Public Data);
  - 4. right to a private hearing for licensed or nonlicensed head varsity coaches to discuss reasons for nonrenewal of a coaching contract pursuant to Minn. Stat. § 122A.33, Subd. 3.

- B. Education district students have a legal right to privacy related to matters which may come before the education district board, including, but not limited to, the following:
  - 1. right to a private hearing, Minn. Stat. § 121A.47, Subd. 5 (Student Dismissal Hearing);
  - 2. right to privacy of educational data, Minn. Stat. § 13.32 (Educational Data); 20 U.S.C. § 1232g (FERPA);
  - 3. right to privacy of complaints as provided by child abuse reporting and discrimination laws, Minn. Stat. Ch. 260E (Reporting of Maltreatment of Minors) and Minn. Stat. Ch. 363A (Minnesota Human Rights Act).

**V. THE PUBLIC’S OPPORTUNITY TO BE HEARD**

The education district board will strive to give all persons an opportunity to be heard and to have complaints considered and evaluated, within the limits of the law and this policy and subject to reasonable time, place, and manner restrictions. Among the rights available to the public is the right to access public data as provided by Minn. Stat. § 13.43, Subd. 2 (Public Data).

**VI. PROCEDURES**

A. Agenda Items

- 1. Persons who wish to have a subject discussed at a public education district board meeting are encouraged to notify the executive director’s office in advance of the education district board meeting. The person should provide his or her name, the name of group represented (if any), and the subject to be covered or the issue to be addressed.
- 2. Persons who wish to address the education district board on a particular subject should identify the subject and identify agenda item(s) to which their comments pertain.
- 3. The education district board chair will recognize one speaker at a time and will rule out of order other speakers who are not recognized. Only those speakers recognized by the chair will be allowed to speak. Comments by others are out of order. Individuals who interfere with or interrupt speakers, the education district board, or the proceedings may be directed to leave.
- 4. The education district board retains the discretion to limit discussion of any agenda item to a reasonable period of time as determined by the education district board. If a group or organization wishes to address the education district board on a topic, the education district board reserves the right to require designation of one or more representatives or spokespersons to speak on behalf of the group or organization.
- 5. Matters proposed for placement on the agenda which may involve data privacy concerns, which may involve preliminary allegations, or which may be potentially libelous or slanderous in nature shall not be considered in public, but shall be processed as determined by the education district board in accordance with governing law.
- 6. The education district board chair shall promptly rule out of order any discussion by any person, including education district board members, that would violate the provisions of state or federal law, this policy or the statutory rights of privacy of an individual.

7. Personal attacks by anyone addressing the education district board are unacceptable. Persistence in such remarks by an individual shall terminate that person's privilege to address the education district board.
8. Depending upon the number of persons in attendance seeking to be heard, the education district board reserves the right to impose such other limitations and restrictions as necessary in order to provide an orderly, efficient, and fair opportunity for those present to be heard.

**B. Complaints**

1. Routine complaints about a teacher or other employee should first be directed to that teacher or employee or to the employee's immediate supervisor.
2. If the complaint is against an employee relating to child abuse, discrimination, racial, religious, or sexual harassment, or other activities involving an intimidating atmosphere, the complaint should be directed to the employee's supervisor or other official as designated in the education district policy governing that kind of complaint. In the absence of a designated person, the matter should be referred to the executive director.
3. Unresolved complaints from Paragraph 1. of this section or problems concerning the education district should be directed to the executive director's office.
4. Complaints which are unresolved at the executive director's level may be brought before the education district board by notifying the education district board in writing.

**C. Open Forum**

The education district board shall normally provide a specified period of time when persons may address the education district board on any topic, subject to the limitations of this policy. The education district board reserves the right to allocate a specific period of time for this purpose and limit time for speakers accordingly.

The education district board may decide to hold certain types of public meetings where the public will not be invited to address the education district board. Possible examples are work sessions and board retreats. The public will still be entitled to notice of these meetings and will be allowed to attend these meetings, but the public will not be allotted time during the meeting to address the board.

**D. No Board Action at Same Meeting**

Except as determined by the education district board to be necessary or in an emergency, the education district board will not take action at the same meeting on an item raised for the first time by the public.

**VII. PENALTIES FOR VIOLATION OF DATA PRIVACY**

- A. The education district is liable for damages, costs and attorneys' fees, and, in the event of a willful violation, punitive damages for violation of state data privacy laws. (Minn. Stat. § 13.08, Subd. 1)
- B. A person who willfully violates data privacy or whose conduct constitutes the knowing unauthorized acquisition of not public data is guilty of a misdemeanor. (Minn. Stat. § 13.09)

- C. In the case of an employee, willful violation of the Minnesota data practices law, Chapter 13, and any rules adopted thereunder, including any action subject to a criminal penalty, constitutes just cause for suspension without pay or dismissal. (Minn. Stat. § 13.09)

**Legal References:** Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)  
Minn. Stat. § 13.43 (Personnel Data)  
Minn. Stat. § 13.601, Subd. 3 (Applicants for Appointment)  
Minn. Stat. § 13D.05 (Meetings Having Data Classified as Public)  
Minn. Stat. § 121A.47, Subd. 5 (Exclusion and Expulsion Procedures; Closed or Open Meeting)  
Minn. Stat. § 122A.33, Subd. 3 (License and Degree Exemption for Head Coach; Notice of Nonrenewal; Opportunity to Respond)  
Minn. Stat. § 122A.40, Subd. 14 (Employment; Contracts; Termination; Hearing Procedures)  
Minn. Stat. § 122A.44 (Contracting with Teachers; Substitute Teachers)  
Minn. Stat. § 123B.02, Subd. 14 (General Powers of Independent School Districts; Employees; Contracts for Services)  
Minn. Stat. § 123B.143, Subd. 2 (Superintendents; Disclose Past Buyouts or Contract is Void)  
Minn. Stat. Ch. 363A (Minnesota Human Rights Act)  
Minn. Stat. Ch. 260E (Reporting of Maltreatment of Minors)  
20 U.S.C. § 1232g (Family Educational Rights and Privacy Act)  
Minn. Op. Atty. Gen. 852 (July 14, 2006)

**Cross References:** MSBA/MASA Model Policy 205 (Open Meetings and Closed Meetings)  
MSBA/MASA Model Policy 207 (Public Hearings)  
MSBA/MASA Model Policy 406 (Public and Private Personnel Data)  
MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)  
MSBA School Law Bulletin "C" (Minnesota's Open Meeting Law)  
MSBA School Law Bulletin "I" (School Records – Privacy – Access to Data)

## **207 PUBLIC HEARINGS**

### **I. PURPOSE**

The education district board recognizes the importance of obtaining public input on matters properly before the education district board during a public hearing. The purpose of this policy is to establish procedures to efficiently receive public input.

### **II. GENERAL STATEMENT OF POLICY**

For the education district board to efficiently receive public input on matters properly before the education district board, the education district board establishes the procedures set forth in this policy are established.

### **III. PROCEDURES**

#### **A. Public Hearings**

Public hearings are required by law concerning certain issues, including but not limited to, school closings (Minn. Stat. § 123B.51), education district establishment (Minn. Stat. § 123A.15), and agreements for secondary education (Minn. Stat. § 123A.30). Additionally, other public hearings may be held by the education district board on education district matters at the education district board's discretion

#### **B. Notice of Public Hearings**

Public notice of a public hearing required by law shall be given as provided by the enabling legislation. Public notice of other hearings shall be given in the manner required for a regular meeting if held in conjunction with a regular meeting, in the manner required for a special meeting if held in conjunction with a special meeting, or as otherwise determined by the education district board.

#### **C. Public Participation**

The education district board retains the right to require that those in attendance at a public hearing indicate their desire to address the education district board and complete and file with the clerk of the education district board an appropriate request card prior to commencement of the hearing if the education district board utilizes this procedure. In that case, any request to address the education district board after the commencement of the hearing will be granted only at the

education district board's discretion.

1. Format of Request: If required by the education district board, a written request of an individual or a group to address the education district board shall contain the name of the person or group seeking to address the education district board. It shall also contain the name of the group represented, if any, and a brief statement of the subject to be covered or the issue to be addressed.
2. Time Limitation: The education district board retains the discretion to limit the time for each presentation as needs dictate.
3. Groups: The education district board retains the discretion to require that any group of persons who desire to address the education district board designate one representative or spokesperson. If the education district board requires designation of a representative or spokesperson, no other person in the group will be recognized to address the education district board, except as the education district board otherwise determines.
4. Privilege to Speak: An education district board member should direct remarks or questions through the chair. Only those speakers recognized by the chair will be allowed to speak. Comments by others are out of order. Individuals who interfere with or interrupt speakers, the education district board, or the proceedings may be directed to leave.
5. Personal Attacks: Personal attacks by anyone addressing the education district board are unacceptable. Persistence in such remarks by an individual shall terminate that person's privilege to address the education district board.
6. Limitations on Participation: Depending upon the number of persons in attendance seeking to be heard, the education district board reserves the right to impose such other limitations and restrictions as necessary to provide an orderly, efficient, and fair opportunity to be heard.

***Legal References:*** Minn. Stat. § 123A.15 (Establishing Education Districts)  
Minn. Stat. § 123A.30 (Agreements for Secondary Education)  
Minn. Stat. § 123B.51 (Schoolhouses and Sites: Uses for School and Nonschool Purposes; Closings)

***Cross References:*** MSBA/MASA Model Policy 206 (Public Participation in School Board Meetings/Complaints about Persons at School Board Meetings and Data Privacy Considerations)

## **208 DEVELOPMENT, ADOPTION, AND IMPLEMENTATION OF POLICIES**

### **I. PURPOSE**

The purpose of this policy is to emphasize the importance of the policy-making role of the education district board and provide the means for it to continue to be an ongoing effort.

### **II. GENERAL STATEMENT OF POLICY**

Formal guidelines are necessary to ensure the community that the education district system responds to its mission and operates in an effective, efficient, and consistent manner. A set of written policy statements shall be maintained and modified as needed. Policies should define the desire and intent of the education district board and should be in a form which is sufficiently explicit to guide administrative action.

### **III. DEVELOPMENT OF POLICY**

- A. The education district board has jurisdiction to legislate policy for the education district with the force and effect of law. Education district board policy provides the general direction as to what the education district board wishes to accomplish while delegating implementation of policy to the administration.
- B. The education district board's written policies provide guidelines and goals to the community. The policies shall be the basis for the formulation of guidelines and directives by the administration. The education district board shall determine the effectiveness of the policies by evaluating periodic reports from the administration.
- C. Policies may be proposed by an education district board member, employee, student or residents of the education district member districts. Proposed policies or ideas shall be submitted to the executive director for review prior to possible placement on the education district board agenda.

### **IV. ADOPTION AND REVIEW OF POLICY**

- A. The education district board shall give notice of proposed policy changes or adoption of new policies by placing the item on the agenda of two education district board meetings. The proposals shall be distributed and public comment will be allowed at both meetings prior to final education district board action.

- B. The final action taken to adopt the proposed policy shall be approved by a simple majority vote of the education district board at a subsequent meeting after the meetings at which public input was received. The policy will be effective on the later of the date of passage or the date stated in the motion.
- C. In an emergency, a new or modified policy may be adopted by a majority vote of a quorum of the education district board in a single meeting. A statement regarding the emergency and the need for immediate adoption of the policy shall be included in the minutes. The policy adopted in an emergency shall expire within one year following the emergency action unless the policy adoption procedure stated above is followed and the policy is reaffirmed. The education district board shall have discretion to determine what constitutes an emergency situation.
- D. If a policy is modified with minor changes that do not affect the substance of the policy or because of a legal change over which the education district board has no control, the modified policy may be approved at one meeting at the discretion of the education district board.

**V. IMPLEMENTATION OF AND ACCESS TO POLICY**

- A. The executive director shall be responsible for implementing education district board policies, other than the policies that cover how the education district board will operate. The executive director shall develop administrative guidelines and directives to provide greater specificity and consistency in the process of implementation. These guidelines and directives, including employee and student handbooks, shall be subject to annual review and approval by the education district board.
- B. Each education district board member shall have access to this policy manual, and a copy shall be placed in the office of each education district attendance center. Manuals shall be available in the central office and made available for reference purposes to other interested persons.
- C. The executive director, employees designated by the executive director, and individual education district board members shall be responsible for keeping the policy manuals current.
- D. The education district board shall review policies at least once every three years. The executive director shall be responsible for developing a system of periodic review, addressing approximately one third of the policies annually. In addition, the education district board shall review the following policies annually: ~~410 Family and Medical Leave Policy; 413 Harassment and Violence; 414 Mandated Reporting of Child Neglect or Physical or Sexual Abuse; 415 Mandated Reporting of Maltreatment of Vulnerable Adults;~~ 506 Student Discipline; ~~514~~

~~Bullying Prohibition Policy; 522 Student Sex Nondiscrimination; 524 Internet Acceptable Use and Safety Policy; 616 Education District System Accountability; 722 Public Data Requests and 806 Crisis Management Policy.~~

- E. When no education district board policy exists to provide guidance on a matter, the executive director is authorized to act appropriately under the circumstances keeping in mind the educational philosophy and financial condition of the education district. Under such circumstances, the executive director shall advise the education district board of the need for a policy and present a recommended policy to the education district board for approval.

***Legal References:*** Minn. Stat. § 123B.02, Subd. 1 (School District Powers)  
Minn. Stat. § 123B.09, Subd. 1 (School Board Powers)

***Cross References:*** MSBA/MASA Model Policy 305 (Policy Implementation)

## **209 CODE OF ETHICS**

**[NOTE: A code of ethics establishes standards of conduct that members of an education district board create and agree to follow. The principles and values embodied in this code of ethics prioritize education district board members' obligations to students, the district, and the community. As a written set of expectations, a code of ethics guides education district board members' decision making and behavior. This model policy offers a starting point for education district boards as they create a code that establishes parameters for education district board member conduct that best serve their district. Minnesota law and rules of parliamentary procedure establish sanctions that a education district board may choose to pursue.]**

### **I. PURPOSE**

The purpose of this policy is to assist the individual education district board member in understanding his or her role as part of an education district board and in recognizing the contribution that each member must make to develop an effective and responsible education district board.

### **II. GENERAL STATEMENT OF POLICY**

Each education district board member shall follow the code of ethics stated in this policy.

#### **A. AS A MEMBER OF THE EDUCATION DISTRICT BOARD, I WILL:**

1. Attend education district board meetings.
2. Come to the meetings prepared for discussion of the agenda items.
3. Listen to the opinions and views of others (including, but not limited to, other education district board members, administration, staff, students, and community members).
4. Vote my conscience after informed discussion, unless I abstain because a conflict of interest exists.
5. Support the decision of the education district board, even if my position concerning the issue was different.
6. Recognize the integrity of my predecessors and associates and appreciate their work.

7. Be primarily motivated by a desire to provide the best possible education for the students of my education district.
8. Inform myself about the proper duties and functions of an education district board member.

B. IN PERFORMING THE PROPER FUNCTIONS OF AN EDUCATION DISTRICT BOARD MEMBER, I WILL:

1. Focus on education policy as much as possible.
2. Remember my responsibility is to set policy – not to implement policy.
3. Consider myself a trustee of public education and do my best to protect, conserve, and advance its progress.
4. Recognize that my responsibility, exercised through the actions of the education district board as a whole, is to see that the education district programs are properly run – not to run them myself.
5. Work through the executive director – not over or around the executive director.
6. Delegate the implementation of education district board decisions to the executive director.

C. TO MAINTAIN RELATIONS WITH OTHER MEMBERS OF THE EDUCATION DISTRICT BOARD, I WILL:

1. Respect the rights of others to have and express opinions.
2. Recognize that authority rests with the education district board in legal session – not with the individual members of the education district board except as authorized by law.
3. Make no disparaging remarks, in or out of education district board meetings, about other members of the education district board or their opinions.
4. Keep an open mind about how I will vote on any proposition until the board has met and fully discussed the issue.
5. Make decisions by voting in education district board meetings after all sides of debatable questions have been presented.

6. Insist that committees be appointed to serve only in an advisory capacity to the education district board.

D. IN MEETING MY RESPONSIBILITIES TO MY COMMUNITY, I WILL:

1. Attempt to appraise and plan for both the present and future educational needs of the education district and community.
2. Attempt to obtain adequate financial support for the education district district's programs.
3. Insist that business transactions of the education district be ethical and open.
4. Strive to uphold my responsibilities and accountability to the taxpayers in my education district.

E. IN WORKING WITH THE EXECUTIVE DIRECTOR OF EDUCATION DISTRICTS AND STAFF, I WILL:

1. Hold the executive director responsible for the administration of the education district.
2. Give the executive director authority commensurate with his or her responsibilities.
3. Assure that the education district will be administered by the best professional personnel available.
4. Consider the recommendation of the executive director in hiring all employees.
5. Participate in education district board action after considering the recommendation of the executive director and only after the executive director has furnished adequate information supporting the recommendation.
6. Insist the executive director keep the education district board adequately informed at all times.
7. Offer the executive director counsel and advice.
8. Recognize the status of the executive director as the chief executive officer and a non-voting, ex officio member of the education district board.

9. Refer all complaints to the proper administrative officer or insist that they be presented in writing to the whole education district board for proper referral according to the chain of command.
10. Present any personal criticisms of employees to the executive director.
11. Provide support for the executive director and employees of the education district so they may perform their proper functions on a professional level.

F. IN FULFILLING MY LEGAL OBLIGATIONS AS AN EDUCATION DISTRICT BOARD MEMBER, I WILL:

1. Comply with all federal, state, and local laws relating to my work as an education district board member.
2. Comply with all education district policies as adopted by the education district board.
3. Abide by all rules and regulations as promulgated by the Minnesota Department of Education and other state and federal agencies with jurisdiction over education districts.
4. Recognize that education district business may be legally transacted only in an open meeting of the education district board.
5. Avoid conflicts of interest and refrain from using my education district board position for personal gain.
6. Take no private action that will compromise the education district board or administration.
7. Guard the confidentiality of information that is protected under applicable law.

***Legal References:*** Minn. Stat. § 123B.02, Subd. 1 (School District Powers)  
Minn. Stat. § 123B.09 (School Board Powers)  
Minn. Stat. § 123B.143, Subd. 1 (Superintendent)

***Cross References:*** MSBA Service Manual, Chapter 1, School Board Member Code of Ethics

## **210 CONFLICT OF INTEREST – EDUCATION DISTRICT BOARD MEMBERS**

### **I. PURPOSE**

The purpose of this policy is to observe state statutes regarding conflicts of interest and to engage in education district business activities in a fashion designed to avoid any conflict of interest or the appearance of impropriety.

### **II. GENERAL STATEMENT OF POLICY**

It is the policy of the education district board to contract for goods and services in conformance with statutory conflict of interest laws and in a manner that will avoid any conflict of interest or the appearance thereof. Accordingly, the education district board will contract under the statutory exception provisions only when it is clearly in the best interest of the education district because of limitations that may exist on goods or services otherwise available to the education district.

### **III. GENERAL PROHIBITIONS AND RECOGNIZED STATUTORY EXCEPTIONS**

- A. An education district board member who is authorized to take part in any manner in making any sale, lease, or contract in his or her official capacity shall not voluntarily have a personal financial interest in that sale, lease, or contract or personally benefit financially therefrom.
- B. In the following circumstances, however, the education district board may as an exception, by unanimous vote, contract for goods or services with an education district board member of the education district:
  - 1. In the designation of a bank or savings association, in which an education district board member is interested, as an authorized depository for education district funds and as a source of borrowing, provided such deposited funds are protected in accordance with ~~Minn. Stat. Ch.~~Minnesota Statutes chapter 118A. Any education district board member having said interest shall disclose that interest and the interest shall be entered upon the education district minutes ~~of the education district board~~. Disclosure ~~must~~shall be made when such bank or savings association is first designated as a depository or source of borrowing, or when such education district board member is elected, whichever is later. Disclosure serves as notice of the interest and ~~must~~need only be made once;

2. The designation of an official newspaper, or publication of official matters therein, in which the education district board member is interested when it is the only newspaper complying with statutory requirements relating to the designation or publication;
3. A contract with a cooperative association of which the education district board member is a shareholder or stockholder but not an officer or manager;
4. A contract for which competitive bids are not required by law. A contract made under this exception will be void unless the following procedures are observed:
  - a. The education district board ~~must~~ shall authorize the contract in advance of its performance by adopting a resolution setting out the essential facts and determining that the contract price is as low as or lower than the price at which the goods or services could be obtained elsewhere.
  - b. In the case of an emergency when the contract cannot be authorized in advance, payment of the claims must be authorized by a like resolution wherein the facts of the emergency are also stated.
  - c. Before a claim is paid, the interested education district board member ~~must~~ shall file with the officer of business affairs~~clerk~~ of the education district board an affidavit stating:
    - (1) The name of the education district board member and the office held;
    - (2) An itemization of the goods or services furnished;
    - (3) The contract price;
    - (4) The reasonable value;
    - (5) The interest of the education district board member in the contract; and
    - (6) That to the best of the education district board member's knowledge and belief, the contract price is as low as, or lower than, the price at which the goods or services could be obtained from other sources.

5. An education district board member may contract with the education district to provide construction materials or services, or both, when the sealed bid process is used. When the contract comes before the education district board for consideration, the interested education district board member may not vote on the contract.
  6. An education district board member may rent space in a public facility at a rate commensurate with that paid by other members of the public.
- C. In the following circumstances, the education district board may as an exception, by majority vote at a meeting ~~where~~ at which all education district board members are present, contract for services with an education district board member of the education district: An education district board member may be newly employed or may continue to be employed by the education district as an employee ~~where~~ only if there is a reasonable expectation on July 1, or at the time the contract is entered into or extended, that the amount to be earned by that education district board member under that contract or employment relationship, will not exceed \$ 820,000 in that fiscal year. If the education district board member does not receive majority approval to be initially employed or to continue in employment at a meeting ~~whereat~~ at which all education district board members are present, that employment ~~must be~~ is immediately terminated and that education district board member ~~will have~~ has no further rights to employment while serving as an education district board member in the education district.

[Note: The \$8,000 figure increased to \$20,000 effective July 1, 2022]

- D. The education district board may contract with a class of education district employees, such as teachers or custodians, ~~where~~ when the spouse of an education district board member is a member of the class of employees contracting with the education district board and the employee spouse receives no special monetary or other benefit that is substantially different from the benefits that other members of the class receive under the employment contract. ~~In order for~~ For the education district board to invoke this exception, it must have a majority of disinterested education district board members vote to approve the contract, direct the education district board member spouse to abstain from voting to approve the contract, and publicly set out the essential facts of the contract at the meeting ~~wherein~~ which the contract is approved.

#### IV. LIMITATIONS ON RELATED EMPLOYEES

- A. The education district board ~~can~~ must hire or dismiss teachers only at duly called meetings. ~~Where~~ When a husband and wife, brother and sister, or two brothers or sisters, constitute a quorum, no contract employing a teacher may be made or authorized except upon the unanimous vote of the full education district board.

- B. The education district board may not employ any teacher related by blood or marriage to an education district board member, within the fourth degree as computed by the civil law, except by a unanimous vote of the full education district board.

## V. CONFLICTS PRIOR TO TAKING OFFICE

An education district board member with personal financial interest in a sale, lease, or contract with the education district which was entered before the education district board member took office and presents an actual or potential conflict of interest, shall immediately notify the education district board of such interest. It shall thereafter be the responsibility of the education district board member to refrain from participating in any action relating to the sale, lease, or contract. At the time of renewal of any such sale, lease, or contract, the education district board may enter into or renew such sale, lease, or contract only if it falls within one of the enumerated exceptions for contracts relating to goods or services provided above and if the procedures provided in this policy are followed.

## VI. DETERMINATION AS TO WHETHER A CONFLICT OF INTEREST EXISTS

The determination as to whether a conflict of interest exists is to be made by the education district board. Any education district board member who has an actual or potential conflict shall notify the education district board of such conflict immediately. The education district board member shall thereafter cooperate with the education district board as necessary for the education district board to make its determination.

**Legal References:** Minn. Stat. § 122A.40, Subd. 3 ( Employment; Contracts; Termination  
~~Teacher Hiring, Dismissal~~)

Minn. Stat. § 123B.195 (Board Member’s Right to Employment)

Minn. Stat. § 471.87 (Public Officers , Interest in Contract; Penalty)

Minn. Stat. § 471.88, Subds. 2, 3, 4, 5, 12, 13, and 21 (Exceptions)

Minn. Stat. § 471.89 (Contract, When Void)

Op. Atty. Gen. 437-A-4, March 15, 1935

Op. Atty. Gen. 90-C-5, July 30, 1940

Op. Atty. Gen. 90-A, August 14, 1957

**Cross References:** MSBA/MASA Model Policy 101 (Legal Status of the School Board)

MSBA/MASA Model Policy 209 (Code of Ethics)

~~MSBA Service Manual, Chapter 1, School District Governance, Powers  
and Duties~~

## **211 CRIMINAL OR CIVIL ACTION AGAINST EDUCATION DISTRICT, EDUCATION DISTRICT BOARD MEMBER, EMPLOYEE, OR STUDENT**

### **I. PURPOSE**

The purpose of this policy is to provide guidance ~~about as to~~ the education district district's position, rights, and responsibilities when a civil or criminal action is pending against the education district, or an education district board member, education district employee, or student.

### **II. GENERAL STATEMENT OF POLICY**

- A. The education district recognizes that, when civil or criminal actions are pending against an education district board member, education district employee, or student, the education district may be requested or required to take action.
- B. In responding to such requests and/or requirements, the education district will take such measures as are appropriate to its primary mission of providing for the education of students in an environment that is safe for staff and students and is conducive to learning.
- C. The education district acknowledges its statutory obligations with respect to providing assistance to education district board members and teachers who are sued in connection with performance of education district duties. Collective bargaining agreements and education district policies may also apply.

### **III. CIVIL ACTIONS**

- A. Pursuant to Minnesota ~~Statutes~~ ~~section~~ ~~¶~~ § 466.07, ~~subdivision~~ ~~Subd.~~ 1, the education district shall defend and indemnify any education district board member or education district employee for damages in education district-related litigation, including punitive damages, claimed or levied against the education district board member or employee, provided that ~~the education district board member or employee~~ ~~he or she~~ was acting in the performance of the duties of the position and was not guilty of malfeasance, willful neglect of duty, or bad faith.
- B. Pursuant to Minnesota ~~Statutes~~ ~~section~~ §123B.25(b), with respect to teachers employed by the education district, upon written request of the teacher involved, the education district ~~must~~ ~~shall~~ provide legal counsel for any education district teacher against whom a claim is made or action is brought for recovery of

damages in any tort action involving physical injury to any person or property or for wrongful death arising out of or in connection with the employment of the teacher with the education district. The education district will choose legal counsel after consultation with the teacher.

C. Data Practices

Educational data and personnel data maintained by the education district may be sought as evidence in a civil proceeding. The education district will release the data only pursuant to the Minnesota Government Data Practices Act, Minnesota Statutes - chapter ~~Ch.~~ 13, and to the Family Educational Rights and Privacy Act, 20 United States Code ~~U.S.C.~~ section§ 1232g and related regulations. When an employee is subpoenaed and is expected to testify regarding educational data or personnel data, ~~the employee will he or she is to~~ inform the building administrator or designated supervisor, who shall immediately inform the executive director or designee. No education district board member or employee may release data without consultation in advance with the education district official ~~who is~~ designated as the ~~responsible~~ authority ~~responsible~~ for the collection, use, and dissemination of data.

D. Service of Subpoenas

~~Education district The policy of the education district is that its~~ officers and employees will normally not be involved in providing service of process for third parties in the school setting.

E. Leave to Testify

Leave for employees appearing in court, either when sued or under subpoena to testify, will be considered in accordance with education district personnel policies and applicable collective bargaining agreements.

#### IV. CRIMINAL CHARGES OR CONDUCT

A. Employees

1. The education district expects that its employees serve as positive role models for students. As role models for students, employees have a duty to conduct themselves in an exemplary manner.
2. If the education district receives information relating to activities of a criminal nature by an employee, the education district will investigate and take appropriate disciplinary action, which may include discharge, subject to education district policies, statutes, and provisions of applicable collective bargaining agreements.

3. Pursuant to Minnesota Statutes section § 123B.02, Subdivision 20, if reimbursement for a criminal defense is requested by an education district employee, the education district board may, after consulting with its legal counsel, reimburse the employee for any costs and reasonable attorney fees incurred by the employee to defend criminal charges brought against the employee arising out of the performance of duties for the education district. The decision ~~as to~~ whether to reimburse shall be made at the ~~education district's discretion of the education district board~~. An education district board member who is a witness or an alleged victim in the case may not vote on the reimbursement. If a quorum of the education district board is disqualified from voting on the reimbursement, the reimbursement must be approved by a judge of the district court.

B. Students

The education district has an interest in maintaining a safe and healthful environment and in preventing disruption of the educational process. ~~In order to further~~ ~~to promote~~ that interest, the education district will take appropriate action regarding students convicted of crimes that relate to the education district environment.

C. Criminal Investigations

1. The policy of the education district is to cooperate with law enforcement officials. The education district will make all efforts, however, to encourage law enforcement officials to question students and employees outside of education district hours and off education district premises unless ~~there are~~ extenuating circumstances exist, ~~or~~ the matter being investigated is education district-related, or as otherwise provided by law.
2. If ~~such~~ questioning at the education district is unavoidable, the education district will attempt to maintain confidentiality ~~;~~ to avoid embarrassment to students and employees and to avoid disruption of the educational program. The education district will attempt to notify parents of a student under age 18 that police will be questioning their child. Normally, the executive director, principal, or other appropriate education district official will be present during the interview, except as otherwise required by law (Minnesota Statutes section ~~;~~ § 260E.22626.556, ~~Subd. 10~~), or as otherwise determined in consultation with the parent or guardian.

D. Data Practices

The education district will release to juvenile justice and law enforcement authorities educational and personnel data only in accordance with Minnesota Statutes chapter ~~;~~ ~~Ch.~~ 13 (Minnesota Government Data Practices Act) and 20 United States Code ~~U.S.C.~~ section § 1232g (FERPA).

## V. STATEMENTS WHEN LITIGATION IS PENDING

The education district recognizes that when a civil or criminal action is commenced or pending, parties to the lawsuit have particular duties in reference to persons involved or named in the lawsuit, as well as insurance carrier(s). Therefore, education district board members or education district employees shall make or release statements in that situation only in consultation with legal counsel.

**Legal References:** Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)  
Minn. Stat. §§ 121A.40-121A.56 (Pupil Fair Dismissal Act)  
Minn. Stat. § 123B.02, Subd. 20 (Legal Counsel ; Reimbursement)  
Minn. Stat. § 123B.25 (b) (Legal Actions Against Districts and Teachers)  
~~Minn. Stat. § 260E.22 (Interviews)~~  
Minn. Stat. § 466.07, Subd. 1 (Indemnification)  
20 U.S.C. § 1232g (Family Educational Rights and Privacy Act)  
42 U.S.C. § 1983 (Civil Action for Deprivation of ~~ng~~ Rights)  
Minn. Op. Atty. Gen. 169 (Mar. 7, 1963)  
Minn. Op. Atty. Gen. 169 (Nov. 3, 1943)  
*Dyppress v. School Committee of Boston*, 446 N.E.2d 1099 (Mass. App. Ct. 1983)  
*Wood v. Strickland*, 420 U.S. 308, ~~95 S.Ct. 992, 43 L.Ed.2d 214~~ (1975)

**Cross References:** MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)  
MSBA/MASA Model Policy 406 (Public and Private Personnel Data)  
MSBA/MASA Model Policy 408 (Subpoena of a School District Employee)  
MSBA/MASA Model Policy 414 (Mandated Reporting of Child Neglect or Physical or Sexual Abuse)  
MSBA/MASA Model Policy 506 (Student Discipline)  
MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)

## **213 EDUCATION DISTRICT BOARD COMMITTEES**

### **I. PURPOSE**

The purpose of this policy is to provide for the structure and the operation of committees or subcommittees of the education district board.

### **II. GENERAL STATEMENT OF POLICY**

- A. It is the policy of the education district board to designate education district board committees or subcommittees when it is determined that a committee process facilitates the mission of the education district board.
- B. The education district board has determined that certain permanent standing committees, as described in this policy, do facilitate the operation of the education district board and the education district.
- C. An education district board committee or subcommittee will be formed by education district board resolution which shall outline the duties and purpose of the committee or subcommittee.
- D. A committee or subcommittee is advisory in nature and has only such authority as specified by the education district board.
- E. The education district board will receive reports or recommendations from a committee or subcommittee for consideration. The education district board, however, retains the right and has the duty to make all final decisions related to such reports or recommendations.
- F. The education district board also may establish such ad hoc committees for specific purposes as it deems appropriate.
- G. The education district board reserves the right to limit, create or abolish any standing or ad hoc committee as it deems appropriate.
- H. A committee of the education district board shall not appoint a subcommittee of that committee without approval of the education district board.

### **III. APPOINTMENT OF COMMITTEES**

- A. The education district board hereby appoints the following standing committees:
  - 1. Meet and Confer.
  - 2. Policy.
  - 3. Technology.
  - 4. Negotiations Committee(s) for various employee groups.
  - 5. Insurance.
- B. The education district board will establish, by resolution, for each standing or ad hoc committee the number of members, the term and the charge or mission of each such committee.
- C. The education district board will determine the members of each standing or ad hoc committee during the annual organizational meeting.

### **IV. PROCEDURES FOR EDUCATION DISTRICT BOARD COMMITTEES**

- A. All meetings of committees or subcommittees shall be open to the public in compliance with the Open Meeting Law, and notice shall be given as prescribed by law.
- B. A committee or subcommittee shall act only within the guidelines and mission established for that committee or subcommittee by the education district board.
- C. Actions of a committee or subcommittee shall be by majority vote and be consistent with the governing rules of the education district board.
- D. The committee or subcommittee shall designate a secretary who will record the minutes of actions of the education district board committee.
- E. The power of a committee or subcommittee of the education district board is advisory only and is limited to making recommendations to the education district board.
- F. A committee or subcommittee of the education district board shall, when appropriate, clarify in any dealings with the public that its powers are only advisory to the education district board.

***Legal References:*** Minn. Stat. Ch. 13D (Open Meeting Law)

***Cross References:*** MSBA/MASA Model Policy 201 (Legal Status of the School Board)  
MSBA/MASA Model Policy 203 (Operation of the School Board –  
Governing Rules)  
MSBA Service Manual, Chapter 13, School Law Bulletin “C”  
(Minnesota’s Open Meeting Law)

## **214 OUT-OF-STATE TRAVEL BY EDUCATION DISTRICT BOARD MEMBERS**

### **I. PURPOSE**

The purpose of this policy is to control out-of-state travel by education district board members as required by law.

### **II. GENERAL STATEMENT OF POLICY**

Education district board members have an obligation to become informed on the proper duties and functions of a education district board member, to become familiar with issues that may affect the education district, to acquire a basic understanding of education district finance and budgeting, and to acquire sufficient knowledge to comply with federal, state, and local laws, rules, regulations, and education district policies that relate to their functions as education district board members. Occasionally, it may be appropriate for education district board members to travel out of state to fulfill their obligations.

### **III. APPROPRIATE TRAVEL**

Travel outside the state is appropriate when the education district board finds it proper for education district board members to acquire knowledge and information necessary to allow them to carry out their responsibilities as education district board members. ~~Travel to regional or national meetings of the National School Boards Association is presumed to fulfill this purpose.~~ Travel to other out-of-state meetings for which the member intends to seek reimbursement from the education district should be pre approved by the education district board.

### **IV. REIMBURSABLE EXPENSES**

Expenses to be reimbursed may include transportation, meals, lodging, registration fees, required materials, parking fees, tips, and other reasonable and necessary education district district-related expenses.

### **V. REIMBURSEMENT**

A. Requests for reimbursement must be itemized on the official education district form and are to be submitted to the designated administrator. Receipts for lodging, commercial transportation, registration, and other reasonable and necessary expenses must be attached to the reimbursement form.

- B. Automobile travel shall be reimbursed at the mileage rate set by the education district board. Commercial transportation shall reflect economy fares and shall be reimbursed only for the actual cost of the trip.
- C. Amounts to be reimbursed shall be within the education district board's approved budget allocations, including attendance at workshops and conventions.

## **VI. ESTABLISHMENT OF DIRECTIVES AND GUIDELINES**

The executive director shall develop a schedule of reimbursement rates for education district business expenses, including those expenses requiring advance approval and specific rates of reimbursement. The executive director shall also develop directives and guidelines to address methods and times for submission of requests for reimbursement.

***Legal References:*** Minn. Stat. § 123B.09, Subd. 2 (School Board Member Training)  
Minn. Stat. § 471.661 (Out-of-State Travel)  
Minn. Stat. § 471.665 (Mileage Allowances)  
Minn. Op. Atty. Gen. 1035 (Aug. 23, 1999) (Retreat Expenses)  
Minn. Op. Atty. Gen. 161b-12 (Aug. 4, 1997) (Transportation Expenses)

***Cross References:*** MSBA/MASA Model Policy 212 (School Board Member Development)  
MSBA/MASA Model Policy 412 (Expense Reimbursement)

- VIII. **Other:**
- IX. **Comments: Board/Director**
- X. **Next Meeting Date: January 23, 2025 at 7:00 PM at the River Bluff Education Center in Red Wing.**
- XI. **Adjournment**