

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2024**



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## **INTRODUCTORY SECTION**

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
BOARD OF EDUCATION AND ADMINISTRATION  
YEAR ENDED JUNE 30, 2024**

**BOARD OF EDUCATION**

Jim Bryant	Chair
Terese Bjornstad	Vice Chair
Jennifer Tift	Clerk
Rachel Marshall Schoenfelder	Treasurer
Nicky Buck	Director
Anna Ostendorf	Director
Pam Roe	Director

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**ADMINISTRATION**

Bob Jaszczak	Superintendent
Lisa Rider	Director of Finance

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Board of Education  
Red Wing Public Schools  
Independent School District No. 256  
Red Wing, Minnesota

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Red Wing Public Schools Independent School District No. 256 (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 judgment, 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's discussion and analysis, the General Fund budgetary comparison information, the Schedule of Changes in the District's Total OPEB Liability and Related Ratios, the Schedule of the District's Proportionate Share of the Net Pension Liability and the Schedule of District Pension Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The nonmajor governmental funds combining balance sheet and combining statement of revenues, expenditures and changes in fund balances, the proprietary funds combining statement of net position, the proprietary funds combining statement of revenues, expenses, and changes in net position, the proprietary funds combining statement of cash flows, the Food Service Fund budgetary comparison information, the Community Service Fund budgetary comparison information, the Uniform Financial Accounting and Reporting Standards Compliance Table, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 GAAS. In our opinion, the nonmajor governmental funds combining balance sheet and combining statement of revenues, expenditures and changes in fund balances, the proprietary funds combining statement of net position, the proprietary funds combining statement of revenues, expenses, and changes in net position, the proprietary funds combining statement of cash flows, the Food Service Fund budgetary comparison information, the Community Service Fund budgetary comparison information, the 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.

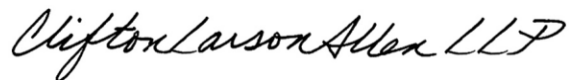
**Other Information**

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

In connection with our audit of the basic financial 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.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.



**CliftonLarsonAllen LLP**

Rochester, Minnesota  
December 19, 2024

**REQUIRED SUPPLEMENTARY INFORMATION**

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

This section of Independent School District No. 256'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 follows this section.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal year 2023-24 include the following:

- The assets and deferred outflows of resources of the School exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year as shown in the summary of net position on the following pages.
- The School's total net position increased as shown in the summary of changes in net position on the following pages.
- As of the close of the current fiscal year, the School's governmental fund balances are shown in the Financial Analysis of the School's funds section of the MD&A. The total fund balance increased in comparison with the prior year. This increase was primarily related to revenue and expenditures less than budgeted.
- At the end of the current fiscal year, unassigned fund balance for the General fund, as shown in the financial analysis of the School's funds section, increased from the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The annual report consists of the following:

- Management's Discussion and Analysis;
- Basic financial statements, including the government-wide financial statements, fund financial statements, and the notes to the financial statements;
- Required supplementary information; and
- Supplementary information

The basic financial statements include two kinds of statements that present different views of the District:

- **Government-Wide Financial Statements** – The government-wide financial statements, including the Statement of Net Position and Statement of Activities, are designed to provide short-term and long-term information about the District's overall financial status, using accounting methods similar to those used by private sector companies.
- **Fund Financial Statements** – The fund financial statements focus on individual parts of the District, reporting the District's operation in more detail than the government-wide financial statements. The District maintains three groups of fund financial statements:

**Governmental Funds Statements** – Governmental funds statements review how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Proprietary Funds Statements** – Proprietary funds statements offer short-term and long-term financial information about the activities the District operates like a business.

**Fiduciary Funds Statements** – Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

**GOVERNMENT-WIDE STATEMENTS**

The Government-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 government-wide statements report the District's net position and how they have changed. Net Position, the difference between the District's assets 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 are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

The fund financial statements provide more detailed information about the District's funds - focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes.

The District maintains three kinds of funds:

- **Governmental Funds** – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds 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 information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**GOVERNMENT-WIDE STATEMENTS (CONTINUED)**

- **Proprietary Funds** – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
- The District uses proprietary funds to report activities that provide supplies and services for the District's other programs and activities. The District currently has two proprietary funds; internal service funds which charge the District's activities for the operation of the District's medical clinic and repairing or replacing student Chromebooks.
- **Fiduciary Funds** – *Fiduciary funds* – The District is the trustee, or *fiduciary*, for assets that belong to others, such as the custodial funds and the other postemployment benefit trust fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

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

**Net Position.** The District's total net position from Governmental activities was a positive \$1,415,681 on June 30, 2024. (See Table A-1) This represents an increase in net position of \$2,838,036.

**Table A-1  
The District's Net Position**

	Governmental Activities as of June 30,		Percentage Change
	2024	2023	
<b>Assets:</b>			
Current and Other Assets	\$ 31,365,410	\$ 28,470,989	10.17 %
Capital Assets	26,141,096	27,959,744	(6.50)
Total Assets	<u>57,506,506</u>	<u>56,430,733</u>	1.91
<b>Deferred Outflows of Resources</b>	6,152,835	7,918,558	(22.30)
<b>Liabilities:</b>			
Current Liabilities	7,382,014	5,897,945	25.16
Long-Term Liabilities	40,146,505	43,742,030	(8.22)
Total Liabilities	<u>47,528,519</u>	<u>49,639,975</u>	(4.25)
<b>Deferred Inflows of Resources</b>	<u>14,715,141</u>	<u>16,131,671</u>	(8.78)
<b>Net Position:</b>			
Net Investment in Capital Assets	7,638,363	8,169,900	(6.51)
Restricted	8,015,797	8,274,545	(3.13)
Unrestricted	(14,238,479)	(17,866,800)	(20.31)
Total Net Position	<u>\$ 1,415,681</u>	<u>\$ (1,422,355)</u>	(199.53)

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

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

The District's net position reflects its net investment in capital assets (e.g., land, buildings and furniture and equipment) decreased to \$7,638,363. The restricted category of the District's net position represents those resources that are restricted as to how they may be used, such as state mandated reserves, capital assets acquisition and debt service payments.

You will note that our total net position increased to \$1,415,681 in 2023-24. The increase in the unrestricted net position is primarily due to the changes in actuarial assumptions of the Minnesota Teachers Retirement Association (TRA) pension liability.

Total revenues surpassed expenses, increasing net position \$2,838,036 over the prior year.

**Table A-2  
Change in Net Position**

	Governmental Activities for the Fiscal Year Ended June 30,		Percentage Change
	2024	2023	
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$ 1,835,422	\$ 2,487,910	(26.23)%
Operating Grants and Contributions	7,149,070	9,878,439	(27.63)
Capital Grants and Contributions	162,286	191,865	(15.42)
General Revenues:			
Property Taxes	11,170,517	11,009,984	1.46
Unrestricted State Aid	24,312,542	19,465,202	24.90
Investment Earnings	469,233	96,602	385.74
Other	1,599,684	294,360	443.44
Total Revenues	<u>46,698,754</u>	<u>43,424,362</u>	7.54
<b>Expenses</b>			
Administration	1,559,605	1,313,044	18.78
District Support Services	1,440,223	1,158,469	24.32
Regular Instruction	15,324,786	12,552,798	22.08
Vocational Education Instruction	867,958	598,740	44.96
Special Education Instruction	7,826,354	6,859,577	14.09
Instructional Support Services	2,504,655	1,964,126	27.52
Pupil Support Services	3,864,150	3,983,389	(2.99)
Sites and Buildings	4,667,530	5,570,680	(16.21)
Fiscal and Other Fixed Cost Programs	265,446	237,039	11.98
Food Service	1,993,025	1,771,836	12.48
Community Service	3,005,499	3,139,674	(4.27)
Interest and Fiscal Charges on Long-Term Liabilities	541,487	540,361	0.21
Total Expenses	<u>43,860,718</u>	<u>39,689,733</u>	10.51
<b>Change in Net Position</b>	2,838,036	3,734,629	
Net Position - Beginning of Year	<u>(1,422,355)</u>	<u>(5,156,984)</u>	
<b>Net Position - End of Year</b>	<u>\$ 1,415,681</u>	<u>\$ (1,422,355)</u>	

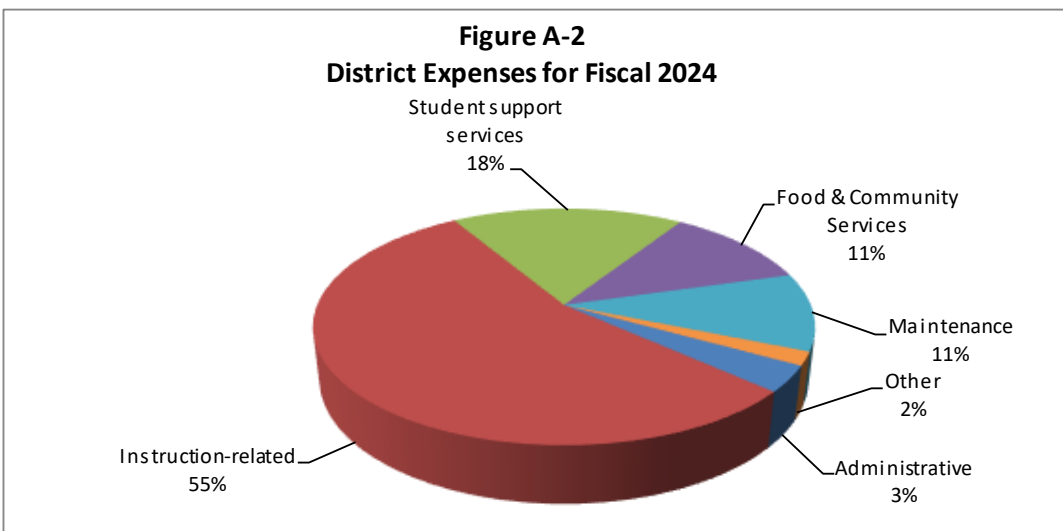
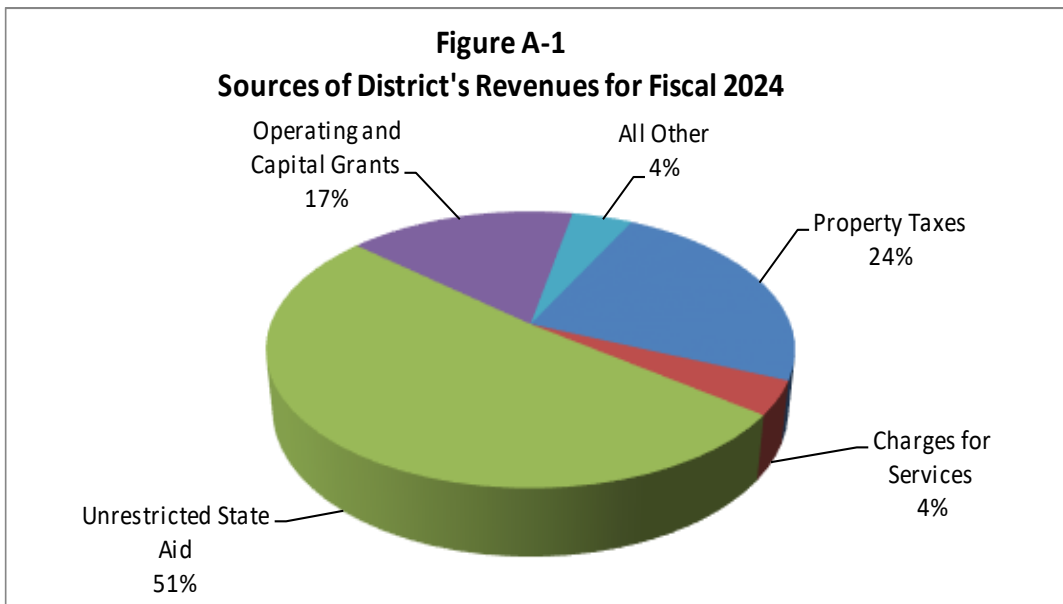


**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

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

**Changes in net position.** The District's total revenues were \$46,698,754 for the year ended June 30, 2024. Property taxes and state formula aid accounted for 75% of total revenue for the year. (See Figure A-1). Another 21% came from program revenues. Investment earnings and other general revenues accounted for 4% of total revenue for the year.

The total cost of all programs and services was \$43,860,718. The District's total expenses are predominantly related to educating and supporting students (72%) (See Figure A-2.) The administrative activities of the District accounted for 4% of total expenses.



**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

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

- The cost of all governmental activities this year was \$43,860,718 which is \$4,170,985 or 10.51% more than the prior year.
- Some of the expenses were paid by the patrons of the District's programs \$1,835,422.
- The federal and state governments subsidized certain programs with grants and contributions \$7,311,356.
- Local property taxes financed \$11,170,517, state aid based on legislatively authorized formulas funded \$24,312,542, and investment earnings and other general revenues provided \$2,068,917 in revenue.

**Table A-3  
Program Expenses and Net Cost of Services**

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2024	2023		2024	2023	
Administration	\$ 1,559,605	\$ 1,313,044	18.78 %	\$ 1,552,151	\$ 789,649	96.56 %
District Support Services	1,440,223	1,158,469	24.32	1,440,147	1,059,037	35.99
Regular Instruction	15,324,786	12,552,798	22.08	10,324,248	10,143,779	1.78
Vocational Education Instruction	867,958	598,740	44.96	862,672	587,944	46.73
Special Education Instruction	7,826,354	6,859,577	14.09	7,803,428	2,381,387	227.68
Instructional Support Services	2,504,655	1,964,126	27.52	2,313,694	1,703,706	35.80
Pupil Support Services	3,864,150	3,983,389	(2.99)	3,860,039	3,791,345	1.81
Sites and Buildings	4,667,530	5,570,680	(16.21)	4,595,751	5,231,375	(12.15)
Fiscal and Other Fixed Cost Programs	265,446	237,039	11.98	265,446	237,039	11.98
Food Service	1,993,025	1,771,836	12.48	(60,715)	-	-
Community Service	3,005,499	3,139,674	(4.27)	1,215,592	665,897	82.55
Interest and Fiscal Charges on Long-Term Liabilities	541,487	540,361	0.21	541,487	540,361	0.21
<b>Total</b>	<b>\$ 43,860,718</b>	<b>\$ 39,689,733</b>	<b>10.51</b>	<b>\$ 34,713,940</b>	<b>\$ 27,131,519</b>	<b>27.95</b>

**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 \$11,060,989 which is an increase of \$1,219,220 from the prior year ending fund balance of \$9,841,769.

Revenues and other financing sources for the District's governmental funds were \$46,718,824 while total expenditures and other financing uses were \$45,499,604, resulting in revenues exceeding expenditures by \$1,219,220. This is primarily due to unfilled staff positions.

**GENERAL FUND**

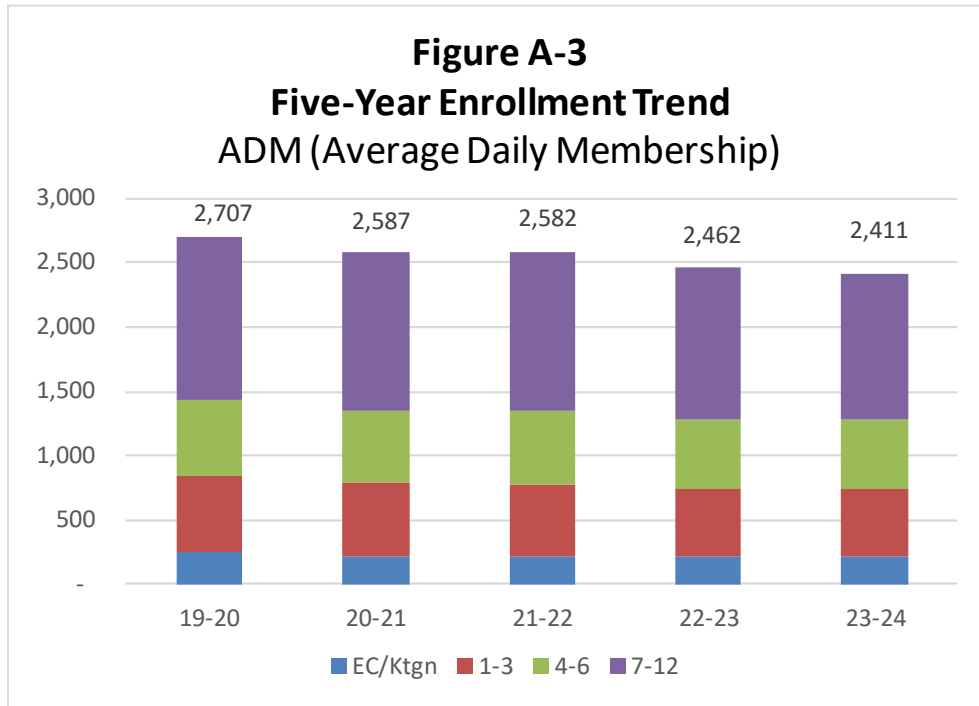
The General Fund includes the primary operations of the District in providing educational services to students from Kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

Funding for Minnesota school districts is largely driven by enrollment. Over the last five years, the District's enrollment has declined slightly in the number of students. Based on past historical trends and using a traditional cohort survival technique, the District anticipates that the total number of students will continue to decline slightly.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**GENERAL FUND (CONTINUED)**

The following graph shows that the number of students has been decreasing slightly over the last few years.



The following schedule presents a summary of General Fund Revenues.

**Table A-4  
General Fund Revenues**

	Year Ended		Change	
	June 30, 2024	June 30, 2023	Increase (Decrease)	Percent Change
Local Sources:				
Property Taxes	\$ 8,821,705	\$ 8,902,705	\$ (81,000)	(0.9)%
Earnings on Investments	289,730	282,400	7,330	2.6
Other	1,275,734	1,466,240	(190,506)	(13.0)
State Sources	27,902,122	24,475,273	3,426,849	14.0
Federal Sources	1,235,116	1,547,788	(312,672)	(20.2)
Total General Fund Revenue	<u>\$ 39,524,407</u>	<u>\$ 36,674,406</u>	<u>\$ 2,850,001</u>	7.8

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**GENERAL FUND (CONTINUED)**

Total General Fund Revenues increased by \$2,850,001 or 7.8% from the previous year. This increase is related to additional compensatory aid as well as increased special education state revenue. Other sources and federal revenue decreased due to reduction in grant funds and the ending of the federal relief funds. Basic general education revenue is determined by multiple state formulas, largely enrollment driven, and consists of an equalized mix of property tax and state aid revenue.

The following schedule presents a summary of General Fund expenditures.

**Table A-5  
General Fund Expenditures**

	Year Ended		Amount of Increase (Decrease)	Percent Increase (Decrease)
	June 30, 2024	June 30, 2023		
Salaries	\$ 18,897,359	\$ 18,315,439	\$ 581,920	3.2 %
Employee Benefits	6,100,684	6,065,503	35,181	0.6
Purchased Services	11,376,763	10,905,595	471,168	4.3
Supplies and Materials	1,633,468	1,434,107	199,361	13.9
Capital Expenditures	281,640	609,169	(327,529)	(53.8)
Other Expenditures	309,027	369,627	(60,600)	(16.4)
Total Expenditures	<u>\$ 38,598,941</u>	<u>\$ 37,699,440</u>	<u>\$ 899,501</u>	2.4

Total General Fund expenditures increased \$899,501 or 2.4%. The District saw increased expenditures in most categories. Employee benefits increased due to the phased statutory increases from TRA. The District saw decreased capital expenditures due to emphasis on bond funded projects.

In 2023-24, General Fund revenues and other financing sources were more than expenditures by \$1,009,739 or 2.6% of total expenditures. After deducting statutory restrictions, the unassigned fund balance increased from \$4,608,573 at June 30, 2023 to \$5,777,426 at June 30, 2024, an increase of \$1,168,853. The unassigned fund balance represents 14.97% of general fund expenditures. The Board of Education designated a minimum of 5%.

**General Fund Budgetary Highlights**

The District is required to adopt an operating budget prior to the beginning of its fiscal year (July 1), referred to as the preliminary budget. Over the course of the year, the District chose to revise the preliminary budget to account for changes in estimates that were used in planning the preliminary budget.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**GENERAL FUND (CONTINUED)**

**General Fund Budgetary Highlights (Continued)**

The District's final budget for the General Fund anticipated that revenues and other financing sources would be more than expenditures by \$129,886. The actual results show revenues and other financing sources exceeded expenditures by \$1,009,739.

- Actual revenues and other financing sources were \$120,251 less than expected. This was primarily related to operations returning to pre-pandemic levels and federal pandemic revenue remaining for use in the fiscal 2024-25 school year.
- Actual expenditures were \$1,000,104 less than expected. This was primarily related to unfilled positions, actual health insurance costs and actual purchased services less than expected.

**Table A-6  
General Fund Budget to Actual**

	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>	<u>Percent Over (Under)</u>
Revenue and Other Financing Sources	\$ 39,728,931	\$ 39,608,680	\$ (120,251)	(0.3)%
Expenditures and Other Financing Uses	39,599,045	38,598,941	(1,000,104)	(2.6)
Total	<u>\$ 129,886</u>	<u>\$ 1,009,739</u>	<u>\$ 879,853</u>	

**FOOD SERVICE FUND**

The Food Service Fund accounts for the activities related to providing nutrition services to the Pre-K-12 academic program. The fund operates on the principle of revenues exceeding expenditures on day-to-day operations so that the excess can be used to systematically replace and upgrade kitchen equipment around the district. By operating in this manner, the Child Nutrition Services program is self-contained and does not pull resources away from direct Pre-K-12 instruction. The District served 273,131 lunches and 102,909 breakfasts to students, in addition to a la carte sales and summer programming meals during the 2023-24 school year.

The fund balance increased by \$96,872 to \$740,862 during 2023-24. As this was the first year of free meals for students the budget was an estimate and the actual revenue generated for the school year exceeded the planned estimate.

Food Service Fund Revenues for 2022-23 totaled \$2,067,390. This was an increase of \$299,693 or approximately 17% from 2022-23. The reimbursement rate for meals from the federal government was higher in 2023-24.

Food Service Fund Expenditures for 2023-24 totaled \$1,993,025. This was an increase of \$221,189 or 12.5% from 2022-23. The Child Nutrition department had planned capital expenditures to reduce the fund balance to the federally required level. Operations in 2023-24 reflected pre-pandemic levels with the increase in food and supply costs noted.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**COMMUNITY SERVICE FUND**

The Community Service Fund accounts for the activities related to providing lifelong learning, recreation, and community involvement. They provide programming for all ages. The fund is self-sustaining and helps support many District programs and initiatives.

Community Service Fund Revenues for 2023-24 totaled \$3,114,976. This was a decrease of \$58,559 or 2% from 2022-23. The Community Education department received less federal grant funding in 2023-24.

Community Service Fund Expenditures for 2023-24 totaled \$2,961,671. This was a decrease of \$185,367 or 6% from 2022-23. The Community Education department expended less in federal expenditures that were funded via federal grant dollars.

The fund balance increased from \$751,475 on June 30, 2023 to \$904,780 on June 30, 2024. The majority of the fund balance is reserved for specific purposes.

**CAPITAL PROJECTS FUND**

The Capital Projects Fund accounts for revenues and expenditures related to the school district's long-term capital and facility projects that are funded by the sale of bonds or capital loans. The Capital Project Fund includes activity related to our 2022A Facilities Maintenance Bonds that were issued to replace the lighting with LED. This project was in progress at the end of 2022-23 and was placed into service in 2023-24.

Capital Projects Fund Revenues for 2023-24 totaled \$29,934. This was a decrease of \$7,028 or 19% from 2022-23.

Capital Projects Fund Expenditures for 2023-24 totaled \$156,148. This was a decrease of \$1,492,310 or 90.5% from 2022-23.

The fund balance decreased from \$148,214 on June 30, 2023 to \$22,000 on June 30, 2024. The project was completed in late summer 2023. This fund continues to receive \$22,000 annual payments from Goodhue County Education District in payment over a 10-year period for parking lot improvements. FY24 is year 6 of the 10-year payment term.

**DEBT SERVICE FUND**

The Debt Service Fund exists to service the principal and interest payments on long-term debt issued by the district to construct school facilities or acquire school equipment. Annual levies will provide revenue at a rate of 105% of pending debt service payments for a fiscal year. This rate is specified in statute to ensure that principal and interest payments can be made as scheduled even if there are late property tax payments or delinquencies that may arise.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**DEBT SERVICE FUND (CONTINUED)**

The Debt Service Fund Balance increased by \$86,518 in 2023-24. The Minnesota Department of Education monitors fund balances in the Debt Service Fund and limits the amount of funds that can be carried forward. If the fund balance gets too high, future levy authority will be reduced in order to reduce the debt service fund balance to a reasonable level. The June 30, 2023, fund balance of \$826,964 plus future levies that include an additional 5% levy to cover late or delinquent property tax payments will provide adequate cash flow for timely payment of principal and interest.

The District's current general obligation bond rating from Standard and Poor's is A2. The district is enrolled in the MN School District Credit Enhancement Program which allows Minnesota school districts which have levy authority to issue statutorily specified debt instruments at a lower interest rate by extending the state's credit rating to school districts.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2024, the District had invested \$94,011,154 in a broad range of capital assets, including school buildings; land, technology equipment, and other equipment for various instructional programs (see Table A-7). The capital assets for Right-to-Use Equipment assets and accumulated amortization relates to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* in fiscal year 2021-22. The change in capital assets for Right-to-Use Software assets and accumulated amortization relates to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* in fiscal year 2023-23. Total accumulated depreciation and amortization as of June 30, 2024 was \$67,870,058. The current year depreciation and amortization expense for Governmental Activities totaled \$2,700,436. More detailed information about capital assets can be found in Note 3 to the financial statements.

**Table A-7  
Capital Assets**

	2024	2023	Percentage Change
Land	\$ 1,771,785	\$ 1,771,785	-
Construction in Progress	-	1,864,119	(100.0)
Land Improvements	4,269,442	4,240,658	0.7
Buildings and Improvements	70,063,670	67,723,110	3.5
Equipment	17,660,350	17,283,787	2.2
Less: Accumulated Depreciation	(67,782,235)	(65,116,929)	4.1
Right-to-Use Equipment	245,907	245,907	-
Less: Accumulated Amortization	(87,823)	(52,693)	66.7
Total District Capital Assets	<u>\$ 26,141,096</u>	<u>\$ 27,959,744</u>	(6.5)

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

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

**Long-Term Liabilities**

For the fiscal year ended June 30, 2024, the District had \$19,362,887 in long-term liabilities outstanding. This is a decrease of 7.6% from the prior year (see Table A-8). More detailed information about the District's long-term liabilities is presented in Note 4 of the financial statements.

**Table A-8  
The District's Long-Term Liabilities**

	2024	2023	Percentage Change
General Obligation Bonds	\$ 17,785,000	\$ 19,035,000	(6.6)%
Net Bond Premium and Discount	427,819	497,208	(14.0)
Leases Payable	221,505	180,676	22.6
Energy Loans Payable	-	1,461	
Compensated Absences Payable	928,563	1,243,549	(25.3)
Total Long-Term Liabilities	<u>\$ 19,362,887</u>	<u>\$ 20,957,894</u>	(7.6)
Long-Term Liabilities:			
Due Within One Year	\$ 1,406,170	\$ 1,319,019	
Due in More Than One Year	17,956,717	19,638,875	
Total	<u>\$ 19,362,887</u>	<u>\$ 20,957,894</u>	

**OTHER SELECTED INFORMATION**

The government-wide financial statements now recognize liabilities for severance pay, compensated absences, pensions and other postemployment benefits. This liability does include an amount for future health benefit costs to employees who have not retired as of June 30, 2024. The District sold Other Post Employment Benefits (OPEB) bonds in 2009 and have fully paid these bonds. The proceeds of the bonds are placed in an Irrevocable Trust for payment of the future OPEB plan. More detailed information about the District's OPEB Plan is presented in Note 9 of the financial statements.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Office, Independent School District No. 256, 2451 Eagle Ridge Drive, Red Wing, Minnesota 55066.



## **BASIC FINANCIAL STATEMENTS**

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
STATEMENT OF NET POSITION  
JUNE 30, 2024**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 16,377,046
Receivables:	
Property Taxes	5,327,229
Other Governments	4,697,669
Leases	578,259
Other	53,233
Due from Fiduciary Fund	43,963
Prepaid Items	385,321
Inventories	70,424
Other Postemployment Benefits Asset	3,832,266
Capital Assets:	
Land and Construction in Progress	1,771,785
Other Capital Assets, Net of Depreciation and Amortization	24,369,311
Total Assets	<u>57,506,506</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension Related	5,343,178
Other Postemployment Benefits Related	809,657
Total Deferred Outflows	<u>6,152,835</u>
<b>LIABILITIES</b>	
Salaries Payable	2,966,062
Accounts Payable	1,155,550
Accrued Interest	241,468
Due to Other Governmental Units	1,498,256
Unearned Revenue	114,508
Long-Term Liabilities:	
Long-Term Liabilities - Due Within One Year	1,406,170
Long-Term Liabilities - Due in More Than One Year	17,956,717
Net Pension Liability	22,189,788
Total Liabilities	<u>47,528,519</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes Levied for Subsequent Year	10,101,187
Deferred Lease Resources	580,245
Pension Related	3,572,083
Other Postemployment Benefits Related	461,626
Total Deferred Inflows of Resources	<u>14,715,141</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	7,638,363
Restricted for:	
Other Post Employment Benefit	3,832,266
Operating Capital Purposes	172,814
State-Mandated Reserves	1,618,454
Food Service	740,862
Community Service	948,607
Capital Projects - Building Construction	22,000
Debt Service	680,794
Unrestricted	<u>(14,238,479)</u>
Total Net Position	<u>\$ 1,415,681</u>

See accompanying Notes to Basic Financial Statements.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
					Total Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>					
Administration	\$ 1,559,605	\$ -	\$ 7,454	\$ -	\$ (1,552,151)
District Support Services	1,440,223	-	76	-	(1,440,147)
Regular Instruction	15,324,786	278,584	4,721,954	-	(10,324,248)
Vocational Education Instruction	867,958	1,555	3,731	-	(862,672)
Special Education Instruction	7,826,354	-	22,926	-	(7,803,428)
Instructional Support Services	2,504,655	30,578	6,750	153,633	(2,313,694)
Pupil Support Services	3,864,150	-	4,111	-	(3,860,039)
Sites and Buildings	4,667,530	62,943	183	8,653	(4,595,751)
Fiscal and Other Fixed Cost Programs	265,446	-	-	-	(265,446)
Food Service	1,993,025	184,185	1,869,555	-	60,715
Community Service	3,005,499	1,277,577	512,330	-	(1,215,592)
Interest and Fiscal Charges on Long-Term Liabilities	541,487	-	-	-	(541,487)
Total School District	<u>\$ 43,860,718</u>	<u>\$ 1,835,422</u>	<u>\$ 7,149,070</u>	<u>\$ 162,286</u>	<u>(34,713,940)</u>
<b>GENERAL REVENUES</b>					
Property Taxes Levied for:					
General Purposes					8,823,186
Community Service					645,977
Debt Service					1,701,354
State Aid Not Restricted to Specific Purposes					24,312,542
Earnings on Investments					469,233
Miscellaneous					1,599,684
Gain on Sale of Capital Assets					-
Total General Revenues					<u>37,551,976</u>
<b>CHANGE IN NET POSITION</b>					2,838,036
Net Position - Beginning of Year					<u>(1,422,355)</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 1,415,681</u>

See accompanying Notes to Basic Financial Statements.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
BALANCE SHEET – GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 12,685,743	\$ 1,777,224	\$ 1,867,585	\$ 16,330,552
Receivables:				
Current Property Taxes	4,165,518	911,837	182,723	5,260,078
Delinquent Property Taxes	55,050	9,780	2,321	67,151
Accounts Receivable	4,626	-	48,607	53,233
Due from Other Minnesota School Districts	920,785	-	41,684	962,469
Due from Minnesota Department of Education	2,330,640	9,320	45,106	2,385,066
Due from Federal through Minnesota Department of Education	1,069,600	-	163,165	1,232,765
Leases	578,259	-	-	578,259
Due from Other Governmental Units	1,984	-	79,496	81,480
Due from Other Funds	99,943	-	-	99,943
Inventory	-	-	70,424	70,424
Prepays	385,321	-	-	385,321
Total Assets	<u>\$ 22,297,469</u>	<u>\$ 2,708,161</u>	<u>\$ 2,501,111</u>	<u>\$ 27,506,741</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Salaries and Payroll Deductions Payable	\$ 2,729,574	\$ -	\$ 236,488	\$ 2,966,062
Accounts and Contracts Payable	1,028,891	-	89,452	1,118,343
Due to Other Governmental Units	1,483,707	-	14,549	1,498,256
Unearned Revenue	-	-	114,508	114,508
Total Liabilities	<u>5,242,172</u>	<u>-</u>	<u>454,997</u>	<u>5,697,169</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes Levied for Subsequent Year	7,939,137	1,785,899	376,151	10,101,187
Unavailable Revenue - Delinquent Property Taxes	55,050	9,780	2,321	67,151
Deferred Lease Resources	580,245	-	-	580,245
Total Deferred Inflows of Resources	<u>8,574,432</u>	<u>1,795,679</u>	<u>378,472</u>	<u>10,748,583</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventory	-	-	70,424	70,424
Prepays	385,321	-	-	385,321
Restricted for:				
Student Activity	89,587	-	-	89,587
Staff Development	153,084	-	-	153,084
Literacy Incentive Aid	105,982	-	-	105,982
Operating Capital	172,814	-	-	172,814
Community Education	-	-	754,657	754,657
Early Childhood and Family Education	-	-	9,569	9,569
Gifted and Talented	23,908	-	-	23,908
Basic Skills Programs	158,366	-	-	158,366
Long-Term Facilities Maintenance	1,087,527	-	-	1,087,527
Restricted for Other Purposes	-	912,482	832,992	1,745,474
Committed for:				
Separation/Retirement Benefits	280,235	-	-	280,235
Assigned for:				
Student Activity	246,615	-	-	246,615
Unassigned	5,777,426	-	-	5,777,426
Total Fund Balances	<u>8,480,865</u>	<u>912,482</u>	<u>1,667,642</u>	<u>11,060,989</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,297,469</u>	<u>\$ 2,708,161</u>	<u>\$ 2,501,111</u>	<u>\$ 27,506,741</u>

See accompanying Notes to Basic Financial Statements.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024**

<b>Total Fund Balance for Governmental Funds</b>	<b>\$ 11,060,989</b>
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Land	1,771,785
Land Improvements, Net of Accumulated Depreciation	888,912
Buildings and Improvements, Net of Accumulated Depreciation	20,677,653
Equipment, Net of Accumulated Depreciation	2,576,253
Right-to-Use Asset, Net of Accumulated Amortization	158,084
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unearned revenue in the funds.	
	67,151
Payments on subscriptions which are paid prior to it becoming due is recorded as a Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	
	(241,468)
The District's Net Pension Liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:	
Net Pension Liability	(22,189,788)
Deferred Outflows of Resources - Pensions	5,343,178
Deferred Inflows of Resources - Pensions	(3,572,083)
The District's Other Postemployment Benefits Liability and related Deferred Outflows and Inflows of Resources are recorded only on the statement of net Position. Balances at year-end are:	
Deferred Outflows of Resources - Other Postemployment Benefits	809,657
Deferred Inflows of Resources - Other Postemployment Benefits	(461,626)
Long-term assets that pertain to governmental funds, such as the prefunded other post employment benefit obligation, are not financial resources and therefore are not reported as fund assets. Balances at year-end are:	
Other Postemployment Benefits Asset	3,832,266
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year-end are:	
Bonds Payable	(17,785,000)
Unamortized Premiums	(427,819)
Lease Liability	(221,505)
Compensated Absences Payable	(928,563)
Internal service funds used to charge the cost of student tech repair plans to departments. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	
	57,605
<b>Total Net Position of Governmental Activities</b>	<b>\$ 1,415,681</b>

See accompanying Notes to Basic Financial Statements.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 8,821,705	\$ 1,698,211	\$ 645,235	\$ 11,165,151
Investment Income	289,730	83,918	95,585	469,233
Other	1,275,734	-	2,094,568	3,370,302
State Sources	27,902,122	93,208	1,216,225	29,211,555
Federal Sources	1,235,116	-	1,160,687	2,395,803
Total Revenues	<u>39,524,407</u>	<u>1,875,337</u>	<u>5,212,300</u>	<u>46,612,044</u>
<b>EXPENDITURES</b>				
Current:				
Administration	1,697,033	-	-	1,697,033
District Support Services	1,341,334	-	-	1,341,334
Elementary and Secondary Regular Instruction	14,759,837	-	-	14,759,837
Vocational Education Instruction	933,146	-	-	933,146
Special Education Instruction	8,163,943	-	-	8,163,943
Instructional Support Services	2,259,388	-	-	2,259,388
Pupil Support Services	3,973,150	-	-	3,973,150
Sites and Buildings	4,838,292	-	-	4,838,292
Fiscal and Other Fixed Cost Programs	265,446	-	-	265,446
Food Service	-	-	1,890,920	1,890,920
Community Service	-	-	2,934,019	2,934,019
Capital Outlay	281,640	-	285,905	567,545
Debt Service:				
Principal	33,186	1,250,000	-	1,283,186
Interest and Fiscal Charges	52,546	539,819	-	592,365
Total Expenditures	<u>38,598,941</u>	<u>1,789,819</u>	<u>5,110,844</u>	<u>45,499,604</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	925,466	85,518	101,456	1,112,440
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment	-	-	-	-
Insurance Recovery	11,719	-	22,507	34,226
Right-to-Use Lease Proceeds	72,554	-	-	72,554
Total Other Financing Sources (Uses)	<u>84,273</u>	<u>-</u>	<u>22,507</u>	<u>106,780</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,009,739	85,518	123,963	1,219,220
Fund Balances - Beginning of Year	<u>7,471,126</u>	<u>826,964</u>	<u>1,543,679</u>	<u>9,841,769</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 8,480,865</u>	<u>\$ 912,482</u>	<u>\$ 1,667,642</u>	<u>\$ 11,060,989</u>

See accompanying Notes to Basic Financial Statements.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

<b>Net Change in Fund Balance - Total Governmental Funds</b>	<b>\$ 1,219,220</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays and acquisition of right-to-use assets as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation or amortization expense.	
Capital Outlays	881,788
Depreciation Expense	(2,691,885)
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are unearned in the governmental funds.	
	5,366
The use of some capital assets are structured as leases. In governmental funds, a lease arrangement is considered a source of financing, and in the statement of net position, the lease liability is reported. Repayment of lease principal is an expenditure in the government funds, but repayment reduces the lease liability in the statement of net position.	
Other Financing Sources - Lease	(72,554)
Repayment of Lease Principal	31,725
Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expenses on the statement of activities are measured by the change in the net pension liability and the related deferred inflows and outflows of resources.	
	1,133,804
Other postemployment benefits expenditures in the governmental funds are measured by current year benefit payments. Other postemployment benefits expense on the statement of activities is measured by the change in the total OPEB liability and the related deferred inflows and outflows of resources.	
	709,040
In the statement of activities, certain operating expenses - severance benefits, and compensated absences - are measured by amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid).	
	314,986
The governmental funds report bond proceeds as financing sources, while repayment of bond 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 when debt is first issued, whereas these amounts are amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:	
Repayment of Bond Principal	1,250,000
Change in Accrued Interest Liability	(18,511)
Repayment of Financed Purchase Arrangements	1,461
Amortization of Bond Premium	69,389
Internal Service used to charge the cost of postemployment benefits for employees and the cost of student tech repair plans to departments. The net revenue of certain activities of internal service funds is reported with governmental activities.	
	4,207
<b>Change in Net Position of Governmental Activities</b>	<b>\$ <u>2,838,036</u></b>

See accompanying Notes to Basic Financial Statements.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2024**

	<u>Governmental Activities - Internal Service Funds</u>
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 46,494
Due from Other Governments	35,889
Total Current Assets	<u>82,383</u>
Noncurrent Assets	
Capital Assets	
Buildings	171,022
Less: Accumulated Depreciation	<u>(102,613)</u>
Total Noncurrent Assets	<u>68,409</u>
Total Assets	<u><u>\$ 150,792</u></u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 37,207
Due to Other Funds	55,980
Total Liabilities	<u>93,187</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	68,409
Unrestricted	<u>(10,804)</u>
Total Net Positions	<u><u>\$ 57,605</u></u>

See accompanying Notes to Basic Financial Statements.



**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2024**

	Governmental Activities - Internal Service Funds
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 413,007
Other Local and County Revenue	6,188
Total Operating Revenues	419,195
<b>OPERATING EXPENSES</b>	
General Administration Fees	338,818
Supplies and Materials	64,360
Interest on Leases	3,259
Depreciation	8,551
Total Operating Expenses	414,988
<b>OPERATING INCOME</b>	4,207
Net Position - Beginning of Year	53,398
<b>NET POSITION - END OF YEAR</b>	\$ 57,605

See accompanying Notes to Basic Financial Statements.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2024**

	Governmental Activities - Internal Service Funds <u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers and Users	\$ 405,257
Payments to Suppliers and Vendors	<u>(400,997)</u>
Net Cash Provided by Operating Activities	4,260
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Due to Other Funds	<u>(53)</u>
 <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	4,207
 Cash and Cash Equivalents - Beginning of Year	<u>42,287</u>
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 46,494</u></u>
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 4,207
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Loss on Disposal of Capital Assets	8,551
(Increase) Decrease in Interest Receivable	(13,938)
(Increase) Decrease in Prepaid Items	420
Increase in Accounts Payable	<u>5,020</u>
Total Adjustments	<u>53</u>
 Net Cash Provided by Operating Activities	<u><u>\$ 4,260</u></u>

See accompanying Notes to Basic Financial Statements.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2024**

	<u>Custodial</u>	<u>Other Postemployment Benefit Trust</u>
<b>ASSETS</b>		
Cash and Investments	\$ -	\$ 7,794,528
Accounts Receivable	122,925	-
Interest Receivable	-	36,977
Total Assets	<u>122,925</u>	<u>7,831,505</u>
<b>LIABILITIES</b>		
Accounts Payable	3,757	11,400
Salaries and Wages Payable	1,919	-
Due to Other Governments	-	-
Due to Primary Government	43,963	-
Total Liabilities	<u>49,639</u>	<u>11,400</u>
<b>NET POSITION</b>		
Scholarships	73,286	-
Held in Trust for Other Postemployment Benefits	-	7,820,105
Total Net Position	<u>\$ 73,286</u>	<u>\$ 7,820,105</u>

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2024**

	<u>Custodial</u>	<u>Other Postemployment Benefit Trust</u>
<b>ADDITIONS</b>		
Miscellaneous Local Revenue	\$ 476,389	\$ -
Earnings on Investments	-	715,929
Total Additions	<u>476,389</u>	<u>715,929</u>
<b>DEDUCTIONS</b>		
Salaries	241,325	-
Employee Benefits	65,329	838,575
Purchased Services	44,708	-
Supplies and Materials	59,822	-
Other Expenses	64,486	33,375
Investment Expenses	-	92,089
Total Deductions	<u>475,670</u>	<u>964,039</u>
<b>CHANGE IN NET POSITION</b>	719	(248,110)
Net Position - Beginning of Year	<u>72,567</u>	<u>8,068,215</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 73,286</u>	<u>\$ 7,820,105</u>

See accompanying Notes to Basic Financial Statements.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The financial statements of Red Wing Public Schools Independent School District No. 256 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied 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.

**B. Financial Reporting Entity**

The District is an instrumentality of the state of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the board and is responsible for administrative control of the District.

GAAP require that the District's financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separate from the District. In addition, the District's financial statements are to include all component units - entities for which the District is financially accountable.

Financial accountability includes such aspects as appointing a voting majority of the organization's governing body, significantly influencing the programs, projects, activities, or level of services performed or provided by the organization or receiving specific financial benefits from, or imposing specific financial burden on, the organization. Based on these criteria, there are no organizations considered to be component units of the District.

The board establishes broad policies and ensures that appropriate financial records are maintained for student activities, as well as controls and is financially accountable for these activities. Accordingly, the accounts and transactions are included in the financial statements within the General Fund.

**C. Basic Financial Statement Presentation**

The Government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The Fiduciary Funds are only reported in the statement of fiduciary net position and statement of changes in fiduciary net position at the Fund Financial Statement level.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basic Financial Statement Presentation (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities. Generally, the effect of material interfund activity has been removed from the Government-wide financial statements.

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

The fiduciary funds are presented in the fiduciary fund financial statements by type (trust). Since by definition these assets are being held for the benefit of a third-party and cannot be used to address activities or obligations of the District, these funds are not incorporated into the Government-wide statements. The District has one fiduciary fund that is considered a custodial fund.

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

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

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are generally recognized as revenues in the fiscal year for which they are levied, except for amounts advance recognized in accordance with a statutory “tax shift” described later in these notes. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

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

1. **Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes and accounting principles generally accepted in the United States of America. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related eligible expenditures are made. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.
2. **Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates. Expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Description of Funds

The existence of the various District funds has been established by the state of Minnesota, Department of Education. The accounts of the district are organized on the basis of funds, each of which is considered a separate accounting entity. A description of the funds included in this report is as follows:

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting (Continued)**

Description of Funds (Continued)

*Major Governmental Funds*

**General Fund**

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the district, as well as the capital related activities such as maintenance of facilities equipment purchases, health and safety projects, and disabled accessibility projects.

**Debt Service Fund**

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term obligation bond principal, interest, and related costs.

*Non-major Governmental Funds*

**Food Service Special Revenue Fund**

The Food Service Fund is used to account for food service revenues and expenditures. Revenues for the Food Service Fund come from user fees, and reimbursements from the federal and state governments.

**Community Service Special Revenue Fund**

The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs or other similar services. Revenues for the Community Service Special Revenue Fund are composed of user fees, local levy dollars, and state credits.

**Building Construction Capital Projects Fund**

Accounts for financial resources from the bonds issued for the addition/renovation of District buildings.

*Proprietary Funds*

**Internal Service Funds**

The Medical Clinic fund accounts for the activities related to the employee medical clinic setup by the District.

The Student Tech Repair fund accounts for the activities related to the repairing or replacing student Chromebooks at a significant savings to the student or their family setup by the District.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting (Continued)**

Description of Funds (Continued)

*Fiduciary Funds*

**Custodial Fund**

The Custodial Fund is established to account for cash and other assets held by the District as the agent for others. This fund accounts for funds held for Environmental Learning Center (ELC) and Student Scholarships.

**Other Postemployment Benefit Trust Fund**

The other postemployment benefit trust fund accounts for resources held by the District in trust for the payment of other postemployment benefits.

**E. Budgeting**

Budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, and Debt Service Funds. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board.

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line-item levels.

Budget provisions for the Debt Service Fund are set by state law governing required debt service levels.

**F. Cash and Investments**

Cash of the individual funds is combined for investment purposes. Investments consist primarily of certificates of deposit, and money market funds. Investments with an original maturity of less than one year are recorded at amortized cost, which approximates fair value. Investments with an original maturity of more than one year are recorded at fair value based on quoted market prices. Interest earned as a result of these investments and the combined deposit account is distributed to the appropriate funds based on average cash and investment balances of each fund.



**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

For purposes of reporting cash flows, the District considers all demand accounts, savings accounts, certificates of deposits, and money market funds, to be cash and cash equivalents while all deposits in the MN Trust and Minnesota School District Liquid Asset Fund (MSDLAF) are considered investments.

**G. Receivables**

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. The only receivables not expected to be collected within one year are current property taxes receivable.

**H. Inventories**

Inventories are recorded using the consumption method of accounting and consist of fuel, food, and other supplies on hand at year-end, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method, and surplus commodities are stated at standardized cost, as determined by the Department of Agriculture.

**I. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are expensed during the periods benefited.

**J. Property Taxes**

Property tax levies are established by the School Board in December each year and are certified to the County for collection the following calendar year. In Minnesota, counties act as collection agents for all property taxes. The County spreads all levies over taxable property. Such taxes become a lien on January 1. Taxes are due on May 15 and October 15. The county generally remits taxes to the District at periodic intervals as they are collected. A portion of property taxes levied is paid through various state tax credits which are included in revenue from state sources in the financial statements.

Generally, tax revenue is recognized in the fiscal year ending June 30, following the calendar year in which the tax levy is collectible, while the current calendar year tax levy is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

The majority of District revenue in the General (and to a lesser extent the Community Service Special Revenue Fund) is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between taxes and state aids by the Legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift."

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Property Taxes (Continued)**

In accordance with state law, the current tax shift consists of an amount equal to 31% of the District's 2000 Pay 2001 operating referendum levy which is frozen at \$431,418. Starting in fiscal year 2011, the shift was expanded to include all other general and community service fund levies. State aids are then reduced by this expanded shift amount, making this portion of the tax shift revenue neutral to school districts. Certain other portions of the District's 2023 pay 2024 levy, normally revenue for the 2024-25 fiscal year, are also advance recognized at June 30, 2024, as required by state statute to match revenue with the same fiscal year as the related expenditures.

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is classified as a deferred inflow of resources because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material. Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the state which will be recognized as revenue in the next fiscal year beginning July 1, 2024, are included in the Property Taxes Levied for Subsequent Year account to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

**K. Capital Assets**

Capital assets are capitalized at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the Government-wide financial statement but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 30 years for land improvements and buildings, 5 to 20 years for equipment and furnishings, and 1 to 5 years for the right-to-use assets.

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Capital Assets (Continued)**

Capital assets not being depreciated include land and construction in progress.

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

**L. Deferred Outflows of Resources**

In addition to assets, the financial statements reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense) until that time. The District has two types of items that qualify as this reporting element, pension related, and other postemployment benefit related.

**M. Long-Term Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

**N. Net Other Postemployment Benefit Asset**

For purposes of measuring the net other postemployment benefit (OPEB) asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. See the investment note for fair value measurements.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Compensated Absences**

The District has employee and union contracts with several different employee groups. Employee benefits under the contracts are different, but generally include provisions for sick leave and vacation leave. The District accounts for the employee benefits as follows:

Vacation leave vests and may be carried forward for up to one year, depending on the contract. A liability is recorded for earned but unpaid vacation leave.

Substantially all District employees are entitled to sick leave at various rates for each month of full-time service. For certain employees, unused sick leave enters into the calculation of severance pay upon termination and is accounted for as follows:

*Early Retirement Incentive Payment – Secretarial/Clerical Employees and Education Support Personnel* – An early retirement incentive payment is available to employees who work at least 5 hours per day and have completed at least 10 years of continuous service with the District and are at least 55 years of age. An eligible employee upon retirement will receive a payment based on a set formula for every unused sick leave hour to a maximum of 1,050 unused sick leave hours. The formula starts at a payment of \$10.00 per unused sick leave hour to \$12.50 per unused sick leave hour to a maximum benefit amount of \$12,075.

*Early Retirement Incentive Payment – Food Service Employees* – An early retirement incentive payment is available to food service employees who have completed at least 10 years of continuous service with the District and are at least 55 years of age. An eligible employee upon retirement will receive a payment based on a set formula for every unused sick leave hour to a maximum of 1,050 unused sick leave hours. The formula starts at a payment of \$10.00 per unused sick leave hour to \$12.50 per unused sick leave hour to a maximum benefit amount of \$12,075.

*Early Retirement Incentive Payment – Nonclassified Personnel* – An early retirement incentive payment is available to employees, hired prior to July 1, 2001, who work at least 5 hours per day and have completed at least 10 years of continuous service with the District and are at least 55 years of age. An eligible employee upon retirement will receive a payment based on a set formula for every unused sick leave day to a maximum of 200 unused sick leave days. The formula starts at a payment of \$65 per unused sick leave day to \$80 per unused sick leave day to a maximum benefit of \$14,500, less any District contributions to a matching deferred compensation program under M.S. 356.24.

**RED WING PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Compensated Absences (Continued)**

*Early Retirement Incentive Payment – District Coordinators and Directors* – An early retirement incentive payment is available to full-time coordinators/directors, hired prior to July 1, 2001, who have completed at least 8 years of continuous service with the District and are at least 50 years of age. An eligible coordinator/director upon retirement shall receive an amount equal to the number of unused accumulated sick leave days multiplied by the employee's daily rate of pay, not to exceed 130 days, less any District contributions to a matching deferred compensation program under M.S. 356.24.

*Early Retirement Incentive Payment – Principals* – A severance payment is available to principals who have completed at least 7 years of continuous service with the District. An eligible principal upon retirement shall receive an amount equal to the number of unused accumulated sick leave days multiplied by a percentage of the employee's daily rate of pay, from 65% to 75%, not to exceed 100 days, less any District contribution to a matching deferred compensation program under M.S. 356.24.

An early retirement incentive payment is also available to principals who have completed at least 7 years of continuous service with the District. An eligible principal upon retirement shall receive an amount equal to the number of unused accumulated sick leave days multiplied by a percentage of the employee's daily rate of pay, from 65% to 75%, not to exceed 100 days, less any District contributions to a matching deferred compensation program under M.S. 356.24

*Early Retirement Incentive Payment – Teachers* – An early retirement incentive payment is available to teachers who have completed at least 10 years of teaching service with the District and who are at least 55 years of age. An eligible employee upon retirement will receive a payment based on a set formula for every unused sick leave day to a maximum of 120 unused sick leave days. The formula starts at a payment of \$85 per unused sick leave day to \$160 per unused sick leave day to a maximum benefit amount of \$14,550.

*Early Retirement Incentive Payment – Program Supervisors* – An early retirement incentive payment is available to program supervisors, hired prior to July 1, 2001, who have completed at least 10 years of continuous service with the District and are at least 55 years of age. An eligible employee upon retirement will receive a payment based on a formula for every unused sick leave day to a maximum of 120 unused sick leave days. The formula starts at a payment of \$85 per unused sick leave day to \$160 per unused sick leave day to a maximum benefit of \$14,550, less any District contribution to a matching deferred compensation program under M.S. 356.24.

**RED WING PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Compensated Absences (Continued)**

*Early Retirement Incentive Payment – Custodial Employees* – An early retirement incentive payment is available to custodial employees who have completed at least 10 years of continuous service with the District and who are at least 55 years of age. An eligible custodial employee upon retirement will receive a payment based on a set formula for every unused sick leave day to maximum of 200 unused sick leave days. The formula starts at a payment of \$65 per unused sick leave day to \$80 per unused sick leave day to a maximum benefit of \$14,500.

*Early Retirement Incentive Payment – Superintendent* – A severance payment is available to the superintendent upon completion of at least 8 years of continuous service with the District. The superintendent upon retirement shall receive an amount equal to the number of unused accumulated sick leave days multiplied by the superintendent's daily rate of pay, not to exceed 40 days.

An early retirement incentive payment is available to the superintendent upon completed of at least 8 years of continuous service with the District. The superintendent upon retirement shall receive an amount equal to the number of unused accumulated sick leave days multiplied by the superintendent's daily rate of pay, not to exceed 130 days.

At June 30, 2024, compensated absences payable totaling \$928,563 is recorded in the financial statements.

**P. 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. This 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 Association in 2015.

PERA has a special funding situation created by direct aid contributions made by the state of Minnesota for the merger of the Minneapolis Employees Retirement Fund into GERF in fiscal year 2006.

**RED WING PUBLIC SCHOOLS  
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JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Q. Deferred Inflows of Resources**

In addition to liabilities, the financial statements reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow or resources (revenue) until that time. The District has five types of deferred inflows. Two types occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's year-end) under the modified accrual basis of accounting. The third type of deferred inflow is related leases where the District is lessor. The fourth type of deferred inflow is pension related. The fifth type of deferred inflow is other postemployment benefit related.

**R. Unearned Revenue**

Unearned revenues are those in which resources are received by the District before it has a legal claim to them. The District has reported unearned revenues for Generally, Food and Community Service accounts, grants, and 2024-2025 school year deposits.

**S. 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 prepaids and inventories. 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 board of education passed a resolution authorizing the Director of Finance the ability to assign fund balances and their intended uses. Unassigned fund balances are considered the remaining amounts, usually in the General Fund only.

In accordance with the District's fund balance policy, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available; it is the District's policy to use restricted first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned and unassigned fund balance is available, it is the District's policy to use committed first, then assigned and finally unassigned fund balance.

The District's liabilities for compensated absences, severance, pension, and OPEB are generally liquidated by the General Fund.

**RED WING PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**T. Net Position**

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

**NOTE 2 DEPOSITS AND INVESTMENTS**

**A. Deposits**

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits will not be returned in full. The District does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits.

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Investments." In accordance with Minnesota Statutes, the District maintains deposits at financial institutions which are authorized by the District's Board.

Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds.

The District's deposits in banks at June 30, 2024 were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

**B. Investments**

The District may also invest idle funds as authorized by Minnesota Statutes, as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies
- 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
- General obligations rated "A" or better; revenue obligations rated "AA" or better
- General obligations of the Minnesota Housing Finance Agency rated "A" or better
- Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System



**RED WING PUBLIC SCHOOLS  
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**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

- 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
- Guaranteed Investment 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
- Repurchase or reverse purchase agreements and securities lending agreements 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.

At June 30, 2024, the District’s investments carried at amortized cost were as follows:

Class	Amount
MSDLAF Liquid Class	\$ 853,941
MSDLAF Max Class	3,714,846
MN Trust Investment Shares	437,393
MN Trust Limited Term Duration Series	2,400,787
Negotiable Certificates of Deposit	4,012,134
Money Market Funds	381,759
Total MSDLAF+	\$ 11,800,860

The Minnesota Municipal Money Market Fund Trust (MN Trust) is a common law trust organized in accordance with the Minnesota Joint Powers Act, which invests only in investment instruments allowable under Minnesota Statutes as described above.

The Investment Shares Portfolio is external investment pools. Investments in these external investment pools are valued at amortized cost. The amortized cost method of valuation values a security at its cost on the date of purchase and thereafter assumes a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of investments.

The Limited Term Duration Series investments are valued at net asset value, the fair value established by the series. The MN Trust Limited Term Duration Series maintains a quarterly redemption frequency requirement with a 30-day redemption notice.

The MSDLAF+ is an external investment pool that is managed to maintain a dollar-weighted average portfolio maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1.00. The MSDLAF+ elects to measure its investments at amortized cost.

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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

The Liquid Class has no redemption requirements. The Max Class may not be redeemed for at least 14 days, and a 24-hour hold is placed on redemption requests. Redemptions prior to 14 days may be subject to penalty.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District's investment policies do not limit the maturities of investments. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities to meet cash requirements for ongoing operations.

The following table summarizes interest rate risk of the District's investments at June 30, 2024:

Type	Total	Maturity Duration in Years				No Maturities	Credit Rating	Rating Agency
		Less Than 1	1 to 3	3 to 5	More than 5			
Money Market	\$ 381,759	\$ 381,759	-	-	-	\$ -	Not rated	n/a
Minnesota School District Liquid								
Asset Fund Plus (MSDLAF+)	4,568,787	4,568,787	-	-	-	-	AAAm	S&P
MN Trust	2,838,180	2,838,180	-	-	-	-	AAAm	S&P
Mutual Funds	13,150	13,150	-	-	-	-	Not rated	n/a
Negotiable Certificates of Deposit	4,012,134	3,293,308	718,826	-	-	-	Not rated	n/a
Government Agencies	2,485,018	49,422	151,485	109,201	2,174,910	-	AAA	S&P
Corporate Obligations	1,367,132	63,846	306,807	177,794	818,685	-	BBB- to AA-	S&P
Mortgage Backed Securities	155,345	-	-	98,131	57,214	-	AAA	S&P
Corporate Equities	3,745,439	-	-	-	-	3,745,439	Not rated	n/a
Real Estate Investment Trust	507,236	-	-	-	-	507,236	Not rated	n/a
Total	<u>\$ 20,074,180</u>	<u>\$ 11,208,452</u>	<u>\$ 1,177,118</u>	<u>\$ 385,126</u>	<u>\$ 3,050,809</u>	<u>\$ 4,252,675</u>		

Custodial Credit Risk

For an investment, custodial risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's investment policy requires insurance of all balances held with each investment account. As of June 30, 2024, the investment balances were fully covered by insurance for each brokerage firm.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment policies do not limit the amount that the District may invest in any one issuer.

Concentration of Credit Risk

The District's investment policies place no limit on the amount the District may invest in any one issuer. The District had no investments at June 30, 2024 which individually comprised more than 5% of total investments.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**C. Balance Sheet Presentation**

The deposits and investments are presented in the basic financial statements as follows:

Deposits	\$ 4,094,654
Cash on Hand	2,740
Minnesota School District Liquid Asset Fund Plus (MSDLAF+)	4,568,787
MN Trust	2,838,180
Negotiable Certificates of Deposit	4,012,134
Mutual Funds	13,150
Government Agencies	2,485,018
Corporate Obligations	1,367,132
Mortgage Backed Securities	155,345
Corporate Equities	3,745,439
Real Estate Investment Trust	507,236
Money Market Funds	381,759
Total Cash and Investments	<u>\$ 24,171,574</u>
Cash and Investments - Statement of Net Position	\$ 16,377,046
Cash and Investments - Statement of Fiduciary Net Position	7,794,528
Total Cash and Investments	<u>\$ 24,171,574</u>

**D. Fair Value Measurements**

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The District follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

**RED WING PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**D. Fair Value Measurements (Continued)**

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

*Level 2* – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

*Level 3* – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset.

Investment	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ -	\$ 13,150	\$ -	13,150
Government Agencies	2,485,018	-	-	2,485,018
Corporate Obligations	1,367,132	-	-	1,367,132
Mortgage Backed Securities	155,345	-	-	155,345
Equities	3,745,439	-	-	3,745,439
Real Estate Investment Trust	-	507,236	-	507,236
	<u>\$ 7,752,934</u>	<u>\$ 520,386</u>	<u>\$ -</u>	<u>8,273,320</u>
Investments Measured at Amortized Cost				11,800,860
				<u>\$ 20,074,180</u>

**RED WING PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 3 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,771,785	\$ -	\$ -	\$ -	\$ 1,771,785
Construction in Progress	1,864,119	-	-	(1,864,119)	-
Total Capital Assets, Not Being Depreciated	3,635,904	-	-	(1,864,119)	1,771,785
Capital Assets, Being Depreciated:					
Land Improvements	4,240,658	28,784	-	-	4,269,442
Buildings and Improvements	67,723,110	476,441	-	1,864,119	70,063,670
Equipment	17,283,787	376,563	-	-	17,660,350
Total Capital Assets, Being Depreciated	89,247,555	881,788	-	1,864,119	91,993,462
Accumulated Depreciation for:					
Land Improvements	(3,311,622)	(68,908)	-	-	(3,380,530)
Buildings and Improvements	(47,204,687)	(2,112,921)	-	-	(49,317,608)
Equipment	(14,600,620)	(483,477)	-	-	(15,084,097)
Total Accumulated Depreciation	(65,116,929)	(2,665,306)	-	-	(67,782,235)
Total Capital Assets, Being Depreciated, Net	24,130,626	(1,783,518)	-	1,864,119	24,211,227
Capital Assets, Being Amortized:					
Intangible Asset: Right-to-Use					
Building Lease Asset	245,907	-	-	-	245,907
Total Capital Assets, Being Amortized	245,907	-	-	-	245,907
Accumulated Amortization for:					
Intangible Asset: Right-to-Use					
Building Lease Asset	(52,693)	(35,130)	-	-	(87,823)
Total Accumulated Amortization	(52,693)	(35,130)	-	-	(87,823)
Total Capital Assets, Being Amortized, Net	193,214	(35,130)	-	-	158,084
Governmental Activities Capital Assets, Net	<u>\$ 27,959,744</u>	<u>\$ (1,818,648)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,141,096</u>

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 3 CAPITAL ASSETS (CONTINUED)**

Depreciation and amortization expense was charged to functions of the District as follows:

Governmental Activities:	
Administration	\$ 265
District Support Services	72,207
Regular Instruction	2,216,050
Vocational Education Instruction	140
Special Education Instruction	1,055
Instructional Support Services	148,325
Pupil Support Services	6,366
Sites and Buildings	111,651
Food Service	24,273
Community Service	120,104
Total Depreciation and Amortization Expense, Governmental Activities	<u>\$ 2,700,436</u>

**NOTE 4 LONG-TERM LIABILITIES**

**A. Components of Long-Term Liabilities**

The District has issued general obligation school building bonds to finance the construction of capital facilities or refinance previous bond issues. Assets of the Debt Service Fund, together with scheduled future tax levies, are dedicated for the retirement of these bonds. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

Issue Date	Interest Rate	Series Number	Original Issue	Maturities	Principal Outstanding	
					Due Within One Year	Total
6/26/2014	2.00 - 3.00%	2014A	\$ 1,590,000	2/1/2025	\$ 180,000	\$ 180,000
8/19/2016	2.00 - 4.00%	2017A	1,325,000	2/1/2027	1,035,000	15,990,000
6/23/2022	3.00 - 3.35%	2019A	39,255,000	2/1/2039	95,000	1,615,000
Total General Obligation Bonds					1,310,000	17,785,000
Bond Premiums					-	427,819
Lease Payable					47,515	221,505
Compensated Absences Payable					48,655	928,563
Total					<u>\$ 1,406,170</u>	<u>\$ 19,362,887</u>

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 LONG-TERM LIABILITIES (CONTINUED)**

**B. Minimum Debt Payments**

Minimum annual principal and interest payments necessary to retire long-term debt, not including certificate of participation, compensated absences payable and severance and health benefits payable are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds Payable</u>		<u>Lease Liability</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,310,000	\$ 490,669	\$ 47,515	\$ 12,391
2026	1,165,000	451,369	50,764	9,141
2027	1,205,000	405,769	54,236	5,669
2028	1,255,000	358,569	57,946	1,959
2029	1,280,000	332,419	11,044	226
2030-2034	6,865,000	1,197,594	-	-
2035-2039	4,705,000	277,994	-	-
Total	<u>\$ 17,785,000</u>	<u>\$ 3,514,383</u>	<u>\$ 221,505</u>	<u>\$ 29,386</u>

**C. Description of Long-Term Liabilities**

General Obligation Bonds

On June 26, 2014, the District issued \$1,590,000 of General Obligation Capital Facilities Bonds, Series 2014A. The proceeds of this issue were used to finance certain capital improvements to school facilities.

On August 18, 2016, , the District issued \$21,935,000 of General Obligation School Building Bonds, Series 2016A. The proceeds of this issue were used to finance the acquisition and betterment of school sites and facilities

On June 23, 2022, the District issued \$1,705,000 of General Obligation Facilities Maintenance Bonds, Series 2022A. The proceeds of this issue were used to finance certain capital improvements to school facilities.

Compensated Absences Payable

The amount of the estimated obligation at June 30, 2024 is \$928,563 The District's General Fund finances compensated absences on a pay-as-you-go basis.

Leases

The District entered into leases for the use of alternative high school building.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 LONG-TERM LIABILITIES (CONTINUED)**

**D. Changes in Long-Term Liabilities**

	June 30, 2023	Additions	Retirements	June 30, 2024
General Obligation Bonds	\$ 19,035,000	\$ -	\$ 1,250,000	\$ 17,785,000
Bond Premiums	497,208	-	69,389	427,819
Lease Payable	180,676	72,554	31,725	221,505
Financed Purchase Arrangement	1,461	-	1,461	-
Compensated Absences Payable	1,243,549	6,884	321,870	928,563
Total	<u>\$ 20,957,894</u>	<u>\$ 79,438</u>	<u>\$ 1,674,445</u>	<u>\$ 19,362,887</u>

**NOTE 5 RESTRICTED FUND BALANCES**

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties. The following is a summary of the restricted fund balances for the governmental funds:

**A. Student Activities**

In accordance with state statute, the fund balance represents available resources dedicated exclusively for student activities.

**B. Staff Development**

This amount represents available resources for staff development. Revenues are derived from state aids and expenditures are for staff development at each site.

**C. Literacy Incentive Aid**

In accordance with state statute, the fund balance represents available resources dedicated exclusively for literacy programming.

**D. Operating Capital**

The fund balance restriction represents available resources in the General Fund to be used to purchase equipment and facilities.

**E. Community Education**

This amount represents available resources for community education classes. Revenues are derived from local tax levies and state aids and expenditures are for salaries, benefits and supplies.

**F. Early Childhood and Family Education Programs**

The fund balance restriction represents accumulated resources available to provide services for early childhood family education programming.



**RED WING PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 RESTRICTED FUND BALANCES (CONTINUED)**

**G. Gifted and Talented**

The fund balance restriction represents accumulated resources available to provide services for gifted and talented programming.

**H. Basic Skills Programs**

The fund balance restriction represents accumulated resources available to provide services for basic skills programming.

**I. Long-Term Facilities Maintenance (LTFM)**

The fund balance restriction represents accumulated resources available to be used for LTFM projects in accordance with the District's 10-year plan.

**J. Restricted for Other Purposes**

The fund balance restriction represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

	Restricted Fund Balances
Food Service	\$ 670,438
Community Service	140,554
Building Construction	22,000
Debt Service	912,482
Total	\$ 1,745,474

**NOTE 6 COMMITTED AND ASSIGNED FUND BALANCES**

Certain portions of fund balance are committed or assigned based on management or school board designation. The following is a summary of the committed and assigned fund balances for the governmental funds:

**A. Assigned for Student Activities**

This represents amounts assigned by management for student activities.

**B. Committed for Separation/Retirement Benefits**

This represents resources segregated by the District for the payment of retirement benefits.

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**NOTE 7 DEFINED BENEFIT PENSION PLANS**

**A. Plan Description**

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

1. General Employees Retirement Plan (GERF)

GERF covers certain full-time and certain 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.

2. Teachers Retirement Fund (TRA)

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

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

**B. Benefits Provided**

PERA and TRA provide 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.

1. GERF Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% 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.

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**NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Benefits Provided (Continued)**

1. GERF Benefits (Continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. 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.

**Tier I Benefits**

Tier I	Step Rate Formula	Percentage
Basic	First 10 Years of Service	2.2% per Year
	All Years After	2.7% per Year
Coordinated	First 10 Years if Service Years Are Up to July 1, 2006	1.2% per Year
	First 10 Years if Service Years Are July 1, 2006 or After	1.4% per Year
	All Other Years of Service if Service Years Are Up to July 1, 2006	1.7% per Year
	All Other Years of Service if Service Years Are July 1, 2006 or After	1.9% per Year

With these provisions:

- (a) Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- (b) 3.0% 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

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**NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Benefits Provided (Continued)**

2. TRA Benefits (Continued)

**Tier I Benefits (Continued)**

For years of service prior to July 1, 2006, a level formula of 1.7% per year for coordinated members and 2.7% per year for basic members is applied. For years of service July 1, 2006 and after, a level formula of 1.9% per year for Coordinated members and 2.7% per year 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 the five plans that have survivorship features. Vested members may also leave their contributions in the TRA Fund upon termination of service in order to qualify for a deferred annuity at retirement age. Any member terminating service is eligible for a refund of their employee contributions plus interest.

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

**C. Contributions**

1. GERS Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the State Legislature. Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2023 and the District was required to contribute 7.5% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2024 were \$452,230. The District's contributions were equal to the required contributions for each year as set by state statute.

2. TRA Contributions

Per Minnesota Statutes, Chapter 354 contribution rates for the fiscal year for the coordinated plan were 7.75% for the employee and 8.75% for the employer. Basic plan rates were 11.25% for the employee and 12.75% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2024 were \$1,236,005. The District's contributions were equal to the required contributions for each year as set by state statute.

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**NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs**

1. GERF Pension Costs

At June 30, 2024, the District reported a liability of \$4,372,856 for its proportionate share of the GERF'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 nonemployer 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 was \$120,461. 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 .0782% at the end of the measurement period and .0725% for the beginning of the period.

District's Proportionate Share of the Net Pension Liability	\$ 4,372,856
State of Minnesota's Proportionate Share of the Net Liability Associated with the District	120,461
Total	<u>\$ 4,493,317</u>

For the year ended June 30, 2024, the District recognized pension expense of \$675,903 for its proportionate share of GERF's pension expense. It also recognized \$541 as pension expense (and 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 GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 143,606	\$ 30,124
Changes in Actuarial Assumptions	707,905	1,198,563
Net Difference Between Projected and Actual Earnings on Plan Investments	-	163,530
Changes in Proportion	258,247	140,573
District Contributions Subsequent to the Measurement Date	452,230	-
Total	<u>\$ 1,561,988</u>	<u>\$ 1,532,790</u>

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**NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

1. GERF Pension Costs (Continued)

The \$452,230 related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to GERF pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2025	\$ 114,115
2026	(630,464)
2027	188,178
2028	(94,861)

2. TRA Pension Costs

At June 30, 2024, the District reported a liability of \$17,816,932 for its proportionate share of TRA's 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 0.2158% at the end of the measurement period and 0.2293% 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:

Description	Amount
District's Proportionate Share of the TRA Net Pension Liability	\$ 17,816,932
State's Proportionate Share of the Net Pension Liability Associated with the District	1,248,051
Total	\$ 19,064,983

A change in benefit provisions that affected the measurement of the total pension liability since the prior measurement date was an increase of the contribution rates for both the member and employer.

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**NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

2. TRA Pension Costs (Continued)

For the year ended June 30, 2024, the District recognized a decrease in pension expense of \$761,839. It also recognized \$123,375 as a decrease to pension expense for the support provided by direct aid.

At June 30, 2024, the District reported its proportionate share of the TRA's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 176,626	\$ 259,453
Changes in Actuarial Assumptions	2,075,574	-
Net Difference Between Projected and Actual		
Earnings on Plan Investments	-	66,084
Changes in Proportion	292,985	1,713,756
District Contributions Subsequent to the Measurement Date	1,236,005	-
Total	<u>\$ 3,781,190</u>	<u>\$ 2,039,293</u>

Of the resources related to pensions resulting from the District contributions to TRA subsequent to the measure date, \$1,236,005 is reported as deferred outflows and will be recognized as a reduction in the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to TRA will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2025	\$ (26,755)
2026	(331,727)
2027	1,681,239
2028	(600,910)
2029	(215,955)

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**NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

3. Aggregate Pension Costs

At June 30, 2024, the District reported the following aggregate amounts related to pensions for all plans to which it contributes:

	TRA	GERF	Total
Net Pension Liability	\$ 17,816,932	\$ 4,372,856	\$ 22,189,788
Deferred Outflows of Resources	3,781,190	1,561,988	5,343,178
Deferred Inflows of Resources	2,039,293	1,532,790	3,572,083
Pension Expense	(885,214)	676,444	(208,770)

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.25% per year	2.50%
Active Member Payroll Growth	10.25% after one year of service to 3.00 after 27 years of service	2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028
Investment Rate of Return	6.50%	7.00%

PERA salary growth assumptions were based on a service-related table. PERA mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on Pub-2010 General Employee Mortality table. The tables are adjusted slightly to fit PERA's experience. PERA benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan. The assumption for long-term rate of return on pension plan investments is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5% was deemed to be within that range of reasonableness for financial reporting purposes.

TRA pre-retirement mortality rates were based on the 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. Postretirement mortality rates were based on the 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 mortality rates were based on the RP-2014 disabled retiree mortality table, without adjustment. TRA cost of living benefit increases 1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.



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**NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**E. Actuarial Assumptions (Continued)**

Actuarial assumptions used in the June 30, 2023 valuation were based on the results of actuarial experience studies. The most recent four-year experience study for the PERA General Employees Plan was completed in 2022. The assumption changes were adopted and became effective with July 1, 2023 actuarial valuation.

The following changes in actuarial assumptions for PERA occurred in 2023:

- The investment return and single discount rates were changed from 6.50% to 7.00%.

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% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

**F. Long-Term Expected Return on Investment**

The State Board of Investment, which manages the investments of PERA and TRA, 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 arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	PERA Target Allocation	TRA Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5 %	33.5 %	5.10%
International Equity	16.5	16.5	5.30%
Private Markets	25.0	25.0	5.90%
Fixed Income	25.0	25.0	0.75%
Total	<u>100.0 %</u>	<u>100.0 %</u>	

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**NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**G. Discount Rate**

The discount rate used to measure the total GERF pension liability in 2023 was 7.00% (6.50% at the prior measurement date). 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.

The discount rate used to measure the total TRA pension liability was 7.00%. There was no change since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 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).

**H. 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 paragraphs, 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:

Description	1% Decrease	Current Discount Rate	1% Increase
GERF Discount Rate:	6.00%	7.00%	8.00%
District's Proportionate Share of the GERF Net Pension Liability	\$ 7,735,934	\$ 4,372,856	\$ 1,606,597
TRA Discount Rate:	6.00%	7.00%	8.00%
District's Proportionate Share of the TRA Net Pension Liability	\$ 28,416,695	\$ 17,816,932	\$ 9,139,734

**I. Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](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, Suite 400, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-2409 or 1-800-657-3669.

**RED WING PUBLIC SCHOOLS  
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**NOTE 8 DEFINED CONTRIBUTION BENEFIT PLAN**

The District has a retirement plan qualifying under the Internal Revenue Code 403(b) for the benefit of employees effective as of October 1, 2008. For qualifying employees, the District's annual maximum contribution is based contractual requirements for the employee class.

The District contributions for the year ended June 30, 2024 were \$122,841. The related employee contributions were \$397,047 for the year ended June 30, 2024.

**NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN**

**A. Plan Description**

The District operates a single-employer retiree defined benefit plan (the Plan) that provides health insurance to eligible employees and their spouses through the District's health insurance plan. There are 379 active participants and 72 retired participants. Benefit and eligibility provisions are established through negotiations between the District and various unions representing the District's employees and are renegotiated each bargaining period. There are no assets accumulated in a trust and the plan is currently being funded on a pay as you go basis.

**B. Benefits Provided**

Teachers hired before July 1, 2010, who are at least 55 years of age upon retirement and have been employed by the District for a minimum of five years are also eligible, along with their spouses, to receive a \$11,500 annual contribution to an HRA will be made by the District for eight years. The District also contributes an implicit rate subsidy for retired plan members. This is due to the actual cost for retirees being higher than the average per-person premium for the entire group.

Certain other nonteaching staff who are at least 50 years of age upon retirement and have been employed by the District for a minimum of three years are eligible for postemployment benefits as well.

**C. Actuarial Methods and Assumptions**

The District's total OPEB liability was measured as of June 30, 2024, and the total OPEB liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to periods included in the measurement date, unless specified otherwise.

Inflation	2.50 %
Salary Increases	Varies by service and contract group
Healthcare Cost Trend Rates	6.50% decreasing to 5.00% over 6 years and then to 4% over the next 48 years (6.25% decreasing to 5.00% over 6 years and then to 4% over the next 48 years at the prior measurement date)
Dental Trend Rate	3.00 %

**RED WING PUBLIC SCHOOLS  
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**NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

**C. Actuarial Methods and Assumptions (Continued)**

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale (MP-2020 Generational Improvement Scale as of the previous measurement date).

Discount Rate

The discount rate used to measure the total OPEB liability was 6.00% (6.20% at the prior measurement date). The discount rate is based on the estimated yield of 20-Year AA-rated municipal bonds.

**D. Changes in the Net OPEB Asset**

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balances at July 1, 2023	\$ 4,354,753	\$ 7,497,578	\$ (3,142,825)
Changes for the Year:			
Service Cost	169,896	-	169,896
Interest on the Total OPEB Liability	245,701	-	245,701
Plan Changes	(7,016)	-	(7,016)
Differences Between Expected and Actual Experience	22,737	139,746	(117,009)
Changes of assumptions	73,718	-	73,718
Net investment income	-	1,054,731	(1,054,731)
Benefit Payments	(871,950)	(871,950)	-
Net Changes	<u>(366,914)</u>	<u>322,527</u>	<u>(689,441)</u>
Balances at July 1, 2024	<u>\$ 3,987,839</u>	<u>\$ 7,820,105</u>	<u>\$ (3,832,266)</u>

**E. Net OPEB Asset Sensitivity**

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:

	1% Decrease 5.00 %	Discount Rate 6.00 %	1% Increase 7.00 %
Net OPEB Asset	\$ 3,641,495	\$ 3,832,266	\$ 4,012,563

**RED WING PUBLIC SCHOOLS  
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**NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

**E. Net OPEB Assets Sensitivity (Continued)**

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

	1% Decrease	Selected Trend Rates	1% Increase
		Healthcare Cost Trend Rate	
	5.25% Decreasing to 3.00%	6.25% Decrease to 4.00%	7.25% Decreasing to 5.00%
	Dental Trend Rate	Dental Trend Rate	Dental Trend Rate
	2.00 %	3.00 %	4.00 %
Net OPEB Asset	\$ 4,035,846	\$ 3,832,266	\$ 3,598,887

**F. OPEB Expense**

For the year ended June 30, 2024, the District recognized OPEB expense of \$(138,414). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 18,190	\$ 415,659
Changes of Assumptions	97,556	45,967
Net difference between projected and actual earnings on OPEB plan investments	693,911	-
Total	<u>\$ 809,657</u>	<u>\$ 461,626</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized as a reduction of OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 42,236
2026	317,494
2027	(8,518)
2028	(3,181)

**RED WING PUBLIC SCHOOLS  
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**NOTE 10 COMMITMENTS AND CONTINGENCIES**

**Federal and State Programs**

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

**NOTE 11 JOINTLY GOVERNED ORGANIZATIONS**

The Goodhue County Education District No. 6051-61 (GCED) was established by a joint powers agreement pursuant to Minnesota Statutes section 471.59. The purpose of the agreement was to optimize resources and increase efficiencies by creating a special education cooperative to serve children with low incidence disabilities. GCED is comprised of five member districts. Each member district shares in the costs of providing all off-site special education programs.

**NOTE 12 INTERFUND TRANSACTIONS**

At June 30, 2024, certain amounts were owed between funds for cash deficits. These amounts are summarized in the table below.

	Due from Other Fund	Due to Other Fund
General Fund	\$ 99,943	\$ -
Internal Service Fund		
Medical Clinic	-	55,980
Fiduciary Fund		
Custodial	-	43,963
	<u>\$ 99,943</u>	<u>\$ 99,943</u>

**NOTE 13 STEWARDSHIP**

**Excess of Expenditures Over Budget**

Expenditures exceeded budgeted amounts in the following funds:

	Budget	Expenditures	Excess
Food Service Fund	\$ 1,980,014	\$ 1,993,025	\$ 13,011

These excess expenditures were funded with higher than anticipated revenues and existing fund balances.

**REQUIRED SUPPLEMENTARY INFORMATION**

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 8,691,134	\$ 8,992,655	\$ 8,821,705	\$ (170,950)
Investment Income	203,000	203,000	289,730	86,730
Other	1,410,430	1,410,430	1,275,734	(134,696)
State Sources	27,609,901	27,700,511	27,902,122	201,611
Federal Sources	1,261,331	1,422,335	1,235,116	(187,219)
Total Revenues	<u>39,175,796</u>	<u>39,728,931</u>	<u>39,524,407</u>	<u>(204,524)</u>
<b>EXPENDITURES</b>				
Current:				
Administration	1,638,170	1,674,770	1,697,033	22,263
District Support Services	1,229,931	1,260,926	1,341,334	80,408
Elementary and Secondary Regular Instruction	15,256,024	15,856,027	14,759,837	(1,096,190)
Vocational Education Instruction	744,107	744,107	933,146	189,039
Special Education Instruction	8,285,578	8,385,577	8,163,943	(221,634)
Instructional Support Services	2,201,911	2,284,509	2,259,388	(25,121)
Pupil Support Services	3,968,951	3,968,951	3,973,150	4,199
Sites and Buildings	4,679,314	4,679,315	4,838,292	158,977
Fiscal and Other Fixed Cost Programs	284,399	284,399	265,446	(18,953)
Capital Outlay	318,818	335,868	281,640	(54,228)
Debt Service:				
Principal	122,798	122,798	33,186	(89,612)
Interest and Fiscal Charges	1,798	1,798	52,546	50,748
Total Expenditures	<u>38,731,799</u>	<u>39,599,045</u>	<u>38,598,941</u>	<u>(1,000,104)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	443,997	129,886	925,466	795,580
<b>OTHER FINANCING SOURCES</b>				
Insurance Recovery	-	-	11,719	11,719
Right-to-Use Lease Proceeds	-	-	72,554	72,554
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>84,273</u>	<u>84,273</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 443,997</u>	<u>\$ 129,886</u>	1,009,739	<u>\$ 879,853</u>
Fund Balance - Beginning of Year			<u>7,471,126</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 8,480,865</u>	

See accompanying Notes to Required Supplementary Information.



**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES THE DISTRICT'S NET OPEB LIABILITY (ASSET) AND RELATED RATIOS  
LAST SEVEN MEASUREMENT PERIODS**

Measurement Date	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:							
Service Cost	\$ 169,896	\$ 185,778	\$ 175,489	\$ 201,446	\$ 195,579	\$ 190,756	\$ 182,235
Interest	245,701	276,356	339,615	362,824	408,134	427,426	501,250
Plan Changes	(7,016)	-	68,640	-	-	-	-
Difference Between Expected and Actual Experience	22,737	-	(776,737)	-	(163,743)	-	(1,028,969)
Changes of Assumptions	73,718	32,860	25,095	-	(275,801)	28,895	(47,896)
Benefit Payments	(871,950)	(811,425)	(912,458)	(912,831)	(889,233)	(818,878)	(756,001)
Net Change in Total OPEB Liability	(366,914)	(316,431)	(1,080,356)	(348,561)	(725,064)	(171,801)	(1,149,381)
Total OPEB Liability - Beginning	4,354,753	4,671,184	5,751,540	6,100,101	6,825,165	6,996,966	8,146,347
Total OPEB Liability - Ending	<u>\$ 3,987,839</u>	<u>\$ 4,354,753</u>	<u>\$ 4,671,184</u>	<u>\$ 5,751,540</u>	<u>\$ 6,100,101</u>	<u>\$ 6,825,165</u>	<u>\$ 6,996,966</u>
Plan fiduciary Net Position							
Net Investment Income	\$ 1,054,731	\$ 504,266	\$ (990,972)	\$ 1,625,541	\$ 626,298	\$ 647,478	\$ 615,448
Difference Between Expected and Actual Experience	139,746	(599,688)	-	-	(243,505)	(170,206)	-
Benefit payments	(871,950)	(811,425)	(912,458)	(912,831)	(889,233)	(818,878)	(756,001)
Net change in plan fiduciary net position	322,527	(906,847)	(1,903,430)	712,710	(506,440)	(341,606)	(140,553)
Plan fiduciary Net Position - beginning	7,497,578	8,404,425	10,307,855	9,595,145	10,101,585	10,443,191	10,583,744
Plan fiduciary Net Position - ending	<u>\$ 7,820,105</u>	<u>\$ 7,497,578</u>	<u>\$ 8,404,425</u>	<u>\$ 10,307,855</u>	<u>\$ 9,595,145</u>	<u>\$ 10,101,585</u>	<u>\$ 10,443,191</u>
Net OPEB Liability (Asset)	\$ (3,832,266)	\$ (3,142,825)	\$ (3,733,241)	\$ (4,556,315)	\$ (3,495,044)	\$ (3,276,420)	\$ (3,446,225)
Plan fiduciary net position as a percentage of the total OPEB liability	196.10%	172.17%	179.92%	179.22%	157.29%	148.00%	149.25%
Covered-Employee Payroll	\$ 19,256,275	\$ 18,831,426	\$ 18,282,935	\$ 18,572,493	\$ 18,031,547	\$ 17,973,472	\$ 17,449,973
District's Net OPEB Liability as a Percentage of the Covered-Employee Payroll	-19.90%	-16.69%	-20.42%	-24.53%	-19.38%	-18.23%	-19.75%

Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

See accompanying Notes to Required Supplementary Information.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST TEN MEASUREMENT PERIODS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Measurement Date</b>	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
<b>PERA</b>										
District's Proportion of the Net Pension Liability	0.0782%	0.0725%	0.0769%	0.0781%	0.0773%	0.0737%	0.0758%	0.0758%	0.0846%	0.0930%
District's Proportionate Share of the Net Pension Liability	\$ 4,372,856	\$ 5,742,024	\$ 3,283,975	\$ 4,682,452	\$ 4,273,744	\$ 4,088,574	\$ 4,851,790	\$ 6,154,584	\$ 4,384,411	\$ 4,368,674
State's Proportionate Share of the Net Pension Liability Associated with District	120,461	168,281	100,225	144,375	132,828	134,082	61,021	80,392	-	-
Total	<u>\$ 4,493,317</u>	<u>\$ 5,910,305</u>	<u>\$ 3,384,200</u>	<u>\$ 4,826,827</u>	<u>\$ 4,406,572</u>	<u>\$ 4,222,656</u>	<u>\$ 4,912,811</u>	<u>\$ 6,234,976</u>	<u>\$ 4,384,411</u>	<u>\$ 4,368,674</u>
District's Covered Payroll	\$ 6,221,405	\$ 5,432,578	\$ 5,538,644	\$ 5,549,121	\$ 5,531,520	\$ 4,953,613	\$ 4,897,200	\$ 4,702,213	\$ 4,644,219	\$ 4,884,545
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	72.22%	108.79%	61.10%	86.98%	79.66%	85.24%	100.32%	132.60%	94.41%	89.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.10%	76.67%	87.00%	79.10%	79.50%	79.50%	75.90%	68.90%	78.20%	78.70%
<b>TRA</b>										
District's Proportion of the Net Pension Liability	0.2158%	0.2293%	0.2408%	0.2388%	0.2337%	0.2329%	0.2326%	0.2407%	0.2608%	0.2791%
District's Proportionate Share of the Net Pension Liability	\$ 17,816,932	\$ 18,361,131	\$ 10,538,128	\$ 17,642,864	\$ 14,896,087	\$ 14,628,341	\$ 46,431,179	\$ 57,412,693	\$ 16,133,059	\$ 12,860,727
State's Proportionate Share of the Net Pension Liability Associated with District	1,248,051	1,361,859	888,743	1,478,454	1,318,353	1,374,472	4,488,622	5,763,607	1,978,944	904,631
Total	<u>\$ 19,064,983</u>	<u>\$ 19,722,990</u>	<u>\$ 11,426,871</u>	<u>\$ 19,121,318</u>	<u>\$ 16,214,440</u>	<u>\$ 16,002,813</u>	<u>\$ 50,919,801</u>	<u>\$ 63,176,300</u>	<u>\$ 18,112,003</u>	<u>\$ 13,765,358</u>
District's Covered Payroll	\$ 13,658,743	\$ 14,196,849	\$ 14,357,970	\$ 13,876,811	\$ 13,375,162	\$ 12,946,240	\$ 12,518,867	\$ 12,518,973	\$ 12,518,947	\$ 12,738,778
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	130.44%	129.33%	73.40%	127.14%	111.37%	112.99%	370.89%	458.61%	128.87%	100.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.42%	76.17%	86.63%	75.48%	78.07%	78.07%	51.57%	44.88%	76.80%	81.50%

See accompanying Notes to Required Supplementary Information.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS  
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>PERA</b>										
Statutorily Required Contribution	\$ 452,230	\$ 466,605	\$ 407,443	\$ 415,398	\$ 416,184	\$ 414,864	\$ 371,521	\$ 367,290	\$ 352,666	\$ 354,130
Contributions in Relation to the Statutorily Required Contribution	<u>(452,230)</u>	<u>(466,605)</u>	<u>(407,443)</u>	<u>(415,398)</u>	<u>(416,184)</u>	<u>(414,864)</u>	<u>(371,521)</u>	<u>(367,290)</u>	<u>(352,666)</u>	<u>(354,130)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 6,029,729	\$ 6,221,405	\$ 5,432,578	\$ 5,538,644	\$ 5,549,121	\$ 5,531,520	\$ 4,953,613	\$ 4,897,200	\$ 4,702,213	\$ 4,721,733
Contributions as a Percentage of Covered-Employee Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
<b>TRA</b>										
Statutorily Required Contribution	\$ 1,236,005	\$ 1,167,823	\$ 1,184,017	\$ 1,167,303	\$ 1,099,043	\$ 1,031,225	\$ 970,968	\$ 992,663	\$ 992,663	\$ 891,714
Contributions in Relation to the Statutorily Required Contribution	<u>(1,236,005)</u>	<u>(1,167,823)</u>	<u>(1,184,017)</u>	<u>(1,167,303)</u>	<u>(1,099,043)</u>	<u>(1,031,225)</u>	<u>(970,968)</u>	<u>(992,663)</u>	<u>(992,663)</u>	<u>(1,487,706)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (595,992)</u>
District's Covered Payroll	\$ 14,125,771	\$ 13,658,743	\$ 14,196,849	\$ 14,357,970	\$ 13,876,811	\$ 13,375,162	\$ 12,946,240	\$ 13,235,507	\$ 13,235,507	\$ 11,889,520
Contributions as a Percentage of Covered-Employee Payroll	8.75%	8.55%	8.34%	8.13%	7.92%	7.71%	7.50%	7.50%	7.50%	7.50%

See accompanying Notes to Required Supplementary Information.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

**NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS**

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended June 30:

**2023**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 6.50% to 7.00%, for financial reporting purposes.

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% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

**2022**

Changes in Actuarial Assumptions

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

**2021**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5 % to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

**2020**

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

**NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

**2020 (Continued)**

Changes in Actuarial Assumptions (Continued)

- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

**2019**

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreased from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

**2018**

Changes in Actuarial Assumption

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed postretirement benefit increase was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

**NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

**2018 (Continued)**

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50% beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**2017**

Changes in Actuarial Assumption

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

Changes in Plan Provisions

- The state's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

**2016**

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate was changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

**NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

**2015**

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised, the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

The following changes were reflected in the valuation performed on behalf of the Teachers Retirement Association for the year ended June 30:

**2023**

Changes in Actuarial Assumptions

- There were no changes in actuarial assumptions for financial reporting purposes.

**2022**

Changes in Actuarial Assumptions

- There were no changes in actuarial assumptions for financial reporting purposes.

**2021**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 7.00%, for financial reporting purposes.

**2020**

Changes in Actuarial Assumptions

- The COLA was reduced from 2.0% each January to 1.0, effective January 2019. Beginning January 1, 2024, the COLA will increase .01% each year until reaching the ultimate rate of 1.5% on January 1, 2028.
- Beginning July 1, 2024, eligibility for first COLA changes to normal retirement age (age 65 to 66, age 62 with 30 years of service credit are exempt).

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

**NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

**2020 (Continued)**

Changes in Actuarial Assumptions (Continued)

- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next 2 years (8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.5% to 7.75% on July 1, 2023. The state provides funding for the contribution rate through an adjustment in the school aid formula.

**2019**

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

**2018**

Changes in Actuarial Assumptions

- The investment return assumption was changed from 8.5% to 7.5%.
- The price inflation assumption was lowered from 3.0% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The wage inflation assumption (above price inflation) was reduced from 0.75% to 0.35% for the next 10 years, and 0.75% thereafter.
- The total salary increase assumption was adjusted by the wage inflation change.
- The amortization date for the funding of the Unfunded Actuarial Accrual Liability (UAAL) was reset to June 30, 2048 (30 years).
- The mechanism in the law that provided the TRA Board with some authority is set contribution rates was eliminated.

Changes in Plan Provisions

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.



**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

**NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS,  
AND ASSUMPTIONS (CONTINUED)**

**2018 (Continued)**

Changes in Plan Provisions (Continued)

- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to 0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next 4 years, (7.92% in 2019, 8.13% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

**2017**

Changes in Actuarial Assumptions

- The cost-of-living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the nonvested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for 10 years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

**NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS,  
AND ASSUMPTIONS (CONTINUED)**

**2016**

Changes in Actuarial Assumptions

- The cost-of-living adjustment was not assumed to increase (it remained at 2.0% for all future years).
- The price inflation assumption was lowered from 3.0% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes at some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back 6 years, and female rates set back 5 years. Generational projection uses the MP-2015 scale.
- The postretirement mortality assumption was changed to the RP-2014 white collar annuitant table, male rates set back 3 years and female rates set back 3 years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.
- The post-disability mortality assumption was changed to the RP-2014 disabled retiree mortality table, without adjustments.
- Separate retirement assumptions for members hired before or after July 1, 1989 were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional forms of payment at retirement were made.

**2015**

Changes in Actuarial Assumptions

- The cost-of-living adjustment was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2037.
- The investment return assumption was changed from 8.25% to 8.0%.

Changes in Plan Provisions

- The Duluth Teachers Retirement Fund Association was merged into TRA on June 30, 2015. This also resulted in a state-provided contribution stream of \$14.377 million until the System becomes fully funded.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

**NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS,  
AND ASSUMPTIONS (CONTINUED)**

**2014**

Changes in Actuarial Assumptions

- The cost-of-living adjustment was assumed to increase from 2.0% annually to 2.5% annually once the legally specified criteria was met. This was estimated to occur July 1, 2031.

Changes in Plan Provisions

- The increase in the postretirement benefit adjustment (COLA) will be made once the System is 90% funded (on a market value basis) in two consecutive years, rather than just one year.

The following changes were reflected in the valuation performed on behalf of the District's other postemployment benefits plan for the year ended June 30:

**2023**

Changes in Plan Provisions

- There were no changes in plan provisions.

Changes in Actuarial Assumptions

- The discount rate was changed from 6.20% to 6.00%.
- Mortality rates were updated from Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale to Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2021 Generational Improvement Scale.

**2022**

Changes in Plan Provisions

- Employees who continue on the \$3,000 or \$5,000 BCBS medical plans in retirement are now paid \$1,800 annually to an HRA until reaching Medicare eligibility. Directors' post-employment subsidized benefits are only available to those who are hired prior to July 1, 2001.

Changes in Actuarial Assumptions

- The health care trend rates, dental trend rates, mortality tables, salary increase rates for non-teachers, and withdrawal rates were updated.

**2021**

Changes in Plan Provisions

- There were no changes in plan provisions.

Changes in Actuarial Assumptions

- The health care trend rates, mortality tables, and salary increase rates were updated.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

**NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS,  
AND ASSUMPTIONS (CONTINUED)**

**2020**

Changes in Plan Provisions

- There were no changes in plan provisions.

Changes in Actuarial Assumptions

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2018 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.

**SUPPLEMENTARY INFORMATION**

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2024**

<b>ASSETS</b>	Special Revenue		Capital Projects	<b>Total</b>
	Food Service	Community Service	Building Construction	
Cash and Investments	\$ 782,896	\$ 1,084,689	\$ -	\$ 1,867,585
Receivables:				
Current Property Taxes	-	182,723	-	182,723
Delinquent Property Taxes	-	2,321	-	2,321
Accounts Receivable	8,705	39,902	-	48,607
Due from Other Minnesota School Districts	-	19,684	22,000	41,684
Due from Minnesota Department of Education	-	45,106	-	45,106
Due from Federal through Minnesota Department of Education	104,622	58,543	-	163,165
Due from Other Governmental Units	-	79,496	-	79,496
Inventory	70,424	-	-	70,424
Prepays	-	-	-	-
<b>Total Assets</b>	<b>\$ 966,647</b>	<b>\$ 1,512,464</b>	<b>\$ 22,000</b>	<b>\$ 2,501,111</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Salaries and Payroll Deductions Payable	\$ 108,050	\$ 128,438	\$ -	\$ 236,488
Accounts and Contracts Payable	16,537	72,915	-	89,452
Due to Other Governmental Units	-	14,549	-	14,549
Unearned Revenue	101,198	13,310	-	114,508
<b>Total Liabilities</b>	<b>225,785</b>	<b>229,212</b>	<b>-</b>	<b>454,997</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes Levied for Subsequent Year	-	376,151	-	376,151
Unavailable Revenue - Delinquent Property Taxes	-	2,321	-	2,321
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>378,472</b>	<b>-</b>	<b>378,472</b>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventory	70,424	-	-	70,424
Prepays	-	-	-	-
Restricted for:				
Community Education	-	754,657	-	754,657
Early Childhood and Family Education	-	9,569	-	9,569
School Readiness	-	-	-	-
Adult Basic Education	-	-	-	-
Long-Term Facilities Maintenance	-	-	-	-
Restricted for Other Purposes	670,438	140,554	22,000	832,992
<b>Total Fund Balances</b>	<b>740,862</b>	<b>904,780</b>	<b>22,000</b>	<b>1,667,642</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 966,647</b>	<b>\$ 1,512,464</b>	<b>\$ 22,000</b>	<b>\$ 2,501,111</b>

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2024**

	Special Revenue		Capital Projects	Total
	Food Service	Community Service	Building Construction	
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ -	\$ 645,235	\$ -	\$ 645,235
Investment Income	35,821	51,830	7,934	95,585
Other	162,066	1,910,502	22,000	2,094,568
State Sources	767,359	448,866	-	1,216,225
Federal Sources	1,102,144	58,543	-	1,160,687
Total Revenues	<u>2,067,390</u>	<u>3,114,976</u>	<u>29,934</u>	<u>5,212,300</u>
<b>EXPENDITURES</b>				
Current:				
Food Service	1,890,920	-	-	1,890,920
Community Service	-	2,934,019	-	2,934,019
Capital Outlay	102,105	27,652	156,148	285,905
Total Expenditures	<u>1,993,025</u>	<u>2,961,671</u>	<u>156,148</u>	<u>5,110,844</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	74,365	153,305	(126,214)	101,456
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance Recovery	22,507	-	-	22,507
Total Other Financing Sources (Uses)	<u>22,507</u>	<u>-</u>	<u>-</u>	<u>22,507</u>
<b>NET CHANGE IN FUND BALANCES</b>	96,872	153,305	(126,214)	123,963
Fund Balances - Beginning of Year	<u>643,990</u>	<u>751,475</u>	<u>148,214</u>	<u>1,543,679</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 740,862</u>	<u>\$ 904,780</u>	<u>\$ 22,000</u>	<u>\$ 1,667,642</u>

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
COMBINING STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024**

	Internal Service Funds		
	Medical Clinic	Student Tech Repair Plan	2024
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ -	\$ 46,494	\$ 46,494
Prepaid Items	-	-	-
Due from Other Governments	35,889	-	35,889
Total Current Assets	<u>35,889</u>	<u>46,494</u>	<u>82,383</u>
Noncurrent Assets			
Capital Assets			
Buildings	171,022	-	171,022
Less: Accumulated Depreciation	<u>(102,613)</u>	<u>-</u>	<u>(102,613)</u>
Total Noncurrent Assets	<u>68,409</u>	<u>-</u>	<u>68,409</u>
Total Assets	<u>\$ 104,298</u>	<u>\$ 46,494</u>	<u>\$ 150,792</u>
<b>LIABILITIES</b>			
Accounts Payable	37,207	-	37,207
Due to Other Funds	<u>55,980</u>	<u>-</u>	<u>55,980</u>
Total Liabilities	<u>93,187</u>	<u>-</u>	<u>93,187</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	68,409	-	68,409
Unrestricted	<u>(57,298)</u>	<u>46,494</u>	<u>(10,804)</u>
Total Net Positions	<u>11,111</u>	<u>46,494</u>	<u>57,605</u>
Total Liabilities and Net Positions	<u>\$ 104,298</u>	<u>\$ 46,494</u>	<u>\$ 150,792</u>



**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2024**

	Internal Service Funds		
	Medical Clinic	Student Tech Repair Plan	2024
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 413,007	\$ -	\$ 413,007
Other Local and County Revenue	-	6,188	6,188
Total Operating Revenues	<u>413,007</u>	<u>6,188</u>	<u>419,195</u>
<b>OPERATING EXPENSES</b>			
General Administration Fees	338,818	-	338,818
Supplies and Materials	62,379	1,981	64,360
Interest on Leases	3,259	-	3,259
Depreciation	8,551	-	8,551
Total Operating Expenses	<u>413,007</u>	<u>1,981</u>	<u>414,988</u>
Operating Income (Loss)	-	4,207	4,207
Net Position - Beginning	<u>11,111</u>	<u>42,287</u>	<u>53,398</u>
Net Position - Ending	<u><u>\$ 11,111</u></u>	<u><u>\$ 46,494</u></u>	<u><u>\$ 57,605</u></u>

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2024**

	Internal Service Funds		
	Medical Clinic	Student Tech Repair Plan	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers and Users	\$ 399,069	\$ 6,188	\$ 405,257
Payments to Suppliers and Vendors	(399,016)	(1,981)	(400,997)
Net Cash Provided by Operating Activities	<u>53</u>	<u>4,207</u>	<u>4,260</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Due to Other Funds	<u>(53)</u>	<u>-</u>	<u>(53)</u>
Net Increase in Cash and Cash Equivalents	-	4,207	4,207
Cash and Cash Equivalents - Beginning	-	42,287	42,287
Cash and Cash Equivalents - Ending	<u>\$ -</u>	<u>\$ 46,494</u>	<u>\$ 46,494</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ -	\$ 4,207	\$ 4,207
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	8,551	-	8,551
(Increase) Decrease in Accounts Receivable	-	-	-
(Increase) Decrease in Due from Other Governments	(13,938)	-	(13,938)
(Increase) Decrease in Prepaid Items	420	-	420
Increase (Decrease) in Accounts Payable	5,020	-	5,020
Total Adjustments	<u>53</u>	<u>-</u>	<u>53</u>
Net Cash Provided by Operating Activities	<u>\$ 53</u>	<u>\$ 4,207</u>	<u>\$ 4,260</u>

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
FOOD SERVICE FUND  
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Investment Income	\$ 2,000	\$ 2,000	\$ 35,821	\$ 33,821
Other - Primarily Meal Sales	118,950	118,950	162,066	43,116
State Sources	724,500	724,500	767,359	42,859
Federal Sources	928,000	928,000	1,102,144	174,144
Total Revenues	<u>1,773,450</u>	<u>1,773,450</u>	<u>2,067,390</u>	<u>293,940</u>
<b>EXPENDITURES</b>				
Current:				
Food Service	1,874,514	1,874,514	1,890,920	16,406
Capital Outlay	105,500	105,500	102,105	(3,395)
Total Expenditures	<u>1,980,014</u>	<u>1,980,014</u>	<u>1,993,025</u>	<u>13,011</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(206,564)	(206,564)	74,365	280,929
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance Recovery	-	-	22,507	22,507
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>22,507</u>	<u>22,507</u>
Net Change in Fund Balance	<u>\$ (206,564)</u>	<u>\$ (206,564)</u>	96,872	<u>\$ 303,436</u>
Fund Balance - Beginning of Year			<u>643,990</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 740,862</u>	

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
COMMUNITY SERVICE FUND  
YEAR ENDED JUNE 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 645,520	\$ 645,876	\$ 645,235	\$ (641)
Investment Income	3,000	3,000	51,830	48,830
Other - Primarily Tuition and Fees	1,534,485	1,859,485	1,910,502	51,017
State Sources	347,779	353,316	448,866	95,550
Federal Sources	57,935	57,935	58,543	608
Total Revenues	<u>2,588,719</u>	<u>2,919,612</u>	<u>3,114,976</u>	<u>195,364</u>
<b>EXPENDITURES</b>				
Current:				
Community Service	2,817,757	3,142,757	2,934,019	(208,738)
Capital Outlay	39,450	39,450	27,652	(11,798)
Total Expenditures	<u>2,857,207</u>	<u>3,182,207</u>	<u>2,961,671</u>	<u>(220,536)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (268,488)</u>	<u>\$ (262,595)</u>	153,305	<u>\$ 415,900</u>
Fund Balance - Beginning of Year			<u>751,475</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 904,780</u>	

**SINGLE AUDIT AND OTHER REQUIRED REPORTS**

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Pass-Through Minnesota Department of Education				
Child Nutrition Cluster:				
Noncash Assistance (Commodities):				
National School Lunch Program	10.555	1-0256-000	\$ 122,330	
Cash Assistance:				
National School Lunch Program	10.555	1-0256-000	542,163	
Supply Chain Assistance	10.555	1-0256-000	<u>42,442</u>	
Subtotal Assistance Listing No. 10.555			\$ 706,935	\$ -
School Breakfast Program	10.553	1-0256-000	265,014	-
Summer Program	10.559	1-0256-000	<u>112,822</u>	-
Total Child Nutrition Cluster			1,084,771	-
Child and Adult Care Food Program	10.558	1-0256-000	17,372	-
COVID-19 - Pandemic EBT	10.659	**	<u>3,256</u>	-
Total U.S. Department of Agriculture			<u>1,105,399</u>	-
U.S. Department of Education				
Pass-Through Minnesota Department of Education				
Title I, Part A - Grants to Local Educational Agencies	84.010	S010A210023	452,984	-
Title II, Part A - Supporting Effective Instruction State Grant	84.367	S367A210022	40,388	-
Title IV, Part A - Student Support and Academic Enrichment	84.424	S424A210024	30,947	-
Title IV, Part A - Student Support and Academic Enrichment Grants	84.181	H181A210029	18,457	-
Adult Education - Basic Grants to States	84.002	**	58,543	-
Comprehensive Literacy Development	84.371	**	12,384	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund 3	84.425U	**	139,223	-
COVID-19 - Elementary and Secondary School Fund 3: Learning Recovery	84.425U	**	160,538	-
COVID-19 American Rescue Plan - Homeless Children and Youth	84.425W	S425W210024-21A	<u>5,200</u>	-
Total Assistance Listing 84.425			<u>304,961</u>	-
Special Education Cluster:			918,664	-
Special Education - Grants to States	84.027	H027A210087	316,673	-
Subtotal Assistance Listing No. 84.027				-
Indian Education Grants to Local Educational Agencies	84.060	N/A	30,578	
Pass-Through Goodhue County Education District				
Carl Perkins Vocational Education Basic Grants to States	84.048	256304	<u>8,097</u>	-
Total U.S. Department of Education			<u>1,274,012</u>	-
U.S. Department of Treasury				
Pass-Through Minnesota Department of Education				
COVID-19 Pandemic Enrollment Loss	21.027	**	<u>15,632</u>	-
Total Federal Awards Expended			<u>\$ 2,395,043</u>	<u>\$ -</u>

\*\* Not available

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2024**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Red Wing Public Schools Independent School District No. 256 (the District) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of 2 CFR 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.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3 INDIRECT COST RATE**

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



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

Board of Education  
Red Wing Public Schools  
Independent School District No. 256  
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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Red Wing Public Schools Independent School District No. 256 (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 19, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**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.



**CliftonLarsonAllen LLP**

Rochester, Minnesota  
December 19, 2024



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

Board of Education  
Red Wing Public Schools  
Independent School District No. 256  
Red Wing, Minnesota

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

***Opinion on Each Major Federal Program***

We have audited the Red Wing Public Schools Independent School District No. 256's (the District) 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 auditors' 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* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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 purpose 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.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

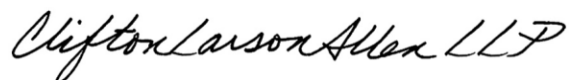
Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001, to be a significant deficiency.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.



**CliftonLarsonAllen LLP**

Rochester, Minnesota  
December 19, 2024



## INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Education  
Red Wing Public Schools  
Independent School District No. 256  
Red Wing, Minnesota

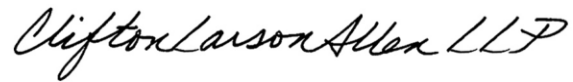
We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Red Wing Public Schools Independent School District No. 256 (the District) as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 19, 2024.

In connection with our audit, we noted that the District failed to comply with provisions of the miscellaneous provisions and claims and disbursements sections of the *Minnesota Legal Compliance Audit Guide*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters as described in the schedule of findings and questioned costs as items 2024-002 and 2024-003. Also, 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-bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Board of Education  
Red Wing Public Schools  
Independent School District No. 256

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Rochester, Minnesota  
December 19, 2024

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

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***Section I – Summary of Auditors’ Results***

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***Financial Statements***

1. Type of auditors’ 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?   x   yes      \_\_\_\_\_ none reported
2. Type of auditors’ 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)?   x   yes      \_\_\_\_\_ no

***Identification of Major Federal Programs***

**Federal Assistance  
Listing Number(s)**

**Name of Federal Program or Cluster**

10.553, 10.555, 10.559

Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

  x   yes      \_\_\_\_\_ no

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

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***Section II – Findings Related to Basic Financial Statements***

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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***Section III – Findings and Questioned Costs – Major Federal Awards Programs***

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**Finding: 2024-001      SUSPENSION AND DEBARMENT**

**Type of Finding:**      Significant deficiency in internal control over compliance  
Other matters

Federal Agency: U.S. Department of Agriculture  
Federal Program Title: Child Nutrition Cluster  
Assistance Listing Number: 10.553, 10.555, and 10.559  
Pass-Through Agency: Minnesota Department of Education  
Pass-Through Number(s): 1-0256-000  
Award Period: July 1, 2023 – June 30, 2024

**Criteria or Specific Requirement:**

Per 2 CRF section 180.995, the District should have controls in place to review vendors showing they are not excluded or debarred for participating in procurement transactions that use federal funds.

**Condition:**

During suspension and debarment testing, it was noted that the district was not retaining documentation of Sam.Gov searches.

**Questioned Costs:**

None

**Context:**

During suspension and debarment testing, it was noted that the district was not retaining documentation of Sam.Gov searches.

**Cause:**

Oversight.

**Effect:**

Lack of proper documentation of controls over compliance with suspension and debarment requirements could result in paying suspended or debarred vendors. This could ultimately result in questioned costs. After review of vendors, it was noted that no vendors used were on the suspension or debarment list.

**Repeat Finding:**

This is not a repeat finding.

**Recommendation:**

We recommend the District implement procedures and controls to ensure vendors are not suspended or debarred.

**Views of Responsible Officials and Planned Corrective Actions:**

There is no disagreement with the finding. Management will train employees on the UGG policy.



**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

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***Section IV – Findings and Questioned Costs – Minnesota Legal Compliance***

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<b>Finding:</b> 2024-002	<b>UNCLAIMED PROPERTY</b>
<b>Type of Finding:</b>	Minnesota Legal Compliance.
<b>Condition:</b>	The District has five outstanding checks and wires totaling \$29,567 that have been unclaimed for three years.
<b>Criteria or Specific Requirement:</b>	Minnesota State Statute 345.38-.43 states that uncashed checks or other intangible property held for more than three years should be reported and paid to the state Commissioner of Commerce.
<b>Effect:</b>	The District is not in compliance with this State Statute.
<b>Cause:</b>	The items have not been reported or paid to the State Commissioner of Commerce.
<b>Repeat Finding:</b>	No
<b>Recommendation:</b>	Management should continue to monitor the District's outstanding check list for items older than three years.
<b>Views of Responsible Officials and Planned Corrective Actions:</b>	There is no disagreement with the finding. The District has informed us that they will remit the outstanding checks older than three years to the State.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

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***Section IV – Findings and Questioned Costs – Minnesota Legal Compliance (Continued)***

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<b>Finding:</b> 2024-003	<b>TIMELY PAYMENT OF BILLS</b>
<b>Type of Finding:</b>	Minnesota Legal Compliance.
<b>Condition:</b>	It was noted that 1 of the 22 disbursements tested were not paid within the required payment period, and no interest was included in the late payment to the vendor.
<b>Criteria or Specific Requirement:</b>	Minnesota Statute 471.425 Subdivision 2 notes that a district must pay each vendor obligation according to the terms of the contract or, if no contract terms apply, within the standard payment period unless the district in good faith disputes the obligation. Standard payment period is defined for the District as being within 35 days of the date of receipt of the invoice. Subdivision 4 of the same statute notes that if late payment is made interest should be paid upon the amount that is being paid late.
<b>Effect:</b>	The District is not in compliance with this State Statute.
<b>Cause:</b>	Not paid in a timely manner
<b>Repeat Finding:</b>	No
<b>Recommendation:</b>	We recommend that the District put in place internal controls that will prevent any late payments from occurring going forward.
<b>Views of Responsible Officials and Planned Corrective Actions:</b>	There is no disagreement with the finding.

**RED WING PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 256  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING  
STANDARDS COMPLIANCE TABLE  
YEAR ENDED JUNE 30, 2024**

	Audit	UFARS	Difference		Audit	UFARS	Difference
<b>01 GENERAL FUND</b>				<b>06 BUILDING CONSTRUCTION</b>			
Total Revenue	\$ 39,524,407	\$ 39,524,412	\$ (5)	Total Revenue	\$ 29,934	\$ 29,934	\$ -
Total Expenditures	38,598,941	38,598,951	(10)	Total Expenditures	156,148	156,148	-
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	385,321	385,321	-	460 Nonspendable Fund Balance	-	-	-
<i>Restricted/Reserved:</i>				<i>Restricted/Reserved:</i>			
401 Student Activity	89,587	89,586	1	407 Capital Projects Levy	-	-	-
402 Scholarships	-	-	-	413 Projects Funded by COP	-	-	-
403 Staff Development	153,084	153,084	-	467 LTFM	-	-	-
406 Health and Safety	-	-	-	<i>Restricted:</i>			
407 Capital Project Levy	-	-	-	464 Restricted Fund Balance	22,000	22,000	-
408 Cooperative Programs	-	-	-	<i>Unassigned:</i>			
412 Literacy Incentive Aid	105,982	105,982	-	463 Unassigned Fund Balance	-	-	-
414 Operating Debt	-	-	-				
416 Levy Reduction	-	-	-				
420 American Indian Education Aid	-	-	-	<b>07 DEBT SERVICE</b>			
424 Operating Capital	172,814	172,814	-	Total Revenue	1,875,337	1,875,338	(1)
426 \$25 Taconite	-	-	-	Total Expenditures	1,789,819	1,789,819	-
427 Disabled Accessibility	-	-	-	<i>Nonspendable:</i>			
428 Learning and Development	-	-	-	460 Nonspendable Fund Balance	-	-	-
434 Area Learning Center	-	-	-	<i>Restricted/Reserved:</i>			
435 Contracted Alternative Programs	-	-	-	425 Bond Refunding	-	-	-
436 State Approved Alternative Programs	-	-	-	451 QZAB and QSCB Payments	-	-	-
438 Gifted and Talented	23,908	23,908	-	<i>Restricted:</i>			
440 Teacher Development and Evaluations	-	-	-	464 Restricted Fund Balance	912,482	912,482	-
441 Basic Skills Programs	158,366	158,366	-	<i>Unassigned:</i>			
445 Career and Technical Programs	-	-	-	463 Unassigned Fund Balance	-	-	-
448 Achievement and Integration	-	-	-				
449 Safe Schools Crime Levy	(8,277)	(8,277)	-	<b>08 TRUST</b>			
450 Pre-Kindergarten	-	-	-	Total Revenue	-	-	-
451 QZAB Payments	-	-	-	Total Expenditures	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-	<i>Net Position:</i>			
453 Unfunded Severance & Retirement Levy	-	-	-	422 Net Position	-	-	-
459 Basic Skills Extended Time	-	-	-				
467 LTFM	1,087,527	1,087,527	-	<b>18 CUSTODIAL</b>			
471 Student Support Personnel Aid	-	-	-	Total Revenue	476,389	476,390	(1)
472 Medical Assistance	-	-	-	Total Expenditures	475,670	475,671	(1)
<i>Restricted:</i>				<i>Net Position:</i>			
464 Restricted Fund Balance	-	-	-	404 Scholarships	73,286	73,285	1
<i>Committed:</i>				462 Restricted Fund Balance	-	-	-
418 Committed for Separation	-	-	-				
461 Committed Fund Balance	280,235	280,235	-	<b>20 INTERNAL SERVICE</b>			
<i>Assigned:</i>				Total Revenue	419,195	419,195	-
462 Assigned Fund Balance	246,615	246,615	-	Total Expenditures	414,988	414,988	-
<i>Unassigned:</i>				<i>Net Position:</i>			
422 Unassigned Fund Balance	5,785,703	5,785,701	2	422 Net Position	57,605	57,605	-
<b>02 FOOD SERVICE</b>				<b>25 OPEB REVOCABLE TRUST</b>			
Total Revenue	2,067,390	2,067,392	(2)	Total Revenue	-	-	-
Total Expenditures	1,993,025	1,993,025	-	Total Expenditures	-	-	-
<i>Nonspendable:</i>				<i>Net Position:</i>			
460 Nonspendable Fund Balance	70,424	70,423	1	422 Net Position	-	-	-
<i>Restricted/Reserved:</i>				<b>45 OPEB IRREVOCABLE TRUST</b>			
452 OPEB Liability Not Held in Trust	-	-	-	Total Revenue	715,929	715,928	1
<i>Restricted:</i>				Total Expenditures	964,039	964,039	-
464 Restricted Fund Balance	670,438	670,439	(1)	<i>Net Position:</i>			
<i>Unassigned:</i>				422 Net Position	7,820,105	7,820,105	-
463 Unassigned Fund Balance	-	-	-				
<b>04 COMMUNITY SERVICE</b>				<b>47 OPEB DEBT SERVICE</b>			
Total Revenue	3,114,976	3,114,976	-	Total Revenue	-	-	-
Total Expenditures	2,961,671	2,961,672	(1)	Total Expenditures	-	-	-
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-	460 Nonspendable Fund Balance	-	-	-
<i>Restricted/Reserved:</i>				<i>Restricted:</i>			
426 \$25 Taconite	-	-	-	425 Bond Refunding	-	-	-
431 Community Education	754,657	754,658	(1)	464 Restricted Fund Balance	-	-	-
432 E.C.F.E.	9,569	9,569	-	<i>Unassigned:</i>			
440 Teacher Development and Evaluations	-	-	-	463 Unassigned Fund Balance	-	-	-
444 School Readiness	(41,506)	(41,506)	-				
447 Adult Basic Education	-	-	-				
452 OPEB Liability Not Held in Trust	-	-	-				
<i>Restricted:</i>							
464 Restricted Fund Balance	182,060	182,058	2				
<i>Unassigned:</i>							
463 Unassigned Fund Balance	-	-	-				



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