



## South St. Paul School Board Meeting

Monday, January 26, 2026 6:00 PM

CITY HALL, 125 THIRD AVENUE NORTH, South St Paul, Minnesota 55075

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### I. ROLL CALL and PLEDGE OF ALLEGIANCE

### II. APPROVAL OF MEETING AGENDA/MINUTES

II.A. School Board Meeting Agenda, January 26, 2026.

II.B. Work Session and Regular Meeting Minutes, December 8, 2025, as well as the Work Session and Special Meeting, January 12, 2026.

### III. QUALITY-IN-ACTION and REPORTS

III.A. **Report:** Student School Board Representatives Chloe, Fenet, and Monty will provide an update on recent events, activities and other informational items.

III.B. **Quality-in-Action:** Middle School staff will provide an update on the curriculum adoption process for English Language Arts and Science, including the implementation of *Arts and Letters*, an extension of *Wit & Wisdom*, and *Amplify Science*. Staff members will share their experiences with the new curricula, and the presentation will include a brief video featuring students discussing what they have learned in their classrooms. (L. Bourg)

III.C. **Quality in Action:** MSBA Award — Congratulations to Kim Humann on receiving the 2026 Director's Award. This award recognizes Director Humann for successfully earning 100 points through MSBA-sponsored sessions focused on improving individual performance. (B. Zambreno)

III.D. **Report:** Chair Kim Humann will highlight the Stakeholder Comments to the Board submissions. (K. Humann)

III.E. **Report:** Chair Kim Humann will provide highlights from the mid-year evaluations for the School Board and Superintendent Brian Zambreno. (K. Humann)

III.F. **Report:** School Board members will highlight items from the Board's Work Sessions. (Board)

III.G. **Report:** Superintendent Zambreno will provide highlights from around the District. (B. Zambreno)

#### IV. **CONSENT ITEMS**

IV.A. Financial Claims: Bills Payable

IV.B. Staffing: Appointments, Resignations, Transfers, Retirements, Abolishments, and Leaves

#### V. **POLICY REVIEW**

#### VI. **BUSINESS ITEMS**

VI.A. Approval, for the South St. Paul School Board to approve the Resolution Relating to Authorizing the Issuance of School Building Bonds, Renewing the Expiring Capital Projects Levy Authorization of the School District, and Calling an Election Thereon. (L. Brandecker)

VI.B. Approval, for the South St. Paul School Board to approve the June 30, 2025, year-end audit. (R. Chhoth)

VI.C. Approval, for the South St. Paul School Board to approve the Resolution Directing Administration to Make Recommendations for Adjustments in Programs and/or Positions and Reasons Therefore. (R. Chhoth)

VI.D. Approval, for the South St. Paul School Board to reject the Packer Activity Center (PAC) ventilation bid. (M. Fenton)

VI.E. Approval, for the South St. Paul School Board to approve the Grow Your Own Candidate Agreements as presented. (C. Cook/J. Danielson)

VI.F. Approval, for the South St. Paul School Board to approve the Community Ed Fee Schedule. (A. Winter/ J. Zehnder/ R. Chhoth)

#### VII. **INFORMATIONAL ITEMS**

VII.A. **Board Members' Reports/Committee Updates/Where Have You Seen a Passion:** Board members will report on recent educational activities/events in which they have participated as well as other informational items.

#### VIII. **ADJOURNMENT**

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The School Board Work Session for South St. Paul Public Schools, Special School District 6, was held in the City Hall Conference Room on Monday, December 8, 2025. Chair Kim Humann called the meeting to order at 5:00 PM with five Board members present: Weber, Claflin, Cumings, W. Felton, and Humann. Director T. Felton arrived at 5:09 PM. Director Duffy was absent. Superintendent Dr. Brian Zambreno and several staff members were also present.

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### **Potential Facilities, and Long-Range Planning**

As a follow-up to the November 24 work session, Superintendent Zambreno, district leaders, and Ben Beery from Wold Architects guided the Board through a draft of the Review and Comment. The draft reflected the Board's direction from November 24 to move forward with submitting the required materials to the Minnesota Department of Education for the legal process connected to a possible May 2026 bond election.

The presentation included an overview of the Review and Comment document, which serves as MDE's formal evaluation of a proposed school facility project. The document details information about construction, expansion, or remodeling plans, and MDE reviews the educational and financial advisability of the proposal.

The Review and Comment submission included:

- current and projected student enrollment
- a list of existing facilities and their conditions
- identified facility deficiencies and how the proposed project would address them
- a project description, including site details, square footage, costs, and timeline
- the financing plan and funding sources
- assurances that the project would meet all required state codes and standards, including building, safety, HVAC and air quality, fire code, and accessibility requirements

The team also reviewed the next steps for a potential election timeline and the community engagement plan, and provided time for questions and discussion. As part of the potential election timeline, it was noted that the Board would consider a resolution at its January 26, 2026 meeting. This action would determine whether the Board would call a special election for a bond and capital projects levy.

### **Public Relations and Community Engagement**

The School Board reviewed the upcoming Calendar of Events and explored opportunities to collaborate with students, staff, families, and the greater South St. Paul community to further the district's mission and vision.

### **Committee Updates**

Board members provided updates to the various committees they serve on.

**Other Items Deemed Necessary**

Chair Humann asked Lisa Brandecker, Manager of Administrative Services, to schedule a special session for the Board to conduct and review their mid-year self-evaluation as well as the mid-year evaluation for Superintendent Zambreno.

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**Adjourn**

The South St. Paul School Board adjourned the December 8, 2025 work session at 5:48 PM.

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Official Board Minutes are available in the District Office at 104 - 5th Ave. S. - South St. Paul

Respectfully Submitted by:

Lisa Brandecker, Acting Secretary-Clerk  
Board of Education

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The regular meeting of the School Board, Special School District No. 6, South St. Paul, was held in the city hall council chambers on Monday, December 8, 2025. Chair Kim Humann called the meeting to order at 6:00 PM with six Board members present for roll call: Weber, W. Felton, Claflin, Cumings, T. Felton, and Humann. Director Duffy was absent. Superintendent Dr. Brian Zambreno and several staff and community members were also present.

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**PLEDGE OF ALLEGIANCE**

The pledge of allegiance was recited.

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**MINUTES**

By Director Claflin

Seconded by Director W. Felton

The South St. Paul School Board approves the December 8, 2025, School Board meeting agenda as well as the work session and regular meeting minutes for November 24, 2025.

Motion carried (6-0)

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**QUALITY-IN-ACTION AND REPORTS**

*Report* - Student School Board Representatives Chloe, Fenet, and Monty provided an update on recent events, activities, and other informational items.

*Quality-in-Action* - Activities Director Brady Krueger, the fall coaches, and advisors highlighted their seasons.

*Report* - There were no stakeholder comments to the board submissions this evening.

*Work Session Report* - Highlights were provided of the School Board's discussion at their work session meeting this evening.

*Superintendent Report* - Superintendent Zambreno provided highlights from around the district.

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**CONSENT ITEMS**

By Director Claflin

Seconded by Director Weber

A. Financial Claims - Bills Payable

B. Staffing: Appointments, Resignations, Transfers, Retirements, Abolishments, and Leaves

Motion Carried (6-0)

**POLICY REVIEW**

By Director Claflin

Seconded by Director Weber

Approval - The following policies are on their third and final readings:

1. # 516: Student Medication & Telehealth
2. # 208: Development, Adoption, and Implementation of Policies

Motion Carried (6-0)

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**PUBLIC HEARING FOR TAXES PAYABLE IN 2026**

Ra Chhoth, Executive Director of Finance and Operations, shared an overview of the Payable 2026 Property Tax Levy, highlighting how state formulas and local factors shape the district's projected tax impact. His presentation also walked the Board and community through key levy changes, budget context, and what the proposed decrease means for taxpayers.

By Director Cumings

Seconded by Director Claflin

Approval, for the South St. Paul School Board to certify the Payable 2026 Levy at \$15,228,617.98.

Motion Carried (6-0)

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**BUSINESS ITEMS**

By Director W. Felton

Seconded by Director Claflin

Approval, for the South St. Paul School Board to approve the Acceptance of Gifts Report.

Motion Carried (6-0)

By Director Weber

Seconded by Director Claflin

Approval, for the South St. Paul School Board to approve the Boys' and Girls' Nordic Skiing cooperative agreement with Two Rivers and Simley, beginning of the 2025-26 School Year.

Motion Carried (6-0)

By Director Claflin

Seconded by Director W. Felton

Approval, for the South St. Paul School Board to approve the 2026-27 District Calendar.

Motion Carried (6-0)

By Director Weber

Seconded by Director W. Felton

Approval, for the South St. Paul School Board to approve the agreement with the South St. Paul Educational Support Professionals Local 7312, for the contract period of July 1, 2025, to June 30, 2027.

Motion Carried (6-0)

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**INFORMATIONAL ITEMS**

School Board members reported on various educational activities/events in which they have participated, as well as other informational items.

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**School Board Business Meeting Minutes**

December 8, 2025

**ADJOURN**

By Director Claflin

Seconded by Director W. Felton

Approval, for the South St. Paul School Board to adjourn the December 8, 2025, meeting at 7:21 PM.

Motion carried (6-0)

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Official Board Minutes are available in the  
District Office at 104 - 5th Ave. S. - South St. Paul

Respectfully Submitted by:

Lisa Brandecker, Acting Secretary-Clerk  
Board of Education

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The School Board Work Session for South St. Paul Public Schools, Special School District 6, was held in the District Office Conference Room on Monday, January 12, 2026. Chair Kim Humann called the meeting to order at 5:02 PM with six Board members present: Claflin, Cumings, W. Felton, T. Felton, Humann and Weber. Director Duffy was absent. Superintendent Dr. Brian Zambreno and several staff members were also present.

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### **Secondary Teaching and Learning**

Assistant Director of Educational Services Natalie Tourtelotte shared an update on the district's secondary curriculum review process for grades 6–12. Over several years, teams are systematically reviewing each subject area by examining standards, auditing current practices, evaluating instructional resources, and planning for instruction and assessment. The district is at different stages across content areas, with implementation underway in middle school ELA and science, continued review in high school ELA and science, active review in math, social studies, and world languages, and additional subject areas scheduled for future review. This work is focused on ensuring strong alignment to standards, supporting teachers, and continuously improving learning experiences for students.

### **2025 Year End Audit**

Aaron Nielsen of LLB Carlson presented the district's audit report for the year ended June 30, 2025. The district received an unmodified, or clean, audit opinion on its basic financial statements, indicating strong financial reporting practices. The audit found no instances of noncompliance with Minnesota laws and regulations, and highlighted the district's implementation of updated accounting standards. The presentation also reviewed key financial trends, including enrollment, revenues, expenditures, and fund balances, showing continued financial stability. Overall, the audit reflects sound fiscal management and ongoing attention to internal controls and compliance.

### **2026 Organizational Items**

Chair Humann led the Board through a review of the organizational items that were scheduled for consideration later that evening during the special meeting. The discussion provided an overview of the proposed actions and ensured Board members had a shared understanding in advance of formal consideration and approval.

### **Potential Facilities, and Long-Range Planning**

Over the past several months, the School Board engaged in ongoing discussions regarding a potential special election for a bond referendum and capital projects levy. These conversations focused on district facility needs, maintenance and safety priorities, potential project scopes and timelines, facility task force recommendations, community survey feedback, and funding options, including the financial and tax impacts to the community. During the January 12 work session, the Board addressed remaining questions and concerns in advance of considering a resolution at the January 26 business meeting. The discussion also included a preview of draft ballot language and resolution language related to a proposed May 12, 2026, special election seeking voter approval of a bond and capital projects levy.

### **Public Relations and Community Engagement**

The School Board reviewed the upcoming Calendar of Events and discussed opportunities to collaborate with students, staff, families, and the greater South St. Paul community in support of the district's mission and vision. The conversation also explored how Board engagement aligns with and supports the district's broader public relations and community engagement efforts, including outreach related to the potential bond levy and capital projects levy.

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The Board recessed the work session at 6:10 PM to convene a special meeting to address its 2026 annual organizational items and to hold the Stakeholder Comment to the Board session.

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### **Stakeholder Comments to the Board**

There were no attendees or submissions for the Stakeholder Comments to the Board.

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The Board reconvened their work session at 6:34 PM.

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### **Mid-Year Superintendent Evaluation Logistics**

Board Chair Humann led a discussion regarding the logistics for the mid-year superintendent evaluation check-in. The Board reviewed planning considerations for the upcoming special work session, including the format of the discussion, timelines, roles, and any materials or preparation needed in advance. The conversation focused on ensuring shared understanding and clear expectations to support a well-organized and productive mid-year check-in, which is separate from the formal end-of-year superintendent evaluation.

### **Mid-Year School Board Self-Evaluation**

The School Board conducted a mid-year self-evaluation using its customized evaluation tool developed in partnership with Ray Queener of TeamWorks International. Board members reviewed each goal area and engaged in an informal scoring process, with discussion showing general alignment on areas of strength and opportunities for growth. The conversation focused on reflecting on progress to date, reaffirming priorities, and identifying areas for continued focus during the remainder of the school year. The mid-year check-in served as a formative, forward-looking discussion, with the formal completion of the evaluation tool scheduled for the end of the school year.

### **Committee Updates**

Board members provided updates to the various committees they serve on.

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### **Adjourn**

The South St. Paul School Board adjourned the January 12, 2026 work session at 7:07 PM.

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Official Board Minutes are available in the  
District Office at 104 - 5th Ave. S. - South St. Paul

Respectfully Submitted by:

Lisa Brandecker, Acting Secretary-Clerk  
Board of Education

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The special meeting of the School Board, Special School District No. 6, South St. Paul, was held in the District Office Conference Room on Monday, January 12, 2026. Chair Kim Humann called the meeting to order at 6:17 PM with six Board members present for roll call: Cumings, T. Felton, Weber, W. Felton, Claflin, and Humann. Director Duffy was absent. Superintendent Dr. Brian Zambreno and several staff and community members were also present.

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**APPROVAL OF MEETING AGENDA**

By Director Weber  
The South St. Paul School Board approves the January 12, 2026, Special School Board meeting agenda.  
Motion carried (6-0)

Seconded by Director W. Felton

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**ELECTION OF OFFICERS**

By Director Weber  
Nominates Kim Humann as Board Chair for one-year commencing the first business meeting of January, 2026, to the first business meeting in January, 2027.  
Motion carried by acclamation

Seconded by Director W. Felton

By Director W. Felton  
Nominates Anne Claflin as Vice Chair for one-year commencing the first business meeting of January, 2026, to the first business meeting in January, 2027.  
Motion carried by acclamation

Seconded by Director Weber

By Director Weber  
Nominates Paul Cumings as Treasurer for one-year commencing the first business meeting of January, 2026, to the first business meeting in January, 2027.  
Motion carried by acclamation

Seconded by Director Claflin

By Director Weber  
Nominates Wendy Felton as Clerk for one-year commencing the first business meeting of January, 2026, to the first business meeting in January, 2027.  
Motion carried by acclamation

Seconded by Director Claflin

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**BUSINESS ITEMS**

By Director Weber  
Approval for the South St. Paul School Board to approve the Annual Organizational Items for 2026 as presented.  
Motion Carried (6-0)

Seconded by Director T. Felton

**School Board Business Meeting Minutes**

January 12, 2026

By Director Claflin

Seconded by Director Weber

Approval for the South St. Paul School Board to approve the Resolution Relating to the Delegation of Clerk and Treasurer Duties to the Finance Director for Day-to-Day Business.

Motion Carried 6 yeas - Weber, W. Felton, Claflin, Cumings, T. Felton, and Humann

0 nays -

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**ADJOURN**

By Director Claflin

Seconded by Director W. Felton

Approval, for the South St. Paul School Board to adjourn the January 12, 2026, meeting at 6:24 PM.

Motion carried (6-0)

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Official Board Minutes are available in the  
District Office at 104 - 5th Ave. S. - South St. Paul

Respectfully Submitted by:

Lisa Brandecker, Acting Secretary-Clerk  
Board of Education



**South St. Paul  
Public Schools**

## School Board Agenda Item

**Place on Agenda:** Reports

**Action Requested:** Discussion Only

**Attachment:** None

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| <b>Topic:</b> Student School Board Representative Highlights   |
| <b>Presenter(s):</b> Fenet Iresso, Chloe O'Neil, & Monty Whitaker  |
| <b>Background:</b><br><br>Student School Board Representatives Fenet Iresso, Chloe O'Neil, & Monty Whitaker will provide highlights. |
| <b>Recommendation:</b><br><br>N/A  |
| <b>Alternatives:</b><br><br>N/A  |



**SOUTH ST. PAUL PUBLIC SCHOOLS**  
School Board Agenda Item

**Place on Agenda:** Regular Meeting Reports

**Action Requested:** None

**Attachment:** None

**Topic:** Stakeholder Comments to the Board

**Presenter(s):** Board Chair

At the Work Session and Regular Business Meeting, the Board Chair will provide an overview of the Stakeholder Comments to the Board submissions.

The South St. Paul School Board provides the following opportunities for community members to address the board:

- **In-Person** on the first meeting date of each month according to the schedule listed on the [district's website](#). Stakeholder Comments to the Board sessions are held at the District Office (104 - 5th Avenue South) beginning at 6:30PM.
- **Electronic form Submissions** are accepted on all meeting dates listed on the [district's website](#). Click [here](#) to submit a Stakeholder Comment tot the Board.
  - Form submissions will be acknowledged by the Board Chair and/or Superintendent on-air during the regular business meeting. The Board Chair and/or Superintendent will also follow-up personally with the individuals submitting a Stakeholder Comment to the Board form.

*Passionate Learners Positively Changing Our World*



## School Board Agenda Item

**Date:** Monday, January 26, 2026

**Place on Agenda:** Business Meeting

**Action Requested:** None

**Attachment:** None

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|---|
| <b>Topic:</b> Mid-Year Evaluations  |
| <b>Presenter(s):</b> Kim Humann, Board Chair  |
| <b>Background:</b><br><br>Board Chair Humann will provide an overview of the recent School Board mid-year self-evaluation and the Superintendent mid-year evaluation. This review will highlight key themes, areas of strength, and opportunities for continued growth identified through the evaluation processes. The discussion is intended to support ongoing reflection, alignment with district goals, and continuous improvement at both the governance and leadership levels. |
| <b>Recommendation:</b><br><br>N/A   |
| <b>Alternatives:</b><br><br>N/A   |



**SOUTH ST. PAUL PUBLIC SCHOOLS**  
School Board Agenda Item

**Place on Agenda:** Reports

**Action Requested:** None

**Attachment:** None

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| <b>Topic:</b> Work Session Meeting Update  |
| <b>Presenter(s):</b> Board   |
| <b>Background:</b><br>School Board members will highlight items from the Work Session meeting. |
| <b>Recommendation:</b><br>N/A  |
| <b>Alternatives:</b><br>N/A  |

*Passionate Learners Positively Changing Our World*



## SOUTH ST. PAUL PUBLIC SCHOOLS

### School Board Agenda Item

**Place on Agenda:** Reports

**Action Requested:** None

**Attachment:** None

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|---|
| <b>Topic:</b> Superintendent's Update   |
| <b>Presenter(s):</b> Dr. Brian Zambreno, Superintendent   |
| <b>Background:</b><br><br>Superintendent Zambreno will provide highlights from around the District. |
| <b>Recommendation:</b><br><br>N/A   |
| <b>Alternatives:</b><br><br>N/A   |



## School Board Agenda Item

**Date:** January 26, 2026  
**Place on Agenda:** Consent Items  
**Action Requested:** Approval  
**Attachment:** Financials - Bills Payable

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|---|
| <b>Topic:</b> Financials - Bills Payable  |
| <b>Presenter(s):</b> Board Chair  |
| <b>Background:</b><br>It is the policy of the school district to maintain its records so that they will be available for inspection by members of the general public and to provide for the publication of its official proceedings in compliance with law. |
| <b>Recommendation:</b><br>Administration recommends the approval of the attached financial statement.   |
| <b>Alternatives:</b><br>N/A   |

| CHECK CHE  | CHECK                |   |  |
|------------|----------------------|---|--|
| NUMBER TYP | AMOUNT DATE          | VENDOR                                  |  |
| 208726 V   | -55.90 12/26/2025    | MINNESOTA LOCKS                         |  |
| 209980 R   | 438.50 12/15/2025    | LOCAL #70                               |  |
| 209981 R   | 685.00 12/15/2025    | MINNESOTA CHILD SUPPORT PAYMENT CENTER  |  |
| 209982 R   | 240.25 12/15/2025    | OFFICE AND PROF EMPLOYEES UNION         |  |
| 209983 R   | 13,792.10 12/15/2025 | SOUTH ST PAUL TEACHER'S ASSOCIATION     |  |
| 209984 R   | 5.00 12/15/2025      | SOUTH ST PAUL OPEN FOUNDATION           |  |
| 209985 R   | 55.00 12/15/2025     | SOUTH ST PAUL EDUCATION FOUNDATION      |  |
| 209986 R   | 1,215.64 12/15/2025  | SSP EASRP                               |  |
| 209987 R   | 4,690.00 12/12/2025  | A+ DRIVING SCHOOL                       |  |
| 209988 R   | 12,966.77 12/12/2025 | ALLSTREAM                               |  |
| 209989 R   | 6.99 12/12/2025      | AMAZON CAPITAL SERVICES                 |  |
| 209990 R   | 9,105.00 12/12/2025  | AMERGIS HEALTHCARE STAFFING INC         |  |
| 209990 V   | -9,105.00 12/15/2025 | AMERGIS HEALTHCARE STAFFING INC         |  |
| 209991 R   | 24,886.20 12/12/2025 | AMPERSAND THERAPY LLC                   |  |
| 209992 R   | 425.14 12/12/2025    | AVIBEN LLC                              |  |
| 209993 R   | 4,210.00 12/12/2025  | BAKKEN MUSEUM                           |  |
| 209994 R   | 506.25 12/12/2025    | BAYADA HOME HEALTH CARE INC             |  |
| 209995 R   | 581.14 12/12/2025    | BIMBO BAKERIES USA                      |  |
| 209996 R   | 3,884.02 12/12/2025  | BIX PRODUCE COMPANY                     |  |
| 209997 R   | 29,988.48 12/12/2025 | BRANCHING MINDS LLC                     |  |
| 209998 R   | 100.00 12/12/2025    | BRIESE, RYAN                            |  |
| 209999 R   | 200.00 12/12/2025    | BRIGHTWORKS                             |  |
| 210000 R   | 75.50 12/12/2025     | BURGESON, NANCY                         |  |
| 210001 R   | 411.95 12/12/2025    | CAPITAL ONE TRADE CREDIT                |  |
| 210002 R   | 67.80 12/12/2025     | CDW GOVERNMENT INC                      |  |
| 210003 R   | 1,000.00 12/12/2025  | CHARMTECH LABS LLC                      |  |
| 210004 R   | 20,621.56 12/12/2025 | CITY OF SOUTH ST PAUL                   |  |
| 210005 R   | 428.04 12/12/2025    | COLLEGE BOARD                           |  |
| 210006 R   | 878.44 12/12/2025    | COMPLETE WEDDINGS + EVENTS              |  |
| 210007 R   | 53.70 12/12/2025     | CULLIGAN-MILBERT COMPANY                |  |
| 210008 R   | 1,706.00 12/12/2025  | DASH SPORTS LLC                         |  |
| 210009 R   | 975.00 12/12/2025    | DEWALD, RINA                            |  |
| 210010 R   | 71.01 12/12/2025     | DISCOUNT SCHOOL SUPPLY                  |  |
| 210011 R   | 31.71 12/12/2025     | FARNSWORTH, JEANNINE                    |  |
| 210012 R   | 79.95 12/12/2025     | GRAINGER INC                            |  |
| 210013 R   | 3,900.00 12/12/2025  | GREAT MINDS PBC                         |  |
| 210014 R   | 300.00 12/12/2025    | HIRTE, DIANA                            |  |
| 210015 R   | 580.00 12/12/2025    | HOFFMANN, LINDA                         |  |
| 210016 R   | 3.00 12/12/2025      | HOME DEPOT CREDIT SERVICES              |  |
| 210017 R   | 1,284.60 12/12/2025  | HORIZON COMMERCIAL POOL SUPPLY          |  |
| 210018 R   | 162.40 12/12/2025    | HOWARD, SAMANTHA                        |  |
| 210019 R   | 9,750.00 12/12/2025  | HRM HELPS LLC C/O HYLAN MCLAUGHLIN      |  |
| 210020 R   | 2.38 12/12/2025      | HUESER, DARLENE                         |  |
| 210021 R   | 23,821.84 12/12/2025 | IND SCHOOL DISTRICT #197                |  |
| 210022 R   | 36,158.47 12/12/2025 | INDIANHEAD FOODSERVICE DISTRIBUTOR INC  |  |
| 210023 R   | 972.00 12/12/2025    | ISD 197 W ST PAUL - MENDOTA HGTS -EAGAN |  |
| 210024 R   | 20,009.39 12/12/2025 | KELLY SERVICES INC                      |  |
| 210025 R   | 400.00 12/12/2025    | KHUNISORN, PLOY                         |  |
| 210026 R   | 34.88 12/12/2025     | LEPPLA, MIN                             |  |
| 210027 R   | 4,653.30 12/12/2025  | LINK INTERPRET                          |  |
| 210028 R   | 7,275.60 12/12/2025  | LOFFLER COMPANIES                       |  |
| 210029 R   | 906.68 12/12/2025    | MACKIN EDUCATIONAL RESOURCES            |  |
| 210030 R   | 1,375.00 12/12/2025  | MCEA EXECUTIVE OFFICE                   |  |
| 210031 R   | 100.00 12/12/2025    | MCEVOY, WILLIAM                         |  |
| 210032 R   | 2,037.00 12/12/2025  | MEDICINE LAKE TOURS                     |  |
| 210033 R   | 328.00 12/12/2025    | MOHN, MONICA                            |  |

| CHECK CHE |     | CHECK      |            |                                    |
|-----------|-----|------------|------------|------------------------------------|
| NUMBER    | TYP | AMOUNT     | DATE       | VENDOR                             |
| 210034    | R   | 638.55     | 12/12/2025 | NELCO                              |
| 210035    | R   | 31,761.24  | 12/12/2025 | NORHLINE TRANSPORTATION            |
| 210036    | R   | 20.00      | 12/12/2025 | NOVAK, JANICE                      |
| 210037    | R   | 100.00     | 12/12/2025 | OLSON, BREANNA                     |
| 210038    | R   | 250.00     | 12/12/2025 | OVERELL, STEPHANIE                 |
| 210039    | R   | 11,162.50  | 12/12/2025 | PEDIATRIC PSYCH SERVICES           |
| 210040    | R   | 78.80      | 12/12/2025 | PERMA-BOUND                        |
| 210041    | R   | 343.48     | 12/12/2025 | PLUNKETT'S PEST CONTROL            |
| 210042    | R   | 4.53       | 12/12/2025 | PROPIO LS LLC                      |
| 210043    | R   | 113,817.63 | 12/12/2025 | SAFEWAY BUS COMPANY                |
| 210044    | R   | 5,535.00   | 12/12/2025 | SCHOOL MANAGEMENT SERVICES LLC     |
| 210045    | R   | 239.10     | 12/12/2025 | SCHOOL SPECIALTY LLC               |
| 210046    | R   | 765.00     | 12/12/2025 | SOUTH ST PAUL OPEN FOUNDATION      |
| 210047    | R   | 11,528.50  | 12/12/2025 | SQUIRES WALDSPURGER & MACE PA      |
| 210048    | R   | 7,118.59   | 12/12/2025 | ST PAUL BEVERAGE SOLUTIONS         |
| 210049    | R   | 90.41      | 12/12/2025 | STACK-JOHNSON, SUSAN               |
| 210050    | R   | 241.50     | 12/12/2025 | STEEN, LEE ANN                     |
| 210051    | R   | 2,200.00   | 12/12/2025 | STOCKTON, STEPHANIE                |
| 210052    | R   | 8,410.50   | 12/12/2025 | SUNBELT STAFFING                   |
| 210053    | R   | 180.00     | 12/12/2025 | SUPER DUPER PUBLICATIONS           |
| 210054    | R   | 1,172.30   | 12/12/2025 | T-MOBILE                           |
| 210055    | R   | 36.00      | 12/12/2025 | TRAFERA HOLDINGS LLC               |
| 210056    | R   | 84,661.40  | 12/12/2025 | TRANSPORTATION & DELIVERY INC      |
| 210057    | R   | 4,869.35   | 12/12/2025 | TRIO SUPPLY CO                     |
| 210058    | R   | 280.00     | 12/12/2025 | TWO RIVERS DEBATE TEAM             |
| 210059    | R   | 255.60     | 12/12/2025 | VOSS LIGHTING                      |
| 210060    | S   | 182.54     | 12/12/2025 | XCEL ENERGY                        |
| 210061    | S   | 201.22     | 12/12/2025 | XCEL ENERGY                        |
| 210062    | S   | 1,794.99   | 12/12/2025 | XCEL ENERGY                        |
| 210063    | S   | 10,282.96  | 12/12/2025 | XCEL ENERGY                        |
| 210064    | S   | 313.08     | 12/12/2025 | XCEL ENERGY                        |
| 210065    | R   | 2,950.04   | 12/19/2025 | AMAZON CAPITAL SERVICES            |
| 210066    | R   | 6,180.00   | 12/19/2025 | AMERGIS HEALTHCARE STAFFING INC    |
| 210067    | R   | 12,060.00  | 12/19/2025 | AMPERSAND THERAPY LLC              |
| 210068    | R   | 170.00     | 12/19/2025 | AOPS ART OF PROBLEM SOLVING        |
| 210069    | R   | 5,110.14   | 12/19/2025 | ARVIG                              |
| 210070    | R   | 1,045.00   | 12/19/2025 | BAYADA HOME HEALTH CARE INC        |
| 210071    | R   | 200.00     | 12/19/2025 | BRIESE, RYAN                       |
| 210072    | R   | 37.50      | 12/19/2025 | CASTILLO, JOSE                     |
| 210073    | R   | 667.39     | 12/19/2025 | CATALYST SOURCING SOLUTIONS        |
| 210074    | R   | 89.70      | 12/19/2025 | CHROMEBOOKPARTS.COM                |
| 210075    | R   | 718.69     | 12/19/2025 | CINTAS                             |
| 210076    | R   | 1,646.42   | 12/19/2025 | CINTAS                             |
| 210077    | R   | 65.00      | 12/19/2025 | CITICARGO & STORAGE                |
| 210078    | R   | 11,737.57  | 12/19/2025 | CITY OF SOUTH ST PAUL - UTILITIES  |
| 210079    | R   | 448.45     | 12/19/2025 | CULLIGAN-MILBERT COMPANY           |
| 210080    | R   | 668.16     | 12/19/2025 | CUMMINS INC                        |
| 210081    | R   | 1,266.21   | 12/19/2025 | EGAN                               |
| 210082    | R   | 600.00     | 12/19/2025 | FAMILY TREE CLINIC                 |
| 210083    | R   | 4,010.04   | 12/19/2025 | FIRST SUPPLY LLC - TWIN CITIES     |
| 210084    | R   | 472.85     | 12/19/2025 | GERTEN GREENHOUSES & GARDEN CENTER |
| 210085    | R   | 213.00     | 12/19/2025 | GLOBE PRINTING & OFFICE SUPPLIES   |
| 210086    | R   | 7,480.00   | 12/19/2025 | GOAL GETTERS ACADEMY               |
| 210087    | R   | 717.01     | 12/19/2025 | GRAINGER INC                       |
| 210088    | R   | 9,002.73   | 12/19/2025 | HORIZON COMMERCIAL POOL SUPPLY     |
| 210089    | R   | 55,819.93  | 12/19/2025 | INDEPENDENT SCHOOL DISTRICT 199    |

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| 210090 | R   | 73.59      | 12/19/2025 | INNOVATIVE OFFICE SOLUTIONS LLC         |        |
| 210091 | R   | 632.50     | 12/19/2025 | INTEGRATED FIRE & SAFETY                |        |
| 210092 | R   | 5,809.77   | 12/19/2025 | INTERMEDIATE DISTRICT #917              |        |
| 210093 | R   | 177,098.82 | 12/19/2025 | ISD 197 W ST PAUL - MENDOTA HGTS -EAGAN |        |
| 210094 | R   | 16,860.00  | 12/19/2025 | KELLY SERVICES INC                      |        |
| 210095 | R   | 17,892.00  | 12/19/2025 | LB CARLSON LLP                          |        |
| 210096 | R   | 1,344.45   | 12/19/2025 | LIGHTNING DISPOSAL INC                  |        |
| 210097 | R   | 1,670.00   | 12/19/2025 | LINDENMEYR MUNROE                       |        |
| 210098 | R   | 440.78     | 12/19/2025 | MARK'S PLUMBING PARTS                   |        |
| 210099 | R   | 100.00     | 12/19/2025 | MCEVOY, WILLIAM                         |        |
| 210100 | R   | 342.75     | 12/19/2025 | MCMASTER-CARR SUPPLY COMPANY            |        |
| 210101 | R   | 3,040.00   | 12/19/2025 | MERIDIAN CONSULTING/DAVID SLOMKOWSKI    |        |
| 210102 | R   | 826.76     | 12/19/2025 | MIDWEST MACHINERY CO                    |        |
| 210103 | R   | 23,400.00  | 12/19/2025 | MIDWEST EDUCATIONAL CONSULTANTS INC     |        |
| 210104 | R   | 525.00     | 12/19/2025 | MILLER, DEBRA                           |        |
| 210105 | R   | 25.00      | 12/19/2025 | MN DEPT OF LABOR & INDUSTRY             |        |
| 210106 | R   | 275.00     | 12/19/2025 | MRI SOFTWARE LLC                        |        |
| 210107 | R   | 1,399.98   | 12/19/2025 | MUSKEGON HEIGHTS SOLAR LLC              |        |
| 210108 | R   | 442.65     | 12/19/2025 | NAPA AUTO PARTS                         |        |
| 210109 | R   | 1,193.76   | 12/19/2025 | NASSEFF MECHANICAL CONTRACTORS          |        |
| 210110 | R   | 446.25     | 12/19/2025 | JOSTENS INC                             |        |
| 210111 | R   | 7,772.41   | 12/19/2025 | NETWORK SERVICES COMPANY                |        |
| 210112 | R   | 1,419.16   | 12/19/2025 | NEW DOMINION SCHOOL/AUSTIN              |        |
| 210113 | R   | 256.73     | 12/19/2025 | PEARSON                                 |        |
| 210114 | R   | 317.87     | 12/19/2025 | PIONEER PRESS                           |        |
| 210115 | R   | 1,990.10   | 12/19/2025 | POMP'S TIRE SERVICE                     |        |
| 210116 | R   | 4.53       | 12/19/2025 | PROPIO LS LLC                           |        |
| 210117 | R   | 2,208.00   | 12/19/2025 | R.M. COTTON COMPANY                     |        |
| 210118 | R   | 140.00     | 12/19/2025 | RECYCLE TECHNOLOGIES                    |        |
| 210119 | R   | 1,567.30   | 12/19/2025 | RENT N SAVE                             |        |
| 210120 | R   | 200.00     | 12/19/2025 | RILEY, SENTA                            |        |
| 210121 | R   | 150.00     | 12/19/2025 | SEVERSON, LAUREL                        |        |
| 210122 | R   | 64.18      | 12/19/2025 | SHIFLER EQUIPMENT SALES INC             |        |
| 210123 | R   | 1,020.00   | 12/19/2025 | SPARK PATH                              |        |
| 210124 | R   | 3,248.00   | 12/19/2025 | SQUIRES WALDSPURGER & MACE PA           |        |
| 210125 | R   | 11,212.60  | 12/19/2025 | STANDARD INSURANCE COMPANY              |        |
| 210126 | R   | 334.54     | 12/19/2025 | STATE SUPPLY COMPANY INC                |        |
| 210127 | R   | 700.00     | 12/19/2025 | TEAMWORKS INTERNATIONAL INC             |        |
| 210128 | R   | 1,043.39   | 12/19/2025 | TEXTBOOK WAREHOUSE                      |        |
| 210129 | R   | 119.50     | 12/19/2025 | WITTE, BETTY                            |        |
| 210130 | S   | 2,067.61   | 12/19/2025 | XCEL ENERGY                             |        |
| 210131 | S   | 17,885.48  | 12/19/2025 | XCEL ENERGY                             |        |
| 210132 | S   | 1,212.78   | 12/19/2025 | XCEL ENERGY                             |        |
| 210133 | R   | 48.97      | 12/26/2025 | ACE HARDWARE & PAINT                    |        |
| 210134 | R   | 848.69     | 12/26/2025 | AMAZON CAPITAL SERVICES                 |        |
| 210135 | R   | 2,833.60   | 12/26/2025 | AMERGIS HEALTHCARE STAFFING INC         |        |
| 210136 | R   | 15,971.52  | 12/26/2025 | AMPERSAND THERAPY LLC                   |        |
| 210137 | R   | 1,006.77   | 12/26/2025 | BUILDING CONTROLS GROUP                 |        |
| 210138 | R   | 2,394.00   | 12/26/2025 | CDW GOVERNMENT INC                      |        |
| 210139 | R   | 300.00     | 12/26/2025 | CHISAGO LAKES SCHOOL DISTRICT           |        |
| 210140 | R   | 166.15     | 12/26/2025 | CINTAS                                  |        |
| 210141 | R   | 356.00     | 12/26/2025 | CONTINENTAL CLAY CO                     |        |
| 210142 | R   | 42.00      | 12/26/2025 | CONTINUA INTERIORS OF MINNESOTA LLC     |        |
| 210143 | R   | 684.08     | 12/26/2025 | CONVERGINT TECHNOLOGIES LLC             |        |
| 210144 | R   | 1,014.00   | 12/26/2025 | DANNER LANDSCAPING & SALES              |        |
| 210145 | R   | 126.44     | 12/26/2025 | DEMCO                                   |        |

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| NUMBER    | TYP | AMOUNT    | DATE       | VENDOR                                 |
| 210146    | R   | 200.00    | 12/26/2025 | EGAN                                   |
| 210147    | R   | 2,700.00  | 12/26/2025 | EHLERS & ASSOCIATES                    |
| 210148    | R   | 40.45     | 12/26/2025 | FLINN SCIENTIFIC INC                   |
| 210149    | R   | 1,214.84  | 12/26/2025 | GRAFTON INTEGRATED HEALTH NETWORK      |
| 210150    | R   | 247.94    | 12/26/2025 | GRAYBAR                                |
| 210151    | R   | 1,000.00  | 12/26/2025 | HIRTE, DIANA                           |
| 210152    | R   | 18,821.19 | 12/26/2025 | INDIANHEAD FOODSERVICE DISTRIBUTOR INC |
| 210153    | R   | 1,204.00  | 12/26/2025 | JB OFFICEWORKS LLC                     |
| 210154    | R   | 200.00    | 12/26/2025 | KAMENOR, MICHELLE                      |
| 210155    | R   | 126.00    | 12/26/2025 | KRECH IRON WORKS                       |
| 210156    | R   | 720.00    | 12/26/2025 | KRISTIN DAVIS LAW LLC                  |
| 210157    | R   | 3,374.30  | 12/26/2025 | KURITA AMERICA INC                     |
| 210158    | R   | 126.12    | 12/26/2025 | LABORE, JENNIFER                       |
| 210159    | R   | 3,087.60  | 12/26/2025 | LINK INTERPRET                         |
| 210160    | R   | 417.58    | 12/26/2025 | MAUER CHEVROLET                        |
| 210161    | R   | 69.01     | 12/26/2025 | MCMASTER-CARR SUPPLY COMPANY           |
| 210162    | R   | 2,750.00  | 12/26/2025 | MEDICINE LAKE TOURS                    |
| 210163    | R   | 192.61    | 12/26/2025 | MINNESOTA LOCKS                        |
| 210164    | R   | 2,374.94  | 12/26/2025 | NETWORK SERVICES COMPANY               |
| 210165    | R   | 5,465.38  | 12/26/2025 | NITTI SANITATION                       |
| 210166    | R   | 13,233.85 | 12/26/2025 | NORHLINE TRANSPORTATION                |
| 210167    | R   | 37.65     | 12/26/2025 | OXYGEN SERVICE CO INC                  |
| 210168    | R   | 60.00     | 12/26/2025 | PEARSON                                |
| 210169    | R   | 200.00    | 12/26/2025 | SAVAGE, DAWN                           |
| 210170    | R   | 700.00    | 12/26/2025 | SETHURAJU, RAJ                         |
| 210171    | R   | 696.00    | 12/26/2025 | SHERMCO WIND AND MOTOR SERVICES        |
| 210172    | R   | 591.78    | 12/26/2025 | SHERWIN WILLIAMS CO                    |
| 210173    | R   | 30.00     | 12/26/2025 | SKWIRA, PETER                          |
| 210174    | R   | 1,000.00  | 12/26/2025 | SKYWARD ACCOUNTING DEPT                |
| 210175    | R   | 49.95     | 12/26/2025 | SOLUTION TREE                          |
| 210176    | R   | 2,848.00  | 12/26/2025 | SUNBELT STAFFING                       |
| 210177    | R   | 6,324.28  | 12/26/2025 | TRANSPORTATION & DELIVERY INC          |
| 210178    | R   | 11,308.89 | 12/26/2025 | TWIN CITY JANITOR SUPPLY INC           |
| 210179    | R   | 597.94    | 12/26/2025 | UNITED REFRIGERATION INC               |
| 210180    | R   | 12,961.80 | 12/26/2025 | US TRANSLATION COMPANY                 |
| 210181    | R   | 900.00    | 12/26/2025 | WALLACE RADIO SYNDICATION LLC          |
| 210182    | R   | 830.72    | 12/26/2025 | WENGER CORPORATION                     |
| 210183    | R   | 163.50    | 12/26/2025 | WERNER IMPLEMENT LLC                   |
| 210184    | S   | 12,398.07 | 12/26/2025 | XCEL ENERGY                            |
| 210185    | R   | 1,903.12  | 12/26/2025 | ZEN EDUCATE                            |
| 210186    | R   | 438.50    | 12/30/2025 | LOCAL #70                              |
| 210187    | R   | 685.00    | 12/30/2025 | MINNESOTA CHILD SUPPORT PAYMENT CENTER |
| 210188    | R   | 64.00     | 12/30/2025 | NCPERS GROUP LIFE INS                  |
| 210189    | R   | 240.25    | 12/30/2025 | OFFICE AND PROF EMPLOYEES UNION        |
| 210190    | R   | 13,792.10 | 12/30/2025 | SOUTH ST PAUL TEACHER'S ASSOCIATION    |
| 210191    | R   | 5.00      | 12/30/2025 | SOUTH ST PAUL OPEN FOUNDATION          |
| 210192    | R   | 55.00     | 12/30/2025 | SOUTH ST PAUL EDUCATION FOUNDATION     |
| 210193    | R   | 1,238.04  | 12/30/2025 | SSP EASRP                              |
| 210194    | R   | 684.22    | 12/31/2025 | AMAZON CAPITAL SERVICES                |
| 210195    | R   | 2,240.00  | 12/31/2025 | AMERGIS HEALTHCARE STAFFING INC        |
| 210196    | R   | 1,125.00  | 12/31/2025 | BRIDGEPOINT GLASS                      |
| 210197    | R   | 3,562.65  | 12/31/2025 | CANON FINANCIAL SERVICES               |
| 210198    | R   | 20,940.00 | 12/31/2025 | CITY OF SOUTH ST PAUL                  |
| 210199    | R   | 6,001.50  | 12/31/2025 | EGAN                                   |
| 210200    | R   | 5,591.48  | 12/31/2025 | FRONTLINE TECHNOLOGIES GROUP LLC       |
| 210201    | R   | 203.60    | 12/31/2025 | HOMELAND HEALTH SPECIALISTS INC        |

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| NUMBER    | TYP | AMOUNT    | DATE       | VENDOR                                  |
| 210202    | R   | 162.50    | 12/31/2025 | INFINITE HEALTH COLLABORATIVE           |
| 210203    | R   | 73,536.03 | 12/31/2025 | INVER HILLS COMMUNITY COLLEGE           |
| 210204    | R   | 250.00    | 12/31/2025 | K & G GYMNASTICS LLC C/O                |
| 210205    | R   | 50,500.82 | 12/31/2025 | KELLY SERVICES INC                      |
| 210206    | R   | 835.00    | 12/31/2025 | LINDENMEYR MUNROE                       |
| 210207    | R   | 353.51    | 12/31/2025 | MACKIN EDUCATIONAL RESOURCES            |
| 210208    | R   | 84.09     | 12/31/2025 | MCMASTER-CARR SUPPLY COMPANY            |
| 210209    | R   | 786.58    | 12/31/2025 | MIDWEST MACHINERY CO                    |
| 210210    | R   | 55.90     | 12/31/2025 | MINNESOTA LOCKS                         |
| 210211    | R   | 1,040.00  | 12/31/2025 | MINNESOTA THESPIANS C/O DAWN SKINNER    |
| 210212    | R   | 999.75    | 12/31/2025 | NETWORK SERVICES COMPANY                |
| 210213    | R   | 120.00    | 12/31/2025 | NORCOSTCO, INC                          |
| 210214    | R   | 13,233.85 | 12/31/2025 | NORTHLINE TRANSPORTATION                |
| 210215    | R   | 795.80    | 12/31/2025 | OXYGEN SERVICE CO INC                   |
| 210216    | R   | 283.83    | 12/31/2025 | PROFESSIONAL WIRELESS COMMUNICATIONS    |
| 210217    | R   | 200.00    | 12/31/2025 | RATZ, KIM                               |
| 210218    | R   | 504.00    | 12/31/2025 | RINALDI, LINDA                          |
| 210219    | R   | 3,250.97  | 12/31/2025 | SCHOLASTIC BOOK FAIRS                   |
| 210220    | R   | 150.00    | 12/31/2025 | SEVERSON, LAUREL                        |
| 210221    | R   | 3,137.25  | 12/31/2025 | SUNBELT STAFFING                        |
| 210222    | R   | 140.00    | 12/31/2025 | TWIN CITY SCALE CO                      |
| 210223    | R   | 549.50    | 01/15/2026 | LOCAL #70                               |
| 210224    | R   | 685.00    | 01/15/2026 | MINNESOTA CHILD SUPPORT PAYMENT CENTER  |
| 210225    | R   | 259.00    | 01/15/2026 | OFFICE AND PROF EMPLOYEES UNION         |
| 210226    | R   | 13,792.10 | 01/15/2026 | SOUTH ST PAUL TEACHER'S ASSOCIATION     |
| 210227    | R   | 5.00      | 01/15/2026 | SOUTH ST PAUL OPEN FOUNDATION           |
| 210228    | R   | 55.00     | 01/15/2026 | SOUTH ST PAUL EDUCATION FOUNDATION      |
| 210229    | R   | 1,263.46  | 01/15/2026 | SSP EASRP                               |
| 210230    | R   | 0.70      | 01/15/2026 | ACE HARDWARE & PAINT                    |
| 210231    | R   | 12,685.64 | 01/15/2026 | ALLSTREAM                               |
| 210232    | R   | 670.35    | 01/15/2026 | AMAZON CAPITAL SERVICES                 |
| 210233    | R   | 2,800.00  | 01/15/2026 | AMERGIS HEALTHCARE STAFFING INC         |
| 210234    | R   | 23,219.00 | 01/15/2026 | AMPERSAND THERAPY LLC                   |
| 210235    | R   | 5,110.14  | 01/15/2026 | ARVIG                                   |
| 210236    | R   | 437.89    | 01/15/2026 | AVIBEN LLC                              |
| 210237    | R   | 2,608.74  | 01/15/2026 | BATTERIES PLUS BULBS                    |
| 210238    | R   | 1,800.00  | 01/15/2026 | BAYADA HOME HEALTH CARE INC             |
| 210239    | R   | 1,129.53  | 01/15/2026 | BIMBO BAKERIES USA                      |
| 210240    | R   | 3,174.77  | 01/15/2026 | BIX PRODUCE COMPANY                     |
| 210241    | R   | 250.00    | 01/15/2026 | CANNON FALLS HIGH SCHOOL                |
| 210242    | R   | 630.00    | 01/15/2026 | CENTRAL ROOFING COMPANY                 |
| 210243    | R   | 1,897.99  | 01/15/2026 | CINTAS                                  |
| 210244    | R   | 65.00     | 01/15/2026 | CITICARGO & STORAGE                     |
| 210245    | R   | 18,221.56 | 01/15/2026 | CITY OF SOUTH ST PAUL                   |
| 210246    | R   | 19.48     | 01/15/2026 | CJ SPRAY INC                            |
| 210247    | R   | 14.45     | 01/15/2026 | CLASSEN, GLORIA                         |
| 210248    | R   | 1,390.00  | 01/15/2026 | CONCORD HEALTH SUPPLY INC               |
| 210249    | R   | 1,544.00  | 01/15/2026 | CONQUER NINJA GYMS                      |
| 210250    | R   | 5,538.46  | 01/15/2026 | CONVERGINT TECHNOLOGIES LLC             |
| 210251    | R   | 278.63    | 01/15/2026 | CULLIGAN-MILBERT COMPANY                |
| 210252    | R   | 456.81    | 01/15/2026 | CUSTOM TRUCK ONE SOURCE                 |
| 210253    | R   | 300.05    | 01/15/2026 | DAKOTA CTY ENVIRONMENTAL RESOURCES DEPT |
| 210254    | R   | 532.00    | 01/15/2026 | DAKOTA COUNTY FINANCE                   |
| 210255    | R   | 531.00    | 01/15/2026 | DASH SPORTS LLC                         |
| 210256    | R   | 377.86    | 01/15/2026 | DECKER TAPE PRODUCTS                    |
| 210257    | R   | 650.00    | 01/15/2026 | DEWALD, RINA                            |

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| NUMBER    | TYP | AMOUNT     | DATE       | VENDOR                                 |
| 210258    | R   | 38.93      | 01/15/2026 | FARNSWORTH, JEANNINE                   |
| 210259    | R   | 539.32     | 01/15/2026 | FED EX                                 |
| 210260    | R   | 231.56     | 01/15/2026 | FIRST SUPPLY LLC - TWIN CITIES         |
| 210261    | R   | 653.06     | 01/15/2026 | GERTEN GREENHOUSES & GARDEN CENTER     |
| 210262    | R   | 614.45     | 01/15/2026 | GLOBE PRINTING & OFFICE SUPPLIES       |
| 210263    | R   | 7,480.00   | 01/15/2026 | GOAL GETTERS ACADEMY                   |
| 210264    | R   | 717.66     | 01/15/2026 | GOODIN COMPANY                         |
| 210265    | R   | 26.68      | 01/15/2026 | GRAINGER INC                           |
| 210266    | R   | 18.99      | 01/15/2026 | GRAYBAR                                |
| 210267    | R   | 7,800.00   | 01/15/2026 | GREAT MINDS PBC                        |
| 210268    | R   | 1,690.00   | 01/15/2026 | H&B SPECIALIZED PRODUCTS               |
| 210269    | R   | 580.00     | 01/15/2026 | HOFFMANN, LINDA                        |
| 210270    | R   | 11,520.00  | 01/15/2026 | HRM HELPS LLC C/O HYLAN MCLAUGHLIN     |
| 210271    | R   | 560.00     | 01/15/2026 | IDENTITY PROMOTIONAL SOLUTIONS LLC     |
| 210272    | R   | 233,985.77 | 01/15/2026 | IND SCHOOL DISTRICT 197/COMMUNITY ED   |
| 210273    | R   | 59,508.31  | 01/15/2026 | IND SCHOOL DISTRICT 199/COMMUNITY ED   |
| 210274    | R   | 30,367.84  | 01/15/2026 | INDIANHEAD FOODSERVICE DISTRIBUTOR INC |
| 210275    | R   | 10,000.00  | 01/15/2026 | INFINITE HEALTH COLLABORATIVE          |
| 210276    | R   | 175,955.66 | 01/15/2026 | INTERMEDIATE DISTRICT #917             |
| 210277    | R   | 500.00     | 01/15/2026 | J&O GYMNASTICS LLC                     |
| 210278    | R   | 17.00      | 01/15/2026 | JOSTEN'S                               |
| 210279    | R   | 801.95     | 01/15/2026 | JOSTENS                                |
| 210280    | R   | 1,611.02   | 01/15/2026 | KASEYA US LLC                          |
| 210281    | R   | 1,260.00   | 01/15/2026 | KVERNSTOEN, RONNHOLM & ASSOCIATES      |
| 210282    | R   | 64,557.95  | 01/15/2026 | LAKE CITY TRANSPORTATION LLC           |
| 210283    | R   | 45.21      | 01/15/2026 | LEPPLA, MIN                            |
| 210284    | R   | 765.00     | 01/15/2026 | LESSON PIX, INC                        |
| 210285    | R   | 1,294.25   | 01/15/2026 | LIGHTNING DISPOSAL INC                 |
| 210286    | R   | 2,645.00   | 01/15/2026 | LINDENMEYR MUNROE                      |
| 210287    | R   | 15,983.36  | 01/15/2026 | LOFFLER COMPANIES                      |
| 210288    | R   | 372.86     | 01/15/2026 | LOWE'S                                 |
| 210289    | R   | 198.83     | 01/15/2026 | MAC ENTERPRISES LLC                    |
| 210290    | R   | 327.52     | 01/15/2026 | MARK'S PLUMBING PARTS                  |
| 210291    | R   | 191.00     | 01/15/2026 | MCMASTER-CARR SUPPLY COMPANY           |
| 210292    | R   | 5,419.00   | 01/15/2026 | MERIDIAN CONSULTING/DAVID SŁOMKOWSKI   |
| 210293    | R   | 1,000.00   | 01/15/2026 | MESPA                                  |
| 210294    | R   | 34.99      | 01/15/2026 | MIDWEST MACHINERY CO                   |
| 210295    | R   | 1,112.44   | 01/15/2026 | THE MINNESOTA CHEMICAL CO              |
| 210296    | R   | 334.50     | 01/15/2026 | MRI SOFTWARE LLC                       |
| 210297    | R   | 246.85     | 01/15/2026 | MUSKEGON HEIGHTS SOLAR LLC             |
| 210298    | R   | 51.28      | 01/15/2026 | NAPA AUTO PARTS                        |
| 210299    | R   | 450.00     | 01/15/2026 | NEO ELECTRIC SOLUTIONS                 |
| 210300    | R   | 1,329.21   | 01/15/2026 | NETWORK SERVICES COMPANY               |
| 210301    | R   | 16,710.35  | 01/15/2026 | NORTHLINE TRANSPORTATION               |
| 210302    | R   | 160.00     | 01/15/2026 | NOVAK, JANICE                          |
| 210303    | R   | 250.00     | 01/15/2026 | OVERELL, STEPHANIE                     |
| 210304    | R   | 38.90      | 01/15/2026 | OXYGEN SERVICE CO INC                  |
| 210305    | R   | 9,065.00   | 01/15/2026 | PEDIATRIC PSYCH SERVICES               |
| 210306    | R   | 54.73      | 01/15/2026 | PIEKARSKI, DIAN                        |
| 210307    | R   | 492.24     | 01/15/2026 | PLUNKETT'S PEST CONTROL                |
| 210308    | R   | 930.60     | 01/15/2026 | PROFESSIONAL WIRELESS COMMUNICATIONS   |
| 210309    | R   | 4,778.10   | 01/15/2026 | QUALITY LOCKSMITH SERVICE              |
| 210310    | R   | 29.78      | 01/15/2026 | QUILL CORPORATION                      |
| 210311    | R   | 300.00     | 01/15/2026 | RATWIK, ROSZAK & MALONEY PA            |
| 210312    | R   | 713.25     | 01/15/2026 | REGION V COMPUTER SERVICES COOPERATIVE |
| 210313    | R   | 10,473.50  | 01/15/2026 | RENAISSANCE LEARNING INC               |

| CHECK     | CHE | AMOUNT     | DATE       | VENDOR                            |
|-----------|-----|------------|------------|-----------------------------------|
| NUMBER    | TYP |            |            |                                   |
| 210314    | R   | 8,765.88   | 01/15/2026 | RIVERSIDE INSIGHTS                |
| 210315    | R   | 98,828.59  | 01/15/2026 | SAFEWAY BUS COMPANY               |
| 210316    | R   | 91.52      | 01/15/2026 | SCHOLASTIC, INC                   |
| 210317    | R   | 3,000.00   | 01/15/2026 | SCHOOL MANAGEMENT SERVICES LLC    |
| 210318    | R   | 16,250.00  | 01/15/2026 | SEGAL                             |
| 210319    | R   | 800.00     | 01/15/2026 | SETHURAJU, RAJ                    |
| 210320    | R   | 220.00     | 01/15/2026 | SHANNON, JODY                     |
| 210321    | R   | 55,956.00  | 01/15/2026 | SHI INTERNATIONAL CORP            |
| 210322    | R   | 30.00      | 01/15/2026 | SKWIRA, PETER                     |
| 210323    | R   | 5,555.48   | 01/15/2026 | SPECIAL SCHOOL DISTRICT #1        |
| 210324    | R   | 1,095.40   | 01/15/2026 | SQUIRES WALDSPURGER & MACE PA     |
| 210325    | R   | 9,768.64   | 01/15/2026 | ST PAUL BEVERAGE SOLUTIONS        |
| 210326    | R   | 304.46     | 01/15/2026 | STACK-JOHNSON, SUSAN              |
| 210327    | R   | 175.00     | 01/15/2026 | STATE OF MN DEPT OF PUBLIC SAFETY |
| 210328    | R   | 12,169.51  | 01/15/2026 | STUDER EDUCATION LLC              |
| 210329    | R   | 4,553.50   | 01/15/2026 | SUNBELT STAFFING                  |
| 210330    | R   | 1,090.28   | 01/15/2026 | T-MOBILE                          |
| 210331    | R   | 300.00     | 01/15/2026 | TOTINO GRACE HIGH SCHOOL          |
| 210332    | R   | 3,687.49   | 01/15/2026 | TRIO SUPPLY CO                    |
| 210333    | R   | 773.26     | 01/15/2026 | TWIN CITY HARDWARE CO             |
| 210334    | S   | 368.83     | 01/15/2026 | XCEL ENERGY                       |
| 210335    | S   | 223.26     | 01/15/2026 | XCEL ENERGY                       |
| 210336    | S   | 3,407.25   | 01/15/2026 | XCEL ENERGY                       |
| 210337    | S   | 73.34      | 01/15/2026 | XCEL ENERGY                       |
| 210338    | S   | 22,163.93  | 01/15/2026 | XCEL ENERGY                       |
| 210339    | S   | 3,694.55   | 01/15/2026 | XCEL ENERGY                       |
| 210340    | S   | 28,493.53  | 01/15/2026 | XCEL ENERGY                       |
| 210341    | R   | 1,501.96   | 01/15/2026 | ZEN EDUCATE                       |
| 202500189 | W   | 0.00       | 11/28/2025 | MINNESOTA PAYROLL TAXES           |
| 202500190 | W   | 0.00       | 11/28/2025 | FEDERAL PAYROLL TAXES             |
| 202500191 | W   | 62,722.24  | 12/15/2025 | MINNESOTA PAYROLL TAXES           |
| 202500192 | W   | 359,185.86 | 12/15/2025 | FEDERAL PAYROLL TAXES             |
| 202500193 | W   | 437.56     | 12/15/2025 | MN DEPT OF REVENUE                |
| 202500194 | W   | 55,429.90  | 12/15/2025 | PERA                              |
| 202500195 | W   | 71,623.59  | 12/15/2025 | TSA/ACH DEDUCTION                 |
| 202500196 | W   | 192,182.05 | 12/15/2025 | TEACHER RETIREMENT ASSOCIATION    |
| 202500197 | W   | 0.00       | 12/15/2025 | MINNESOTA PAYROLL TAXES           |
| 202500198 | W   | 0.00       | 12/15/2025 | FEDERAL PAYROLL TAXES             |
| 202500199 | W   | 0.00       | 12/15/2025 | MINNESOTA PAYROLL TAXES           |
| 202500200 | W   | 58.14      | 12/15/2025 | FEDERAL PAYROLL TAXES             |
| 202500201 | W   | 53.20      | 12/15/2025 | PERA                              |
| 202500202 | W   | 0.00       | 12/16/2025 | MINNESOTA PAYROLL TAXES           |
| 202500203 | W   | 134.82     | 12/16/2025 | FEDERAL PAYROLL TAXES             |
| 202500204 | W   | 156.93     | 12/16/2025 | TEACHER RETIREMENT ASSOCIATION    |
| 202500210 | W   | 102,528.39 | 12/09/2025 | HEALTH PARTNERS                   |
| 202500213 | W   | 52,442.60  | 12/30/2025 | MINNESOTA PAYROLL TAXES           |
| 202500214 | W   | 309,003.42 | 12/30/2025 | FEDERAL PAYROLL TAXES             |
| 202500215 | W   | 396.07     | 12/30/2025 | MN DEPT OF REVENUE                |
| 202500216 | W   | 55,872.25  | 12/30/2025 | PERA                              |
| 202500217 | W   | 68,218.09  | 12/30/2025 | TSA/ACH DEDUCTION                 |
| 202500218 | W   | 168,200.11 | 12/30/2025 | TEACHER RETIREMENT ASSOCIATION    |
| 202500219 | W   | 0.00       | 12/30/2025 | MINNESOTA PAYROLL TAXES           |
| 202500220 | W   | 0.00       | 12/30/2025 | FEDERAL PAYROLL TAXES             |
| 202500221 | W   | 20.20      | 12/29/2025 | FEDERAL PAYROLL TAXES             |
| 202500222 | W   | 0.00       | 12/29/2025 | TEACHER RETIREMENT ASSOCIATION    |
| 202500223 | W   | 53,155.10  | 01/15/2026 | MINNESOTA PAYROLL TAXES           |

| CHECK CHE |     | CHECK      |            |                                |
|-----------|-----|------------|------------|--------------------------------|
| NUMBER    | TYP | AMOUNT     | DATE       | VENDOR                         |
| 202500224 | W   | 308,322.40 | 01/15/2026 | FEDERAL PAYROLL TAXES          |
| 202500225 | W   | 403.29     | 01/15/2026 | MN DEPT OF REVENUE             |
| 202500226 | W   | 58,994.63  | 01/15/2026 | PERA                           |
| 202500227 | W   | 61,720.37  | 01/15/2026 | TSA/ACH DEDUCTION              |
| 202500228 | W   | 170,235.01 | 01/15/2026 | TEACHER RETIREMENT ASSOCIATION |
| 202500229 | W   | 0.00       | 01/15/2026 | MINNESOTA PAYROLL TAXES        |
| 202500230 | W   | 0.00       | 01/15/2026 | FEDERAL PAYROLL TAXES          |
| 202500231 | W   | 122,464.30 | 01/20/2026 | HEALTH PARTNERS                |
| 202500253 | W   | 52,476.01  | 12/08/2025 | HEALTH PARTNERS                |
| 202500254 | W   | 194,228.99 | 12/15/2025 | HEALTH PARTNERS                |
| 202500255 | W   | 100,804.96 | 12/22/2025 | HEALTH PARTNERS                |
| 202500256 | W   | 216,429.19 | 12/30/2025 | HEALTH PARTNERS                |
| 202500257 | W   | 109,127.20 | 01/06/2026 | HEALTH PARTNERS                |
| 202500258 | W   | 143,828.47 | 01/12/2026 | HEALTH PARTNERS                |
| 252600249 | A   | 40.00      | 12/10/2025 | AHSENMACHER WINTER, AMY        |
| 252600250 | A   | 96.12      | 12/10/2025 | ANDERSON, CONRAD               |
| 252600251 | A   | 12.50      | 12/10/2025 | BERLIN, KATHERINE              |
| 252600252 | A   | 104.65     | 12/10/2025 | BRANDECKER, LISA               |
| 252600253 | A   | 49.91      | 12/10/2025 | EMERY, HEATHER                 |
| 252600254 | A   | 48.09      | 12/10/2025 | HANLEY, KATHLEEN               |
| 252600255 | A   | 77.73      | 12/10/2025 | HOLLEN, KATHERINE              |
| 252600256 | A   | 1,163.64   | 12/10/2025 | HOLSEN, ERIC                   |
| 252600257 | A   | 4.60       | 12/10/2025 | JAIMES-CASTELLANOS, MARIA      |
| 252600258 | A   | 59.94      | 12/10/2025 | KRUEGER, BRADY                 |
| 252600259 | A   | 59.98      | 12/10/2025 | LOWTHER, LINDSAY               |
| 252600260 | A   | 14.00      | 12/10/2025 | NELSON, FRANKLIN               |
| 252600261 | A   | 14.00      | 12/10/2025 | PEINE, JENNIFER                |
| 252600262 | A   | 91.00      | 12/10/2025 | PETERSON, LORI                 |
| 252600263 | A   | 330.47     | 12/10/2025 | RAASCH, JOHN                   |
| 252600264 | A   | 54.32      | 12/10/2025 | SKELLY, CHRISTOPHER            |
| 252600265 | A   | 46.27      | 12/10/2025 | THERRES, HEIDI                 |
| 252600266 | A   | 47.94      | 12/10/2025 | TOURTELOTTE, NATALIE           |
| 252600267 | A   | 238.65     | 12/10/2025 | WALLACE, MICHELLE              |
| 252600268 | A   | 51.59      | 12/10/2025 | WOHLERS, DARI                  |
| 252600269 | A   | 50.00      | 12/23/2025 | ANDERSON, CONRAD               |
| 252600270 | A   | 16.80      | 12/23/2025 | BRANDECKER, LISA               |
| 252600271 | A   | 108.92     | 12/23/2025 | BRIAN, TIFFANY                 |
| 252600272 | A   | 36.68      | 12/23/2025 | EMERY, HEATHER                 |
| 252600273 | A   | 344.19     | 12/23/2025 | HABER, CHARLOTTE               |
| 252600274 | A   | 150.42     | 12/23/2025 | HUNDT, TODD                    |
| 252600275 | A   | 500.00     | 12/23/2025 | MOEN, PAUL                     |
| 252600276 | A   | 84.84      | 12/23/2025 | PETERSON, LORI                 |
| 252600277 | A   | 46.13      | 12/23/2025 | THERRES, HEIDI                 |
| 252600278 | A   | 90.00      | 12/23/2025 | AHSENMACHER WINTER, AMY        |
| 252600279 | A   | 90.00      | 12/23/2025 | ANDERSON, CHAD                 |
| 252600280 | A   | 90.00      | 12/23/2025 | BASQUILL, THOMAS               |
| 252600281 | A   | 90.00      | 12/23/2025 | BERCHTOLD, JAMIE               |
| 252600282 | A   | 90.00      | 12/23/2025 | BOURG, LEAH                    |
| 252600283 | A   | 90.00      | 12/23/2025 | BRANDECKER, LISA               |
| 252600284 | A   | 90.00      | 12/23/2025 | BRETOI, TERRENCE               |
| 252600285 | A   | 90.00      | 12/23/2025 | CHHOTH, RA                     |
| 252600286 | A   | 90.00      | 12/23/2025 | CHILDS, DANETTE                |
| 252600287 | A   | 90.00      | 12/23/2025 | COOK, CHARLES                  |
| 252600288 | A   | 90.00      | 12/23/2025 | DANIELSON, JENNIFER            |
| 252600289 | A   | 90.00      | 12/23/2025 | FENTON, MARK                   |
| 252600290 | A   | 90.00      | 12/23/2025 | HADJI, NIMO                    |

| CHECK CHE |     | CHECK  |            |                       |
|-----------|-----|--------|------------|-----------------------|
| NUMBER    | TYP | AMOUNT | DATE       | VENDOR                |
| 252600291 | A   | 90.00  | 12/23/2025 | HANSEN, JODY          |
| 252600292 | A   | 45.00  | 12/23/2025 | JACOBS-BUSE, LINDA    |
| 252600293 | A   | 90.00  | 12/23/2025 | KRUEGER, BRADY        |
| 252600294 | A   | 45.00  | 12/23/2025 | LOUGH, LAWRENCE       |
| 252600295 | A   | 90.00  | 12/23/2025 | OCHOCKI, CHARLES      |
| 252600296 | A   | 45.00  | 12/23/2025 | OSTER, PATRICK        |
| 252600297 | A   | 45.00  | 12/23/2025 | PENMAN, MICHELLE      |
| 252600298 | A   | 90.00  | 12/23/2025 | PETERSON, LORI        |
| 252600299 | A   | 45.00  | 12/23/2025 | RYAN, ERIKA           |
| 252600300 | A   | 90.00  | 12/23/2025 | SCHWAB, ROBIN         |
| 252600301 | A   | 90.00  | 12/23/2025 | TAYLOR MINER, MELANEE |
| 252600302 | A   | 90.00  | 12/23/2025 | TOURTELOTTE, NATALIE  |
| 252600303 | A   | 45.00  | 12/23/2025 | VANDERBILT, TONY      |
| 252600304 | A   | 90.00  | 12/23/2025 | WELLS, TRAVIS         |
| 252600305 | A   | 90.00  | 12/23/2025 | ZAMBRENO, BRIAN       |
| 252600306 | A   | 90.00  | 12/23/2025 | ZEHNDER, JEAN         |
| 252600307 | A   | 200.00 | 01/16/2026 | BONK, ANDREW          |
| 252600308 | A   | 300.00 | 01/16/2026 | BOUDREAU, MICHAEL     |
| 252600309 | A   | 50.00  | 01/16/2026 | BRANDNER, DWAIN       |
| 252600310 | A   | 140.50 | 01/16/2026 | BRANDECKER, LISA      |
| 252600311 | A   | 81.41  | 01/16/2026 | BRIAN, TIFFANY        |
| 252600312 | A   | 300.00 | 01/16/2026 | CHALLBERG, ALAN       |
| 252600313 | A   | 33.60  | 01/16/2026 | HANLEY, KATHLEEN      |
| 252600314 | A   | 56.70  | 01/16/2026 | HOWLETT, SHERIN       |
| 252600315 | A   | 211.40 | 01/16/2026 | LITFIN, AMY           |
| 252600316 | A   | 435.68 | 01/16/2026 | MILLER, LEAH          |
| 252600317 | A   | 79.80  | 01/16/2026 | NEU, MEGHAN           |
| 252600318 | A   | 300.00 | 01/16/2026 | RAMIREZ, GREGORY      |
| 252600319 | A   | 350.00 | 01/16/2026 | ROSS, LAWRENCE        |
| 252600320 | A   | 184.73 | 01/16/2026 | RUMPZA, AIMEE         |
| 252600321 | A   | 150.00 | 01/16/2026 | RUNNING, MICHAEL      |
| 252600322 | A   | 50.00  | 01/16/2026 | SHERRY, MATTHEW       |
| 252600323 | A   | 14.00  | 01/16/2026 | VANDERBILT, TONY      |
| 252600324 | A   | 61.67  | 01/16/2026 | WOHLERS, DARI         |

5,487,462.45 Totals for checks

FUND SUMMARY

| <u>FUND</u> | <u>DESCRIPTION</u>      | <u>BALANCE SHEET</u> | <u>REVENUE</u> | <u>EXPENSE</u> | <u>TOTAL</u> |
|-------------|-------------------------|----------------------|----------------|----------------|--------------|
| 01          | GENERAL                 | 1,987,181.17         | 0.00           | 1,517,660.63   | 3,504,841.80 |
| 02          | FOOD SERVICE            | 34,886.29            | 37.50          | 127,255.86     | 162,179.65   |
| 04          | COMMUNITY EDUCATION     | 608,740.80           | 0.00           | 28,045.63      | 636,786.43   |
| 05          | CAPITAL                 | 3,492.55             | 0.00           | 133,008.51     | 136,501.06   |
| 20          | INTERNAL SERVICE        | 0.00                 | 0.00           | 31,989.53      | 31,989.53    |
| 21          | MEDICAL                 | 0.00                 | 0.00           | 1,009,897.98   | 1,009,897.98 |
| 50          | ACTIVITY ACCOUNT        | 5,266.00             | 0.00           | 0.00           | 5,266.00     |
| ***         | Fund Summary Totals *** | 2,639,566.81         | 37.50          | 2,847,858.14   | 5,487,462.45 |

\*\*\*\*\* End of report \*\*\*\*\*

**CHECKRUNS**

| <b>FUND</b> | <b>DESCRIPTION</b>  | <b>December 05 ,2025-<br/>January 21, 2026</b> |                     |
|-------------|---------------------|--|---------------------|
| 1           | GENERAL             | \$   | 3,504,841.80        |
| 2           | FOOD SERVICE        |  | 162,179.65          |
| 4           | COMMUNITY EDUCATION |  | 636,786.43          |
| 5           | CAPITAL             |  | 136,501.06          |
| 7           | DEBT SERVICE        |  | -                   |
| 20          | INTERNAL SERVICE    |  | 31,989.53           |
| 21          | MEDICAL             |  | 1,009,897.98        |
| 50          | ACTIVITY ACCOUNTS   |  | 5,266.00            |
|             | <b>TOTAL</b>        | <b>\$</b>                                      | <b>5,487,462.45</b> |

| <b>PAYROLL</b>         |                     | <b>12/15/2025-01/15/2026</b> |              |
|------------------------|---------------------|------------------------------|--------------|
| Payroll Direct Deposit | 900124079-900124860 | \$                           | 2,861,993.63 |



## School Board Agenda Item

**Date:** January 26, 2026

**Place on Agenda:** Consent Items

**Action Requested:** Approval

**Attachment:** Staffing Report

|  |
|--|
| <b>Topic:</b> Staffing Report  |
| <b>Presenter(s):</b> Board Chair   |
| <b>Background:</b><br><br>The staffing report includes the Appointments, Resignations, Transfers, Retirements, Abolishments, and Leaves being recommended to the School Board for approval.        |
| <b>Recommendation:</b><br><br>Administration recommends approval of the proposed staffing and supplemental staffing as presented.  |
| <b>Alternatives:</b><br><br>Amend the motion to remove a certain appointment, resignation, transfer, retirement, abolishment, or leave. Provide administration with directions for the next steps. |

**VII.A.1 Staff Appointments, Resignations, Retirements, Terminations and Leaves**

**01/26/2026**

**Certified**

A. Appointments/Reassignments

1. Lindsey Peterson- Targeted Services Teacher, Lincoln Center, effective December 9, 2025
2. Erika Nordstrom- Targeted Services Teacher, Lincoln Center, effective December 9, 2025
3. Alyssa Oakman- Speech Language Pathologist, Lincoln Center, 1.0 FTE, MA Step 6, effective January 12, 2026

B. Resignations/Retirements/Leaves/Reductions/Other

1. Connor Murphy- Resignation, Digital Learning Specialist, District Office, effective January 2, 2026
2. Soviatt Loyd - LOA, Teacher, Kaposia, effective January 16, 2026

**ATHLETICS 2025-26**

|                                    |               |
|------------------------------------|---------------|
| Wrestling Volunteer Equipment Mgr. | Larsen, Cary  |
| Wrestling Volunteer Coach          | Diaz, Lorenzo |

**ACTIVITIES & AFFINITY GROUPS 2025-26**

|                          |                |          |
|--------------------------|----------------|----------|
| Show Choir Choreographer | King, Nakeema* | \$892.00 |
|--------------------------|----------------|----------|

**VII.A.2 Staff Appointments, Resignations, Retirements, Terminations and Leaves**

**01/26/2026**

**Classified**

A. Appointments/Reassignments

1. Meredith Tossey-Change to Tech Media Assistant, District Wide, effective January 5, 2026
2. Kevin Kirk- Change to Day Custodian, Step 5, Secondary, \$28.50 an hour, effective December 1, 2025 through TBD
3. Erika Newton- Special Education Assistant, Lincoln Center, \$25.11 an hour, effective December 12, 2025

4. Destiny Buth-Phal- Special Education Assistant, Kaposia, \$25.11 an hour, effective December 17, 2025
5. Frances Gil-Hagberg-User Support Specialist, District Wide, effective January 5, 2026
6. Araya Oase- Nutrition Assistant,Lincoln Center, \$18.63 an hour, effective December 17, 2025
7. Jacob Quiroga- PT Cleaner, Secondary, \$19.78 an hour, effective December 18, 2025
8. Lacey Cardenas- PT Cleaner, Secondary, \$19.78 an hour, effective January 5, 2026
9. Lisa Keith - Education Services and Technology Administrative Assistant, District Office, **\$27.35** an hour, effective January 7, 2026
10. Carmen Caragena- PT Cleaner, Kaposia, \$19.78 an hour, effective December 19, 2025
11. Tessa Walker- Clerical Office Assistant Substitute, District Wide, \$19 an hour, effective December 23, 2025
12. Kenya Williams- Nutrition Assistant, Secondary, \$18.63 an hour, effective January 6 , 2026
13. Leslie Erickson- Clerical Office Assistant Substitute, District Wide, \$19 an hour, effective January 6, 2026
14. Richard Schwab- Clerical Office Assistant Substitute, District Wide, \$19 an hour, effective January 9, 2026
15. Kiely Schultz- Early Learning Assistant Substitute, Kaposia, \$17 an hour, effective January 6, 2026
16. Ashley DePover- Special Education Assistant, Middle School, \$25.11 an hour, effective January 5, 2026
17. Jesse St. John- Special Education Assistant, Lincoln Center, \$25.11 an hour, effective January 12, 2026
18. Martha Nieto- Temporary Student Supervisor, Lincoln Center, \$17.97 an hour, effective January 12 - February 27, 2026
19. Christopher Fondren- PT Cleaner Substitute, District Wide, \$17.45 an hour, effective January 15, 2026
20. Susan Temple- Early Learning Screener, Central Square, \$28 an hour, effective January 22, 2026

A. Resignations/Retirements/Leaves/Reductions/Other

1. Susan Keenan- Resignation, PT Cleaner, Secondary, effective December 5, 2025
2. Cali Mauss- Resignation, SPED Assistant, Middle School, effective December 23, 2025
3. Maria Torrens - LOA, Early Learning Assistant, Lincoln Center, effective January 7, 2026
4. Erik Bjork- Resignation, SPED Assistant, High School, effective December 23, 2025
5. Terie Hanson- Retirement, Fitness Instructor, Central Square, effective February 21, 2026
6. Lori Trandem - LOA, PT Custodian, Lincoln Center, effective January 12, 2026
7. Jennifer Schloesser - LOA, Student Support, Lincoln Center, effective February 6, 2026
8. Christine Gustafson- Retirement, SPED Assistant, Lincoln Center, effective June 5, 2026



## School Board Agenda Item

**Date:** January 26, 2026

**Place on Agenda:** Business Meeting

**Action Requested:** Approval

**Attachment:** None.

**Topic:** Potential May 12, 2026 Special Election

**Presenter(s):** Lisa Brandecker, Manager of Administrative Services and Communications

**Background:**

Administration is recommending that the School Board call a special election on May 12, 2026, to seek voter approval for two ballot questions related to facility funding and long-term financial planning. This recommendation follows several months of Board discussion and aligns with the nearing payoff of the district's 2013 building bond. The resolution calling the special election must be adopted at least 84 days prior to the election date and is contingent upon receipt of a favorable or unfavorable Review and Comment from the Commissioner of Education.

**School District Question 1, Building Bond Authorization**

- As the district's 2013 building bond nears payoff, this proposal creates an opportunity to reinvest in district facilities with a minimal estimated tax impact, approximately \$12 per month for the average \$300,000 home.
- District buildings are aging, and many building systems are at or beyond their expected lifespan, making reinvestment necessary to maintain safe and reliable learning environments.
- The bond proposal would authorize issuance of general obligation school building bonds in an amount not to exceed \$50,000,000 and would focus exclusively on critical facility needs.
- Projects would include improvements to mechanical, plumbing, and electrical systems, roofing and building envelope repairs, fire and life safety systems, accessibility and ADA improvements, lighting, flooring, and interior finishes, as well as safety and ADA compliance improvements to athletic and activity spaces, including Ettinger Field bleachers and Roosevelt tennis courts.
- While this bond would not address all identified facility needs, it would allow the district to make meaningful progress on the most urgent priorities while limiting long-term costs associated with deferred maintenance.

**School District Question 2, Capital Projects Levy Renewal**

- This ballot question would renew the district's existing capital projects levy, which is currently scheduled to expire in 2029.
- The proposed renewal would be effective in 2029 and would maintain the levy at its current rate, resulting in no tax increase to the community.
- Levy funds would continue to support capital needs focused on safety, security, and technology, including security cameras, phone systems, technology infrastructure that supports those systems, and cybersecurity improvements.
- Approval of School District Question 2 is contingent upon the passage of School District Question 1, as required by statute.
- Including the levy renewal in this special election would allow the district to avoid the cost of holding a separate election in future years, reflecting a fiscally responsible approach to long-term planning.

**Recommendation:**

Administration recommends the approval of the Resolution Relating to the Issuance of School Building Bonds and Calling an Election Thereon

**Alternatives:**

Do not approve and direct administration with next steps.

EXTRACT OF MINUTES OF A MEETING  
OF THE SCHOOL BOARD  
OF SPECIAL SCHOOL DISTRICT NO. 6  
(SOUTH ST. PAUL PUBLIC SCHOOLS)  
STATE OF MINNESOTA

HELD: JANUARY 26, 2026

Pursuant to due call and notice thereof, a regular meeting of the School Board of Special School District No. 6 (South St. Paul Public Schools), State of Minnesota, was duly held in the School District on January 26, 2026, at 6:00 o'clock p.m.

Member \_\_\_\_\_ moved the adoption of the following Resolution:

**RESOLUTION RELATING TO AUTHORIZING THE ISSUANCE OF SCHOOL BUILDING BONDS, RENEWING THE EXPIRING CAPITAL PROJECT LEVY AUTHORIZATION OF THE SCHOOL DISTRICT, AND CALLING AN ELECTION THERON**

BE IT RESOLVED by the School Board of Special School District No. 6, State of Minnesota, as follows:

1. The School Board hereby finds and determines that it is necessary and expedient for the School District to borrow money in an aggregate principal amount not to exceed \$50,000,000 and not to exceed any limitation upon the incurring of indebtedness which shall be applicable on the date or dates of the issuance of any bonds, for the purpose of providing funds for the acquisition and betterment of school sites and facilities, including the construction and installation of HVAC and electrical infrastructure improvements at school sites and facilities; remodeling and renovations to locker rooms and restrooms; learning space renovations at school sites and facilities; and the maintenance of activity facilities, including Ettinger Field and the Roosevelt Tennis Courts. The question on the borrowing of funds for these purposes shall be School District Question 1 on the School District ballot at the special election held to approve said authorization.

2. The Board hereby finds and determines that it is also necessary and expedient for the School District to submit a capital project levy authorization to the voters for their approval. This authorization would renew the School District's existing authorization, which is schedule to expire after taxes payable in 2029. The capital project levy authorization will be in the amount of 3.74709208482% times the next tax capacity of the School District, will raise approximately \$1,139,395 for taxes payable in 2030, the first year it is to be levied, and would be authorized for ten years. The estimated total cost of the projects to be funded over that time period is approximately \$11,393,950. The money raised from the capital project levy authorization will

provide funds for the acquisition, installation, replacement, support and maintenance of classroom technology, software, computers, student devices, improved technology systems, networks, infrastructure, instructional technology, safety and security systems, and related training and personnel costs; deferred maintenance projects and the acquisition of curriculum, textbooks and materials. The program will be commenced prior to May 12, 2031, which date is not more than five (5) years from the date of the special election authorizing the approval of the capital project levy authorization. The question on the approval of the capital project levy authorization shall be School District Question 2 on the School District ballot at the special election held to approve said authorization.

3. The administration of the School District is hereby authorized and directed to consult with the Minnesota Department of Education and cause a proposal to be prepared and submitted to the Commissioner of Education for the Commissioner's Review and Comment on behalf of the School Board, and to take such other actions as necessary to comply with the provisions of Minnesota Statutes, Section 123B.71, as amended. Any such actions taken by the administration prior to the date of this resolution are hereby ratified, confirmed, and approved in all respects. The actual holding of the special election on School District Question 1 and School District Question 2 specified above shall be contingent upon the receipt of a positive or unfavorable (provided applicable statutory requirements are met) Review and Comment from the Commissioner of Education on the projects included in those questions.

4. The Clerk is hereby authorized and directed to cause the Commissioner's Review and Comment to be published in the legal newspaper of the School District at least forty-eight (48) but not more than seventy (70) days prior to the date of the special election specified below.

5. The School Board must hold a public meeting to discuss the Commissioner's Review and Comment before the referendum for bonds.

6. The ballot questions specified above shall be submitted to the qualified voters of the School District at a special election, which is hereby called and directed to be held on Tuesday, May 12, 2026, between the hours of 7:00 o'clock a.m. and 8:00 o'clock p.m. This date is a uniform election date specified in Minnesota Statutes, Section 205A.05.

7. Pursuant to Minnesota Statutes, Section 205A.11, the School District's combined polling place and the precincts served by the combined polling place, as previously established and designated by a resolution of the School Board, is hereby designated for this special election. In the event a municipality located in whole or in part within the boundaries of the School District will also be conducting a municipal election on May 12, 2026, any affected School District voters will vote at their respective municipal polling locations and not the School District's combined polling place.

8. The Clerk is hereby authorized and directed to prepare a notice to any voters who will be voting at a combined polling place for this special election. The notice must be sent by nonforwardable mail to every affected household in the School District with at least one registered voter. The notice must be mailed no later than fourteen (14) days before the date of the election. A notice that is returned as undeliverable must be forwarded immediately to the appropriate county

auditor. The notice must include the following information: the date of the election, the hours of voting and the location of the voter's polling place. This notice may be in the same form as the notice of special election to be published and posted.

9. The Clerk is hereby authorized and directed to cause written notice of said special election to be given to: (i) the county auditor of each county in which the School District is located, in whole or in part, at least eighty-four (84) days prior to the date of said election; and (ii) the Commissioner of Education at least seventy-four (74) days prior to the date of said election. The notice shall specify the date of said special election and the title and language for each ballot question to be voted on at said special election. Any notice given prior to the date of the adoption of this resolution is ratified and confirmed in all respects.

10. The Clerk is hereby authorized and directed to cause notice of said special election to be posted for public inspection at the administrative offices of the School District at least ten (10) days before the date of said special election.

11. The Clerk is hereby authorized and directed to cause a sample ballot to be posted at the administrative offices of the School District for public inspection at least four (4) days before the date of said special election and to cause a sample ballot to be posted in the combined polling place on election day. The sample ballots shall not be printed on the same color paper as the official ballot.

12. The Clerk is hereby authorized and directed to cause notice of said special election to be published in the official newspaper of the School District, for two (2) consecutive weeks with the last publication being at least one (1) week before the date of said election. The notice of election so posted and published shall state each question to be submitted to the voters as set forth in the form of ballot below, and shall include information concerning each established precinct and polling place.

13. The Clerk is hereby authorized and directed to cause the rules and instructions for use of the optical scan voting system to be posted in the combined polling place on election day.

14. The Clerk is authorized and directed to acquire and distribute such election materials as may be necessary for the proper conduct of this special election and generally to cooperate with election authorities conducting other elections on that date. The Clerk and members of the administration are authorized and directed to take such actions as may be necessary to coordinate this election with those other elections, including entering into agreements or understandings with appropriate officials regarding preparation, distribution and chain of custody of ballots, the administration of absentee voting, election administration and cost sharing.

15. The Clerk and members of the administration are further authorized and directed to cause a ballot to be prepared for use at said election in substantially the following form, with such changes in form, color, instructions, and content as may be necessary to accommodate an optical scan voting system, to correct typographical errors, or to comply with the form and content requirements of applicable state election laws:

# Special Election Ballot

## Special School District No. 6 (South St. Paul Public Schools)

May 12, 2026

---

### Instructions to Voters:

To vote, completely fill in the oval(s) next to your choice(s) like this: .

---

To vote for a question, fill in the oval next to the word "Yes" on that question.  
To vote against a question, fill in the oval next to the word "No" on that question.

---

### School District Question 1 Approval of School District Bond Issue

**Yes**

**No**

Shall the school board of Special School District No. 6 (South St. Paul Public Schools) be authorized to issue its general obligation school building bonds in an amount not to exceed \$50,000,000 to provide funds for the acquisition and betterment of school sites and facilities, including the construction and installation of HVAC and electrical infrastructure improvements at school sites and facilities; remodeling and renovations to locker rooms and restrooms; learning space renovations at school sites and facilities; and the maintenance of activity facilities, including Ettinger Field and the Roosevelt Tennis Courts?

**BY VOTING "YES" ON THIS BALLOT QUESTION, YOU  
ARE VOTING FOR A PROPERTY TAX INCREASE.**

---

**School District Question 2  
Renewal of Expiring Capital Project Levy  
Authorization**

The school board of Special School District No. 6 (South St. Paul Public Schools) has also proposed to renew the school district's existing capital project levy authorization of 3.74709208482% times the net tax capacity of the school district, which is scheduled to expire after taxes payable in 2029. The money raised from the capital project levy authorization will provide funds for the acquisition, installation, replacement, support and maintenance of classroom technology, software, computers, student devices, improved technology systems, networks, infrastructure, instructional technology, safety and security systems, and related training and personnel costs; deferred maintenance projects and the acquisition of curriculum, textbooks and materials. The proposed capital project levy authorization will raise approximately \$1,139,395 for taxes payable in 2030, the first year it is to be levied, and would be authorized for ten years. The estimated total cost of the projects to be funded over that time period is approximately \$11,393,950. The projects have received a positive Review and Comment from the Commissioner of Education.

**Yes**

Shall the capital project levy authorization proposed by the school board of Special School District No. 6 be approved?

**No**

**BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING TO RENEW AN EXISTING CAPITAL PROJECTS REFERENDUM THAT IS SCHEDULED TO EXPIRE.**

---

16. Optical scan ballots must be printed in black ink on white material, except that marks to be read by the automatic tabulating equipment may be printed in another color ink. The name of the precinct and machine-readable identification must be printed on each ballot. Voting instructions must be printed at the top of the ballot on each side that includes ballot information. The instructions must include an illustration of the proper mark to be used to indicate a vote. Lines for initials of at least two election judges must be printed on one side of the ballot so that the judges' initials are visible when the ballots are enclosed in a secrecy sleeve.

17. If the School District will be contracting to print the ballots for this special election, the Clerk is hereby authorized and directed to prepare instructions to the printer for layout of the ballot. Before a contract in excess of \$1,000 is awarded for printing ballots, the printer, at the request of the election official, shall furnish, in accordance with Minnesota Statutes, Section 204D.04, a sufficient bond, letter of credit or certified check acceptable to the Clerk in an amount not less than \$1,000 conditioned on printing the ballots in conformity with the Minnesota election law and the instructions delivered. The Clerk shall set the amount of the bond, letter of credit, or certified check in an amount equal to the value of the purchase.

18. The Clerk is hereby authorized and directed to provide for testing of the optical scan voting system at least three (3) days before voting equipment is used. The Clerk shall cause notice of the time and place of the test to be given at least two (2) days in advance by publishing the Notice of Testing once in the official newspaper and by causing the notice to be posted in the office of the county auditor, the administrative offices of the School District, and the office of any other local election official conducting the test.

19. The Clerk is hereby authorized and directed to cause notice of the location of the counting center or the place where the ballots will be counted to be published in the official newspaper at least once during the week preceding the week of the election and in the newspaper of widest circulation once on the day preceding the election, or once the week preceding the election if the newspaper is a weekly.

20. As required by Minnesota Statutes, Section 203B.121, the School Board hereby establishes a ballot board to process, accept and reject absentee ballots at School District elections not held in conjunction with the state primary or state general election or that are conducted by a municipality on behalf of the School District and generally to carry out the duties of a ballot board as provided by Section 203B.121 and other applicable laws. The ballot board must consist of a sufficient number of election judges. The ballot board may include deputy county auditors and deputy city clerks who have received training in the processing and counting of absentee ballots. The Clerk or the Clerk's designee is hereby authorized and directed to appoint the members of the ballot board. The Clerk or the Clerk's designee shall establish, maintain and update a roster of members appointed to and currently serving on the ballot board and shall report to the School Board from time to time as to its status. Each member of the ballot board shall be paid reasonable compensation for services rendered during an election at the same rate as other election judges; provided, however, if a staff member is already being compensated for regular duties, additional compensation shall not be paid for ballot board duties performed during that staff member's duty day. Each member of the ballot board must be provided adequate training on the processing and counting of absentee ballots, including but not limited to instruction on accepting and rejecting

absentee ballots, storage of absentee ballots, timelines and deadlines, the role of the ballot board, procedures for opening absentee ballot envelopes, procedures for counting absentee ballots, and procedures for reporting absentee ballot totals.

21. If the capital project levy authorization proposed in School District Question 2 is approved, a capital project referendum account shall be created as a separate account in the general fund of the School District. All proceeds from the capital project levy must be deposited in the capital project referendum account. Interest income attributable to the capital project referendum account must be credited to the capital project referendum account. Money in the capital project referendum account may be used only for the costs of acquisition and betterment of the approved projects. The funds in the capital project referendum account may be accumulated and not be expended until sufficient funds are available, may be accumulated and not be expended until additional funds from a bond issue are available, or may be expended on an ongoing basis for approved project costs. Any funds remaining in the capital project referendum account that are not applied to the payment of the costs of the approved projects before their final completion shall be transferred to the School District's debt redemption fund.

22. The Clerk is hereby authorized and directed to begin assembling names of trained election judges to serve at the combined polling place during the special election. The election judges shall act as clerks of election, count the ballots cast and submit the results to the School Board for canvass in the manner provided for other School District elections. The election must be canvassed between the third and the tenth day following the election.

23. The Clerk shall make all Campaign Financial Reports required to be filed with the School District under Minnesota Statutes, Section 211A.02 available on the School District's website. The Clerk must post the report on the School District's website as soon as possible, but no later than thirty (30) days after the date of the receipt of the report. The School District must make a report available on the School District's website for four years from the date the report was posted to the website. The Clerk must also provide the Campaign Finance and Public Disclosure Board with a link to the section of the website where reports are made available.

The motion for the adoption of the foregoing resolution was duly seconded by

\_\_\_\_\_. On a roll call vote, the following voted in favor:

and the following voted against:

whereupon said resolution was declared duly passed and adopted.



## School Board Agenda Item

**Date:** Monday, January 26, 2026

**Place on Agenda:** Regular Meeting

**Action Requested:** Approval

**Attachment:** PowerPoint Presentation  
June 30, 2025, Financial Statement  
June 30, 2025, Management Report

|   |
|---|
| <b>Topic:</b> Approval 2024-25 Final Audit Results  |
| <b>Presenter(s):</b> Ra Chhoth, Executive Director of Finance and Operations  |
| <b>Background:</b><br><br>Attached are the Financial Statements and Management Report for the fiscal year ended June 30, 2025. The District received an unmodified, or “clean,” opinion on its financial statements.<br><br>Aaron Nielsen, the District’s independent auditor from LB Carlson, reviewed these materials during the prior work session. This evening, the Board will be asked to formally approve the 24-25 audit. |
| <b>Recommendation:</b><br><br>Approve the FY 24-25 audit report.  |
| <b>Alternatives:</b><br><br>None  |



South St. Paul  
Public Schools

# Audit Summary and Key Findings

Ra Chhoth, Executive Director Finance and  
Operations

# Audit Opinion and Internal Control Findings

## Unmodified Audit Opinion

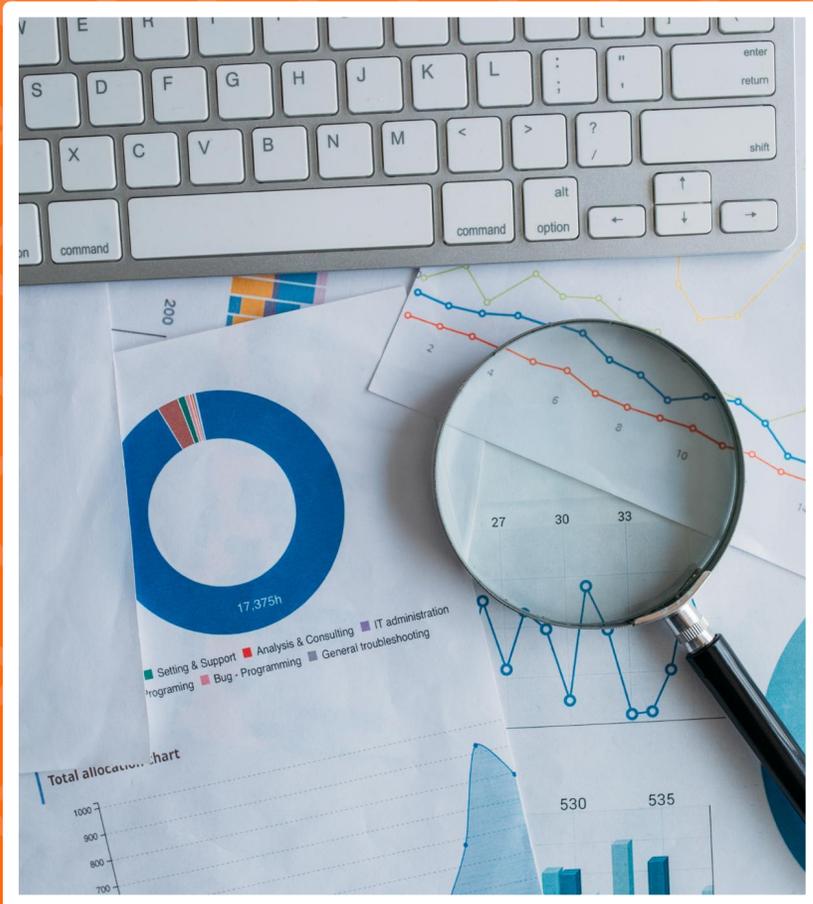
The District's financial statements received an unmodified opinion, confirming compliance with accounting standards and transparency.

## Internal Control Weaknesses

Two material weaknesses include limited segregation of duties and delays in monthly reconciliations due to staff turnover.

## Compliance and Accounting Updates

Audit confirmed compliance with standards and laws; GASB 101 implementation improved liability reporting accuracy.



| Year | Adjusted ADM | Pupil Units |
|------|--------------|-------------|
| 2016 | 3,508        | 3,813       |
| 2017 | 3,525        | 3,836       |
| 2018 | 3,486        | 3,801       |
| 2019 | 3,419        | 3,723       |
| 2020 | 3,289        | 3,587       |
| 2021 | 3,102        | 3,398       |
| 2022 | 3,029        | 3,323       |
| 2023 | 2,926        | 3,216       |
| 2024 | 2,818        | 3,089       |
| 2025 | 2,804        | 3,069       |

# ADM Trends and Impact on Funding

# Fund Balance and Financial Position

|  | June 30,            |                     |                     |                      |                      |
|--|---------------------|---------------------|---------------------|----------------------|----------------------|
|  | 2021                | 2022                | 2023                | 2024                 | 2025                 |
| Nonspendable fund balances                                       | \$ -                | \$ -                | \$ -                | \$ 103,663           | \$ 8,440             |
| Restricted fund balances (1)                                     | 870,719             | 2,390,529           | 3,007,734           | 3,054,752            | 4,254,762            |
| Unrestricted fund balances                                       |                     |                     |                     |                      |                      |
| Assigned   | 1,345,563           | 1,047,952           | 1,814,872           | 2,778,601            | 2,675,000            |
| Unassigned   | 3,924,141           | 4,830,115           | 4,866,864           | 8,114,647            | 8,427,066            |
| Total fund balances  | <u>\$ 6,140,423</u> | <u>\$ 8,268,596</u> | <u>\$ 9,689,470</u> | <u>\$ 14,051,663</u> | <u>\$ 15,365,268</u> |
| Unrestricted fund balances as a percentage of total expenditures | <u>11.9%</u>        | <u>12.9%</u>        | <u>14.6%</u>        | <u>21.7%</u>         | <u>21.0%</u>         |
| Unassigned fund balances as a percentage of total expenditures   | <u>8.9%</u>         | <u>10.6%</u>        | <u>10.6%</u>        | <u>16.1%</u>         | <u>15.9%</u>         |

(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.

SPECIAL SCHOOL DISTRICT NO. 6  
SOUTH ST. PAUL, MINNESOTA

Financial Statements and  
Supplementary Information

Year Ended  
June 30, 2025



Certified Public Accountants Business Consultants

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SPECIAL SCHOOL DISTRICT NO. 6

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INTRODUCTORY SECTION

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SPECIAL SCHOOL DISTRICT NO. 6

School Board and Administration  
Year Ended June 30, 2025

**SCHOOL BOARD**

|              | <u>Board Position</u> |
|--------------|-----------------------|
| Kim Humann   | Chair                 |
| Anne Claflin | Vice Chair            |
| Paul Cumings | Treasurer             |
| Wendy Felton | Clerk                 |
| Ryan Duffy   | Director              |
| Tim Felton   | Director              |
| Monica Weber | Director              |

**ADMINISTRATION**

|                |   |
|----------------|---|
| Brian Zambreno | Superintendent of Schools                 |
| Ra Chhoth      | Finance and Operations Executive Director |

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FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of  
Special School District No. 6  
South St. Paul, 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 Special School District No. 6 (the District) as of and for the year ended June 30, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

#### **BASIS FOR OPINIONS**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and 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.

#### **EMPHASIS OF MATTER**

##### ***Change in Accounting Principle***

As described in Note 1 of the notes to basic financial statements, in fiscal 2025, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

(continued)

## 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 12 months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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.

(continued)

## **REQUIRED SUPPLEMENTARY INFORMATION**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB, 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 RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's 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 accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table is presented for purposes of additional analysis as required by the Minnesota Department of Education, and is also not a required part of the basic financial statements of the District. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the UFARS Compliance Table 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 and other district information sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the 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.

## **PRIOR YEAR COMPARATIVE INFORMATION**

Malloy, Montague, Karnowski, Radosevich & Co., P.A. previously audited the District's 2024 financial statements and expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in their report dated October 22, 2024. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

(continued)

**OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025 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, 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.

Respectfully submitted,

A handwritten signature in black ink that reads "LB Carlson, LLP". The signature is written in a cursive, professional style.

LB CARLSON, LLP  
Minneapolis, Minnesota

December 30, 2025

## SPECIAL SCHOOL DISTRICT NO. 6

### Management's Discussion and Analysis Year Ended June 30, 2025

This section of Special School District No. 6's (the District) annual financial statements presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2025. Please read it in conjunction with the other components of the District's annual financial statements.

#### **FINANCIAL HIGHLIGHTS**

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of June 30, 2025 by \$11,194,403. The District's total net position increased by \$7,334,377 from operations in the current year, not including the change in accounting principle discussed below.
- Government-wide revenues totaled \$63,754,350 and were \$7,334,377 more than expenses of \$56,419,973.
- The District adopted new accounting guidance for compensated absences in the current year, which reduced beginning net position by \$5,607,843. This change is further described in Note 1 of the notes to basic financial statements.
- The General Fund's total fund balance (under the governmental fund presentation) increased by \$1,313,605 from the prior year, compared to an increase of \$274,938 planned in the budget.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual financial statements consists of the following parts:

- Independent Auditor's Report;
- Management's discussion and analysis;
- Basic financial statements, including the government-wide financial statements, fund financial statements, and the notes to basic financial statements;
- Required supplementary information; and
- Supplementary information consisting of combining and individual fund financial statements and schedules.

The following explains the two types of statements included in the basic financial statements:

#### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements (Statement of Net Position and Statement of Activities) 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 financial statements report the District's *net position* and how it has changed. Net position—the difference between the District's assets, deferred outflows of resources, 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 indicators of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District requires consideration of additional nonfinancial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements the District's activities are all shown in one category titled "governmental activities." These activities, including regular and special education instruction, transportation, administration, food service, and community education, are primarily financed with state aids and property taxes.

## FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds, rather than the District as a whole. Funds (Food Service Special Revenue and Community Service Special Revenue) that do not meet the threshold to be classified as major funds are called nonmajor funds. Detailed financial information for nonmajor funds can be found in the supplementary information section.

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. For Minnesota schools, funds are established in accordance with Uniform Financial Accounting and Reporting Standards in accordance with statutory requirements and accounting principles generally accepted in the United States of America. Some funds are required by state law and by bond covenants. The District can establish other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The District maintains the following types of funds:

**Governmental Funds** – 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 fund financial statements provide a detailed *short-term* view that helps to determine whether there are more or less 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 government-wide financial statements, we provide additional information (reconciliation schedules) immediately following the governmental fund financial statements that explain the relationship (or differences) between these two types of financial statement presentations.

**Proprietary Funds** – The District maintains one type of proprietary fund. The internal service funds are used as an accounting device to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for the self-insurance activities of district employees' dental and medical claims, and its other post-employment benefits (OPEB) liabilities. These services have been included within governmental activities in the government-wide financial statements. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1 is a summarized view of the District's Statement of Net Position:

|  | 2025          | 2024          |
|--|---------------|---------------|
| <b>Assets</b>  |               |               |
| Current and other assets                             | \$ 56,208,179 | \$ 53,038,658 |
| Capital assets, net of depreciation/amortization     | 39,531,418    | 39,141,609    |
| Total assets   | \$ 95,739,597 | \$ 92,180,267 |
| <b>Deferred outflows of resources</b>                |               |               |
| Pension plan deferments                              | \$ 6,683,588  | \$ 7,040,601  |
| OPEB plan deferments                                 | 710,412       | 563,752       |
| Total deferred outflows of resources                 | \$ 7,394,000  | \$ 7,604,353  |
| <b>Liabilities</b>                                   |               |               |
| Current and other liabilities                        | \$ 7,414,666  | \$ 6,565,762  |
| Long-term liabilities, including due within one year | 56,684,971    | 61,050,562    |
| Total liabilities                                    | \$ 64,099,637 | \$ 67,616,324 |
| <b>Deferred inflows of resources</b>                 |               |               |
| Property taxes levied for subsequent year            | \$ 14,824,553 | \$ 14,593,342 |
| Pension plan deferments                              | 9,531,776     | 4,606,616     |
| OPEB plan deferments                                 | 3,483,228     | 3,500,469     |
| Total deferred inflows of resources                  | \$ 27,839,557 | \$ 22,700,427 |
| <b>Net position</b>                                  |               |               |
| Net investment in capital assets                     | \$ 17,729,999 | \$ 14,501,534 |
| Restricted   | 7,266,414     | 5,776,074     |
| Unrestricted   | (13,802,010)  | (10,809,739)  |
| Total net position                                   | \$ 11,194,403 | \$ 9,467,869  |

The District's financial position is the product of many factors. For example, the determination of the District's net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation and amortization amounts. A conservative versus liberal approach to depreciation and amortization estimates, as well as capitalization policies, will produce a significant difference in the calculated amounts. Another major factor in determining net position as compared to fund balances are the liabilities for long-term pension, OPEB, and compensated absences, which impact the unrestricted portion of net position.

The District's increase in net investment in capital assets is due mostly to the relationship between the rate at which the District's capital assets are being added, depreciated/amortized, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. The District's increase in net position restricted for debt service, food service, community service, and other state funding restrictions contributed to the change in restricted net position. The change in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans contributed to the change in deferred outflows, long-term liabilities, deferred inflows, and unrestricted net position. Positive operations in the General Fund and combined internal service funds partially offset the decrease in unrestricted net position due to the change in accounting principle for compensated absences.

Table 2 presents a summarized version of the District’s Statement of Activities:

| <b>Table 2</b>   |               |              |
|--|---------------|--------------|
| <b>Summary Statement of Activities</b>                     |               |              |
| <b>for the Years Ended June 30, 2025 and 2024</b>          |               |              |
|  | 2025          | 2024         |
| <b>Revenues</b>  |               |              |
| Program revenues   |               |              |
| Charges for services                                       | \$ 1,586,172  | \$ 1,616,196 |
| Operating grants and contributions                         | 12,556,226    | 11,886,214   |
| General revenues   |               |              |
| Property taxes   | 15,210,672    | 15,150,665   |
| General grants and aids                                    | 31,791,982    | 32,513,703   |
| Other  | 2,609,298     | 2,699,155    |
| Total revenues   | 63,754,350    | 63,865,933   |
| <b>Expenses</b>  |               |              |
| Administration   | 1,669,685     | 1,378,956    |
| District support services                                  | 2,657,647     | 2,589,598    |
| Elementary and secondary regular instruction               | 20,469,255    | 18,190,771   |
| Vocational education instruction                           | 234,291       | 188,712      |
| Special education instruction                              | 10,979,419    | 9,175,453    |
| Instructional support services                             | 4,072,290     | 3,296,190    |
| Pupil support services                                     | 4,668,826     | 4,033,285    |
| Sites and buildings  | 4,764,732     | 4,823,508    |
| Fiscal and other fixed cost programs                       | 358,803       | 333,884      |
| Food service   | 2,075,942     | 2,139,738    |
| Community service  | 2,186,999     | 2,036,031    |
| Depreciation/amortization not allocated to other functions | 1,693,127     | 1,565,447    |
| Interest and fiscal charges                                | 588,957       | 726,870      |
| Total expenses   | 56,419,973    | 50,478,443   |
| Change in net position                                     | 7,334,377     | 13,387,490   |
| Net position – beginning, as previously reported           | 9,467,869     | (3,919,621)  |
| Change in accounting principle                             | (5,607,843)   | –            |
| Net position – beginning, restated                         | 3,860,026     | (3,919,621)  |
| Net position – ending                                      | \$ 11,194,403 | \$ 9,467,869 |

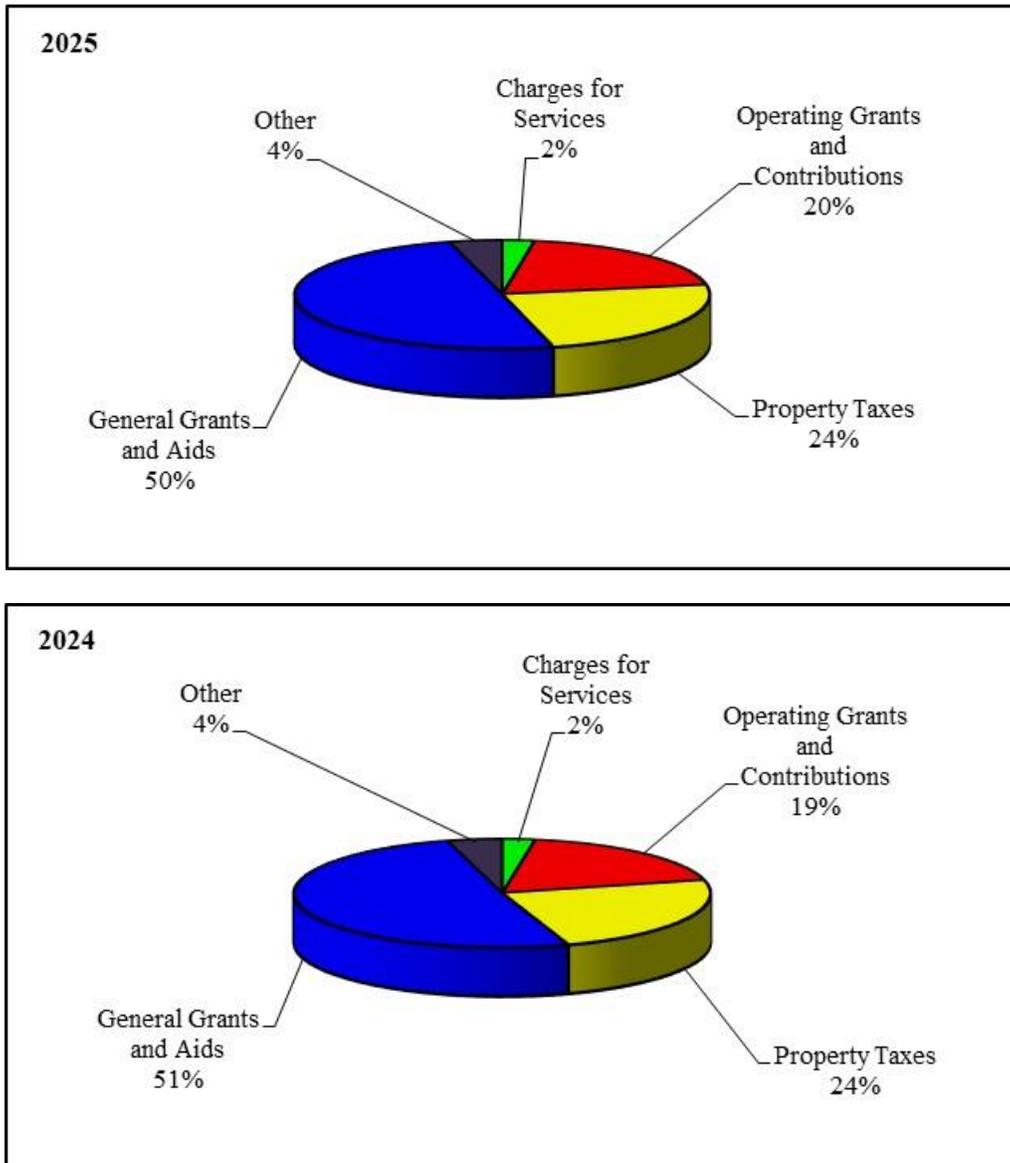
This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation and amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

Revenues decreased \$111,583 in the current year. Funding improvements in state special education funding and the basic formula allowance were offset with fewer students served in the current year and the end of several federal pandemic grants.

Expenses increased by \$5,941,530, mainly in elementary and secondary regular instruction and special education. The increase was due to contractual settlements, natural inflationary increases, and changes in pension expense for the District’s participation in two state-wide pension plans.

Figure A shows further analysis of these revenue sources:

**Figure A – Sources of Revenues for Fiscal Years 2025 and 2024**

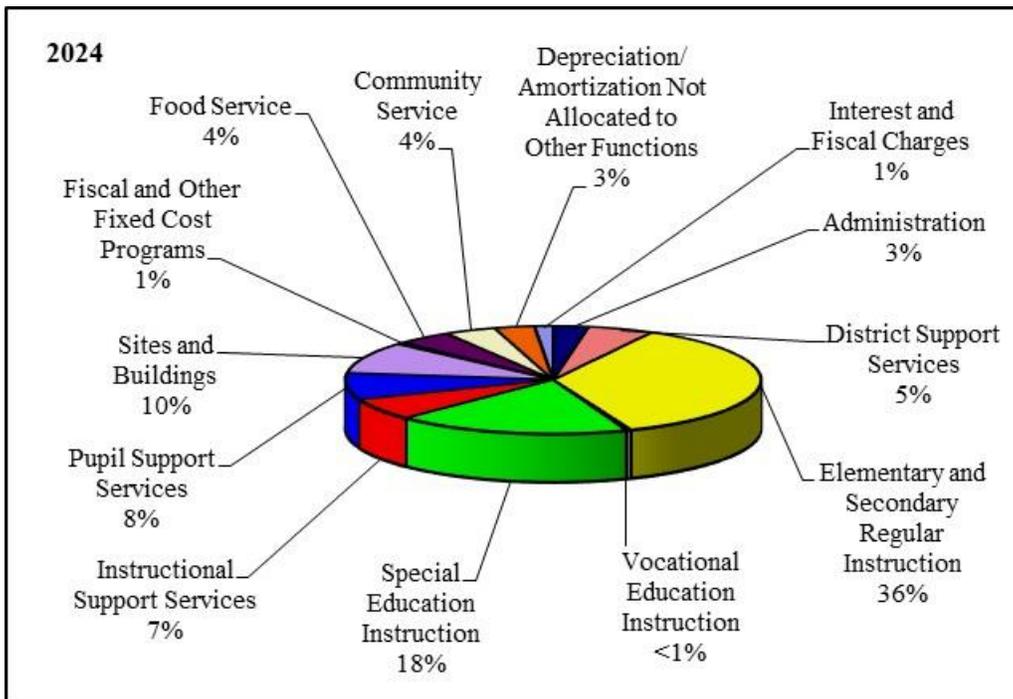
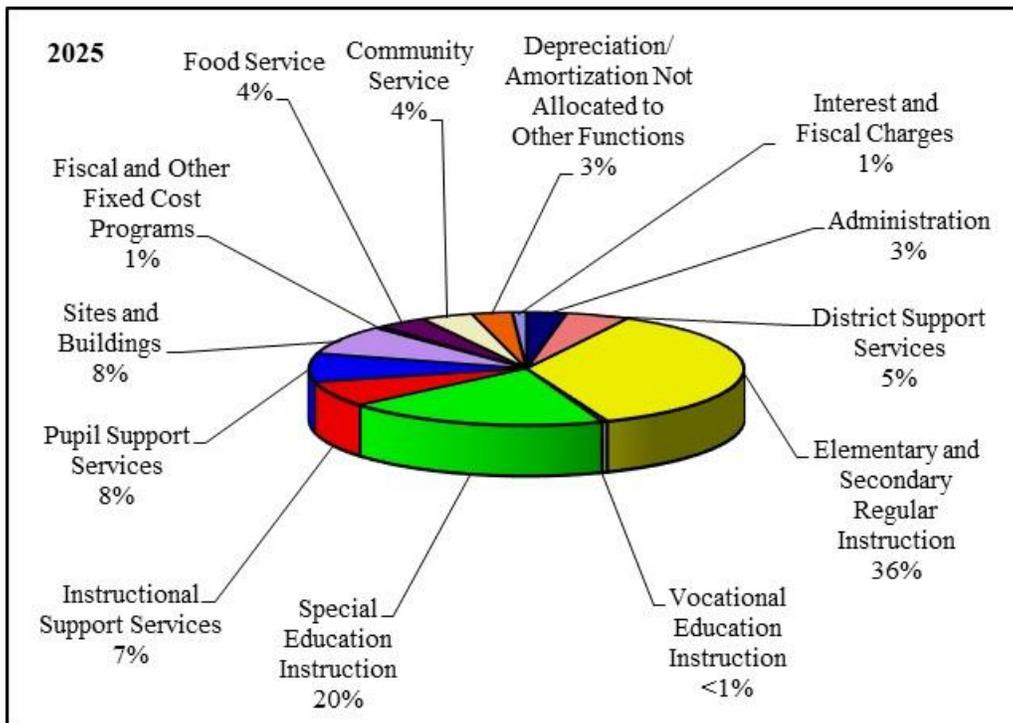


The largest share of the District's revenue is received from the state, including the general education aid formula and most of the operating grants.

Property taxes are generally the next largest source of funding. The level of revenue property tax sources provide is not only dependent on district taxpayers by way of operating and building referenda, but also by decisions made by the Legislature in the mix of state aid and local effort in a variety of funding formulas.

Figure B shows further analysis of these expense functions:

**Figure B – Expenses for Fiscal Years 2025 and 2024**



The District’s expenses are predominately related to educating students. Programs (or functions), such as elementary and secondary regular instruction, vocational education instruction, special education instruction, and instructional support services, are directly related to classroom instruction, while the rest of the programs support instruction and other necessary costs to operate the District. The District continues to see increases in costs and demands for services within special education instruction, contributing to the change in this functional category.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District is also reflected in its governmental funds. Table 3 shows the change in total fund balances of each of the District's governmental funds:

|                                   | <u>2025</u>              | <u>2024</u>              | <u>Change</u>           |
|-----------------------------------|--------------------------|--------------------------|-------------------------|
| Major funds                       |                          |                          |                         |
| General                           | \$ 15,365,268            | \$ 14,051,663            | \$ 1,313,605            |
| Debt Service                      | 938,350                  | 820,156                  | 118,194                 |
| Nonmajor funds                    |                          |                          |                         |
| Food Service Special Revenue      | 1,445,757                | 1,243,211                | 202,546                 |
| Community Service Special Revenue | <u>911,168</u>           | <u>892,098</u>           | <u>19,070</u>           |
| <br>Total governmental funds      | <br><u>\$ 18,660,543</u> | <br><u>\$ 17,007,128</u> | <br><u>\$ 1,653,415</u> |

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance, which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's School Board.

As of June 30, 2025, the District's governmental funds reported combined fund balances of \$18,660,543, an increase of \$1,653,415 in comparison with the prior year. Approximately 45.2 percent of this amount (\$8,427,066) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either nonspendable, restricted, or assigned to indicate that it is: 1) not in spendable form (\$46,870), 2) restricted for particular purposes (\$7,511,607), or 3) assigned for particular purposes (\$2,675,000).

Changes in the table above are discussed on the following pages.

**ANALYSIS OF THE GENERAL FUND**

Table 4 summarizes the amendments to the General Fund budget:

| <b>Table 4<br/>General Fund<br/>Budget</b> |                        |                      |                     |                       |
|--|------------------------|----------------------|---------------------|-----------------------|
|  | <u>Original Budget</u> | <u>Final Budget</u>  | <u>Change</u>       | <u>Percent Change</u> |
| Revenue                                    | <u>\$ 50,967,027</u>   | <u>\$ 52,256,927</u> | <u>\$ 1,289,900</u> | <u>2.5%</u>           |
| Expenditures                               | <u>\$ 50,950,894</u>   | <u>\$ 51,981,989</u> | <u>\$ 1,031,095</u> | <u>2.0%</u>           |

The District is required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget. During the year, the District amended the budget for known significant changes in circumstances, such as: updated enrollment estimates, legislative changes, additional funding received from grants or other local sources, staffing changes, employee contract settlements, insurance premium changes, special education tuition changes, or for new debt issued.

Table 5 summarizes the operating results of the General Fund:

| <b>Table 5<br/>General Fund<br/>Operating Results</b> |                     |                                      |                |                                    |                |
|---|---------------------|--------------------------------------|----------------|------------------------------------|----------------|
|   | <u>2025 Actual</u>  | <u>Over (Under)<br/>Final Budget</u> |                | <u>Over (Under)<br/>Prior Year</u> |                |
|   |                     | <u>Amount</u>                        | <u>Percent</u> | <u>Amount</u>                      | <u>Percent</u> |
| Revenue   | \$ 54,011,596       | \$ 1,754,669                         | 3.4%           | \$ (574,989)                       | (1.1%)         |
| Expenditures  | <u>52,985,643</u>   | <u>1,003,654</u>                     | 1.9%           | <u>2,720,008</u>                   | 5.4%           |
| Excess (deficiency) of revenue<br>over expenditures   | 1,025,953           | 751,015                              |                | (3,294,997)                        |                |
| Other financing sources                               | <u>287,652</u>      | <u>287,652</u>                       |                | <u>246,409</u>                     |                |
| Net change in fund balances                           | <u>\$ 1,313,605</u> | <u>\$ 1,038,667</u>                  |                | <u>\$ (3,048,588)</u>              |                |

The fund balance of the General Fund increased \$1,313,605, compared to an increase of \$274,938 approved in the final budget.

All broad revenue source categories were favorably over the amended projection due in part to conservative budget assumptions adopted. Property taxes and other local sources (including investment earnings) were over budget by \$206,481 and \$360,508, respectively. State sources were over budget by \$626,303, while federal sources were over budget by \$561,377. State general education funding and new categorical grants accounted for the variance in state aids compared to budget. The District utilized more federal grant entitlement than anticipated accounting for the favorable variance to budget. Revenues were down compared to the prior year. The decrease was largely due to the end of several pandemic-related federal grants that ended in the prior year.

General Fund expenditures were over budget by \$1,003,654, or 1.9 percent, as seen in the previous table, with the variance spread across several programs and object categories. Budget variances by program occurred with changes in staffing to match program needs while budgeted in other program areas. Purchased services spending exceeded budget in special education instruction and pupil support services. Capital spending was also more than anticipated within the function of sites and building. Inflationary increases more than anticipated and delays in project start dates contributed actual spending exceeding expectations. Expenditures increased from the prior year, with the largest increases in special education instruction and sites and buildings.

## **COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER FUNDS**

### **Debt Service Fund**

The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. Debt Service Fund revenues were more than expenditures by \$118,194 in the current year. The year-end fund balance of \$938,350 as of June 30, 2025, is available for meeting future debt service obligations.

### **Other Governmental Funds**

The Food Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing fund balance by \$202,546, compared to a planned fund balance reduction of \$64,449. This favorable variance was largely a result of conservative budget assumptions for revenues.

The Community Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing fund balance by \$19,070, compared to a planned fund balance increase of \$12,421. Overall revenues were over budget by \$307 while expenditures were under budget by \$6,342.

### **Internal Service Funds**

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District currently maintains internal service funds to account for the District's self-insured dental plan, the District's self-insured medical plan, and the District's OPEB obligations.

The combined total net position balance for the internal service funds as of June 30, 2025, was \$7,459,019. Current-year operations increased net position by \$884,854, mainly in the Other Post-Employment Benefits Fund.

## CAPITAL ASSETS AND LONG-TERM LIABILITIES

### Capital Assets

Table 6 shows the District’s capital assets, together with changes from the previous year. The table also shows the total depreciation/amortization expense for fiscal years ended June 30, 2025 and 2024.

|  | <u>2025</u>                 | <u>2024</u>                 | <u>Change</u>            |
|--|-----------------------------|-----------------------------|--------------------------|
| Land                                       | \$ 1,646,893                | \$ 1,646,893                | \$ –                     |
| Buildings                                  | 56,174,515                  | 56,174,515                  | –                        |
| Building improvements                      | 7,138,816                   | 6,480,230                   | 658,586                  |
| Furniture and equipment                    | 7,958,557                   | 6,548,191                   | 1,410,366                |
| Technology subscriptions                   | 336,134                     | 242,429                     | 93,705                   |
| Less accumulated depreciation/amortization | <u>(33,723,497)</u>         | <u>(31,950,649)</u>         | <u>(1,772,848)</u>       |
| <b>Total</b>                               | <u><u>\$ 39,531,418</u></u> | <u><u>\$ 39,141,609</u></u> | <u><u>\$ 389,809</u></u> |
| Depreciation/amortization expense          | <u><u>\$ 1,772,848</u></u>  | <u><u>\$ 1,565,447</u></u>  | <u><u>\$ 207,401</u></u> |

By the end of 2025, the District had invested in a broad range of capital assets, including school buildings, athletic facilities, and other equipment for various instructional programs (see Table 6).

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2025, including the capital spending in the General Fund and Food Service Special Revenue Fund.

The District defines capital assets as those with an initial, individual cost of \$3,000 or more, which benefit more than one fiscal year.

Additional details about capital assets can be found in the notes to basic financial statements.

## Long-Term Liabilities

Table 7 illustrates the components of the District's long-term liabilities with changes from the prior year:

|                                  | <u>2025</u>              | <u>2024</u>              | <u>Change</u>             |
|----------------------------------|--------------------------|--------------------------|---------------------------|
| General obligation bonds payable | \$ 15,960,000            | \$ 18,305,000            | \$ (2,345,000)            |
| Certificates of participation    | 3,825,000                | 4,145,000                | (320,000)                 |
| Unamortized premium/discount     | 1,834,324                | 2,190,075                | (355,751)                 |
| Financed purchase payable        | 182,095                  | –                        | 182,095                   |
| Compensated absences payable     | 6,230,255                | 196,973                  | 6,033,282                 |
| Net pension liability            | 23,362,961               | 30,558,510               | (7,195,549)               |
| Total OPEB liability             | <u>5,290,336</u>         | <u>5,655,004</u>         | <u>(364,668)</u>          |
| <br>Total                        | <br><u>\$ 56,684,971</u> | <br><u>\$ 61,050,562</u> | <br><u>\$ (4,365,591)</u> |

The decreases in bonds and certificates of participation in the table above are due to the planned repayment schedules reflecting principal payments during fiscal year 2025. The scheduled amortization of bond premium/discount reduced this category of long-term debt. The District issued debt to finance new interactive displays for instructional purposes contributing to the increase in financed purchase payable.

The significant increase in compensated absences payable reflects the change in accounting principle previously discussed and implemented by the District in the current year.

The difference in the net pension liability reflects the change in the District's proportionate share of the state-wide pension obligations for the PERA and the TRA. The change in the total OPEB liability was due, in part, to differences between expected and actual economic experiences used to calculate this obligation.

The state limits the amount of general obligation debt the District can issue to 15.0 percent of the market value of all taxable property within the District's corporate limits (see Table 8):

|                         |                       |
|-------------------------|-----------------------|
| District's market value | \$ 2,398,943,050      |
| Limit rate              | <u>15.0%</u>          |
| Legal debt limit        | <u>\$ 359,841,458</u> |

Additional details of the District's long-term debt activity can be found in the notes to basic financial statements.

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

With the exception of the voter-approved operating referendum, the District is dependent on the state of Minnesota for a majority of its revenue authority.

The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. The Legislature has added \$200, or 2.75 percent, per pupil to the basic general education funding formula for fiscal year 2026.

The amount of funding a district receives is also dependent on the number of students it serves, meaning attracting and retaining students is critical to the District's financial well-being.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

These financial statements are designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Services Department, Special School District No. 6, 104 – 5th Avenue South, South St. Paul, Minnesota 55075.

BASIC FINANCIAL STATEMENTS

SPECIAL SCHOOL DISTRICT NO. 6

Statement of Net Position  
as of June 30, 2025  
(With Partial Comparative Information as of June 30, 2024)

|  | Governmental Activities |                      |
|--|-------------------------|----------------------|
|  | 2025                    | 2024                 |
| <b>Assets</b>  |                         |                      |
| Cash and temporary investments                                     | \$ 35,424,598           | \$ 33,407,497        |
| Receivables  |                         |                      |
| Current taxes  | 8,836,090               | 8,758,828            |
| Delinquent taxes   | 257,233                 | 212,604              |
| Accounts and interest  | 322,444                 | 231,676              |
| Due from other governmental units                                  | 5,820,107               | 5,203,388            |
| Inventory  | 38,430                  | 34,339               |
| Prepaid items  | 8,440                   | 103,663              |
| Restricted assets  |                         |                      |
| Cash and investments for OPEB                                      | 5,500,837               | 5,086,663            |
| Capital assets   |                         |                      |
| Not depreciated/amortized  | 1,646,893               | 1,646,893            |
| Depreciated/amortized, net   | 37,884,525              | 37,494,716           |
| Total capital assets, net of accumulated depreciation/amortization | <u>39,531,418</u>       | <u>39,141,609</u>    |
| Total assets   | 95,739,597              | 92,180,267           |
| Deferred outflows of resources                                     |                         |                      |
| Pension plan deferments  | 6,683,588               | 7,040,601            |
| OPEB plan deferments   | 710,412                 | 563,752              |
| Total deferred outflows of resources                               | <u>7,394,000</u>        | <u>7,604,353</u>     |
| Total assets and deferred outflows of resources                    | <u>\$ 103,133,597</u>   | <u>\$ 99,784,620</u> |
| <b>Liabilities</b>   |                         |                      |
| Salaries payable   | \$ 3,049,601            | \$ 3,129,943         |
| Accounts and contracts payable                                     | 1,355,921               | 1,029,221            |
| Accrued interest payable   | 342,765                 | 392,757              |
| Due to other governmental units                                    | 1,241,404               | 449,727              |
| Unearned revenue   | 749,436                 | 798,689              |
| Claims incurred, but not reported                                  | 675,539                 | 765,425              |
| Long-term liabilities  |                         |                      |
| Due within one year  | 4,295,830               | 3,358,821            |
| Due in more than one year  | 52,389,141              | 57,691,741           |
| Total long-term liabilities  | <u>56,684,971</u>       | <u>61,050,562</u>    |
| Total liabilities  | 64,099,637              | 67,616,324           |
| Deferred inflows of resources                                      |                         |                      |
| Property taxes levied for subsequent year                          | 14,824,553              | 14,593,342           |
| Pension plan deferments  | 9,531,776               | 4,606,616            |
| OPEB plan deferments   | 3,483,228               | 3,500,469            |
| Total deferred inflows of resources                                | <u>27,839,557</u>       | <u>22,700,427</u>    |
| <b>Net position</b>  |                         |                      |
| Net investment in capital assets                                   | 17,729,999              | 14,501,534           |
| Restricted for   |                         |                      |
| Capital asset acquisition  | 1,497,370               | 1,842,241            |
| Debt service   | 650,958                 | 478,893              |
| Food service   | 1,445,757               | 1,243,211            |
| Community service  | 914,937                 | 895,555              |
| Other purposes (state funding restrictions)                        | 2,757,392               | 1,316,174            |
| Unrestricted   | <u>(13,802,010)</u>     | <u>(10,809,739)</u>  |
| Total net position   | <u>11,194,403</u>       | <u>9,467,869</u>     |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 103,133,597</u>   | <u>\$ 99,784,620</u> |

SPECIAL SCHOOL DISTRICT NO. 6

Statement of Activities  
Year Ended June 30, 2025  
(With Partial Comparative Information for the Year Ended June 30, 2024)

| Functions/Programs   | 2025                 |                      |                                    | 2024                                |                                     |
|--|----------------------|----------------------|------------------------------------|-------------------------------------|-------------------------------------|
|  | Expenses             | Program Revenues     |                                    | Net (Expense)                       | Net (Expense)                       |
|  |                      | Charges for Services | Operating Grants and Contributions | Revenue and Changes in Net Position | Revenue and Changes in Net Position |
|  |                      |                      | Governmental Activities            | Governmental Activities             |                                     |
| Governmental activities                                    |                      |                      |                                    |                                     |                                     |
| Administration   | \$ 1,669,685         | \$ -                 | \$ -                               | \$ (1,669,685)                      | \$ (1,378,956)                      |
| District support services                                  | 2,657,647            | -                    | -                                  | (2,657,647)                         | (2,589,598)                         |
| Elementary and secondary regular instruction               | 20,469,255           | 361,718              | 520,453                            | (19,587,084)                        | (17,165,720)                        |
| Vocational education instruction                           | 234,291              | -                    | -                                  | (234,291)                           | (188,712)                           |
| Special education instruction                              | 10,979,419           | 45,059               | 8,714,905                          | (2,219,455)                         | (1,122,200)                         |
| Instructional support services                             | 4,072,290            | -                    | -                                  | (4,072,290)                         | (3,296,190)                         |
| Pupil support services                                     | 4,668,826            | -                    | 61,693                             | (4,607,133)                         | (3,973,009)                         |
| Sites and buildings  | 4,764,732            | 12,220               | -                                  | (4,752,512)                         | (4,804,726)                         |
| Fiscal and other fixed cost programs                       | 358,803              | -                    | -                                  | (358,803)                           | (333,884)                           |
| Food service   | 2,075,942            | 111,264              | 2,351,987                          | 387,309                             | 334,435                             |
| Community service  | 2,186,999            | 1,055,911            | 907,188                            | (223,900)                           | (165,156)                           |
| Depreciation/amortization not allocated to other functions | 1,693,127            | -                    | -                                  | (1,693,127)                         | (1,565,447)                         |
| Interest and fiscal charges                                | 588,957              | -                    | -                                  | (588,957)                           | (726,870)                           |
| <b>Total governmental activities</b>                       | <b>\$ 56,419,973</b> | <b>\$ 1,586,172</b>  | <b>\$ 12,556,226</b>               | <b>(42,277,575)</b>                 | <b>(36,976,033)</b>                 |
| General revenues   |                      |                      |                                    |                                     |                                     |
| Taxes  |                      |                      |                                    |                                     |                                     |
| Property taxes, levied for general purposes                |                      |                      |                                    | 11,706,192                          | 11,476,251                          |
| Property taxes, levied for community service               |                      |                      |                                    | 249,668                             | 422,541                             |
| Property taxes, levied for debt service                    |                      |                      |                                    | 3,254,812                           | 3,251,873                           |
| General grants and aids                                    |                      |                      |                                    | 31,791,982                          | 32,513,703                          |
| Other general revenues                                     |                      |                      |                                    | 725,708                             | 854,164                             |
| Investment earnings  |                      |                      |                                    | 1,883,590                           | 1,844,991                           |
| <b>Total general revenues</b>                              |                      |                      |                                    | <b>49,611,952</b>                   | <b>50,363,523</b>                   |
| Change in net position                                     |                      |                      |                                    | 7,334,377                           | 13,387,490                          |
| Net position – beginning, as previously reported           |                      |                      |                                    | 9,467,869                           | (3,919,621)                         |
| Change in accounting principle                             |                      |                      |                                    | (5,607,843)                         | -                                   |
| Net position – beginning, restated                         |                      |                      |                                    | 3,860,026                           | (3,919,621)                         |
| Net position – ending                                      |                      |                      |                                    | <b>\$ 11,194,403</b>                | <b>\$ 9,467,869</b>                 |

SPECIAL SCHOOL DISTRICT NO. 6

Balance Sheet  
Governmental Funds  
as of June 30, 2025

(With Partial Comparative Information as of June 30, 2024)

|  | <u>General Fund</u>  | <u>Debt<br/>Service Fund</u> | <u>Nonmajor Funds</u> |
|--|----------------------|------------------------------|-----------------------|
| <b>Assets</b>  |                      |                              |                       |
| Cash and temporary investments   | \$ 18,301,169        | \$ 2,455,467                 | \$ 3,584,080          |
| Receivables  |                      |                              |                       |
| Current taxes  | 6,551,347            | 2,044,525                    | 240,218               |
| Delinquent taxes   | 192,942              | 58,171                       | 6,120                 |
| Accounts and interest  | -                    | -                            | -                     |
| Due from other governmental units                                      | 5,606,860            | -                            | 213,247               |
| Inventory  | -                    | -                            | 38,430                |
| Prepaid items  | 8,440                | -                            | -                     |
|  | <u>30,660,758</u>    | <u>4,558,163</u>             | <u>4,082,095</u>      |
| Total assets   | <u>\$ 30,660,758</u> | <u>\$ 4,558,163</u>          | <u>\$ 4,082,095</u>   |
| <b>Liabilities</b>   |                      |                              |                       |
| Salaries payable   | \$ 2,972,886         | \$ -                         | \$ 76,715             |
| Accounts and contracts payable   | 1,248,786            | 950                          | 106,185               |
| Due to other governmental units  | 139,817              | -                            | 1,101,587             |
| Unearned revenue   | 24,733               | -                            | 15,250                |
|  | <u>4,386,222</u>     | <u>950</u>                   | <u>1,299,737</u>      |
| Total liabilities  | <u>4,386,222</u>     | <u>950</u>                   | <u>1,299,737</u>      |
| <b>Deferred inflows of resources</b>                                   |                      |                              |                       |
| Unavailable revenue – delinquent taxes                                 | 95,217               | 30,025                       | 3,769                 |
| Property taxes levied for subsequent year                              | 10,814,051           | 3,588,838                    | 421,664               |
|  | <u>10,909,268</u>    | <u>3,618,863</u>             | <u>425,433</u>        |
| Total deferred inflows of resources                                    | <u>10,909,268</u>    | <u>3,618,863</u>             | <u>425,433</u>        |
| <b>Fund balances</b>   |                      |                              |                       |
| Nonspendable   | 8,440                | -                            | 38,430                |
| Restricted   | 4,254,762            | 938,350                      | 2,318,495             |
| Assigned   | 2,675,000            | -                            | -                     |
| Unassigned   | 8,427,066            | -                            | -                     |
|  | <u>15,365,268</u>    | <u>938,350</u>               | <u>2,356,925</u>      |
| Total fund balances  | <u>15,365,268</u>    | <u>938,350</u>               | <u>2,356,925</u>      |
| Total liabilities, deferred inflows<br>of resources, and fund balances | <u>\$ 30,660,758</u> | <u>\$ 4,558,163</u>          | <u>\$ 4,082,095</u>   |

Total Governmental Funds

| 2025          | 2024          |
|---------------|---------------|
| \$ 24,340,716 | \$ 22,044,415 |
| 8,836,090     | 8,758,828     |
| 257,233       | 212,604       |
| —             | 49,424        |
| 5,820,107     | 5,203,388     |
| 38,430        | 34,339        |
| 8,440         | 103,663       |
| \$ 39,301,016 | \$ 36,406,661 |
| \$ 3,049,601  | \$ 3,129,943  |
| 1,355,921     | 1,029,221     |
| 1,241,404     | 449,727       |
| 39,983        | 98,003        |
| 5,686,909     | 4,706,894     |
| 129,011       | 99,297        |
| 14,824,553    | 14,593,342    |
| 14,953,564    | 14,692,639    |
| 46,870        | 138,002       |
| 7,511,607     | 5,975,878     |
| 2,675,000     | 2,778,601     |
| 8,427,066     | 8,114,647     |
| 18,660,543    | 17,007,128    |
| \$ 39,301,016 | \$ 36,406,661 |

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SPECIAL SCHOOL DISTRICT NO. 6

Reconciliation of the Balance Sheet to the  
Statement of Net Position  
Governmental Funds  
as of June 30, 2025

(With Partial Comparative Information as of June 30, 2024)

|   | 2025          | 2024          |
|---|---------------|---------------|
| Total fund balances – governmental funds  | \$ 18,660,543 | \$ 17,007,128 |
| <p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>   |               |               |
| <p>Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.</p>  |               |               |
| Cost of capital assets  | 73,254,915    | 71,092,258    |
| Accumulated depreciation/amortization   | (33,723,497)  | (31,950,649)  |
| <p>Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance as other financing sources and uses.</p> |               |               |
| General obligation bonds payable  | (15,960,000)  | (18,305,000)  |
| Certificates of participation   | (3,825,000)   | (4,145,000)   |
| Unamortized premium/discount  | (1,834,324)   | (2,190,075)   |
| Financed purchase payable   | (182,095)     | –             |
| Compensated absences payable  | (6,230,255)   | (196,973)     |
| Net pension liability   | (23,362,961)  | (30,558,510)  |
| <p>Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.</p>  |               |               |
|   | (342,765)     | (392,757)     |
| <p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.</p>                                      |               |               |
|   | 7,459,019     | 6,574,165     |
| <p>The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.</p>  |               |               |
| Deferred outflows of resources – pension plan deferrals   | 6,683,588     | 7,040,601     |
| Deferred inflows of resources – pension plan deferrals  | (9,531,776)   | (4,606,616)   |
| Deferred inflows of resources – unavailable revenue – delinquent taxes  | 129,011       | 99,297        |
| Total net position – governmental activities  | \$ 11,194,403 | \$ 9,467,869  |

SPECIAL SCHOOL DISTRICT NO. 6

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2025  
 (With Partial Comparative Information for the Year Ended June 30, 2024)

|  | General Fund         | Debt<br>Service Fund | Nonmajor Funds      |
|--|----------------------|----------------------|---------------------|
| <b>Revenue</b>                               |                      |                      |                     |
| Local sources                                |                      |                      |                     |
| Property taxes                               | \$ 11,683,869        | \$ 3,247,733         | \$ 249,356          |
| Investment earnings                          | 797,011              | 96,261               | 106,741             |
| Other  | 1,089,401            | -                    | 1,167,175           |
| State sources                                | 38,621,894           | -                    | 1,766,796           |
| Federal sources                              | 1,819,421            | -                    | 1,492,379           |
| Total revenue                                | <u>54,011,596</u>    | <u>3,343,994</u>     | <u>4,782,447</u>    |
| <b>Expenditures</b>                          |                      |                      |                     |
| Current                                      |                      |                      |                     |
| Administration                               | 1,696,415            | -                    | -                   |
| District support services                    | 2,748,264            | -                    | -                   |
| Elementary and secondary regular instruction | 20,708,882           | -                    | -                   |
| Vocational education instruction             | 236,653              | -                    | -                   |
| Special education instruction                | 11,155,552           | -                    | -                   |
| Instructional support services               | 4,157,832            | -                    | -                   |
| Pupil support services                       | 4,697,906            | -                    | -                   |
| Sites and buildings                          | 6,741,183            | -                    | -                   |
| Fiscal and other fixed cost programs         | 358,803              | -                    | -                   |
| Food service                                 | -                    | -                    | 2,101,137           |
| Community service                            | -                    | -                    | 2,242,178           |
| Capital outlay                               | -                    | -                    | 217,516             |
| Debt service                                 |                      |                      |                     |
| Principal                                    | 370,253              | 2,345,000            | -                   |
| Interest and fiscal charges                  | 113,900              | 880,800              | -                   |
| Total expenditures                           | <u>52,985,643</u>    | <u>3,225,800</u>     | <u>4,560,831</u>    |
| Excess of revenue over expenditures          | 1,025,953            | 118,194              | 221,616             |
| <b>Other financing sources</b>               |                      |                      |                     |
| Debt issued                                  | 232,348              | -                    | -                   |
| Insurance recovery                           | 55,304               | -                    | -                   |
| Sale of capital assets                       | -                    | -                    | -                   |
| Total other financing sources                | <u>287,652</u>       | <u>-</u>             | <u>-</u>            |
| Net change in fund balances                  | 1,313,605            | 118,194              | 221,616             |
| <b>Fund balances</b>                         |                      |                      |                     |
| Beginning of year                            | <u>14,051,663</u>    | <u>820,156</u>       | <u>2,135,309</u>    |
| End of year                                  | <u>\$ 15,365,268</u> | <u>\$ 938,350</u>    | <u>\$ 2,356,925</u> |

| Total Governmental Funds |                      |
|--------------------------|----------------------|
| 2025                     | 2024                 |
| \$ 15,180,958            | \$ 15,149,386        |
| 1,000,013                | 962,141              |
| 2,256,576                | 2,429,117            |
| 40,388,690               | 39,446,355           |
| 3,311,800                | 4,835,273            |
| <u>62,138,037</u>        | <u>62,822,272</u>    |
| 1,696,415                | 1,544,709            |
| 2,748,264                | 2,638,121            |
| 20,708,882               | 21,289,124           |
| 236,653                  | 222,710              |
| 11,155,552               | 10,357,404           |
| 4,157,832                | 3,685,082            |
| 4,697,906                | 4,184,415            |
| 6,741,183                | 5,492,162            |
| 358,803                  | 333,884              |
| 2,101,137                | 2,147,702            |
| 2,242,178                | 2,170,243            |
| 217,516                  | 16,434               |
| 2,715,253                | 2,690,201            |
| 994,700                  | 1,207,708            |
| <u>60,772,274</u>        | <u>57,979,899</u>    |
| 1,365,763                | 4,842,373            |
| 232,348                  | —                    |
| 55,304                   | 23,939               |
| —                        | 17,304               |
| <u>287,652</u>           | <u>41,243</u>        |
| 1,653,415                | 4,883,616            |
| <u>17,007,128</u>        | <u>12,123,512</u>    |
| <u>\$ 18,660,543</u>     | <u>\$ 17,007,128</u> |

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SPECIAL SCHOOL DISTRICT NO. 6

Reconciliation of the Statement of  
Revenue, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
Governmental Funds  
Year Ended June 30, 2025

(With Partial Comparative Information for the Year Ended June 30, 2024)

|  | <u>2025</u>         | <u>2024</u>          |
|--|---------------------|----------------------|
| Total net change in fund balances – governmental funds   | \$ 1,653,415        | \$ 4,883,616         |
| Amounts reported for governmental activities in the Statement of Activities are different because:   |                     |                      |
| Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation/amortization expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.  |                     |                      |
| Capital outlays  | 2,162,657           | 859,941              |
| Depreciation/amortization expense  | (1,772,848)         | (1,565,447)          |
| The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.   |                     |                      |
| Financed purchase payable  | (232,348)           | –                    |
| Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.   |                     |                      |
| General obligation bonds payable   | 2,345,000           | 2,300,000            |
| Certificates of participation  | 320,000             | 305,000              |
| Financed purchase payable  | 50,253              | 85,201               |
| Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.    |                     |                      |
|  | 355,751             | 356,643              |
| Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.   |                     |                      |
| Compensated absences payable   | (425,439)           | (19,547)             |
| Net pension liability  | 7,195,549           | 2,550,878            |
| Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.  |                     |                      |
|  | 49,992              | 124,195              |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities. |                     |                      |
|  | 884,854             | 1,646,056            |
| The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.                                      |                     |                      |
| Deferred outflows of resources – pension plan deferments   | (357,013)           | (2,495,151)          |
| Deferred inflows of resources – pension plan deferments  | (4,925,160)         | 4,354,826            |
| Deferred inflows of resources – unavailable revenue – delinquent taxes   | 29,714              | 1,279                |
| Change in net position – governmental activities   | <u>\$ 7,334,377</u> | <u>\$ 13,387,490</u> |

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SPECIAL SCHOOL DISTRICT NO. 6

Statement of Revenue, Expenditures, and Changes in Fund Balances  
Budget and Actual  
General Fund  
Year Ended June 30, 2025

|  | Budgeted Amounts  |                   | Actual               | Over (Under)        |
|--|-------------------|-------------------|----------------------|---------------------|
|  | Original          | Final             |                      | Final Budget        |
| <b>Revenue</b>                               |                   |                   |                      |                     |
| Local sources                                |                   |                   |                      |                     |
| Property taxes                               | \$ 11,477,386     | \$ 11,477,388     | \$ 11,683,869        | \$ 206,481          |
| Investment earnings                          | 250,000           | 500,000           | 797,011              | 297,011             |
| Other  | 905,357           | 1,025,904         | 1,089,401            | 63,497              |
| State sources                                | 37,076,240        | 37,995,591        | 38,621,894           | 626,303             |
| Federal sources                              | 1,258,044         | 1,258,044         | 1,819,421            | 561,377             |
| Total revenue                                | <u>50,967,027</u> | <u>52,256,927</u> | <u>54,011,596</u>    | <u>1,754,669</u>    |
| <b>Expenditures</b>                          |                   |                   |                      |                     |
| Current                                      |                   |                   |                      |                     |
| Administration                               | 1,604,867         | 1,650,778         | 1,696,415            | 45,637              |
| District support services                    | 2,987,514         | 2,722,481         | 2,748,264            | 25,783              |
| Elementary and secondary regular instruction | 21,373,036        | 22,113,179        | 20,708,882           | (1,404,297)         |
| Vocational education instruction             | 198,383           | 229,391           | 236,653              | 7,262               |
| Special education instruction                | 9,917,470         | 10,642,019        | 11,155,552           | 513,533             |
| Instructional support services               | 4,148,848         | 3,795,645         | 4,157,832            | 362,187             |
| Pupil support services                       | 4,204,347         | 4,553,054         | 4,697,906            | 144,852             |
| Sites and buildings                          | 5,690,544         | 5,647,977         | 6,741,183            | 1,093,206           |
| Fiscal and other fixed cost programs         | 340,211           | 93,900            | 358,803              | 264,903             |
| Debt service                                 |                   |                   |                      |                     |
| Principal                                    | 371,480           | 401,907           | 370,253              | (31,654)            |
| Interest and fiscal charges                  | 114,194           | 131,658           | 113,900              | (17,758)            |
| Total expenditures                           | <u>50,950,894</u> | <u>51,981,989</u> | <u>52,985,643</u>    | <u>1,003,654</u>    |
| Excess of revenue over expenditures          | 16,133            | 274,938           | 1,025,953            | 751,015             |
| <b>Other financing sources</b>               |                   |                   |                      |                     |
| Debt issued                                  | -                 | -                 | 232,348              | 232,348             |
| Insurance recovery                           | -                 | -                 | 55,304               | 55,304              |
| Total other financing sources                | <u>-</u>          | <u>-</u>          | <u>287,652</u>       | <u>287,652</u>      |
| Net change in fund balances                  | <u>\$ 16,133</u>  | <u>\$ 274,938</u> | 1,313,605            | <u>\$ 1,038,667</u> |
| <b>Fund balances</b>                         |                   |                   |                      |                     |
| Beginning of year                            |                   |                   | <u>14,051,663</u>    |                     |
| End of year                                  |                   |                   | <u>\$ 15,365,268</u> |                     |

SPECIAL SCHOOL DISTRICT NO. 6

Statement of Net Position  
Internal Service Funds  
as of June 30, 2025  
(With Partial Comparative Information as of June 30, 2024)

|   | <u>2025</u>         | <u>2024</u>         |
|---|---------------------|---------------------|
| Assets  |                     |                     |
| Current assets                                |                     |                     |
| Cash and temporary investments                | \$ 11,083,882       | \$ 11,363,082       |
| Receivables                                   |                     |                     |
| Accounts and interest                         | <u>322,444</u>      | <u>182,252</u>      |
| Total current assets                          | 11,406,326          | 11,545,334          |
| Noncurrent assets                             |                     |                     |
| Restricted assets                             |                     |                     |
| Investments                                   | <u>5,500,837</u>    | <u>5,086,663</u>    |
| Total assets                                  | 16,907,163          | 16,631,997          |
| Deferred outflows of resources                |                     |                     |
| OPEB plan deferments                          | 710,412             | 563,752             |
| Liabilities                                   |                     |                     |
| Current liabilities                           |                     |                     |
| Unearned revenue                              | 709,453             | 700,686             |
| Claims incurred, but not reported             | 675,539             | 765,425             |
| Total OPEB liability                          | <u>468,583</u>      | <u>496,848</u>      |
| Total current liabilities                     | 1,853,575           | 1,962,959           |
| Noncurrent liabilities                        |                     |                     |
| Total OPEB liability (net of current portion) | <u>4,821,753</u>    | <u>5,158,156</u>    |
| Total liabilities                             | 6,675,328           | 7,121,115           |
| Deferred inflows of resources                 |                     |                     |
| OPEB plan deferments                          | <u>3,483,228</u>    | <u>3,500,469</u>    |
| Net position                                  |                     |                     |
| Unrestricted                                  | <u>\$ 7,459,019</u> | <u>\$ 6,574,165</u> |

SPECIAL SCHOOL DISTRICT NO. 6

Statement of Revenue, Expenses, and Changes in Net Position  
 Internal Service Funds  
 Year Ended June 30, 2025  
 (With Partial Comparative Information for the Year Ended June 30, 2024)

|                                       | <u>2025</u>         | <u>2024</u>         |
|---------------------------------------|---------------------|---------------------|
| Operating revenue                     |                     |                     |
| Contributions from governmental funds | \$ 7,071,443        | \$ 7,652,499        |
| Operating expenses                    |                     |                     |
| Dental benefit claims                 | 350,764             | 306,925             |
| Medical benefit claims                | 6,823,810           | 6,703,963           |
| OPEB                                  | (104,408)           | (121,595)           |
| Total operating expenses              | <u>7,070,166</u>    | <u>6,889,293</u>    |
| Operating income                      | 1,277               | 763,206             |
| Nonoperating revenue                  |                     |                     |
| Investment earnings                   | <u>883,577</u>      | <u>882,850</u>      |
| Change in net position                | 884,854             | 1,646,056           |
| Net position                          |                     |                     |
| Beginning of year                     | <u>6,574,165</u>    | <u>4,928,109</u>    |
| End of year                           | <u>\$ 7,459,019</u> | <u>\$ 6,574,165</u> |

SPECIAL SCHOOL DISTRICT NO. 6

Statement of Cash Flows  
Internal Service Funds  
Year Ended June 30, 2025  
(With Partial Comparative Information for the Year Ended June 30, 2024)

|   | <u>2025</u>          | <u>2024</u>          |
|---|----------------------|----------------------|
| Cash flows from operating activities  |                      |                      |
| Received from assessments made to other funds                                     | \$ 6,940,018         | \$ 7,587,630         |
| Payment for dental claims   | (345,321)            | (287,839)            |
| Payment for medical claims  | (6,919,139)          | (6,374,290)          |
| Post-employment benefit payments  | <u>(424,161)</u>     | <u>(386,115)</u>     |
| Net cash flows from operating activities  | (748,603)            | 539,386              |
| Cash flows from investing activities  |                      |                      |
| Purchase of investments   | (414,174)            | (368,786)            |
| Interest on investments   | <u>883,577</u>       | <u>882,850</u>       |
| Net cash flows from investing activities  | <u>469,403</u>       | <u>514,064</u>       |
| Net change in cash and cash equivalents   | (279,200)            | 1,053,450            |
| Cash and cash equivalents   |                      |                      |
| Beginning of year   | <u>11,363,082</u>    | <u>10,309,632</u>    |
| End of year   | <u>\$ 11,083,882</u> | <u>\$ 11,363,082</u> |
| Reconciliation of operating income to net cash flows from operating activities    |                      |                      |
| Operating income  | \$ 1,277             | \$ 763,206           |
| Adjustments to reconcile operating income to cash flows from operating activities |                      |                      |
| Changes in assets, liabilities, and deferred outflows/inflows                     |                      |                      |
| Accounts and interest receivable  | (140,192)            | (95,737)             |
| Deferred outflows – OPEB plan deferments  | (146,660)            | (145,053)            |
| Unearned revenue  | 8,767                | 30,868               |
| Claims incurred, but not reported   | (89,886)             | 348,759              |
| Total OPEB liability  | (364,668)            | 219,196              |
| Deferred inflows – OPEB plan deferments   | <u>(17,241)</u>      | <u>(581,853)</u>     |
| Net cash flows from operating activities  | <u>\$ (748,603)</u>  | <u>\$ 539,386</u>    |

SPECIAL SCHOOL DISTRICT NO. 6

Notes to Basic Financial Statements  
June 30, 2025

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

Special School District No. 6 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. The District is governed by a School Board elected by voters of the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America 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.

**B. Reporting Entity**

The accompanying financial statements include all funds, departments, agencies, boards, commissions, and other organizations that comprise the District, along with any component units.

Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit. Based on these criteria, there are no organizations considered to be component units of the District.

**C. Government-Wide Financial Statement Presentation**

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District. Generally, the effect of material interfund activity has been removed from the government-wide financial statements. Transactions representing interfund services provided and used are not eliminated in the consolidation process to the government-wide financial statements.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 internally directed revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

For capital assets that can be specifically identified with or allocated to functional areas, depreciation and amortization expense is included as a direct expense in the functional areas that utilize the related capital assets. For capital assets that essentially serve all functional areas, depreciation and amortization expense is reported as “depreciation/amortization not allocated to other functions.” Interest is considered an indirect expense and is reported separately on the Statement of Activities.

### D. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements.

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. For this purpose, the District generally considers revenues, including property taxes, to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Proceeds of long-term debt are reported as other financing sources.
- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term obligations, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

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

The proprietary (internal service funds) are presented in the proprietary fund financial statements. Because the principal users of internal services are the District's governmental activities, the internal service funds are consolidated into the governmental activities 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 (other district funds) for services. Operating expenses for the Internal Service Fund include the cost of providing the services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as described earlier in these notes.

### **Description of Funds**

The existence of the various district funds has been established by the Minnesota Department of Education. Each fund is accounted for as an independent entity. Descriptions of the funds included in this report are as follows:

#### **Major Governmental Funds**

**General Fund** – The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and payment of general obligation debt principal, interest, and related costs.

#### **Nonmajor Governmental Funds**

**Food Service Special Revenue Fund** – The Food Service Special Revenue Fund is primarily used to account for the District's child nutrition program.

**Community Service Special Revenue Fund** – The Community Service Special Revenue Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, adult or early childhood programs, or other similar services.

#### **Proprietary Funds**

**Internal Service Funds** – Internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District's internal service funds are used to account for dental and medical insurance benefits offered by the District to its employees as a self-insured plan and for the payment and financing of its other post-employment benefits (OPEB) liabilities, including the administration of assets held in a revocable trust to finance these liabilities.

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

### **E. Budgetary Information**

The School Board adopts an annual budget for all governmental funds prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end.

Actual expenditures exceeded final appropriations in the current year by \$1,003,654 in the General Fund and \$102,761 in the Food Service Special Revenue Fund. These variances were funded by revenues and other financing sources in excess of budget.

### **F. Restricted Assets**

Restricted assets are cash and cash equivalents whose use is limited by legal requirements, such as a trust agreement. Restricted assets are reported only in the government-wide and proprietary (internal service) fund financial statements. Restricted assets include balances held in segregated accounts that are established for specific purposes. In the Internal Service Fund, this represents assets held in a revocable trust established to finance the District's liability for other post-employment insurance benefits. Interest earned on these investments is allocated directly to these accounts.

### **G. Cash and Temporary Investments**

Cash and temporary investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

For purposes of the Statement of Cash Flows, the District considers all highly liquid debt instruments with an original maturity from the time of purchase by the District of three months or less to be cash equivalents. The proprietary (internal service) fund's equity in the government-wide cash and investment management pool is considered cash equivalent.

Investments are generally stated at fair value, except for investments in certain external investment pools, which are stated at amortized cost. Short-term, highly liquid debt instruments (including commercial paper, bankers' acceptance, and U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less may also be reported at amortized cost. Investment income is accrued at the Balance Sheet date.

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

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See Note 2 for the District's recurring fair value measurements as of year-end.

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

### **H. Receivables**

When necessary, the District utilizes an allowance for uncollectible accounts to value its receivables. However, the District considers all of its current receivables to be collectible. The only receivables not expected to be fully collected within one year are delinquent property taxes receivable.

### **I. Inventories**

Inventories are recorded using the consumption method of accounting and consist of purchased food and surplus commodities received from the federal government. Purchased food inventory is recorded at cost on a first-in, first-out basis. Surplus commodities are stated at standardized costs, as determined by the U.S. Department of Agriculture.

### **J. Property Taxes**

The majority of the District's revenue in the General Fund is determined annually by statutory funding formulas. The total revenue allowed by these formulas is allocated between property taxes and state aids by the Legislature based on education funding priorities.

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$470,134 of the property tax levy collectible in 2025 as revenue to the District in fiscal year 2024–2025. The remaining portion of the taxes collectible in 2025 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

Property tax levies are certified to the County Auditor in December of each year for collection from taxpayers in May and October of 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 property on the following January 1. The county generally remits taxes to the District at periodic intervals, as they are collected.

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 reported as a deferred inflow of resources (unavailable revenue) in the fund financial statements because it is not known to be available to finance the operations of the District.

### **K. Subscription-Based Information Technology Arrangements (SBITAs)**

A SBITA is a contract that conveys control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The District has entered into certain SBITAs for education, evaluation tracking, and other purposes. Capital assets associated with SBITAs are presented as technology subscriptions in Note 3 and are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. When applicable, a subscription liability is reported in Note 4 to include the terms and related disclosures associated with any subscription liability.

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

### **L. Capital Assets**

Capital assets that are purchased or constructed by the District are recorded at historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Technology subscriptions are recorded based on the measurement of any subscription liability plus the payments due to a SBITA vendor at the commencement of the subscription term, including any applicable initial implementation costs as defined in the standard. The District defines capital assets as those with an initial, individual cost of \$3,000 or more, which benefit more than one fiscal year. Groups of similar assets acquired at or near the same time for a single objective, with individual acquisition costs below this threshold, are also capitalized if cost of the assets is considered significant in the aggregate. 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 statements, but are not reported in the governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or needed for public school purposes by the District, no salvage value is considered for depreciation purposes. Useful lives vary from 20 to 50 years for buildings and building improvements, and 5 to 20 years for furniture and equipment. Technology subscriptions are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. Land is not depreciated.

The District does not possess material amounts of infrastructure capital assets, such as sidewalks or parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

### **M. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. If material, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period as other financing sources or uses, respectively. The face amount of debt issued is reported as other financing sources.

### **N. Compensated Absences**

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment.

Under the terms of collectively bargained contracts, eligible employees accrue vacation, sick, and other leave at varying rates, portions of which may be carried over to future years. Employees are reimbursed for unused, accrued vacation to the limit specified in their labor contract or School Board policy upon termination. Unused sick leave enters into the calculation of severance benefits for some employees upon termination. The District's policy permits employees to accumulate earned but unused sick leave. Generally, all sick leave lapses when employees leave employment of the District and, upon separation from service, no monetary obligation exists. However, a liability for the estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

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

Compensated absences are accrued when earned in the government-wide financial statements. Compensated absences are accrued in the governmental fund financial statements only to the extent they have been used or otherwise matured prior to year-end, due to employee termination or similar circumstances. The liability for compensated absences includes salary-related benefits, where applicable.

### **O. State-Wide Pension Plans**

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 the Teachers Retirement Association (TRA) and additions to/deductions from the PERA's and the TRA's fiduciary net positions have been determined on the same basis as they are reported by the PERA and the 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.

The TRA has a special funding situation created by direct aid contributions made by the state of Minnesota, City of Minneapolis, and Minneapolis School District. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the state of Minnesota for the merger of the Duluth Teachers Retirement Fund Association in 2015.

### **P. Deferred Outflows/Inflows of Resources**

In addition to assets and liabilities, statements of financial position or balance sheets will sometimes report separate sections for deferred outflows or inflows of resources. These separate financial statement elements represent a consumption or acquisition of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) or an inflow of financial resources (revenue) until then.

The District reports deferred outflows and inflows of resources related to pensions and OPEB plans reported in the government-wide Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual economic experience, changes in actuarial assumptions, net collective difference between projected and actual investment earnings, changes in proportion, and contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards.

Property taxes levied for subsequent years, which represents property taxes received or reported as a receivable before the period for which the taxes are levied, are reported as a deferred inflow of resources in both the government-wide Statement of Net Position and the governmental funds Balance Sheet. Property taxes levied for subsequent years are deferred and recognized as an inflow of resources in the government-wide financial statements in the year for which they are levied, and in the governmental fund financial statements during the year for which they are levied, if available.

Unavailable revenue from property taxes arises under a modified accrual basis of accounting and is reported only in the governmental funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Q. Net Position

In the government-wide and proprietary (internal service) fund financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is displayed in three components:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation and amortization, reduced by any outstanding debt attributable to acquire capital assets.
- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- **Unrestricted Net Position** – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The District applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

### R. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **Committed** – Consists of internally imposed constraints that are established by resolution of the School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to School Board resolution, the District’s superintendent of schools is authorized to establish assignments of fund balance.
- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the District’s policy to first use restricted resources, then use unrestricted resources as they are needed.

When committed, assigned, or unassigned resources are available for use, it is the District’s policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned. The District’s policy includes an exception to defer spending out of other categories and spend unassigned resources first if fund balances need to be preserved to facilitate future expenditure plans.

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

**S. Risk Management and Self-Insurance**

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers’ compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. As part of the insurance renewal process and available coverage limits for cyber and privacy liability there was a reduction in this one area of the District’s insurance coverage in the current fiscal year.
2. **Self-Insurance** – The District has established two internal service funds to account for and finance its self-insured risk of loss for respective employee dental and health insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various dental and healthcare costs as described in the plans.

The District makes premium payments that include both employer and employee contributions to the internal service funds on behalf of program participants based on rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss health insurance premium costs and administrative service charges.

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

Changes in the balance of dental claim liabilities for the past two years were as follows:

|      | Balance –<br>Beginning<br>of Year | Charges and<br>Changes<br>in Estimates | Claim<br>Payments | Balance –<br>End of Year |
|------|-----------------------------------|--|-------------------|--------------------------|
| 2024 | \$ 11,753                         | \$ 306,925                             | \$ 287,839        | \$ 30,839                |
| 2025 | \$ 30,839                         | \$ 350,764                             | \$ 345,321        | \$ 36,282                |

Changes in the balance of health claim liabilities for the past two years were as follows:

|      | Balance –<br>Beginning<br>of Year | Charges and<br>Changes<br>in Estimates | Claim<br>Payments | Balance –<br>End of Year |
|------|-----------------------------------|--|-------------------|--------------------------|
| 2024 | \$ 404,913                        | \$ 6,703,963                           | \$ 6,374,290      | \$ 734,586               |
| 2025 | \$ 734,586                        | \$ 6,823,810                           | \$ 6,919,139      | \$ 639,257               |

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

### **T. Use of Estimates**

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements during the reporting period. Actual results could differ from those estimates.

### **U. Prior Period Comparative Financial Information/Reclassification**

The basic financial statements include certain prior year partial comparative information in total, but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the prior year, from which the summarized information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

### **V. Deficit Net Position**

As of June 30, 2025, the District has a net position deficit of \$2,562,315 in its Other Post-Employment Benefits Internal Service Fund. This deficit will be eliminated through contributions and investment earnings.

### **W. Change in Accounting Principle**

During the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. This statement provided new guidance on accounting and reporting for compensated absences. Certain amounts necessary to fully restate fiscal year 2024 financial information are not determinable; therefore, prior year comparative amounts have not been restated. Implementation of this new guidance resulted in a restatement of beginning net position for the cumulative effect of this change. In the government-wide financial statement, beginning net position was reduced by \$5,607,843. See Note 4 of the notes to basic financial statements for additional details on this change.

## NOTE 2 – DEPOSITS AND INVESTMENTS

### A. Deposits

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the School Board, including checking accounts, savings accounts, and nonnegotiable certificates of deposit.

The following is considered the most significant risk associated with deposits:

**Custodial Credit Risk** – In the case of deposits, this is the risk that in the event of a bank failure, the District’s deposits may be lost.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated “A” or better; revenue obligations rated “AA” or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The District’s deposit policies do not further limit depository choices.

At year-end, the carrying amount and bank balance of the District’s deposits was \$360,987. As of June 30, 2025, all deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the District’s agent in the District’s name.

### B. Investments

Investments are subject to various risks, the following of which are considered the most significant:

**Custodial Credit Risk** – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form and, therefore, are not subject to custodial credit risk disclosures. Although the District’s investment policies do not directly address custodial credit risk, it typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

**Concentration Risk** – This is the risk associated with investing a significant portion of the District’s investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District’s investment policies do not address concentration risk.

**Interest Rate Risk** – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The District’s investment policies do not limit the maturities of investments; however, when purchasing investments, the District considers such things as interest rates and cash flow needs.

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

**Credit Risk** – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the District’s investments to 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 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 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; commercial paper issued by United States corporations or their Canadian subsidiaries, rated 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 with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers. For assets held in the District’s revocable OPEB trust accounted for in its OPEB Internal Service Fund, the investment options available to the District are expanded to include the investment types specified in Minnesota Statutes § 356A.06, Subd. 7. The District’s investment policies do not further restrict investing in specific financial instruments.

The following table presents the District’s deposit and investment balances, and information relating to potential investment risks:

| Investment Type                | Credit Risk |         | Fair Value Measurements | Interest Risk – Maturity Duration in Years |            |            |            | Total                |
|--------------------------------|-------------|---------|-------------------------|--|------------|------------|------------|----------------------|
|                                | Rating      | Agency  |                         | Less Than 1                                | 1 to 5     | 5 to 10    | Over 10    |                      |
| U.S. treasury note             | N/A         | N/A     | Level 1                 | \$ 54,685                                  | \$ 271,614 | \$ 306,903 | \$ 198,894 | \$ 832,096           |
| Mortgage-backed securities     | AAA         | Moody’s | Level 1                 | \$ –                                       | \$ –       | \$ 50,571  | \$ –       | 50,571               |
| Corporate obligations          | AA          | S&P     | Level 1                 | \$ –                                       | \$ 29,163  | \$ –       | \$ 55,359  | 84,522               |
| Corporate obligations          | A           | S&P     | Level 1                 | \$ –                                       | \$ 69,307  | \$ 127,737 | \$ 92,232  | 289,276              |
| Corporate obligations          | BBB         | S&P     | Level 1                 | \$ 29,806                                  | \$ 73,967  | \$ 234,742 | \$ 22,471  | 360,986              |
| Corporate obligations          | A           | Moody’s | Level 1                 | \$ 49,573                                  | \$ 49,433  | \$ –       | \$ –       | 99,006               |
| Corporate obligations          | BAA         | Moody’s | Level 1                 | \$ –                                       | \$ –       | \$ –       | \$ 21,586  | 21,586               |
| Equities                       | N/R         | N/R     | Level 1                 | N/A  | N/A        | N/A        | N/A        | 2,723,451            |
| Investment pools/mutual funds  |             |         |                         |  |            |            |            |                      |
| Mutual funds                   | N/R         | N/A     | Level 1                 | N/A  | N/A        | N/A        | N/A        | 732,342              |
| Real estate investment trust   | N/R         | N/A     | Level 2                 | N/A  | N/A        | N/A        | N/A        | 9,040                |
| Real asset funds               | N/R         | N/A     | Level 2                 | N/A  | N/A        | N/A        | N/A        | 214,691              |
| Minnesota School District      |             |         |                         |  |            |            |            |                      |
| Liquid Asset Fund (MSDLAF)     |             |         |                         |  |            |            |            |                      |
| Liquid Class                   | AAA         | S&P     | Amortized cost          | N/A  | N/A        | N/A        | N/A        | 21,966,692           |
| MAX Class                      | AAA         | S&P     | Amortized cost          | N/A  | N/A        | N/A        | N/A        | 13,180,189           |
| Total investments              |             |         |                         |  |            |            |            | <u>40,564,448</u>    |
| Total deposits                 |             |         |                         |  |            |            |            | <u>360,987</u>       |
| Total deposits and investments |             |         |                         |  |            |            |            | <u>\$ 40,925,435</u> |

N/A – Not Applicable

N/R – Not Rated

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

The Minnesota School District Liquid Asset Fund (MSDLAF) is regulated by Minnesota Statutes and is an external investment pool, which is not registered with the Securities and Exchange Commission. The District's investment in this pool is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. For this investment pool, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required for the MSDLAF – Liquid Class. Investments in the MSDLAF MAX Class must be deposited for a minimum of 14 calendar days with the exception of direct investments of funds distributed by the state of Minnesota. Withdrawals prior to the 14-day restriction period may be subject to a penalty and there is a 24-hour hold on all requests for redemptions.

Deposits and investments are included on the basic financial statements as follows:

|                                |                             |
|--------------------------------|-----------------------------|
| Statement of Net Position      |                             |
| Cash and temporary investments | \$ 35,424,598               |
| Restricted assets              |                             |
| Cash and investments for OPEB  | <u>5,500,837</u>            |
| Total deposits and investments | <u><u>\$ 40,925,435</u></u> |

## NOTE 3 – CAPITAL ASSETS

Capital assets activity for the current year ended is as follows:

|  | Balance –<br>Beginning<br>of Year | Additions                | Deletions          | Balance –<br>End of Year    |
|--|-----------------------------------|--------------------------|--------------------|-----------------------------|
| Capital assets, not depreciated/amortized      |                                   |                          |                    |                             |
| Land   | \$ 1,646,893                      | \$ –                     | \$ –               | \$ 1,646,893                |
| Capital assets, depreciated/amortized          |                                   |                          |                    |                             |
| Buildings                                      | 56,174,515                        | –                        | –                  | 56,174,515                  |
| Building improvements                          | 6,480,230                         | 658,586                  | –                  | 7,138,816                   |
| Furniture and equipment                        | 6,548,191                         | 1,410,366                | –                  | 7,958,557                   |
| Technology subscriptions                       | 242,429                           | 93,705                   | –                  | 336,134                     |
| Total capital assets, depreciated/amortized    | <u>69,445,365</u>                 | <u>2,162,657</u>         | <u>–</u>           | <u>71,608,022</u>           |
| Less accumulated depreciation/amortization for |                                   |                          |                    |                             |
| Buildings                                      | (24,108,283)                      | (932,549)                | –                  | (25,040,832)                |
| Building improvements                          | (3,837,722)                       | (266,279)                | –                  | (4,104,001)                 |
| Furniture and equipment                        | (3,907,672)                       | (494,299)                | –                  | (4,401,971)                 |
| Technology subscriptions                       | (96,972)                          | (79,721)                 | –                  | (176,693)                   |
| Total accumulated depreciation/amortization    | <u>(31,950,649)</u>               | <u>(1,772,848)</u>       | <u>–</u>           | <u>(33,723,497)</u>         |
| Net capital assets, depreciated/amortized      | <u>37,494,716</u>                 | <u>389,809</u>           | <u>–</u>           | <u>37,884,525</u>           |
| Total capital assets, net                      | <u><u>\$ 39,141,609</u></u>       | <u><u>\$ 389,809</u></u> | <u><u>\$ –</u></u> | <u><u>\$ 39,531,418</u></u> |

Depreciation/amortization expense for the year was charged to the following governmental functions:

|   |                            |
|---|----------------------------|
| Elementary and secondary regular instruction              | \$ 48,486                  |
| Sites and buildings                                       | 31,235                     |
| Depreciation/amortization not included in other functions | <u>1,693,127</u>           |
| Total depreciation/amortization expense                   | <u><u>\$ 1,772,848</u></u> |

## NOTE 4 – LONG-TERM LIABILITIES

### A. General Obligation Bonds Payable

The District currently has the following general obligation bonds payable outstanding:

| <u>Issue</u>                           | <u>Issue Date</u> | <u>Interest Rate</u> | <u>Face/Par Value</u> | <u>Final Maturity</u> | <u>Principal Outstanding</u> |
|--|-------------------|----------------------|-----------------------|-----------------------|------------------------------|
| General obligation bonds payable       |                   |                      |                       |                       |                              |
| Series 2021A – Refunding               | 12/02/2021        | 5.00%                | \$ 12,610,000         | 02/01/2029            | \$ 7,150,000                 |
| Series 2022A – Refunding               | 11/17/2022        | 4.00–5.00%           | \$ 9,365,000          | 02/01/2033            | <u>8,810,000</u>             |
| Total general obligation bonds payable |                   |                      |                       |                       | <u>\$ 15,960,000</u>         |

These bonds were issued to finance acquisition, construction, and/or improvements of capital facilities, or to finance the retirement (refunding) of prior bond issues. Assets of the Debt Service Fund, together with scheduled future ad valorem tax levies, are dedicated for the retirement of these bonds. The annual future debt service levies authorized are equal 105 percent of the principal and interest due each year. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

### B. Certificates of Participation Payable

The District currently has the following certificates of participation payable outstanding:

| <u>Issue</u>                        | <u>Issue Date</u> | <u>Interest Rate</u> | <u>Face/Par Value</u> | <u>Final Maturity</u> | <u>Principal Outstanding</u> |
|-------------------------------------|-------------------|----------------------|-----------------------|-----------------------|------------------------------|
| 2019A Certificates of Participation | 12/30/2019        | 2.00–4.00%           | \$ 5,265,000          | 04/01/2035            | <u>\$ 3,825,000</u>          |

The certificates of participation were issued to finance the acquisition and renovation of a building for educational programming purposes. Scheduled future ad valorem lease obligation tax levies will be made to finance the retirement of principal and interest payments on the certificates. The certificates of participation are being paid by the General Fund.

### C. Financed Purchase Payable

The District currently has the following financed purchase payable outstanding:

| <u>Issue</u>               | <u>Issue Date</u> | <u>Interest Rate</u> | <u>Face/Par Value</u> | <u>Final Maturity</u> | <u>Principal Outstanding</u> |
|----------------------------|-------------------|----------------------|-----------------------|-----------------------|------------------------------|
| Interactive display boards | 11/01/2024        | 4.00%                | \$ 232,348            | 11/01/2028            | <u>\$ 182,095</u>            |

The financed purchase was used to purchase interactive display boards. The financed purchase is being paid by the General Fund.

### D. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including compensated absences, pensions, and OPEB. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are financed primarily from the General Fund. The District has also established an Internal Service Fund to finance OPEB obligations.

## NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

District employees participate in two state-wide, cost-sharing, multiple-employer defined benefit pension plans, administered by the PERA and the TRA. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the current year:

| Pension Plans | Net Pension Liabilities | Deferred Outflows of Resources | Deferred Inflows of Resources | Pension Expense     |
|---------------|-------------------------|--------------------------------|-------------------------------|---------------------|
| PERA          | \$ 3,276,952            | \$ 976,760                     | \$ 2,410,012                  | \$ 5,141            |
| TRA           | 20,086,009              | 5,706,828                      | 7,121,764                     | 1,422,134           |
| Total         | <u>\$ 23,362,961</u>    | <u>\$ 6,683,588</u>            | <u>\$ 9,531,776</u>           | <u>\$ 1,427,275</u> |

### E. Minimum Debt Payments

Minimum annual principal and interest payments to maturity for general obligation bonds payable, certificates of participation, and finance purchase payable are as follows:

| Year Ending June 30, | General Obligation Bonds Payable |                     | Certificates of Participation |                   | Financed Purchase Payable |                  |
|----------------------|----------------------------------|---------------------|-------------------------------|-------------------|---------------------------|------------------|
|                      | Principal                        | Interest            | Principal                     | Interest          | Principal                 | Interest         |
| 2026                 | \$ 2,655,000                     | \$ 761,800          | \$ 335,000                    | \$ 101,394        | \$ 42,834                 | \$ 7,419         |
| 2027                 | 2,690,000                        | 629,050             | 345,000                       | 87,994            | 44,579                    | 5,674            |
| 2028                 | 1,810,000                        | 494,550             | 360,000                       | 74,194            | 46,396                    | 3,857            |
| 2029                 | 1,905,000                        | 404,050             | 375,000                       | 59,794            | 48,286                    | 1,967            |
| 2030                 | 1,595,000                        | 308,800             | 380,000                       | 52,294            | –                         | –                |
| 2031–2035            | 5,305,000                        | 447,650             | 2,030,000                     | 137,575           | –                         | –                |
|                      | <u>\$ 15,960,000</u>             | <u>\$ 3,045,900</u> | <u>\$ 3,825,000</u>           | <u>\$ 513,245</u> | <u>\$ 182,095</u>         | <u>\$ 18,917</u> |

### F. Changes in Long-Term Liabilities

|                                  | Balance – Beginning of Year | Change in Accounting Principle (1) | Additions           | Deletions            | Balance – End of Year | Due Within One Year |
|----------------------------------|-----------------------------|------------------------------------|---------------------|----------------------|-----------------------|---------------------|
| General obligation bonds payable | \$ 18,305,000               | \$ –                               | \$ –                | \$ 2,345,000         | \$ 15,960,000         | \$ 2,655,000        |
| Certificates of participation    | 4,145,000                   | –                                  | –                   | 320,000              | 3,825,000             | 335,000             |
| Unamortized premium/discount     | 2,190,075                   | –                                  | –                   | 355,751              | 1,834,324             | –                   |
| Financed purchase payable        | –                           | –                                  | 232,348             | 50,253               | 182,095               | 42,834              |
| Compensated absences payable (2) | 196,973                     | 5,607,843                          | 425,439             | –                    | 6,230,255             | 794,413             |
| Net pension liability            | 30,558,510                  | –                                  | 3,811,499           | 11,007,048           | 23,362,961            | –                   |
| Total OPEB liability             | <u>5,655,004</u>            | <u>–</u>                           | <u>685,417</u>      | <u>1,050,085</u>     | <u>5,290,336</u>      | <u>468,583</u>      |
|                                  | <u>\$ 61,050,562</u>        | <u>\$ 5,607,843</u>                | <u>\$ 5,154,703</u> | <u>\$ 15,128,137</u> | <u>\$ 56,684,971</u>  | <u>\$ 4,295,830</u> |

(1) See Note 1 for the change in accounting principle with implementation of GASB Statement No. 101 for compensated absences.

(2) The change in compensated absences is presented net.

## NOTE 5 – FUND BALANCES

The following is a breakdown of equity components of governmental funds, which are defined earlier in the report. When applicable, certain restrictions, which have an accumulated deficit balance at June 30 are included in unassigned fund balance in the District’s financial statements in accordance with accounting principles generally accepted in the United States of America. A description of these deficit balance restrictions is included herein since the District has specific authority to future resources for such deficits.

### A. Classifications

At year-end, a summary of the District’s governmental fund balance classifications are as follows:

|  | General Fund         | Debt Service<br>Fund | Nonmajor<br>Funds   | Total                |
|--|----------------------|----------------------|---------------------|----------------------|
| <b>Nonspendable</b>                          |                      |                      |                     |                      |
| Inventory                                    | \$ –                 | \$ –                 | \$ 38,430           | \$ 38,430            |
| Prepaid items                                | 8,440                | –                    | –                   | 8,440                |
| Total nonspendable                           | <u>8,440</u>         | <u>–</u>             | <u>38,430</u>       | <u>46,870</u>        |
| <b>Restricted</b>                            |                      |                      |                     |                      |
| Student activities                           | 263,269              | –                    | –                   | 263,269              |
| Capital projects levy                        | 158,338              | –                    | –                   | 158,338              |
| American Indian education aid                | 16,000               | –                    | –                   | 16,000               |
| Operating capital                            | 1,201,595            | –                    | –                   | 1,201,595            |
| Area learning center                         | 256,805              | –                    | –                   | 256,805              |
| Quality compensation                         | 283,002              | –                    | –                   | 283,002              |
| Gifted and talented                          | 99,861               | –                    | –                   | 99,861               |
| Basic skills                                 | 1,158,904            | –                    | –                   | 1,158,904            |
| Safe schools levy                            | 167,366              | –                    | –                   | 167,366              |
| Literacy aid                                 | 102,691              | –                    | –                   | 102,691              |
| Teacher compensation for READ Act training   | 35,982               | –                    | –                   | 35,982               |
| Long-term facilities maintenance             | 137,437              | –                    | –                   | 137,437              |
| Student support personnel                    | 1,788                | –                    | –                   | 1,788                |
| Debt reduction                               | 308,317              | –                    | –                   | 308,317              |
| Flexible benefits                            | 63,407               | –                    | –                   | 63,407               |
| Debt service                                 | –                    | 938,350              | –                   | 938,350              |
| Food service                                 | –                    | –                    | 1,407,327           | 1,407,327            |
| Community education programs                 | –                    | –                    | 628,661             | 628,661              |
| Early childhood family<br>education programs | –                    | –                    | 115,816             | 115,816              |
| School readiness                             | –                    | –                    | 12,749              | 12,749               |
| Adult basic education                        | –                    | –                    | 153,942             | 153,942              |
| Total restricted                             | <u>4,254,762</u>     | <u>938,350</u>       | <u>2,318,495</u>    | <u>7,511,607</u>     |
| <b>Assigned</b>                              |                      |                      |                     |                      |
| Curriculum                                   | 1,000,000            | –                    | –                   | 1,000,000            |
| Staff development                            | 75,000               | –                    | –                   | 75,000               |
| Construction                                 | 200,000              | –                    | –                   | 200,000              |
| Building maintenance                         | 1,000,000            | –                    | –                   | 1,000,000            |
| Technology replacement                       | 400,000              | –                    | –                   | 400,000              |
| Total assigned                               | <u>2,675,000</u>     | <u>–</u>             | <u>–</u>            | <u>2,675,000</u>     |
| Unassigned                                   | <u>8,427,066</u>     | <u>–</u>             | <u>–</u>            | <u>8,427,066</u>     |
| Total  | <u>\$ 15,365,268</u> | <u>\$ 938,350</u>    | <u>\$ 2,356,925</u> | <u>\$ 18,660,543</u> |

## **NOTE 5 – FUND BALANCES (CONTINUED)**

### **B. Minimum Fund Balance Policy**

The School Board has formally adopted a fund balance policy regarding the minimum unassigned fund balance for the General Fund. The policy establishes that the District will strive to maintain a minimum unassigned General Fund balance of 8.0 percent of the annual budget. As of June 30, 2025, the unassigned fund balance of the General Fund was 15.9 percent of fiscal 2025 actual expenditures.

## **NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

### **A. Plan Descriptions**

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

#### **1. General Employees Retirement Fund (GERF)**

The PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. Minnesota Statutes, Chapter 356 defines each plan's financial reporting requirements.

Certain full-time and part-time employees of the District other than teachers are covered by the GERF. Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

#### **2. Teachers Retirement Association (TRA)**

The 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. The TRA is a separate statutory entity, administered by a Board of Trustees. The Board of Trustees 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 Public Schools or Minnesota State Colleges and Universities (MnSCU)). Educators first hired by MnSCU may elect either TRA coverage within one year of eligible employment or elect coverage through the Defined Contribution Retirement (DCR) Plan administered by MnSCU. A teacher employed by MnSCU and electing the DCR Plan is not a member of the TRA except for purposes of Social Security coverage.

### **B. Benefits Provided**

#### **1. GERF Benefits**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statutes 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. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

## **NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

The General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of the highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. The 2024 annual increase was 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. For 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.

### **2. TRA Benefits**

The 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 Statutes 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. TRA members belong to either the Basic or Coordinated Plan.

Two methods are used to compute benefits for the 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.

**NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Tier I Benefits**

| Step-Rate Formula   | Percentage<br>per Year |
|---|------------------------|
| <b>Basic Plan</b>   |                        |
| First 10 years of service   | 2.2 %                  |
| All years after   | 2.7 %                  |
| <b>Coordinated Plan</b>   |                        |
| First 10 years if service years are up to July 1, 2006                | 1.2 %                  |
| First 10 years if service years are July 1, 2006 or after             | 1.4 %                  |
| All other years of service if service years are up to July 1, 2006    | 1.7 %                  |
| All other years of service if service years are July 1, 2006 or after | 1.9 %                  |

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) Three percent per year early retirement reduction factor for all years under normal retirement age.
- (c) Unreduced benefits for early retirement under a Rule of 90 (age plus allowable service equals 90 or more).

Or

For years of service prior to July 1, 2006, a Level formula of 1.7 percent per year for Coordinated members and 2.7 percent per year for Basic members is applied. For years of service July 1, 2006 and after, a Level formula of 1.9 percent per year for Coordinated members and 2.7 percent per year for Basic members applies. An early retirement reduction is applied to members retiring prior to age 65. Members who reach age 62 with 30 years of service have a lower (more favorable to the member) reduction rate applied.

**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. After July 1, 2024, the age will change to not to exceed 65. An early retirement reduction is applied to members retiring before age 66, but will be age 65 after July 1, 2024. Members who reach age 62 with 30 years of service have a lower (more favorable to the member) early retirement reduction rate applied.

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.

## NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

### C. Contributions

Minnesota Statutes set the rates for employer and employee contributions. Contribution rates can only be modified by the State Legislature.

#### 1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employee and employer contributions. Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2025 and the District was required to contribute 7.50 percent for General Plan members. The District's contributions to the GERF for the year ended June 30, 2025, were \$603,099. The District's contributions were equal to the required contributions as set by state statutes.

#### 2. TRA Contributions

Per Minnesota Statutes, Chapter 354 sets the rates for employee and employer contributions. Rates for each fiscal year 2025 Coordinated Plan were 7.75 percent for the employee and 8.75 percent for the employer. Basic Plan rates were 11.25 percent for the employee and 12.75 percent for the employer. The District's contributions to the TRA for the plan's fiscal year ended June 30, 2025, were \$1,951,466. The District's contributions were equal to the required contributions for each year as set by state statutes.

### D. Pension Costs

#### 1. GERF Pension Costs

At June 30, 2025, the District reported a liability of \$3,276,952 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. The state of Minnesota is considered a 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 totaled \$84,735.

|  |                     |
|--|---------------------|
| District's proportionate share of the net pension liability                              | \$ 3,276,952        |
| State's proportionate share of the net pension liability<br>associated with the District | <u>84,735</u>       |
| Total  | <u>\$ 3,361,687</u> |

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of the PERA's participating employers. The District's proportionate share was 0.0886 percent at the end of the measurement period and 0.0935 percent for the beginning of the period.

For the year ended June 30, 2025, the District recognized pension expense of \$2,869 for its proportionate share of the GERF's pension expense. The District also recognized an additional \$2,272 as pension expense and grant revenue for its proportionate share of the state of Minnesota's pension expense for the annual \$16 million contribution.

**NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

During the plan year ended June 30, 2024, the state of Minnesota contributed \$170.1 million to the General Employees Fund. The state of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized \$150,770 for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota’s on-behalf contributions to the General Employees Fund.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience                                 | \$ 313,668                           | \$ –                                |
| Changes in actuarial assumptions  | 16,841                               | 1,289,933                           |
| Net difference between projected and actual investment earnings on pension plan investments | –                                    | 916,249                             |
| Changes in proportion   | 43,152                               | 203,830                             |
| District’s contributions to the GERF subsequent to the measurement date                     | <u>603,099</u>                       | <u>–</u>                            |
| Total   | <u>\$ 976,760</u>                    | <u>\$ 2,410,012</u>                 |

The \$603,099 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30, | Pension<br>Expense<br>Amount |
|-------------------------|------------------------------|
| 2026                    | \$ (1,072,538)               |
| 2027                    | \$ (237,317)                 |
| 2028                    | \$ (475,338)                 |
| 2029                    | \$ (251,158)                 |

**2. TRA Pension Costs**

At June 30, 2025, the District reported a liability of \$20,086,009 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District’s proportion of the net pension liability was based on the District’s contributions to the 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 0.3161 percent at the end of the measurement period and 0.3068 percent for the beginning of the period.

**NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

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

|   |                             |
|---|-----------------------------|
| District’s proportionate share of the net pension liability                           | \$ 20,086,009               |
| State’s proportionate share of the net pension liability associated with the District | <u>1,313,808</u>            |
| Total   | <u><u>\$ 21,399,817</u></u> |

For the year ended June 30, 2025, the District recognized pension expense of \$1,349,913. It also recognized \$72,221 as an increase to pension expense for the support provided by direct aid.

During the plan year ended June 30, 2024, the state of Minnesota contributed \$176.0 million to the Fund. The state of Minnesota is not included as a non-employer contributing entity in the plan pension allocation schedules for the \$176.0 million in direct state aid because of this contribution was not considered to meet the definition of a special funding situation. The District recognized \$556,863 for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota’s on-behalf contributions to the Fund.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> |
|---|---|--|
| Differences between expected and actual economic experience                                 | \$ 969,162                                    | \$ 258,800                                   |
| Changes in actuarial assumptions  | 2,146,343                                     | 2,395,311                                    |
| Net difference between projected and actual investment earnings on pension plan investments | –   | 2,931,345                                    |
| Changes in proportion   | 639,857                                       | 1,536,308                                    |
| District’s contributions to the TRA subsequent to the measurement date                      | <u>1,951,466</u>                              | <u>–</u>                                     |
| Total   | <u><u>\$ 5,706,828</u></u>                    | <u><u>\$ 7,121,764</u></u>                   |

The \$1,951,466 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| <u>Year Ending<br/>June 30,</u> | <u>Pension<br/>Expense<br/>Amount</u> |
|---------------------------------|---------------------------------------|
| 2026                            | \$ (1,768,265)                        |
| 2027                            | \$ 1,523,469                          |
| 2028                            | \$ (1,647,846)                        |
| 2029                            | \$ (1,284,737)                        |
| 2030                            | \$ (189,023)                          |

## NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

### E. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of the PERA and the 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 future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation.

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

| <u>Asset Class</u>   | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|--------------------------|---|
| Domestic equity      | 33.50 %                  | 5.10 %  |
| International equity | 16.50                    | 5.30 %  |
| Private markets      | 25.00                    | 5.90 %  |
| Fixed income         | 25.00                    | 0.75 %  |
| Total                | <u>100.00 %</u>          |   |

### F. Actuarial Methods and Assumptions

#### 1. GERP

The total pension liability was determined by an actuarial valuation as of June 30, 2024, using the entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7.00 percent. The 7.00 percent assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.00 percent is within that range.

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

Salary growth assumptions in the GERP Plan range in annual increments from 10.25 percent after one year of service to 3.00 percent after 27 years of service.

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

Actuarial assumptions for the GERP Plan are reviewed every four years. The most recent four-year experience study for the GERP Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation.

**NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**2. TRA**

The total pension liability in the July 1, 2024 actuarial valuation was determined using the entry-age normal method and actuarial assumptions, applied to all periods included in the measurement. Key assumptions used in the valuation of the total pension liability are as follows:

| Actuarial Assumptions Used in Valuation of Total Pension Liability |   |
|--|---|
| Investment rate of return  | 7.00%   |
| Price inflation  | 2.50%   |
| Wage growth rate   | 2.85% before July 1, 2028, and 3.25% after June 30, 2028  |
| Projected salary increase  | 2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% thereafter   |
| Cost of living adjustment  | 1.00 percent for January 2019 through January 2023, then increasing by 0.10 percent each year up to 1.50 percent annually                                     |
| Mortality Assumptions Used in Valuation of Total Pension Liability |   |
| Pre-Retirement   | PubT-2010(A) Employee Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.           |
| Healthy Retirees   | PubT-2010(A) Retiree Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.            |
| Beneficiaries  | Pub-2010(A) Contingent Survivor Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale. |
| Disabled Retirees  | PubNS-2010 Disabled Retiree Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.     |

The following changes in plan provisions and actuarial assumptions occurred in 2024:

**1. GERF**

**CHANGES IN PLAN PROVISIONS**

- The workers’ compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

**CHANGES IN ACTUARIAL ASSUMPTIONS**

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

## **NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

### **2. TRA**

#### **CHANGES IN ACTUARIAL ASSUMPTIONS**

- Mortality tables were updated for active employees, retirees, disabled retirees, and contingent beneficiaries to recently published tables derived from public plan data known as the Pub2010 family.
- Retirement rates were increased for some of the Tier II early retirement ages and some of the unreduced retirement rates were modified for both tiers to better align with actual experience.
- Probability that new female retirees elect either the Straight Life Annuity or 100% Joint & Survivor Annuity were refined to reflect the actual experience.
- Termination rates were reduced in the first 10 years of employment and slightly increased in years 16 to 25 to better match the observed experience.
- Disability rates were decreased beyond age 45 by 15.00 percent to reflect the continued lower than expected observations.

### **G. Discount Rate**

#### **1. GERF**

The discount rate used to measure the total pension liability in 2024 was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### **2. TRA**

The discount rate used to measure the total pension liability was 7.00 percent. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2024 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. 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.

## NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

### H. Pension Liability Sensitivity

The following table presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rates 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 1 percentage point lower or 1 percentage point higher than the current discount rate:

|   | <u>1% Decrease in<br/>Discount Rate</u> | <u>Current<br/>Discount Rate</u> | <u>1% Increase in<br/>Discount Rate</u> |
|---|---|----------------------------------|---|
| GERF discount rate  | 6.00%                                   | 7.00%                            | 8.00%                                   |
| District's proportionate share of<br>the GERF net pension liability | \$ 7,157,390                            | \$ 3,276,952                     | \$ 84,937                               |
| TRA discount rate   | 6.00%                                   | 7.00%                            | 8.00%                                   |
| District's proportionate share of<br>the TRA net pension liability  | \$ 35,372,636                           | \$ 20,086,009                    | \$ 7,504,751                            |

### I. Pension Plan Fiduciary Net Position

Detailed information about the 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 the plan's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at <https://minnesotatra.org>, by writing to the TRA at 60 Empire Drive, Suite 400, St. Paul, MN, 55103-4000; or by calling 651-296-2409 or 800-657-3669.

## NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

### A. Plan Description

The District provides post-employment benefits to certain eligible employees through the OPEB Plan, a single-employer defined benefit plan administered by the District. Management of the plan is vested with the School Board of the District. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a separate financial report.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

### B. Benefits Provided

All retirees of the District upon retirement have the option under state law to continue their medical insurance coverage through the District. For members of certain employee groups, the District pays for all or part of the eligible retiree’s premiums for medical and/or dental insurance from the time of retirement until the employee reaches the age of eligibility for Medicare. Benefits paid by the District differ by bargaining unit, with some contracts specifying a certain dollar amount per month, and some covering premium costs as defined within each collective bargaining agreement. Retirees not eligible for these district-paid premium benefits must pay the full district premium rate for their coverage.

The District is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees until the retiree reaches Medicare eligibility, whether the premiums are paid by the District or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as an “implicit rate subsidy.” This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the District’s younger and statistically healthier active employees.

### C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District’s contributions in the current year totaled \$424,161 as required on a pay-as-you-go basis to finance current year benefits as described in the previous section. The District has established a separate Internal Service Fund to finance these OPEB obligations.

### D. Membership

Membership in the plan consisted of the following as of the latest actuarial valuation:

|   |                   |
|---|-------------------|
| Retirees and beneficiaries receiving benefits | 82                |
| Active plan members                           | <u>390</u>        |
| Total members                                 | <u><u>472</u></u> |

### E. Total OPEB Liability of the District

The District’s total OPEB liability of \$5,290,336 as of year-end was measured as of July 1, 2024 and was determined by an actuarial valuation as of July 1, 2024.

## NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

### F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial study using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                              |   |
|------------------------------|---|
| Discount rate                | 4.10%   |
| 20-year municipal bond yield | 4.10%   |
| Inflation rate               | 2.50%   |
| Salary increases             | Service graded table  |
| Medical trend rate           | 6.50% grading to 5.00% over 6 years,<br>and then 4.00% over the next 48 years |

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield.

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

The retirement and withdrawal assumptions used to value GASB Statement No. 75 liabilities are similar to those used to value pension liabilities for Minnesota school district employees. The rates are based on the TRA of Minnesota actuarial experience study for the period July 1, 2014 through June 30, 2018.

The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

### G. Changes in the Total OPEB Liability

|  | <u>Total OPEB<br/>Liability</u> |
|--|---------------------------------|
| Beginning balance  | \$ 5,655,004                    |
| Changes for the year   |                                 |
| Service cost   | 306,791                         |
| Interest cost  | 225,053                         |
| Assumption changes   | 153,573                         |
| Differences between expected and<br>actual economic experience | (663,970)                       |
| Benefit payments   | (386,115)                       |
| Total net changes  | <u>(364,668)</u>                |
| Ending balance   | <u>\$ 5,290,336</u>             |

Changes in actuarial assumptions since the prior measurement date include the following:

- Changed healthcare trend rates to better anticipate short-term and long-term medical increases.
- The discount rate was changed from 3.90 percent to 4.10 percent.

**NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

**H. Total OPEB Liability Sensitivity to Discount and Healthcare Cost Trend Rate Changes**

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

|                      | <u>1% Decrease in<br/>Discount Rate</u> | <u>Current<br/>Discount Rate</u> | <u>1% Increase in<br/>Discount Rate</u> |
|----------------------|---|----------------------------------|---|
| OPEB discount rate   | 3.10%                                   | 4.10%                            | 5.10%                                   |
| Total OPEB liability | \$ 5,597,681                            | \$ 5,290,336                     | \$ 4,997,565                            |

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 healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

|                       | <u>1% Decrease in<br/>Healthcare Cost<br/>Trend Rate</u> | <u>Healthcare Cost<br/>Trend Rate</u> | <u>1% Increase in<br/>Healthcare Cost<br/>Trend Rate</u> |
|-----------------------|--|---------------------------------------|--|
| Healthcare trend rate | 5.50% grading to<br>4.00%, then 3.00%                    | 6.50% grading to<br>5.00%, then 4.00% | 7.50% grading to<br>6.00%, then 5.00%                    |
| Total OPEB liability  | \$ 4,994,144   | \$ 5,290,336                          | \$ 5,633,704   |

**I. OPEB Expense and Related Deferred Outflows of Resources and Deferred Inflows of Resources**

For the current year end, the District recognized a negative OPEB expense of \$104,408. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> |
|---|---|--|
| Differences between expected and actual economic experience | \$ –  | \$ 2,725,358                                 |
| Changes in actuarial assumptions                            | 286,251                                       | 757,870                                      |
| District’s contributions subsequent to the measurement date | 424,161                                       | –  |
| Total   | <u>\$ 710,412</u>                             | <u>\$ 3,483,228</u>                          |

**NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

A total of \$424,161 reported as deferred outflows of resources related to OPEB contributions, subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending<br>June 30, | OPEB<br>Expense<br>Amount |
|-------------------------|---------------------------|
| 2026                    | \$ (636,252)              |
| 2027                    | \$ (636,252)              |
| 2028                    | \$ (636,252)              |
| 2029                    | \$ (636,248)              |
| 2030                    | \$ (488,919)              |
| Thereafter              | \$ (163,054)              |

**NOTE 8 – FLEXIBLE BENEFIT PLAN**

The District has a flexible benefit plan, which is classified as a cafeteria plan (the Plan) under § 125 of the IRC. All employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing pretax dollars withheld from payroll checks to the Plan for healthcare and dependent care benefits. Payments are made from the Plan to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the participant.

Before the beginning of the plan year, which is from January 1 to December 31, each participant designates a total amount of pretax dollars to be contributed to the Plan during the year. At June 30, the District is contingently liable for claims against the total amount of participants' annual contributions to the Plan, whether or not such contributions have been made.

Payments of insurance premiums (health, dental, life, and disability) are made by the District directly to the designated insurance companies. These payments are made on a monthly basis and are accounted for in the General Fund and special revenue funds.

Amounts withheld for medical reimbursement and dependent care are accounted for by a district employee who serves as the plan administrator. Payments are made to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the employee. The medical reimbursement and dependent care activity are included in the General Fund.

All property of the Plan and income attributable to that property is solely the property of the District, subject to the claims of the District's general creditors. Participants' rights under the Plan are equal to those of general creditors of the District in an amount equal to eligible healthcare and dependent care expenses incurred by the participants. The District believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

## **NOTE 9 – COMMITMENTS AND CONTINGENCIES**

### **A. 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 funds. 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.

### **B. Legal Claims**

The District had the usual and customary types of miscellaneous legal claims pending at year-end, mostly of a minor nature and usually covered by insurance carried for that purpose. Although the outcomes of these lawsuits are not presently determinable, the District believes that the resolution of these matters will not have a material adverse effect on its financial position.

### **C. Purchase Power Commitment**

During fiscal year 2021, the District entered into a solar power purchase agreement with IPS Solar DG Solar A, LLC. The District is committed to purchasing all of the annual delivered energy generated by the system for a period of 20 years and additional 3 terms of 5 years from the commercial operation date and continues for the duration of the initial term and any additional terms. In return, the District will receive bill credits associated with the energy production.

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REQUIRED SUPPLEMENTARY INFORMATION

SPECIAL SCHOOL DISTRICT NO. 6

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2025

| District Fiscal Year-End Date | PERA Fiscal Year-End Date (Measurement Date) | District's Proportion of the Net Pension Liability | District's Proportionate Share of the Net Pension Liability | District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability | Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability | District's Covered Payroll | District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|-------------------------------|--|--|---|---|--|----------------------------|--|--|
| 06/30/2016                    | 06/30/2015                                   | 0.1091%  | \$ 5,654,128  | \$ -  | \$ 5,654,128   | \$ 6,328,547               | 89.34%   | 78.20%   |
| 06/30/2017                    | 06/30/2016                                   | 0.1074%  | \$ 8,720,346  | \$ 113,888  | \$ 8,834,234   | \$ 6,666,940               | 130.80%  | 68.90%   |
| 06/30/2018                    | 06/30/2017                                   | 0.1108%  | \$ 7,073,396  | \$ 88,931   | \$ 7,162,327   | \$ 7,141,483               | 99.05%   | 75.90%   |
| 06/30/2019                    | 06/30/2018                                   | 0.1093%  | \$ 6,063,516  | \$ 198,744  | \$ 6,262,260   | \$ 7,332,178               | 82.70%   | 79.50%   |
| 06/30/2020                    | 06/30/2019                                   | 0.1122%  | \$ 6,203,286  | \$ 192,825  | \$ 6,396,111   | \$ 7,939,979               | 78.13%   | 80.20%   |
| 06/30/2021                    | 06/30/2020                                   | 0.1095%  | \$ 6,565,025  | \$ 202,484  | \$ 6,767,509   | \$ 7,816,070               | 83.99%   | 79.10%   |
| 06/30/2022                    | 06/30/2021                                   | 0.0900%  | \$ 3,843,402  | \$ 117,435  | \$ 3,960,837   | \$ 6,488,932               | 59.23%   | 87.00%   |
| 06/30/2023                    | 06/30/2022                                   | 0.0933%  | \$ 7,389,391  | \$ 216,555  | \$ 7,605,946   | \$ 6,989,076               | 105.73%  | 76.70%   |
| 06/30/2024                    | 06/30/2023                                   | 0.0935%  | \$ 5,228,415  | \$ 144,163  | \$ 5,372,578   | \$ 7,437,227               | 70.30%   | 83.10%   |
| 06/30/2025                    | 06/30/2024                                   | 0.0886%  | \$ 3,276,952  | \$ 84,735   | \$ 3,361,687   | \$ 7,483,960               | 43.79%   | 89.08%   |

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2025

| District Fiscal Year-End Date | Statutorily Required Contributions | Contributions in Relation to the Statutorily Required Contributions | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------------------------|------------------------------------|---|----------------------------------|-----------------|--|
| 06/30/2016                    | \$ 499,908                         | \$ 499,908  | \$ -                             | \$ 6,666,940    | 7.50%  |
| 06/30/2017                    | \$ 535,497                         | \$ 535,497  | \$ -                             | \$ 7,141,483    | 7.50%  |
| 06/30/2018                    | \$ 549,688                         | \$ 549,688  | \$ -                             | \$ 7,332,178    | 7.50%  |
| 06/30/2019                    | \$ 595,495                         | \$ 595,495  | \$ -                             | \$ 7,939,979    | 7.50%  |
| 06/30/2020                    | \$ 585,902                         | \$ 585,902  | \$ -                             | \$ 7,816,070    | 7.50%  |
| 06/30/2021                    | \$ 486,506                         | \$ 486,506  | \$ -                             | \$ 6,488,932    | 7.50%  |
| 06/30/2022                    | \$ 524,137                         | \$ 524,137  | \$ -                             | \$ 6,989,076    | 7.50%  |
| 06/30/2023                    | \$ 557,792                         | \$ 557,792  | \$ -                             | \$ 7,437,227    | 7.50%  |
| 06/30/2024                    | \$ 561,297                         | \$ 561,297  | \$ -                             | \$ 7,483,960    | 7.50%  |
| 06/30/2025                    | \$ 603,099                         | \$ 603,099  | \$ -                             | \$ 8,038,065    | 7.50%  |

SPECIAL SCHOOL DISTRICT NO. 6

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2025

| District Fiscal Year-End Date | TRA Fiscal Year-End Date (Measurement Date) | District's Proportion of the Net Pension Liability | District's Proportionate Share of the Net Pension Liability | District's Proportionate Share of the Minnesota's Proportionate Share of the Net Pension Liability | Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability | District's Covered Payroll | District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|-------------------------------|---|--|---|--|--|----------------------------|--|--|
| 06/30/2016                    | 06/30/2015                                  | 0.3716%  | \$ 22,987,135   | \$ 2,819,725   | \$ 25,806,860  | \$ 18,878,949              | 121.76%  | 76.80%   |
| 06/30/2017                    | 06/30/2016                                  | 0.3670%  | \$ 87,538,256   | \$ 8,785,747   | \$ 96,324,003  | \$ 19,304,901              | 453.45%  | 44.88%   |
| 06/30/2018                    | 06/30/2017                                  | 0.3669%  | \$ 73,239,894   | \$ 7,080,446   | \$ 80,320,340  | \$ 19,744,761              | 370.93%  | 51.57%   |
| 06/30/2019                    | 06/30/2018                                  | 0.3489%  | \$ 21,914,186   | \$ 2,059,012   | \$ 23,973,198  | \$ 19,279,005              | 113.67%  | 78.07%   |
| 06/30/2020                    | 06/30/2019                                  | 0.3560%  | \$ 22,691,515   | \$ 2,008,105   | \$ 24,699,620  | \$ 20,206,696              | 112.30%  | 78.21%   |
| 06/30/2021                    | 06/30/2020                                  | 0.3523%  | \$ 26,028,396   | \$ 2,181,119   | \$ 28,209,515  | \$ 20,470,746              | 127.15%  | 75.48%   |
| 06/30/2022                    | 06/30/2021                                  | 0.3349%  | \$ 14,656,225   | \$ 1,235,935   | \$ 15,892,160  | \$ 20,040,978              | 73.13%   | 86.63%   |
| 06/30/2023                    | 06/30/2022                                  | 0.3212%  | \$ 25,719,997   | \$ 1,907,256   | \$ 27,627,253  | \$ 19,851,392              | 129.56%  | 76.17%   |
| 06/30/2024                    | 06/30/2023                                  | 0.3068%  | \$ 25,330,095   | \$ 1,774,387   | \$ 27,104,482  | \$ 19,509,333              | 129.84%  | 76.42%   |
| 06/30/2025                    | 06/30/2024                                  | 0.3161%  | \$ 20,086,009   | \$ 1,313,808   | \$ 21,399,817  | \$ 20,940,629              | 95.92%   | 82.07%   |

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2025

| District Fiscal Year-End Date | Statutorily Required Contributions | Contributions in Relation to the Statutorily Required Contributions | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------------------------|------------------------------------|---|----------------------------------|-----------------|--|
| 06/30/2016                    | \$ 1,448,037                       | \$ 1,448,037  | \$ -                             | \$ 19,304,901   | 7.50%  |
| 06/30/2017                    | \$ 1,481,077                       | \$ 1,481,077  | \$ -                             | \$ 19,744,761   | 7.50%  |
| 06/30/2018                    | \$ 1,445,979                       | \$ 1,445,979  | \$ -                             | \$ 19,279,005   | 7.50%  |
| 06/30/2019                    | \$ 1,557,835                       | \$ 1,557,835  | \$ -                             | \$ 20,206,696   | 7.71%  |
| 06/30/2020                    | \$ 1,621,284                       | \$ 1,621,284  | \$ -                             | \$ 20,470,746   | 7.92%  |
| 06/30/2021                    | \$ 1,629,325                       | \$ 1,629,325  | \$ -                             | \$ 20,040,978   | 8.13%  |
| 06/30/2022                    | \$ 1,655,615                       | \$ 1,655,615  | \$ -                             | \$ 19,851,392   | 8.34%  |
| 06/30/2023                    | \$ 1,668,048                       | \$ 1,668,048  | \$ -                             | \$ 19,509,333   | 8.55%  |
| 06/30/2024                    | \$ 1,832,305                       | \$ 1,832,305  | \$ -                             | \$ 20,940,629   | 8.75%  |
| 06/30/2025                    | \$ 1,951,466                       | \$ 1,951,466  | \$ -                             | \$ 22,290,611   | 8.75%  |

SPECIAL SCHOOL DISTRICT NO. 6

Other Post-Employment Benefits Plan  
 Schedule of Changes in the District's Total  
 OPEB Liability and Related Ratios  
 Year Ended June 30, 2025

|  | District Fiscal Year-End Date |                     |                     |                     |                     |                     |                     |                     |
|--|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2018                          | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                |
| Total OPEB liability   |                               |                     |                     |                     |                     |                     |                     |                     |
| Service cost   | \$ 442,920                    | \$ 444,251          | \$ 489,454          | \$ 403,634          | \$ 435,373          | \$ 242,657          | \$ 246,048          | \$ 306,791          |
| Interest cost  | 311,019                       | 316,347             | 292,396             | 274,215             | 170,032             | 154,598             | 211,898             | 225,053             |
| Assumption changes   | -                             | (218,512)           | 193,824             | (724,418)           | 102,740             | (475,233)           | (25,583)            | 153,573             |
| Plan changes   | -                             | 337,912             | -                   | -                   | -                   | -                   | -                   | -                   |
| Differences between expected and actual economic experience      | -                             | (1,402,059)         | -                   | (1,395,345)         | -                   | (1,484,247)         | -                   | (663,970)           |
| Benefit payments   | (586,475)                     | (610,891)           | (333,430)           | (464,018)           | (235,442)           | (240,986)           | (213,167)           | (386,115)           |
| Net change in total OPEB liability                               | 167,464                       | (1,132,952)         | 642,244             | (1,905,932)         | 472,703             | (1,803,211)         | 219,196             | (364,668)           |
| Total OPEB liability – beginning balance                         | 8,995,492                     | 9,162,956           | 8,030,004           | 8,672,248           | 6,766,316           | 7,239,019           | 5,435,808           | 5,655,004           |
| Total OPEB liability – ending balance                            | <u>\$ 9,162,956</u>           | <u>\$ 8,030,004</u> | <u>\$ 8,672,248</u> | <u>\$ 6,766,316</u> | <u>\$ 7,239,019</u> | <u>\$ 5,435,808</u> | <u>\$ 5,655,004</u> | <u>\$ 5,290,336</u> |
| Covered-employee payroll   | <u>\$24,641,269</u>           | <u>\$24,372,096</u> | <u>\$25,103,259</u> | <u>\$24,421,664</u> | <u>\$25,154,314</u> | <u>\$24,398,605</u> | <u>\$25,130,563</u> | <u>\$25,610,545</u> |
| Total OPEB liability as a percentage of covered-employee payroll | <u>37.19%</u>                 | <u>32.95%</u>       | <u>34.55%</u>       | <u>27.71%</u>       | <u>28.78%</u>       | <u>22.28%</u>       | <u>22.50%</u>       | <u>20.66%</u>       |

Note 1: The District has not established a trust fund to finance GASB Statement No. 75 related benefits.

Note 2: The District implemented GASB Statement No. 75 in fiscal 2018. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

SPECIAL SCHOOL DISTRICT NO. 6

Notes to Required Supplementary Information  
June 30, 2025

**PERA – GENERAL EMPLOYEES RETIREMENT FUND**

**2024 CHANGES IN PLAN PROVISIONS**

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

**2024 CHANGES IN ACTUARIAL ASSUMPTIONS**

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

**2023 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, noncompounding benefit increase of 2.50 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

**2023 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The investment return assumption and single discount rate were changed from 6.50 percent to 7.00 percent.

**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 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

**2020 CHANGES IN PLAN PROVISIONS**

- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020 through December 31, 2023, and zero percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

## **PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)**

### **2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- 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 percent 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 two through five, and slightly higher thereafter.
- 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 MP-2018 to 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 100.00 percent joint and survivor option changed from 35.00 percent to 45.00 percent. The assumed number of married female new retirees electing the 100.00 percent joint and survivor option changed from 15.00 percent to 30.00 percent. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

### **2019 CHANGES IN PLAN PROVISIONS**

- The employer supplemental contribution was changed prospectively, decreasing 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.

### **2019 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

### **2018 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 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year, with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio, to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.

## **PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)**

### **2018 CHANGES IN PLAN PROVISIONS (CONTINUED)**

- 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.

### **2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044, and 2.50 percent per year thereafter, to 1.25 percent per year.

### **2017 CHANGES IN PLAN PROVISIONS**

- The state's contribution for the Minneapolis Employees Retirement Fund equals \$16.0 million in 2017 and 2018, and \$6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21.0 million to \$31.0 million in calendar years 2019 to 2031. The state's contribution changed from \$16.0 million to \$6.0 million in calendar years 2019 to 2031.

### **2017 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and nonvested deferred members. The revised CSA loads are now zero percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years, to 1.00 percent per year through 2044, and 2.50 percent per year thereafter.

### **2016 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035, and 2.50 percent per year thereafter, to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 7.50 percent.
- 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 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

### **2015 CHANGES IN PLAN PROVISIONS**

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Retirement Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892.0 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.

### **2015 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030, and 2.50 percent per year thereafter, to 1.00 percent per year through 2035, and 2.50 percent per year thereafter.

## **TEACHERS RETIREMENT ASSOCIATION (TRA)**

### **2024 CHANGES IN ACTUARIAL ASSUMPTIONS**

- Mortality tables were updated for active employees, retirees, disabled retirees, and contingent beneficiaries to recently published tables derived from public plan data known as the Pub2010 family of tables.
- Retirement rates were increased for some of the Tier II early retirement ages and some of the unreduced retirement rates were modified for both tiers to better align with actual experience.
- Probability that new female retirees elect either the Straight Life Annuity or 100 percent Joint & Survivor Annuity were refined to reflect the actual experience.
- Termination rates were reduced in the first 10 years of employment and slightly increased in years 16 to 25 to better match the observed experience.
- Disability rates were decreased beyond age 45 by 15.00 percent to reflect the continued lower than expected observations.

### **2023 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The normal retirement age for active and eligible Tier II members will be 65 effective July 1, 2024.
- The employer contribution rate will increase from 8.75 percent to 9.50 percent on July 1, 2025.
- The employee contribution rate will increase from 7.75 percent to 8.00 percent on July 1, 2025.
- The pension adjustment rate for school districts and the base budgets for MnSCU, Perpich Center for Arts Education, and Minnesota academies will increase to reflect the 0.75 percent employer contribution rate increase.

### **2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The investment return assumption was changed from 7.50 percent to 7.00 percent.

### **2018 CHANGES IN PLAN PROVISIONS**

- The cost of living adjustment (COLA) was reduced from 2.00 percent each January 1 to 1.00 percent, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.10 percent each year until reaching the ultimate rate of 1.50 percent on 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.
- The COLA trigger provision, which would have increased the COLA to 2.50 percent if the funded ratio was at least 90.00 percent 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 4.00 percent to 3.00 percent, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.50 percent to 7.50 percent, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years, (7.71 percent in 2018, 7.92 percent in 2019, 8.13 percent in 2020, 8.34 percent in 2021, 8.55 percent in 2022, and 8.75 percent in 2023). In addition, the employee contribution rate will increase from 7.50 percent to 7.75 percent on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

## **TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)**

### **2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The investment return assumption was changed from 8.50 percent to 7.50 percent.
- The single discount rate changed from 5.12 percent to 7.50 percent.

### **2017 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The COLA was assumed to increase from 2.00 percent annually to 2.50 percent annually on July 1, 2045.
- The COLA was not assumed to increase to 2.50 percent, but remain at 2.00 percent for all future years.
- Adjustments were made to the CSA loads. The active load was reduced from 1.40 percent to zero percent, the vested inactive load increased from 4.00 percent to 7.00 percent, and the nonvested inactive load increased from 4.00 percent to 9.00 percent.
- The investment return assumption was changed from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 2.75 percent to 2.50 percent.
- The payroll growth assumption was lowered from 3.50 percent to 3.00 percent.
- The general wage growth assumption was lowered from 3.50 percent to 2.85 percent for 10 years, followed by 3.25 percent thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.
- The single discount rate changed from 4.66 percent to 5.12 percent.

### **2016 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The single discount rate was changed from 8.00 percent to 4.66 percent.

### **2015 CHANGES IN PLAN PROVISIONS**

- The Duluth Teachers Retirement Fund Association was merged into the TRA on June 30, 2015.

### **2015 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The annual COLA for the June 30, 2015 valuation assumed 2.00 percent. The prior year valuation used 2.00 percent, with an increase to 2.50 percent commencing in 2034.
- The discount rate used to measure the total pension liability was 8.00 percent. This is a decrease from the discount rate at the prior measurement date of 8.25 percent.

## **OTHER POST-EMPLOYMENT BENEFITS PLAN**

### **2024 CHANGES IN ACTUARIAL ASSUMPTIONS**

- Changed healthcare trend rates to better anticipate short-term and long-term medical increases.
- The discount rate was changed from 3.90 percent to 4.10 percent.

### **2023 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.80 percent to 3.90 percent.

### **2022 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The healthcare trend rates, mortality tables, salary increase rates for nonteachers, and withdrawal rates were updated.
- The discount rate was changed from 2.10 percent to 3.80 percent.

## **OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)**

### **2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 2.40 percent to 2.10 percent.

### **2020 CHANGES IN PLAN PROVISIONS**

- The post-employment medical subsidy for meet and confer nonunion employees hired after July 1, 2020 changed to \$150 per month payable to the earlier of 10 years or Medicare eligibility and \$100 per month for the subsequent 5 years.
- The post-employment medical subsidy for principals and directors hired after January 1, 2020 changed to \$7,500 (no increase post-employment) payable to the earlier of 5 years or Medicare eligibility.
- Since these changes only impact new hires, the impact on the accrued liability as of the valuation date is \$0.

### **2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The healthcare trend rates, mortality tables, salary increase rates, and percentage of future retirees eligible for a subsidy who are assumed to continue on one of the District's medical plans post-employment were updated.
- The discount rate was changed from 3.10 percent to 2.40 percent.

### **2019 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.50 percent to 3.10 percent.

### **2018 CHANGES IN PLAN PROVISIONS**

- An early retirement incentive of \$5,000 per year paid to a healthcare savings plan, payable until the earlier of five years or Medicare eligibility (or a one-time payment of \$5,000 if already eligible for Medicare), was elected by nine teachers who retired by June 30, 2019. The retirement rates for these nine teachers were adjusted to assume all retire on July 1, 2019.
- The director of community education now has the same post-employment subsidies as other directors. Her eligibility start date for these post-employment subsidies is July 1, 2017.
- OPEB subsidies for principals hired after July 1, 2004, are no longer frozen at retirement.

### **2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

- Changed healthcare trend rates 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-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The discount rate was changed from 3.40 percent to 3.50 percent.
- The percentage of future retired custodians, meet and confer nonunion employees without special agreements, office professional employees, and support staff eligible for a subsidy who are assumed to continue on one of the District's medical plans post-employment, was changed from 100 percent to 75 percent.

### **2017 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.50 percent to 3.40 percent.

SUPPLEMENTARY INFORMATION

SPECIAL SCHOOL DISTRICT NO. 6

Nonmajor Governmental Funds  
 Combining Balance Sheet  
 as of June 30, 2025

|  | Special Revenue Funds |                     | Total               |
|--|-----------------------|---------------------|---------------------|
|  | Food Service          | Community Service   |                     |
| <b>Assets</b>  |                       |                     |                     |
| Cash and temporary investments   | \$ 1,545,843          | \$ 2,038,237        | \$ 3,584,080        |
| Receivables  |                       |                     |                     |
| Current taxes  | -                     | 240,218             | 240,218             |
| Delinquent taxes   | -                     | 6,120               | 6,120               |
| Due from other governmental units  | 124,897               | 88,350              | 213,247             |
| Inventory  | 38,430                | -                   | 38,430              |
| <b>Total assets</b>  | <b>\$ 1,709,170</b>   | <b>\$ 2,372,925</b> | <b>\$ 4,082,095</b> |
| <b>Liabilities</b>   |                       |                     |                     |
| Salaries payable   | \$ 15,353             | \$ 61,362           | \$ 76,715           |
| Accounts and contracts payable   | 86,764                | 19,421              | 106,185             |
| Due to other governmental units  | 146,046               | 955,541             | 1,101,587           |
| Unearned revenue   | 15,250                | -                   | 15,250              |
| <b>Total liabilities</b>   | <b>263,413</b>        | <b>1,036,324</b>    | <b>1,299,737</b>    |
| <b>Deferred inflows of resources</b>                                       |                       |                     |                     |
| Unavailable revenue – delinquent taxes                                     | -                     | 3,769               | 3,769               |
| Property taxes levied for subsequent year                                  | -                     | 421,664             | 421,664             |
| <b>Total deferred inflows of resources</b>                                 | <b>-</b>              | <b>425,433</b>      | <b>425,433</b>      |
| <b>Fund balances</b>   |                       |                     |                     |
| Nonspendable   | 38,430                | -                   | 38,430              |
| Restricted   | 1,407,327             | 911,168             | 2,318,495           |
| <b>Total fund balances</b>   | <b>1,445,757</b>      | <b>911,168</b>      | <b>2,356,925</b>    |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 1,709,170</b>   | <b>\$ 2,372,925</b> | <b>\$ 4,082,095</b> |

SPECIAL SCHOOL DISTRICT NO. 6

Nonmajor Governmental Funds  
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Year Ended June 30, 2025

|                             | Special Revenue Funds |                   | Total               |
|-----------------------------|-----------------------|-------------------|---------------------|
|                             | Food Service          | Community Service |                     |
| Revenue                     |                       |                   |                     |
| Local sources               |                       |                   |                     |
| Property taxes              | \$ -                  | \$ 249,356        | \$ 249,356          |
| Investment earnings         | 57,505                | 49,236            | 106,741             |
| Other                       | 111,264               | 1,055,911         | 1,167,175           |
| State sources               | 870,290               | 896,506           | 1,766,796           |
| Federal sources             | 1,481,697             | 10,682            | 1,492,379           |
| Total revenue               | <u>2,520,756</u>      | <u>2,261,691</u>  | <u>4,782,447</u>    |
| Expenditures                |                       |                   |                     |
| Current                     |                       |                   |                     |
| Food service                | 2,101,137             | -                 | 2,101,137           |
| Community service           | -                     | 2,242,178         | 2,242,178           |
| Capital outlay              | 217,073               | 443               | 217,516             |
| Total expenditures          | <u>2,318,210</u>      | <u>2,242,621</u>  | <u>4,560,831</u>    |
| Net change in fund balances | 202,546               | 19,070            | 221,616             |
| Fund balances               |                       |                   |                     |
| Beginning of year           | <u>1,243,211</u>      | <u>892,098</u>    | <u>2,135,309</u>    |
| End of year                 | <u>\$ 1,445,757</u>   | <u>\$ 911,168</u> | <u>\$ 2,356,925</u> |

SPECIAL SCHOOL DISTRICT NO. 6

General Fund  
Comparative Balance Sheet  
as of June 30, 2025 and 2024

|   | 2025                 | 2024                 |
|---|----------------------|----------------------|
| <b>Assets</b>   |                      |                      |
| Cash and temporary investments                                      | \$ 18,301,169        | \$ 17,547,474        |
| Receivables   |                      |                      |
| Current taxes   | 6,551,347            | 6,722,623            |
| Delinquent taxes  | 192,942              | 157,744              |
| Accounts and interest   | -                    | 44,431               |
| Due from other governmental units                                   | 5,606,860            | 5,003,482            |
| Prepaid items   | 8,440                | 103,663              |
|   | <u>8,440</u>         | <u>103,663</u>       |
| Total assets  | <u>\$ 30,660,758</u> | <u>\$ 29,579,417</u> |
| <b>Liabilities</b>  |                      |                      |
| Salaries payable  | \$ 2,972,886         | \$ 3,065,778         |
| Accounts and contracts payable                                      | 1,248,786            | 1,009,385            |
| Due to other governmental units                                     | 139,817              | 190,873              |
| Unearned revenue  | 24,733               | 82,753               |
| Total liabilities   | <u>4,386,222</u>     | <u>4,348,789</u>     |
| <b>Deferred inflows of resources</b>                                |                      |                      |
| Unavailable revenue – delinquent taxes                              | 95,217               | 72,894               |
| Property taxes levied for subsequent year                           | 10,814,051           | 11,106,071           |
| Total deferred inflows of resources                                 | <u>10,909,268</u>    | <u>11,178,965</u>    |
| <b>Fund balances</b>  |                      |                      |
| Nonspendable for prepaid items                                      | 8,440                | 103,663              |
| Restricted for student activities                                   | 263,269              | 281,724              |
| Restricted for staff development                                    | -                    | 140,375              |
| Restricted for capital projects levy                                | 158,338              | 221,680              |
| Restricted for American Indian education aid                        | 16,000               | 17,896               |
| Restricted for operating capital                                    | 1,201,595            | 1,109,948            |
| Restricted for area learning center                                 | 256,805              | 110,521              |
| Restricted for quality compensation                                 | 283,002              | -                    |
| Restricted for gifted and talented                                  | 99,861               | 107,608              |
| Restricted for basic skills   | 1,158,904            | -                    |
| Restricted for safe schools levy                                    | 167,366              | 173,607              |
| Restricted for literacy aid   | 102,691              | -                    |
| Restricted for teacher compensation for READ Act training           | 35,982               | -                    |
| Restricted for long-term facilities maintenance                     | 137,437              | 510,613              |
| Restricted for student support personnel                            | 1,788                | -                    |
| Restricted for Medical Assistance                                   | -                    | 31,842               |
| Restricted for debt reduction                                       | 308,317              | 281,336              |
| Restricted for flexible benefits                                    | 63,407               | 67,602               |
| Assigned for quality compensation                                   | -                    | 103,601              |
| Assigned for curriculum   | 1,000,000            | 1,000,000            |
| Assigned for staff development                                      | 75,000               | 75,000               |
| Assigned for construction   | 200,000              | 200,000              |
| Assigned for building maintenance                                   | 1,000,000            | 1,000,000            |
| Assigned for technology replacement                                 | 400,000              | 400,000              |
| Unassigned  | 8,427,066            | 8,114,647            |
| Total fund balances   | <u>15,365,268</u>    | <u>14,051,663</u>    |
|   | <u>\$ 30,660,758</u> | <u>\$ 29,579,417</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 30,660,758</u> | <u>\$ 29,579,417</u> |

SPECIAL SCHOOL DISTRICT NO. 6

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2025  
 (With Comparative Actual Amounts for the Year Ended June 30, 2024)

|  | 2025              |                      | Over (Under)<br>Budget | 2024                 |
|--|-------------------|----------------------|------------------------|----------------------|
|  | Budget            | Actual               |                        | Actual               |
| Revenue                                      |                   |                      |                        |                      |
| Local sources                                |                   |                      |                        |                      |
| Property taxes                               | \$ 11,477,388     | \$ 11,683,869        | \$ 206,481             | \$ 11,468,447        |
| Investment earnings                          | 500,000           | 797,011              | 297,011                | 752,478              |
| Other  | 1,025,904         | 1,089,401            | 63,497                 | 1,377,389            |
| State sources                                | 37,995,591        | 38,621,894           | 626,303                | 37,789,940           |
| Federal sources                              | 1,258,044         | 1,819,421            | 561,377                | 3,198,331            |
| Total revenue                                | <u>52,256,927</u> | <u>54,011,596</u>    | <u>1,754,669</u>       | <u>54,586,585</u>    |
| Expenditures                                 |                   |                      |                        |                      |
| Current                                      |                   |                      |                        |                      |
| Administration                               | 1,650,778         | 1,696,415            | 45,637                 | 1,544,709            |
| District support services                    | 2,722,481         | 2,748,264            | 25,783                 | 2,638,121            |
| Elementary and secondary regular instruction | 22,113,179        | 20,708,882           | (1,404,297)            | 21,289,124           |
| Vocational education instruction             | 229,391           | 236,653              | 7,262                  | 222,710              |
| Special education instruction                | 10,642,019        | 11,155,552           | 513,533                | 10,357,404           |
| Instructional support services               | 3,795,645         | 4,157,832            | 362,187                | 3,685,082            |
| Pupil support services                       | 4,553,054         | 4,697,906            | 144,852                | 4,184,415            |
| Sites and buildings                          | 5,647,977         | 6,741,183            | 1,093,206              | 5,492,162            |
| Fiscal and other fixed cost programs         | 93,900            | 358,803              | 264,903                | 333,884              |
| Debt service                                 |                   |                      |                        |                      |
| Principal                                    | 401,907           | 370,253              | (31,654)               | 390,201              |
| Interest and fiscal charges                  | 131,658           | 113,900              | (17,758)               | 127,823              |
| Total expenditures                           | <u>51,981,989</u> | <u>52,985,643</u>    | <u>1,003,654</u>       | <u>50,265,635</u>    |
| Excess of revenue over expenditures          | 274,938           | 1,025,953            | 751,015                | 4,320,950            |
| Other financing sources                      |                   |                      |                        |                      |
| Debt issued                                  | —                 | 232,348              | 232,348                | —                    |
| Insurance recovery                           | —                 | 55,304               | 55,304                 | 23,939               |
| Sale of capital assets                       | —                 | —                    | —                      | 17,304               |
| Total other financing sources                | <u>—</u>          | <u>287,652</u>       | <u>287,652</u>         | <u>41,243</u>        |
| Net change in fund balances                  | <u>\$ 274,938</u> | <u>1,313,605</u>     | <u>\$ 1,038,667</u>    | <u>4,362,193</u>     |
| Fund balances                                |                   |                      |                        |                      |
| Beginning of year                            |                   | <u>14,051,663</u>    |                        | <u>9,689,470</u>     |
| End of year                                  |                   | <u>\$ 15,365,268</u> |                        | <u>\$ 14,051,663</u> |

SPECIAL SCHOOL DISTRICT NO. 6

Food Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2025 and 2024

|                                     | <u>2025</u>         | <u>2024</u>         |
|-------------------------------------|---------------------|---------------------|
| Assets                              |                     |                     |
| Cash and temporary investments      | \$ 1,545,843        | \$ 1,170,231        |
| Receivables                         |                     |                     |
| Due from other governmental units   | 124,897             | 65,472              |
| Inventory                           | <u>38,430</u>       | <u>34,339</u>       |
| Total assets                        | <u>\$ 1,709,170</u> | <u>\$ 1,270,042</u> |
| Liabilities                         |                     |                     |
| Salaries payable                    | \$ 15,353           | \$ 4,724            |
| Accounts and contracts payable      | 86,764              | 6,857               |
| Due to other governmental units     | 146,046             | -                   |
| Unearned revenue                    | <u>15,250</u>       | <u>15,250</u>       |
| Total liabilities                   | 263,413             | 26,831              |
| Fund balances                       |                     |                     |
| Nonspendable for inventory          | 38,430              | 34,339              |
| Restricted for food service         | <u>1,407,327</u>    | <u>1,208,872</u>    |
| Total fund balances                 | <u>1,445,757</u>    | <u>1,243,211</u>    |
| Total liabilities and fund balances | <u>\$ 1,709,170</u> | <u>\$ 1,270,042</u> |

SPECIAL SCHOOL DISTRICT NO. 6

Food Service Special Revenue Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2025  
 (With Comparative Actual Amounts for the Year Ended June 30, 2024)

|                              | 2025               |                     | 2024                   |                     |
|------------------------------|--------------------|---------------------|------------------------|---------------------|
|                              | Budget             | Actual              | Over (Under)<br>Budget | Actual              |
| Revenue                      |                    |                     |                        |                     |
| Local sources                |                    |                     |                        |                     |
| Investment earnings          | \$ -               | \$ 57,505           | \$ 57,505              | \$ 55,014           |
| Other – primarily meal sales | 54,000             | 111,264             | 57,264                 | 94,700              |
| State sources                | 693,000            | 870,290             | 177,290                | 760,149             |
| Federal sources              | 1,404,000          | 1,481,697           | 77,697                 | 1,619,324           |
| Total revenue                | <u>2,151,000</u>   | <u>2,520,756</u>    | <u>369,756</u>         | <u>2,529,187</u>    |
| Expenditures                 |                    |                     |                        |                     |
| Current                      |                    |                     |                        |                     |
| Salaries                     | 555,933            | 585,991             | 30,058                 | 539,742             |
| Employee benefits            | 184,386            | 187,753             | 3,367                  | 179,012             |
| Purchased services           | 175,833            | 185,857             | 10,024                 | 170,711             |
| Supplies and materials       | 1,127,928          | 1,099,987           | (27,941)               | 1,095,077           |
| Other expenditures           | 168,056            | 41,549              | (126,507)              | 163,160             |
| Capital outlay               | 3,313              | 217,073             | 213,760                | 3,217               |
| Total expenditures           | <u>2,215,449</u>   | <u>2,318,210</u>    | <u>102,761</u>         | <u>2,150,919</u>    |
| Net change in fund balances  | <u>\$ (64,449)</u> | 202,546             | <u>\$ 266,995</u>      | 378,268             |
| Fund balances                |                    |                     |                        |                     |
| Beginning of year            |                    | <u>1,243,211</u>    |                        | <u>864,943</u>      |
| End of year                  |                    | <u>\$ 1,445,757</u> |                        | <u>\$ 1,243,211</u> |

SPECIAL SCHOOL DISTRICT NO. 6

Community Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2025 and 2024

|  | <u>2025</u>                | <u>2024</u>                |
|--|----------------------------|----------------------------|
| <b>Assets</b>  |                            |                            |
| Cash and temporary investments   | \$ 2,038,237               | \$ 1,183,107               |
| Receivables  |                            |                            |
| Current taxes  | 240,218                    | 144,125                    |
| Delinquent taxes   | 6,120                      | 7,007                      |
| Accounts and interest  | –                          | 4,993                      |
| Due from other governmental units                                      | <u>88,350</u>              | <u>134,430</u>             |
| Total assets   | <u><u>\$ 2,372,925</u></u> | <u><u>\$ 1,473,662</u></u> |
| <b>Liabilities</b>   |                            |                            |
| Salaries payable   | \$ 61,362                  | \$ 59,441                  |
| Accounts and contracts payable   | 19,421                     | 12,979                     |
| Due to other governmental units  | <u>955,541</u>             | <u>258,854</u>             |
| Total liabilities  | 1,036,324                  | 331,274                    |
| <b>Deferred inflows of resources</b>                                   |                            |                            |
| Unavailable revenue – delinquent taxes                                 | 3,769                      | 3,457                      |
| Property taxes levied for subsequent year                              | <u>421,664</u>             | <u>246,833</u>             |
| Total deferred inflows of resources                                    | 425,433                    | 250,290                    |
| <b>Fund balances</b>   |                            |                            |
| Restricted for community education programs                            | 628,661                    | 583,974                    |
| Restricted for early childhood family education programs               | 115,816                    | 195,478                    |
| Restricted for school readiness  | 12,749                     | 8,825                      |
| Restricted for adult basic education                                   | <u>153,942</u>             | <u>103,821</u>             |
| Total fund balances  | <u>911,168</u>             | <u>892,098</u>             |
| Total liabilities, deferred inflows<br>of resources, and fund balances | <u><u>\$ 2,372,925</u></u> | <u><u>\$ 1,473,662</u></u> |

SPECIAL SCHOOL DISTRICT NO. 6

Community Service Special Revenue Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual

Year Ended June 30, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

|                                    | 2025             |                   | Over (Under)<br>Budget | 2024              |
|------------------------------------|------------------|-------------------|------------------------|-------------------|
|                                    | Budget           | Actual            |                        | Actual            |
| <b>Revenue</b>                     |                  |                   |                        |                   |
| Local sources                      |                  |                   |                        |                   |
| Property taxes                     | \$ 383,500       | \$ 249,356        | \$ (134,144)           | \$ 424,014        |
| Investment earnings                | 35,000           | 49,236            | 14,236                 | 52,601            |
| Other – primarily tuition and fees | 908,005          | 1,055,911         | 147,906                | 957,028           |
| State sources                      | 917,579          | 896,506           | (21,073)               | 896,229           |
| Federal sources                    | 17,300           | 10,682            | (6,618)                | 17,618            |
| Total revenue                      | <u>2,261,384</u> | <u>2,261,691</u>  | <u>307</u>             | <u>2,347,490</u>  |
| <b>Expenditures</b>                |                  |                   |                        |                   |
| Current                            |                  |                   |                        |                   |
| Salaries                           | 1,422,070        | 1,449,210         | 27,140                 | 1,380,649         |
| Employee benefits                  | 469,784          | 445,112           | (24,672)               | 456,101           |
| Purchased services                 | 289,012          | 286,071           | (2,941)                | 280,595           |
| Supplies and materials             | 52,778           | 56,109            | 3,331                  | 51,241            |
| Other expenditures                 | 1,706            | 5,676             | 3,970                  | 1,657             |
| Capital outlay                     | 13,613           | 443               | (13,170)               | 13,217            |
| Total expenditures                 | <u>2,248,963</u> | <u>2,242,621</u>  | <u>(6,342)</u>         | <u>2,183,460</u>  |
| Net change in fund balances        | <u>\$ 12,421</u> | 19,070            | <u>\$ 6,649</u>        | 164,030           |
| <b>Fund balances</b>               |                  |                   |                        |                   |
| Beginning of year                  |                  | <u>892,098</u>    |                        | <u>728,068</u>    |
| End of year                        |                  | <u>\$ 911,168</u> |                        | <u>\$ 892,098</u> |

SPECIAL SCHOOL DISTRICT NO. 6

Debt Service Fund  
Comparative Balance Sheet  
as of June 30, 2025 and 2024

|  | <u>2025</u>         | <u>2024</u>         |
|--|---------------------|---------------------|
| Assets   |                     |                     |
| Cash and temporary investments   | \$ 2,455,467        | \$ 2,143,603        |
| Receivables  |                     |                     |
| Current taxes  | 2,044,525           | 1,892,080           |
| Delinquent taxes   | 58,171              | 47,853              |
| Due from other governmental units                                      | <u>–</u>            | <u>4</u>            |
| Total assets   | <u>\$ 4,558,163</u> | <u>\$ 4,083,540</u> |
| Liabilities  |                     |                     |
| Accounts and contracts payable   | \$ 950              | \$ –                |
| Deferred inflows of resources  |                     |                     |
| Unavailable revenue – delinquent taxes                                 | 30,025              | 22,946              |
| Property taxes levied for subsequent year                              | <u>3,588,838</u>    | <u>3,240,438</u>    |
| Total deferred inflows of resources                                    | <u>3,618,863</u>    | <u>3,263,384</u>    |
| Fund balances  |                     |                     |
| Restricted for debt service  | <u>938,350</u>      | <u>820,156</u>      |
| Total liabilities, deferred inflows<br>of resources, and fund balances | <u>\$ 4,558,163</u> | <u>\$ 4,083,540</u> |

SPECIAL SCHOOL DISTRICT NO. 6

Debt Service Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2025  
 (With Comparative Actual Amounts for the Year Ended June 30, 2024)

|                             | 2025             |                   | Over (Under)<br>Budget | 2024              |
|-----------------------------|------------------|-------------------|------------------------|-------------------|
|                             | Budget           | Actual            |                        | Actual            |
| Revenue                     |                  |                   |                        |                   |
| Local sources               |                  |                   |                        |                   |
| Property taxes              | \$ 3,239,924     | \$ 3,247,733      | \$ 7,809               | \$ 3,256,925      |
| Investment earnings         | –                | 96,261            | 96,261                 | 102,048           |
| State sources               | –                | –                 | –                      | 37                |
| Total revenue               | <u>3,239,924</u> | <u>3,343,994</u>  | <u>104,070</u>         | <u>3,359,010</u>  |
| Expenditures                |                  |                   |                        |                   |
| Debt service                |                  |                   |                        |                   |
| Principal                   | 2,345,000        | 2,345,000         | –                      | 2,300,000         |
| Interest                    | 874,100          | 874,100           | –                      | 1,073,110         |
| Fiscal charges and other    | 6,775            | 6,700             | (75)                   | 6,775             |
| Total expenditures          | <u>3,225,875</u> | <u>3,225,800</u>  | <u>(75)</u>            | <u>3,379,885</u>  |
| Net change in fund balances | <u>\$ 14,049</u> | 118,194           | <u>\$ 104,145</u>      | (20,875)          |
| Fund balances               |                  |                   |                        |                   |
| Beginning of year           |                  | <u>820,156</u>    |                        | <u>841,031</u>    |
| End of year                 |                  | <u>\$ 938,350</u> |                        | <u>\$ 820,156</u> |

SPECIAL SCHOOL DISTRICT NO. 6

Internal Service Funds  
 Combining Statement of Net Position  
 as of June 30, 2025  
 (With Comparative Totals as of June 30, 2024)

|   | Dental         | Medical        | Other                       | Totals        |               |
|---|----------------|----------------|-----------------------------|---------------|---------------|
|   | Self-Insurance | Self-Insurance | Post-Employment<br>Benefits | 2025          | 2024          |
| <b>Assets</b>                                 |                |                |                             |               |               |
| Current assets                                |                |                |                             |               |               |
| Cash and temporary investments                | \$ 352,117     | \$ 10,731,765  | \$ -                        | \$ 11,083,882 | \$ 11,363,082 |
| Receivables                                   |                |                |                             |               |               |
| Accounts and interest                         | 3,270          | 319,174        | -                           | 322,444       | 182,252       |
| Total current assets                          | 355,387        | 11,050,939     | -                           | 11,406,326    | 11,545,334    |
| Noncurrent assets                             |                |                |                             |               |               |
| Restricted assets                             |                |                |                             |               |               |
| Investments                                   | -              | -              | 5,500,837                   | 5,500,837     | 5,086,663     |
| Total assets                                  | 355,387        | 11,050,939     | 5,500,837                   | 16,907,163    | 16,631,997    |
| Deferred outflows of resources                |                |                |                             |               |               |
| OPEB plan deferments                          | -              | -              | 710,412                     | 710,412       | 563,752       |
| <b>Liabilities</b>                            |                |                |                             |               |               |
| Current liabilities                           |                |                |                             |               |               |
| Unearned revenue                              | 967            | 708,486        | -                           | 709,453       | 700,686       |
| Claims incurred, but not reported             | 36,282         | 639,257        | -                           | 675,539       | 765,425       |
| Total OPEB liability                          | -              | -              | 468,583                     | 468,583       | 496,848       |
| Total current liabilities                     | 37,249         | 1,347,743      | 468,583                     | 1,853,575     | 1,962,959     |
| Noncurrent liabilities                        |                |                |                             |               |               |
| Total OPEB liability (net of current portion) | -              | -              | 4,821,753                   | 4,821,753     | 5,158,156     |
| Total liabilities                             | 37,249         | 1,347,743      | 5,290,336                   | 6,675,328     | 7,121,115     |
| Deferred inflows of resources                 |                |                |                             |               |               |
| OPEB plan deferments                          | -              | -              | 3,483,228                   | 3,483,228     | 3,500,469     |
| <b>Net position</b>                           |                |                |                             |               |               |
| Unrestricted                                  | \$ 318,138     | \$ 9,703,196   | \$ (2,562,315)              | \$ 7,459,019  | \$ 6,574,165  |

SPECIAL SCHOOL DISTRICT NO. 6

Internal Service Funds  
 Combining Statement of Revenue, Expenses, and Changes in Net Position  
 Year Ended June 30, 2025  
 (With Comparative Totals for the Year Ended June 30, 2024)

|                                       | Dental            | Medical             | Other                    | Totals              |                     |
|---------------------------------------|-------------------|---------------------|--------------------------|---------------------|---------------------|
|                                       | Self-Insurance    | Self-Insurance      | Post-Employment Benefits | 2025                | 2024                |
| Operating revenue                     |                   |                     |                          |                     |                     |
| Contributions from governmental funds | \$ 334,876        | \$ 6,312,406        | \$ 424,161               | \$ 7,071,443        | \$ 7,652,499        |
| Operating expenses                    |                   |                     |                          |                     |                     |
| Dental benefit claims                 | 350,764           | –                   | –                        | 350,764             | 306,925             |
| Medical benefit claims                | –                 | 6,823,810           | –                        | 6,823,810           | 6,703,963           |
| OPEB                                  | –                 | –                   | (104,408)                | (104,408)           | (121,595)           |
| Total operating expenses              | <u>350,764</u>    | <u>6,823,810</u>    | <u>(104,408)</u>         | <u>7,070,166</u>    | <u>6,889,293</u>    |
| Operating income (loss)               | (15,888)          | (511,404)           | 528,569                  | 1,277               | 763,206             |
| Nonoperating revenue                  |                   |                     |                          |                     |                     |
| Investment earnings                   | <u>14,838</u>     | <u>454,565</u>      | <u>414,174</u>           | <u>883,577</u>      | <u>882,850</u>      |
| Change in net position                | (1,050)           | (56,839)            | 942,743                  | 884,854             | 1,646,056           |
| Net position                          |                   |                     |                          |                     |                     |
| Beginning of year                     | <u>319,188</u>    | <u>9,760,035</u>    | <u>(3,505,058)</u>       | <u>6,574,165</u>    | <u>4,928,109</u>    |
| End of year                           | <u>\$ 318,138</u> | <u>\$ 9,703,196</u> | <u>\$ (2,562,315)</u>    | <u>\$ 7,459,019</u> | <u>\$ 6,574,165</u> |

## SPECIAL SCHOOL DISTRICT NO. 6

Internal Service Funds  
Combining Statement of Cash Flows  
Year Ended June 30, 2025  
(With Comparative Totals for the Year Ended June 30, 2024)

|  | Dental         | Medical        | Other                    | Total         |               |
|--|----------------|----------------|--------------------------|---------------|---------------|
|  | Self-Insurance | Self-Insurance | Post-Employment Benefits | 2025          | 2024          |
| Cash flows from operating activities   |                |                |                          |               |               |
| Received from assessments made to other funds  | \$ 334,908     | \$ 6,180,949   | \$ 424,161               | \$ 6,940,018  | \$ 7,587,630  |
| Payment for dental claims  | (345,321)      | –              | –                        | (345,321)     | (287,839)     |
| Payment for medical claims   | –              | (6,919,139)    | –                        | (6,919,139)   | (6,374,290)   |
| Post-employment benefit payments   | –              | –              | (424,161)                | (424,161)     | (386,115)     |
| Net cash flows from operating activities   | (10,413)       | (738,190)      | –                        | (748,603)     | 539,386       |
| Cash flows from investing activities   |                |                |                          |               |               |
| Purchase of investments  | –              | –              | (414,174)                | (414,174)     | (368,786)     |
| Interest on investments  | 14,838         | 454,565        | 414,174                  | 883,577       | 882,850       |
| Net cash flows from investing activities   | 14,838         | 454,565        | –                        | 469,403       | 514,064       |
| Net change in cash and cash equivalents  | 4,425          | (283,625)      | –                        | (279,200)     | 1,053,450     |
| Cash and cash equivalents  |                |                |                          |               |               |
| Beginning of year  | 347,692        | 11,015,390     | –                        | 11,363,082    | 10,309,632    |
| End of year  | \$ 352,117     | \$ 10,731,765  | \$ –                     | \$ 11,083,882 | \$ 11,363,082 |
| Reconciliation of operating income (loss) to net cash flows from operating activities        |                |                |                          |               |               |
| Operating income (loss)  | \$ (15,888)    | \$ (511,404)   | \$ 528,569               | \$ 1,277      | \$ 763,206    |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities |                |                |                          |               |               |
| Changes in assets, liabilities, and deferred outflows/inflows                                |                |                |                          |               |               |
| Accounts receivable  | –              | (140,192)      | –                        | (140,192)     | (95,737)      |
| Deferred outflows – OPEB plan deferments   | –              | –              | (146,660)                | (146,660)     | (145,053)     |
| Unearned revenue   | 32             | 8,735          | –                        | 8,767         | 30,868        |
| Claims incurred, but not reported  | 5,443          | (95,329)       | –                        | (89,886)      | 348,759       |
| Total OPEB liability   | –              | –              | (364,668)                | (364,668)     | 219,196       |
| Deferred inflows – OPEB plan deferments  | –              | –              | (17,241)                 | (17,241)      | (581,853)     |
| Net cash flows from operating activities   | \$ (10,413)    | \$ (738,190)   | \$ –                     | \$ (748,603)  | \$ 539,386    |

OTHER DISTRICT INFORMATION

(UNAUDITED)

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SPECIAL SCHOOL DISTRICT NO. 6

Government-Wide Revenue by Type  
Last Ten Fiscal Years

| Year<br>Ended<br>June 30, | Program Revenues        |  | General Revenues    |                               |                                     | Total                 |
|---------------------------|-------------------------|--|---------------------|-------------------------------|-------------------------------------|-----------------------|
|                           | Charges<br>for Services | Operating<br>Grants and<br>Contributions | Property<br>Taxes   | General<br>Grants<br>and Aids | Investment<br>Earnings<br>and Other |                       |
| 2016                      | \$ 2,679,050<br>5%      | \$ 7,276,738<br>15%                      | \$ 8,644,541<br>18% | \$ 30,313,012<br>62%          | \$ 120,499<br>-                     | \$ 49,033,840<br>100% |
| 2017                      | 2,593,395<br>5%         | 7,945,568<br>15%                         | 9,068,563<br>18%    | 31,866,738<br>61%             | 641,089<br>1%                       | 52,115,353<br>100%    |
| 2018                      | 2,252,264<br>4%         | 8,030,824<br>16%                         | 8,923,410<br>18%    | 31,301,712<br>61%             | 702,894<br>1%                       | 51,211,104<br>100%    |
| 2019                      | 2,056,463<br>4%         | 8,013,083<br>15%                         | 10,221,464<br>20%   | 30,218,525<br>59%             | 903,820<br>2%                       | 51,413,355<br>100%    |
| 2020                      | 1,524,857<br>3%         | 8,560,643<br>16%                         | 10,075,483<br>19%   | 31,125,163<br>59%             | 1,263,102<br>3%                     | 52,549,248<br>100%    |
| 2021                      | 656,790<br>1%           | 8,398,875<br>16%                         | 10,671,559<br>21%   | 30,333,393<br>60%             | 937,358<br>2%                       | 50,997,975<br>100%    |
| 2022                      | 1,344,383<br>2%         | 9,972,164<br>18%                         | 11,350,714<br>21%   | 31,249,407<br>58%             | 293,120<br>1%                       | 54,209,788<br>100%    |
| 2023                      | 1,935,859<br>3%         | 9,511,041<br>17%                         | 11,448,061<br>21%   | 31,261,422<br>56%             | 1,403,105<br>3%                     | 55,559,488<br>100%    |
| 2024                      | 1,616,196<br>2%         | 11,886,214<br>19%                        | 15,150,665<br>24%   | 32,513,703<br>51%             | 2,699,155<br>4%                     | 63,865,933<br>100%    |
| 2025                      | 1,586,172<br>2%         | 12,556,226<br>20%                        | 15,210,672<br>24%   | 31,791,982<br>50%             | 2,609,298<br>4%                     | 63,754,350<br>100%    |

SPECIAL SCHOOL DISTRICT NO. 6

Government-Wide Expenses by Function  
Last Ten Fiscal Years

| Year Ended June 30, | Administration     | District Support Services | Elementary and Secondary Regular Instruction | Vocational Education Instruction | Special Education Instruction | Instructional Support Services | Pupil Support Services |
|---------------------|--------------------|---------------------------|--|----------------------------------|-------------------------------|--------------------------------|------------------------|
| 2016                | \$ 1,153,014<br>2% | \$ 1,612,075<br>3%        | \$ 20,230,015<br>41%                         | \$ 150,444<br>-                  | \$ 7,934,604<br>16%           | \$ 3,743,950<br>8%             | \$ 2,624,337<br>5%     |
| 2017                | 1,493,074<br>2%    | 1,788,939<br>3%           | 28,839,252<br>46%                            | 251,888<br>1%                    | 10,463,569<br>17%             | 4,493,422<br>7%                | 3,007,484<br>5%        |
| 2018                | 1,460,342<br>2%    | 1,803,755<br>3%           | 27,957,766<br>46%                            | 252,554<br>1%                    | 9,984,693<br>17%              | 4,517,900<br>7%                | 2,930,048<br>5%        |
| 2019                | 827,315<br>2%      | 1,816,877<br>5%           | 13,714,316<br>35%                            | 107,757<br>-                     | 5,586,492<br>14%              | 2,997,694<br>8%                | 2,640,535<br>7%        |
| 2020                | 1,225,243<br>2%    | 1,857,405<br>3%           | 22,905,668<br>42%                            | 167,804<br>-                     | 8,740,605<br>16%              | 4,233,607<br>8%                | 3,378,207<br>6%        |
| 2021                | 1,405,254<br>3%    | 1,961,638<br>4%           | 20,245,354<br>41%                            | 165,690<br>-                     | 8,710,089<br>17%              | 3,818,764<br>8%                | 2,654,632<br>5%        |
| 2022                | 1,260,499<br>3%    | 2,170,865<br>5%           | 18,216,885<br>39%                            | 157,676<br>-                     | 7,677,928<br>16%              | 3,136,782<br>7%                | 3,100,032<br>7%        |
| 2023                | 1,118,524<br>3%    | 2,399,481<br>6%           | 13,719,694<br>33%                            | 139,854<br>-                     | 6,964,002<br>17%              | 2,623,095<br>6%                | 3,034,585<br>7%        |
| 2024                | 1,378,956<br>3%    | 2,589,598<br>5%           | 18,190,771<br>36%                            | 188,712<br>-                     | 9,175,453<br>18%              | 3,296,190<br>7%                | 4,033,285<br>8%        |
| 2025                | 1,669,685<br>3%    | 2,657,647<br>5%           | 20,469,255<br>36%                            | 234,291<br>-                     | 10,979,419<br>20%             | 4,072,290<br>7%                | 4,668,826<br>8%        |

| Sites and Buildings | Fiscal and Other Fixed Cost Programs | Food Service       | Community Service  | Depreciation/Amortization Not Allocated to Other Functions | Interest and Fiscal Charges | Total                 |
|---------------------|--------------------------------------|--------------------|--------------------|--|-----------------------------|-----------------------|
| \$ 5,130,866<br>10% | \$ 145,114<br>-                      | \$ 1,868,409<br>4% | \$ 2,278,869<br>5% | \$ 1,349,560<br>3%   | \$ 1,277,194<br>3%          | \$ 49,498,451<br>100% |
| 4,803,238<br>8%     | 155,560<br>-                         | 2,081,770<br>3%    | 2,759,987<br>4%    | 1,342,250<br>2%  | 1,219,318<br>2%             | 62,699,751<br>100%    |
| 4,527,741<br>8%     | 182,420<br>-                         | 1,985,158<br>3%    | 2,693,355<br>4%    | 1,427,210<br>2%  | 1,197,044<br>2%             | 60,919,986<br>100%    |
| 4,912,325<br>12%    | 173,521<br>-                         | 2,108,072<br>5%    | 2,118,791<br>5%    | 1,459,823<br>4%  | 1,054,808<br>3%             | 39,518,326<br>100%    |
| 4,741,466<br>9%     | 250,147<br>1%                        | 2,267,479<br>4%    | 2,191,682<br>4%    | 1,460,300<br>3%  | 1,228,246<br>2%             | 54,647,859<br>100%    |
| 5,036,344<br>10%    | 267,833<br>1%                        | 1,468,286<br>3%    | 1,696,144<br>3%    | 1,446,479<br>3%  | 1,120,550<br>2%             | 49,997,057<br>100%    |
| 4,435,491<br>9%     | 268,937<br>1%                        | 1,999,919<br>4%    | 1,928,293<br>4%    | 1,439,096<br>3%  | 988,717<br>2%               | 46,781,120<br>100%    |
| 4,722,976<br>11%    | 296,544<br>1%                        | 2,041,581<br>5%    | 1,918,753<br>5%    | 1,478,380<br>4%  | 960,391<br>2%               | 41,417,860<br>100%    |
| 4,823,508<br>10%    | 333,884<br>1%                        | 2,139,738<br>4%    | 2,036,031<br>4%    | 1,565,447<br>3%  | 726,870<br>1%               | 50,478,443<br>100%    |
| 4,764,732<br>8%     | 358,803<br>1%                        | 2,075,942<br>4%    | 2,186,999<br>4%    | 1,693,127<br>3%  | 588,957<br>1%               | 56,419,973<br>100%    |

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SPECIAL SCHOOL DISTRICT NO. 6

General Fund Revenue by Source  
Last Ten Fiscal Years

| <u>Year Ended<br/>June 30,</u> | <u>Local Property<br/>Taxes</u> | <u>State</u>         | <u>Federal</u>     | <u>Other<br/>Local</u> | <u>Total</u>          |
|--------------------------------|---------------------------------|----------------------|--------------------|------------------------|-----------------------|
| 2016                           | \$ 5,064,027<br>12%             | \$ 34,259,165<br>83% | \$ 1,257,276<br>3% | \$ 844,992<br>2%       | \$ 41,425,460<br>100% |
| 2017                           | 5,452,392<br>13%                | 35,121,981<br>82%    | 1,325,739<br>3%    | 1,007,095<br>2%        | 42,907,207<br>100%    |
| 2018                           | 5,177,387<br>12%                | 35,710,305<br>82%    | 1,333,323<br>3%    | 1,139,108<br>3%        | 43,360,123<br>100%    |
| 2019                           | 6,637,567<br>15%                | 35,976,601<br>79%    | 1,384,129<br>3%    | 1,209,319<br>3%        | 45,207,616<br>100%    |
| 2020                           | 6,592,421<br>15%                | 35,626,546<br>79%    | 1,378,700<br>3%    | 1,193,262<br>3%        | 44,790,929<br>100%    |
| 2021                           | 7,284,368<br>16%                | 34,077,775<br>77%    | 2,171,606<br>5%    | 888,058<br>2%          | 44,421,807<br>100%    |
| 2022                           | 7,756,124<br>17%                | 33,603,981<br>72%    | 4,330,057<br>9%    | 1,014,983<br>2%        | 46,705,145<br>100%    |
| 2023                           | 7,905,472<br>17%                | 33,952,732<br>72%    | 3,931,927<br>8%    | 1,542,717<br>3%        | 47,332,848<br>100%    |
| 2024                           | 11,468,447<br>21%               | 37,789,940<br>69%    | 3,198,331<br>6%    | 2,129,867<br>4%        | 54,586,585<br>100%    |
| 2025                           | 11,683,869<br>22%               | 38,621,894<br>72%    | 1,819,421<br>3%    | 1,886,412<br>3%        | 54,011,596<br>100%    |

SPECIAL SCHOOL DISTRICT NO. 6

General Fund Expenditures by Function  
Last Ten Fiscal Years

| Year Ended<br>June 30, | Administration     | District<br>Support Services | Elementary<br>and Secondary<br>Regular<br>Instruction | Vocational<br>Education<br>Instruction | Special<br>Education<br>Instruction |
|------------------------|--------------------|------------------------------|---|--|-------------------------------------|
| 2016                   | \$ 1,079,698<br>2% | \$ 1,593,886<br>4%           | \$ 19,997,954<br>48%                                  | \$ 147,844<br>-                        | \$ 7,832,449<br>19%                 |
| 2017                   | 1,072,918<br>2%    | 1,704,901<br>4%              | 20,410,135<br>48%                                     | 187,501<br>-                           | 7,751,666<br>18%                    |
| 2018                   | 1,127,343<br>3%    | 1,764,843<br>4%              | 20,746,253<br>48%                                     | 180,445<br>-                           | 7,737,139<br>18%                    |
| 2019                   | 1,161,013<br>3%    | 1,891,938<br>4%              | 21,225,940<br>47%                                     | 180,823<br>-                           | 8,066,259<br>18%                    |
| 2020                   | 1,183,514<br>2%    | 1,882,854<br>4%              | 21,927,804<br>47%                                     | 160,800<br>-                           | 8,541,448<br>18%                    |
| 2021                   | 1,394,814<br>3%    | 2,038,010<br>5%              | 19,715,733<br>45%                                     | 164,582<br>-                           | 8,680,368<br>20%                    |
| 2022                   | 1,604,709<br>3%    | 2,381,164<br>5%              | 20,350,908<br>45%                                     | 178,954<br>-                           | 8,683,754<br>19%                    |
| 2023                   | 1,459,459<br>3%    | 2,457,096<br>5%              | 19,985,908<br>44%                                     | 201,508<br>-                           | 9,306,173<br>20%                    |
| 2024                   | 1,544,709<br>3%    | 2,638,121<br>5%              | 21,289,124<br>43%                                     | 222,710<br>-                           | 10,357,404<br>21%                   |
| 2025                   | 1,696,415<br>3%    | 2,748,264<br>5%              | 20,708,882<br>39%                                     | 236,653<br>-                           | 11,155,552<br>21%                   |

| <u>Instructional Support Services</u> | <u>Pupil Support Services</u> | <u>Sites and Buildings</u> | <u>Other Programs</u> | <u>Total</u>          |
|---------------------------------------|-------------------------------|----------------------------|-----------------------|-----------------------|
| \$ 3,707,592<br>9%                    | \$ 2,609,229<br>6%            | \$ 4,649,362<br>11%        | \$ 262,554<br>1%      | \$ 41,880,568<br>100% |
| 3,492,275<br>8%                       | 2,689,663<br>6%               | 5,461,050<br>13%           | 220,708<br>1%         | 42,990,817<br>100%    |
| 3,677,803<br>8%                       | 2,663,758<br>6%               | 5,565,648<br>13%           | 182,420<br>–          | 43,645,652<br>100%    |
| 3,950,967<br>9%                       | 3,009,831<br>7%               | 5,576,373<br>12%           | 173,521<br>–          | 45,236,665<br>100%    |
| 4,137,689<br>9%                       | 3,353,482<br>7%               | 5,613,410<br>12%           | 338,500<br>1%         | 47,139,501<br>100%    |
| 3,764,591<br>8%                       | 2,630,715<br>6%               | 5,079,931<br>11%           | 790,371<br>2%         | 44,259,115<br>100%    |
| 3,520,581<br>8%                       | 3,242,525<br>7%               | 4,849,740<br>11%           | 791,885<br>2%         | 45,604,220<br>100%    |
| 3,392,309<br>8%                       | 3,379,409<br>7%               | 4,912,021<br>11%           | 818,091<br>2%         | 45,911,974<br>100%    |
| 3,685,082<br>7%                       | 4,184,415<br>8%               | 5,492,162<br>11%           | 851,908<br>2%         | 50,265,635<br>100%    |
| 4,157,832<br>8%                       | 4,697,906<br>9%               | 6,741,183<br>13%           | 842,956<br>2%         | 52,985,643<br>100%    |

SPECIAL SCHOOL DISTRICT NO. 6

School Tax Levies and Tax Rates by Fund  
Last Ten Fiscal Years

|                    | Year<br>Collectible | General Fund | Community<br>Service Special<br>Revenue Fund | Debt<br>Service Fund | Total<br>All Funds |
|--------------------|---------------------|--------------|--|----------------------|--------------------|
| Levies             |                     |              |  |                      |                    |
|                    | 2016                | \$ 5,072,061 | \$ 499,299                                   | \$ 3,176,475         | \$ 8,747,835       |
|                    | 2017                | 4,971,240    | 511,504                                      | 3,247,353            | 8,730,097          |
|                    | 2018                | 6,489,708    | 431,979                                      | 3,114,579            | 10,036,266         |
|                    | 2019                | 6,426,941    | 417,739                                      | 3,086,030            | 9,930,710          |
|                    | 2020                | 7,117,919    | 547,781                                      | 2,844,122            | 10,509,822         |
|                    | 2021                | 7,491,084    | 596,118                                      | 2,986,027            | 11,073,229         |
|                    | 2022                | 7,693,497    | 513,156                                      | 3,013,106            | 11,219,759         |
|                    | 2023                | 11,494,127   | 422,632                                      | 3,252,423            | 15,169,182         |
|                    | 2024                | 11,396,607   | 246,834                                      | 3,240,442            | 14,883,883         |
|                    | 2025                | 11,284,185   | 421,664                                      | 3,588,838            | 15,294,687         |
| Tax capacity rates |                     |              |  |                      |                    |
|                    | 2016                | 12.591       | 3.278  | 20.850               | 36.719             |
|                    | 2017                | 12.815       | 3.137  | 19.916               | 35.868             |
|                    | 2018                | 11.991       | 2.360  | 17.016               | 31.367             |
|                    | 2019                | 11.229       | 2.193  | 16.200               | 29.622             |
|                    | 2020                | 12.730       | 2.608  | 13.540               | 28.878             |
|                    | 2021                | 13.355       | 2.815  | 14.100               | 30.270             |
|                    | 2022                | 13.654       | 2.250  | 13.212               | 29.116             |
|                    | 2023                | 11.567       | 1.617  | 12.444               | 25.628             |
|                    | 2024                | 11.105       | 0.925  | 12.145               | 24.175             |
|                    | 2025                | 11.274       | 1.450  | 12.341               | 25.065             |
| Market value rates |                     |              |  |                      |                    |
|                    | 2016                | 0.18667      | —  | —                    | 0.18667            |
|                    | 2017                | 0.14734      | —  | —                    | 0.14734            |
|                    | 2018                | 0.23734      | —  | —                    | 0.23734            |
|                    | 2019                | 0.19630      | —  | —                    | 0.19630            |
|                    | 2020                | 0.19271      | —  | —                    | 0.19271            |
|                    | 2021                | 0.20054      | —  | —                    | 0.20054            |
|                    | 2022                | 0.17989      | —  | —                    | 0.17989            |
|                    | 2023                | 0.33651      | —  | —                    | 0.33651            |
|                    | 2024                | 0.28262      | —  | —                    | 0.28262            |
|                    | 2025                | 0.26522      | —  | —                    | 0.26522            |

Note: A tax rate based on market value is used primarily for the District's referendum levy.

Source: State of Minnesota School Tax Report

SPECIAL SCHOOL DISTRICT NO. 6

Tax Capacities and Market Values  
Last Ten Fiscal Years

| Taxes<br>Collectible | Tax Capacity Valuation             |   |                |               |                  | Market Value |
|----------------------|------------------------------------|---|----------------|---------------|------------------|--------------|
|                      | Nonagricultural<br>and<br>Personal | Net Fiscal<br>Disparities<br>Distribution | Tax Increment  | Total Taxable |                  |              |
| 2016                 | \$ 14,486,492                      | \$ 2,491,955                              | \$ (1,661,773) | \$ 15,316,674 | \$ 1,333,685,325 |              |
| 2017                 | 15,213,174                         | 2,736,665                                 | (1,732,491)    | 16,217,348    | 1,394,111,550    |              |
| 2018                 | 16,741,700                         | 2,801,054                                 | (1,816,971)    | 17,725,783    | 1,526,948,025    |              |
| 2019                 | 17,887,397                         | 2,881,747                                 | (1,971,353)    | 18,797,791    | 1,617,423,625    |              |
| 2020                 | 19,647,746                         | 3,182,514                                 | (1,948,178)    | 20,882,082    | 1,784,759,825    |              |
| 2021                 | 20,621,225                         | 3,096,995                                 | (2,338,526)    | 21,379,694    | 1,851,551,800    |              |
| 2022                 | 21,628,982                         | 3,327,641                                 | (2,350,284)    | 22,606,339    | 1,944,313,925    |              |
| 2023                 | 25,090,595                         | 3,061,421                                 | (2,653,142)    | 25,498,874    | 2,243,349,825    |              |
| 2024                 | 26,769,047                         | 3,160,105                                 | (3,545,888)    | 26,383,264    | 2,357,655,550    |              |
| 2025                 | 27,093,400                         | 3,254,184                                 | (1,084,562)    | 29,263,022    | 2,398,943,050    |              |

Source: State of Minnesota School Tax Report

SPECIAL SCHOOL DISTRICT NO. 6

Property Tax Levies and Receivables  
Last Ten Fiscal Years

| <u>Taxes Collectible</u> | <u>Original Levy</u> |                           |                     |
|--------------------------|----------------------|---------------------------|---------------------|
|                          | <u>Local Spread</u>  | <u>Fiscal Disparities</u> | <u>Total Spread</u> |
| 2016                     | \$ 6,791,300         | \$ 1,956,535              | \$ 8,747,835        |
| 2017                     | 6,468,534            | 2,261,563                 | 8,730,097           |
| 2018                     | 7,923,706            | 2,112,560                 | 10,036,266          |
| 2019                     | 7,499,706            | 2,431,004                 | 9,930,710           |
| 2020                     | 8,139,687            | 2,370,135                 | 10,509,822          |
| 2021                     | 8,828,211            | 2,245,018                 | 11,073,229          |
| 2022                     | 8,647,634            | 2,572,125                 | 11,219,759          |
| 2023                     | 12,894,478           | 2,274,704                 | 15,169,182          |
| 2024                     | 11,862,680           | 3,021,203                 | 14,883,883          |
| 2025                     | 12,371,583           | 2,923,104                 | 15,294,687          |

Note: Delinquent taxes are written off after seven years.

Source: Dakota County

Uncollected Taxes Receivable as of June 30, 2025

| Delinquent        |         | Current             |              |
|-------------------|---------|---------------------|--------------|
| Amount            | Percent | Amount              | Percent      |
| \$ —              | — %     | \$ —                | — %          |
| —                 | —       | —                   | —            |
| —                 | —       | —                   | —            |
| 9,300             | 0.09    | —                   | —            |
| 5,181             | 0.05    | —                   | —            |
| 12,325            | 0.11    | —                   | —            |
| 15,175            | 0.14    | —                   | —            |
| 51,058            | 0.34    | —                   | —            |
| 164,194           | 1.10    | —                   | —            |
| —                 | —       | <u>8,836,090</u>    | <i>57.77</i> |
| <u>\$ 257,233</u> |         | <u>\$ 8,836,090</u> |              |

SPECIAL SCHOOL DISTRICT NO. 6

Students Served  
Last Ten Fiscal Years

| Year Ended<br>June 30, | Average Daily Membership (ADM) (Including Enrollment Option) |              |            |           |          | Total<br>Pupil Units |
|------------------------|--|--------------|------------|-----------|----------|----------------------|
|                        | Pre-Kindergarten   | Kindergarten | Elementary | Secondary | Total    |                      |
| 2016                   | 36.22  | 264.49       | 1,681.05   | 1,526.21  | 3,507.97 | 3,813.22             |
| 2017                   | 86.06  | 231.27       | 1,654.38   | 1,553.52  | 3,525.23 | 3,835.94             |
| 2018                   | 121.03   | 235.57       | 1,558.43   | 1,571.45  | 3,486.48 | 3,800.76             |
| 2019                   | 139.10   | 232.69       | 1,526.59   | 1,520.91  | 3,419.29 | 3,723.48             |
| 2020                   | 146.47   | 225.51       | 1,427.23   | 1,489.81  | 3,289.02 | 3,586.98             |
| 2021                   | 101.30   | 206.91       | 1,316.40   | 1,477.72  | 3,102.33 | 3,397.87             |
| 2022                   | 120.07   | 189.75       | 1,252.54   | 1,466.84  | 3,029.20 | 3,322.60             |
| 2023                   | 105.68   | 182.52       | 1,188.95   | 1,448.82  | 2,925.97 | 3,215.73             |
| 2024                   | 132.12   | 165.11       | 1,167.28   | 1,353.77  | 2,818.28 | 3,089.03             |
| 2025                   | 136.65   | 210.43       | 1,135.15   | 1,322.25  | 2,804.48 | 3,068.92             |

Note 1: Student enrollment numbers are estimated for the most recent fiscal year.

Note 2: ADM is weighted as follows in computing pupil units:

|                        | Pre-Kindergarten | Half-Day<br>Kindergarten | Full-Day<br>Kindergarten | Elementary<br>1-6 | Secondary<br>7-12+ |
|------------------------|------------------|--------------------------|--------------------------|-------------------|--------------------|
| All years<br>presented | 1.000            | 0.550                    | 1.000                    | 1.000             | 1.200              |

Source: Minnesota Department of Education student reporting system

OTHER REQUIRED REPORTS

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

To the School Board and Management of  
Special School District No. 6  
South St. Paul, 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 Special School District No. 6 (the District) as of and for the year ended June 30, 2025, 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 30, 2025.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as findings 2025-001 and 2025-002 that we consider to be material weaknesses.

(continued)

## **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*.

## **DISTRICT'S RESPONSES TO FINDINGS**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

## **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 report is not suitable for any other purpose.

Respectfully submitted,



LB CARLSON, LLP  
Minneapolis, Minnesota

December 30, 2025



INDEPENDENT AUDITOR'S REPORT  
ON MINNESOTA LEGAL COMPLIANCE

To the School Board and Management of  
Special School District No. 6  
South St. Paul, 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 Special School District No. 6 (the District) as of and for the year ended June 30, 2025, 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 30, 2025.

**MINNESOTA LEGAL COMPLIANCE**

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

**PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads 'LB Carlson, LLP'.

LB CARLSON, LLP  
Minneapolis, Minnesota

December 30, 2025

SPECIAL SCHOOL DISTRICT NO. 6

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2025

**A. FINANCIAL STATEMENT FINDINGS IN INTERNAL CONTROL OVER FINANCIAL REPORTING**

**MATERIAL WEAKNESSES**

**2025-001 Segregation of Duties**

**Criteria** – Internal control over financial reporting.

**Condition** – Special School District No. 6 (the District) has limited segregation of duties in several areas, including the processing of receipts, payroll transactions, journal entries, and certain computer controls.

**Questioned Costs** – Not applicable.

**Context** – The condition applies to multiple areas as noted above.

**Repeat Finding** – This is a current year and prior year finding.

**Cause** – The limited segregation of duties is primarily caused by the limited size of the District’s business office staff and turnover in the current year.

**Effect** – One important element of internal accounting controls is an adequate segregation of duties such that no one individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction. A lack of segregation of duties subjects the District to a higher risk that errors or fraud could occur and not be detected and corrected in a timely manner in the normal course of business.

**Recommendation** – We recommend that the District continue its efforts to segregate duties as best it can within the limits of what the District considers to be cost-beneficial.

**View of Responsible Official and Planned Corrective Actions** – The District agrees with the finding. The District intends to review policies, procedures, and transaction cycles, and work with the District’s financial auditors to review specific weaknesses identified during the annual audit and actions needed to eliminate or mitigate this internal control weakness. The District has separately issued a Corrective Action Plan related to this finding.

SPECIAL SCHOOL DISTRICT NO. 6

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2025

**A. FINANCIAL STATEMENT FINDINGS IN INTERNAL CONTROL OVER FINANCIAL REPORTING (CONTINUED)**

**MATERIAL WEAKNESSES (CONTINUED)**

**2025-002 Timeliness and Accuracy of Reconciliations**

**Criteria** – Internal controls over financial reporting are intended to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. To be effective, control procedures such as periodic and year-end account and subledger reconciliations must be performed regularly, accurately, and in a timely manner.

**Condition** – During our audit, we noted that the monthly cash and investment reconciliations and payroll liability reconciliations prepared by the District’s staff were not being performed in a timely manner. The effectiveness of some internal controls was diminished, due to a lack of timeliness and accuracy in completing these important control procedures.

**Questioned Costs** – Not applicable.

**Context** – Monthly cash and investment and payroll liability reconciliations were not being completed accurately or timely throughout the fiscal year.

**Repeat Finding** – This is a current year finding.

**Cause** – This condition was primarily caused by turnover of key district personnel within the business office staff.

**Effect** – This condition subjects the District to higher risk that misstatements could occur, due to errors or fraud, and not be prevented or detected in a timely manner.

**Recommendation** – We recommend that district management review the internal controls over the monthly reconciliations of cash and investments and payroll liability accounts and ensure these are completed timely and accurately.

**View of Responsible Official and Planned Corrective Actions** – The District agrees with the finding. The District intends to review policies, procedures, and transaction cycles, and work with the District’s financial auditors to review specific weaknesses identified during the annual audit and actions needed to eliminate or mitigate this internal control weakness. The District has separately issued a Corrective Action Plan related to this finding.

**B. MINNESOTA LEGAL COMPLIANCE FINDINGS**

None.

SPECIAL SCHOOL DISTRICT NO. 6

Uniform Financial Accounting and Reporting Standards  
Compliance Table  
June 30, 2025

|                          |  | Audit         | UFARS         | Audit – UFARS |
|--------------------------|--|---------------|---------------|---------------|
| <b>General Fund</b>      |  |               |               |               |
| Total revenue            |  | \$ 54,011,596 | \$ 54,011,595 | \$ 1          |
| Total expenditures       |  | \$ 52,985,643 | \$ 52,985,643 | \$ –          |
| Nonspendable             |  |               |               |               |
| 460                      | Nonspendable fund balance                  | \$ 8,440      | \$ 8,440      | \$ –          |
| Restricted               |  |               |               |               |
| 401                      | Student activities                         | \$ 263,269    | \$ 263,269    | \$ –          |
| 402                      | Scholarships                               | \$ –          | \$ –          | \$ –          |
| 403                      | Staff development                          | \$ –          | \$ –          | \$ –          |
| 407                      | Capital projects levy                      | \$ 158,338    | \$ 158,338    | \$ –          |
| 408                      | Cooperative revenue                        | \$ –          | \$ –          | \$ –          |
| 412                      | Literacy incentive aid                     | \$ –          | \$ –          | \$ –          |
| 414                      | Operating debt                             | \$ –          | \$ –          | \$ –          |
| 416                      | Levy reduction                             | \$ –          | \$ –          | \$ –          |
| 417                      | Taconite building maintenance              | \$ –          | \$ –          | \$ –          |
| 420                      | American Indian education aid              | \$ 16,000     | \$ 16,000     | \$ –          |
| 424                      | Operating capital                          | \$ 1,201,595  | \$ 1,201,595  | \$ –          |
| 426                      | \$25 taconite                              | \$ –          | \$ –          | \$ –          |
| 427                      | Disabled accessibility                     | \$ –          | \$ –          | \$ –          |
| 428                      | Learning and development                   | \$ –          | \$ –          | \$ –          |
| 434                      | Area learning center                       | \$ 256,805    | \$ 256,805    | \$ –          |
| 435                      | Contracted alternative programs            | \$ –          | \$ –          | \$ –          |
| 436                      | State approved alternative program         | \$ –          | \$ –          | \$ –          |
| 437                      | Quality compensation                       | \$ 283,002    | \$ 283,002    | \$ –          |
| 438                      | Gifted and talented                        | \$ 99,861     | \$ 99,861     | \$ –          |
| 439                      | English learner                            | \$ –          | \$ –          | \$ –          |
| 440                      | Teacher development and evaluation         | \$ –          | \$ –          | \$ –          |
| 441                      | Basic skills programs                      | \$ 1,158,904  | \$ 1,158,904  | \$ –          |
| 443                      | School library aid                         | \$ –          | \$ –          | \$ –          |
| 448                      | Achievement and integration                | \$ –          | \$ –          | \$ –          |
| 449                      | Safe schools levy                          | \$ 167,366    | \$ 167,366    | \$ –          |
| 451                      | QZAB payments                              | \$ –          | \$ –          | \$ –          |
| 452                      | OPEB liability not in trust                | \$ –          | \$ –          | \$ –          |
| 453                      | Unfunded severance and retirement levy     | \$ –          | \$ –          | \$ –          |
| 456                      | Literacy aid                               | \$ 102,691    | \$ 102,691    | \$ –          |
| 457                      | Teacher compensation for READ Act training | \$ 35,982     | \$ 35,982     | \$ –          |
| 459                      | Basic skills extended time                 | \$ –          | \$ –          | \$ –          |
| 467                      | Long-term facilities maintenance           | \$ 137,437    | \$ 137,437    | \$ –          |
| 471                      | Student support personnel                  | \$ 1,788      | \$ 1,788      | \$ –          |
| 472                      | Medical Assistance                         | \$ –          | \$ –          | \$ –          |
| 464                      | Restricted fund balance                    | \$ 371,724    | \$ 371,724    | \$ –          |
| 475                      | Title VII – impact aid                     | \$ –          | \$ –          | \$ –          |
| 476                      | PILT                                       | \$ –          | \$ –          | \$ –          |
| Committed                |  |               |               |               |
| 418                      | Committed for separation                   | \$ –          | \$ –          | \$ –          |
| 461                      | Committed fund balance                     | \$ –          | \$ –          | \$ –          |
| Assigned                 |  |               |               |               |
| 462                      | Assigned fund balance                      | \$ 2,675,000  | \$ 2,675,000  | \$ –          |
| Unassigned               |  |               |               |               |
| 422                      | Unassigned fund balance                    | \$ 8,427,066  | \$ 8,427,066  | \$ –          |
| <b>Food Service</b>      |  |               |               |               |
| Total revenue            |  | \$ 2,520,756  | \$ 2,520,756  | \$ –          |
| Total expenditures       |  | \$ 2,318,210  | \$ 2,318,210  | \$ –          |
| Nonspendable             |  |               |               |               |
| 460                      | Nonspendable fund balance                  | \$ 38,430     | \$ 38,430     | \$ –          |
| Restricted               |  |               |               |               |
| 452                      | OPEB liability not in trust                | \$ –          | \$ –          | \$ –          |
| 464                      | Restricted fund balance                    | \$ 1,407,327  | \$ 1,407,327  | \$ –          |
| Unassigned               |  |               |               |               |
| 463                      | Unassigned fund balance                    | \$ –          | \$ –          | \$ –          |
| <b>Community Service</b> |  |               |               |               |
| Total revenue            |  | \$ 2,261,691  | \$ 2,261,691  | \$ –          |
| Total expenditures       |  | \$ 2,242,621  | \$ 2,242,622  | \$ (1)        |
| Nonspendable             |  |               |               |               |
| 460                      | Nonspendable fund balance                  | \$ –          | \$ –          | \$ –          |
| Restricted               |  |               |               |               |
| 426                      | \$25 taconite                              | \$ –          | \$ –          | \$ –          |
| 431                      | Community education                        | \$ 628,661    | \$ 628,661    | \$ –          |
| 432                      | ECFE                                       | \$ 115,816    | \$ 115,816    | \$ –          |
| 437                      | Quality compensation                       | \$ –          | \$ –          | \$ –          |
| 440                      | Teacher development and evaluation         | \$ –          | \$ –          | \$ –          |
| 444                      | School readiness                           | \$ 12,749     | \$ 12,749     | \$ –          |
| 447                      | Adult basic education                      | \$ 153,942    | \$ 153,942    | \$ –          |
| 452                      | OPEB liability not in trust                | \$ –          | \$ –          | \$ –          |
| 456                      | Literacy aid                               | \$ –          | \$ –          | \$ –          |
| 457                      | Teacher compensation for READ Act training | \$ –          | \$ –          | \$ –          |
| 464                      | Restricted fund balance                    | \$ –          | \$ –          | \$ –          |
| Unassigned               |  |               |               |               |
| 463                      | Unassigned fund balance                    | \$ –          | \$ –          | \$ –          |

SPECIAL SCHOOL DISTRICT NO. 6

Uniform Financial Accounting and Reporting Standards  
 Compliance Table (continued)  
 June 30, 2025

|   | Audit          | UFARS          | Audit – UFARS |
|---|----------------|----------------|---------------|
| <b>Building Construction</b>            |                |                |               |
| Total revenue                           | \$ –           | \$ –           | \$ –          |
| Total expenditures                      | \$ –           | \$ –           | \$ –          |
| Nonspendable                            |                |                |               |
| 460    Nonspendable fund balance        | \$ –           | \$ –           | \$ –          |
| Restricted                              |                |                |               |
| 407    Capital projects levy            | \$ –           | \$ –           | \$ –          |
| 413    Projects funded by COP           | \$ –           | \$ –           | \$ –          |
| 467    Long-term facilities maintenance | \$ –           | \$ –           | \$ –          |
| 464    Restricted fund balance          | \$ –           | \$ –           | \$ –          |
| Unassigned                              |                |                |               |
| 463    Unassigned fund balance          | \$ –           | \$ –           | \$ –          |
| <b>Debt Service</b>                     |                |                |               |
| Total revenue                           | \$ 3,343,994   | \$ 3,343,994   | \$ –          |
| Total expenditures                      | \$ 3,225,800   | \$ 3,225,800   | \$ –          |
| Nonspendable                            |                |                |               |
| 460    Nonspendable fund balance        | \$ –           | \$ –           | \$ –          |
| Restricted                              |                |                |               |
| 425    Bond refundings                  | \$ –           | \$ –           | \$ –          |
| 433    Maximum effort loan              | \$ –           | \$ –           | \$ –          |
| 451    QZAB payments                    | \$ –           | \$ –           | \$ –          |
| 467    Long-term facilities maintenance | \$ –           | \$ –           | \$ –          |
| 464    Restricted fund balance          | \$ 938,350     | \$ 938,350     | \$ –          |
| Unassigned                              |                |                |               |
| 463    Unassigned fund balance          | \$ –           | \$ –           | \$ –          |
| <b>Trust</b>                            |                |                |               |
| Total revenue                           | \$ –           | \$ –           | \$ –          |
| Total expenditures                      | \$ –           | \$ –           | \$ –          |
| 401    Student activities               | \$ –           | \$ –           | \$ –          |
| 402    Scholarships                     | \$ –           | \$ –           | \$ –          |
| 422    Net position                     | \$ –           | \$ –           | \$ –          |
| <b>Custodial Fund</b>                   |                |                |               |
| Total revenue                           | \$ –           | \$ –           | \$ –          |
| Total expenditures                      | \$ –           | \$ –           | \$ –          |
| 401    Student activities               | \$ –           | \$ –           | \$ –          |
| 402    Scholarships                     | \$ –           | \$ –           | \$ –          |
| 448    Achievement and integration      | \$ –           | \$ –           | \$ –          |
| 464    Restricted fund balance          | \$ –           | \$ –           | \$ –          |
| <b>Internal Service</b>                 |                |                |               |
| Total revenue                           | \$ 7,116,685   | \$ 7,116,685   | \$ –          |
| Total expenditures                      | \$ 7,174,574   | \$ 7,174,574   | \$ –          |
| 422    Net position                     | \$ 10,021,334  | \$ 10,021,334  | \$ –          |
| <b>OPEB Revocable Trust Fund</b>        |                |                |               |
| Total revenue                           | \$ 838,335     | \$ 838,335     | \$ –          |
| Total expenditures                      | \$ (104,408)   | \$ (104,408)   | \$ –          |
| 422    Net position                     | \$ (2,562,315) | \$ (2,562,315) | \$ –          |
| <b>OPEB Irrevocable Trust Fund</b>      |                |                |               |
| Total revenue                           | \$ –           | \$ –           | \$ –          |
| Total expenditures                      | \$ –           | \$ –           | \$ –          |
| 422    Net position                     | \$ –           | \$ –           | \$ –          |
| <b>OPEB Debt Service Fund</b>           |                |                |               |
| Total revenue                           | \$ –           | \$ –           | \$ –          |
| Total expenditures                      | \$ –           | \$ –           | \$ –          |
| Nonspendable                            |                |                |               |
| 460    Nonspendable fund balance        | \$ –           | \$ –           | \$ –          |
| Restricted                              |                |                |               |
| 425    Bond refundings                  | \$ –           | \$ –           | \$ –          |
| 464    Restricted fund balance          | \$ –           | \$ –           | \$ –          |

Note: Statutory restricted deficits, if any, are reported in unassigned fund balances in the financial statements in accordance with accounting principles generally accepted in the United States of America.

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Management Report

for

Special School District No. 6  
South St. Paul, Minnesota

June 30, 2025



Certified Public Accountants Business Consultants

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To the School Board and Management of  
Special School District No. 6  
South St. Paul, Minnesota

We have prepared this management report in conjunction with our audit of Special School District No. 6's (the District) financial statements for the year ended June 30, 2025. We have organized this report into the following sections:

- Audit Summary
- Funding Public Education in Minnesota
- Financial Trends of Your District
- Accounting and Auditing Updates

We would be pleased to further discuss any of the information contained in this report or any other concerns that you would like us to address. We would also like to express our thanks for the courtesy and assistance extended to us during the course of our audit.

The purpose of this report is solely to provide those charged with governance of the District, management, and those who have responsibility for oversight of the District's financial reporting process comments resulting from our audit and information relevant to school district financing in Minnesota. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads 'LB Carlson, LLP'.

LB CARLSON, LLP  
Minneapolis, Minnesota

December 30, 2025

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## AUDIT SUMMARY

The following is a summary of our audit work, key conclusions, and other information that we consider important or that is required to be communicated to the School Board, administration, or those charged with governance of the District.

### OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA AND *GOVERNMENT AUDITING STANDARDS*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

### PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously discussed and coordinated in order to obtain sufficient audit evidence and complete an effective audit.

The District is subject to a Single Audit of its federal awards expenditures for the year ended June 30, 2025, which is required to be performed in accordance with Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). It was originally planned that the Single Audit would be completed and issued along with the District's financial statement audit by December 31, 2025. However, issuance of the 2025 *Compliance Supplement* by the Office of Management and Budget was delayed, and the final version was not issued until late November 2025. The 2025 *Compliance Supplement* guidance is effective for Single Audits of federal awards expenditures for the year ended June 30, 2025. Consequently, Single Audits for this period could not be finalized until the final version of this guidance was issued. The Minnesota Department of Education (MDE) has extended the due date for Single Audits to coincide with the federal deadline of March 31, 2026. The District plans to issue its audited Schedule of Expenditures of Federal Awards and related reports separately by this deadline.

### AUDIT OPINIONS AND FINDINGS

Based on our audit of the District's financial statements for the year ended June 30, 2025:

- We have issued unmodified opinions on the District's basic financial statements. Our report included a paragraph emphasizing the District's implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, this year. Our opinion was not modified with respect to this matter.
- We reported two deficiencies in the District's internal control over financial reporting that we considered to be material weaknesses:
  - Due to the limited size of the office staff, the District has limited segregation of duties in several areas. An ideal system of internal accounting control contemplates an adequate segregation of duties so that no one individual handles a transaction from inception to completion. While we recognize that your organization may not be large enough to permit adequate segregation of duties in all respects, it is important that you are aware of this condition. This finding is further detailed in the Schedule of Findings and Questioned Costs as finding 2025-001.

- During our audit, we noted that the monthly cash and investment reconciliations and payroll liability reconciliations prepared by the District’s staff were not being performed in a timely manner, due in part to turnover in the business office staff. The effectiveness of some internal controls was diminished, due to a lack of timeliness and accuracy in completing these important control procedures. This finding is further detailed in the Schedule of Findings and Questioned Costs as finding 2025-002.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported no findings based on our testing of the District’s compliance with Minnesota laws and regulations.

## **OTHER OBSERVATIONS AND RECOMMENDATIONS**

**Accuracy With Uniform Financial Accounting and Reporting Standards (UFARS) Coding** – During the course of the audit, we evaluated the coding of revenue and expenditure transactions specifically as it relates to compliance with the UFARS coding requirements. During our procedures, we noted certain receipts and disbursements selected for testing that were improperly coded as required by the UFARS.

While we did not consider these errors pervasive enough to warrant a finding for noncompliance with the UFARS, we recommend the District review and improve the policies and procedures in place regarding proper coding as required by the UFARS, Minnesota’s legally prescribed set of accounting standards for all school districts.

## **SIGNIFICANT ACCOUNTING POLICIES**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 of the notes to basic financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2025. However, the District implemented the following GASB guidance change during the year:

- As described in Note 1 of the notes to basic financial statements, the District implemented GASB Statement No. 101, *Compensated Absences*, during fiscal year ended June 30, 2025. This standard changed the recognition and measurement of the compensated absence liability reported by the District. This change resulted in a restatement, which decreased beginning net position in the government-wide Statement of Activities by \$5,607,843.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

## **ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS**

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

The most sensitive estimates affecting the financial statements were:

General education revenue and certain other revenues are computed by applying an allowance per student to the number of students served by the District. Student attendance is accumulated in a state-wide database—MARSS. Because of the complexity of student accounting and because of certain enrollment options, student information is input by other school districts and the MARSS data for the current fiscal year is not finalized until after the District has closed its financial records. General education revenue and certain other revenues are computed using preliminary information on the number of students served in the resident district and also utilizing some estimates, particularly in the area of enrollment options.

Special education state aid includes an adjustment related to tuition billings to and from other school districts for special education services, which are computed using formulas derived by the MDE. Because of the timing of the calculations, this adjustment for the current fiscal year is not finalized until after the District has closed its financial records. The impact of this adjustment on the receivable and revenue recorded for state special education aid is calculated using preliminary information available to the District.

The District has recorded a liability in the Statement of Net Position for compensated absences. Management's estimate is based on current rates of pay, unused compensated absence balances, and the likelihood compensated absences will be paid out over the course of employment or at termination.

The District has recorded activity for other post-employment benefits (OPEB) and pension benefits. These obligations are calculated using actuarial methodologies, primarily described in GASB Statement Nos. 68 and 75. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.

The depreciation/amortization of capital assets involves estimates pertaining to useful lives.

The District's self-insured activities require recording a liability for claims incurred, but not yet reported, which are based on estimates.

We evaluated the key factors and assumptions used by management to develop the estimates discussed above in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures included in the notes to basic financial statements related to OPEB and pension benefits are particularly sensitive, due to the materiality of the liabilities, and the large and complex estimates involved in determining the disclosures.

The financial statement disclosures are neutral, consistent, and clear.

#### **DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### **CORRECTED AND UNCORRECTED MISSTATEMENTS**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

## **DISAGREEMENTS WITH MANAGEMENT**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

## **MANAGEMENT REPRESENTATIONS**

We have requested certain representations from management that are included in the management representation letter dated December 30, 2025.

## **MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

## **OTHER AUDIT FINDINGS OR ISSUES**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## **OTHER MATTERS**

We applied certain limited procedures to the management's discussion and analysis and the pension and OPEB-related required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information and the Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table accompanying the financial statements, which are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and other district information, which accompany the financial statements, but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

## FUNDING PUBLIC EDUCATION IN MINNESOTA

This section provides selected state-wide funding and financial trends in public education in Minnesota.

### BASIC GENERAL EDUCATION REVENUE

The largest single funding source for Minnesota school districts is basic general education aid. Each year, the Legislature sets a basic formula allowance. Total basic general education revenue is calculated by multiplying the formula allowance by the number of pupil units for which a district is entitled to aid. Pupil units are calculated using a legislatively determined weighting system applied to average daily membership (ADM). Over the years, various modifications have been made to this calculation, including changes in weighting and special consideration for declining enrollment districts.

The table below presents a summary of the formula allowance for the past decade and as approved for the next fiscal year. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts.

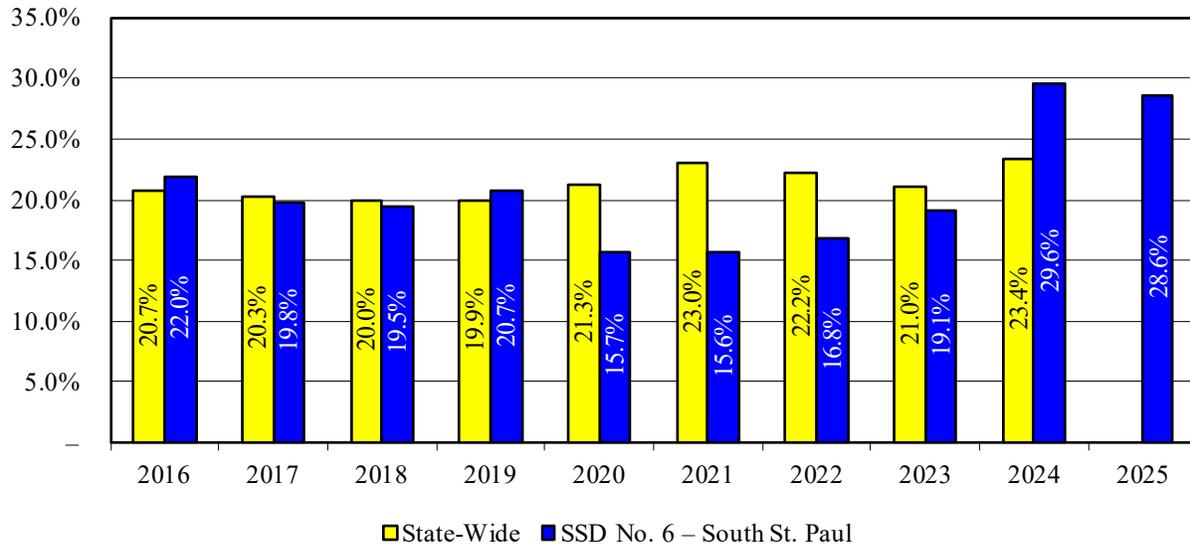
For fiscal 2026 and beyond, the annual formula increase will be adjusted for inflation, using a formula based on the Consumer Price Index-Urban (CPI-U) average inflation rate for the fourth calendar quarter of the immediately prior fiscal year compared to the average for the fourth calendar quarter of the second prior fiscal year, with a floor of 2.00 percent and a cap of 3.00 percent. This resulted in a per pupil increase to the basic formula allowance of \$200 for fiscal 2026.

| Fiscal Year<br>Ended June 30, | Formula Allowance |                     |
|-------------------------------|-------------------|---------------------|
|                               | Amount            | Percent<br>Increase |
| 2016                          | \$ 5,948          | 2.00 %              |
| 2017                          | \$ 6,067          | 2.00 %              |
| 2018                          | \$ 6,188          | 2.00 %              |
| 2019                          | \$ 6,312          | 2.00 %              |
| 2020                          | \$ 6,438          | 2.00 %              |
| 2021                          | \$ 6,567          | 2.00 %              |
| 2022                          | \$ 6,728          | 2.45 %              |
| 2023                          | \$ 6,863          | 2.00 %              |
| 2024                          | \$ 7,138          | 4.00 %              |
| 2025                          | \$ 7,281          | 2.00 %              |
| 2026                          | \$ 7,481          | 2.75 %              |

## STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

One of the most common and comparable statistics used to evaluate school district financial health is the unrestricted operating fund balance as a percentage of operating expenditures.

State-Wide Unrestricted Operating Fund Balance  
as a Percentage of Operating Expenditures



Note: State-wide information is not available for fiscal 2025.

The calculation above reflects only the unrestricted fund balance of the General Fund, and the corresponding expenditures, which is the same method the state uses for the calculation of statutory operating debt. We have also included the comparable percentages for your district.

The state-wide average unrestricted fund balance as a percentage of operating expenditures for Minnesota school districts has risen in recent years, fluctuating between 21.0 percent and 23.4 percent over the last five fiscal years for which data is available.

The District's unrestricted operating fund balance as a percentage of operating expenditures was 28.6 percent at the end of the current year, as compared to 29.6 percent at June 30, 2024.

Having an appropriate fund balance is an important factor in assessing the District's financial health because a government, like any organization, requires a certain amount of equity to operate. It is important to review fund balance levels on an ongoing basis to ensure a sufficient equity reserve is available to support programs and cash flow of the District.

## GOVERNMENTAL FUNDS REVENUE

The table below shows a comparison of governmental funds revenue per ADM received by Minnesota school districts and your district. Revenues for all governmental funds are included, except for the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds. Other financing sources, such as proceeds from sales of capital assets, insurance recoveries, bond sales, loans, and interfund transfers, are also excluded.

| <b>Governmental Funds Revenue per Student (ADM) Served</b>   |                  |                  |                  |                  |                            |                  |                  |  |
|--|------------------|------------------|------------------|------------------|----------------------------|------------------|------------------|--|
|  | State-Wide       |                  | Metro Area       |                  | SSD No. 6 – South St. Paul |                  |                  |  |
|  | 2023             | 2024             | 2023             | 2024             | 2023                       | 2024             | 2025             |  |
| General Fund   |                  |                  |                  |                  |                            |                  |                  |  |
| Property taxes   | \$ 2,760         | \$ 2,966         | \$ 3,704         | \$ 3,976         | \$ 2,660                   | \$ 3,978         | \$ 4,065         |  |
| Other local sources  | 742              | 895              | 595              | 744              | 519                        | 739              | 656              |  |
| State  | 10,771           | 12,149           | 10,792           | 12,186           | 11,424                     | 13,108           | 13,438           |  |
| Federal  | 1,344            | 1,124            | 1,441            | 1,257            | 1,323                      | 1,109            | 633              |  |
| Total General Fund   | <u>15,617</u>    | <u>17,134</u>    | <u>16,532</u>    | <u>18,163</u>    | <u>15,926</u>              | <u>18,934</u>    | <u>18,792</u>    |  |
| Special revenue funds  |                  |                  |                  |                  |                            |                  |                  |  |
| Food Service   | 676              | 847              | 649              | 822              | 704                        | 877              | 877              |  |
| Community Service  | 795              | 835              | 919              | 964              | 805                        | 814              | 787              |  |
| Debt Service Fund  | <u>1,579</u>     | <u>1,669</u>     | <u>1,595</u>     | <u>1,625</u>     | <u>1,062</u>               | <u>1,165</u>     | <u>1,164</u>     |  |
| Total revenue  | <u>\$ 18,667</u> | <u>\$ 20,485</u> | <u>\$ 19,695</u> | <u>\$ 21,574</u> | <u>\$ 18,497</u>           | <u>\$ 21,790</u> | <u>\$ 21,620</u> |  |
| ADM served per MDE School District Profiles Report (current year estimated)                                  |                  |                  |                  |                  | <u>2,972</u>               | <u>2,883</u>     | <u>2,874</u>     |  |
| Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds. |                  |                  |                  |                  |                            |                  |                  |  |
| Source of state-wide and metro area data: School District Profiles Report published by the MDE               |                  |                  |                  |                  |                            |                  |                  |  |

ADM used in the table above and on the next page are based on enrollments consistent with those used in the MDE School District Profiles Report, which include extended time ADM, and may differ from ADM reported in other tables. Changes in enrollment also impact comparisons in the table above and on the next page when revenue and expenditures are based on fixed costs, such as debt levies and principal and interest on outstanding indebtedness.

The mix of local and state revenues vary from year-to-year primarily based on funding formulas and the state's financial condition. The mix of revenue components from district to district varies, due to factors such as the strength of property values, mix of property types, operating and bond referendums, enrollment trends, density of population, types of programs offered, and countless other criteria.

The District earned \$62,138,037 in the governmental funds reflected above in fiscal 2025, a decrease of \$684,235 (1.1 percent) from the prior year. Along with declining enrollment, total revenue per ADM served decreased by \$170 (0.8 percent) per student. The decrease was driven by a reduction in federal sources. Property taxes were up as approved through the annual tax levy process. Other local sources decreased from the prior year, largely due to less Medical Assistance billings and student activities collections. State sources were up with growth in the basic formula allowance, along with added funding special education and other new categorical grant programming. Federal revenues in the General Fund were down with the final spending and the end of several COVID-19 pandemic-related entitlements. Food service revenues remained the same as prior year in total per student. A reduction in the community service tax levy contributed to the decrease in the Community Service Special Revenue Fund. Debt Service Fund revenue per capita was similar to the prior year.

## GOVERNMENTAL FUNDS EXPENDITURES

The following table reflects similar comparative data available from the MDE for all governmental funds expenditures, excluding the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds. Other financing uses, such as bond refundings and transfers, are also excluded.

| <b>Governmental Funds Expenditures per Student (ADM) Served</b>  |                 |                 |                 |                 |                            |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|----------------------------|-----------------|-----------------|
|  | State-Wide      |                 | Metro Area      |                 | SSD No. 6 – South St. Paul |                 |                 |
|  | 2023            | 2024            | 2023            | 2024            | 2023                       | 2024            | 2025            |
| <b>General Fund</b>  |                 |                 |                 |                 |                            |                 |                 |
| Administration and district support  | \$ 1,300        | \$ 1,372        | \$ 1,320        | \$ 1,410        | \$ 1,318                   | \$ 1,451        | \$ 1,547        |
| Elementary and secondary   |                 |                 |                 |                 |                            |                 |                 |
| regular instruction  | 6,646           | 7,034           | 7,019           | 7,466           | 6,714                      | 7,370           | 7,192           |
| Vocational education instruction   | 224             | 243             | 198             | 215             | 67                         | 77              | 82              |
| Special education instruction  | 2,892           | 3,158           | 3,059           | 3,346           | 3,129                      | 3,589           | 3,879           |
| Instructional support services   | 861             | 874             | 1,030           | 1,032           | 1,135                      | 1,274           | 1,443           |
| Pupil support services   | 1,553           | 1,707           | 1,712           | 1,916           | 1,137                      | 1,451           | 1,635           |
| Sites, buildings, and other  | 1,201           | 1,192           | 1,171           | 1,160           | 1,548                      | 1,641           | 1,814           |
| Total General Fund – noncapital  | 14,677          | 15,580          | 15,509          | 16,545          | 15,048                     | 16,853          | 17,592          |
| General Fund capital expenditures  | 960             | 996             | 959             | 1,052           | 401                        | 581             | 845             |
| Total General Fund   | 15,637          | 16,576          | 16,468          | 17,597          | 15,449                     | 17,434          | 18,437          |
| <b>Special revenue funds</b>   |                 |                 |                 |                 |                            |                 |                 |
| Food Service   | 706             | 801             | 693             | 780             | 689                        | 746             | 807             |
| Community Service  | 763             | 818             | 865             | 929             | 745                        | 757             | 780             |
| Debt Service Fund  | 1,626           | 1,737           | 1,652           | 1,596           | 1,052                      | 1,172           | 1,122           |
| Total expenditures   | <u>\$18,732</u> | <u>\$19,932</u> | <u>\$19,678</u> | <u>\$20,902</u> | <u>\$17,935</u>            | <u>\$20,109</u> | <u>\$21,146</u> |
| ADM served per MDE School District Profiles Report (current year estimated)                                  |                 |                 |                 |                 | <u>2,972</u>               | <u>2,883</u>    | <u>2,874</u>    |
| Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds. |                 |                 |                 |                 |                            |                 |                 |
| Source of state-wide and metro area data: School District Profiles Report published by the MDE               |                 |                 |                 |                 |                            |                 |                 |

Expenditure patterns also vary from district to district for various reasons. Factors affecting the comparison include the growth cycle or maturity of the District, average employee experience, availability of funding, population density, and even methods of allocating costs.

The District spent \$60,772,274 in the governmental funds reflected above in fiscal 2025, an increase of \$2,792,375 (4.8 percent) from the prior year. On a per student basis, with declining enrollment, this represents an increase of \$1,037 (5.2 percent). Spending was up in nearly every category presented in the above table. Spending shifted between programs, with a decrease in elementary and secondary regular instruction, and increases in special education instruction, instructional support services, and pupil support services. Sites, buildings, and other and capital expenditures in the General Fund were up with more spending on long-term facilities maintenance and operating capital. Food service expenditures were up with more capital outlay spending compared to the prior year.

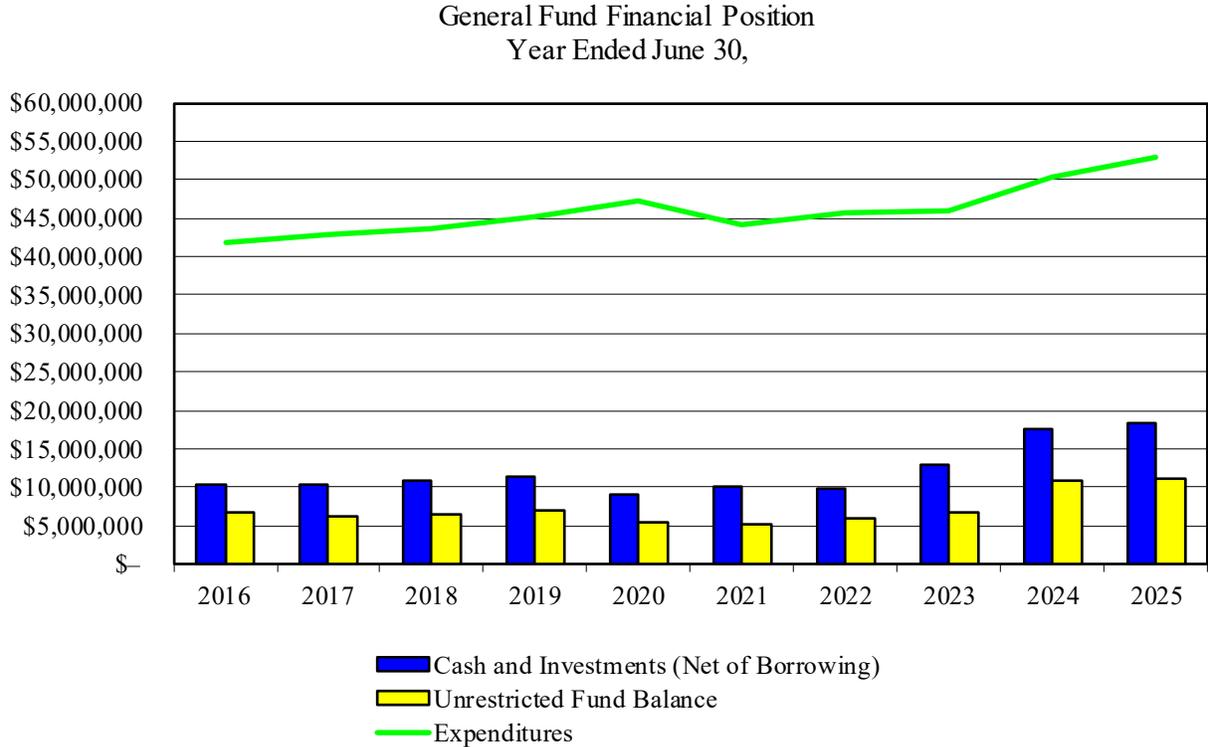
### SUMMARY

District school boards and administrators continue to face significant financial challenges as they strive to provide a safe and effective learning environment for their students. Factors such as the sunset of large pandemic-related federal funding programs, state legislative funding changes and mandates, increasing demand for special education services, shifting student populations, tight labor markets, heightened safety concerns, increasing transportation costs, and other inflationary pressures continue to make it difficult to allocate limited resources amongst many competing demands.

## FINANCIAL TRENDS OF YOUR DISTRICT

### GENERAL FUND FINANCIAL POSITION

The following graph displays the District’s General Fund trends of financial position and changes in the volume of financial activity. Unrestricted fund balance and cash balance are two indicators of financial health, while annual expenditures are often used to measure the size of the operation.



The District ended fiscal year 2025 with a General Fund cash and investment balances of \$18,301,169 (net of borrowing), an increase of \$753,695 from the previous year.

Unrestricted fund balance (consisting of any assigned and unassigned fund balances, but excluding restricted account deficits) at year-end totaled \$11,102,066, an increase of \$208,818.

Total fund balance of the General Fund increased by \$1,313,605, compared to an increase of \$274,938 approved in the final budget.

## GENERAL FUND COMPONENTS OF FUND BALANCE

The following table presents the components of the General Fund balance for the past five years:

|   | June 30,            |                     |                     |                      |                      |
|---|---------------------|---------------------|---------------------|----------------------|----------------------|
|   | 2021                | 2022                | 2023                | 2024                 | 2025                 |
| Nonspendable fund balances  | \$ -                | \$ -                | \$ -                | \$ 103,663           | \$ 8,440             |
| Restricted fund balances (1)  | 870,719             | 2,390,529           | 3,007,734           | 3,054,752            | 4,254,762            |
| Unrestricted fund balances  |                     |                     |                     |                      |                      |
| Assigned  | 1,345,563           | 1,047,952           | 1,814,872           | 2,778,601            | 2,675,000            |
| Unassigned  | 3,924,141           | 4,830,115           | 4,866,864           | 8,114,647            | 8,427,066            |
| <b>Total fund balances</b>  | <b>\$ 6,140,423</b> | <b>\$ 8,268,596</b> | <b>\$ 9,689,470</b> | <b>\$ 14,051,663</b> | <b>\$ 15,365,268</b> |
| Unrestricted fund balances as a percentage of total expenditures  | <u>11.9%</u>        | <u>12.9%</u>        | <u>14.6%</u>        | <u>21.7%</u>         | <u>21.0%</u>         |
| Unassigned fund balances as a percentage of total expenditures  | <u>8.9%</u>         | <u>10.6%</u>        | <u>10.6%</u>        | <u>16.1%</u>         | <u>15.9%</u>         |
| (1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements. |                     |                     |                     |                      |                      |

The table above reflects the total General Fund unrestricted fund balance and percentages, which differ from those used in the previous discussion of state-wide fund balances, which are based on a state formula.

The resources represented by this fund balance are critical to a district's ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion against the impact of unexpected costs or funding shortfalls.

### Minimum Fund Balance Policy

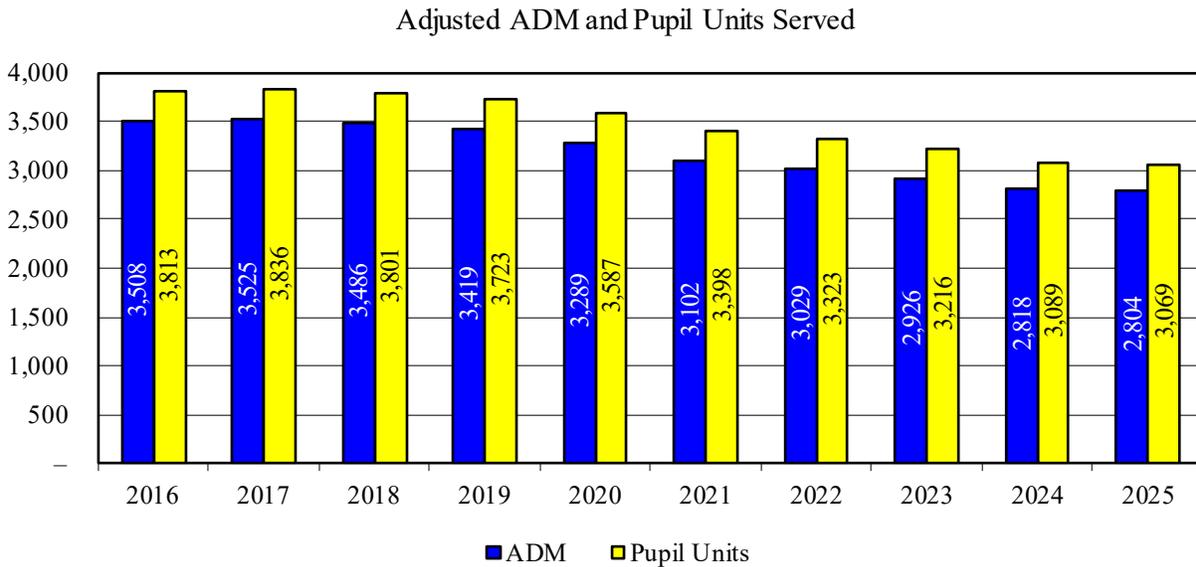
The School Board has formally adopted a fund balance policy regarding maintaining a minimum fund balance for the General Fund. The policy states that the District will strive to maintain a minimum General Fund unassigned balance (excluding restricted deficits) of 8.0 percent of the annual budget.

As of June 30, 2025, the total unassigned fund balance of the General Fund was 15.9 percent of the fiscal 2025 General Fund expenditures.

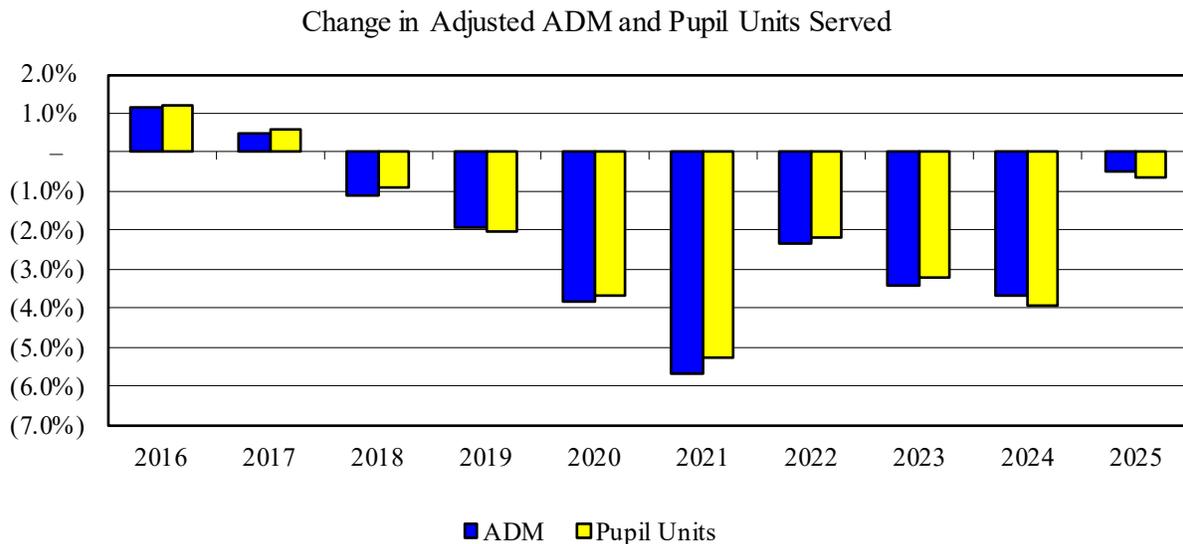
As of June 30, 2025, unrestricted fund balance in the General Fund represented 21.0 percent of annual expenditures, or approximately 11 weeks of operations, assuming level spending throughout the year.

## AVERAGE DAILY MEMBERSHIP (ADM) AND PUPIL UNITS

The following graph presents the District's adjusted ADM and pupil units for the past 10 years:



The following graph shows the rate of change in ADM served by the District from year-to-year, along with the change in the resulting pupil units:

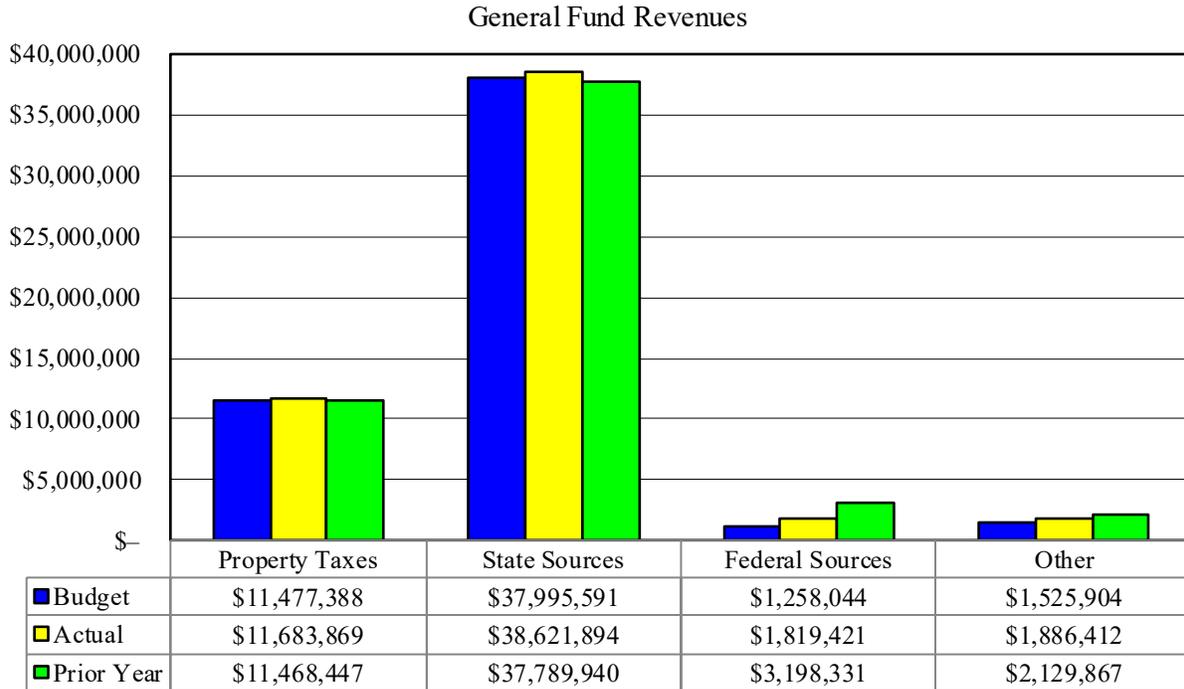


ADM is a measure of students attending class, which is then converted to pupil units (the base for determining revenue) using a statutory formula. Not only is the original budget based on ADM estimates, the final audited financial statements are based on updated, but still estimated, ADM since the counts are not finalized until around January of the following year. When viewing revenue budget variances, one needs to consider these ADM changes, the impact of the prior year final adjustments which affect this year's revenue, and also the final adjustments caused by open enrollment gains and losses.

The District served an estimated ADM of 2,804 in 2025, a decrease of 14 ADM (about 0.5 percent) from the prior year. The resulting pupil units served by the District decreased by 20 to 3,069.

## GENERAL FUND REVENUES

The following graph presents the District's General Fund revenues for 2025:



For 2025, revenues of \$54,011,596 were over budget by \$1,754,669, or 3.4 percent, and were \$574,989, or 1.1 percent, less than the prior year.

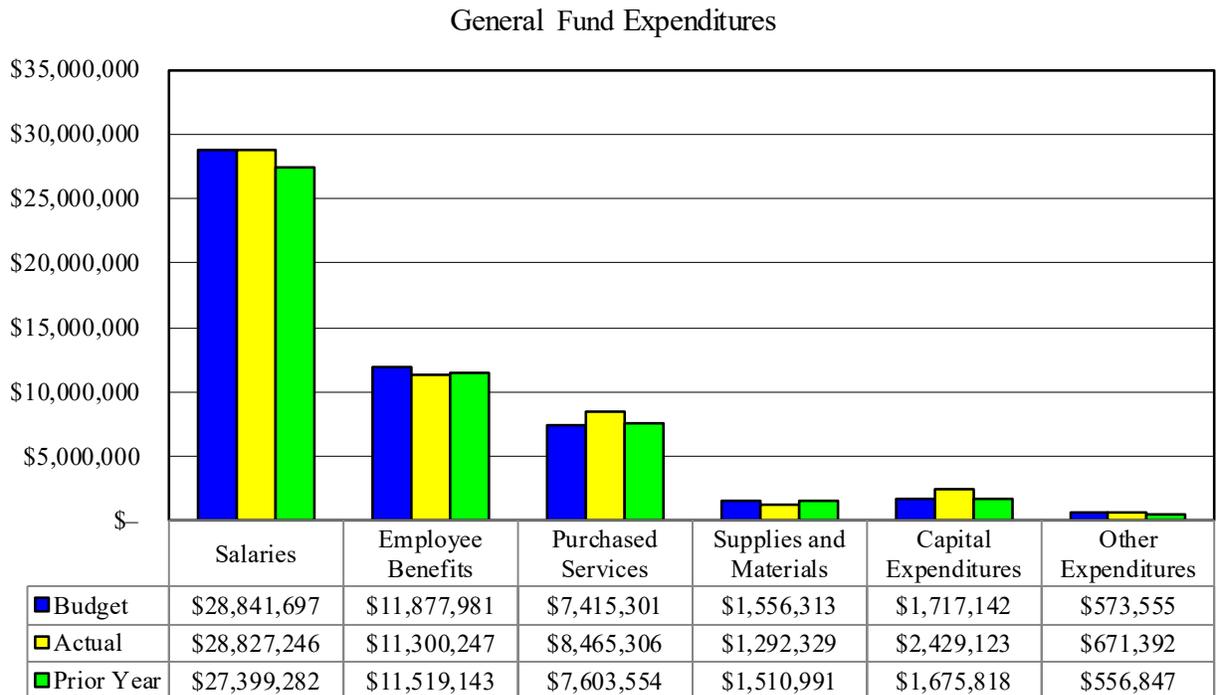
Revenues were better than anticipated in the budget for all sources presented in the above table. Favorable variances were largely due to conservative budgeting assumptions. The largest variances in state and federal sources included better than expected funding for general education funding, new categorical grants, and higher than anticipated usage of federal grant entitlements.

The District reported revenue increases over the prior year in property taxes and state sources, which partially offset the overall reduction from federal and other local sources. An increase in the School Board-approved levy contributed to the growth in property taxes in the current year. State sources were up due to funding improvements in general education and special education funding formulas. New categorical grants also contributed to the increase in state sources. Federal revenues were down as anticipated in the budget with the final spending and the end of several COVID-19 pandemic-related entitlements. Other local sources were down compared to the prior year with a reduction in Medical Assistance billings and decrease in student activities sources.

The graph above reflects the concentration of state sources (71.5 percent), followed by property taxes (21.6 percent), to finance General Fund operations.

## GENERAL FUND EXPENDITURES

The following graph summarizes the District's General Fund expenditures for 2025:



In 2025, expenditures of \$52,985,643 were \$1,003,654, or 1.9 percent, over the final budget and were \$2,720,008, or 5.4 percent, more than the prior year.

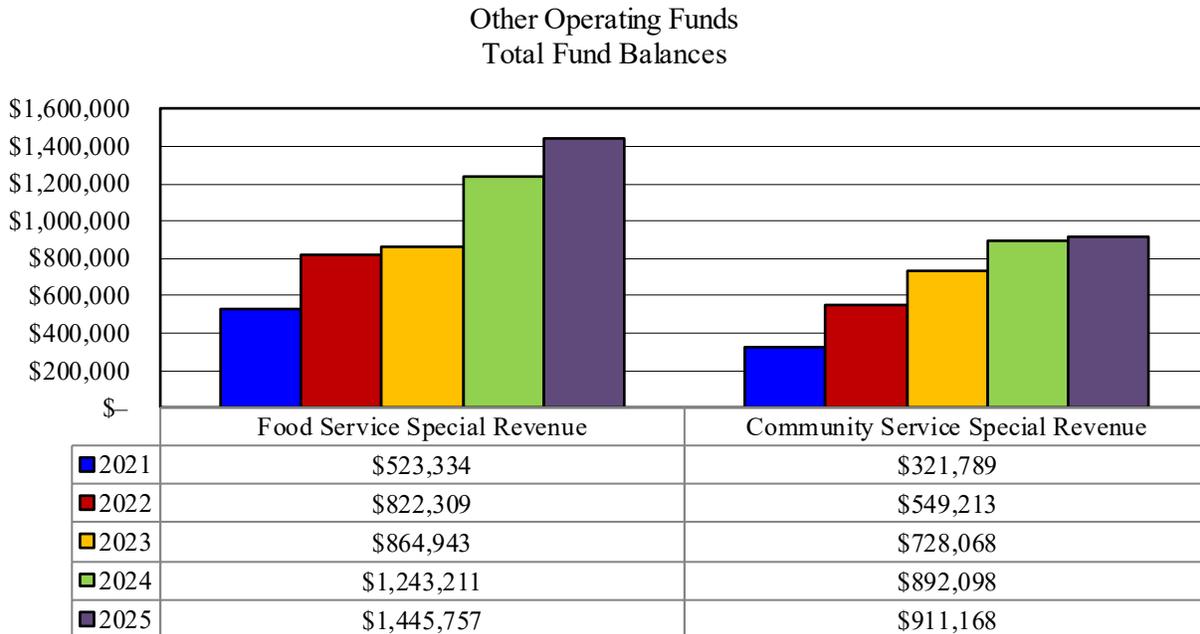
Salary and benefit-related charges, which account for 75.7 percent of General Fund expenditures, increased by \$1,209,068 (3.1 percent), but were \$592,185 (1.5 percent) under amounts planned in the budget. Spending for salaries and employee benefits was more than the prior year as approved in individual and employee group contracts. Conservative budgeting for benefits contributed to personnel costs ending the year less than projected.

Spending shifted in the current year with more expenditures in purchased services due to the need to contract for services, along with inflationary increases.

Capital expenditures exceeded prior year spending and was over budget largely due to the timing of projects in the current year within the function for sites and buildings. The purchase of equipment using an offsetting other financing source also contributed to capital spending exceeding budget.

## OTHER FUNDS OF THE DISTRICT

The following graph shows what is referred to as the other operating funds. The remaining nonoperating funds are only included in narrative form below, since their level of fund balance can fluctuate significantly, due to such things as issuing and spending the proceeds of refunding or building bonds and, therefore, the trend of fund balance levels is not necessarily a key indicator of financial health. It does not mean that these funds cannot experience financial trouble or that their fund balances are unimportant.



### Food Service Special Revenue Fund

The District's Food Service Special Revenue Fund reported a fund balance increase of \$202,546 over the prior year, compared to a budgeted decrease of \$64,449. Food Service Special Revenue Fund revenue sources were \$369,756 over budget due to conservative budgeting of all sources, while expenditures were over budget by \$102,761. Spending was over budget largely for capital. The Food Service Special Revenue Fund had a year-end fund balance of \$1,445,757, representing 62.4 percent of annual expenditures.

### Community Service Special Revenue Fund

The District's Community Service Special Revenue Fund reported an increase in fund balance of \$19,070 over the prior year, compared to a budgeted increase of \$12,421. Revenues were \$307 over budget, while expenditures were under budget by \$6,342. The Community Service Special Revenue Fund had a year-end fund balance of \$911,168, representing 40.6 percent of annual expenditures.

It is critical that Food Service and Community Service Special Revenue Funds be self-sustaining, so as not to place additional burden on General Fund operations. As the graph above indicates, the District has been successful in maintaining the fiscal health of these two funds, which have also assisted in funding several capital improvements to the respective programs in recent years. The District should review upcoming capital needs of the child nutrition and community service operations and incorporate that information in establishing an optimal level of fund balance that is also within state and federal fund balance limits.

## **Debt Service Fund**

The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. It is important to remember that resources of the Debt Service Fund are restricted to the payment of outstanding debt obligations of the District. As of June 30, 2025, the District has \$938,350 restricted for debt service.

## **Proprietary Funds – Internal Service Funds**

### Dental Self-Insurance

The District established an internal service fund to account for the District's self-insured dental plan. As of June 30, 2025, net position totaled \$318,138, a decrease of \$1,050 from the prior year.

### Medical Self-Insurance

The District established an internal service fund to account for the District's self-insured medical plan. As of June 30, 2025, net position totaled \$9,703,196, a decrease of \$56,839 from the prior year.

### Other Post-Employment Benefits

In fiscal year 2010, the District established an internal service fund to finance the costs of retiree health OPEB as they accrue. The proceeds of the District's \$5.4 million OPEB bonds were contributed into this fund from the District's governmental funds. The assets in this fund are being held in a revocable trust account the District established to finance its OPEB liabilities, and can only be used to pay OPEB costs. However, because the District elected to make the trust revocable (meaning that under certain specific and very restrictive circumstances, the District may take the assets back out of the trust and use them for other purposes), these assets must be accounted for in an internal service fund, which is included in the District's government-wide financial statements.

The District's Other Post-Employment Benefits Internal Service Fund ended the year with cash and investments of \$5,500,837 available to pay future OPEB benefits. Net position improved from the prior year deficit balance of \$3,505,058, to a net position deficit of \$2,562,315 at the end of the current year. This is an increase of \$942,743 from the current year's operations.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's financial statements include fund-based information that focuses on budgetary compliance, and the sufficiency of the District's current assets to finance its current liabilities. The governmental reporting model also requires the inclusion of two government-wide financial statements designed to present a clear picture of the District as a single, unified entity. These government-wide financial statements provide information on the total cost of delivering educational services, including capital assets and long-term liabilities.

Theoretically, net position represents district resources available for providing services after its debts are settled. However, those resources are not always in expendable form, or there may be restrictions on how some of those resources can be used. Therefore, this statement divides net position into three components: net investment in capital assets, restricted, and unrestricted. The following table presents a summarized reconciliation of the District's governmental fund balances to net position, and the separate components of net position for the last two years:

|   | June 30,             |                     | Change              |
|---|----------------------|---------------------|---------------------|
|   | 2025                 | 2024                |                     |
| Net position – governmental activities  |                      |                     |                     |
| Total fund balances – governmental funds  | \$ 18,660,543        | \$ 17,007,128       | \$ 1,653,415        |
| Total capital assets, net of depreciation/amortization                                      | 39,531,418           | 39,141,609          | 389,809             |
| Bonds payable and certificates of participation<br>(including unamortized premium/discount) | (21,619,324)         | (24,640,075)        | 3,020,751           |
| Financed purchase payable   | (182,095)            | –                   | (182,095)           |
| Pension adjustments   | (26,211,149)         | (28,124,525)        | 1,913,376           |
| Other adjustments   | 1,015,010            | 6,083,732           | (5,068,722)         |
| Total net position – governmental activities  | <u>\$ 11,194,403</u> | <u>\$ 9,467,869</u> | <u>\$ 1,726,534</u> |
| Net position  |                      |                     |                     |
| Net investment in capital assets  | \$ 17,729,999        | \$ 14,501,534       | \$ 3,228,465        |
| Restricted  | 7,266,414            | 5,776,074           | 1,490,340           |
| Unrestricted  | <u>(13,802,010)</u>  | <u>(10,809,739)</u> | <u>(2,992,271)</u>  |
| Total net position  | <u>\$ 11,194,403</u> | <u>\$ 9,467,869</u> | <u>\$ 1,726,534</u> |

Some of the District's fund balances translate into restricted net position by virtue of external restrictions (statutory restrictions) or by the nature of the fund they are in (e.g., Food Service Special Revenue Fund balance can only be spent for food service program costs). The unrestricted net position category consists mainly of the General Fund unrestricted fund balances, offset against noncapital long-term obligations, such as compensated absences payable, net pension, and net OPEB liabilities.

Total net position increased by \$1,726,534 during fiscal 2025, including the change in accounting principle. The District's net investment in capital assets increased \$3,228,465 this year. The change in this category of net position typically depends on the relationship of the rate at which the District is adding additional capital assets, the rate capital assets are being depreciated and amortized, and how that relates to the rate at which the District is repaying the debt issued to purchase or construct those assets. The change in restricted net position was due to an increase in amounts restricted for debt service, food service, community service, and other state funding restrictions. The change in unrestricted net position is due, in part, to adjustments in the District's proportionate share of the Public Employees Retirement Association and the Teachers Retirement Association pension plan liabilities and related deferrals. The financial operations of the General Fund and internal service funds, as previously discussed, also contributed to the change in unrestricted net position. However, the primary reason for the decrease in unrestricted net position compared to the prior year was due to the change in accounting for compensated absences that was implemented in the current year, reducing this portion by \$5,607,843.

## ACCOUNTING AND AUDITING UPDATES

The following is a summary of Governmental Accounting Standards Board (GASB) standards expected to be implemented in the next few years.

### **GASB STATEMENT NO. 103, *FINANCIAL REPORTING MODEL IMPROVEMENTS***

The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues.

This statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). This statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. In addition, this statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

This statement defines unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence, and requires governments to display the inflows and outflows related to each unusual or infrequent item separately.

This statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses.

This statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

This statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

## **GASB STATEMENT NO. 104, *DISCLOSURE OF CERTAIN CAPITAL ASSETS***

The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets.

This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this statement requires intangible assets other than those three types to be disclosed separately by major class.

This statement also requires additional disclosures for capital assets held for sale. A capital asset is considered held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. Capital assets held for sale are required to be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.



## School Board Agenda Item

**Date:** Monday, January 26, 2026

**Place on Agenda:** Regular Meeting

**Action Requested:** Approval

**Attachment:** Resolution

|  |
|--|
| <b>Topic:</b> Resolution Directing Administration to Make Recommendations for adjustment in Programs and/or Positions  |
| <b>Presenter(s):</b> Ra Chhoth, Executive Director of Finance and Operations   |
| <p><b>Background:</b></p> <p>Each year, the School Board considers resolutions that allow the district to plan responsibly for the upcoming school year. While the district does not anticipate significant budget reductions, enrollment trends, program needs, and operational considerations may require adjustments to ensure resources are aligned with district priorities and student needs.</p> <p>The purpose of this resolution is to provide the administration with clear direction and flexibility to consider adjustments to programs and staffing, should changing district needs require them. The resolution does not presume reductions, rather it ensures the district is prepared to respond thoughtfully and responsibly to evolving circumstances.</p> |
| <p><b>Recommendation:</b></p> <p>Approval</p>  |
| <p><b>Alternatives:</b></p> <p>Do not approve; explore other options</p>   |

**(South St. Paul Public Schools)  
State of Minnesota**

Member \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION DIRECTING THE ADMINISTRATION  
TO MAKE RECOMMENDATIONS FOR ADJUSTMENTS  
IN PROGRAMS POSITIONS, AND REASONS  
THEREFOR.**

**WHEREAS**, the School Board has a responsibility to ensure the effective and sustainable use of district resources in support of student learning and district priorities; and

**WHEREAS**, changing enrollment, programmatic needs, staffing considerations, and financial conditions may require adjustments to programs and positions in order to best meet the needs of students and the district; and

**WHEREAS**, such adjustments may include the modification, realignment, or discontinuance of programs or positions, as well as changes to staffing assignments, consistent with district needs and applicable law; and

**BE IT RESOLVED**, by the School Board of Special School District No. 6, as follows:

That the School Board hereby directs the Superintendent of Schools and administration to review district programs and positions as necessary, consider potential adjustments to programs or staffing to align with district needs, and make recommendations to the School Board regarding the adjustment, realignment, or discontinuance of programs or positions, as appropriate.

The motion for the adoption of the foregoing resolution was duly seconded by Member \_\_\_\_\_ and upon vote being taken thereon, the following

voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.



## School Board Agenda Item

**Date:** January 26, 2026

**Place on Agenda:** Business Meeting

**Action Requested:** Approval to Reject the 2026 PAC Ventilation Bid

**Attachment:** None.

|   |
|---|
| <b>Topic:</b> 2026 Packer Activity Center Ventilation Bid   |
| <b>Presenter(s):</b> Mark Fenton, Director of Buildings and Grounds   |
| <b>Background:</b><br><p>The District recently requested bids to address ventilation improvements at the Packer Activity Center (PAC). One bid was received from CM Construction of Burnsville, Minnesota, with a low base bid amount of \$355,800. The submitted bid exceeds the budget allocated for this project. After review, Administration, in collaboration with Wold Architects, recommends rejecting the bid and evaluating current market conditions and project costs. This process will allow the District to refine the project scope as needed and rebid the project in an effort to obtain more competitive pricing aligned with the approved budget.</p> |
| <b>Recommendation:</b><br><p>Administration recommends to reject the PAC ventilation bid from CM Construction of Burnsville, Minnesota</p>  |
| <b>Alternatives:</b><br><p>Do not reject the bid and direct administration with next steps.</p>   |



## School Board Agenda Item

**Date:** January 26, 2026  
**Place on Agenda:** Business Meeting  
**Action Requested:** Approval  
**Attachment:** Grow Your Own Grant Agreements

|  |
|--|
| <b>Topic:</b> Grow Your Own Grant Agreements   |
| <b>Presenter(s):</b> Charlie Cook, Executive Director of Human Resources   |
| <b>Background:</b><br><p>At the end of the 2022–23 school year, the School Board was presented with a Tri-District grant that provides funding to support a Grow Your Own teacher pathway within each of the three districts.</p> <p>As we enter the 2025–26 school year, the district is pleased to expand this program with the addition of three more staff members who have been selected to participate in the Grow Your Own pathway. This evening, I am bringing forward individual participation agreements for these candidates for School Board approval.</p> <p>These agreements define the terms and conditions of their participation in the grow your own program during the course of their education.</p> |
| <b>Recommendation:</b><br><p>Approval of individual agreements for the district's Grow Your Own Teacher Preparation Program.</p>   |
| <b>Alternatives:</b><br><p>Do not approve and direct administration with next steps.</p>   |

## **Tuition Reimbursement Agreement**

This Tuition Reimbursement Agreement (“Agreement”) is entered into by **South St. Paul Public Schools** (“District”), and **Teranique Bowen-Jerez** (“Teacher Candidate”). The District and the Teacher Candidate are referred to in this Agreement as “the Parties.”

WHEREAS, the District has a need to fill and maintain teaching positions that require specific licenses and/or education;

WHEREAS, the District wishes to hire, employ, and retain well-qualified teachers to deliver services to the benefit of its students;

WHEREAS, the District has applied for and has received a Grow Your Own grant (“Grant”) under Minnesota Statutes, section 122A.73, subdivision 2;

WHEREAS, the Teacher Candidate wishes to obtain their first professional teaching license;

WHEREAS, the Parties desire to specify the terms of their Agreement governing the benefit of tuition assistance provided to the Teacher Candidate.

NOW, THEREFORE, IN CONSIDERATION OF the mutual promises and covenants contained in this Agreement and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

1. Course Selection. Prior to the commencement of the course or program, the Teacher Candidate must submit a statement of any courses or programs for which the Teacher Candidate will seek tuition expenses/payment under this Agreement to the Superintendent or designee for approval. The statement must indicate the anticipated completion date of the course or program. The course or program must be from an accredited institution and must be one of the following:
  - (1) a Professional Educator Licensing and Standards Board-approved teacher preparation program;
  - (2) a Council for the Accreditation of Educator Preparation-accredited teacher preparation program from a private, not for profit, institution of higher education; or
  - (3) an institution that has an articulated transfer pathway with a board-approved teacher preparation program

as required under Minnesota Statutes, section 122A.73, subdivision 2.

No tuition disbursement will be made under this Agreement for any course or program that does not meet the above requirements. The Teacher Candidate must receive written approval of the course or program from the Superintendent or designee prior to registering for the course. The written approval applies only to the specific course or program identified and approved.

2. Tuition and License Disbursement. The Teacher Candidate will register for courses after receiving approval from the Superintendent or designee. The Teacher Candidate will submit an invoice to the Human Resources or Finance department for any expenses related to tuition or license reimbursement. Upon successful completion of the course or program, the District will cover the Teacher Candidate's expenses: up to **\$56,000** for the cost of tuition, fees, textbooks, fees for licensure exam and licensure fees for the Teacher Candidate's pre-approved teacher preparation program and teacher license.

Successful completion of the course will be demonstrated by submission of a copy of a transcript to Human Resources showing that the Teacher Candidate has completed the course and obtained a letter grade of "C" or higher. In courses where grades are assigned on a pass/fail basis, a pass grade shall be deemed to be a "C".

The District will disburse funds to the College/University, or the Teacher Candidate within 30 calendar days of receipt of proof of course/program registration or will reimburse the Teacher Candidate after receipt of documentation of amounts owed/paid for all allowable expenses.

If a teacher does not successfully complete a course, demonstrated by a grade of less than a "C," and/or the teacher discontinues or drops out of a course before successful completion of that course, the Teacher Candidate will be responsible for reimbursing any fees and/or costs provided to the Teacher Candidate for that course. The Teacher Candidate must work with the District to arrange a reimbursement schedule. Failure by the Teacher Candidate to reimburse the District and/or grant program for incomplete courses may result in legal action to recoup the funds provided to the Teacher Candidate.

3. Stipend and Expense Disbursement. In addition to Tuition and License Disbursement, the District will also pay the Teacher Candidate:

- (1) An \$8,000 stipend to be paid in equal installments during the time that the Teacher Candidate is student-teaching for the District;

Disbursement of up to \$6,000 for pre-approved program-related expenses (i.e. purchase of computer, childcare, transportation). The Teacher Candidate must provide invoices and/or estimated costs to the School District prior to purchase. The invoice and/or estimated costs, must include an itemized list of the expenses the Teacher Candidate expects to incur. The School District will review the submitted proposed expenses, and advise the Teacher Candidate of any expenses that will not be approved by email within 15 business days of the Teacher Candidate submitting the request. Once expenses have been approved by the School District, payment to the Teacher Candidate will be provided to purchase the required expenses within 30 business days.

4. Requirements for Expense Disbursement. The Teacher Candidate must enroll in and complete a course or program and incur tuition expenses during their enrollment in order for funds to be disbursed under this Agreement. The District is not obligated to pay any amount under this Agreement, and any such obligation for payment under this Agreement shall cease if any of the following occur:

- (1) the Teacher Candidate does not complete the course or program;
- (2) the Teacher Candidate receives a letter grade below "C;"
- (3) the Teacher Candidate attends a course or program for which approval has not been received;
- (4) the Teacher Candidate resigns, abandons or is terminated from any pre-existing employment with the District;
- (5) the District loses any funding for the Grow Your Own district program.

5. District Employment During the Educational Program. The teacher candidate is required to be employed by the School District during the entirety of the Teacher Candidate's educational program. The role/position in which the Teacher Candidate is employed will be at the discretion of the District. Teacher Candidates, at the time of beginning the educational program, who are current School District employees, will remain in the current position throughout the educational program unless the Teacher Candidate applies for and is selected for another position within the School District. Teacher Candidates who are not current employees of the School District when they begin the educational program, must apply for open non-licensed positions within the School District

and be selected for one of those positions in order to qualify to be a Teacher Candidate in the Grow Your Own Program.

6. Term of Agreement to Teach. In consideration of the tuition reimbursement, license reimbursement, stipend and expense reimbursement described above, the Teacher Candidate agrees to maintain employment with the District for a minimum of an additional **two (2)** full school years after completing the course or program. In the event the Teacher Candidate completes the course or program after the start of a school year, the District will have the right to defer the commencement of the Teacher Candidate's **two year** commitment as a result of this Agreement until the start of the next school year. The District currently employs the Teacher Candidate as **Paraprofessional- Special Education**, which employment relationship shall not be altered by this Agreement.
7. Reimbursement in the Event the Teacher Candidate Does Not Complete Four Year Term of Employment as Teacher. Because the District has agreed to provide the Teacher Candidate with the tuition reimbursement, license reimbursement, stipend and expense reimbursement as described above in exchange for the Teacher Candidate obtaining the above-described license and/or education, the District will lose the benefit of this Agreement if the Teacher Candidate does not complete a minimum of **two (2)** full school years of teaching service with the District following completion of the course or program. In the event the Teacher Candidate does not complete at least **two (2)** full school years of employment as a teacher for the District (after the Teacher Candidate completes the course or program), the Teacher Candidate agrees to repay the District all sums Teacher Candidate has received pursuant to this Agreement. The Teacher Candidate shall enter into an agreement to repay the District ("repayment agreement") and if all sums are not paid when due as set forth in the repayment agreement, Teacher Candidate agrees to confess judgment to the District pursuant to Minn. Stat. §548.22 for all sums due and to become due. The Teacher Candidate agrees to also pay for all of the District's expenses in remedying the matter including, but not limited to court fees, and attorney fees, should the District have to initiate legal action to collect the amount that the Teacher Candidate owes. The District retains the right to collect any unpaid sums in any manner permitted by law.
8. No Guaranteed Employment. Nothing in this Agreement requires the District to continue to employ Teacher Candidate for any length of time.

9. No Teaching Positions Meeting Teacher Candidate License Area. In the event the Teacher Candidate successfully completes the educational program and/or receives a valid Minnesota teaching license, and there are no teacher openings within the Tri-District (South St. Paul, Inver Grove Heights, or West St. Paul School Districts) for which the teacher is qualified and/or selected. The Teacher Candidate will continue to serve in the current licensed or non-licensed position for up to **two (2)** full school years. The Teacher Candidate is expected to apply to any and all open positions within the Tri-District for which the Teacher Candidate is qualified and licensed.
10. Termination for Cause. The Teacher Candidate must meet all performance expectations in either their non-licensed or licensed position during their educational program and the **two (2)** year commitment period after successful completion of the educational program. Failure to meet performance expectations may result in discipline up to and including termination. Termination for cause from employment with the School District in either role for the time period from the beginning of the educational program through the full **two (2)** year term of their teaching assignment as indicated in this agreement, will result in the Teacher Candidate reimbursing the School District and/or grant program based on the terms in Paragraph (6) above.
11. Governing Law, Forum and Severability. This Agreement will be construed and enforced in accordance with the laws of the State of Minnesota. Parties agree that any action to enforce the terms of this Agreement shall be brought in a State court of competent jurisdiction in Minnesota. If any part of this Agreement is construed to be in violation of any law, the remaining portions shall remain in full force and effect.
12. Entire Agreement. This Agreement constitutes the entire agreement between the Parties. No Party has relied upon statements or promises that are not set forth in this Agreement. Any change or amendment to this Agreement shall be made in writing, signed by the parties.

I have read and understood the foregoing Tuition Disbursement Agreement and acknowledge that it is the complete Agreement and by signing below agree to be bound by its terms and conditions.

Dated: 12/12/2020

[Signature]

Teacher Candidate

**University of St. Thomas**

Dated: \_\_\_\_\_

\_\_\_\_\_

Its: School Board Chair

Dated: \_\_\_\_\_

\_\_\_\_\_

Its: School Board Clerk

## **Tuition Reimbursement Agreement**

This Tuition Reimbursement Agreement (“Agreement”) is entered into by **South St. Paul Public Schools** (“District”), and **Alan Lance** (“Teacher Candidate”). The District and the Teacher Candidate are referred to in this Agreement as “the Parties.”

WHEREAS, the District has a need to fill and maintain teaching positions that require specific licenses and/or education;

WHEREAS, the District wishes to hire, employ, and retain well-qualified teachers to deliver services to the benefit of its students;

WHEREAS, the District has applied for and has received a Grow Your Own grant (“Grant”) under Minnesota Statutes, section 122A.73, subdivision 2;

WHEREAS, the Teacher Candidate wishes to obtain their first professional teaching license;

WHEREAS, the Parties desire to specify the terms of their Agreement governing the benefit of tuition assistance provided to the Teacher Candidate.

NOW, THEREFORE, IN CONSIDERATION OF the mutual promises and covenants contained in this Agreement and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

1. Course Selection. Prior to the commencement of the course or program, the Teacher Candidate must submit a statement of any courses or programs for which the Teacher Candidate will seek tuition expenses/payment under this Agreement to the Superintendent or designee for approval. The statement must indicate the anticipated completion date of the course or program. The course or program must be from an accredited institution and must be one of the following:
  - (1) a Professional Educator Licensing and Standards Board-approved teacher preparation program;
  - (2) a Council for the Accreditation of Educator Preparation-accredited teacher preparation program from a private, not for profit, institution of higher education; or
  - (3) an institution that has an articulated transfer pathway with a board-approved teacher preparation program

as required under Minnesota Statutes, section 122A.73, subdivision 2.

No tuition disbursement will be made under this Agreement for any course or program that does not meet the above requirements. The Teacher Candidate must receive written approval of the course or program from the Superintendent or designee prior to registering for the course. The written approval applies only to the specific course or program identified and approved.

2. Tuition and License Disbursement. The Teacher Candidate will register for courses after receiving approval from the Superintendent or designee. The Teacher Candidate will submit an invoice to the Human Resources or Finance department for any expenses related to tuition or license reimbursement. Upon successful completion of the course or program, the District will cover the Teacher Candidate's expenses: up to **\$38,000** for the cost of tuition, fees, textbooks, fees for licensure exam and licensure fees for the Teacher Candidate's pre-approved teacher preparation program and teacher license.

Successful completion of the course will be demonstrated by submission of a copy of a transcript to Human Resources showing that the Teacher Candidate has completed the course and obtained a letter grade of "C" or higher. In courses where grades are assigned on a pass/fail basis, a pass grade shall be deemed to be a "C".

The District will disburse funds to the College/University, or the Teacher Candidate within 30 calendar days of receipt of proof of course/program registration or will reimburse the Teacher Candidate after receipt of documentation of amounts owed/paid for all allowable expenses.

If a teacher does not successfully complete a course, demonstrated by a grade of less than a "C," and/or the teacher discontinues or drops out of a course before successful completion of that course, the Teacher Candidate will be responsible for reimbursing any fees and/or costs provided to the Teacher Candidate for that course. The Teacher Candidate must work with the District to arrange a reimbursement schedule. Failure by the Teacher Candidate to reimburse the District and/or grant program for incomplete courses may result in legal action to recoup the funds provided to the Teacher Candidate.

3. Stipend and Expense Disbursement. In addition to Tuition and License Disbursement, the District will also pay the Teacher Candidate:

- (1) An \$8,000 stipend to be paid in equal installments during the time that the Teacher Candidate is student-teaching for the District;

Disbursement of up to \$6,000 for pre-approved program-related expenses (i.e. purchase of computer, childcare, transportation). The Teacher Candidate must provide invoices and/or estimated costs to the School District prior to purchase. The invoice and/or estimated costs, must include an itemized list of the expenses the Teacher Candidate expects to incur. The School District will review the submitted proposed expenses, and advise the Teacher Candidate of any expenses that will not be approved by email within 15 business days of the Teacher Candidate submitting the request. Once expenses have been approved by the School District, payment to the Teacher Candidate will be provided to purchase the required expenses within 30 business days.

4. Requirements for Expense Disbursement. The Teacher Candidate must enroll in and complete a course or program and incur tuition expenses during their enrollment in order for funds to be disbursed under this Agreement. The District is not obligated to pay any amount under this Agreement, and any such obligation for payment under this Agreement shall cease if any of the following occur:

- (1) the Teacher Candidate does not complete the course or program;
- (2) the Teacher Candidate receives a letter grade below "C;"
- (3) the Teacher Candidate attends a course or program for which approval has not been received;
- (4) the Teacher Candidate resigns, abandons or is terminated from any pre-existing employment with the District;
- (5) the District loses any funding for the Grow Your Own district program.

5. District Employment During the Educational Program. The teacher candidate is required to be employed by the School District during the entirety of the Teacher Candidate's educational program. The role/position in which the Teacher Candidate is employed will be at the discretion of the District. Teacher Candidates, at the time of beginning the educational program, who are current School District employees, will remain in the current position throughout the educational program unless the Teacher Candidate applies for and is selected for another position within the School District. Teacher Candidates who are not current employees of the School District when they begin the educational program, must apply for open non-licensed positions within the School District

and be selected for one of those positions in order to qualify to be a Teacher Candidate in the Grow Your Own Program.

6. Term of Agreement to Teach. In consideration of the tuition reimbursement, license reimbursement, stipend and expense reimbursement described above, the Teacher Candidate agrees to maintain employment with the District for a minimum of an additional **three (3)** full school years after completing the course or program. In the event the Teacher Candidate completes the course or program after the start of a school year, the District will have the right to defer the commencement of the Teacher Candidate's **three year** commitment as a result of this Agreement until the start of the next school year. The District currently employs the Teacher Candidate as **Paraprofessional- Special Education**, which employment relationship shall not be altered by this Agreement.
7. Reimbursement in the Event the Teacher Candidate Does Not Complete Four Year Term of Employment as Teacher. Because the District has agreed to provide the Teacher Candidate with the tuition reimbursement, license reimbursement, stipend and expense reimbursement as described above in exchange for the Teacher Candidate obtaining the above-described license and/or education, the District will lose the benefit of this Agreement if the Teacher Candidate does not complete a minimum of **three (3)** full school years of teaching service with the District following completion of the course or program. In the event the Teacher Candidate does not complete at least **three (3)** full school years of employment as a teacher for the District (after the Teacher Candidate completes the course or program), the Teacher Candidate agrees to repay the District all sums Teacher Candidate has received pursuant to this Agreement. The Teacher Candidate shall enter into an agreement to repay the District ("repayment agreement") and if all sums are not paid when due as set forth in the repayment agreement, Teacher Candidate agrees to confess judgment to the District pursuant to Minn. Stat. §548.22 for all sums due and to become due. The Teacher Candidate agrees to also pay for all of the District's expenses in remedying the matter including, but not limited to court fees, and attorney fees, should the District have to initiate legal action to collect the amount that the Teacher Candidate owes. The District retains the right to collect any unpaid sums in any manner permitted by law.
8. No Guaranteed Employment. Nothing in this Agreement requires the District to continue to employ Teacher Candidate for any length of time.

9. No Teaching Positions Meeting Teacher Candidate License Area. In the event the Teacher Candidate successfully completes the educational program and/or receives a valid Minnesota teaching license, and there are no teacher openings within the Tri-District (South St. Paul, Inver Grove Heights, or West St. Paul School Districts) for which the teacher is qualified and/or selected. The Teacher Candidate will continue to serve in the current licensed or non-licensed position for up to **three (3)** full school years. The Teacher Candidate is expected to apply to any and all open positions within the Tri-District for which the Teacher Candidate is qualified and licensed.
  
10. Termination for Cause. The Teacher Candidate must meet all performance expectations in either their non-licensed or licensed position during their educational program and the **three (3)** year commitment period after successful completion of the educational program. Failure to meet performance expectations may result in discipline up to and including termination. Termination for cause from employment with the School District in either role for the time period from the beginning of the educational program through the full **three (3)** year term of their teaching assignment as indicated in this agreement, will result in the Teacher Candidate reimbursing the School District and/or grant program based on the terms in Paragraph (6) above.
  
11. Governing Law, Forum and Severability. This Agreement will be construed and enforced in accordance with the laws of the State of Minnesota. Parties agree that any action to enforce the terms of this Agreement shall be brought in a State court of competent jurisdiction in Minnesota. If any part of this Agreement is construed to be in violation of any law, the remaining portions shall remain in full force and effect.
  
12. Entire Agreement. This Agreement constitutes the entire agreement between the Parties. No Party has relied upon statements or promises that are not set forth in this Agreement. Any change or amendment to this Agreement shall be made in writing, signed by the parties.

I have read and understood the foregoing Tuition Disbursement Agreement and acknowledge that it is the complete Agreement and by signing below agree to be bound by its terms and conditions.

Dated: 9/17/25

  
\_\_\_\_\_  
Teacher Candidate

**Metropolitan State University**

Dated: \_\_\_\_\_

\_\_\_\_\_

Its: School Board Chair

Dated: \_\_\_\_\_

\_\_\_\_\_

Its: School Board Clerk

## Tuition Reimbursement Agreement

This Tuition Reimbursement Agreement (“Agreement”) is entered into by **South St. Paul Public Schools** (“District”), and **Kayla Thomas** (“Teacher Candidate”). The District and the Teacher Candidate are referred to in this Agreement as “the Parties.”

WHEREAS, the District has a need to fill and maintain teaching positions that require specific licenses and/or education;

WHEREAS, the District wishes to hire, employ, and retain well-qualified teachers to deliver services to the benefit of its students;

WHEREAS, the District has applied for and has received a Grow Your Own grant (“Grant”) under Minnesota Statutes, section 122A.73, subdivision 2;

WHEREAS, the Teacher Candidate wishes to obtain their first professional teaching license;

WHEREAS, the Parties desire to specify the terms of their Agreement governing the benefit of tuition assistance provided to the Teacher Candidate.

NOW, THEREFORE, IN CONSIDERATION OF the mutual promises and covenants contained in this Agreement and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

1. Course Selection. Prior to the commencement of the course or program, the Teacher Candidate must submit a statement of any courses or programs for which the Teacher Candidate will seek tuition expenses/payment under this Agreement to the Superintendent or designee for approval. The statement must indicate the anticipated completion date of the course or program. The course or program must be from an accredited institution and must be one of the following:
  - (1) a Professional Educator Licensing and Standards Board-approved teacher preparation program;
  - (2) a Council for the Accreditation of Educator Preparation-accredited teacher preparation program from a private, not for profit, institution of higher education; or
  - (3) an institution that has an articulated transfer pathway with a board-approved teacher preparation program

as required under Minnesota Statutes, section 122A.73, subdivision 2.

No tuition disbursement will be made under this Agreement for any course or program that does not meet the above requirements. The Teacher Candidate must receive written approval of the course or program from the Superintendent or designee prior to registering for the course. The written approval applies only to the specific course or program identified and approved.

2. Tuition and License Disbursement. The Teacher Candidate will register for courses after receiving approval from the Superintendent or designee. The Teacher Candidate will submit an invoice to the Human Resources or Finance department for any expenses related to tuition or license reimbursement. Upon successful completion of the course or program, the District will cover the Teacher Candidate's expenses: up to **\$56,000** for the cost of tuition, fees, textbooks, fees for licensure exam and licensure fees for the Teacher Candidate's pre-approved teacher preparation program and teacher license.

Successful completion of the course will be demonstrated by submission of a copy of a transcript to Human Resources showing that the Teacher Candidate has completed the course and obtained a letter grade of "C" or higher. In courses where grades are assigned on a pass/fail basis, a pass grade shall be deemed to be a "C".

The District will disburse funds to the College/University, or the Teacher Candidate within 30 calendar days of receipt of proof of course/program registration or will reimburse the Teacher Candidate after receipt of documentation of amounts owed/paid for all allowable expenses.

If a teacher does not successfully complete a course, demonstrated by a grade of less than a "C," and/or the teacher discontinues or drops out of a course before successful completion of that course, the Teacher Candidate will be responsible for reimbursing any fees and/or costs provided to the Teacher Candidate for that course. The Teacher Candidate must work with the District to arrange a reimbursement schedule. Failure by the Teacher Candidate to reimburse the District and/or grant program for incomplete courses may result in legal action to recoup the funds provided to the Teacher Candidate.

3. Stipend and Expense Disbursement. In addition to Tuition and License Disbursement, the District will also pay the Teacher Candidate:

- (1) An \$8,000 stipend to be paid in equal installments during the time that the Teacher Candidate is student-teaching for the District;

Disbursement of up to \$6,000 for pre-approved program-related expenses (i.e. purchase of computer, childcare, transportation). The Teacher Candidate must provide invoices and/or estimated costs to the School District prior to purchase. The invoice and/or estimated costs, must include an itemized list of the expenses the Teacher Candidate expects to incur. The School District will review the submitted proposed expenses, and advise the Teacher Candidate of any expenses that will not be approved by email within 15 business days of the Teacher Candidate submitting the request. Once expenses have been approved by the School District, payment to the Teacher Candidate will be provided to purchase the required expenses within 30 business days.

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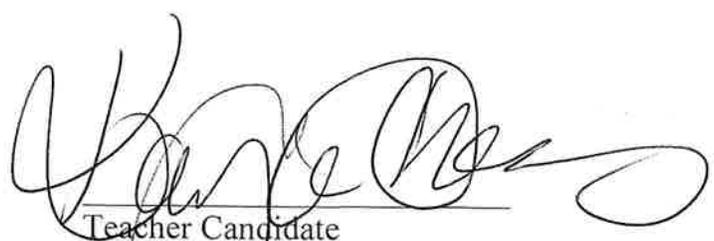
and be selected for one of those positions in order to qualify to be a Teacher Candidate in the Grow Your Own Program.

6. Term of Agreement to Teach. In consideration of the tuition reimbursement, license reimbursement, stipend and expense reimbursement described above, the Teacher Candidate agrees to maintain employment with the District for a minimum of an additional **two (2)** full school years after completing the course or program. In the event the Teacher Candidate completes the course or program after the start of a school year, the District will have the right to defer the commencement of the Teacher Candidate's **two year** commitment as a result of this Agreement until the start of the next school year. The District currently employs the Teacher Candidate as **Paraprofessional- Special Education**, which employment relationship shall not be altered by this Agreement.
7. Reimbursement in the Event the Teacher Candidate Does Not Complete Four Year Term of Employment as Teacher. Because the District has agreed to provide the Teacher Candidate with the tuition reimbursement, license reimbursement, stipend and expense reimbursement as described above in exchange for the Teacher Candidate obtaining the above-described license and/or education, the District will lose the benefit of this Agreement if the Teacher Candidate does not complete a minimum of **two (2)** full school years of teaching service with the District following completion of the course or program. In the event the Teacher Candidate does not complete at least **two (2)** full school years of employment as a teacher for the District (after the Teacher Candidate completes the course or program), the Teacher Candidate agrees to repay the District all sums Teacher Candidate has received pursuant to this Agreement. The Teacher Candidate shall enter into an agreement to repay the District ("repayment agreement") and if all sums are not paid when due as set forth in the repayment agreement, Teacher Candidate agrees to confess judgment to the District pursuant to Minn. Stat. §548.22 for all sums due and to become due. The Teacher Candidate agrees to also pay for all of the District's expenses in remedying the matter including, but not limited to court fees, and attorney fees, should the District have to initiate legal action to collect the amount that the Teacher Candidate owes. The District retains the right to collect any unpaid sums in any manner permitted by law.
8. No Guaranteed Employment. Nothing in this Agreement requires the District to continue to employ Teacher Candidate for any length of time.

9. No Teaching Positions Meeting Teacher Candidate License Area. In the event the Teacher Candidate successfully completes the educational program and/or receives a valid Minnesota teaching license, and there are no teacher openings within the Tri-District (South St. Paul, Inver Grove Heights, or West St. Paul School Districts) for which the teacher is qualified and/or selected. The Teacher Candidate will continue to serve in the current licensed or non-licensed position for up to **two (2)** full school years. The Teacher Candidate is expected to apply to any and all open positions within the Tri-District for which the Teacher Candidate is qualified and licensed.
  
10. Termination for Cause. The Teacher Candidate must meet all performance expectations in either their non-licensed or licensed position during their educational program and the **two (2)** year commitment period after successful completion of the educational program. Failure to meet performance expectations may result in discipline up to and including termination. Termination for cause from employment with the School District in either role for the time period from the beginning of the educational program through the full **two (2)** year term of their teaching assignment as indicated in this agreement, will result in the Teacher Candidate reimbursing the School District and/or grant program based on the terms in Paragraph (6) above.
  
11. Governing Law, Forum and Severability. This Agreement will be construed and enforced in accordance with the laws of the State of Minnesota. Parties agree that any action to enforce the terms of this Agreement shall be brought in a State court of competent jurisdiction in Minnesota. If any part of this Agreement is construed to be in violation of any law, the remaining portions shall remain in full force and effect.
  
12. Entire Agreement. This Agreement constitutes the entire agreement between the Parties. No Party has relied upon statements or promises that are not set forth in this Agreement. Any change or amendment to this Agreement shall be made in writing, signed by the parties.

I have read and understood the foregoing Tuition Disbursement Agreement and acknowledge that it is the complete Agreement and by signing below agree to be bound by its terms and conditions.

Dated: 11/11/2025

  
\_\_\_\_\_  
Teacher Candidate  
**University of St. Thomas**

Dated: \_\_\_\_\_

\_\_\_\_\_

Its: School Board Chair

Dated: \_\_\_\_\_

\_\_\_\_\_

Its: School Board Clerk



# School Board Agenda Item

**Date:** Monday, January 26, 2026

**Place on Agenda:** Business Meeting

**Action Requested:** Approval

**Attachment:** Kids Choice (SAC) 26-27 Fee Increase  
Preschool 2026-2027 Fee Increase

|  |
|--|
| <b>Topic:</b> Kids' Choice (SAC) & Community Preschool Fees for 2026-2027  |
| <b>Presenter(s):</b> RA Chhoth. Finance and Operations Executive Director, Amy Winter, Educational Services Executive Director, Jeanne Zehnder, Community Education Director   |
| <p><b>Background:</b><br/>We are asking for your approval of an increase in the Kids' Choice and Community Preschool fees for the 2026-2027 fiscal year. The proposed fees are listed in the attached fee schedule document.</p> <p>Below are some notes regarding the proposed changes:</p> <ul style="list-style-type: none"> <li>• The <b>Kids' Choice</b> (SAC) and Community Preschool programs are fee-based programs</li> <li>• Though the Kids Choice fees were increased in the fiscal year 2025-2026 Administration is proposing an increase for 2026-2027 (detailed in the chart below) to address inflation in operating expenses.</li> <li>• The Community Preschool fees were increased in the fiscal year 2025-2026 Administration is proposing an increase for 2026-2027 (detailed in the chart below) to address inflation in operating expenses.</li> <li>• Financial assistance from the County Child Care (Kids' Choice) and School Readiness (Community Preschool) scholarships are available.</li> <li>• VPK funding has been permanent since the fiscal year 2016-2017 for 4 yr old VPK preschool at Kaposia Education Center, and since the fiscal year 2023-2024 for 4 yr old VPK preschool at Lincoln Center. Seat allocations are now applied for and updated every 5 years and were allocated most recently in January of 2025</li> <li>• The proposed program fees fo the next year remain at or below comparison districts' fees for the 2026-2027 fiscal year.</li> </ul> |
| <p><b>Recommendation:</b></p> <p>Administration recommends approval of the 2026-2027 Fee Schedule</p>  |
| <p><b>Alternatives:</b></p> <p>Do not approve and direct administration with next steps.</p>   |



|  |   |                 |
|--|---|-----------------|
|  | PM: \$24.00/day   | PM: \$19.50/day |
| NSD Rate: \$47.00-\$52.00<br>2025 Summer Daily Rate: \$46.00-\$65.00 | NSD Rate: \$55.50-\$66.50<br>2026 Summer Daily Rate: \$52.50-\$67 |                 |

| South Washington County 2025-2026  | Hastings 2025-2026  |
|--|---|
| Registration Fee: \$69.00  | Registration Fee: \$50.00 (school yr), \$60.00 (summer)   |
| Daily Rate <b>1 Day AM+PM = \$24.75-\$39.75</b><br>AM: \$10.50-18.00<br>PM: \$14.25-21.75<br><br>Part-time Rate:<br>AM: \$11.00-\$18.50<br>PM: \$14.75-\$22.25<br><br>Drop-in AM: \$14.50-\$22.00<br>Drop-in PM: \$18.25-\$25.75 | Daily Rate <b>1 Day AM+PM = \$27-\$36</b><br>AM: \$13.25-\$17.75<br>PM: \$17.75-\$22.25<br><br>Full-Time All Schools (AM & PM) - \$35.50<br><br>Drop-in: Not Available<br>Pick Your Day Rate: Not Available |
| NSD Rate: \$48.50<br>(Summer 2025)<br>2025 Summer Daily Rate: \$48.50-\$50.00  | NSD Rate: \$46.50<br>(Summer 2026)<br>2026 Summer Daily Rate: \$50.00   |

\*Preschool fees proposal as of 12/2025 (3% increase + to rounded up to the nearest dollar)

| South St. Paul 2025-2026  | South St. Paul 2026-2027  |
|---|---|
| Registration Fee: \$50  | Registration Fee: \$50  |
| <p><b>3's Preschool</b><br/>KEC (3 days/week)<br/>Morning: \$200/month<br/>Afternoon: \$200/month</p> <p>LC<br/>Morning: \$200/month<br/>Afternoon: \$200/month</p> <p><b>4's Preschool</b><br/>KEC (5 days/week)<br/>Morning: \$335/month<br/>Afternoon: \$335/month<br/>All Day: \$670/month</p> <p>LC (5 days/week)<br/>Morning: \$335/month<br/>Afternoon: \$335/month<br/>All Day: \$670/month</p> | <p><b>3's Preschool</b><br/>KEC (3 days/week)<br/>Morning: \$210/month<br/>Afternoon: \$210/month</p> <p>LC<br/>Morning: \$210/month<br/>Afternoon: \$210/month</p> <p><b>4's Preschool</b><br/>KEC (5 days/week)<br/>Morning: \$345/month<br/>Afternoon: \$345/month<br/>All Day: \$690/month</p> <p>LC (5 days/week)<br/>Morning: \$345/month<br/>Afternoon: \$345/month<br/>All Day: \$690/month</p> |

| Inver Grove Heights 2025-2026  | Inver Grove Heights 2026-2027  |
|--|--|
| Registration Fee: \$ ?   | Registration Fee: ?  |
| <p><b>3's Preschool</b><br/>Morning (2 days/week): \$152/month<br/>Morning (3 days/week): \$203/month<br/>Afternoon: (2 days/week): \$152/month</p> <p><b>4's Preschool</b><br/>Morning (5 days/week): \$328/month<br/>Afternoon (4 days/week): \$267/month<br/>All Day (5 days/week): \$907/month</p> | <p><b>3's Preschool</b><br/>Morning (2 days/week): \$<br/>Morning (3 days/week): \$<br/>Afternoon: (2 days/week): \$</p> <p><b>4's Preschool</b><br/>Morning (5 days/week): \$<br/>Afternoon (4 days/week): \$<br/>All Day (5 days/week): \$</p> |

| District 197 2025-2026  | District 197 2026-2027  |
|---|---|
| Registration Fee: \$60  | Registration Fee: \$60  |
| <p><b>3's Preschool</b><br/>Morning (2 days/week): \$181/month</p> <p><b>4's Preschool</b><br/>Morning (3 days/week): \$253/month<br/>Morning (5 days/week): \$408/month<br/>Afternoon (3 days/week): \$253/month<br/>Pilot Knob (5 days) (9:30 am-2:15 pm): \$735/month<br/>All Day (5 days/week): \$980/month</p> | <p><b>3's Preschool</b><br/>Morning (2 days/week): \$185/month</p> <p><b>4's Preschool</b><br/>Morning (3 days/week): \$270/month<br/>Morning (5 days/week): \$420/month<br/>Afternoon (3 days/week): \$270/month<br/>Pilot Knob (5 days) (9:30 am-2:15 pm): \$735/month<br/>All Day (5 days/week): \$980/month</p> |

| South Washington County 2025-2026  | South Washington County 2026-2027  |
|--|--|
| Registration Fee: \$85   | Registration Fee: \$85   |
| <b>Little Suns (3's Preschool)</b><br>Morning (2 days/week): \$205/month<br>Morning (3 days/week) - \$245/month<br>Afternoon (2 days/week) - \$205/month<br><br><b>Multi-Age (3's and 4's) Solar Sparks</b><br>Morning (2 days/week): \$205/month<br>Morning (3 days/week): \$245/month<br>Afternoon (2 days/week): \$205/month<br>Afternoon (3 days/week): \$245/month<br><br><b>Sunny Scholars (4's Preschool)</b><br>Morning (5 days/week) - \$415/month<br>Afternoon (5 days/week) - \$415/month | <b>Little Suns (3's Preschool)</b><br>Morning (2 days/week): \$220/month<br>Morning (3 days/week) - \$260/month<br>Afternoon (2 days/week) - \$220/month<br><br><b>Multi-Age (3's and 4's) Solar Sparks</b><br>Morning (2 days/week): \$220/month<br>Morning (3 days/week): \$260/month<br>Afternoon (2 days/week): \$220/month<br>Afternoon (3 days/week): \$260/month<br><br><b>Sunny Scholars (4's Preschool)</b><br>Morning (5 days/week) - \$440/month<br>Afternoon (5 days/week) - \$440/month |

| St. Paul 2025-2026  | St. Paul 2026-2027  |
|---|---|
| Registration Fee: \$49  | Registration Fee: \$  |
| <b>3-4 Year Old Preschool</b><br>Morning (5 days/week): \$40/day<br>Afternoon (5 days/week) - \$40/day<br>Full Day (5 days/week) - \$80/day | <b>3-4 Year Old Preschool</b><br>Morning (5 days/week): \$<br>Afternoon (5 days/week) - \$<br>Full Day (5 days/week) - \$ |

| Minneapolis 2025-2026   | Minneapolis 2026-2027   |
|---|---|
| Registration Fee: \$  | Registration Fee: \$  |
| <b>3-4 Year Old Preschool</b><br>Half Day - \$400/month<br>Full Day - \$800/month | <b>3-4 Year Old Preschool</b><br>Half Day - \$<br>Full Day - \$ |

| ISD 196 2025-2026  | ISD 196 2026-2027   |
|--|---|
| Registration Fee: \$   | Registration Fee: \$  |
| <b>3 Year Old Preschool</b><br>Half Day PM (2 days/week) - \$175 to \$215/month<br><br><b>4 Year Old Preschool</b><br>Morning (3 days/week) - \$245/month<br>Afternoon (3 days/week) - \$245/month<br>Afternoon (4 days/week) - \$295/month<br>Afternoon (5 days/week) - \$335/month | <b>3 Year Old Preschool</b><br>Half Day PM (2 days/week) -<br><br><b>4 Year Old Preschool</b><br>Morning (3 days/week) -<br>Afternoon (3 days/week) -<br>Afternoon (4 days/week) -<br>Afternoon (5 days/week) - |

| <b>Fridley 2025-2026</b>  | <b>Fridley 2026-2027</b>  |
|---|---|
| Registration Fee: \$  | Registration Fee: \$  |
| <b>3 Year Old Preschool</b><br>Morning (4 days/week) - \$340/month<br>Afternoon (4 days/week) - \$340/month<br>Full Day (5 days/week) - \$290/week<br><br><b>4 Year Old Preschool</b><br>Morning (5 days/week) - Sliding Scale \$40-\$370/mo<br>Afternoon(5 days/week)-Sliding Scale \$40-\$370/mo<br>Full Day (5 days/week) - \$290/week | <b>3 Year Old Preschool</b><br>Morning (4 days/week) - \$340/month<br>Afternoon (4 days/week) - \$340/month<br>Full Day (5 days/week) - \$290/week<br><br><b>4 Year Old Preschool</b><br>Morning (5 days/week) - Sliding Scale \$40-\$370/mo<br>Afternoon(5 days/week)-Sliding Scale \$40-\$370/mo<br>Full Day (5 days/week) - \$290/week |

| <b>Richfield 2025-2026</b>   | <b>Richfield 2026-2027</b>  |
|--|---|
| Registration Fee: \$   | Registration Fee: \$  |
| <b>3 Year Old Preschool</b><br>2 days/week - \$160/month<br>3 days/week - \$230/month<br><br><b>4 Year Old Preschool</b><br>Half Day 5 days/week - \$370/month | <b>3 Year Old Preschool</b><br>2 days/week - \$<br>3 days/week - \$<br><br><b>4 Year Old Preschool</b><br>Half Day 5 days/week - \$ |

| <b>Hastings 2025-2026</b>  | <b>Hastings 2026-2027</b>   |
|--|---|
| Registration Fee: \$   | Registration Fee: \$  |
| <b>3 Year Old Preschool</b><br>Morning (2 days/week) - \$<br>Morning (3 days/week) - \$<br><br><b>4 Year Old Preschool</b><br>Morning (3 days/week) - \$<br>Afternoon (3 day/week) - \$<br>Morning (5 days/week) - \$<br>Afternoon (5 days/week) - \$<br>Full Day (5 days/week) - \$ | <b>3 Year Old Preschool</b><br>Morning (2 days/week) - \$190/month<br>Morning (3 days/week) - \$190/month<br><br><b>4 Year Old Preschool</b><br>Morning (3 days/week) - \$220/month<br>Afternoon (3 day/week) - \$220/month<br>Morning (5 days/week) - \$330/month<br>Afternoon (5 days/week) - \$330/month<br>Full Day (5 days/week) - \$850/month |

| <b>Bloomington 2025-2026</b>   | <b>Bloomington 2026-2027</b>   |
|--|--|
| Registration Fee: \$75   | Registration Fee: \$75   |
| <b>3 Year Old Preschool</b><br>Half Day 2 days/week - \$169/month<br>Half Day 3 days/week - \$253/month<br>Half Day 5 days/week - \$422/month<br><br><b>4 Year Old Preschool</b><br>Half Day 5 days/week - \$422/month | <b>3 Year Old Preschool</b><br>Half Day 2 days/week - \$<br>Half Day 3 days/week - \$<br>Half Day 5 days/week - \$<br><br><b>4 Year Old Preschool</b><br>Half Day 5 days/week - \$ |

| ISD 622 2025-2026  | ISD 622 2026-2027   |
|--|---|
| Registration Fee: \$ ?   | Registration Fee: \$ ?  |
| <b>3 Year Old Preschool</b><br>Half Day 2 days/week - \$180/month<br>Half Day 3 days/week - \$255/month<br><br><b>4 Year Old Preschool</b><br>Half Day 5 days/week - \$420/month | <b>3 Year Old Preschool</b><br>Half Day 2 days/week - \$<br>Half Day 3 days/week - \$<br><br><b>4 Year Old Preschool</b><br>Half Day 5 days/week - \$ |