

## Regular School Board Meeting

Monday, October 20, 2025 5:45 PM

School District Media Center, 131 Hickory Street North, Lester Prairie, MN 55354

### I. Call to Order

### II. Pledge of Allegiance

### III. Approval of Agenda

III.A. Action to approve agenda.

### IV. Recognition of Communications Since Last Meeting

### V. Open Dialogue

### VI. Approval of Consent Agenda

VI.A. Approve Sept. 15 Bd minutes.  
Approve wire payment bill vouchers: 49361-49426;  
and Check payments: 54669-54771 for a total amount of  
\$297,465.03

### VII. Reports

VII.A. Dashir Report

### VIII. New Business

VIII.A. Achievement and Integration  
Progress Report

VIII.B. Action to approve the **RESOLUTION  
OF GOVERNING BOARD SUPPORTING FORM A  
APPLICATION TO MINNESOTA STATE HIGH  
SCHOOL LEAGUE FOUNDATION.**

Action to approve the **RESOLUTION OF  
GOVERNING BOARD SUPPORTING FORM B  
APPLICATION TO MINNESOTA STATE HIGH  
SCHOOL LEAGUE FOUNDATION.**

VIII.C. Action to approve RESOLUTION FOR  
COMBINED POLLING PLACE.

### IX. Old Business

### X. School Finance

X.A. Action to approve estimate from Litzau  
Excavating, Inc. for 2025-26 Snow Season.

X.B. Action to approve 2025-2027 LPEA Master

Agreement.

X.C. Action to approve 2024-25 Audit

**XI. Policy Administration**

XI.A. Second Reading **Policy 706**

**Acceptance of Gifts - Discussion**

Action to approve **Policy 706 Acceptance of Gifts.**

**XII. Personnel**

XII.A. Action to approve resignation of Mike Lee as JV Girls Basketball Coach.

XII.B. Action to approve lane change request for **Derek Litzau** from BA+10 step 5 to BA+20 step 5.

**XIII. Other Items for the Board**

**XIV. Adjourn the Regular Board Meeting**



# Lester Prairie Schools

District Office  
131 Hickory St. N  
Lester Prairie, MN 55354

Phone: 320-395-2521  
Fax: 320-395-4202  
Website: [www.lp.k12.mn.us/](http://www.lp.k12.mn.us/)

**REGULAR BOARD MEETING AGENDA**  
**DATE:** Monday, October 20, 2025  
**LOCATION:** School Media Center and  
**TIME:** 5:45 PM

**I. Call to Order**

- A. Board Chair Christen to open the Lester Prairie School District Regular Board meeting at 5:45 pm.
- B. Welcome to public and guests

**II. Pledge of Allegiance**

**III. Approval of Agenda**

*Motion by \_\_\_\_\_ and seconded by \_\_\_\_\_ to approve agenda.*

*Voting was \_\_\_\_\_ for and \_\_\_\_\_ against*

**IV. Recognition of Communications Since the Last Meeting**

- A. Communications received by Board Members
  - o Good News Section:
    - 1. \_\_\_\_\_
- B. Open Dialogue. (Each person in the audience will be given three (3) minutes - total time - 15 minutes.)

**V. Approval of Consent Agenda**

- A. **Approve Previous Minutes**
  - o Regular Board Meeting: Sept. 15, 2025
- B. **Approve wire payment bill vouchers and check payments:** Approve wire payment bill vouchers: 49361-49426; and Check payments: 54669-54771 for a total amount of \$297,465.03

*Motion by \_\_\_\_\_ and seconded by \_\_\_\_\_ to approve consent agenda, board minutes, & payment of bills presented.*

*Voting was \_\_\_\_\_ for and \_\_\_\_\_ against.*

**VI. Administrative Reports**

- A. **Principal - Mike Lee**
- B. **AD/DoS - Ross Scheevel**
- C. **Superintendent - Melissa Radeke**

**VII. School Board Committee Reports**

- A. Community Ed - Anderson, R.Heimerl
- B. PTO - LaMott, R. Heimerl
- C. Facilities/Maintenance - Engen, Christen, B.Heimerl
- D. Tech/Media - Christen, Engen
- E. Activities - Engen, Christen, B.Heimerl
- F. Negotiations:
  - Certified -LaMott, B.Heimerl, Christen
  - Non-Certified - R.Heimerl, Anderson, Engen
  - Administration - R.Heimerl, B.Heimerl, Christen
- G. Meet and Confer - LaMott, B.Heimerl
- H. Policy - R.Heimerl, Anderson
- I. Legislative - B.Heimerl
- J. City Council - B.Heimerl, LaMott

**VIII. New Business**

- A. Achievement and Integration Progress Report - Superintendent Melissa Radeke
  
- B. Action to approve the **RESOLUTION OF GOVERNING BOARD SUPPORTING FORM A APPLICATION TO MINNESOTA STATE HIGH SCHOOL LEAGUE FOUNDATION.**

*Motion by \_\_\_\_\_ and seconded by \_\_\_\_\_ to approve RESOLUTION as presented.*

*Roll Call Vote:*

CA \_\_\_\_\_ RH \_\_\_\_\_ KC \_\_\_\_\_  
BH \_\_\_\_\_ JE \_\_\_\_\_ DL \_\_\_\_\_

*Voting was \_\_\_\_\_ for and \_\_\_\_\_ against*

- C. Action to approve the **RESOLUTION OF GOVERNING BOARD SUPPORTING FORM B APPLICATION TO MINNESOTA STATE HIGH SCHOOL LEAGUE FOUNDATION.**

*Motion by \_\_\_\_\_ and seconded by \_\_\_\_\_ to approve RESOLUTION as presented.*

*Roll Call Vote:*

CA \_\_\_\_\_ RH \_\_\_\_\_ KC \_\_\_\_\_  
BH \_\_\_\_\_ JE \_\_\_\_\_ DL \_\_\_\_\_

*Voting was \_\_\_\_\_ for and \_\_\_\_\_ against*

- D. Action to approve RESOLUTION FOR COMBINED POLLING PLACE.

*Motion by \_\_\_\_\_ and seconded by \_\_\_\_\_ to approve resolution as presented.*

*Roll Call Vote:*

CA \_\_\_\_\_ RH \_\_\_\_\_ KC \_\_\_\_\_  
BH \_\_\_\_\_ JE \_\_\_\_\_ DL \_\_\_\_\_

Voting was \_\_\_\_\_ for and \_\_\_\_\_ against

**IX. Old Business**

A. none

**X. School Finance**

A. **BergenKDV Presentation on Lester Prairie Schools  
2024-25 Audit - Caroline Stutsman**

B. Action to approve 2024-25 Audit.

Motion by \_\_\_\_\_ and seconded by \_\_\_\_\_ to approve 2024-25  
audit as presented.

Voting was \_\_\_\_\_ for and \_\_\_\_\_ against

C. Action to approve 2025-2027 LPEA Master Agreement.

Motion by \_\_\_\_\_ and seconded by \_\_\_\_\_ to approve  
agreement as presented.

Voting was \_\_\_\_\_ for and \_\_\_\_\_ against

D. Action to approve estimate from Litzau Excavating,  
Inc. for 2025-26 Snow Season.

Motion by \_\_\_\_\_ and seconded by \_\_\_\_\_ to approve  
estimate as presented.

Voting was \_\_\_\_\_ for and \_\_\_\_\_ against

**XI. Policy Administration**

A. Second Reading **Policy 706 Acceptance of Gifts -  
Discussion**

B. Action to approve **Policy 706 Acceptance of Gifts.**

Motion by \_\_\_\_\_ and seconded by \_\_\_\_\_ to approve policy  
as presented.

Voting was \_\_\_\_\_ for and \_\_\_\_\_ against

**XII. Personnel**

A. Action to approve resignation of Mike Lee as JV Girls  
Basketball Coach.

Motion by \_\_\_\_\_ and seconded by \_\_\_\_\_ to approve  
resignation as presented.

Voting was \_\_\_\_\_ for and \_\_\_\_\_ against.

- B. Action to approve lane change request for **Derek Litzau** from BA+10 step 5 to BA+20 step 5.

Motion by \_\_\_\_\_ and seconded by \_\_\_\_\_ to approve lane change request as presented.

Voting was \_\_\_\_\_ for and \_\_\_\_\_ against.

**XIII. Other Items for the Board**

**XIV. Adjourn the Regular Board meeting at \_\_\_\_\_**

**UPCOMING DATES and NOTES:**

- A. October 31: End of 1<sup>st</sup> Quarter - 11:30 dismissal
- B. November 21: K-6 Early Dismissal 11:30 READ ACT
- C. November 24: Regular School Board Meeting 5:45pm
- D. November 27 and 28: Thanksgiving Break - no school

**Lester Prairie Public Schools**  
**Detail Payment Register By Check**

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank | Check No   | Code  | Rcd          | Vendor                               | Pmt/Void Date | Pmt Type                  |
|------|------------|-------|--------------|--------------------------------------|---------------|---------------------------|
| 100  | 00160      |       |              | <b>MN Teachers Retirement Assoc.</b> |               | Wire                      |
|      |            |       | B 01 215 018 |                                      | PPD 9/15/2025 | \$15,511.21               |
| PO#: | Voucher #: | 49364 | Invoice      | Invoice No: 9152025                  | 9/12/2025     | Paid Amt: \$15,511.21     |
|      |            |       |              |                                      |               | Check Amount: \$15,511.21 |
| 100  | 00165      |       |              | <b>Public Empl. Retirement Assoc</b> |               | Wire                      |
|      |            |       | B 01 215 014 |                                      | PPD 9/15/2025 | \$1,642.86                |
| PO#: | Voucher #: | 49363 | Invoice      | Invoice No: 9152025                  | 9/12/2025     | Paid Amt: \$1,642.86      |
|      |            |       |              |                                      |               | Check Amount: \$1,642.86  |
| 100  | 00196      |       |              | <b>INTERNAL REVENUE SERVICE</b>      |               | Wire                      |
|      |            |       | B 01 215 011 |                                      | FEDERAL       | \$6,438.94                |
|      |            |       | B 01 215 010 |                                      | OSADI         | \$12,440.58               |
|      |            |       | B 01 215 010 |                                      | MEDICARE      | \$2,909.52                |
| PO#: | Voucher #: | 49361 | Invoice      | Invoice No: 91525                    | 9/12/2025     | Paid Amt: \$21,789.04     |
|      |            |       |              |                                      |               | Check Amount: \$21,789.04 |
| 100  | 01022      |       |              | <b>MN Department of Revenue</b>      |               | Wire                      |
|      |            |       | B 01 215 013 |                                      | PPD 9/15/2025 | \$3,653.62                |
| PO#: | Voucher #: | 49362 | Invoice      | Invoice No: 9152025                  | 9/12/2025     | Paid Amt: \$3,653.62      |
|      |            |       |              |                                      |               | Check Amount: \$3,653.62  |
| 100  | 2455       |       |              | <b>EBC</b>                           |               | Wire                      |
|      |            |       | B 01 215 005 |                                      | PPD 9/15/2025 | \$6,247.54                |
| PO#: | Voucher #: | 49365 | Invoice      | Invoice No: 9152025                  | 9/12/2025     | Paid Amt: \$6,247.54      |
|      |            |       |              |                                      |               | Check Amount: \$6,247.54  |
| 100  | 3269       |       |              | <b>WEX Health, Inc.</b>              |               | Wire                      |
|      |            |       | B 01 215 023 |                                      | PPD 9/15/2025 | \$1,997.75                |
| PO#: | Voucher #: | 49366 | Invoice      | Invoice No: 9152025                  | 9/12/2025     | Paid Amt: \$1,997.75      |
|      |            |       |              |                                      |               | Check Amount: \$1,997.75  |
| 100  | 00160      |       |              | <b>MN Teachers Retirement Assoc.</b> |               | Wire                      |
|      |            |       | B 01 215 018 |                                      | TRA           | \$15,080.21               |
| PO#: | Voucher #: | 49424 | Invoice      | Invoice No: 9302025                  | 9/30/2025     | Paid Amt: \$15,080.21     |
|      |            |       |              |                                      |               | Check Amount: \$15,080.21 |
| 100  | 00165      |       |              | <b>Public Empl. Retirement Assoc</b> |               | Wire                      |
|      |            |       | B 01 215 014 |                                      | PERA          | \$3,530.16                |
| PO#: | Voucher #: | 49423 | Invoice      | Invoice No: 9302025                  | 9/30/2025     | Paid Amt: \$3,530.16      |
|      |            |       |              |                                      |               | Check Amount: \$3,530.16  |
| 100  | 00196      |       |              | <b>INTERNAL REVENUE SERVICE</b>      |               | Wire                      |
|      |            |       | B 01 215 011 |                                      | FEDERAL TAXES | \$6,301.59                |

Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank              | Check No          | Code         | Rcd     | Vendor  | Pmt/Void Date    | Pmt Type         |                    |                      |                    |
|-------------------|-------------------|--------------|---------|---|------------------|------------------|--------------------|----------------------|--------------------|
| 100               | 00196             |              |         | <b>INTERNAL REVENUE SERVICE</b>                 |                  | Wire             |                    |                      |                    |
|                   |                   |              | B 01    | 215 010 OSADI                                   |                  |                  | \$13,436.78        |                      |                    |
|                   |                   |              | B 01    | 215 010 MEDICARE                                |                  |                  | \$3,142.44         |                      |                    |
| <b>PO#:</b>       | <b>Voucher #:</b> | <b>49421</b> | Invoice | <b>Invoice No:</b> 9302025                      | <b>9/30/2025</b> | <b>Paid Amt:</b> | <b>\$22,880.81</b> | <b>Check Amount:</b> | <b>\$22,880.81</b> |
| 100               | 01022             |              |         | <b>MN Department of Revenue</b>                 |                  | Wire             |                    |                      |                    |
|                   |                   |              | B 01    | 215 013 STATE TAXES                             |                  |                  | \$3,771.44         |                      |                    |
| <b>PO#:</b>       | <b>Voucher #:</b> | <b>49422</b> | Invoice | <b>Invoice No:</b> 9302025                      | <b>9/30/2025</b> | <b>Paid Amt:</b> | <b>\$3,771.44</b>  | <b>Check Amount:</b> | <b>\$3,771.44</b>  |
| 100               | 2455              |              |         | <b>EBC</b>                                      |                  | Wire             |                    |                      |                    |
|                   |                   |              | B 01    | 215 005 TSA                                     |                  |                  | \$6,955.89         |                      |                    |
| <b>PO#:</b>       | <b>Voucher #:</b> | <b>49425</b> | Invoice | <b>Invoice No:</b> 9302025                      | <b>9/30/2025</b> | <b>Paid Amt:</b> | <b>\$6,955.89</b>  | <b>Check Amount:</b> | <b>\$6,955.89</b>  |
| 100               | 3269              |              |         | <b>WEX Health, Inc.</b>                         |                  | Wire             |                    |                      |                    |
|                   |                   |              | B 01    | 215 023 HSA                                     |                  |                  | \$1,897.75         |                      |                    |
| <b>PO#:</b>       | <b>Voucher #:</b> | <b>49426</b> | Invoice | <b>Invoice No:</b> 9302025                      | <b>9/30/2025</b> | <b>Paid Amt:</b> | <b>\$1,897.75</b>  | <b>Check Amount:</b> | <b>\$1,897.75</b>  |
| 100               | 54669             | 00170        |         | <b>4.0 Bus Service</b>                          |                  | Check            |                    |                      |                    |
|                   |                   |              | E 01    | 005 760 000 720 360 District Contract           |                  |                  | \$23,894.84        |                      |                    |
|                   |                   |              | E 01    | 005 760 000 723 360 ESY Summer School           |                  |                  | \$255.00           |                      |                    |
|                   |                   |              | E 01    | 300 296 317 733 360 Volleyball                  |                  |                  | \$997.00           |                      |                    |
|                   |                   |              | E 01    | 300 292 321 733 360 Cross Country               |                  |                  | \$362.25           |                      |                    |
|                   |                   |              | E 01    | 300 294 312 733 360 Football                    |                  |                  | \$173.00           |                      |                    |
| <b>PO#:</b>       | <b>Voucher #:</b> | <b>49298</b> | Invoice | <b>Invoice No:</b> 9.2025                       | <b>9/11/2025</b> | <b>Paid Amt:</b> | <b>\$25,682.09</b> | <b>Check Amount:</b> | <b>\$25,682.09</b> |
| 100               | 54670             | 2269         |         | <b>Advanced Health, Safety and Security</b>     |                  | Check            |                    |                      |                    |
|                   |                   |              | E 01    | 005 810 193 000 350 SRVC CALL MAIN ENTRY DOORS  |                  |                  | \$385.00           |                      |                    |
| <b>PO#:</b>       | <b>Voucher #:</b> | <b>49330</b> | Invoice | <b>Invoice No:</b> 6038MN                       | <b>9/11/2025</b> | <b>Paid Amt:</b> | <b>\$385.00</b>    | <b>Check Amount:</b> | <b>\$385.00</b>    |
| 100               | 54671             | 1245         |         | <b>Amazon</b>                                   |                  | Check            |                    |                      |                    |
|                   |                   |              | E 01    | 100 203 000 000 401 GBC thermal laminating film |                  |                  | \$153.16           |                      |                    |
| <b>PO#:</b> 10838 | <b>Voucher #:</b> | <b>49303</b> | Invoice | <b>Invoice No:</b> 139F-VT69-FVKQ               | <b>9/11/2025</b> | <b>Paid Amt:</b> | <b>\$153.16</b>    |                      |                    |
|                   |                   |              | E 01    | 005 810 193 000 350 3M high flow filter         |                  |                  | \$454.72           |                      |                    |
|                   |                   |              | E 01    | 005 810 193 000 350 3M 5582113 HF8-5 filter     |                  |                  | \$41.63            |                      |                    |
| <b>PO#:</b> 10842 | <b>Voucher #:</b> | <b>49304</b> | Invoice | <b>Invoice No:</b> 13GH-T33K-9T64               | <b>9/11/2025</b> | <b>Paid Amt:</b> | <b>\$496.35</b>    |                      |                    |
|                   |                   |              | E 01    | 100 201 000 000 430 address labels              |                  |                  | \$15.99            |                      |                    |

Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank       | Check No   | Code  | Rcd     | Vendor                 |                             |  |  |  | Pmt/Void Date | Pmt Type |           |          |
|------------|------------|-------|---------|------------------------|-----------------------------|--|--|--|---------------|----------|-----------|----------|
| 100        | 54671      | 1245  |         | Amazon                 |                             |  |  |  |               | Check    |           |          |
|            |            |       | E       | 01 100 201 000 000 430 | laminating sheets           |  |  |  |               | \$16.98  |           |          |
|            |            |       | E       | 01 100 201 000 000 430 | white paint                 |  |  |  |               | \$6.79   |           |          |
|            |            |       | E       | 01 100 201 000 000 430 | yellow paint                |  |  |  |               | \$9.12   |           |          |
|            |            |       | E       | 01 100 201 000 000 430 | green paint                 |  |  |  |               | \$9.53   |           |          |
|            |            |       | E       | 01 100 201 000 000 430 | blue paper12x18             |  |  |  |               | \$5.56   |           |          |
|            |            |       | E       | 01 100 201 000 000 430 | holiday green paper         |  |  |  |               | \$7.67   |           |          |
|            |            |       | E       | 01 100 201 000 000 430 | yellow paper                |  |  |  |               | \$7.64   |           |          |
|            |            |       | E       | 01 100 201 000 000 430 | orange paper                |  |  |  |               | \$6.29   |           |          |
|            |            |       | E       | 01 100 201 000 000 430 | sheet protectors            |  |  |  |               | \$26.99  |           |          |
| PO#: 10844 | Voucher #: | 49306 | Invoice | Invoice No:            | 1GK1-JGHT-CVFP              |  |  |  | 9/11/2025     |          | Paid Amt: | \$112.56 |
|            |            |       | E       | 01 100 203 000 000 401 | corded headphones           |  |  |  |               | \$71.20  |           |          |
|            |            |       | E       | 01 100 203 000 000 401 | dot markers                 |  |  |  |               | \$9.99   |           |          |
|            |            |       | E       | 01 100 203 000 000 401 | BIC pens                    |  |  |  |               | \$6.74   |           |          |
|            |            |       | E       | 01 100 203 000 000 401 | Felt pens                   |  |  |  |               | \$9.97   |           |          |
|            |            |       | E       | 01 100 203 000 000 401 | pocket chart                |  |  |  |               | \$14.99  |           |          |
|            |            |       | E       | 01 100 203 000 000 401 | whiteboards                 |  |  |  |               | \$23.50  |           |          |
|            |            |       | E       | 01 100 203 000 000 401 | rubber bands                |  |  |  |               | \$1.49   |           |          |
|            |            |       | E       | 01 100 203 000 000 401 | Expo markers                |  |  |  |               | \$24.49  |           |          |
|            |            |       | E       | 01 100 203 000 000 401 | 5x8 note pad                |  |  |  |               | \$6.29   |           |          |
|            |            |       | E       | 01 100 203 000 000 401 | dry erase pocket protectors |  |  |  |               | \$8.54   |           |          |
|            |            |       | E       | 01 100 203 000 000 401 | sharpie markers             |  |  |  |               | \$5.66   |           |          |
|            |            |       | E       | 01 100 203 000 000 401 | magnetic dry erase holder   |  |  |  |               | \$16.99  |           |          |
|            |            |       | E       | 01 100 203 000 000 401 | mesh zipper bag             |  |  |  |               | \$25.58  |           |          |
| PO#: 10834 | Voucher #: | 49308 | Invoice | Invoice No:            | 116T-CM3N-HTQ4              |  |  |  | 9/11/2025     |          | Paid Amt: | \$225.43 |
|            |            |       | E       | 01 100 203 103 000 430 | eXPO MARKERS                |  |  |  |               | \$22.49  |           |          |
|            |            |       | E       | 01 100 203 103 000 430 | white boards                |  |  |  |               | \$33.99  |           |          |
|            |            |       | E       | 01 100 203 103 000 430 | packing tape                |  |  |  |               | \$3.59   |           |          |
|            |            |       | E       | 01 100 203 103 000 430 | planner                     |  |  |  |               | \$21.99  |           |          |
|            |            |       | E       | 01 100 203 103 000 430 | student poster              |  |  |  |               | \$14.99  |           |          |
|            |            |       | E       | 01 100 203 103 000 430 | keychains                   |  |  |  |               | \$19.99  |           |          |
|            |            |       | E       | 01 100 203 103 000 430 | glue sticks                 |  |  |  |               | \$16.48  |           |          |
|            |            |       | E       | 01 100 203 103 000 430 | dry erase pockets           |  |  |  |               | \$16.57  |           |          |
|            |            |       | E       | 01 100 203 103 000 430 | raffle tickets              |  |  |  |               | \$6.90   |           |          |
|            |            |       | E       | 01 100 203 103 000 430 | name tags                   |  |  |  |               | \$5.99   |           |          |
|            |            |       | E       | 01 100 203 103 000 430 | pink erasers                |  |  |  |               | \$7.96   |           |          |
|            |            |       | E       | 01 100 203 103 000 430 | pink highlighters           |  |  |  |               | \$9.99   |           |          |

## Lester Prairie Public Schools Detail Payment Register By Check

Check Number: 0-2147483647    Payment Date: 09/01/2025-09/30/2025    Period: 202603-202603    Void Status: N

| Bank              | Check No          | Code         | Rcd     | Vendor                            | Pmt/Void Date                          | Pmt Type                  |
|-------------------|-------------------|--------------|---------|-----------------------------------|--|---------------------------|
| 100               | 54671             | 1245         |         | Amazon                            |  | Check                     |
|                   |                   |              | E 01    | 100 203 103 000 430               | orange highlighters                    | \$9.49                    |
|                   |                   |              | E 01    | 100 203 103 000 430               | binder clips                           | \$5.99                    |
|                   |                   |              | E 01    | 100 203 103 000 430               | thank you cards                        | \$7.29                    |
|                   |                   |              | E 01    | 100 203 103 000 430               | MASKING TAPE                           | \$4.98                    |
|                   |                   |              | E 01    | 100 203 103 000 430               | plastic folders                        | \$36.99                   |
|                   |                   |              | E 01    | 100 203 103 000 430               | manilla folders                        | \$11.10                   |
| <b>PO#: 10836</b> | <b>Voucher #:</b> | <b>49309</b> | Invoice | <b>Invoice No:</b> 1X6H-Y4P4-GHLN | <b>9/11/2025</b>                       | <b>Paid Amt: \$256.77</b> |
|                   |                   |              | E 01    | 300 292 321 000 305               | PYFK running belt                      | \$199.90                  |
|                   |                   |              | E 01    | 300 292 321 000 305               | Electrolyte tablets                    | \$65.10                   |
| <b>PO#: 10827</b> | <b>Voucher #:</b> | <b>49299</b> | Invoice | <b>Invoice No:</b> 164J-4NR-7Y6C  | <b>9/11/2025</b>                       | <b>Paid Amt: \$265.00</b> |
|                   |                   |              | E 01    | 300 220 000 000 430               | All American Boys-Papaerback           | \$202.56                  |
| <b>PO#: 10845</b> | <b>Voucher #:</b> | <b>49310</b> | Invoice | <b>Invoice No:</b> 1JHN-JDGQ-K364 | <b>9/11/2025</b>                       | <b>Paid Amt: \$202.56</b> |
|                   |                   |              | E 01    | 100 203 105 000 430               | Laminating pouches                     | \$11.99                   |
|                   |                   |              | E 01    | 100 203 105 000 430               | tempra paint                           | \$36.99                   |
|                   |                   |              | E 01    | 100 203 105 000 430               | colored cardstock                      | \$18.99                   |
|                   |                   |              | E 01    | 100 203 105 000 430               | 9x12 assorted color construction paper | \$9.28                    |
|                   |                   |              | E 01    | 100 203 105 000 430               | 12x18 construction paper               | \$9.50                    |
|                   |                   |              | E 01    | 100 203 105 000 430               | glue sticks                            | \$6.37                    |
|                   |                   |              | E 01    | 100 203 105 000 430               | pencil holder                          | \$17.99                   |
|                   |                   |              | E 01    | 100 203 105 000 430               | bouncy balls                           | \$8.99                    |
|                   |                   |              | E 01    | 100 203 105 000 430               | clear storage bins with lids           | \$32.99                   |
|                   |                   |              | E 01    | 100 203 105 000 430               | triangle pencils                       | \$72.50                   |
|                   |                   |              | E 01    | 100 203 105 000 430               | all about me posters                   | \$19.59                   |
|                   |                   |              | E 01    | 100 203 105 000 430               | rectangular erasers                    | \$7.19                    |
|                   |                   |              | E 01    | 100 203 105 000 430               | scented markers-Mr. Sketch             | \$14.29                   |
|                   |                   |              | E 01    | 100 203 105 000 430               | Mechanical pencils                     | \$13.98                   |
|                   |                   |              | E 01    | 100 203 105 000 430               | felt tip pens                          | \$9.97                    |
|                   |                   |              | E 01    | 100 203 105 000 430               | FNJO Magnetic Tiles                    | \$28.48                   |
| <b>PO#: 10822</b> | <b>Voucher #:</b> | <b>49297</b> | Invoice | <b>Invoice No:</b> 1ml6-4h37-fwxx | <b>9/11/2025</b>                       | <b>Paid Amt: \$319.09</b> |
|                   |                   |              | E 01    | 100 203 000 000 401               | fax machine toner                      | \$41.50                   |
|                   |                   |              | E 01    | 100 203 000 000 401               | 9x12 manilla folders                   | \$31.32                   |
| <b>PO#: 10839</b> | <b>Voucher #:</b> | <b>49323</b> | Invoice | <b>Invoice No:</b> 1NLD-HJFX-CT3Q | <b>9/11/2025</b>                       | <b>Paid Amt: \$72.82</b>  |
|                   |                   |              | E 21    | 300 298 947 301 401               | kernel seasons                         | \$23.99                   |
|                   |                   |              | E 21    | 300 298 947 301 401               | airhead ropes                          | \$21.18                   |
|                   |                   |              | E 21    | 300 298 947 301 401               | sour patch kids                        | \$37.32                   |

Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank                 | Check No   | Code  | Rcd     | Vendor              |                                |  |  |           | Pmt/Void Date |           | Pmt Type          |
|----------------------|------------|-------|---------|---------------------|--------------------------------|--|--|-----------|---------------|-----------|-------------------|
| 100                  | 54671      | 1245  |         | Amazon              |                                |  |  |           |               |           | Check             |
|                      |            |       | E 21    | 300 298 947 301 401 | carmel apple suckers           |  |  |           |               |           | \$12.99           |
| PO#: 10843           | Voucher #: | 49301 | Invoice | Invoice No:         | 1H19-GV6J-DCVL                 |  |  | 9/11/2025 |               | Paid Amt: | \$95.48           |
|                      |            |       | E 01    | 100 203 103 000 430 | Happy birthday pencils         |  |  |           |               |           | \$8.92            |
|                      |            |       | E 01    | 100 203 103 000 430 | Zipper mesh pouch              |  |  |           |               |           | \$14.99           |
|                      |            |       | E 01    | 100 203 103 000 430 | black spot markers             |  |  |           |               |           | \$12.89           |
|                      |            |       | E 01    | 100 203 103 000 430 | black book bins                |  |  |           |               |           | \$22.98           |
|                      |            |       | E 01    | 100 203 103 000 430 | raymond cupcake erasers        |  |  |           |               |           | \$12.50           |
|                      |            |       | E 01    | 100 203 103 000 430 | aesthetic teacher planner      |  |  |           |               |           | \$24.99           |
|                      |            |       | E 01    | 100 203 103 000 430 | Macbook Air 13 case            |  |  |           |               |           | \$28.98           |
|                      |            |       | E 01    | 100 203 103 000 430 | black construction paper       |  |  |           |               |           | \$12.32           |
| PO#: 10832           | Voucher #: | 49307 | Invoice | Invoice No:         | 1MGV-TXPY-GNQ6                 |  |  | 9/11/2025 |               | Paid Amt: | \$138.57          |
|                      |            |       | E 01    | 005 110 000 000 401 | Label maker tape               |  |  |           |               |           | \$15.99           |
| PO#: 10824           | Voucher #: | 49305 | Invoice | Invoice No:         | 1KXR-LCFD-FD3K                 |  |  | 9/11/2025 |               | Paid Amt: | \$15.99           |
|                      |            |       | E 01    | 300 296 419 000 401 | Duffie bags                    |  |  |           |               |           | \$199.92          |
| PO#: 10841           | Voucher #: | 49302 | Invoice | Invoice No:         | 139F-VT69-fnrh                 |  |  | 9/11/2025 |               | Paid Amt: | \$199.92          |
|                      |            |       | E 01    | 100 203 201 000 430 | 1000 pcs round circle stickers |  |  |           |               |           | \$6.64            |
|                      |            |       | E 01    | 100 203 201 000 430 | crayola dry erase markers      |  |  |           |               |           | \$14.44           |
|                      |            |       | E 01    | 100 203 201 000 430 | colored pencils                |  |  |           |               |           | \$27.49           |
|                      |            |       | E 01    | 100 203 201 000 430 | red construction paper         |  |  |           |               |           | \$11.19           |
|                      |            |       | E 01    | 100 203 201 000 430 | salmon construction paper      |  |  |           |               |           | \$8.99            |
|                      |            |       | E 01    | 100 203 201 000 430 | Regal card games               |  |  |           |               |           | \$12.99           |
|                      |            |       | E 01    | 100 203 201 000 430 | sharpie permanet markers       |  |  |           |               |           | \$7.33            |
|                      |            |       | E 01    | 100 203 201 000 430 | highlighters                   |  |  |           |               |           | \$26.99           |
|                      |            |       | E 01    | 100 203 201 000 430 | storage baskets                |  |  |           |               |           | \$36.97           |
|                      |            |       | E 01    | 100 203 201 000 430 | clear storage bins             |  |  |           |               |           | \$65.98           |
|                      |            |       | E 01    | 100 203 201 000 430 | Squishy Toys                   |  |  |           |               |           | \$17.09           |
|                      |            |       | E 01    | 100 203 201 000 430 | treasure box toys              |  |  |           |               |           | \$13.98           |
|                      |            |       | E 01    | 100 203 201 000 430 | puzzle games                   |  |  |           |               |           | \$12.99           |
|                      |            |       | E 01    | 100 203 201 000 430 | magnetic labels                |  |  |           |               |           | \$8.99            |
|                      |            |       | E 01    | 100 203 201 000 430 | zipper pouches                 |  |  |           |               |           | \$13.99           |
|                      |            |       | E 01    | 100 203 201 000 430 | LED tap light                  |  |  |           |               |           | \$9.49            |
|                      |            |       | E 01    | 100 203 201 000 430 | magnetic pencil holder         |  |  |           |               |           | \$6.89            |
|                      |            |       | E 01    | 100 203 201 000 430 | hanging file paper tabs        |  |  |           |               |           | \$8.90            |
| PO#: 10818           | Voucher #: | 49300 | Invoice | Invoice No:         | 1H19-GV6J-KWFK                 |  |  | 9/11/2025 |               | Paid Amt: | \$311.33          |
| <b>Check Amount:</b> |            |       |         |                     |                                |  |  |           |               |           | <b>\$2,865.03</b> |

## Lester Prairie Public Schools Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank        | Check No          | Code         | Rcd     | Vendor                                | Pmt/Void Date             | Pmt Type             |                    |  |
|-------------|-------------------|--------------|---------|---------------------------------------|---------------------------|----------------------|--------------------|--|
| 100         | 54672             | 3226         |         | <b>Ampion PBC C/o Department 850</b>  |                           | <b>Check</b>         |                    |  |
|             |                   |              | E 01    | 005 810 184 000 330                   | MONTHLY CHARGES           |                      | \$1,435.19         |  |
|             |                   |              | E 01    | 005 810 184 000 330                   | MONTHLY CHARGES           |                      | \$17.65            |  |
| <b>PO#:</b> | <b>Voucher #:</b> | <b>49319</b> | Invoice | <b>Invoice No:</b> 2025090002247210   | <b>9/11/2025</b>          | <b>Paid Amt:</b>     | <b>\$1,452.84</b>  |  |
|             |                   |              |         |                                       |                           | <b>Check Amount:</b> | <b>\$1,452.84</b>  |  |
| 100         | 54673             | 2225         |         | <b>Andy's Lawn &amp; Snow LLC</b>     |                           | <b>Check</b>         |                    |  |
|             |                   |              | E 01    | 005 810 191 000 305                   | 8/6-LAWN MOWING           |                      | \$280.00           |  |
|             |                   |              | E 01    | 005 810 191 000 305                   | 8/15-LAWN MOWING          |                      | \$280.00           |  |
|             |                   |              | E 01    | 005 810 191 000 305                   | 8/21-FIELD STRIPING       |                      | \$415.00           |  |
|             |                   |              | E 01    | 005 810 191 000 305                   | 8/25-LAWN MOWING          |                      | \$280.00           |  |
|             |                   |              | E 01    | 005 810 191 000 305                   | 8/28-LAWN MOWING          |                      | \$118.00           |  |
| <b>PO#:</b> | <b>Voucher #:</b> | <b>49359</b> | Invoice | <b>Invoice No:</b> 9112025            | <b>9/11/2025</b>          | <b>Paid Amt:</b>     | <b>\$1,373.00</b>  |  |
|             |                   |              |         |                                       |                           | <b>Check Amount:</b> | <b>\$1,373.00</b>  |  |
| 100         | 54674             | 3529         |         | <b>Aviben</b>                         |                           | <b>Check</b>         |                    |  |
|             |                   |              | E 01    | 005 110 800 000 305                   | MONTHLY SERVICE FEE       |                      | \$68.20            |  |
| <b>PO#:</b> | <b>Voucher #:</b> | <b>49321</b> | Invoice | <b>Invoice No:</b> 38743              | <b>9/11/2025</b>          | <b>Paid Amt:</b>     | <b>\$68.20</b>     |  |
|             |                   |              |         |                                       |                           | <b>Check Amount:</b> | <b>\$68.20</b>     |  |
| 100         | 54675             | 2185         |         | <b>Bernick's</b>                      |                           | <b>Check</b>         |                    |  |
|             |                   |              | E 21    | 300 298 947 301 401                   | 8/28 DELIVERY             |                      | \$229.68           |  |
|             |                   |              | E 21    | 300 298 947 301 401                   | 9/4 DELIVERY              |                      | \$365.04           |  |
| <b>PO#:</b> | <b>Voucher #:</b> | <b>49317</b> | Invoice | <b>Invoice No:</b> 10396404--10398747 | <b>9/11/2025</b>          | <b>Paid Amt:</b>     | <b>\$594.72</b>    |  |
|             |                   |              |         |                                       |                           | <b>Check Amount:</b> | <b>\$594.72</b>    |  |
| 100         | 54677             | 3048         |         | <b>Blashack, Jason</b>                |                           | <b>Check</b>         |                    |  |
|             |                   |              | E 01    | 300 296 317 000 305                   | 9/2 VOLLEYBALL LINE JUDGE |                      | \$25.00            |  |
|             |                   |              | E 01    | 300 296 317 000 305                   | 9/4 VOLLEYBALL LINE JUDGE |                      | \$25.00            |  |
| <b>PO#:</b> | <b>Voucher #:</b> | <b>49338</b> | Invoice | <b>Invoice No:</b> 9112025            | <b>9/11/2025</b>          | <b>Paid Amt:</b>     | <b>\$50.00</b>     |  |
|             |                   |              |         |                                       |                           | <b>Check Amount:</b> | <b>\$50.00</b>     |  |
| 100         | 54678             | 00126        |         | <b>CenterPoint Energy</b>             |                           | <b>Check</b>         |                    |  |
|             |                   |              | E 01    | 005 810 181 000 330                   | Monthly charges           |                      | \$442.71           |  |
| <b>PO#:</b> | <b>Voucher #:</b> | <b>49313</b> | Invoice | <b>Invoice No:</b> 9112025            | <b>9/11/2025</b>          | <b>Paid Amt:</b>     | <b>\$442.71</b>    |  |
|             |                   |              |         |                                       |                           | <b>Check Amount:</b> | <b>\$442.71</b>    |  |
| 100         | 54679             | 3579         |         | <b>CESO Finance, LLC</b>              |                           | <b>Check</b>         |                    |  |
|             |                   |              | E 01    | 005 110 000 000 305                   | MONTHLY SERVICES          |                      | \$10,416.67        |  |
| <b>PO#:</b> | <b>Voucher #:</b> | <b>49333</b> | Invoice | <b>Invoice No:</b> 1987               | <b>9/11/2025</b>          | <b>Paid Amt:</b>     | <b>\$10,416.67</b> |  |
|             |                   |              |         |                                       |                           | <b>Check Amount:</b> | <b>\$10,416.67</b> |  |

Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank       | Check No   | Code  | Rcd     | Vendor                 | Pmt/Void Date                                    | Pmt Type      |          |  |  |
|------------|------------|-------|---------|------------------------|--|---------------|----------|--|--|
| 100        | 54680      | 00061 |         | CITY OF LESTER PRAIRIE |  | Check         |          |  |  |
|            |            |       | E 01    | 005 810 183 000 330    | MONTHLY CHARGES                                  |               | \$491.80 |  |  |
|            |            |       | E 01    | 005 810 183 000 330    | MONTHLY CHARGES                                  |               | \$153.15 |  |  |
| PO#:       | Voucher #: | 49357 | Invoice | Invoice No: 9112025    | 9/11/2025  | Paid Amt:     | \$644.95 |  |  |
|            |            |       |         |                        |  | Check Amount: | \$644.95 |  |  |
| 100        | 54681      | 01694 |         | CULLIGAN-METRO         |  | Check         |          |  |  |
|            |            |       | E 02    | 005 770 183 701 330    | MONTHLY SERVICES                                 |               | \$234.00 |  |  |
| PO#:       | Voucher #: | 49334 | Invoice | Invoice No: 9112025    | 9/11/2025  | Paid Amt:     | \$234.00 |  |  |
|            |            |       |         |                        |  | Check Amount: | \$234.00 |  |  |
| 100        | 54682      | 2624  |         | Dalco/ Imperial Dade   |  | Check         |          |  |  |
|            |            |       | E 01    | 005 810 810 000 401    | CUSTODIAN SUPPLIES                               |               | \$398.44 |  |  |
| PO#:       | Voucher #: | 49327 | Invoice | Invoice No: 4419520    | 9/11/2025  | Paid Amt:     | \$398.44 |  |  |
|            |            |       | E 01    | 005 810 810 000 401    | Supplies   |               | \$425.64 |  |  |
| PO#:       | Voucher #: | 49295 | Invoice | Invoice No: 4421843    | 9/11/2025  | Paid Amt:     | \$425.64 |  |  |
|            |            |       |         |                        |  | Check Amount: | \$824.08 |  |  |
| 100        | 54683      | 3253  |         | Game One               |  | Check         |          |  |  |
|            |            |       | E 01    | 300 294 412 000 401    | Practice jerseys                                 |               | \$69.00  |  |  |
|            |            |       | E 01    | 300 294 412 000 401    | shipping   |               | \$7.86   |  |  |
| PO#: 10840 | Voucher #: | 49335 | Invoice | Invoice No: 10476816   | 9/11/2025  | Paid Amt:     | \$76.86  |  |  |
|            |            |       |         |                        |  | Check Amount: | \$76.86  |  |  |
| 100        | 54684      | 3276  |         | Hanson, Adam           |  | Check         |          |  |  |
|            |            |       | E 01    | 300 294 312 000 305    | 8/29/2025 FOOTBALL OFFICIAL                      |               | \$125.00 |  |  |
| PO#:       | Voucher #: | 49345 | Invoice | Invoice No: 9112025    | 9/11/2025  | Paid Amt:     | \$125.00 |  |  |
|            |            |       |         |                        |  | Check Amount: | \$125.00 |  |  |
| 100        | 54685      | 03921 |         | HEALY Awards           |  | Check         |          |  |  |
|            |            |       | E 01    | 300 294 312 000 305    | 1 color custom football helmet decals            |               | \$77.55  |  |  |
|            |            |       | E 01    | 300 294 312 000 305    | 2.5" 1color stock font die cut number decals     |               | \$20.05  |  |  |
|            |            |       | E 01    | 300 294 312 000 305    | 1.5"single-color helmet stripes-25 stripes per p |               | \$38.51  |  |  |
|            |            |       | E 01    | 300 294 312 000 305    | 1" die cut stock award markers-50 markers pe     |               | \$70.56  |  |  |
|            |            |       | E 01    | 300 294 312 000 305    | freight charge                                   |               | \$38.39  |  |  |
| PO#: 10837 | Voucher #: | 49293 | Invoice | Invoice No: 114545     | 9/11/2025  | Paid Amt:     | \$245.06 |  |  |
|            |            |       |         |                        |  | Check Amount: | \$245.06 |  |  |
| 100        | 54686      | 2444  |         | Heimerl, Rebecca       |  | Check         |          |  |  |
|            |            |       | E 01    | 300 296 317 000 305    | 9/2 VOLLEYBALL BOOK WORKER                       |               | \$25.00  |  |  |

Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank       | Check No   | Code  | Rcd     | Vendor                      | Pmt/Void Date              | Pmt Type      |          |  |
|------------|------------|-------|---------|-----------------------------|----------------------------|---------------|----------|--|
| 100        | 54686      | 2444  |         | Heimerl, Rebecca            |                            | Check         |          |  |
|            |            |       | E 01    | 300 296 317 000 305         | 9/4 VOLLEYBALL BOOK WORKER |               | \$25.00  |  |
| PO#:       | Voucher #: | 49341 | Invoice | Invoice No: 9112025         | 9/11/2025                  | Paid Amt:     | \$50.00  |  |
|            |            |       |         |                             |                            | Check Amount: | \$50.00  |  |
| 100        | 54687      | 3511  |         | Herman, Mark                |                            | Check         |          |  |
|            |            |       | E 01    | 300 296 317 000 305         | 8/22 VB OFFICIAL           |               | \$140.00 |  |
| PO#:       | Voucher #: | 49337 | Invoice | Invoice No: 9112025         | 9/11/2025                  | Paid Amt:     | \$140.00 |  |
|            |            |       |         |                             |                            | Check Amount: | \$140.00 |  |
| 100        | 54688      | 3299  |         | Herrmann, Erin              |                            | Check         |          |  |
|            |            |       | E 01    | 300 296 317 000 305         | 9/2 VOLLEYBALL TRACKER     |               | \$25.00  |  |
|            |            |       | E 01    | 300 296 317 000 305         | 9/4 VOLLEYBALL TRACKER     |               | \$25.00  |  |
| PO#:       | Voucher #: | 49340 | Invoice | Invoice No: 9112025         | 9/11/2025                  | Paid Amt:     | \$50.00  |  |
|            |            |       |         |                             |                            | Check Amount: | \$50.00  |  |
| 100        | 54690      | 1134  |         | Innovative Office Solutions |                            | Check         |          |  |
|            |            |       | E 01    | 100 203 000 000 401         | 9x12 assorted paper        |               | \$2.04   |  |
|            |            |       | E 01    | 100 203 000 000 401         | 9x12 holiday green         |               | \$2.07   |  |
|            |            |       | E 01    | 100 203 000 000 401         | 9x12 holiday red           |               | \$1.96   |  |
|            |            |       | E 01    | 100 203 000 000 401         | 12x18 assorted             |               | \$4.02   |  |
|            |            |       | E 01    | 100 203 000 000 401         | sm binder clips            |               | \$0.62   |  |
|            |            |       | E 01    | 100 203 000 000 401         | md binder clips            |               | \$1.44   |  |
|            |            |       | E 01    | 100 203 000 000 401         | lg binder clips            |               | \$1.92   |  |
|            |            |       | E 01    | 100 203 000 000 401         | 9x12 env clasps            |               | \$12.17  |  |
|            |            |       | E 01    | 100 203 000 000 401         | file folders               |               | \$10.56  |  |
|            |            |       | E 01    | 100 203 000 000 401         | tac squares                |               | \$3.15   |  |
|            |            |       | E 01    | 100 203 000 000 401         | 3x3 notes                  |               | \$4.85   |  |
|            |            |       | E 01    | 100 203 000 000 401         | pencils                    |               | \$18.04  |  |
|            |            |       | E 01    | 100 203 000 000 401         | staples                    |               | \$0.74   |  |
|            |            |       | E 01    | 100 203 000 000 401         | stapler                    |               | \$2.59   |  |
|            |            |       | E 01    | 100 203 000 000 401         | tape                       |               | \$5.67   |  |
|            |            |       | E 01    | 100 203 000 000 401         | packing tape               |               | \$19.37  |  |
|            |            |       | E 01    | 100 203 000 000 401         | 3x5 index cards            |               | \$0.62   |  |
| PO#: 10835 | Voucher #: | 49325 | Invoice | Invoice No: 4915614         | 9/11/2025                  | Paid Amt:     | \$91.83  |  |
|            |            |       | E 01    | 100 203 105 000 430         | BOOK TAPE                  |               | \$6.58   |  |
| PO#: 10802 | Voucher #: | 49324 | Invoice | Invoice No: 4892774         | 9/11/2025                  | Paid Amt:     | \$6.58   |  |
|            |            |       | E 01    | 100 203 106 000 430         | HIGHLIGHTERS               |               | \$2.52   |  |
|            |            |       | E 01    | 100 203 106 000 430         | PLASTIC RULER              |               | \$7.65   |  |
|            |            |       | E 01    | 100 203 106 000 430         | OFFICE SHEARS              |               | \$9.17   |  |

Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank        | Check No | Code              | Rcd   | Vendor                              | Pmt/Void Date                        | Pmt Type         |                                 |
|-------------|----------|-------------------|-------|-------------------------------------|--------------------------------------|------------------|---------------------------------|
| 100         | 54690    | 1134              |       | <b>Innovative Office Solutions</b>  |                                      | <b>Check</b>     |                                 |
|             |          |                   | E 01  | 100 203 106 000 430                 | CHISEL POINT STAPLER                 | \$0.74           |                                 |
|             |          |                   | E 01  | 100 203 106 000 430                 | STAPLER                              | \$2.59           |                                 |
|             |          |                   | E 01  | 100 203 106 000 430                 | INVISIBLE TAPE                       | \$3.50           |                                 |
|             |          |                   | E 01  | 100 203 106 000 430                 | TAPE DISPENSER                       | \$4.56           |                                 |
|             |          |                   | E 01  | 100 203 106 000 430                 | DRY ERASE CLEANER                    | \$2.43           |                                 |
|             |          |                   | E 01  | 100 203 106 000 430                 | Freight                              | \$3.00           |                                 |
| <b>PO#:</b> | 10800    | <b>Voucher #:</b> | 49326 | Invoice                             | <b>Invoice No:</b> 4920307           | <b>9/11/2025</b> | <b>Paid Amt: \$36.16</b>        |
|             |          |                   |       |                                     |                                      |                  | <b>Check Amount: \$134.57</b>   |
| 100         | 54691    | 1895              |       | <b>ISD # Central Public Schools</b> |                                      | <b>Check</b>     |                                 |
|             |          |                   | E 01  | 300 292 321 000 369                 | NYA Cross Country meet 9/9/2025      | \$175.00         |                                 |
| <b>PO#:</b> |          | <b>Voucher #:</b> | 49290 | Invoice                             | <b>Invoice No:</b> 9112025           | <b>9/11/2025</b> | <b>Paid Amt: \$175.00</b>       |
|             |          |                   |       |                                     |                                      |                  | <b>Check Amount: \$175.00</b>   |
| 100         | 54692    | 3156              |       | <b>ISD #2905 - Tri City United</b>  |                                      | <b>Check</b>     |                                 |
|             |          |                   | E 01  | 300 292 321 000 369                 | Cross County meet @ TRI -City United | \$250.00         |                                 |
| <b>PO#:</b> |          | <b>Voucher #:</b> | 49291 | Invoice                             | <b>Invoice No:</b> 9112025           | <b>9/11/2025</b> | <b>Paid Amt: \$250.00</b>       |
|             |          |                   |       |                                     |                                      |                  | <b>Check Amount: \$250.00</b>   |
| 100         | 54693    | 3483              |       | <b>John Anderson</b>                |                                      | <b>Check</b>     |                                 |
|             |          |                   | E 01  | 300 294 312 000 305                 | 8/29/2025 FOOTBALL OFFICIAL          | \$125.00         |                                 |
| <b>PO#:</b> |          | <b>Voucher #:</b> | 49353 | Invoice                             | <b>Invoice No:</b> 9112025           | <b>9/11/2025</b> | <b>Paid Amt: \$125.00</b>       |
|             |          |                   |       |                                     |                                      |                  | <b>Check Amount: \$125.00</b>   |
| 100         | 54694    | 3625              |       | <b>JOSH'S HOME DELIVERY</b>         |                                      | <b>Check</b>     |                                 |
|             |          |                   | E 02  | 005 770 000 701 495                 | MILK DELIVERY 8/25                   | \$298.15         |                                 |
|             |          |                   | E 02  | 005 770 000 701 495                 | MILK DELIVERY 9/3                    | \$728.35         |                                 |
| <b>PO#:</b> |          | <b>Voucher #:</b> | 49315 | Invoice                             | <b>Invoice No:</b> 194425--194424    | <b>9/11/2025</b> | <b>Paid Amt: \$1,026.50</b>     |
|             |          |                   |       |                                     |                                      |                  | <b>Check Amount: \$1,026.50</b> |
| 100         | 54695    | 3624              |       | <b>Kaia Ann- Sjogren Verich</b>     |                                      | <b>Check</b>     |                                 |
|             |          |                   | E 01  | 300 296 317 000 305                 | 8/22 JV                              | \$60.00          |                                 |
|             |          |                   | E 01  | 300 296 317 000 305                 | 8/22 VARSITY                         | \$140.00         |                                 |
|             |          |                   | E 01  | 300 296 317 000 305                 | 9/2 JV                               | \$60.00          |                                 |
|             |          |                   | E 01  | 300 296 317 000 305                 | 9/2 VARSITY                          | \$140.00         |                                 |
| <b>PO#:</b> |          | <b>Voucher #:</b> | 49336 | Invoice                             | <b>Invoice No:</b> 9112025           | <b>9/11/2025</b> | <b>Paid Amt: \$400.00</b>       |
|             |          |                   |       |                                     |                                      |                  | <b>Check Amount: \$400.00</b>   |

Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank              | Check No          | Code         | Rcd     | Vendor                               | Pmt/Void Date                        | Pmt Type                        |
|-------------------|-------------------|--------------|---------|--------------------------------------|--------------------------------------|---------------------------------|
| 100               | 54696             | 3166         |         | <b>Kremer, Bob</b>                   |                                      | <b>Check</b>                    |
|                   |                   |              | E 01    | 300 296 317 000 305                  | 9/4/2025VOLLEYBALL OFFICIAL          | \$140.00                        |
| <b>PO#:</b>       | <b>Voucher #:</b> | <b>49342</b> | Invoice | <b>Invoice No:</b> 9112025           | <b>9/11/2025</b>                     | <b>Paid Amt: \$140.00</b>       |
|                   |                   |              |         |                                      |                                      | <b>Check Amount: \$140.00</b>   |
| 100               | 54697             | 3123         |         | <b>Lady J Design</b>                 |                                      | <b>Check</b>                    |
|                   |                   |              | E 01    | 300 296 419 000 401                  | cheer jackets                        | \$680.00                        |
|                   |                   |              | E 01    | 300 296 419 000 401                  | cheer pants                          | \$320.00                        |
|                   |                   |              | E 01    | 300 296 419 000 401                  | cheer hats                           | \$176.00                        |
| <b>PO#:</b> 10821 | <b>Voucher #:</b> | <b>49294</b> | Invoice | <b>Invoice No:</b> 10253             | <b>9/11/2025</b>                     | <b>Paid Amt: \$1,176.00</b>     |
|                   |                   |              |         |                                      |                                      | <b>Check Amount: \$1,176.00</b> |
| 100               | 54698             | 1579         |         | <b>Music Mart</b>                    |                                      | <b>Check</b>                    |
|                   |                   |              | E 01    | 300 258 233 000 430                  | defying gravity                      | \$55.00                         |
|                   |                   |              | E 01    | 300 258 233 000 430                  | three jazzy kings                    | \$65.00                         |
|                   |                   |              | E 01    | 300 258 233 000 430                  | housetop fanstasy                    | \$70.00                         |
|                   |                   |              | E 01    | 300 258 233 000 430                  | el manto dorado                      | \$65.00                         |
|                   |                   |              | E 01    | 300 258 233 000 430                  | symphonica                           | \$65.00                         |
|                   |                   |              | E 01    | 300 258 233 000 430                  | ruckus arr standridge                | \$70.00                         |
|                   |                   |              | E 01    | 300 258 233 000 430                  | operation super slueth               | \$65.00                         |
|                   |                   |              | E 01    | 300 258 233 000 430                  | 20% discount                         | (\$61.25)                       |
| <b>PO#:</b> 10823 | <b>Voucher #:</b> | <b>49329</b> | Invoice | <b>Invoice No:</b> 1886303-7192-9394 | <b>9/11/2025</b>                     | <b>Paid Amt: \$393.75</b>       |
|                   |                   |              |         |                                      |                                      | <b>Check Amount: \$393.75</b>   |
| 100               | 54699             | 00238        |         | <b>NASCO</b>                         |                                      | <b>Check</b>                    |
|                   |                   |              | E 01    | 300 212 000 000 430                  | YELLOW GALLON TEMPERA PAINT          | \$16.70                         |
|                   |                   |              | E 01    | 300 212 000 000 430                  | RED ^                                | \$16.70                         |
|                   |                   |              | E 01    | 300 212 000 000 430                  | 1/2 GALLON ACRYLIC PAINT-BLACK       | \$18.75                         |
|                   |                   |              | E 01    | 300 212 000 000 430                  | COBALT BLUE 1/2 GALLON ACRYLLIC PAIN | \$18.75                         |
|                   |                   |              | E 01    | 300 212 000 000 430                  | AMACO NO. 67 SEDONA RED CLAY         | \$71.90                         |
|                   |                   |              | E 01    | 300 212 000 000 430                  | AMACO NO.25 WHITE ART CLAY           | \$155.80                        |
|                   |                   |              | E 01    | 300 212 000 000 430                  | SPEEDBALL LOW FIRERED                | \$0.00                          |
|                   |                   |              | E 01    | 300 212 000 000 430                  | ORANGE                               | \$0.00                          |
|                   |                   |              | E 01    | 300 212 000 000 430                  | YELLOW                               | \$0.00                          |
|                   |                   |              | E 01    | 300 212 000 000 430                  | GREEB                                | \$0.00                          |
|                   |                   |              | E 01    | 300 212 000 000 430                  | TURQUOISE                            | \$0.00                          |
|                   |                   |              | E 01    | 300 212 000 000 430                  | VIOLET                               | \$0.00                          |
|                   |                   |              | E 01    | 300 212 000 000 430                  | BROWN                                | \$0.00                          |
|                   |                   |              | E 01    | 300 212 000 000 430                  | BLACK                                | \$0.00                          |
|                   |                   |              | E 01    | 300 212 000 000 430                  | SPEEDBALL GLAZE-GREY                 | \$0.00                          |

Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank       | Check No         | Code    | Rcd                        | Vendor                         | Pmt/Void Date               | Pmt Type                 |
|------------|------------------|---------|----------------------------|--------------------------------|-----------------------------|--------------------------|
| 100        | 54699            | 00238   |                            | <b>NASCO</b>                   |                             | <b>Check</b>             |
|            |                  |         | E 01                       | 300 212 000 000 430            | CLEAR                       | \$0.00                   |
|            |                  |         | E 01                       | 300 212 000 000 430            | MED BLUE                    | \$0.00                   |
|            |                  |         | E 01                       | 300 212 000 000 430            | WATERCOLOR PAPER            | \$0.00                   |
|            |                  |         | E 01                       | 300 212 000 000 430            | RYAL BRUSH PANEL BOARD      | \$0.00                   |
|            |                  |         | E 01                       | 300 212 000 000 430            | BLACK INK                   | \$50.96                  |
|            |                  |         | E 01                       | 300 212 000 000 430            | FREIGHT                     | \$287.56                 |
| PO#: 10783 | Voucher #: 49331 | Invoice | Invoice No: P777887        | 9/11/2025                      | Paid Amt: \$637.12          | Check Amount: \$637.12   |
| 100        | 54700            | 3161    |                            | <b>Palo, Jason</b>             |                             | <b>Check</b>             |
|            |                  |         | E 01                       | 300 294 312 000 305            | 8/29/2025 FOOTBALL OFFICIAL | \$125.00                 |
| PO#:       | Voucher #: 49344 | Invoice | Invoice No: 9112025        | 9/11/2025                      | Paid Amt: \$125.00          | Check Amount: \$125.00   |
| 100        | 54701            | 03390   |                            | <b>PAN-O-GOLD BAKING CO</b>    |                             | <b>Check</b>             |
|            |                  |         | E 01                       | 005 110 000 000 401            | 8/25 DELIVERY               | \$117.60                 |
|            |                  |         | E 02                       | 005 770 000 701 490            | 9/2 DELIVERY                | \$77.52                  |
|            |                  |         | E 02                       | 005 770 000 701 490            | 9/8 DELIVERY                | \$228.88                 |
| PO#:       | Voucher #: 49322 | Invoice | Invoice No: 10003425237010 | 9/11/2025                      | Paid Amt: \$424.00          | Check Amount: \$424.00   |
| 100        | 54702            | 01974   |                            | <b>Performance Foodservice</b> |                             | <b>Check</b>             |
|            |                  |         | E 02                       | 005 770 000 705 490            | BREAKFAST                   | \$946.65                 |
|            |                  |         | E 02                       | 005 770 000 705 490            | BREAKFAST DISCOUNT          | (\$5.68)                 |
|            |                  |         | E 02                       | 005 770 000 701 490            | LUNCH                       | \$513.98                 |
|            |                  |         | E 02                       | 005 770 000 707 490            | ALA CARTE                   | \$174.36                 |
|            |                  |         | E 02                       | 005 770 000 707 490            | ALA CARTE DISCOUNT          | (\$13.60)                |
|            |                  |         | E 02                       | 005 770 000 701 401            | PAPER PRODUCTS              | \$1,086.01               |
| PO#:       | Voucher #: 49314 | Invoice | Invoice No: 674219         | 9/11/2025                      | Paid Amt: \$2,701.72        | Check Amount: \$2,701.72 |
| 100        | 54703            | 3315    |                            | <b>Pink's Hardware Store</b>   |                             | <b>Check</b>             |
|            |                  |         | E 01                       | 005 810 193 000 350            | Cable Ties-custodians       | \$8.99                   |
|            |                  |         | E 01                       | 300 255 000 000 430            | tape measures-M. Meyer      | \$99.90                  |
| PO#:       | Voucher #: 49296 | Invoice | Invoice No: 51963-51910    | 9/11/2025                      | Paid Amt: \$108.89          | Check Amount: \$108.89   |

Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank              | Check No          | Code         | Rcd     | Vendor                                      | Pmt/Void Date                         | Pmt Type         |                   |                      |                   |
|-------------------|-------------------|--------------|---------|---|---------------------------------------|------------------|-------------------|----------------------|-------------------|
| 100               | 54704             | 2210         |         | <b>Popp, Randall</b>                        |                                       | Check            |                   |                      |                   |
|                   |                   |              | E 01    | 300 296 317 000 305                         | 9/2/2025 VOLLEYBALL OFFICAL           |                  | \$140.00          |                      |                   |
| <b>PO#:</b>       | <b>Voucher #:</b> | <b>49339</b> | Invoice | <b>Invoice No:</b> 9112025                  | <b>9/11/2025</b>                      | <b>Paid Amt:</b> | <b>\$140.00</b>   | <b>Check Amount:</b> | <b>\$140.00</b>   |
| 100               | 54705             | 1030         |         | <b>Prestwick House, Inc.</b>                |                                       | Check            |                   |                      |                   |
|                   |                   |              | E 01    | 300 220 000 000 430                         | A midsummer Night's Dream             |                  | \$94.62           |                      |                   |
|                   |                   |              | E 01    | 300 220 000 000 430                         | Freight                               |                  | \$9.46            |                      |                   |
| <b>PO#:</b> 10852 | <b>Voucher #:</b> | <b>49349</b> | Invoice | <b>Invoice No:</b> 9112025                  | <b>9/11/2025</b>                      | <b>Paid Amt:</b> | <b>\$104.08</b>   | <b>Check Amount:</b> | <b>\$104.08</b>   |
| 100               | 54706             | 3475         |         | <b>Renaissance</b>                          |                                       | Check            |                   |                      |                   |
|                   |                   |              | E 01    | 005 610 000 312 405                         | STAR EARLY LITERACY                   |                  | \$562.00          |                      |                   |
|                   |                   |              | E 01    | 005 610 000 312 405                         | ANNUAL ALL PRODUCT PLATFORM           |                  | \$750.00          |                      |                   |
|                   |                   |              | E 01    | 005 610 000 312 405                         | STAR READING                          |                  | \$1,545.50        |                      |                   |
|                   |                   |              | E 01    | 005 610 000 312 405                         | STAR MATH                             |                  | \$1,545.50        |                      |                   |
| <b>PO#:</b>       | <b>Voucher #:</b> | <b>49358</b> | Invoice | <b>Invoice No:</b> 5598063                  | <b>9/11/2025</b>                      | <b>Paid Amt:</b> | <b>\$4,403.00</b> | <b>Check Amount:</b> | <b>\$4,403.00</b> |
| 100               | 54707             | 2536         |         | <b>Rettmann, Paul</b>                       |                                       | Check            |                   |                      |                   |
|                   |                   |              | E 01    | 300 296 317 000 305                         | 9/4/2025 JV VOLLEYBALL OFFICIAL       |                  | \$60.00           |                      |                   |
|                   |                   |              | E 01    | 300 296 317 000 305                         | 9/4/2025 VOLLEYBALL OFFICIAL          |                  | \$140.00          |                      |                   |
| <b>PO#:</b>       | <b>Voucher #:</b> | <b>49343</b> | Invoice | <b>Invoice No:</b> 9112025                  | <b>9/11/2025</b>                      | <b>Paid Amt:</b> | <b>\$200.00</b>   | <b>Check Amount:</b> | <b>\$200.00</b>   |
| 100               | 54708             | 3367         |         | <b>Squire, Waldspurger &amp; Mace, P.A.</b> |                                       | Check            |                   |                      |                   |
|                   |                   |              | E 01    | 005 110 150 000 305                         | LEGAL SERVICES                        |                  | \$252.00          |                      |                   |
| <b>PO#:</b>       | <b>Voucher #:</b> | <b>49312</b> | Invoice | <b>Invoice No:</b> 26022                    | <b>9/11/2025</b>                      | <b>Paid Amt:</b> | <b>\$252.00</b>   | <b>Check Amount:</b> | <b>\$252.00</b>   |
| 100               | 54709             | 00272        |         | <b>SW/WC SERVICE COOPERATIVES</b>           |                                       | Check            |                   |                      |                   |
|                   |                   |              | E 01    | 005 850 000 389 335                         | 24/25 COOPERATIVE LEASE               |                  | \$5,740.00        |                      |                   |
| <b>PO#:</b>       | <b>Voucher #:</b> | <b>49351</b> | Invoice | <b>Invoice No:</b> 79836                    | <b>9/11/2025</b>                      | <b>Paid Amt:</b> | <b>\$5,740.00</b> |                      |                   |
|                   |                   |              | E 01    | 005 630 000 311 316                         | TECH SUPPORT & INSTALATION            |                  | \$1,075.75        |                      |                   |
| <b>PO#:</b>       | <b>Voucher #:</b> | <b>49350</b> | Invoice | <b>Invoice No:</b> 79767                    | <b>9/11/2025</b>                      | <b>Paid Amt:</b> | <b>\$1,075.75</b> |                      |                   |
|                   |                   |              | E 01    | 005 408 000 740 396                         | Behavior Analyst - Kreuter, Sarah     |                  | \$956.70          |                      |                   |
|                   |                   |              | E 01    | 005 408 000 740 397                         | Behavior Analyst - Kreuter, Sarah     |                  | \$325.28          |                      |                   |
|                   |                   |              | E 01    | 005 408 000 740 366                         | Behavior Analyst - Kreuter, Sarah     |                  | \$1,218.02        |                      |                   |
|                   |                   |              | E 01    | 005 720 000 000 366                         | School Nurse Services- Litzau, Morgan |                  | \$1,750.00        |                      |                   |
|                   |                   |              | E 01    | 005 404 000 740 396                         | OT- New SWWC Hire                     |                  | \$3,730.45        |                      |                   |
|                   |                   |              | E 01    | 005 404 000 740 397                         | OT- New SWWC Hire                     |                  | \$1,268.35        |                      |                   |

Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank        | Check No          | Code         | Rcd     | Vendor                                 | Pmt/Void Date                         | Pmt Type                         |
|-------------|-------------------|--------------|---------|--|---------------------------------------|----------------------------------|
| 100         | 54709             | 00272        |         | <b>SW/WC SERVICE COOPERATIVES</b>      |                                       | <b>Check</b>                     |
|             |                   |              | E 01    | 005 404 000 740 366                    | OT- New SWWC Hire                     | \$851.20                         |
|             |                   |              | E 01    | 005 404 000 740 396                    | PT - D Hamilton                       | \$1,263.75                       |
|             |                   |              | E 01    | 005 420 000 740 396                    | School Psychologist- K Pauly          | \$1,658.25                       |
|             |                   |              | E 01    | 005 401 000 740 396                    | Speech Language Pathologist- H Bevers | \$20,168.25                      |
|             |                   |              | E 01    | 005 401 000 740 397                    | Speech Language Pathologist- H Bevers | \$6,857.21                       |
|             |                   |              | E 01    | 005 401 000 740 366                    | Speech Language Pathologist- H Bevers | \$2,864.55                       |
|             |                   |              | E 01    | 005 405 000 740 396                    | Deaf/HOH- R Schultz                   | \$2,760.25                       |
| <b>PO#:</b> | <b>Voucher #:</b> | <b>49352</b> | Invoice | <b>Invoice No:</b> 79908               | <b>9/11/2025</b>                      | <b>Paid Amt: \$45,672.26</b>     |
|             |                   |              |         |  |                                       | <b>Check Amount: \$52,488.01</b> |
| 100         | 54710             | 2239         |         | <b>Sysco Western Minnesota</b>         |                                       | <b>Check</b>                     |
|             |                   |              | E 02    | 005 770 000 705 490                    | BREAKFAST                             | \$641.18                         |
|             |                   |              | E 02    | 005 770 000 705 490                    | BREAKFAST                             | \$431.02                         |
|             |                   |              | E 02    | 005 770 000 701 490                    | LUNCH                                 | \$2,709.14                       |
|             |                   |              | E 02    | 005 770 000 701 490                    | LUNCH                                 | \$1,898.22                       |
|             |                   |              | E 02    | 005 770 000 707 490                    | ALA CARTE                             | \$893.29                         |
|             |                   |              | E 02    | 005 770 000 707 490                    | ALA CARTE                             | \$447.11                         |
|             |                   |              | E 02    | 005 770 000 701 401                    | PAPER PRODUCTS                        | \$245.42                         |
|             |                   |              | E 02    | 005 770 000 701 401                    | PAPER PRODUCTS                        | \$76.68                          |
|             |                   |              | E 01    | 005 810 193 000 350                    | CUSTODIAN                             | \$25.18                          |
|             |                   |              | E 01    | 005 110 000 000 401                    | OPEN HOUSE                            | \$227.35                         |
|             |                   |              | E 01    | 005 810 810 000 401                    | SUPPLIES/DASHER                       | \$274.44                         |
|             |                   |              | E 02    | 005 770 000 705 490                    | BREAKFAST                             | \$273.66                         |
|             |                   |              | E 02    | 005 770 000 701 490                    | LUNCH                                 | \$2,946.06                       |
|             |                   |              | E 02    | 005 770 000 707 490                    | ALA CARTE                             | \$29.83                          |
|             |                   |              | E 02    | 005 770 000 701 490                    | COMODITY                              | \$18.08                          |
| <b>PO#:</b> | <b>Voucher #:</b> | <b>49316</b> | Invoice | <b>Invoice No:</b> 253979028-253983913 | <b>9/11/2025</b>                      | <b>Paid Amt: \$11,136.66</b>     |
|             |                   |              |         |  |                                       | <b>Check Amount: \$11,136.66</b> |
| 100         | 54711             | 3618         |         | <b>TODAY'S DRIVING SCHOOL</b>          |                                       | <b>Check</b>                     |
|             |                   |              | R 04    | 005 505 016 321 040                    | Behind the wheel payments             | \$1,925.00                       |
| <b>PO#:</b> | <b>Voucher #:</b> | <b>49289</b> | Invoice | <b>Invoice No:</b> 9112025             | <b>9/11/2025</b>                      | <b>Paid Amt: \$1,925.00</b>      |
|             |                   |              |         |  |                                       | <b>Check Amount: \$1,925.00</b>  |
| 100         | 54712             | 3349         |         | <b>Tomahawk Conference</b>             |                                       | <b>Check</b>                     |
|             |                   |              | E 01    | 300 292 000 000 820                    | Conference membership/sports fees     | \$1,215.00                       |
| <b>PO#:</b> | <b>Voucher #:</b> | <b>49292</b> | Invoice | <b>Invoice No:</b> 9112025             | <b>9/11/2025</b>                      | <b>Paid Amt: \$1,215.00</b>      |
|             |                   |              |         |  |                                       | <b>Check Amount: \$1,215.00</b>  |

Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank | Check No   | Code  | Rcd     | Vendor                           | Pmt/Void Date                    | Pmt Type                 |
|------|------------|-------|---------|----------------------------------|----------------------------------|--------------------------|
| 100  | 54713      | 3261  |         | <b>UHL</b>                       |                                  | <b>Check</b>             |
|      |            |       | E 01    | 005 810 193 000 350              | WATER HEATER QUOTED WORK         | \$660.00                 |
| PO#: | Voucher #: | 49332 | Invoice | Invoice No: 77227A               | 9/11/2025                        | Paid Amt: \$660.00       |
|      |            |       |         |                                  |                                  | Check Amount: \$660.00   |
| 100  | 54714      | 2055  |         | <b>Unhinged Pizza</b>            |                                  | <b>Check</b>             |
|      |            |       | E 21    | 300 298 947 301 401              | jUNIOR CLASS CONCESSIONS         | \$84.99                  |
|      |            |       | E 21    | 300 298 947 301 401              | CONCESSION                       | \$96.99                  |
|      |            |       | E 21    | 300 298 947 301 401              | CONCESSIONS                      | \$96.99                  |
| PO#: | Voucher #: | 49318 | Invoice | Invoice No: 9112025              | 9/11/2025                        | Paid Amt: \$278.97       |
|      |            |       |         |                                  |                                  | Check Amount: \$278.97   |
| 100  | 54715      | 3627  |         | <b>USI CONSULTING GROUP</b>      |                                  | <b>Check</b>             |
|      |            |       | E 01    | 005 110 000 000 305              | ACTUARIAL VALUATION UNDER GASB75 | \$3,200.00               |
| PO#: | Voucher #: | 49354 | Invoice | Invoice No: 17357                | 9/11/2025                        | Paid Amt: \$3,200.00     |
|      |            |       |         |                                  |                                  | Check Amount: \$3,200.00 |
| 100  | 54716      | 01150 |         | <b>Verified Credentials</b>      |                                  | <b>Check</b>             |
|      |            |       | E 01    | 005 718 000 342 311              | BACKGROUND CHECK                 | \$116.25                 |
| PO#: | Voucher #: | 49320 | Invoice | Invoice No: 367026               | 9/11/2025                        | Paid Amt: \$116.25       |
|      |            |       |         |                                  |                                  | Check Amount: \$116.25   |
| 100  | 54717      | 1602  |         | <b>Verizon Wireless</b>          |                                  | <b>Check</b>             |
|      |            |       | E 01    | 005 020 000 000 320              | SUPERINTENDENT                   | \$50.21                  |
|      |            |       | E 01    | 300 050 000 000 320              | PRINCIPAL                        | \$49.52                  |
|      |            |       | E 01    | 300 050 000 000 320              | AD                               | \$49.52                  |
| PO#: | Voucher #: | 49328 | Invoice | Invoice No: 6121763527           | 9/11/2025                        | Paid Amt: \$149.25       |
|      |            |       |         |                                  |                                  | Check Amount: \$149.25   |
| 100  | 54718      | 3626  |         | <b>VESTIS</b>                    |                                  | <b>Check</b>             |
|      |            |       | E 02    | 005 770 000 701 401              | 8/29/2025                        | \$34.51                  |
|      |            |       | E 02    | 005 770 000 701 401              | 9/5/2025                         | \$34.51                  |
| PO#: | Voucher #: | 49355 | Invoice | Invoice No: 2560418287-256041609 | 9/11/2025                        | Paid Amt: \$69.02        |
|      |            |       |         |                                  |                                  | Check Amount: \$69.02    |
| 100  | 54719      | 3434  |         | <b>Voelker, Jeremy</b>           |                                  | <b>Check</b>             |
|      |            |       | E 01    | 300 294 312 000 305              | 8/29/2025 FOOTBALL OFFICIAL      | \$125.00                 |
| PO#: | Voucher #: | 49346 | Invoice | Invoice No: 9112025              | 9/11/2025                        | Paid Amt: \$125.00       |
|      |            |       |         |                                  |                                  | Check Amount: \$125.00   |

Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank       | Check No   | Code  | Rcd                      | Vendor                               | Pmt/Void Date | Pmt Type      |            |  |  |
|------------|------------|-------|--------------------------|--------------------------------------|---------------|---------------|------------|--|--|
| 100        | 54720      | 00524 |                          | Waste Management-TC West             |               | Check         |            |  |  |
|            |            |       | E 01 005 810 186 000 330 | MONTHLY SERVICES                     |               |               | \$369.69   |  |  |
| PO#:       | Voucher #: | 49311 | Invoice                  | Invoice No: 8141150-1593-9           | 9/11/2025     | Paid Amt:     | \$369.69   |  |  |
|            |            |       |                          |                                      |               | Check Amount: | \$369.69   |  |  |
| 100        | 54721      | 00836 |                          | Wendlandt, Bryce                     |               | Check         |            |  |  |
|            |            |       | E 01 300 294 312 000 305 | 8/29/2025 FOTTBALL OFFICIAL          |               |               | \$125.00   |  |  |
| PO#:       | Voucher #: | 49347 | Invoice                  | Invoice No: 9112025                  | 9/11/2025     | Paid Amt:     | \$125.00   |  |  |
|            |            |       |                          |                                      |               | Check Amount: | \$125.00   |  |  |
| 100        | 54722      | 00061 |                          | CITY OF LESTER PRAIRIE               |               | Check         |            |  |  |
|            |            |       | E 01 005 810 183 000 330 | MONTHLY CHARGES                      |               |               | \$179.80   |  |  |
| PO#:       | Voucher #: | 49360 | Invoice                  | Invoice No: 9112025                  | 9/11/2025     | Paid Amt:     | \$179.80   |  |  |
|            |            |       |                          |                                      |               | Check Amount: | \$179.80   |  |  |
| 100        | 54723      | 3098  |                          | Dreier, Sarah                        |               | Check         |            |  |  |
|            |            |       | E 01 300 296 317 000 305 | 9/2/2025 VB Line Judge               |               |               | \$25.00    |  |  |
| PO#:       | Voucher #: | 49367 | Invoice                  | Invoice No: 9152025                  | 9/12/2025     | Paid Amt:     | \$25.00    |  |  |
|            |            |       |                          |                                      |               | Check Amount: | \$25.00    |  |  |
| 100        | 54724      | 3380  |                          | Gold Tree Apparel                    |               | Check         |            |  |  |
|            |            |       | E 21 300 298 970 301 401 | Class shirts                         |               |               | \$1,769.00 |  |  |
| PO#:       | Voucher #: | 49368 | Invoice                  | Invoice No: 0687                     | 9/25/2025     | Paid Amt:     | \$1,769.00 |  |  |
|            |            |       |                          |                                      |               | Check Amount: | \$1,769.00 |  |  |
| 100        | 54725      | 2269  |                          | Advanced Health, Safety and Security |               | Check         |            |  |  |
|            |            |       | E 01 005 810 193 000 350 | RENEWED ANNULA SUBSCRIPTION          |               |               | \$805.00   |  |  |
| PO#:       | Voucher #: | 49393 | Invoice                  | Invoice No: 6044MN                   | 9/25/2025     | Paid Amt:     | \$805.00   |  |  |
|            |            |       |                          |                                      |               | Check Amount: | \$805.00   |  |  |
| 100        | 54726      | 1245  |                          | Amazon                               |               | Check         |            |  |  |
|            |            |       | E 04 005 580 000 325 430 | 6QT STAORAGE                         |               |               | \$82.98    |  |  |
| PO#: 10798 | Voucher #: | 49389 | Invoice                  | Invoice No: 1CWJ-M4W4-LK3N           | 9/25/2025     | Paid Amt:     | \$82.98    |  |  |
|            |            |       | E 01 100 216 635 401 430 | WHITEOUT                             |               |               | \$6.99     |  |  |
|            |            |       | E 01 100 216 635 401 430 | RAZZ FOLDERS                         |               |               | \$37.99    |  |  |
| PO#: 10795 | Voucher #: | 49390 | Invoice                  | Invoice No: 19L1-RFPQ-MVMJ           | 9/25/2025     | Paid Amt:     | \$44.98    |  |  |
|            |            |       | E 01 100 219 000 317 430 | MEGA BOOK OF INSTANT WORDS           |               |               | \$14.59    |  |  |
|            |            |       | E 01 100 219 000 317 430 | EUREKA TUB OF LETTERS TILES          |               |               | \$20.40    |  |  |
| PO#: 10794 | Voucher #: | 49391 | Invoice                  | Invoice No: 1JYC-W9CC-KJY6           | 9/25/2025     | Paid Amt:     | \$34.99    |  |  |
|            |            |       | E 01 100 240 000 000 430 | GOLF BALLS                           |               |               | \$119.94   |  |  |
| PO#: 10793 | Voucher #: | 49388 | Invoice                  | Invoice No: 116T-CM3N-F4DV           | 9/25/2025     | Paid Amt:     | \$119.94   |  |  |
|            |            |       |                          |                                      |               | Check Amount: | \$282.89   |  |  |

Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank       | Check No   | Code  | Rcd     | Vendor                          | Pmt/Void Date                         | Pmt Type |               |          |  |
|------------|------------|-------|---------|---------------------------------|---------------------------------------|----------|---------------|----------|--|
| 100        | 54727      | 1673  |         | Anderson, Brian                 |                                       | Check    |               |          |  |
|            |            |       | E 01    | 300 294 312 000 305             | FOOTBALL OFFICIAL 9/13/2025           |          | \$125.00      |          |  |
| PO#:       | Voucher #: | 49381 | Invoice | Invoice No: 9252025             | 9/25/2025                             |          | Paid Amt:     | \$125.00 |  |
|            |            |       |         |                                 |                                       |          | Check Amount: | \$125.00 |  |
| 100        | 54728      | 3630  |         | Anderson, Nolan                 |                                       | Check    |               |          |  |
|            |            |       | E 01    | 300 294 312 000 305             | FOOTBALL OFFICIAL 9/13/2025           |          | \$125.00      |          |  |
| PO#:       | Voucher #: | 49383 | Invoice | Invoice No: 9252025             | 9/25/2025                             |          | Paid Amt:     | \$125.00 |  |
|            |            |       |         |                                 |                                       |          | Check Amount: | \$125.00 |  |
| 100        | 54729      | 1821  |         | Barfknecht, Alan                |                                       | Check    |               |          |  |
|            |            |       | E 01    | 300 294 312 000 305             | FOOTBALL OFFICIAL 9/19/2025           |          | \$125.00      |          |  |
| PO#:       | Voucher #: | 49384 | Invoice | Invoice No: 9252025             | 9/25/2025                             |          | Paid Amt:     | \$125.00 |  |
|            |            |       |         |                                 |                                       |          | Check Amount: | \$125.00 |  |
| 100        | 54730      | 3629  |         | BatteriesPlus Bulbs             |                                       | Check    |               |          |  |
|            |            |       | E 01    | 005 810 193 000 350             | 6V GC2 FLOODED GOLF 12 DISCGNBGC11    |          | \$655.80      |          |  |
| PO#: 10864 | Voucher #: | 49395 | Invoice | Invoice No: P85732255           | 9/25/2025                             |          | Paid Amt:     | \$655.80 |  |
|            |            |       |         |                                 |                                       |          | Check Amount: | \$655.80 |  |
| 100        | 54731      | 2185  |         | Bernick's                       |                                       | Check    |               |          |  |
|            |            |       | E 21    | 300 298 947 301 401             | CONCESSIONS DELIVERY9/11/2025 & 9/18/ |          | \$288.00      |          |  |
|            |            |       | E 21    | 300 298 947 301 401             | CONCESSIONS DELIVERY9/11/2025 & 9/18/ |          | \$390.24      |          |  |
| PO#:       | Voucher #: | 49394 | Invoice | Invoice No: 10404405 & 10401473 | 9/25/2025                             |          | Paid Amt:     | \$678.24 |  |
|            |            |       |         |                                 |                                       |          | Check Amount: | \$678.24 |  |
| 100        | 54732      | 3048  |         | Blashack, Jason                 |                                       | Check    |               |          |  |
|            |            |       | E 01    | 300 296 317 000 305             | VOLLEYBALL LINE JUDGE 9/11 & 9/18     |          | \$50.00       |          |  |
| PO#:       | Voucher #: | 49373 | Invoice | Invoice No: 09252025            | 9/25/2025                             |          | Paid Amt:     | \$50.00  |  |
|            |            |       |         |                                 |                                       |          | Check Amount: | \$50.00  |  |
| 100        | 54733      | 00061 |         | CITY OF LESTER PRAIRIE          |                                       | Check    |               |          |  |
|            |            |       | E 01    | 300 292 000 000 305             | SHARED COST --ROLLED BASEBALL FIELD   |          | \$400.00      |          |  |
| PO#:       | Voucher #: | 49396 | Invoice | Invoice No: 9252025             | 9/25/2025                             |          | Paid Amt:     | \$400.00 |  |
|            |            |       |         |                                 |                                       |          | Check Amount: | \$400.00 |  |
| 100        | 54734      | 2624  |         | Dalco/ Imperial Dade            |                                       | Check    |               |          |  |
|            |            |       | E 02    | 005 770 000 701 350             | Kitchen Floor cleaner repair          |          | \$983.21      |          |  |
| PO#: 10856 | Voucher #: | 49398 | Invoice | Invoice No: 4425552             | 9/25/2025                             |          | Paid Amt:     | \$983.21 |  |
|            |            |       |         |                                 |                                       |          | Check Amount: | \$983.21 |  |

Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank | Check No   | Code  | Rcd     | Vendor                         | Pmt/Void Date                     | Pmt Type                  |
|------|------------|-------|---------|--------------------------------|-----------------------------------|---------------------------|
| 100  | 54735      | 3628  |         | Darrin Gerdes                  |                                   | Check                     |
|      |            |       | E 01    | 300 294 312 000 305            | FOOTBALL OFFICIAL 9/13/2025       | \$125.00                  |
| PO#: | Voucher #: | 49380 | Invoice | Invoice No: 9252025            | 9/25/2025                         | Paid Amt: \$125.00        |
|      |            |       |         |                                |                                   | Check Amount: \$125.00    |
| 100  | 54736      | 2573  |         | Dashir Management Services Inc |                                   | Check                     |
|      |            |       | E 01    | 005 810 810 000 305            | OCTOBER SERVICES                  | \$25,619.82               |
| PO#: | Voucher #: | 49400 | Invoice | Invoice No: 9065               | 9/25/2025                         | Paid Amt: \$25,619.82     |
|      |            |       |         |                                |                                   | Check Amount: \$25,619.82 |
| 100  | 54737      | 2120  |         | Department of Human Services   |                                   | Check                     |
|      |            |       | E 01    | 005 400 000 372 305            | SFY 2024 IEP ADMIN FEE            | \$9.00                    |
| PO#: | Voucher #: | 49401 | Invoice | Invoice No: 9252025            | 9/25/2025                         | Paid Amt: \$9.00          |
|      |            |       |         |                                |                                   | Check Amount: \$9.00      |
| 100  | 54738      | 3098  |         | Dreier, Sarah                  |                                   | Check                     |
|      |            |       | E 01    | 300 296 317 000 305            | VOLLEYBALL LINE JUDGE 9/11 & 9/18 | \$50.00                   |
| PO#: | Voucher #: | 49374 | Invoice | Invoice No: 09252025           | 9/25/2025                         | Paid Amt: \$50.00         |
|      |            |       |         |                                |                                   | Check Amount: \$50.00     |
| 100  | 54739      | 2151  |         | Drusch, Pete                   |                                   | Check                     |
|      |            |       | E 01    | 300 294 312 000 305            | FOOTBALL OFFICIAL 9/19/2025       | \$125.00                  |
| PO#: | Voucher #: | 49386 | Invoice | Invoice No: 9252025            | 9/25/2025                         | Paid Amt: \$125.00        |
|      |            |       |         |                                |                                   | Check Amount: \$125.00    |
| 100  | 54740      | 3253  |         | Game One                       |                                   | Check                     |
|      |            |       | E 01    | 300 296 417 000 401            | VOLLEYBALL WARM UPS               | \$219.44                  |
| PO#: | Voucher #: | 49402 | Invoice | Invoice No: 10485122           | 9/25/2025                         | Paid Amt: \$219.44        |
|      |            |       |         |                                |                                   | Check Amount: \$219.44    |
| 100  | 54741      | 2556  |         | Grams, Ryan                    |                                   | Check                     |
|      |            |       | E 01    | 300 294 312 000 305            | FOOTBALL OFFICIAL 9/19/2025       | \$125.00                  |
| PO#: | Voucher #: | 49387 | Invoice | Invoice No: 9252025            | 9/25/2025                         | Paid Amt: \$125.00        |
|      |            |       |         |                                |                                   | Check Amount: \$125.00    |
| 100  | 54742      | 3636  |         | GRANITE TELECOMMUNICATIONS LLC |                                   | Check                     |
|      |            |       | E 01    | 005 110 000 000 320            | MONTHLY SERVICES                  | \$148.27                  |
| PO#: | Voucher #: | 49404 | Invoice | Invoice No: 714959858          | 9/25/2025                         | Paid Amt: \$148.27        |
|      |            |       |         |                                |                                   | Check Amount: \$148.27    |
| 100  | 54743      | 2062  |         | Group Travel Planners          |                                   | Check                     |
|      |            |       | E 21    | 300 298 974 301 401            | CHICAGO BAND TRIP DEPOSIT         | \$3,900.00                |
| PO#: | Voucher #: | 49397 | Invoice | Invoice No: 9252025            | 9/25/2025                         | Paid Amt: \$3,900.00      |
|      |            |       |         |                                |                                   | Check Amount: \$3,900.00  |

Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank       | Check No   | Code  | Rcd     | Vendor                                | Pmt/Void Date                         | Pmt Type      |          |  |  |
|------------|------------|-------|---------|---------------------------------------|---------------------------------------|---------------|----------|--|--|
| 100        | 54744      | 00358 |         | <b>GUARDIAN PEST SOLUTIONS INC</b>    |                                       | Check         |          |  |  |
|            |            |       | E 01    | 005 810 192 000 305                   | PEST CONTROL                          |               | \$82.45  |  |  |
| PO#:       | Voucher #: | 49403 | Invoice | Invoice No: 2684497                   | 9/25/2025                             | Paid Amt:     | \$82.45  |  |  |
|            |            |       |         |                                       |                                       | Check Amount: | \$82.45  |  |  |
| 100        | 54745      | 2408  |         | <b>Haas, Casey</b>                    |                                       | Check         |          |  |  |
|            |            |       | E 01    | 300 294 312 000 305                   | FOOTBALL OFFICIAL 9/13/2025           |               | \$125.00 |  |  |
| PO#:       | Voucher #: | 49379 | Invoice | Invoice No: 9252025                   | 9/25/2025                             | Paid Amt:     | \$125.00 |  |  |
|            |            |       |         |                                       |                                       | Check Amount: | \$125.00 |  |  |
| 100        | 54746      | 2444  |         | <b>Heimerl, Rebecca</b>               |                                       | Check         |          |  |  |
|            |            |       | E 01    | 300 296 317 000 305                   | VOLLEYBALL WORKER 9/11/2025 & 9/18/20 |               | \$50.00  |  |  |
| PO#:       | Voucher #: | 49392 | Invoice | Invoice No: 9252025                   | 9/25/2025                             | Paid Amt:     | \$50.00  |  |  |
|            |            |       |         |                                       |                                       | Check Amount: | \$50.00  |  |  |
| 100        | 54747      | 3299  |         | <b>Herrmann, Erin</b>                 |                                       | Check         |          |  |  |
|            |            |       | E 01    | 300 296 317 000 305                   | VOLLEYBALL WORKER 9/11 & 9/18         |               | \$50.00  |  |  |
| PO#:       | Voucher #: | 49372 | Invoice | Invoice No: 9252025                   | 9/25/2025                             | Paid Amt:     | \$50.00  |  |  |
|            |            |       |         |                                       |                                       | Check Amount: | \$50.00  |  |  |
| 100        | 54748      | 00290 |         | <b>Hingst, Lee</b>                    |                                       | Check         |          |  |  |
|            |            |       | E 01    | 300 296 317 000 305                   | VOLLEYBALL OFFICIAL 9/18/2025 C SQUAC |               | \$60.00  |  |  |
|            |            |       | E 01    | 300 296 317 000 305                   | VOLLEYBALL OFFICIAL 9/18/2025 C SQUAC |               | \$140.00 |  |  |
| PO#:       | Voucher #: | 49377 | Invoice | Invoice No: 9252025                   | 9/25/2025                             | Paid Amt:     | \$200.00 |  |  |
|            |            |       |         |                                       |                                       | Check Amount: | \$200.00 |  |  |
| 100        | 54749      | 1134  |         | <b>Innovative Office Solutions</b>    |                                       | Check         |          |  |  |
|            |            |       | E 01    | 300 260 000 000 430                   | WHITE TAG BOARD                       |               | \$13.29  |  |  |
| PO#: 10807 | Voucher #: | 49411 | Invoice | Invoice No: 4898693                   | 9/25/2025                             | Paid Amt:     | \$13.29  |  |  |
|            |            |       |         |                                       |                                       | Check Amount: | \$13.29  |  |  |
| 100        | 54750      | 03817 |         | <b>ISD #2687 HOWARD LAKE-W-W</b>      |                                       | Check         |          |  |  |
|            |            |       | E 01    | 300 292 321 000 369                   | 9/30/2025 CROSS COUNTRY INVITE FEE    |               | \$100.00 |  |  |
| PO#:       | Voucher #: | 49405 | Invoice | Invoice No: 9252025                   | 9/25/2025                             | Paid Amt:     | \$100.00 |  |  |
|            |            |       |         |                                       |                                       | Check Amount: | \$100.00 |  |  |
| 100        | 54751      | 00568 |         | <b>ISD #424 Lester Prairie School</b> |                                       | Check         |          |  |  |
|            |            |       | E 01    | 005 105 023 000 401                   | OUTREACH REIMBURSMNET                 |               | \$45.00  |  |  |
| PO#:       | Voucher #: | 49413 | Invoice | Invoice No: 9252025                   | 9/25/2025                             | Paid Amt:     | \$45.00  |  |  |
|            |            |       |         |                                       |                                       | Check Amount: | \$45.00  |  |  |

Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank       | Check No   | Code  | Rcd     | Vendor                       | Pmt/Void Date | Pmt Type                              |               |            |  |
|------------|------------|-------|---------|------------------------------|---------------|---------------------------------------|---------------|------------|--|
| 100        | 54752      | 00161 |         | ISD #466 DASSEL-COKATO       |               | Check                                 |               |            |  |
|            |            |       | E 01    | 300 292 321 000 369          | 9/23/2025     | CROSS COUNTRY MEET                    | \$125.00      |            |  |
| PO#:       | Voucher #: | 49399 | Invoice | Invoice No: 9252025          | 9/25/2025     |                                       | Paid Amt:     | \$125.00   |  |
|            |            |       |         |                              |               |                                       | Check Amount: | \$125.00   |  |
| 100        | 54753      | 2350  |         | IXL Subscriptions Department |               | Check                                 |               |            |  |
|            |            |       | E 01    | 100 203 000 000 406          |               | IXL site license PK - 12 Math Qty-275 | \$3,643.75    |            |  |
| PO#: 10757 | Voucher #: | 49412 | Invoice | Invoice No: S535126          | 9/25/2025     |                                       | Paid Amt:     | \$3,643.75 |  |
|            |            |       |         |                              |               |                                       | Check Amount: | \$3,643.75 |  |
| 100        | 54754      | 3625  |         | JOSH'S HOME DELIVERY         |               | Check                                 |               |            |  |
|            |            |       | E 02    | 005 770 000 701 495          | 9/10/2025     | MILK DELIVERY                         | \$604.81      |            |  |
|            |            |       | E 02    | 005 770 000 701 495          | 9/17/2025     | MILK DELIVERY                         | \$569.35      |            |  |
| PO#:       | Voucher #: | 49406 | Invoice | Invoice No: 194444-194434    | 9/25/2025     |                                       | Paid Amt:     | \$1,174.16 |  |
|            |            |       |         |                              |               |                                       | Check Amount: | \$1,174.16 |  |
| 100        | 54755      | 1118  |         | Learning A - Z               |               | Check                                 |               |            |  |
|            |            |       | E 01    | 100 203 000 000 430          |               | RAZ Kids renewal                      | \$135.00      |            |  |
| PO#: 10855 | Voucher #: | 49407 | Invoice | Invoice No: 00309952         | 9/25/2025     |                                       | Paid Amt:     | \$135.00   |  |
|            |            |       |         |                              |               |                                       | Check Amount: | \$135.00   |  |
| 100        | 54756      | 3634  |         | Lorenson, Debra              |               | Check                                 |               |            |  |
|            |            |       | E 01    | 300 296 317 000 305          |               | VOLLEYBAL VARSITY OFFICIAL 9/11/2025  | \$140.00      |            |  |
| PO#:       | Voucher #: | 49376 | Invoice | Invoice No: 09252025         | 9/25/2025     |                                       | Paid Amt:     | \$140.00   |  |
|            |            |       |         |                              |               |                                       | Check Amount: | \$140.00   |  |
| 100        | 54757      | 3223  |         | MEI                          |               | Check                                 |               |            |  |
|            |            |       | E 01    | 005 865 000 347 305          |               | LABOR-SERVICE-TROUBLE CALL            | \$592.50      |            |  |
| PO#:       | Voucher #: | 49409 | Invoice | Invoice No: 1148007          | 9/25/2025     |                                       | Paid Amt:     | \$592.50   |  |
|            |            |       |         |                              |               |                                       | Check Amount: | \$592.50   |  |
| 100        | 54758      | 01157 |         | MetLife SBC                  |               | Check                                 |               |            |  |
|            |            |       | B 01    | 215 030                      |               | DENTAL COVERAGE                       | \$2,669.50    |            |  |
| PO#:       | Voucher #: | 49408 | Invoice | Invoice No: TS05389347       | 9/25/2025     |                                       | Paid Amt:     | \$2,669.50 |  |
|            |            |       |         |                              |               |                                       | Check Amount: | \$2,669.50 |  |
| 100        | 54759      | 3623  |         | NICOLLET PROJECTSI LLC       |               | Check                                 |               |            |  |
|            |            |       | E 01    | 005 810 184 000 330          |               | AUGUST 1ST -31ST UTILITY STATEMENT    | \$6,763.31    |            |  |
| PO#:       | Voucher #: | 49419 | Invoice | Invoice No: 004114           | 9/25/2025     |                                       | Paid Amt:     | \$6,763.31 |  |
|            |            |       |         |                              |               |                                       | Check Amount: | \$6,763.31 |  |

Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank | Check No   | Code  | Rcd     | Vendor                       | Pmt/Void Date                         | Pmt Type  |          |               |          |
|------|------------|-------|---------|------------------------------|---------------------------------------|-----------|----------|---------------|----------|
| 100  | 54760      | 2894  |         | Olson, Courtney              |                                       | Check     |          |               |          |
|      |            |       | E 01    | 300 296 317 000 305          | Varsity Volleyball Official 9/18/2025 |           | \$140.00 |               |          |
| PO#: | Voucher #: | 49378 | Invoice | Invoice No: 9252025          | 9/25/2025                             | Paid Amt: | \$140.00 | Check Amount: | \$140.00 |
| 100  | 54761      | 00811 |         | PITNEY BOWES INC             |                                       | Check     |          |               |          |
|      |            |       | E 01    | 005 110 000 000 305          | Contract for SENDPRO C Series         |           | \$222.12 |               |          |
| PO#: | Voucher #: | 49410 | Invoice | Invoice No: 3107412666       | 9/25/2025                             | Paid Amt: | \$222.12 | Check Amount: | \$222.12 |
| 100  | 54762      | 00256 |         | Pohlmeier, Rich              |                                       | Check     |          |               |          |
|      |            |       | E 01    | 300 296 317 000 305          | Volleyball Official 9/11/2025 C-SQUAD |           | \$60.00  |               |          |
|      |            |       | E 01    | 300 296 317 000 305          | Volleyball Official 9/11/2025 C-SQUAD |           | \$140.00 |               |          |
| PO#: | Voucher #: | 49375 | Invoice | Invoice No: 09252025         | 9/25/2025                             | Paid Amt: | \$200.00 | Check Amount: | \$200.00 |
| 100  | 54763      | 2763  |         | Region 1                     |                                       | Check     |          |               |          |
|      |            |       | E 01    | 005 110 000 000 316          | Synergy Report Card Modification      |           | \$85.00  |               |          |
| PO#: | Voucher #: | 49414 | Invoice | Invoice No: 15701            | 9/25/2025                             | Paid Amt: | \$85.00  | Check Amount: | \$85.00  |
| 100  | 54764      | 3516  |         | Sell, Dave                   |                                       | Check     |          |               |          |
|      |            |       | E 01    | 300 294 312 000 305          | Football Official 9/13/2025           |           | \$125.00 |               |          |
| PO#: | Voucher #: | 49382 | Invoice | Invoice No: 9252025          | 9/25/2025                             | Paid Amt: | \$125.00 | Check Amount: | \$125.00 |
| 100  | 54765      | 1744  |         | Shred Right                  |                                       | Check     |          |               |          |
|      |            |       | E 01    | 005 110 000 000 305          | 9/8/2025 Mobile Shred Services        |           | \$42.53  |               |          |
| PO#: | Voucher #: | 49415 | Invoice | Invoice No: 0056368          | 9/25/2025                             | Paid Amt: | \$42.53  | Check Amount: | \$42.53  |
| 100  | 54766      | 3527  |         | St. Mary's School            |                                       | Check     |          |               |          |
|      |            |       | E 01    | 300 292 321 000 369          | 10/2/2025 SM-SE-NUC Cross Country M   |           | \$100.00 |               |          |
| PO#: | Voucher #: | 49416 | Invoice | Invoice No: 9252025          | 9/25/2025                             | Paid Amt: | \$100.00 | Check Amount: | \$100.00 |
| 100  | 54767      | 2055  |         | Unhinged Pizza               |                                       | Check     |          |               |          |
|      |            |       | E 21    | 300 298 947 301 401          | Concessions Delivery 9/11/25          |           | \$117.03 |               |          |
|      |            |       | E 21    | 300 298 947 301 401          | Concessions Delivery 9/13/2025        |           | \$96.99  |               |          |
| PO#: | Voucher #: | 49417 | Invoice | Invoice No: TICKET # 85 & 48 | 9/25/2025                             | Paid Amt: | \$214.02 | Check Amount: | \$214.02 |
| 100  | 54768      | 3626  |         | VESTIS                       |                                       | Check     |          |               |          |
|      |            |       | E 02    | 005 770 000 701 401          | 9/12/25 Delivery                      |           | \$41.57  |               |          |

## Lester Prairie Public Schools Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 09/01/2025-09/30/2025 Period: 202603-202603 Void Status: N

| Bank        | Check No          | Code         | Rcd     | Vendor                              | Pmt/Void Date              | Pmt Type                          |
|-------------|-------------------|--------------|---------|-------------------------------------|----------------------------|-----------------------------------|
| 100         | 54768             | 3626         |         | <b>VESTIS</b>                       |                            | <b>Check</b>                      |
|             |                   |              |         | E 02 005 770 000 701 401            | 9/19/2025 DELIVERY         | \$41.57                           |
| <b>PO#:</b> | <b>Voucher #:</b> | <b>49418</b> | Invoice | <b>Invoice No:</b> 2560422670-20455 | <b>9/25/2025</b>           | <b>Paid Amt: \$83.14</b>          |
|             |                   |              |         |                                     |                            | <b>Check Amount: \$83.14</b>      |
| 100         | 54769             | 00127        |         | <b>Xcel Energy</b>                  |                            | <b>Check</b>                      |
|             |                   |              |         | E 01 005 810 184 000 330            | MONTHLY CHARGES            | \$3,521.72                        |
| <b>PO#:</b> | <b>Voucher #:</b> | <b>49420</b> | Invoice | <b>Invoice No:</b> 9252025          | <b>9/25/2025</b>           | <b>Paid Amt: \$3,521.72</b>       |
|             |                   |              |         |                                     |                            | <b>Check Amount: \$3,521.72</b>   |
| 100         | 54770             | 2114         |         | <b>Yager, Mike</b>                  |                            | <b>Check</b>                      |
|             |                   |              |         | E 01 300 294 312 000 305            | FOOTBALL OFFICAL 9/19/2025 | \$125.00                          |
| <b>PO#:</b> | <b>Voucher #:</b> | <b>49385</b> | Invoice | <b>Invoice No:</b> 9252025          | <b>9/25/2025</b>           | <b>Paid Amt: \$125.00</b>         |
|             |                   |              |         |                                     |                            | <b>Check Amount: \$125.00</b>     |
| 100         | 54771             | 2492         |         | <b>Heggies Pizza</b>                |                            | <b>Check</b>                      |
|             |                   |              |         | E 01 300 296 417 000 401            | VB PIZZA FUNDRAISER        | \$4,719.10                        |
| <b>PO#:</b> | <b>Voucher #:</b> | <b>49427</b> | Invoice | <b>Invoice No:</b> 9302025          | <b>9/29/2025</b>           | <b>Paid Amt: \$4,719.10</b>       |
|             |                   |              |         |                                     |                            | <b>Check Amount: \$4,719.10</b>   |
|             |                   |              |         |                                     |                            | <b>Report Total: \$297,465.03</b> |

**REGULAR MEETING of the SCHOOL BOARD of EDUCATION**  
**Lester Prairie Public Schools**  
**Monday, September 15, 2025 5:45pm**  
**Lester Prairie School Media Center**

Roll call was taken and the following board members were present: Keith Christen, Jeff Engen remotely from Hutchinson, MN, Brian Heimerl remotely from St. James, MN, Rebecca Heimerl, Candice Anderson and Dan LaMott. Administration present: Dr. Melissa Radeke and Ross Scheevel      **Guests:** Terri Schuft-Helland and Mark Wawrzyniak

**Call to order**

- Meeting called to order by Board Chair Keith Christen
- Welcome to the public and guests
- **Pledge of Allegiance**

**Agenda**

- Motion by R. Heimerl and 2<sup>nd</sup> by LaMott to approve the Agenda as presented and or modified
  - **Vote: 6 for, 0 against.**

**Recognition of Communications since Last Meeting:**

- Communication - none
- Open dialogue - none

**Minutes and Bills**

- Motion by LaMott and 2<sup>nd</sup> by Anderson to approve consent agenda, the meeting minutes of the Regular Board meeting on August 18, 2025 and payment of bills in the amount of:
  - o Total amount: \$542,249.79
- **Vote: 6 for, 0 against.**

**Administrative Reports**

**Mr. Lee K-12 Principal Report (presented by Dr. Radeke):** - highlights

- Good start to the new school year
- STAR and Fastbridge testing is almost complete - Ryan Sinda will provide information later in the meeting regarding data from last year
- Several crisis drills have been completed
- Bus and pedestrian safety training have been completed

- Provided a tour for the class of 1990 on Saturday, September 13
- Will be attending a Law Workshop on Friday, September 19
- Learning Walks with NTC(New Teacher Center) next Wednesday, September 24
- AVID Trainings and MnMTSS Meetings upcoming in September and October
- Will be providing a school tour for the class of 1985 on Saturday, September 20

**Ross Scheevel AD/DoS - highlights**

- Will attend MSHSL all area meeting Tuesday in Mankato. Yearly required meeting. 9<sup>th</sup> grade governance issue will be a big topic
- Will be posting for Winter activities this week. Some basketball positions still need to be filled
- Schedule for next fall will look a bit different with late Labor Day, last week of regular season will be Oct 19<sup>th</sup>-23<sup>rd</sup>, which is a week later than MEA.
- Finalizing schedules for the winter season
- Starting to work on scheduling for fall 2026
- Fall activities are just about to mid season
- Homecoming week Sept 29 - Oct 3
- Some communication with the City - main issues are baseball/softball cages, possible joint purchase, also working on managing schedules, i.e. watering and weed control

**Dr. Melissa Radeke Superintendent Report: - highlights**

- Enrollment update: Current enrollment is at 408 students - unchanged from last month
- With PreK numbers being low(28 students), PreK is now 3 days/week allowing Helen Lester to sub on Tues/Thurs. Also ECFE hours are completed during that time
- With late Labor Day in 2026 & 2027, Legislature has approved districts to start before Labor Day. Calendar would not support starting after Labor Day and ending before Memorial Day. 2 options, start before Labor Day and end before Memorial Day or start after Labor Day and end after Memorial Day. Options will be presented for the board to decide and approve
- Later in the meeting, recommendation is to approve maximum levy. Final levy amount to be set in December. Preliminary numbers show levy down 4.35% from last year. Service Cooperative lease costs up due primarily to the New London Educational Learning Center and General Ed revenue down almost \$400,000 due primarily to declining enrollment. District is held to the amount certified so will approve maximum amount which can be reduced if appropriate.
- 32 policies up for approval. Most are minor changes such as definitions, statutory changes or updating legal references. All annual policies are up-to-date
- Currently the District does not have a policy for accepting donations. MSBA Policy 706 Acceptance of Gifts established guidelines for the acceptance of gifts and donations. Policy first reading this month with 2<sup>nd</sup> reading in October with potential for approval. November would be first resolution for any donations. Going forward, resolutions would be done monthly as needed per recommendation from Lauren Syrup - business manager.

## **Lauren Syrup - Business Manager**

- No report

## **School Board Committee Reports**

- Community Ed. - none
- PTO - approved funding for planned class parties, library materials, phonics and some calculators
- Facilities/Maintenance- none
- Facility Planning - none
- Tech/Media - none
- Activities Committee - none
- Negotiations - Certified - mediation scheduled
- Negotiations - Non-Certified - none
- Negotiations - Administration - none
- Meet and Confer - none
- Policy - 32 policies up for approval
- Legislative - none
- City Council - Katie Helmbrecht (park board) provided a maintenance plan - will continue to work on details of the maintenance plan.

## **New Business**

- Ryan Sinda - Success Coach presented District Data for Reading and Math proficiency for 2024 and previous years
- Mark Wawrzyniak provided a presentation on the proposed Senior Class Trip to Boston
- Terri Schuft-Helland provided a presentation on the proposed Senior High Band Trip to Chicago
- Motion by Anderson and 2<sup>nd</sup> by LaMott to approve Senior Class Trip to Boston as presented.

**Vote: 6 for, 0 against**

- Motion by R. Heimerl and 2<sup>nd</sup> by Anderson to approve Senior High Band Trip to Chicago as presented.

**Vote: 6 for, 0 against**

## **Old Business**

- None

## School Finance

- Annual **Truth in Taxation** meeting is set for December 15, 2025 at 6:00pm
- Motion by R. Heimerl and 2<sup>nd</sup> by LaMott to approve certification of proposed 2025 Payable 2026 Property Tax Levy at the maximum amount with final amount to be given at the December School Board meeting.

Roll Call Vote:

|          |          |          |
|----------|----------|----------|
| BH - Yes | RH - Yes | KC - Yes |
| CA - yes | JE - Yes | DL - Yes |

**Vote: 6 for, 0 against**

- Motion by LaMott and 2<sup>nd</sup> by Anderson to approve following fundraisers
  - **Football:** Clothing Store Roundup
  - **National Honor Society:** Airplane Toss
  - **Student Council:** Homecoming bracelets/buttons; concessions; donuts/hot chocolate; flower & candygrams; ice cream sales

**Vote: 6 for, 0 against**

## Policy Administration

- Motion by R. Heimerl and 2<sup>nd</sup> by LaMott to approve all policies as presented.

**Vote: 6 for, 0 against**

- First Reading of **Policy 706 Acceptance of Gifts**

## Personnel

- Motion by LaMott and 2<sup>nd</sup> by R. Heimerl to approve lane change request for **Mary Wensich** from BA+30 step 2 to MA step 2.

**Vote: 6 for, 0 against**

- Motion by Anderson and 2<sup>nd</sup> by LaMott to approve lane change request for **Wes Kapping** from MA +10 step 11 to MA +20 step 11.

**Vote: 6 for, 0 against**

- Motion by R. Heimerl and 2<sup>nd</sup> by Anderson to approve lane change request for **Danny Mages** from BA +0 step 6 to BA +10 step 6.

**Vote: 6 for, 0 against**

- Motion by LaMott and 2<sup>nd</sup> by Anderson to approve the following contracts:
  - **Terri Helland:** National Honor Society & HS Student Council Advisor
  - **Beth Sawatzke:** JH Volleyball Coach
  - **Nicole Kleve:** JH Volleyball Coach

**Vote: 6 for, 0 against**

**Other Items for the Board**

- None

**Meeting was adjourned at 6:29 PM**

*Jeff Engen, Clerk ISD #424*

# Dashir Management Services, Inc.

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[www.dashirmanagement.com](http://www.dashirmanagement.com)

## Lester Prairie School District

October 2025

### Custodial / Maintenance Report

#### **Personnel Information**

We are currently fully staffed.

#### **Training Conducted**

The OSHA required safety training on Material Safety Data Sheets was completed on October 8, 2025.

#### **Inspections**

- Custodial audits took place throughout the district and results were shared with each individual custodian audited.
- Playground inspection was completed.

#### **Progress on Projects**

- New drinking fountain by library will be installed over MEA break.
- H&B Specialized Products will be replacing cables for the basketball hoops in the north gym on October 21.
- Lighting and sound work in the south gym has started and will continue until October 24.
- Started winter prep work on rooftop units such as spraying down outside filters and condensers.
- Started changing filters in rooftop units and air handlers for the winter months.
- Yearly lift inspection will be on October 16.
- Painted two spots in parking lot for Booster Club.

#### **Comments**

The first month of school went well with activities, conferences, and games. Working on getting this ready for the winter months on the roof and around the building.

Respectfully Submitted,

Lisa Hins

Facility Manager

# 2024-25 Achievement and Integration (A&I) Progress Report

## 1. Report Instructions and Information

---

### Tips when completing the report:

All questions in one section must be answered before the survey will advance to the next section. You must advance to the end of the form to save your answers. Districts may wish to enter short text as a placeholder to advance in the form and return at a later time to answer the question.

When you have reached the end of the form, you will be able to submit your completed/in progress summary report and receive a specific link. Each district will have their own unique link to access their answers at a later time. Via that specific link, you can update/edit your responses until October 15, 2025.

Save your specific survey link for easy access to your district's report.

Contact our A&I Team at [MDE.integration@state.mn.us](mailto:MDE.integration@state.mn.us) if you need a copy of your specific survey link that was previously emailed to you.

## 2. Cover Page

---

### 1. District Name

0424-01 Lester Prairie Public School Dist.

### 2. Did you have an MDE approved Achievement and Integration plan implemented in the 2024-25 school year?

Did you have an MDE approved Achievement and Integration plan during 2024-25 SY?

Yes

What year of your Achievement & Integration plan are you reporting on?

Year 1 (3-year plan spans July 1st, 2024 - June 30th, 2027)

Did you have a Racially Identifiable School (RIS) in the 2024-25 SY?

No

### A&I Contact Name

Melissa Radeke

### A&I Contact Title

Superintendent

### A&I Contact Phone Number

3205100716

### A&I Contact Email

radeke@lp.k12.mn.us

## Annual Report

**A&I Requirement:** Districts must post a copy of their A&I plan, a preliminary analysis on goal progress, and related data on student achievement on their website 30 days prior to the annual public meeting.

### 3. Provide the link to your district's A&I materials.

Provide the direct website link to the district's WBWF annual report. If a link is not available, describe how the district disseminates the report to stakeholders.

If available, provide the direct website link to the district's A&I documentation/materials.

<https://www.lp.k12.mn.us/state-reports/>

## Annual Public Meeting

**A&I Requirement:** Annual public meetings are to be held in the fall of each school year. The public meeting for A&I is to be held at the same time as the CACR/WBWF annual public meeting.

4. If you have already held your annual meeting to review progress on your A&I plan for the 2024-25 school year, provide the date of the public meeting.

10-20-2025

### 5. Achievement & Integration

---

Once they are approved by MDE, Achievement and Integration (A&I) plans are in effect for three years. At the end of the third year, the commissioner must determine if districts met each goal in their approved plans (Minn. Stat. § 124D.862, subd. 8).

In order to do this, each district is asked to provide information in this A&I progress report indicating whether or not each of their plan goals has been met. The information you submit will also be used to provide ongoing support for your A&I efforts.

Districts with one or more racially identifiable schools will also submit progress reports to verify whether 2024-25 A&I plan goals for each of those schools were on track.

*Districts that don't meet plan goals after three years are to consult with the commissioner on improvement plans and use up to 20% of their annual A&I revenue to fund improvement strategies—strategies that will make it more likely for a district to meet their new A&I goals (Minn. Stat. § 124D.862, subd. 8).*

### 5. Achievement Goal

#### Goal Statement

Copy the SMART goal statement from your plan implemented in the 2024-25 SY.

The STAR Reading Percentile Rank proficiency gap between White and Hispanic/Latino students enrolled October 1 in grades K-8 at Lester Prairie Schools will decrease from the STAR Reading baseline gap of 34% in school year 2023-24 to:

- 31% in 2024-25
- 28% in 2025-26
- 25% in 2026-27

## Baseline

**Copy the baseline starting point from the Goal Statement of your plan implemented in the 2024-25 SY.**

Baseline gap between White and Hispanic/Latino students was 34% in the 2023-24 school year.

## Year 1 (2024-25) Actual

**Provide the result for the 2024-25 school year that directly ties back to the established goal.**

Results for the 2024–25 SY showed a 33% gap.

## On Track?

**Check one of the following:**

Not on Track

## 6. Do you have another Achievement goal?

Yes

## 7. Achievement Goal

### Goal Statement

**Copy the SMART goal statement from your plan implemented in the 2024-25 SY.**

The STAR Math Percentile Rank proficiency gap between White and Hispanic/Latino students enrolled October 1 in grades K-8 at Lester Prairie Schools will decrease from the STAR Math baseline gap of 24% in school year 2023-24 to:

- 21% in 2024-25
- 18% in 2025-26
- 15% in 2026-27

## Baseline

**Copy the baseline starting point from the Goal Statement from your plan implemented in the 2024-25 SY.**

Baseline gap between White and Hispanic/Latino students was 24% in the 2023-24 school year.

## Year 1 (2024-25) Actual

**Provide the result for the 2024-25 school year that directly ties back to the established goal.**

Results for the 2024–25 SY showed a 29% gap

## On Track?

**Check one of the following:**

Not on Track

## 8. Do you have another Achievement goal?

No

## 9. Integration Goal

## Goal Statement

### Copy the SMART goal statement from your plan implemented in the 2024-25 SY.

Students from Howard Lake Waverly Winsted District #2687 and Lester Prairie School District #424 will participate in activities (ex. Cultural Arts Fair, Diversity Fair, or Kindness/Courage Retreat) designed to increase cultural and racial interactions and celebrate cultural and racial diversity. The School Districts will create a survey to assess the activity and measure progress toward meeting the goals. Because the survey will assess the activity and culturally responsive teaching leading up to the activity, we will use zero as our baseline data.

## Baseline

### Copy the baseline starting point from the Goal Statement of your plan implemented in the 2024-25 SY.

Baseline was set at zero.

## Year 1 (2024-25) Actual

### Provide the result for the 2024-25 school year that directly ties back to the established goal.

Survey results indicated that 64 % of students who participated in the inter district integration activity reported an overall positive experience.

## On Track?

### Check one of the following:

Not on Track

### 10. Do you have another Integration goal?

No

### 11. Integration

**Please summarize the impact of the integration strategies you implemented with the A&I districts you partnered with during the 2024-25 school year. Also, consider ways that your A&I plan strategies have increased integration within your district.**

**(Narrative is required. 200-word limit.)**

Students were prepared for the event with culturally relevant instruction. A Cultural Arts Fair was the vehicle to discuss, experience, and celebrate culture and heritage of all students. Parents/guardians were invited to join the community of increasing cultural and racial interactions amongst students and families. We are essentially trying to incorporate more culturally relevant work for our students to better create an empathetic understanding toward other students' perspectives centered around art work.

We were able to provide a survey and get feedback from students on the event and use that data to help inform us of the steps we need to take moving forward.

### 12. Teacher Equity Goal

## Goal Statement

### Copy the SMART goal statement from your plan implemented in the 2024-25 SY.

Staff responsible for reading instruction from Lester Prairie Schools will be trained in the Science of Reading by June 30, 2027. Lester Prairie School staff responsible for reading instruction that are trained in the Science of Reading will increase from 0% in 2024 to 100% in 2027.

## **Baseline**

**Copy the baseline starting point from the Goal Statement of your plan implemented in the 2024-25 SY.**

Baseline was set at zero.

## **Year 1 (2024-25) Actual**

**Provide the result for the 2024-25 school year that directly ties back to the established goal.**

100% Stage 1 teachers were trained in Phase 1 during the 2024-25 school year.

## **On Track?**

**Check one of the following:**

On Track

**13. Do you have another Teacher Equity goal?**

No

**FORM A**

**RESOLUTION OF GOVERNING BOARD SUPPORTING  
FORM A APPLICATION TO MINNESOTA  
STATE HIGH SCHOOL LEAGUE FOUNDATION**

WHEREAS, the Minnesota State High School League Foundation was formed to provide support for Minnesota’s high school youth to participate in athletics and fine arts;

WHEREAS, the Governing Board of Lester Prairie Schools recognizes the value of student participation in extracurricular activities; and

WHEREAS, the MSHSL Foundation is offering grants and funding to assist schools in recognizing, promoting and funding extracurricular participation by high school students in athletic and fine arts programs.

THEREFORE, BE IT RESOLVED, that the Governing Board of Lester Prairie Schools supports the school’s application to the Minnesota State High School League Foundation for a FORM A grant to offset student activity fees.

10/20/25  
Date

\_\_\_\_\_  
Board Chair/Head of School

10/20/25  
Date

\_\_\_\_\_  
Board Clerk – Treasurer/ Finance Director

**FORM B**

**RESOLUTION OF SCHOOL BOARD/GOVERNING BOARD SUPPORTING  
FORM B APPLICATION TO MINNESOTA STATE HIGH SCHOOL LEAGUE FOUNDATION**

WHEREAS, the Minnesota State High School League Foundation was formed to provide support for Minnesota's high school youth to participate in athletics and fine arts;

WHEREAS, the Governing Board of Lester Prairie Schools recognizes the value of student participation in extracurricular activities; and

WHEREAS, the MSHSL Foundation is offering grants and funding to assist schools to provide seminars/training opportunities or support for specific school functions for students/faculty members/officials and others who are involved in athletic and fine arts programs.

THEREFORE, BE IT RESOLVED, that the Governing Board of Lester Prairie Schools supports the school's application to the Minnesota State High School League Foundation for a **FORM B** grant.

10/20/25

Date

\_\_\_\_\_

Board Chair/Head of School

10/20/25

Date

\_\_\_\_\_

Board Clerk - Treasurer

**A RESOLUTION submitted by an Activity Conference or Region Committee must adhere to the same form and context of the School Board Resolution above.**

## RESOLUTION FOR COMBINED POLLING PLACE

Motion made by \_\_\_\_\_ and seconded  
by \_\_\_\_\_ to the selection of the LP City Hall  
as the combined polling place for Lester Prairie School District for  
elections.

Vote: \_\_\_\_\_ for and \_\_\_\_\_ against

---

Jeff Engen  
Clerk

Date: \_\_\_\_\_

# Litzau Excavating, Inc.

17232 Zero Avenue  
 Lester Prairie, MN 55354  
 320-395-2467 Office  
 litzauexcavating@gmail.com

# Estimate

|           |              |
|-----------|--------------|
| DATE      | ESTIMATE NO. |
| 9/29/2025 | 4358         |

|  |
|--|
| NAME / ADDRESS   |
| Lester Prairie Public School<br>131 Hickory St N<br>Lester Prairie, MN 55354 |

|  |
|--|
| Web Site<br><a href="http://litzauexcavating.com">litzauexcavating.com</a> |
|--|

|         |
|---------|
| PROJECT |
|---------|

| DESCRIPTION  | TOTAL                                      |
|--|--|
| QUOTE FOR 2025--2026 SNOW SEASON   |  |
| LESTER PRAIRIE SCHOOL  |  |
| MACHINE                      YARDS                      PRICE PER HOUR <i>24-25 Prices</i>   |  |
| 480 Payloader --- 6 yd bucket & 18' snow pusher 23 yds -----   | \$190.00                      #185 (+\$5)  |
| 380K Payloader --6 yds -----   | \$160.00                      #155 (+\$5)  |
| Cat 262 Skidloader with bucket -----   | \$130.00                      #130         |
| Ford 1-ton truck with 10' plow -----   | \$110.00                      #105 (+\$5)  |
| Ford 1-ton mini truck with 10' plow -----  | \$110.00                      #105 (+\$5)  |
| TRUCKS FOR HAULING   |  |
| 2017 Mack semi-tractor with side dump ----- 36 yds -----   | \$ 145.00                      #140 (+\$5) |
| 2005 Mack quad-axle dump truck -- 22 yds -----   | \$ 130.00                      #125 (+\$5) |
| 2019 Mack quad-axle dump truck -- 22 yds -----   | \$ 130.00                      #125 (+\$5) |
| ***NOTE: We will have salt sand available for sanding when needed.<br>There is and additional charge for this.   |  |
| Winter is just around the corner!  |  |
| A finance charge of .5% per month [6% annum] will be charged on unpaid balance over 30 days.<br>Service fee for all returned NSF checks is \$30.00.<br>Payment by credit card will be charged a 3.95% service fee. | <b>TOTAL</b> \$0.00                        |

# MASTER AGREEMENT

between

Independent School District No. 424  
Lester Prairie, MN

and

Lester Prairie Education Association

Effective Dates: July 1, ~~2025 2023~~ through June 30, ~~2027 2025~~

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## **ARTICLE I**

### **PURPOSE**

This Agreement is entered into between Independent School District No. 424, Lester Prairie, Minnesota, hereinafter referred to as the School District, and the Lester Prairie Education Association, hereinafter referred to as the exclusive representative, pursuant to and in compliance with the Public Employment Labor Relations Act of 1971, as amended, hereinafter referred to as the P.E.L.R.A. to provide the terms and conditions of employment for teachers during the duration of this Agreement.

## **ARTICLE II**

### **RECOGNITION OF EXCLUSIVE REPRESENTATIVE**

**Section 1. Recognition:** In accordance with the P.E.L.R.A. the School District recognizes the Lester Prairie Education Association as the exclusive representative of teachers employed by the School District, which exclusive representative, shall have those rights and duties as prescribed by the P.E.L.R.A. and as described in this Agreement.

**Section 2. Appropriate Unit:** The exclusive representative shall represent all the teachers of this School District as defined in this Agreement and in the P.E.L.R.A..

## **ARTICLE III**

### **DEFINITIONS**

**Section 1. Terms and Conditions of Employment:** The term, "terms and conditions of employment," means the hours of employment, the compensation therefore including fringe benefits except retirement contributions or benefits other than School District payment of, or contributions to, premiums for group insurance coverage of retired teachers or severance pay, and the School District's personnel policies affecting the working conditions of the teachers. The term does not mean the education policies of the School District. "Terms and conditions of employment" is subject to the provisions of the P.E.L.R.A..

**Section 2. Teachers:**

The word "teacher" or "teachers" shall have the same meaning as Minnesota Statutes Section 179A.03, subd. 18, as amended.

**Section 3. School District:** For the purpose of administering the Agreement, the term, "School District," shall mean the School Board or its designated representative(s).

**Section 4. Employment Organization:** The term "employment organization" means any union or organization of public employees whose purpose is, in whole or in part, to deal with public employees' grievances and terms and conditions of employment.

**Section 5. Other Terms:** Terms not defined in this Agreement shall have those meanings as defined by the P.E.L.R.A..

## **ARTICLE IV**

### **SCHOOL DISTRICT RIGHTS**

**Section 1. Inherent Managerial Rights:** The exclusive representative recognizes that the School District is not required to meet and negotiate on matters of inherent managerial policy, which include, but are not limited to, such areas of discretion or policy as the functions and programs of the School District, its overall budget, utilization of technology, the organizational structure, and selection, and direction and number of personnel.

**Section 2. Effect of Laws, Rules, and Regulations:** The exclusive representative recognizes that all teachers covered by this Agreement shall perform the teaching services prescribed by the School District and non-teaching services mutually agreed to by the teachers and the School District and shall be subject to School Board Rules, directives, and orders issued by properly designated officials of the School District. The exclusive representative also recognizes the right, obligation, and duty of the School Board and its duly designated officials to promulgate rules, regulations, directives, and orders from time to time as deemed necessary by the School Board. All provisions of the Agreement are subject to the laws of the State of Minnesota, federal laws, rules of the State Board of Education, and any valid rules of state and federal governmental agencies. Any provisions of this Agreement found to be in violation of any such laws, rules, regulations, directives, or orders shall be null and void and without force and effect.

**Section 3. School Board Responsibility and Reservation of Managerial Rights:** The exclusive representative recognizes the School Board has the authority, the responsibility, and the obligation to manage and direct, on behalf of the public, all operations and activities of the School District to the extent authorized by law and in conformity with the provisions of this Agreement. Along with that authority, responsibility, and obligation, the primary obligation of the School Board is to provide education opportunities for the students of the School District. The foregoing enumeration of rights and duties shall not be deemed to exclude other inherent managerial rights and managerial functions not expressly reserved herein.

## **ARTICLE V** **TEACHER RIGHTS**

**Section 1. Right to Views:** Pursuant to PELRA, nothing contained in this Agreement shall be construed to limit, impair, or affect the right of any teacher or his/her representative to the expression or communication of a view, grievance, complaint, or opinion on any matter related to the conditions or compensation of public employment or their betterment, so long as the same is not designed to and does not interfere with the full, faithful, and proper performance of the duties of employment or circumvent the rights of the exclusive representative; nor shall it be construed to require a teacher to perform labor or services against his/her will.

**Section 2. Right to Join:** Pursuant to PELRA, teachers shall have the right to form and join labor or employee organizations and shall have the right not to form and join such organizations. Teachers in an appropriate unit shall have the right, by secret ballot, to designate an exclusive representative for the purpose of negotiating grievance procedures and the terms and conditions of employment for such teachers with the School Board of such unit.

**Section 3. Request for Dues Check-off:** The exclusive representative shall be allowed dues check-off for its members. Upon receipt by the School District of a properly executed authorization card of the teacher involved, the School District will deduct from the teacher's pay check the dues that the teacher has agreed to pay the teacher organization in 20 semi-monthly installments, beginning in September.

The exclusive representative hereby warrants and covenants that it will defend, indemnify, and save the School District harmless from any and all actions, suits, claims, damages, judgments, and executions or other forms of liability, liquidated or unliquidated, that any person may have or claim to have, now or in the future, arising out of or by reason of the deduction of their fair share fee specified by the exclusive representative as provided in this Agreement.

**Section 4. Personnel Files:** Pursuant to M.S. 122.A.40, Subd. 19., all evaluations and files relating to each individual teacher shall be available during regular School District business hours to each individual teacher upon his/her written request. The teacher shall have the right to reproduce any of the contents of his/her file-at the teacher's expense and to submit for inclusion in the file written information in response to any material contained in it. However, the School District may destroy such files as provided by law.

**Section 5. Site-Based Decision-Making:** In the event that School District implements site-based decision-making, the exclusive representative reserves the right to mutually agree on terms and conditions of the "Site-Based Decision-Making Committee".

**Section 6. Staff Development Advisory Committee:**

**Subd. 1.** The exclusive representative recognizes that the School District must establish a “Staff Development Advisory Committee”.

**Subd. 2.** The exclusive representative further recognizes that the committee must be comprised of teachers, administrators, and parents. A majority of the advisory committee must be teachers.

**Subd. 3.** The exclusive representative reserves the right to determine which members of the teaching staff will be on the Staff Development Advisory Committee.

**Subd. 4.** Prior to October 1st of each school year, the committee must be in place.

## **ARTICLE VI** **BASIC SCHEDULES AND RATES OF PAY**

### **Section 1. Basic Compensation:**

**Subd. 1. ~~2023-2024~~ ~~2025-2026~~ Rates of Pay:** The wages and salaries reflected in Schedule A, attached hereto shall be effective only for the ~~2023-2024~~ ~~2025-2026~~ school year.

**Subd. 2. ~~2024-2025~~ ~~2026-2027~~ Rates of Pay:** The wages and salaries reflected in Schedule B, attached hereto shall be effective only for the ~~2024-2025~~ ~~2026-2027~~ school year.

**Section 2. Status of Salary Schedules and Withholding of Salary Increases:** The salary schedule shall not be construed as a part of a teacher's continuing contract. In the event a successor Agreement is not entered into prior to the expiration of this Agreement, a teacher shall be compensated according to the current rate until a successor Agreement is fully ratified. Once the successor Agreement is fully ratified, teachers will receive retro pay back to the beginning date of the fully ratified contract. A teacher's advancement is subject to the right of the School District to withhold increments, lane changes, or other salary increases for good and sufficient grounds. An action withholding a salary increase shall be subject to the grievance procedure. The School Board shall give written notice and the reason for such action by March 1<sup>st</sup>.

**Section 3. Placement on Salary Schedule:** The following rules shall be applicable in determining placement of a teacher on the appropriate salary schedules.

**Subd. 1. Credits:** Credits to be considered for application on any lane of the salary schedule must be germane to the teaching assignment as determined by the School District. Professional and vocational credits may be considered germane by the School District if required for vocational license.

**Subd. 2. Grades:** To apply on the salary schedule, all credits beyond the bachelor's degree must be graduate credits or credits in an approved five-year program or master's program and carry a grade of “B” or higher. **Graduate credits must be earned**

from an institution recognized for the purposes of teacher certification. Credits must be taken from an accredited/approved college or university that grants teacher licensure. College credits not accepted by the granting institution for their own graduate programs do not qualify for lane changes. Undergraduate credits to complete a major in an assigned area may be approved in advance by the Superintendent if the courses are not available on the graduate level. A teacher who completes approved credits for a lane change will be allowed to move to the appropriately earned lane according to Section 3, Subd. 4 of this article. Teachers may take video or internet courses for graduate credit as long as the courses pertain to the teacher's degree areas.

**Subd. 3. Prior Written Approval:** All credits, to be considered for application on the salary schedule, must be approved by the Superintendent in writing prior to the taking of the course, and tuition will not be paid for by the School District.

**Subd. 4. Effective Date:** Individual teaching contracts will be modified to reflect qualified lane changes a maximum of 2 times per school year. The following steps should be followed in the lane change process:

1. After accumulating the necessary number of credits, the teacher must apply for a lane change by completing the lane change application form. Official college transcripts of the qualifying credits must be submitted to the Superintendent's office.
2. The lane change application will be included in the agenda for the next regular scheduled School Board meeting.
3. The school board may then approve the application for lane change.
4. The first pay increase will take effect at the beginning of the following month and will be reflected on the paycheck received on the 15<sup>th</sup> of the month.

(Note: Preapproval for credits is described in Subd. 2 of this article)

**Subd. 5. Germane:** A teacher shall be paid on the master's degree lane or higher lane only if the degree program is germane to the teaching assignment as approved by the School District and the degree program is approved in writing by the Superintendent in advance.

**Subd. 6. Application:** The rules relating to the application of credits on the salary schedule shall not deprive any teacher of any salary schedule placement already recognized and actually being paid for the duration of this Agreement.

**Subd. 7. Step Advancement:** A teacher must be employed a minimum of 95 duty days in a school year to qualify for a salary step advancement.

**Subd. 8.** A teacher who has had experience in other school systems or in other fields of endeavour will be placed on the salary schedule as agreed between the School District and the teacher.

**Subd. 9.** Teachers who have exceeded Step 35 in Schedule A & B will be paid \$500 more than Step 35 in their respective lane.

**Section 4. Pay Deductions:** Whenever pay deductions are made for a teacher's absence, the annual salary divided by the number of teacher duty days shall be deducted for each day's absence. The number of days used for this purpose for ~~2023-2025~~ 2025-2027 will be 181.

## **ARTICLE VII** **EXTRA COMPENSATION**

The wages and salaries reflected in Schedule C, attached hereto shall be effective only for the ~~2023-2025~~ 2025-2027 school years.

## **ARTICLE VIII** **GROUP INSURANCE**

### **Section 1. Health and Hospitalization , Income Protection, and Dental:**

**Subd. 1.** The selection of the insurance carrier and policy shall be made by the School District. Effective July 1, 2019 the School District will contract for at a minimum two insurance plans. One non-qualified Health Savings Account (H.S.A.) plan and one H.S.A. qualifying high deductible plan. The School District will notify, in writing, the President of the exclusive representative when the School District requests formal quotes on health insurance, income protection, and dental insurance. When possible, the School District will notify the exclusive representative 30 days prior to changing carriers.

**Subd. 2. Single insurance coverage:** the School District shall contribute ~~\$732.50 per month for 2023-24 and~~ \$757.50 per month for ~~2024-25~~ 2025-2027 toward the premium cost for full-time teachers employed by the School District who qualify for and are enrolled in the School District's group health and hospitalization plan. The School District's contribution will first be applied to the insurance premium. The remaining amount, if any, shall be paid by the School District into a Health Savings Account (H.S.A.) or VEBA. Any additional cost of the premium shall be borne by the teacher and paid by payroll deduction.

**Subd.3. Family insurance coverage:** the School District shall contribute ~~\$732.50 plus \$500 per month for 2023-24 and~~ \$757.50 plus \$500 per month for ~~2024-25~~ 2025-2027 toward the premium cost for family coverage for full-time teachers employed by the School District who qualify for and are enrolled in the School District's group health and hospitalization plan and who qualify for family coverage. Any additional cost of the premium shall be borne by the teacher and paid by payroll deduction.

**Subd. 4. Part-time Teachers:** Part-time teachers shall be eligible for coverage under the School District's group health and hospitalization plan. The part-time teacher

must qualify for and be enrolled in the School District's group health and hospitalization plan to receive any insurance contribution from the School District. The School District's contribution for the teacher will be pro-rated according to the number of hours of employment. The teacher shall not receive any cash for insurance. A certified part-time teacher, to be eligible, must work a minimum of 20 hours per week.

**Subd. 5. Duration of Insurance Contribution:** A teacher is eligible for School District contribution as provided in this article as long as the teacher is employed by the School District and is enrolled in the School District's group health and hospitalization plan. The School District's contribution shall commence on the first pay period in September. Upon termination of employment, all School District contributions shall cease, except that a teacher who has completed the full school year shall be eligible for 12 months of contribution through August 31.

**Subd. 6. Claims Against the School District:** The School District's obligation is to purchase an insurance policy and pay such amounts as agreed to in this Agreement and no claim shall be made against the School District as a result of denial of insurance benefits by an insurance carrier.

**Subd. 7. Income Protection:** The School District shall contribute the full premium for income protection insurance for full-time teachers employed by the School District and who qualify for the plan. The plan shall be selected by the School District. Part-time teachers shall be eligible for coverage if they work a minimum of 20 hours per week. The School District's premium contribution will be pro-rated according to the number of hours of employment. The teacher shall not receive any cash for insurance.

## **Section 2. Group Life and Accidental Death and Dismemberment Insurance:**

**Subd. 1** The selection of the insurance carrier and the policy shall be made by the School District.

**Subd. 2** The School District shall pay the full premium for full-time teachers employed by the School District who qualify for the group life insurance. For ~~2023-2025~~ **2025-2027**, \$50,000 of term life insurance and \$20,000 accidental death and dismemberment insurance will be available without cost to the teacher.

**Subd. 3.** Part-time teachers who teach a minimum of 20 hours per week shall be eligible for coverage under the School District's life insurance plan. The part-time teacher must be enrolled in the School District's life insurance plan to receive any premium contribution.

## **Section 3. Dental Insurance:**

The School District shall pay 100% of the premium for individual dental coverage for all teachers employed by the School District who are enrolled in the dental insurance plan.

# ARTICLE IX

## LEAVES

### Section 1. Sick Leave:

**Subd. 1.** All full-time teachers shall be credited with 48 hours of sick leave at the beginning of each school year Full-time teachers shall accrue additional sick leave at a rate of 8 hours per month as it is earned on a proportionate basis to the teacher's work year for a total of 72 more hours. Part time teachers shall be credited and earn a proportionate amount of sick leave based on their assignment.

### **Subd. 2. Earned Sick and Safe Time Required by Law**

The District's provision of sick leave ~~A portion of the sick and safe time provided to teachers~~ pursuant to this Section ~~will be designated by the District as should be considered~~ earned sick and safe time ("ESST") required by Minnesota Statutes sections 181.9445 through 181.9448.

- ~~A. The initial 48 hours of sick leave, or prorated portion thereof, credited to teachers at the beginning of each school year are not ESST.~~
- ~~B. The first 48 hours of sick leave a teacher earns on a monthly basis are ESST-designated hours, unless the teacher has 80 ESST-designated hours available. A teacher who has 80 ESST-designated hours available will continue to earn sick leave hours consistent with this section.~~
- ~~C. The year the District uses to measure ESST compliance will run from July 1 to June 30.~~

### **Subd. 3.**

- ~~A. A teacher may use sick leave for an absence due to illness or medical condition which prevented his/her attendance at school and performance of duties on that day or days. Personal illness, disability, emergency medical and dental procedures, health care examinations, dental examinations, and time needed to travel to and from medical examinations are allowable uses of sick leave. A teacher may also use accrued sick leave for absences due to an illness of a member of his/her immediate family for such reasonable periods as the teacher's attendance with the family member may be necessary, on the same terms the teacher is able to use such days for his/her own illness. Immediate family members includes the employee's child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, stepparent, or other individual living with the employee.~~
- ~~B. ESST-designated hours may be used for any ESST-qualifying reason outlined in Minnesota sStatutes section 181.9447.~~

### **Subd. 4.**

A. Returning teachers may carry forward no more than ~~880~~ 960 accrued sick leave hours from one school year to the next. Hours in excess of ~~880~~ 960 will be forfeited without pay.

~~B. Returning teachers may carry forward no more than 80 ESST designated hours from one school year to the next.~~

**Subd. 5.** Teachers that have accrued 100 to 119 unused sick leave days or 120 unused sick leave days from previous years of service in the School District shall receive “wellness pay” at the end of the current school year. This pay will be based on the number of unused sick leave days remaining from the 15 days earned that school year and the wellness pay category from which a teacher is paid is based on how many accrued sick leave days they had at the start of the school year. Note: Teachers in the 100 to 119 category do not lose any of their unused sick leave days due to receiving this “wellness pay”. This is not an exchange of “days” for “pay”.

Examples:

1. Teacher A started the school year with 105 unused sick leave days He used 7 days during the school year. Teacher A would be paid for  $15-7=8$  unused sick leave days in the 100 to 119 category. (\$120). Teacher A would then start the following year with  $105+8=113$  unused sick leave days.
2. Teacher B started the school year with 112 unused sick leave days. She used 2 days during the school year. Teacher B would be paid for  $15-2=13$  unused sick leave days in the 100 to 119 category. (\$390). Teacher B would then start the following year with  $112+13=125$  maximum unused sick leave days.
3. Teacher C started the school year with 100 unused sick leave days. He used 17 days during the school year. Teacher C would be paid \$0 since he used more than 11 unused sick leave days. Teacher C would then start the following year with  $100-2=98$  unused sick leave days.

| <u># of Unused Days</u> | Accrued 120*  | Accrued 100-119** |
|-------------------------|---------------|-------------------|
|                         | <u>Amount</u> | <u>Amount</u>     |
| 15                      | \$900         | 450               |
| 14                      | 840           | 420               |
| 13                      | 780           | 390               |
| 12                      | 720           | 360               |
| 11                      | 440           | 165               |
| 10                      | 400           | 150               |
| 9                       | 360           | 135               |
| 8                       | 320           | 120               |
| 7                       | 280           | 105               |
| 6                       | 240           | 90                |
| 5                       | 200           | 75                |
| 4                       | 160           | 60                |
| 3                       | 0             | 0                 |
| 2                       | 0             | 0                 |
| 1                       | 0             | 0                 |

\*12-15 days for \$60/day, 4-11 days for \$40/day, 0-3 days for \$0

\*\*12-15 days for \$30/day, 4-11 days for \$15/day, 0-3 days for \$0

In order to receive wellness pay, a teacher must submit a claim form to the School District's business office by June 15 of each school year.

~~**Subd. 6.** The School District may require a teacher to provide documentation from a licensed medical provider as evidence of illness or disability, indicating such absence was due to a qualifying reason in order to receive sick leave pay. However, in the event that a medical certificate will be required, the teacher will be so advised within five days of the first sick leave use. Notification will be attempted during the school day.~~

If a teacher uses leave for an ESST-designated leave qualifying reason for more than ~~two~~ ~~three~~ consecutive days, the District may require reasonable documentation in the manner identified in Minnesota Statutes Section 181.9447, subd. 3.

**Subd. 7.** Sick leave granted shall be deducted from the accrued sick leave days that have been earned by the teacher.

**Subd. 8.** Sick leave shall be approved only upon submission of a signed request on the authorized sick leave pay request available at the School District's business office.

**Subd. 9. Paid Family/Medical Leave.** Effective January 1, 2026, the state of Minnesota will offer partially paid leave to employees requiring time off due to a qualifying personal or family reason. If an employee is eligible for payment of less than their full salary, the employee may use accrued sick or personal leave to make-up for any loss in salary. In no event will the combined total income paid from all sources exceed 100% of the employee's salary.

To the extent permitted by law, leave under applicable state and federal laws shall be used concurrently with all leave available under all other applicable laws.

~~**Disability Leave.** A teacher whose qualifying absence requires an extended time off work will be on "disability leave." Disability leave will run concurrently with any applicable federal or state laws covering such absences, such as the Family and Medical Leave Act ("FMLA").~~

~~A. While on disability leave, a teacher must use sick leave or ESST-designated leave until the teacher has exhausted available leave. When a teacher has exhausted sick leave and ESST-designated leave, the teacher shall have 1/181 of his/her salary for each full day of absence, or pro-rated portion for less than a full day absence, deducted from a subsequent paycheck. If a~~

~~teacher has used more disability leave days than earned when employment ceases, for any reason, the School District shall recover the cost of such loss.~~

~~B. A teacher returning from disability leave shall be reinstated to his/her former position provided that position still exists. If that position no longer exists, the teacher shall be assigned a position for which he/she is licensed. While on leave, the teacher shall retain privileges and other benefits that were accrued under the provisions of this Agreement at the commencement of the leave. A teacher shall continue to accrue seniority while on a disability leave.~~

~~C. In the event the qualifying reason necessitates absence beyond 60 working days, income protection insurance will ensue in accordance with the existing policy.~~

~~**Subd. 10.** Disability leave with pay shall be granted for the period of time during which the teacher is certified by her physician to be physically disabled by pregnancy from performing the duties of her position (including pre-labor, labor, delivery, and necessary recovery time.) Pregnancy Related Disability shall be treated in the same manner as other disabilities.~~

~~A teacher who is pregnant shall notify her principal in writing at least 1 month in advance of her intent to utilize disability leave to cover any period of disability. She will also, at such time, provide a physician's statement indicating the estimated date upon which disability will begin. This date is subject to change.~~

~~After delivery of the child, the teacher shall submit to her principal a physician's statement indicating the estimated date when disability may cease (subject to change at the physician's discretion).~~

**Subd. 110. Sick Leave Bank**

A voluntary **Sick** Leave Bank has been established to assist a teacher who has exhausted all accumulated disability, personal, and other possible leaves.

**Donation:** Teachers may voluntarily donate up to 5 days of accumulated disability leave to the **Sick** Leave Bank each school year by completing a district Leave Donation form by October 1<sup>st</sup> and submitting it to the Business Official. The donated days will only be added to the bank. If the bank falls below 5 (five) days at any time during the school year, the School District shall complete another round of donations for the bank. Any donated days not used will remain in the bank and will carry over from one year to the next.

**Use:** Participating members who exhaust all of their personally accumulated leave days will be allowed to apply for use of the **Sick** Leave Bank days. The **Sick** Leave Bank is intended for a teacher to use in the event of a serious accident or serious illness involving self, spouse, or child. Written application (letter or email) to use the **Sick** Leave Bank must be submitted to the Superintendent along with a qualified medical physician's verification.

**SLB Committee:** A committee made up of two LPEA representatives, Business Official, and Superintendent will review applications as needed for use of the **Sick Leave Bank**. Any donated days not used will remain in the bank and will carry over from one year to the next. This committee will also meet by October 15<sup>th</sup> and on the last contract day of the year to review the status of the **Sick Leave Bank**. The **Sick Leave Bank** cannot have a negative balance.

**Criteria:** To qualify for use of SLB days, a teacher must meet all of the following conditions and criteria:

1. All accumulated disability, personal, or other possible leaves have been exhausted.
2. The illness or injury is not covered by Workers' Compensation and/or such compensation benefit has been exhausted.
3. The teacher must be physically incapable of performing his/her duties due to a serious accident or serious illness involving themselves, spouse, or child and verified in writing by a qualified medical physician.
4. The teacher must be known or expected to miss at least 5 consecutive days.
5. The teacher is not collecting long-term disability insurance (LTD).
6. The request for the number of days is approved by the Sick Leave Bank Committee.
7. The SLB days will not be used in conjunction with any other leave provided for in other sections of this Agreement.

**Section 2. Workers' Compensation:** Pursuant to M.S. Chapter 176, a teacher injured on the job in the service of the School District and collecting worker's compensation insurance may draw disability leave and receive full salary from the School District; the salary to be reduced by an amount equal to the insurance payments, and only that fraction of the days not covered by insurance will be deducted from accrued disability leave.

**Section 3. Personal Leave:** A full-time teacher may be granted 3 days of personal leave with pay per school year. Unused personal leave days may be carried into the next school year to accumulate to a maximum of 5 days. Additional personal leave may be granted by the Superintendent, in the event of an emergency, the days used to be deducted from disability leave, for situations that arise requiring the teacher's personal attention which cannot be attended to when school is not in session and which are not covered under other provisions of this Agreement. A teacher shall be entitled to a ~~\$90~~ \$100 payment for up to one (1) unused personal day per year.

Requests for personal leave must be made in the School District's absence management system, at least 3 days in advance, except in the event of emergencies. Upon receipt, the building principal will forward the request to the Superintendent for approval. The Superintendent may refuse to grant any leave in those cases which he/she determines may be detrimental to the teaching process and/or the School District. If the timing for the requested days is before or after a holiday break, a maximum of 2 teachers may be

granted leave at 1 time. If the request is denied, the Superintendent will inform the teacher in writing as to why it was not approved. The Superintendent reserves the right to refuse to grant such leave if, under the circumstances involved, such leave should not be granted.

Teachers requesting time off for personal leave for school days following May 1, must provide their request in the absence management system prior to May 1. In cases where a personal leave is needed following May 1, a request and discussion with administration is required to determine whether the leave will be approved.

**Section 4. Professional Leave:** Two days of professional leave may be granted at the Superintendent's discretion for the purpose of attending professional meetings, educational conferences, civic duties, in-service training, or any school-related activity.

**Section 5. Bereavement Leave:** Teachers may use sick leave to attend a funeral or similar service consistent with Minnesota Statutes Section 181.9447, subd. 1(1)(iv). Up to 5 days of "bereavement leave" per occurrence shall be granted with pay due to the death of the teacher's immediate family, which includes the following: spouse, children, parents, grandparents, brother, sister, father-in-law, mother-in-law, brother-in-law, sister-in-law, or grandchildren. This leave will not be deducted from disability sick leave. Bereavement leave for any other individual with whom a close relationship existed may be granted upon approval of the Superintendent and will be deducted from disability sick leave. In the event that the bereavement does not fall in the granted bereavement categories, available personal day(s) shall be approved for bereavement use, or the individual can use unpaid day(s) if no personal days remain. All bereavement leave must be forwarded to the administration for approval.

**Section 6. Unpaid Leave:** Up to 3 days of unpaid leave may be granted for situations that arise which are not covered by other language in this Agreement. Requests for unpaid leave must be made in writing through the building principal at least 1 month in advance. Upon receipt of the request, the principal will forward the request to the Superintendent for approval/denial. If the request is denied, the Superintendent will notify the teacher in writing within 1 week as to the reasons for the denial. The Superintendent reserves the right to refuse to grant unpaid leave if, in his/her determination, the circumstances involving the leave are not in the best interests of the School District.

**Section 7. Child Care Leave:**

~~Subd. 1. A child care leave shall be made available by the School Board, subject to the provisions of this section, to 1 parent of an infant child subsequent to the birth of the teacher's child, or in the case of adoption, subsequent to the date that the child is physically turned over to the teacher parent. Leave shall be granted provided such parent is caring for the child on a full-time basis.~~

~~Subd. 2. A teacher making application for child care leave shall inform his/her principal in writing of the intention to take the leave at least 4 calendar weeks before the~~

commencement of the intended leave. In the event of an emergency or other unforeseen circumstance, the notice period of four weeks may be waived upon written (letter or email) mutual agreement between the teacher and the Superintendent.

~~**Subd. 3.** The commencement date of a child care leave shall be:~~

- ~~• the day after a pregnancy-related disability leave ends;~~
- ~~• in the case of an adoption, the date when the child is physically turned over to the teacher parent; or~~
- ~~• if the prior two scenarios are not applicable, such other date mutually agreed upon between the teacher and their building administrator~~

~~A teacher shall not be eligible for disability leave during a period of time covered by a childcare leave.~~

~~**Subd. 4.** The School District may adjust the proposed ending date of a childcare leave to coincide with some natural break in the school year (i.e., winter vacation, spring vacation, semester or quarter break, end of grading period, end of school year, or the like). The teacher's request in regard to the ending of the leave will be considered. The availability of a substitute teacher may also be considered by the School Board in deciding the duration of the childcare leave.~~

**Subd. 51.** In making a determination concerning the commencement and duration of a childcare leave, the School Board shall not, in any event, be required to:

- 1) grant any leave more than 12 months in duration;
- 2) permit the teacher to return to his or her employment prior to the date designated in the request for childcare leave.

~~**Subd. 6.** A teacher returning from childcare leave shall be reinstated in a position for which he/she is licensed unless previously discharged or placed on unrequested leave of absence.~~

~~**Subd. 7.** Failure of the teacher to return on the date determined under this section shall constitute grounds for termination unless the School Board and the teacher mutually agree in writing by letter or email to an extension of the leave.~~

~~**Subd. 8.** The parties agree that the applicable periods of probation for teachers as set forth in Minnesota Statutes are intended to be periods of actual service enabling the School District to have opportunity to evaluate a teacher's performance. The parties agree, therefore, that periods of time for which the teacher is on childcare leave shall not be counted in determining the completion of the probationary period.~~

~~**Subd. 9.** A teacher who returns from child care leave within the provisions of this section shall retain all previous experience credit for pay purposes and any unused leave time accumulated under the provisions of this Agreement at the commencement of the beginning of the leave. The teacher shall not accrue additional experience credit for~~

~~pay purposes or leave time during the period of absence for child care leave unless he/she actually taught at least 95 days during that school year.~~

~~———— **Subd. 10.** A teacher on child care leave is eligible to participate in group insurance programs if permitted under the insurance policy provisions, but shall pay the entire premium for such programs as the teacher wishes to retain, commencing with the beginning of the childcare leave. The right to continue participation in such group insurance programs, however, will terminate if the teacher does not return to the School District pursuant to this section.~~

~~———— **Subd. 11.** Leave under this section shall be without pay or fringe benefits, except as provided by law or stated in this section.~~

~~———— **Subd. 12.** Requests for child care leave to allow the teacher time off to care for the teacher's child(ren), but for a reason other than birth or adoption of the teacher's child, may be considered by the District on a case-by-case basis and administered consistent with this Section.~~

**Section 8. Sabbatical Leave:** Upon written application, a teacher who has been employed by the School District for at least 5 continuous years may be granted sabbatical leave for one 1 year for the purpose of professional growth. In any single year, no more than 1 teacher may be granted sabbatical leave. During said sabbatical leave, the teacher shall be considered to be in the employ of the School District and receive the fringe benefits in this Agreement. The premium contributions which had been provided by the School District will be paid by the School District. No salary will be paid during the leave nor will disability leave days be provided during the absence. A teacher, upon returning from a sabbatical leave, shall be restored to his/her former position or to a position of like nature and status, unless previously discharged or placed on unrequested leave of absence and shall be placed at the same position on the salary schedule as he/she would have been had he/she taught in the School District during such period. The teacher shall maintain insurance benefits, accumulated disability leave, and all other accrued benefits provided in this Agreement. All sabbatical leave requests shall be subject to approval by the School Board. The recipient shall be required to teach in the School District for a minimum of 1 year following said leave. If not, all School District premium contributions shall be reimbursed to the School District.

**Section 9. Leave of Absence:**

**Subd. 1.** A leave of absence of 1 year may be granted to any teacher upon written application for the purpose of participation in exchange teaching programs in other school districts, states, territories, or countries. Extensions to a leave of absence may be allowed under the provisions of Subd. 2.,5) of this section. A teacher upon returning from such leave, shall be restored to his/her former position or to a position of like nature and status unless previously discharged or placed on unrequested leave of absence, and shall be placed at the same position on the salary schedule as he/she would have been had he/she taught in the School District during such period. The teacher shall maintain

continuing contract rights, insurance benefits, accumulated disability leave, and all other accrued benefits provided in this Agreement.

**Subd. 2.** In any 1 year, up to no more than 1 teacher may be exchanged for teachers from other school districts in the United States and foreign countries. Agreements for an exchange of teachers may be entered into between the governing bodies of the school districts concerned and should include, among other appropriate provisions and requirements, provisions for the following:

1) a written acceptance of the reciprocal agreement on the part of the teacher entering into the exchange;

2) a certificate of good mental and physical health on the part of both teachers;

3) an exchange of credentials and recommendations between the officials of the school districts involved;

4) a statement that the school board will continue its exchange teacher under regular salary status and assume no responsibility for the salary or disability leave of the visiting teacher, except as indicated in 7);

5) a statement that all exchange arrangements will be for a period of 1 year with the possibility of extension for a second year if agreed upon by the school boards and the participating teachers;

6) a statement that all rights and privileges of the School District's teacher will continue in effect during the exchange period, except as indicated in 7);

7) an interchange of teachers under the "International Education Exchange Program", whereby the School Board accepts and assigns a teacher from abroad in exchange for a School District teacher with the teacher from abroad to be placed on the salary schedule of the School District based on an evaluation of qualification and experience; the School District's teacher will be granted a leave of absence with increments and full fringe benefits and receive a maintenance allowance under "Public Law 548, 79th Congress, the Fulbright Act," payable in the currency of the host country.

**Subd. 3.** A leave of absence of 2 years may be granted to a teacher upon written application, for the purpose of engaging in study at an accredited college or university reasonably related to his/her professional responsibilities/teaching assignment or to participate in the Peace Corps or Job Corps as a full-time participant in such programs. A teacher upon returning from such leave, shall be restored to his/her former positions or to a position of like nature and status unless previously discharged or placed on unrequested leave of absence, and shall be placed at the same position on the salary schedule as he/she would have been had he/she taught in the School District during such period. The teacher shall maintain the same insurance benefits, accumulated disability leave, and all other

accrued benefits provided in this Agreement. A teacher requesting leave of absence will be expected to return to the School District for a minimum of 1 year.

**Section 140. Exclusive Representative Leave:** The School district will afford four (4) days of exclusive representative leave per school year, without loss of pay, to elected officers or appointed representatives of the exclusive representative for the purpose of conducting duties of the exclusive representative.

For mediation and arbitration, up to 3 teachers, designated by the exclusive representative, shall be allowed up to 3 days each to attend said sessions without loss of pay and the School District will pay the substitutes. These days will not be deducted from the exclusive representative leave. If more than 9 days are needed, the exclusive representative will pay the substitutes.

**Section 101. Extended Leaves of Absence:** The School Board will consider requests for extended leaves of absence for any reason not specified in this Agreement on a case-by-case basis.

**Section 142. Jury Duty Leave:** If a teacher is summoned for jury duty during the school year, he/she will inform the Superintendent in writing immediately. During jury duty service, the teacher will receive full salary from the School District, reduced by the amount equal to jury duty service payment. No reduction of the teacher's salary will be made if the teacher's jury duty payment is endorsed over to the School District.

## **ARTICLE X** **SEVERANCE PAY**

**Section 1. Eligibility:** Full-time teachers who have completed at least 20 years of continuous teaching service in the School District shall be eligible for severance pay pursuant to the provisions of this article upon submission of a written resignation accepted by the School Board.

**Subd.1.** This article shall apply only to teachers whose service had been full-time, as defined by this Agreement.

**Subd. 2.** Eligible teachers, upon retirement, shall receive as severance pay an amount representing 5 days of pay for each full year of full-time service but not to exceed a total of 40 days' pay.

**Subd. 3.** In addition to the severance pay provided in Subd.2. above, a teacher shall be eligible to receive as severance pay upon his/her retirement the amount obtained by multiplying 25% of his/her number of unused disability leave days, but not to exceed 20 days, times his/her daily rate of pay.

**Subd. 4.** In applying these provisions, a teacher's daily rate of pay shall be the basic daily rate at the time of retirement, as provided in the basic salary schedule for the basic school year, and shall not include any additional compensation for extra-curricular activities, extended employment, or other extra compensation.

**Subd. 5.** Severance pay shall be paid by the School District in equal annual installments over a time period not to exceed 2 years from the effective date of the teacher's retirement and shall not be granted to any teacher who is discharged by the School District. One-half of severance will be paid within 30 days of the last official School District paycheck.

**Section 2: Matched Plan:** The School District will continue its matched 403(b) tax-sheltered annuity plan as allowed under Minnesota Statute. All teachers employed by School District at the commencement of the 1999-2000 school year are eligible to participate in the matched plan.

**Subd. 1.** All teachers employed by the School District after July 1, 1998, do not qualify and shall not be eligible for severance pay under Section 1. above due to severance plan phase out. Such teachers shall only be eligible to participate in the School District's 403(b) tax-sheltered annuity plan and the School District shall make matching contributions to such plan in the maximum amount set forth in Subd. 2. below.

Any teacher eligible for severance pay under Section 1. above will continue to be eligible to receive severance pay as set forth therein. Such teachers may also participate in the School District's matched 403(b) tax-sheltered annuity plan. The School District's matching contribution to such plan shall be in the amount as set forth in Subd. 2. below. Upon the teacher's retirement, the total amount of the School District's matching contribution to the teacher's annuity account shall be deducted from any severance pay obligation/entitlement under Section 1. above. If 403(b) contributions exceed the severance pay amount the teacher shall not be entitled to receive any severance pay pursuant to Section 1. above.

**Subd. 2.** Teachers must elect in writing to participate in the School District's matched 403(b) tax-sheltered annuity plan pursuant to the plan requirements at the beginning of the plan year (September). The School District's matching contribution to teachers participating in the plan shall be as follows:

| <u>Yrs. in School District</u> | <u>Annual Maximum<br/>Matching Contribution</u> |
|--------------------------------|---|
| 0-4                            | \$1,000   |
| 5-9                            | \$1400  |
| 10-14                          | \$1600  |
| 15+                            | \$2100  |

All contributions by the School District that exceed \$20,000 will be deducted from the teacher's HSA by that said amount, divided equally over the course of 8 years. Any teacher hired after July 1, 2012 will not be eligible for the HSA.

**Subd. 3.** The School District will make matching contributions only to annuity plans offered by vendors approved by the State Board of Investment. The exclusive representative shall designate 6 of the vendors approved by the State Board of Investment to which matching contributions will be made. The vendors are Ameriprise, Horace Mann, Valic, Thrivent, Education MN ESI and American Funds.

**Subd. 4.** Eligible teachers must make application for participation in the plan as agreed between the School District and the exclusive representative by September 30 of his/her first year. Once an eligible teacher elects to participate in the plan, said election is irrevocable for that school year and will continue each subsequent year unless modified in writing by the teacher by September 30 for that school year. During a negotiating year this date may be pushed back.

**Subd. 5.** If a participating teacher dies before retirement, the teacher's matched 403(b) tax-sheltered annuity plan shall be given to his/her designated beneficiary, if any, otherwise to his/her estate.

**Subd. 6.** The School District's 403(b) tax-sheltered annuity plan and/or its successors is subject to the laws of the State of Minnesota and the Internal Revenue Code, 26 U.S.C. 403(b).

**Section 3. Retiree Health Account:** Starting September 1, 1999, a teacher who qualifies for the "Rule of 90" or has taught in the School District for at least 27 years **and hired prior to July 1, 2012** and then retires from the School District shall have the School District make one of the following contributions:

- a) \$3500 (per year for a minimum/maximum of 8 years) for those retirees who had single health insurance coverage through the School District for their last full year (July 1 to June 30) of employment

or

- b) \$7500 (per year for a minimum/maximum of 8 years) for those retirees who qualified for or had family health insurance coverage through the School District for their last full year (July 1 to June 30) of employment

Note: The teacher will receive the greater amount for which they qualify.

All payments will be made to the retirees' VEBA on July 15<sup>th</sup> of each calendar year.

(note the correlation between Section 2, Subd. 2 and Section 3 of this article)

**ARTICLE XI**  
**UNREQUESTED LEAVE OF ABSENCE (ULA) AND**  
**SENIORITY AGREEMENT**

**Section 1. Purpose:** The purpose of this article is to implement the provisions of M.S. 122A.40, Subd. 10., when adopted, shall constitute the required plan for ULA because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidations of school districts. ULA refers to teachers with continuing contract rights. A tier 3 teacher may have continuing contract rights.

**Section 2. Definitions:** For purpose of this article, the terms defined shall have the meanings respectively ascribed to them.

**Subd. 1:** "Teacher" shall mean those members of the unit as defined by PELRA and this Agreement, except the provisions of this article shall not be applicable to any other bargaining unit member who is not a teacher as defined by M.S. 122A.40, Subd.1.

**Subd. 2:** "Qualified" shall mean a teacher who, in addition to the state license, has a bachelor's or master's degree with a major in the subject matter of field taught, and has successfully had teaching experience of such matter within the past 5 years in the School District.

**Subd. 3:** "Subject matter or field" shall mean teachers in the following categories:

**Elementary Categories:** 1) teaching, grades kindergarten-6 (including instructional consultants); 2) art; 3) counselor; 4) media generalist; 5) physical education.

**Secondary Categories:** 1) art; 2) business education; 3) counselor; 4) foreign languages; 5) personal family life sciences; 6) technology education; 7) English language arts; 8) media generalists; 9) mathematics; 10) physical education; 11) science; 12) social studies; 13) health education.

**K-12 Categories:** 1) special education; 2) instrumental music; 3) nurse; 4) school psychologists; 5) social worker 6) speech therapist (clinician); 7) vocal music.

For seniority purposes, School District-wide coordinators and consultants will be considered as part of the subject matter area most closely related to the teacher's current assignment.

**Subd. 4:** "Seniority" means continuing contract qualified Tier 3 licensed and Tier 4 licensed teachers commencing with the first day of the continuous service in the School District and shall exclude probationary teachers, part-time teachers who spend less than

50% of a school year in employment, and those who are acting incumbents for teachers on authorized military or other similar leave of absences.

In determining the length of seniority, a teacher whose employment has been legally terminated by resignation or termination pursuant to M.S. 122A.40, but whose employment was subsequently reinstated by action of the School Board and the teacher, without interruption of regular service, shall retain his/her original seniority date.

**Subd. 5:** "School Board" means the local governing board of the School District.

### **Section 3. ULA:**

**Subd. 1.** The School Board may place on ULA for a period not exceeding 3 calendar years from the time such leave is commenced, without pay or fringe benefits, such teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes. Such leave shall be effective no later than the close of the school year or at such earlier time as mutually agreed in writing (letter or email) between the teacher and the School Board.

**Subd. 2.** Teachers placed on such leave shall receive notice by April 15th of the school year prior to the commencement of such leave with reason therefore, without necessity for any hearing applicable to termination, except that a hearing may be provided to show any violation of this language.

**Subd. 3.** Teachers shall be placed on ULA in inverse order of seniority in the field and subject matter employed. No teacher shall be placed on ULA if any other qualified teacher with less seniority is employed in the same field and subject matter.

In addition, due to the new tiered licensing which took effect on July 1, 2018, a teacher who has acquired continuing contract rights must not be placed on unrequested leave of absence (ULA) while Tier 1-licensed, Tier 2- licensed, or probationary teachers are retained in positions for which the teacher who has acquired continuing contract rights is licensed. Tier 3 licensed and Tier 4 licensed continuing contract teachers shall be placed on ULA in inverse order of seniority, as calculated by initial date of service as a licensed teacher in the School District.

**Subd. 4.** This section shall not apply if its application will result in any violation of the School District's non-discrimination obligations which shall include ethnicity, race, color, or sex; and the School District may retain teachers with less seniority if the School District is directed to do so by law or regulatory authority.

**Subd. 5.** In the event of a reduction in the number of teachers, action affecting teachers who have equal seniority, the selection of the teacher for purposes of reduction shall be selected based on the following criteria: 1. Service Date (first contracted date in School District) 2. Hire Date (date individual teaching contract signed by teacher) 3. Credits beyond BA/BS 4. Discretion of the School District based upon criteria including training, experience, and performance.

**Subd. 6.** Any teacher placed on such leave may engage in teaching or any other occupation during such a period and may be eligible for unemployment compensation if otherwise eligible for such compensation under that law and such leave will not result in a loss of credit for years of service in the School District earned prior to the commencement of such leave.

**Subd. 7.** No administrator will teach more than 50% of the school day to eliminate a teaching position.

#### **Section 4. Reinstatement:**

**Subd. 1.** No new teacher at any licensure tier shall be employed by the School District while any qualified teacher is on ULA in the same field and subject matter. Teacher(s) placed on ULA shall be reinstated to the position(s) from which they have been placed on ULA or any other available position in the School District in the fields in which they are qualified as such position(s) become available. The order of reinstatement shall be in inverse order in which teachers were placed on ULA.

**Subd. 2.** When placed on ULA, a teacher shall file his/her name and address with the School District personnel office to which any notice of reinstatement or availability of position shall be mailed. Proof of service by the person in the School District depositing such notice to the teacher at the last known address shall be sufficient, and the teacher on ULA shall be responsible to provide for forwarding of mail or for address change. Failure of a notice to reach a teacher shall not be the responsibility of the School District if any notice has been mailed as provided in this article.

**Subd. 3.** If a position becomes available for a qualified teacher on ULA, the School District shall mail the notice to such teacher who shall have 10 days from the date of such notice to accept the re-employment. Failure to reply in writing within such 10 day period shall constitute waiver on the part of the teacher to any further rights of employment or reinstatement, and that teacher shall forfeit any future reinstatement or employment rights. A teacher on ULA does not forfeit right to reinstatement when accepting a position for less than the full position the teacher was placed on ULA from, or when the teacher refuses an offered position.

**Subd. 4.** Reinstatement rights shall automatically cease 3 years from the date ULA was commenced, and no further rights to reinstatement shall exist unless extended by written mutual consent between the School District and such qualified teacher.

#### **Section 5. Establishment of Seniority List:**

**Subd. 1.** By November 15th, the School Board shall cause a seniority list, (by name, date of employment, qualifications, and subject matter or field) to be prepared from its records. The list will include the name of every teacher, their seniority date (service date and hire date), credits beyond BA/BS, continuing contract or probationary status, and licensure area by tier. The School Board shall thereupon cause such list to be posted in an official place in each school building of the School District.

**Subd. 2.** Any teacher whose name appears on such list and who may disagree with the findings of the School District and the order of seniority in said list shall have 10 days from the date of posting to supply written documentation, proof, and request for seniority change to the Superintendent.

**Subd. 3.** Within 10 days thereafter, the School District shall evaluate any and all such written communications regarding the order of seniority contained in said list and may make such changes the School District deems warranted. A final seniority list shall thereupon be prepared by the School District, which list as revised shall be binding on the School District and any teacher. Each year thereafter the School Board shall cause such seniority list to be updated to reflect any addition or deletion of personnel caused by retirement, death, resignation, other cessation of services, or new teachers. Such yearly revised list shall govern the application of the ULA until thereafter revised.

**Section 6. Effect:** This article shall be effective at the beginning date of this Master Agreement and shall be governed by its duration clause. This article shall govern all teachers as defined in Section 2., Subd. 1. above and shall not be construed to limit the rights of any other licensed employee not covered by the Master Agreement or other master agreement affecting such licensed employee.

Section 7: Notice to teachers. Following School Board action on discontinued positions and School Board action proposing placement of teachers on ULA, each individual teacher proposed for placement on ULA shall receive notice of the proposed placement that:

- a) states the applicable grounds for the proposed placement;
- b) provides notice to the teacher of the teacher's right to request a hearing on the proposed placement within 14 days from the receipt of the notice; and
- c) provides notice to the teacher that failure to request a hearing will be deemed acquiescence to the School Board's proposed placement action.

Subd. 1. Right to a hearing and decision: If the teacher requests a hearing, teachers proposed for placement on unrequested leave of absence pursuant to school board action shall be entitled to a hearing and challenge the proposed placement pursuant to the grievance procedure as provided in this agreement commencing at the arbitration level.

## **ARTICLE XII** **HOURS OF SERVICE**

**Section 1. Basic Day:** The teacher's basic day shall be from 7:30 a.m. to 3:30 p.m.. The basic day will be 8 hours, inclusive of lunch. Fridays and days before holidays teachers may leave at 3:15 p.m.

**Section 2. Additional Activities:** In addition to the basic school day, teachers may be expected to participate in School District activities, such as class advisor, beyond the teacher's basic day as is required by the School District.

**Section 3. Lunch Period, Duty-Free:** Each teacher shall receive a duty-free lunch period, uninterrupted and consistent with the lunch period at the level for which they are employed.

**Section 4. Preparation Time:** Secondary teachers shall have 6 periods of teaching or study time supervision and 1 class period for preparation time in a 7-period day. Secondary teachers shall have 5 periods of teaching and/or supervision time and 1 class period of preparation time in a 6-period day. Elementary teachers shall have a minimum of 260 minutes of preparation time per week. Such time may be 1 full-period or 2 half-periods of uninterrupted time during the student day. Preparation time is to be spent in the building. Exceptions may be made by mutual, written agreement between the School District and the exclusive representative.

**Subd. 1.** Secondary teachers who teach a 6th hour/class will receive ~~\$1155~~ \$1180 in ~~2024-25~~ 2025-27 per semester. No stipend will be available for 6-period days. Supervisory time for the secondary teachers constitutes: study hall, lunch supervision, online class supervision, and ITV supervision.

**Subd. 2.** A teacher who agrees to teach an independent study class will be reimbursed \$100/student/semester.

**Subd 3.** Teachers who substitute greater than 15 minutes during their preparation time will be compensated at the rate of \$30 in ~~2024-25~~ 2025-27 for the full period. Teachers who absorb another teacher's class in addition to their own shall also be compensated at \$30 a day in ~~2024-25~~ 2025-27.

**Subd. 4.** Elementary teachers who teach a combination class will receive \$1155 in ~~2024-25~~ 2025-27 per semester.

**Subd. 5.** A teacher who teaches a College Credit class will be reimbursed ~~\$400~~\$420/semester.

**Section 5. Compensation for Curriculum Work:** Teachers working outside of the regular scheduled school hours will be compensated at the rate of \$30 per hour in ~~2024-25~~ 2025-27 for meetings with other teachers for graduation standards planning, curriculum development, or other professional activities. All work must be approved by the Superintendent in writing and in advance and must be under the supervision of a School District administrator.

## **ARTICLE XIII**

### **LENGTH OF SCHOOL YEAR**

**Section 1. Teacher Duty Days:** Pursuant to M.S. 120A.40, the School Board shall, prior to April 1 of each year, establish the number of school days and teacher duty days for each school year, and the teacher shall perform services on those days as determined by the School Board, including those legal holidays on which the School Board is authorized to conduct school and, pursuant to such authority, has determined to conduct school. The ~~2023-2025~~ 2025-2027 school years shall consist of 181 duty days.

#### **Section 2. Modification in Calendar, Length of School Days:**

**Subd. 1.** In the event of energy shortage, severe weather, or other exigency, the School Board reserves the right to modify the school calendar, and, if school is closed on a normal duty day(s), the teacher shall perform duties on such other day(s) in lieu thereof as the School Board shall determine.

**Subd. 2.** In the event of energy shortage, severe weather, or other exigency, the School Board further reserves the right to modify the length of the school day, as the School Board shall determine but with the understanding that the total number of weekly hours worked shall not be increased, i.e., a 4-day week with increased hours per day but the total weekly hours not more than the regular 5-day week.

## **ARTICLE XIV**

### **TEACHER RECRUITMENT, SELECTION, AND RESIGNATION**

**Section 1. Recruitment Procedure:** The School Board and exclusive representative agree that the recruitment of new teachers is of importance to both the School Board and the exclusive representative. In the event of all openings or vacancies, the following recruitment procedures shall be used.

**Subd. 1.** Written notice of vacancies and openings shall be sent to the exclusive representative and to appropriate colleges and universities.

**Subd. 2.** Only licensed teachers holding at least a bachelor's degree will be hired. If after posting a licensed position for the following school year for 30 days or if by July 30, a licensed teacher is not able to be found, the School District reserves the right to hire a teacher on the Tier 1 or Tier 2 level to fill a position.

**Subd. 3.** When possible, candidates for a position will have an opportunity to meet with existing teachers who teach in related areas and School Board members before being hired.

**Section 2. Resignation:** Teachers under contract for the upcoming year who plan to resign shall submit their written resignation prior to July 15<sup>th</sup>.

## **ARTICLE XV** **GRIEVANCE PROCEDURE**

**Section 1. Grievance Definition:** A "grievance" shall mean an allegation by a teacher and/or the exclusive representative resulting in a dispute or disagreement between the teacher or Union and the School District as to the interpretation or application of terms and conditions contained in this Agreement.

**Section 2. Representative:** The grievant, administrators, or School Board may be represented during any step of the procedure by any person or agent designated by such party to act in the party's behalf.

### **Section 3. Definitions and Interpretations:**

**Subd. 1.** Time limits specified in this Agreement may be extended by mutual agreement.

**Subd. 2.** Reference to "days" regarding time periods in this procedure shall refer to "working day". A working day is defined as all weekdays not designated as holidays by state law.

**Subd. 3.** In computing any period of time prescribed or allowed by procedures in this article, the date of the act, event, or default for which the designated period of time begins to run shall not be included. The last day of the period so computed shall be counted, unless it is a Saturday, a Sunday, or a legal holiday, in which event, the period runs until the end of the next day which is not a Saturday, a Sunday, or a legal holiday.

**Subd. 4.** The filing or service of any notice or document required by this Agreement shall be timely if it is personally served or if it bears a certified postmark of the United States Postal Service within the time period.

**Section 4. Time Limitation and Waiver:** A grievance shall not be valid for consideration unless the grievance is submitted in writing to the School District's designee, setting forth the facts and the specific provision(s) of the Agreement allegedly violated and the particular relief sought within 20 days after the date of the first event giving rise to the grievance occurred. Failure to file any grievance within such period

shall be deemed a waiver of the grievance. Failure to appeal a grievance from one level to another within the time periods provided below shall constitute a waiver of the grievance. An effort shall first be made to resolve an alleged grievance informally between the grievant and the School District's designee.

**Section 5. Resolution of Grievance:** The School District and the grievant shall attempt to resolve all grievances which may arise during the course of employment of any grievant within the School District in the following manner:

**Subd. 1.** Step 1- if the grievance is not resolved through informal discussions, the School District's designee shall give a written decision on the grievance to the parties involved within 10 days after receipt of the written grievance.

**Subd. 2.** Step 2- in the event the grievance is not resolved in Subd.1. above, the decision rendered may be appealed to the Superintendent, provided such appeal is made in writing within 5 days after receipt of the decision in Subd.1. above. If a grievance is properly appealed to the Superintendent, the Superintendent or his/her designee shall set a time to meet regarding the grievance within 15 days after receipt of the appeal. Within 10 days after the meeting, the Superintendent or his/her designee shall issue a decision in writing to the parties involved.

**Subd. 3.** Step 3- in the event the grievance is not resolved in Subd.2. above, the decision rendered may be appealed to the School Board, provided such appeal is made in writing within 5 days after receipt of the decision in Subd.2. above. If a grievance is properly appealed to the School Board, the School Board shall set a time to hear the grievance within 20 days after receipt of the appeal. Within 20 days after the meeting, the School Board shall issue its decision in writing to the parties involved. At the option of the School Board, a committee or representative(s) of the School Board may be designated by the School Board to hear the appeal at this level and report the findings and recommendations to the School Board. The School Board shall then render its decision.

**Section 6. School Board Review:** The School Board reserves the right to review any decision issued under this procedure provided the School Board or its representative(s) notifies the parties of the intention to review within 10 days after the decision has been rendered. In the event the School Board reviews a grievance under this section, the School Board reserves the right to reverse or modify such decision.

**Section 7. Denial of Grievance:** Failure by the School Board or its representative(s) to issue a decision within the time periods provided in this article shall constitute a denial of the grievance, and the grievant may appeal it to the next level.

**Section 8. Arbitration Procedures:** In the event that the grievant and the School Board are unable to resolve any grievance, the grievance may be submitted to arbitration as defined in this article:

**Subd. 1.** A request to submit a grievance to arbitration must be in writing, signed by the aggrieved party, and such request must be filed in the office of the Superintendent within 10 days following the decision in Section 5., Subd. 3. of this article.

**Subd. 2.** No grievance shall be considered by the arbitrator which has not been first duly processed in accordance with the grievance procedure and appeal provisions.

**Subd. 3.** Upon the proper submission of a grievance under the terms of this procedure, the parties shall, within 10 days after the request to arbitrate, attempt to agree upon the selection of an arbitrator. If no agreement on an arbitrator is reached, either party may request the Commissioner to appoint an arbitrator, pursuant to the P.E.L.R.A., providing such request is made within 20 days after request for arbitration. The request shall ask that the appointment be made within 30 days after the receipt of said request. Failure to agree upon an arbitrator or the failure to request an arbitrator from the Commissioner within the time periods provided in this article shall constitute a waiver of the grievance.

**Subd. 4.** The grievance shall be heard by a single arbitrator, and both parties may be represented by such person or persons as they may choose and designate, and the parties shall have the right to a hearing at which time both parties will have the opportunity to submit evidence, offer testimony, and make oral or written arguments relating to the issues before the arbitrator. The proceeding before the arbitrator shall be a hearing de novo.

**Subd. 5.** Decisions by the arbitrator in cases properly presented before the arbitrator shall be final and binding upon the parties subject, however, to the limitations of arbitration decisions as provided in the P.E.L.R.A. The arbitrator shall issue a written decision and order including findings of fact which shall be based upon substantial and competent evidence presented at the hearing. All witnesses shall be sworn upon oath by the arbitrator.

**Subd. 6.** Each party shall bear its own expense in connection with arbitration including expenses relating to the party's representatives, witnesses, and any other expenses which the party incurs in connection with presenting its case in arbitration. A transcript or recording of the hearing shall be made at either party's request. The parties shall share equally fees and expenses of the arbitrator, the cost of the transcript or recording if requested by either or both parties, and any other expenses which the parties mutually agree are necessary for the conduct of the arbitration. However, the party ordering a copy of such transcript shall pay for such a copy.

**Subd. 7.** The arbitrator shall have jurisdiction over disputes or disagreements relating to grievances properly presented before the arbitrator pursuant to the terms of this procedure. The jurisdiction of the arbitrator shall not extend to proposed changes in terms and conditions of employment as contained in this written Agreement; nor shall an arbitrator have jurisdiction over any grievance which has not been submitted to arbitration in compliance with the terms of the grievance and arbitration procedure as

outlined in this article; nor shall the jurisdiction of the arbitrator extend to matters of inherent managerial policy, which shall include, but are not limited to, such areas of discretion or policy as the functions and programs of the School District, its overall budget, utilization of technology, the organizational structure, and selection, direction and number of personnel. In considering any issue in dispute, in his/her orders the arbitrator shall give due consideration to the statutory rights and obligations of the School District to efficiently manage and conduct its operation within the legal limitations surrounding the financing of such operations.

**Section 9. Election of Remedies and Waiver:** A party instituting any action, proceeding, or complaint in a federal or state court of law or before an administrative tribunal, federal agency, state agency, or seeking relief through any statutory process for which relief may be granted, the subject matter of which may constitute a grievance under this Agreement, shall immediately thereupon waive any and all rights to pursue a grievance under this article. Upon instituting a proceeding in another forum as outlined in this Agreement, the teacher shall waive the right to initiate a grievance pursuant to this article, or, if the grievance is pending in the grievance procedure, the right to pursue it further shall be immediately waived. This section shall not apply to actions to compel arbitration as provided in the Agreement or to enforce the award of an arbitrator.

## **ARTICLE XVI** **DISCIPLINE AND DISCHARGE**

**Section 1. Progressive Discipline:** The School District will follow a progressive discipline procedure. The progression may be as follows:

- 1) oral reprimand,
- 2) written reprimand,
- 3) suspension with pay,
- 4) suspension without pay,
- 5) discharge.

**Section 2. Right to Representation:** A teacher who is being disciplined has the right to request and have the representative of the exclusive representative present when disciplinary action is taken.

**Section 3. Reprimands:** Oral and written reprimands will be issued in private and carried out by the principal and/or Superintendent.

**Section 4. Suspensions:** Suspension without pay may be up to 15 days. Suspension shall take effect upon the teacher's receipt of written notification from the Superintendent stating the grounds for suspension together with a statement that the teacher may appeal by using the grievance procedure beginning at ARTICLE XV, Section 5., Subd. 2..

**Section 5. School District Discretion:** The School District may omit any of the above steps if the severity of the offence warrants doing so. Teachers will only be discharged for just cause.

**ARTICLE XVII**  
**COMMUNITY EDUCATION**  
**EARLY CHILDHOOD FAMILY EDUCATION (ECFE)**  
**TEACHERS**

**Section 1. Statutory Considerations:** Pursuant to M.S. 122A.26, an ECFE teacher who teaches in an early childhood and family program which is offered through a community education program which qualifies for community education aid or ECFE aid must meet licensure requirements of a teacher. However, M.S. 122A.26 specifically provides that such license shall not be construed to bring such an ECFE teacher within the definition of a teacher for purpose of M.S. 122A.40. The parties recognize that the employment of ECFE teachers is unique and market driven, and accordingly requires particular consideration in the contract because of this unique employment relationship.

**Section 2. Probationary Period:** The probationary period of ECFE teachers shall be 3 consecutive school years of service. During the probationary period, the School District shall have the unqualified right to suspend, discharge, or otherwise discipline an ECFE teacher.

**Section 3. Layoff and Recall:** ECFE teachers shall have seniority only as ECFE teachers and shall have a separate seniority list consisting of only ECFE teachers. An ECFE teacher shall not have any rights to any other teaching position in the School District. ECFE teachers shall be laid off and recalled within the order of seniority with other ECFE teachers.

**Section 4. Compensation:** The School District’s Community Education Director and all ECFE teachers will be compensated as follows:

2023-24  
 2025-26

| Step Range | Community Education | Salary                     | Preschool   |
|------------|---------------------|----------------------------|-------------|
|            | Director            | ECFE/K Plus<br>Coordinator | Teacher     |
|            | Hourly Wage         | Hourly Wage                | Hourly Wage |
| 1          | \$18.86             | \$19.12                    | \$18.18     |
| 2          | \$20.05             | \$20.32                    | \$19.32     |
| 3          | \$21.24             | \$21.53                    | \$20.48     |

|    |         |         |         |
|----|---------|---------|---------|
| 4  | \$22.43 | \$22.73 | \$21.61 |
| 5  | \$23.62 | \$23.92 | \$22.77 |
| 6  | \$24.80 | \$25.12 | \$23.90 |
| 7  | \$26.00 | \$26.33 | \$25.05 |
| 8  | \$27.18 | \$27.54 | \$26.19 |
| 9  | \$28.36 | \$28.75 | \$27.33 |
| 10 | \$29.55 | \$29.94 | \$28.47 |

~~2024-25~~  
2026-27

|            | <b>Community Education<br/>Director</b> | <b>Salary<br/>ECFE/K Plus<br/>Coordinator</b> | <b>Preschool<br/>Teacher</b> |
|------------|---|---|------------------------------|
| Step Range | Hourly Wage                             | Hourly Wage                                   | Hourly Wage                  |
| 1          | \$18.86                                 | \$19.59                                       | \$18.64                      |
| 2          | \$20.05                                 | \$20.82                                       | \$19.80                      |
| 3          | \$21.24                                 | \$22.06                                       | \$20.99                      |
| 4          | \$22.43                                 | \$23.30                                       | \$22.15                      |
| 5          | \$23.62                                 | \$24.52                                       | \$23.33                      |
| 6          | \$24.80                                 | \$25.75                                       | \$24.50                      |
| 7          | \$26.00                                 | \$26.99                                       | \$25.68                      |
| 8          | \$27.18                                 | \$28.23                                       | \$26.84                      |
| 9          | \$28.36                                 | \$29.47                                       | \$28.01                      |
| 10         | \$29.55                                 | \$30.69                                       | \$29.19                      |

**Section 5. Applicable Articles of the Master Agreement:** The School District’s Community Education Director and all ECFE teachers shall be covered by the following sections of the Master Agreement.

- Article I Purpose,
- Article II Recognition of the Exclusive Representative,
- Article III Definitions,
- Article IV School District Rights,
- Article V Teacher Rights,
- Article VIII Group Insurance \*(See Section 8 for clarification)\*
- Article IX Leaves of Absence,
- Article XV Grievance Procedure,
- Article XVI Discipline and Discharge,
- Article XVII Duration,
- SCHEDULE C Extra-Curricular Pay Schedule.

The School District’s Community Education Director and any ECFE teacher may be hired to fill an extra-curricular assignment. Their position on SCHEDULE C regarding compensation will be mutually agreed to by the Director/teacher and the School District.

**Section 6. Articles of the Master Agreement Not applicable:** The School District’s Community Education Director and all ECFE teachers shall not be eligible for the

following articles of the Master Agreement which apply only to the School District’s teachers:

|              |   |
|--------------|---|
| Article VI   | Basic Schedules and Rates of Pay,                           |
| Article VII  | Extra Compensation,   |
| Article X    | Severance Pay,  |
| Article XI   | Unrequested Leave of Absence (ULA) and Seniority Agreement, |
| Article XII  | Hours of Service,   |
| Article XIII | Length of School Year,                                      |
| Article XIV  | Teacher Recruitment, Selection, and Resignation,            |
| SCHEDULE A   | <del>2023-2024</del> <del>2025-2026</del> Salary Schedule,  |
| SCHEDULE B   | <del>2024-2025</del> <del>2026-2027</del> Salary Schedule.  |

**Section 7. Insurance:** The School District’s Community Education Director and all ECFE teachers shall be eligible to participate in the School District’s group health and hospitalization insurance plan, their benefits to be based on the provisions of ARTICLE VIII.

**Section 8. Step Advancement:** An ECFE teacher must work a minimum of 400 hours during the year to qualify for step advancement. ECFE teachers who do not work 400 hours shall remain at their current step until such time as they complete 400 hours. An ECFE teacher shall advance steps upon completion of another 400 hours and for each 400 hours thereafter. Only 1 step change per year will be granted.

**Section 9 Preparation Time:** Each ECFE teacher shall be granted 1 hour of preparation time for every class held, up to 3 hours in length.

**Section 10. Teacher In-service:** ECFE teachers will be eligible to participate in all appropriate (as determined by the administration) School District and/or unit in-service activities and will be paid their normal rate of pay.

**Section 11. Hours of Service, Duty Days, Duty Week, and Duty Year:** The duty days, duty week, and duty year and hours of service shall be assigned by the School District. The School District will notify all ECFE teachers prior to September 15th of each year the anticipated employment needs for the coming year. **Hours lost due to inclement weather may be made up with prior, written approval of assignment duty by school administration.**

## **ARTICLE XVIII** **DURATION**

**Section 1. Term and Reopening Negotiations:** This Agreement shall remain in full force and effect for a period commencing on **July 1, ~~2023~~2025, through June 30,**

~~2025~~2027, and thereafter until modifications are made pursuant to the P.E.L.R.A. If either party desires to modify or amend this Agreement commencing on July 1, 20252027 it shall give written notice of such intent to the other party no later than May 1, 20252027. Unless otherwise mutually agreed, the parties shall not commence negotiations more than 90 days prior to the expiration of this Agreement.

**Section 2. Effect:** This Agreement constitutes the full and complete Agreement between the School District and the exclusive representative. The provisions of this Agreement relating to terms and conditions of employment supersede any and all prior Agreements, resolutions, practices, and School District policies, rules, and regulations concerning terms and conditions of employment inconsistent with these provisions.

**Section 3. Finality:** Any matters relating to the current Agreement term, whether or not referred to in this Agreement, shall not be open for negotiation during the term of this Agreement except by mutual consent of both parties.

**Section 4. Severability:** The provisions of this Agreement shall be severable, and if any such provision or the application of any such provision under any circumstances is held invalid, it shall not affect any other provisions of this Agreement or the application or any provision.

**IN WITNESS WHEREOF,** the parties have executed this contract as follows:

For Exclusive Representative

For the School District

\_\_\_\_\_  
President

\_\_\_\_\_  
School Board Clerk

\_\_\_\_\_  
Chief Negotiator

\_\_\_\_\_  
Chief School Board Negotiator

Dated this \_\_\_\_ day of \_\_\_\_\_, ~~2025~~ 2024

Dated this \_\_\_\_ day of \_\_\_\_\_, ~~2025~~ 2024

**SCHEDULE C    EXTRA-CURRICULAR PAY SCHEDULE**

The following percentages are based upon the salary of the “~~Extra-Curricular~~ BA+0 Lane,” with credit given for each year the individual has been coaching that particular sport or for each year according to the experience in the activity and within the provisions of the Master Agreement. Payment for the summer programs shall be based on the position or Agreement of the preceding year.

| <u>ACTIVITY</u>  | <del>2023-2025</del> 2025-2027 |
|--|--------------------------------|
| All Head Coaches.....                                    | 10%                            |
| All Assistant Coaches.....                               | 7.0%                           |
| All Jr. High Coaches.....                                | 5.0%                           |
| Additional/C Squad Coach (TBD by School Board).....      | 6.0%                           |
| Activity Director.....                                   | 17.0%                          |
| Cheerleading (F.B.).....                                 | 3.0%                           |
| Cheerleading (B.B.).....                                 | 3.0%                           |
| School Yearbook.....                                     | 10.0%                          |
| Play Advisor (Each of 2 Plays).....                      | 6.0%                           |
| Junior High School Play.....                             | 3.0% each                      |
| One Act Play Contest.....                                | 3.0%                           |
| NHS Advisor (Before or After School).....                | 2.0%                           |
| HS Student Council Advisor (Before or After School)..... | 1.0%                           |
| FLA Advisor.....   | 10.0%                          |
| Science Fair.....  | 2.0%                           |
| Speech Team.....   | 3.5%                           |
| Band Performance.....                                    | 7.0%                           |
| Choir Performance.....                                   | 3.0%                           |
| Media Coordinator.....                                   | 4.0%                           |
| Knowledge Bowl.....                                      | 3.0%                           |
| Geography Bee Coordinator.....                           | 1.0%                           |
| Spelling Bee Coordinator.....                            | 1.0%                           |
| <del>Junior Class Advisors.....</del>                    | <del>4.00% / (2)</del>         |
| Trap Shooting Coach.....                                 | 4.0%                           |
| Trap Shooting Assistant Coach.....                       | 2.0%                           |
| Future Problem Solvers.....                              | 3.0%                           |
| Challenge Club.....                                      | 2.5%                           |
| Robotics Coach/Advisor.....                              | 4.0%                           |
| Safety Patrol.....                                       | 1.0%                           |

For the 2025-26 school year only, Class advisors for grades 6 – 10 and grade 12 will receive a stipend ~~each year~~. Each team per grade will divide 1 stipend of \$300 amongst them for the 2025-26 school year only. For the 2025-26 school year only, Junior Class Advisors will receive 4%/(2) on the BA+0 lane.

Beginning 2026-27 school year: Class Trip Coordinator \$200/(2) and chaperone \$350/(2); Fundraiser Coordinator \$200/(2); Special Events Coordinator \$200/(2) and Prom chaperone \$50/(2); and Concessions Manager \$2,000/(2). If no qualified applicants are found for these positions, class advisors will be assigned by the principal.

Teachers may be assigned other extra duty with compensation as indicated below. Request for payment must be submitted at the end of each season of play.

All individual teachers in charge of a group of students for an activity scheduled and approved in writing by the principal in advance will be paid \$20.00. This also applies to elementary instructors when assigned to supervision by the principal.

Any teacher in charge of supervising an event will be paid (with written pre-approval of an administrator) as follows: Varsity: \$50, Junior Varsity: \$25, Junior High: \$25, Elementary: \$25. **Teachers who are directly responsible for coordinating Kindergarten Roundup will be paid \$30 per hour in ~~2024-25~~ 2025-27, but must have written, prior administrative approval – personnel, duties, and time**

**SCHEDULE A: 2023-24 2025-26 SALARY SCHEDULE**

| LEVEL | BA     | BA + 10 | BA + 20 | BA + 30 | BA + 40 | BA + 50 | MA     | MA+10  | MA+20  |
|-------|--------|---------|---------|---------|---------|---------|--------|--------|--------|
| 0     | 43,816 | 44,232  | 44,648  | 45,065  | 45,481  | 46,177  | 46,813 | 47,433 | 48,054 |
| 1     | 44,778 | 45,222  | 45,665  | 46,109  | 46,553  | 47,291  | 47,926 | 48,546 | 49,167 |
| 2     | 45,740 | 46,183  | 46,626  | 47,071  | 47,513  | 48,253  | 48,888 | 49,506 | 50,128 |
| 3     | 46,700 | 47,144  | 47,587  | 48,031  | 48,475  | 49,212  | 49,849 | 50,469 | 51,088 |
| 4     | 47,661 | 48,105  | 48,549  | 48,992  | 49,435  | 50,175  | 50,810 | 51,431 | 52,051 |
| 5     | 48,622 | 49,066  | 49,507  | 49,954  | 50,396  | 51,133  | 51,771 | 52,392 | 53,012 |
| 6     | 49,585 | 50,025  | 50,471  | 50,914  | 51,357  | 52,095  | 52,731 | 53,351 | 53,972 |
| 7     | 50,543 | 50,988  | 51,431  | 51,874  | 52,318  | 53,058  | 53,694 | 54,313 | 54,934 |
| 8     | 51,504 | 51,948  | 52,392  | 52,834  | 53,279  | 54,019  | 54,654 | 55,274 | 55,893 |
| 9     | 52,466 | 52,909  | 53,351  | 53,797  | 54,240  | 54,980  | 55,615 | 56,235 | 56,854 |
| 10    | 53,426 | 53,871  | 54,313  | 54,757  | 55,199  | 55,940  | 56,576 | 57,198 | 57,817 |
| 11    | 54,387 | 54,830  | 55,276  | 55,718  | 56,161  | 56,901  | 57,537 | 58,156 | 58,777 |
| 12    | 55,350 | 55,792  | 56,235  | 56,679  | 57,122  | 57,862  | 58,498 | 59,118 | 59,738 |
| 13    | 56,309 | 56,753  | 57,198  | 57,639  | 58,084  | 58,823  | 59,458 | 60,077 | 60,697 |
| 14    | 57,270 | 57,716  | 58,157  | 58,602  | 59,046  | 59,784  | 60,419 | 61,041 | 61,659 |
| 15    | 58,233 | 58,675  | 59,119  | 59,563  | 60,006  | 60,744  | 61,380 | 61,999 | 62,619 |
| 16    | 59,194 | 59,636  | 60,080  | 60,524  | 60,967  | 61,705  | 62,340 | 62,961 | 63,582 |
| 17    |        | 60,597  | 61,042  | 61,483  | 61,928  | 62,668  | 63,304 | 63,922 | 64,542 |
| 18    |        | 61,559  | 62,001  | 62,445  | 62,890  | 63,628  | 64,263 | 64,884 | 65,504 |
| 19    |        | 62,519  | 62,963  | 63,408  | 63,849  | 64,587  | 65,225 | 65,845 | 66,464 |
| 20    |        | 63,480  | 63,923  | 64,367  | 64,810  | 65,550  | 66,185 | 66,806 | 67,426 |
| 21    |        |         | 64,884  | 65,328  | 65,771  | 66,511  | 67,147 | 67,767 | 68,388 |
| 22    |        |         | 65,845  | 66,288  | 66,734  | 67,471  | 68,105 | 68,727 | 69,347 |
| 23    |        |         | 66,806  | 67,250  | 67,693  | 68,434  | 69,068 | 69,688 | 70,258 |
| 24    |        |         | 67,767  | 68,209  | 68,655  | 69,394  | 70,028 | 70,648 | 71,269 |
| 25    |        |         | 68,727  | 69,173  | 69,614  | 70,355  | 70,990 | 71,610 | 72,230 |
| 26    |        |         | 69,689  | 70,131  | 70,576  | 71,315  | 71,951 | 72,571 | 73,191 |
| 27    |        |         | 70,652  | 71,094  | 71,536  | 72,277  | 72,911 | 73,532 | 74,152 |
| 28    |        |         | 71,611  | 72,056  | 72,499  | 73,236  | 73,864 | 74,493 | 75,113 |
| 29    |        |         | 72,564  | 73,010  | 73,452  | 74,191  | 74,827 | 75,447 | 76,066 |
| 30    |        |         | 73,517  | 73,962  | 74,406  | 75,144  | 75,780 | 76,400 | 77,020 |
| 31    |        |         | 74,469  | 74,915  | 75,357  | 76,096  | 76,733 | 77,352 | 77,972 |
| 32    |        |         | 75,423  | 75,866  | 76,310  | 77,048  | 77,684 | 78,305 | 78,924 |
| 33    |        |         | 76,375  | 76,819  | 77,263  | 78,003  | 78,636 | 79,259 | 79,877 |
| 34    |        |         | 77,327  | 77,772  | 78,213  | 78,953  | 79,589 | 80,210 | 80,830 |
| 35    |        |         | 78,278  | 78,722  | 79,167  | 79,905  | 80,540 | 81,161 | 81,783 |
|       |        |         | 78,278  | 78,722  | 79,167  | 79,905  | 80,540 | 81,161 | 81,783 |

**SCHEDULE B: ~~2024-2025~~ 2026-27 SALARY SCHEDULE**

| LEVEL | BA     | BA + 10 | BA + 20 | BA + 30 | BA + 40 | BA + 50 | MA     | MA+10  | MA+20  |
|-------|--------|---------|---------|---------|---------|---------|--------|--------|--------|
| 0     | 44,582 | 45,006  | 45,429  | 45,854  | 46,277  | 46,985  | 47,632 | 48,263 | 48,895 |
| 1     | 45,562 | 46,013  | 46,465  | 46,916  | 47,367  | 48,119  | 48,765 | 49,395 | 50,027 |
| 2     | 46,540 | 46,992  | 47,442  | 47,894  | 48,345  | 49,097  | 49,743 | 50,373 | 51,005 |
| 3     | 47,517 | 47,969  | 48,420  | 48,872  | 49,323  | 50,074  | 50,722 | 51,352 | 51,982 |
| 4     | 48,495 | 48,947  | 49,399  | 49,849  | 50,300  | 51,053  | 51,699 | 52,331 | 52,962 |
| 5     | 49,473 | 49,925  | 50,374  | 50,828  | 51,278  | 52,028  | 52,677 | 53,309 | 53,939 |
| 6     | 50,453 | 50,901  | 51,354  | 51,805  | 52,256  | 53,007  | 53,654 | 54,284 | 54,917 |
| 7     | 51,428 | 51,880  | 52,331  | 52,782  | 53,233  | 53,986  | 54,634 | 55,264 | 55,895 |
| 8     | 52,405 | 52,858  | 53,309  | 53,758  | 54,212  | 54,964  | 55,610 | 56,241 | 56,871 |
| 9     | 53,385 | 53,835  | 54,284  | 54,739  | 55,189  | 55,942  | 56,588 | 57,219 | 57,849 |
| 10    | 54,361 | 54,813  | 55,264  | 55,715  | 56,165  | 56,919  | 57,566 | 58,199 | 58,829 |
| 11    | 55,339 | 55,790  | 56,243  | 56,693  | 57,144  | 57,896  | 58,543 | 59,174 | 59,806 |
| 12    | 56,319 | 56,768  | 57,219  | 57,671  | 58,122  | 58,875  | 59,522 | 60,152 | 60,784 |
| 13    | 57,295 | 57,746  | 58,199  | 58,648  | 59,100  | 59,852  | 60,498 | 61,129 | 61,759 |
| 14    | 58,272 | 58,726  | 59,175  | 59,627  | 60,079  | 60,830  | 61,476 | 62,109 | 62,739 |
| 15    | 59,252 | 59,702  | 60,153  | 60,606  | 61,056  | 61,807  | 62,454 | 63,084 | 63,715 |
| 16    | 60,230 | 60,679  | 61,132  | 61,583  | 62,033  | 62,785  | 63,431 | 64,063 | 64,694 |
| 17    |        | 61,658  | 62,110  | 62,559  | 63,012  | 63,765  | 64,412 | 65,041 | 65,672 |
| 18    |        | 62,636  | 63,086  | 63,538  | 63,990  | 64,742  | 65,388 | 66,019 | 66,650 |
| 19    |        | 63,613  | 64,065  | 64,517  | 64,967  | 65,717  | 66,366 | 66,998 | 67,627 |
| 20    |        | 64,591  | 65,042  | 65,493  | 65,944  | 66,698  | 67,344 | 67,975 | 68,606 |
| 21    |        |         | 66,019  | 66,471  | 66,922  | 67,675  | 68,322 | 68,952 | 69,585 |
| 22    |        |         | 66,998  | 67,448  | 67,902  | 68,652  | 69,297 | 69,930 | 70,560 |
| 23    |        |         | 67,975  | 68,426  | 68,878  | 69,632  | 70,277 | 70,907 | 71,488 |
| 24    |        |         | 68,952  | 69,403  | 69,856  | 70,608  | 71,254 | 71,884 | 72,516 |
| 25    |        |         | 69,930  | 70,383  | 70,833  | 71,586  | 72,232 | 72,863 | 73,494 |
| 26    |        |         | 70,908  | 71,358  | 71,811  | 72,563  | 73,211 | 73,841 | 74,472 |
| 27    |        |         | 71,889  | 72,338  | 72,788  | 73,542  | 74,187 | 74,818 | 75,450 |
| 28    |        |         | 72,864  | 73,317  | 73,768  | 74,517  | 75,157 | 75,797 | 76,427 |
| 29    |        |         | 73,834  | 74,287  | 74,738  | 75,489  | 76,136 | 76,767 | 77,397 |
| 30    |        |         | 74,804  | 75,256  | 75,708  | 76,459  | 77,107 | 77,737 | 78,368 |
| 31    |        |         | 75,772  | 76,226  | 76,676  | 77,427  | 78,076 | 78,706 | 79,337 |
| 32    |        |         | 76,743  | 77,193  | 77,646  | 78,396  | 79,044 | 79,675 | 80,306 |
| 33    |        |         | 77,711  | 78,164  | 78,615  | 79,368  | 80,013 | 80,646 | 81,275 |
| 34    |        |         | 78,680  | 79,133  | 79,582  | 80,335  | 80,982 | 81,613 | 82,245 |
| 35    |        |         | 79,648  | 80,100  | 80,552  | 81,304  | 81,950 | 82,581 | 83,214 |
|       |        |         | 79,648  | 80,100  | 80,552  | 81,304  | 81,950 | 82,581 | 83,214 |



**Independent School District No. 424  
Lester Prairie Schools  
Lester Prairie, Minnesota**

**Basic Financial Statements**

**June 30, 2025**



**Independent School District No. 424  
Lester Prairie Schools  
Table of Contents**

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**Independent School District No. 424  
Lester Prairie Schools  
Board of Education and Administration  
June 30, 2025**

| <u>Board of Education</u> | <u>Position</u>  | <u>Term Expires</u> |
|---------------------------|------------------|---------------------|
| Keith Christen            | Chair            | December 31, 2026   |
| Jeff Engen                | Clerk            | December 31, 2026   |
| Rebecca Heimerl           | Treasurer        | December 31, 2026   |
| Brian Heimerl             | Director         | December 31, 2028   |
| Dan LaMott                | Director         | December 31, 2028   |
| Candice Anderson          | Director         | December 31, 2028   |
| <br><u>Administration</u> |                  |                     |
| Dr. Melissa Radeke        | Superintendent   |                     |
| Lauren Syrup              | Business Manager |                     |

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## Independent Auditor's Report

To the School Board  
Independent School District No. 424  
Lester Prairie, Minnesota

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 424, Lester Prairie, Minnesota, as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 424, as of June 30, 2025, and the respective changes in financial position 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Independent School District No. 424 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**

The District has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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

The management of Independent School District No. 424 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by 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 Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's 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 supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 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 and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

BerganKDV, Ltd.

St. Cloud, Minnesota  
September 11, 2025

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## Independent School District #424 Management's Discussion and Analysis

This section of Lester Prairie Public Schools ISD #424's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the District's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of a reporting model that is required by the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued in June 1999. Statement No. 34 contains significant requirements that enhance financial reporting. These requirements are also designed to make annual reports easier for the public to understand and more useful to stakeholders. Specifically, Statement No. 34 establishes reporting requirements that include additional financial statements, expanded disclosure, and supplemental information, including this MD&A, which contains certain comparative information between the current fiscal year and the prior fiscal year.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024-2025 fiscal year include the following:

- Overall revenues were \$8,423,028 while overall expenses totaled \$7,709,405.
- The District's ending net position is \$6,842,324.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts - Independent Auditor's Report, required supplementary information, which includes the management's discussion and analysis (this section), the basic financial statements, and other required reports. The basic financial statements include two kinds of statements that present different views of the District:

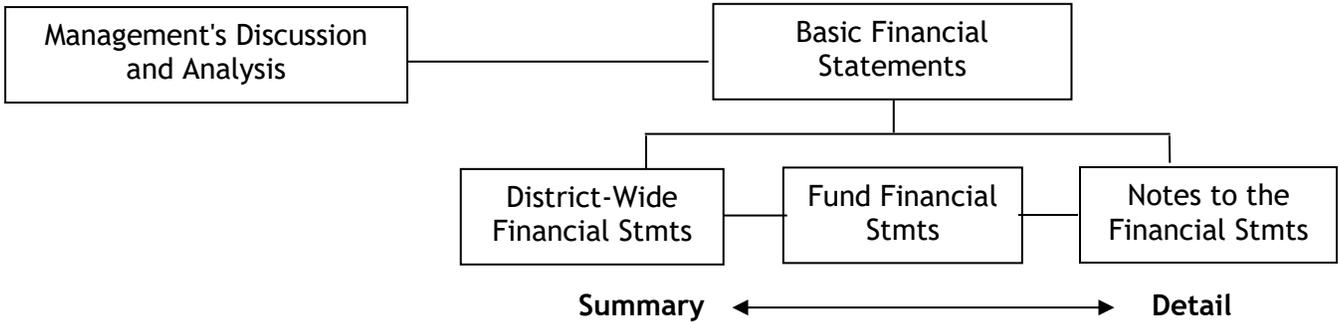
- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's overall financial status.
- The remaining statements are *fund-financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The diagram below shows how the various parts of this annual report are arranged and relate to one another.

**Independent School District #424  
Management's Discussion and Analysis**

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

The major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain, are summarized below. The remainder of the overview section of the MD&A highlights the structure and content of each of the statements.



| <b>Fund Financial Statements</b>       |  |   |
|--|--|---|
|  | District-Wide  | Governmental Funds  |
| Scope                                  | Entire District (except fiduciary funds)   | The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance  |
| Required financial statements          | <ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul> | <ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>                                    |
| Accounting Basis and Measurement Focus | Accrual accounting and economic resources focus  | Modified accrual accounting and current financial focus   |
| Type of Asset/Liability Information    | All assets and liabilities, both financial and capital, short-term and long-term                                 | Generally, assets expected to be used up and liabilities that come during the year or soon thereafter; no capital assets or long-term liabilities included                        |
| Type of Inflow/Outflow Information     | All revenues and expenses during year, regardless of when cash is received or paid                               | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable |

## Independent School District #424 Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

#### District-wide Statements

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

The two District-wide statements report the District's net position and how they have changed. Net position - the difference between the District's assets, deferred outflows/inflows of resources, and liabilities - are one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements the District's activities are shown in one category:

- Governmental Activities - Most of the District's basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Property taxes and state aids finance most of the activities.

#### Fund Financial Statements

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

The District has one kind of fund:

Governmental Funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information following the governmental funds statements that explains the relationship (or difference) between them.

**Independent School District #424  
Management's Discussion and Analysis**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (DISTRICT-WIDE FINANCIAL STATEMENTS)**

**Net Position**

The District's net position was \$6,842,324 on June 30, 2025. This represents an increase when compared to the \$6,587,342 position balance on June 30, 2024.

**Figure A-3  
Condensed Statement of Net Position**

|                                       | Governmental Activities |               |
|---------------------------------------|-------------------------|---------------|
|                                       | 2025                    | 2024          |
| <b>Assets</b>                         |                         |               |
| Current assets                        | \$ 8,770,084            | \$ 9,203,448  |
| Capital assets                        | 18,190,087              | 17,989,960    |
| Total assets                          | \$ 26,960,171           | \$ 27,193,408 |
| <b>Deferred Outflows of Resources</b> | \$ 756,114              | \$ 885,117    |
| <b>Liabilities</b>                    |                         |               |
| Other liabilities                     | \$ 659,967              | \$ 599,430    |
| Long-term liabilities                 | 17,213,800              | 18,414,444    |
| Total liabilities                     | \$ 17,873,767           | \$ 19,013,874 |
| <b>Deferred Inflows of Resources</b>  | \$ 3,000,194            | \$ 2,477,309  |
| <b>Net Position</b>                   |                         |               |
| Net investment in capital assets      | \$ 4,604,026            | \$ 4,327,010  |
| Restricted                            | 1,779,897               | 1,491,398     |
| Unrestricted                          | 458,401                 | 768,934       |
| Total net position                    | \$ 6,842,324            | \$ 6,587,342  |

**Independent School District #424  
Management's Discussion and Analysis**

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

**Changes in Net Position from Operating Results**

|   | Governmental Activities |                     |
|---|-------------------------|---------------------|
|   | 2025                    | 2024                |
| <b>Revenues</b>                               |                         |                     |
| Program revenues                              |                         |                     |
| Charges for services                          | \$ 367,973              | \$ 451,181          |
| Operating grants and contributions            | 1,709,499               | 1,704,650           |
| Capital grants and contributions              | 90,358                  | 263,582             |
| General revenues                              |                         |                     |
| Property taxes                                | 1,933,937               | 1,922,028           |
| State aid formula grants                      | 4,013,517               | 4,161,651           |
| Other   | 307,744                 | 282,831             |
| Total revenues                                | <u>8,423,028</u>        | <u>8,785,923</u>    |
| <b>Expenses</b>                               |                         |                     |
| Administration                                | 375,155                 | 368,082             |
| District support services                     | 583,430                 | 430,817             |
| Elementary and secondary regular instruction  | 3,051,459               | 2,783,229           |
| Vocational educational instruction            | 4,162                   | 67,273              |
| Special education instruction                 | 660,571                 | 590,511             |
| Instructional support services                | 287,217                 | 208,948             |
| Pupil support services                        | 482,132                 | 491,785             |
| Sites and buildings                           | 1,358,891               | 1,302,176           |
| Food service                                  | 357,334                 | 350,279             |
| Community education services                  | 176,272                 | 191,942             |
| Interest and fiscal charges on long-term debt | 372,782                 | 420,249             |
| Total expenses                                | <u>7,709,405</u>        | <u>7,205,291</u>    |
| Increase in net position                      | <u>713,623</u>          | <u>1,580,632</u>    |
| Net position - beginning                      | <u>6,587,342</u>        | <u>5,006,710</u>    |
| Change in accounting principle                | <u>(458,641)</u>        | <u>-</u>            |
| Net position - as restated                    | <u>\$ 6,842,324</u>     | <u>\$ 6,587,342</u> |

**Changes in Net Position**

The District's total revenues were \$8,423,028 for the year ended June 30, 2025.

Unallocated state aid along with property taxes accounted for 70.6% of the total revenue for the year. Operating and capital grants and contributions for specific programs contributed 21.4% with the remaining 8.0% from fees charged for services and miscellaneous sources.

**Independent School District #424  
Management's Discussion and Analysis**

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

**Changes in Net Position (Continued)**

The total cost of all programs and services was \$7,709,405. The District's expenses are predominantly related to student education and student educational support 58.2%. The District's administrative activities accounted for 4.9% of the total costs. Total revenues were more than total expenses, increasing net position by \$713,623, from last year.

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

**General Fund**

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

The following schedule presents a summary of General Fund Revenues.

**General Fund Sources of Revenue**

|                      | Year Ended June 30, |              | Amount of<br>Increase<br>(Decrease) | Percent<br>Change |
|----------------------|---------------------|--------------|-------------------------------------|-------------------|
|                      | 2025                | 2024         |                                     |                   |
| Local property taxes | \$ 920,622          | \$ 938,595   | \$ (17,973)                         | -1.9%             |
| Other local sources  | 602,111             | 587,151      | 14,960                              | 2.5%              |
| State sources        | 4,797,322           | 5,030,058    | (232,736)                           | -4.6%             |
| Federal sources      | 182,467             | 350,075      | (167,608)                           | -47.9%            |
| Miscellaneous        | 1,877               | 7,399        | (5,522)                             | -74.6%            |
| Total                | \$ 6,504,399        | \$ 6,913,278 | \$ (408,879)                        | -5.9%             |

Total General Fund revenue decreased by \$408,879 or 5.9% from the previous year. Basic general education revenue is determined by a state per student funding formula and consists of an equalized mix of property tax and state aid revenue. The mix of property tax and state aid can change significantly from year to year without any net change on revenue.

**Independent School District #424  
Management's Discussion and Analysis**

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

**General Fund (Continued)**

The following schedule presents a summary of General Fund expenditures.

**General Fund Expenditures**

|                       | Year Ended June 30, |                     | Amount of<br>Increase<br>(Decrease) | Percent<br>Change |
|-----------------------|---------------------|---------------------|-------------------------------------|-------------------|
|                       | 2025                | 2024                |                                     |                   |
| Salaries and benefits | \$ 3,922,744        | \$ 3,951,053        | \$ (28,309)                         | -0.7%             |
| Purchased services    | 1,700,033           | 1,552,603           | 147,430                             | 9.5%              |
| Supplies and material | 301,256             | 340,690             | (39,434)                            | -11.6%            |
| Capital expenditures  | 375,876             | 241,096             | 134,780                             | 55.9%             |
| Other expenditures    | 54,290              | 55,971              | (1,681)                             | -3.0%             |
| <b>Total</b>          | <b>\$ 6,354,199</b> | <b>\$ 6,141,413</b> | <b>\$ 212,786</b>                   | <b>3.5%</b>       |

Total General Fund expenditures increased by \$212,786 or 3.5% from the previous year.

The overall increase resulted from various areas including increased salary/benefits for all staff, contracted services cost for Special Education, district busing contract and an increase in Special Education transportation, utilities, shipping, and overall repair, and maintenance costs.

**General Fund Budgetary Highlights**

The District's general fund results when compared to the final budget are:

- Actual revenues were \$435,278 *less than* budget as a result of overbudgeting in state aid and levy sources.
- Actual expenditures were \$141,914 *more than* budget due to capital expenditures and personnel costs coming in greater than estimated.

**Debt Service Fund**

The Debt Service Fund revenues were \$1,293,487 and expenditures totaling \$1,350,231, thereby decreasing fund balance by \$56,744 as expenditures exceeded revenues.

**Capital Project Fund**

The Capital Project Fund revenues were \$36,175 and expenditures were \$774,742, thereby decreasing fund balance by \$738,567. This decrease is a result of the spend down of construction funds planned with the completion of projects.

**Other Non-Major Funds**

The Food Service Fund incurred an increase in the fund balance of \$4,488 to an ending fund balance of \$257,498. The Community Service Fund incurred a decrease in fund balance of \$13,786 to an ending fund deficit of \$70,253.

**Independent School District #424  
Management's Discussion and Analysis**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

By the end of fiscal year 2025, the District had invested \$26,200,547 in a broad range of capital assets, including school buildings, land, computer and audio-visual equipment, and other equipment for various instructional programs. Total depreciation/amortization expense for the year was \$770,967. More detailed information about capital assets can be found in Note 6 in the financial statements.

**Capital Assets**

|                                       | Year Ended June 30, |               |
|---------------------------------------|---------------------|---------------|
|                                       | 2025                | 2024          |
| Land                                  | \$ 404,999          | \$ 404,999    |
| Construction in progress              | 463,310             | -             |
| Buildings                             | 18,326,375          | 18,098,169    |
| Improvements                          | 744,023             | 744,023       |
| Equipment                             | 6,034,065           | 5,944,065     |
| Leased equipment                      | 227,775             | 38,197        |
| Accumulated Depreciation/Amortization | (8,010,460)         | (7,239,493)   |
| Total                                 | \$ 18,190,087       | \$ 17,989,960 |

**Long-Term Liabilities**

At year end the District had \$13,681,627 of long-term liabilities consisting of bonded indebtedness and unamortized premiums.

The District has \$161,034 in lease liabilities at June 30, 2025.

The District has \$512,718 in compensated absences payable at June 30, 2025.

The District has \$2,378,057 in net pension liability at June 30, 2025.

The District has \$480,364 in total OPEB liability at June 30, 2025.

More detailed information about long-term liabilities can be found in Notes 4, 6 and 7 in the financial statements.

## Independent School District #424 Management's Discussion and Analysis

### FACTORS BEARING ON THE DISTRICT'S FUTURE

- Enrollment is always an area of concern weighing on any District's financial future. The District's student enrollment, which determines the pupil units for the purpose of funding, has been declining the last few years. Unfortunately, enrollment for FY24-25 decreased by approximately an additional 23 students from the prior year. Current projections do indicate a continued reduction in student enrollment using the 0-4 census amounts and moving forward actual students per grade. The District is aware of this and continues to work toward keeping the enrollment stable and will bear in mind budget/staffing issues that might need to be addressed. The District completed the majority of a Building addition/remodel project in the summer of 2021. We continue to anticipate that this may entice an increase in enrollment as well as hoping to keep enrollment stable.
- Labor costs account for over 80% of the District expenses. As costs of salaries and benefits continue to increase, it becomes more important during the negotiations of labor contracts that the District be cognizant to this potential unknown long-term liability. The District must continue to follow enrollment trends and maintain a responsible balance between staffing and student enrollment.
- The District's revenues and expenditures remained relatively stable compared to prior years. In FY24-25, the District continued to follow a conservative budgeting approach. While the expiration of COVID-related funding has impacted revenue streams, proactive planning for this eventual decline has helped mitigate significant disruptions. As a result, the District has not experienced layoffs or major budget cuts.
- Despite funding challenges, Lester Prairie Public Schools remains committed to delivering high-quality educational opportunities for all students. In FY24-25, school districts across the state are facing new or expanded legislative requirements, often without corresponding funding increases—aside from the general formula adjustment. These unfunded mandates will be a critical consideration in the development of a balanced budget and will play a significant role in shaping the District's financial planning and strategic direction moving forward.
- The District has maintained reserve balances which will help bridge financial gaps in revenue projections for the near future.

### Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, 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 any questions about this report or would like additional information, contact the Superintendent, Lester Prairie Public Schools ISD #424, 131 Hickory Street North, Lester Prairie, Minnesota 55354.

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## **BASIC FINANCIAL STATEMENTS**

Independent School District No. 424  
Statement of Net Position  
June 30, 2025

|  | Governmental<br>Activities |
|--|----------------------------|
| <b>Assets</b>  |                            |
| Cash and investments   | \$ 7,120,730               |
| Current property taxes receivable                                  | 1,097,759                  |
| Delinquent property taxes receivable                               | 5,403                      |
| Accounts receivable  | 17,197                     |
| Due from Department of Education                                   | 468,036                    |
| Due from Federal Government through Department of Education        | 33,126                     |
| Due from other Minnesota school districts                          | 2,550                      |
| Due from other governmental units                                  | 1,492                      |
| Inventory  | 4,062                      |
| Prepaid items  | 19,729                     |
| Capital assets, not being depreciated                              |                            |
| Land   | 404,999                    |
| Construction in progress   | 463,310                    |
| Capital assets, net of accumulated depreciation/amortization       |                            |
| Land improvements  | 512,902                    |
| Buildings  | 14,374,609                 |
| Equipment  | 2,301,469                  |
| Lease equipment  | 132,798                    |
| Total assets   | 26,960,171                 |
| <b>Deferred Outflows of Resources</b>                              |                            |
| Deferred outflows related to OPEB                                  | 108,881                    |
| Deferred outflows related to pensions                              | 647,233                    |
| Total deferred outflows of resources                               | 756,114                    |
| Total assets and deferred outflows of resources                    | \$ 27,716,285              |
| <b>Liabilities</b>   |                            |
| Accounts payable   | \$ 19,795                  |
| Salaries and benefits payable                                      | 406,037                    |
| Interest payable   | 169,881                    |
| Due to other Minnesota school districts                            | 59,527                     |
| Unearned revenue   | 4,727                      |
| Bond principal payable   |                            |
| Payable within one year  | 880,000                    |
| Payable after one year   | 12,801,627                 |
| Lease payable  |                            |
| Payable within one year  | 65,309                     |
| Payable after one year   | 95,725                     |
| Compensated absences payable                                       |                            |
| Payable within one year  | 271,471                    |
| Payable after one year   | 241,247                    |
| Total OPEB liability   |                            |
| Payable within one year  | 8,599                      |
| Payable after one year   | 471,765                    |
| Net pension liability  | 2,378,057                  |
| Total liabilities  | 17,873,767                 |
| <b>Deferred Inflows of Resources</b>                               |                            |
| Property taxes levied for subsequent year's expenditures           | 2,046,649                  |
| Deferred inflows related to OPEB                                   | 34,895                     |
| Deferred inflows related to pensions                               | 918,650                    |
| Total deferred inflows of resources                                | 3,000,194                  |
| <b>Net Position</b>  |                            |
| Net investment in capital assets                                   | 4,604,026                  |
| Restricted   |                            |
| Debt service   | 87,265                     |
| Other purposes   | 1,692,632                  |
| Unrestricted   | 458,401                    |
| Total net position   | 6,842,324                  |
| Total liabilities, deferred inflows of resources, and net position | \$ 27,716,285              |

Independent School District No. 424  
Statement of Activities  
Year Ended June 30, 2025

| Functions/Programs                            | Expenses            | Program Revenues        |  | Capital Grants<br>and<br>Contributions | Net (Expense)<br>Revenues and<br>Changes in<br>Net Position |
|---|---------------------|-------------------------|--|--|---|
|   |                     | Charges for<br>Services | Operating<br>Grants and<br>Contributions |  |   |
| Governmental activities                       |                     |                         |  |  |   |
| Administration                                | \$ 375,155          | \$ 11,740               | \$ -                                     | \$ -                                   | \$ (363,415)  |
| District support services                     | 583,430             | 1,458                   | 15,829                                   | -                                      | (566,143)   |
| Elementary and secondary regular instruction  | 3,051,459           | 253,793                 | 634,231                                  | -                                      | (2,163,435)   |
| Vocational education instruction              | 4,162               | -                       | -  | -                                      | (4,162)   |
| Special education instruction                 | 660,571             | 2,062                   | 450,039                                  | -                                      | (208,470)   |
| Instructional support services                | 287,217             | -                       | 161,890                                  | -                                      | (125,327)   |
| Pupil support services                        | 482,132             | -                       | 49,779                                   | -                                      | (432,353)   |
| Sites and buildings                           | 1,358,891           | -                       | -  | 90,358                                 | (1,268,533)   |
| Food service                                  | 357,334             | 18,680                  | 344,497                                  | -                                      | 5,843   |
| Community education and services              | 176,272             | 80,240                  | 53,234                                   | -                                      | (42,798)  |
| Interest and fiscal charges on long-term debt | 372,782             | -                       | -  | -                                      | (372,782)   |
| <b>Total governmental activities</b>          | <b>\$ 7,709,405</b> | <b>\$ 367,973</b>       | <b>\$ 1,709,499</b>                      | <b>\$ 90,358</b>                       | <b>(5,541,575)</b>  |
| General revenues                              |                     |                         |  |  |   |
| Taxes   |                     |                         |  |  |   |
| Property taxes, levied for general purposes   |                     |                         |  |  | 919,920   |
| Property taxes, levied for community service  |                     |                         |  |  | 29,753  |
| Property taxes, levied for debt service       |                     |                         |  |  | 984,264   |
| State aid-formula grants                      |                     |                         |  |  | 4,013,517   |
| Other general revenues                        |                     |                         |  |  | 10,913  |
| Investment income                             |                     |                         |  |  | 296,831   |
| Total general revenues                        |                     |                         |  |  | <u>6,255,198</u>  |
| Change in net position                        |                     |                         |  |  | 713,623   |
| Net position - beginning                      |                     |                         |  |  | <u>6,587,342</u>  |
| Change in accounting principle (see Note 10)  |                     |                         |  |  | <u>(458,641)</u>  |
| Net position - beginning, as restated         |                     |                         |  |  | <u>6,128,701</u>  |
| Net position - ending                         |                     |                         |  |  | <u>\$ 6,842,324</u>   |

**Independent School District No. 424**  
**Balance Sheet - Governmental Funds**  
**June 30, 2025**

|  | General             | Debt Service        | Capital Project   | Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|---------------------|-------------------|-------------------|--------------------------------|
| <b>Assets</b>  |                     |                     |                   |                   |                                |
| Cash and investments   | \$ 5,855,952        | \$ 748,843          | \$ 256,600        | \$ 259,335        | \$ 7,120,730                   |
| Current property taxes receivable  | 394,060             | 688,187             | -                 | 15,512            | 1,097,759                      |
| Delinquent property taxes receivable   | 2,579               | 2,741               | -                 | 83                | 5,403                          |
| Accounts receivable  | 16,797              | -                   | -                 | 400               | 17,197                         |
| Due from Department of Education   | 432,483             | 31,006              | -                 | 4,547             | 468,036                        |
| Due from Federal Government<br>through Department of Education                     | 33,126              | -                   | -                 | -                 | 33,126                         |
| Due from other Minnesota<br>school districts                                       | 2,550               | -                   | -                 | -                 | 2,550                          |
| Due from other governmental units  | 1,357               | -                   | -                 | 135               | 1,492                          |
| Due from other funds   | 44,119              | -                   | -                 | -                 | 44,119                         |
| Inventory  | -                   | -                   | -                 | 4,062             | 4,062                          |
| Prepaid items  | 19,729              | -                   | -                 | -                 | 19,729                         |
| <b>Total assets</b>  | <b>\$ 6,802,752</b> | <b>\$ 1,470,777</b> | <b>\$ 256,600</b> | <b>\$ 284,074</b> | <b>\$ 8,814,203</b>            |
| <b>Liabilities</b>   |                     |                     |                   |                   |                                |
| Accounts payable   | \$ 19,067           | \$ -                | \$ -              | \$ 728            | \$ 19,795                      |
| Salaries and benefits payable  | 392,168             | -                   | -                 | 13,869            | 406,037                        |
| Due to other funds   | -                   | -                   | -                 | 44,119            | 44,119                         |
| Due to other Minnesota<br>school districts   | 59,527              | -                   | -                 | -                 | 59,527                         |
| Unearned revenue   | -                   | -                   | -                 | 4,727             | 4,727                          |
| <b>Total liabilities</b>   | <b>470,762</b>      | <b>-</b>            | <b>-</b>          | <b>63,443</b>     | <b>534,205</b>                 |
| <b>Deferred Inflows of Resources</b>   |                     |                     |                   |                   |                                |
| Property taxes levied for subsequent<br>year's expenditures                        | 799,715             | 1,213,631           | -                 | 33,303            | 2,046,649                      |
| Unavailable revenue -<br>delinquent property taxes                                 | 2,579               | 2,741               | -                 | 83                | 5,403                          |
| <b>Total deferred inflows<br/>of resources</b>                                     | <b>802,294</b>      | <b>1,216,372</b>    | <b>-</b>          | <b>33,386</b>     | <b>2,052,052</b>               |
| <b>Fund Balances</b>   |                     |                     |                   |                   |                                |
| Nonspendable   | 19,729              | -                   | -                 | 4,062             | 23,791                         |
| Restricted   | 1,282,634           | 254,405             | 256,600           | 405,853           | 2,199,492                      |
| Committed  | 545,211             | -                   | -                 | -                 | 545,211                        |
| Assigned   | 825,000             | -                   | -                 | -                 | 825,000                        |
| Unassigned   | 2,857,122           | -                   | -                 | (222,670)         | 2,634,452                      |
| <b>Total fund balances</b>   | <b>5,529,696</b>    | <b>254,405</b>      | <b>256,600</b>    | <b>187,245</b>    | <b>6,227,946</b>               |
| <b>Total liabilities, deferred<br/>inflows of resources, and<br/>fund balances</b> | <b>\$ 6,802,752</b> | <b>\$ 1,470,777</b> | <b>\$ 256,600</b> | <b>\$ 284,074</b> | <b>\$ 8,814,203</b>            |

**Independent School District No. 424**  
**Reconciliation of the Balance Sheet to**  
**the Statement of Net Position - Governmental Funds**  
**June 30, 2025**

Total fund balances - governmental funds \$ 6,227,946

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.

|  |             |
|--|-------------|
| Cost of capital assets                     | 26,200,547  |
| Less accumulated depreciation/amortization | (8,010,460) |

Long-term liabilities, including bonds payable, are not due and payable in the current period and, and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of:

|                          |              |
|--------------------------|--------------|
| Bond principal payable   | (12,785,000) |
| Premium on bonds payable | (896,627)    |
| Lease payable            | (161,034)    |
| Compensated absences     | (512,718)    |
| Total OPEB liability     | (480,364)    |
| Net pension liability    | (2,378,057)  |

Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions and OPEB that are not recognized in the governmental funds.

|  |           |
|--|-----------|
| Deferred outflows of resources related to OPEB     | 108,881   |
| Deferred outflows of resources related to pensions | 647,233   |
| Deferred inflows of resources related to OPEB      | (34,895)  |
| Deferred inflows of resources related to pensions  | (918,650) |

Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

5,403

Governmental funds do not report a liability for accrued interest on bonds and other long term debt until due and payable.

(169,881)

Total net position - governmental activities

\$ 6,842,324

**Independent School District No. 424**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended June 30, 2025**

|   | General             | Debt Service      | Capital Project   | Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|---|---------------------|-------------------|-------------------|-------------------|--------------------------------|
| <b>Revenues</b>                                 |                     |                   |                   |                   |                                |
| Local property taxes                            | \$ 920,622          | \$ 985,646        | \$ -              | \$ 29,830         | \$ 1,936,098                   |
| Other local and county revenues                 | 602,111             | -                 | 36,175            | 80,240            | 718,526                        |
| Revenue from state sources                      | 4,797,322           | 307,841           | -                 | 240,160           | 5,345,323                      |
| Revenue from federal sources                    | 182,467             | -                 | -                 | 158,137           | 340,604                        |
| Sales and other conversion of assets            | 1,877               | -                 | -                 | 18,680            | 20,557                         |
| Total revenues                                  | <u>6,504,399</u>    | <u>1,293,487</u>  | <u>36,175</u>     | <u>527,047</u>    | <u>8,361,108</u>               |
| <b>Expenditures</b>                             |                     |                   |                   |                   |                                |
| <b>Current</b>                                  |                     |                   |                   |                   |                                |
| Administration                                  | 378,301             | -                 | -                 | -                 | 378,301                        |
| District support services                       | 582,724             | -                 | -                 | -                 | 582,724                        |
| Elementary and secondary regular instruction    | 2,955,348           | -                 | -                 | -                 | 2,955,348                      |
| Vocational education instruction                | 2,390               | -                 | -                 | -                 | 2,390                          |
| Special education instruction                   | 655,157             | -                 | -                 | -                 | 655,157                        |
| Instructional support services                  | 249,305             | -                 | -                 | -                 | 249,305                        |
| Pupil support services                          | 481,666             | -                 | -                 | -                 | 481,666                        |
| Sites and buildings                             | 673,430             | -                 | -                 | -                 | 673,430                        |
| Food service                                    | -                   | -                 | -                 | 350,253           | 350,253                        |
| Community education and services                | -                   | -                 | -                 | 177,656           | 177,656                        |
| <b>Capital outlay</b>                           |                     |                   |                   |                   |                                |
| District support services                       | 7,066               | -                 | -                 | -                 | 7,066                          |
| Elementary and secondary regular instruction    | 232,674             | -                 | -                 | -                 | 232,674                        |
| Special education instruction                   | 14,237              | -                 | -                 | -                 | 14,237                         |
| Instructional support services                  | 18,911              | -                 | -                 | -                 | 18,911                         |
| Sites and buildings                             | 32,542              | -                 | 774,742           | -                 | 807,284                        |
| Food service                                    | -                   | -                 | -                 | 8,436             | 8,436                          |
| <b>Debt service</b>                             |                     |                   |                   |                   |                                |
| Principal                                       | 59,781              | 900,000           | -                 | -                 | 959,781                        |
| Interest and fiscal charges                     | 10,667              | 450,231           | -                 | -                 | 460,898                        |
| Total expenditures                              | <u>6,354,199</u>    | <u>1,350,231</u>  | <u>774,742</u>    | <u>536,345</u>    | <u>9,015,517</u>               |
| Excess of revenues over<br>(under) expenditures | 150,200             | (56,744)          | (738,567)         | (9,298)           | (654,409)                      |
| <b>Other Financing Sources</b>                  |                     |                   |                   |                   |                                |
| Capital lease issuance                          | 216,786             | -                 | -                 | -                 | 216,786                        |
| Total other financing sources                   | <u>216,786</u>      | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>216,786</u>                 |
| Net change in fund balances                     | 366,986             | (56,744)          | (738,567)         | (9,298)           | (437,623)                      |
| <b>Fund Balances</b>                            |                     |                   |                   |                   |                                |
| Beginning of year                               | <u>5,162,710</u>    | <u>311,149</u>    | <u>995,167</u>    | <u>196,543</u>    | <u>6,665,569</u>               |
| End of year                                     | <u>\$ 5,529,696</u> | <u>\$ 254,405</u> | <u>\$ 256,600</u> | <u>\$ 187,245</u> | <u>\$ 6,227,946</u>            |

See notes to basic financial statements.

**Independent School District No. 424  
Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances to the  
Statement of Activities - Governmental Funds  
Year Ended June 30, 2025**

Net change in fund balances - total governmental funds \$ (437,623)

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

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

|                                   |           |
|-----------------------------------|-----------|
| Capital outlays                   | 971,094   |
| Depreciation/amortization expense | (770,967) |

Compensated absences are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities. (54,077)

Total OPEB are recognized as paid in the governmental funds, but recognized as the expense is incurred in the Statement of Activities. 52,542

Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no effect on net position in the Statement of Activities. 959,781

Proceeds from the issuance of long-term debt are recognized as other financing sources in the governmental funds increasing fund balance but have no effect on net position in the Statement of Activities.

|                        |           |
|------------------------|-----------|
| Capital lease issuance | (216,786) |
|------------------------|-----------|

Governmental funds report the effect of bond premiums when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. 72,461

Governmental funds recognized pension contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.

|                 |         |
|-----------------|---------|
| Pension expense | 123,704 |
|-----------------|---------|

Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. (2,161)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 15,655

Change in net position - governmental activities \$ 713,623

**Independent School District No. 424**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**Year Ended June 30, 2025**

|   | Budgeted Amounts  |                   | Actual<br>Amounts   | Variance with<br>Final Budget -<br>Over (Under) |
|---|-------------------|-------------------|---------------------|---|
|   | Original          | Final             |                     |   |
| <b>Revenues</b>                                 |                   |                   |                     |   |
| Local property taxes                            | \$ 1,024,895      | \$ 999,588        | \$ 920,622          | \$ (78,966)                                     |
| Other local and county revenues                 | 329,938           | 600,119           | 602,111             | 1,992   |
| Revenue from state sources                      | 5,084,016         | 5,181,397         | 4,797,322           | (384,075)                                       |
| Revenue from federal sources                    | 62,062            | 156,573           | 182,467             | 25,894  |
| Sales and other conversion of assets            | 500               | 2,000             | 1,877               | (123)   |
| Total revenues                                  | <u>6,501,411</u>  | <u>6,939,677</u>  | <u>6,504,399</u>    | <u>(435,278)</u>                                |
| <b>Expenditures</b>                             |                   |                   |                     |   |
| <b>Current</b>                                  |                   |                   |                     |   |
| Administration                                  | 389,926           | 388,821           | 378,301             | (10,520)  |
| District support services                       | 504,916           | 538,850           | 582,724             | 43,874  |
| Elementary and secondary regular instruction    | 2,754,843         | 2,700,861         | 2,955,348           | 254,487   |
| Vocational education instruction                | 11,761            | -                 | 2,390               | 2,390   |
| Special education instruction                   | 814,636           | 748,208           | 655,157             | (93,051)  |
| Instructional support services                  | 265,339           | 270,531           | 249,305             | (21,226)  |
| Pupil support services                          | 508,021           | 512,178           | 481,666             | (30,512)  |
| Sites and buildings                             | 595,522           | 911,215           | 673,430             | (237,785)                                       |
| <b>Capital outlay</b>                           |                   |                   |                     |   |
| District support services                       | 2,900             | 7,066             | 7,066               | -   |
| Elementary and secondary regular instruction    | 9,232             | 11,871            | 232,674             | 220,803   |
| Special education instruction                   | -                 | 14,237            | 14,237              | -   |
| Instructional support services                  | 79,333            | 88,719            | 18,911              | (69,808)  |
| Sites and buildings                             | -                 | 2,606             | 32,542              | 29,936  |
| <b>Debt service</b>                             |                   |                   |                     |   |
| Principal                                       | 7,000             | 17,122            | 59,781              | 42,659  |
| Interest and fiscal charges                     | -                 | -                 | 10,667              | 10,667  |
| Total expenditures                              | <u>5,943,429</u>  | <u>6,212,285</u>  | <u>6,354,199</u>    | <u>141,914</u>                                  |
| Excess of revenues over<br>(under) expenditures | 557,982           | 727,392           | 150,200             | (577,192)                                       |
| <b>Other Financing Sources</b>                  |                   |                   |                     |   |
| Capital lease issuance                          | -                 | -                 | 216,786             | 216,786   |
| Net change in fund balance                      | <u>\$ 557,982</u> | <u>\$ 727,392</u> | 366,986             | <u>\$ (360,406)</u>                             |
| <b>Fund Balance</b>                             |                   |                   |                     |   |
| Beginning of year                               |                   |                   | <u>5,162,710</u>    |   |
| End of year                                     |                   |                   | <u>\$ 5,529,696</u> |   |

**Independent School District No. 424**  
**Notes to Basic Financial Statements**

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

The District operates under a school board form of government for the purpose of providing educational services to individuals within the District areas. The governing body consists of a six-member board elected by the voters of the District to serve three-year terms.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies.

**A. Reporting Entity**

The financial statements present the District and its component units. The District includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the District are financially accountable and are included within the basic financial statements of the District because of the significance of their operational or financial relationships with the District.

The District is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the District.

As a result of applying the component unit definition criteria above, it has been determined the District has no component units.

The student activity accounts of the District are under board control and are reported in the General Fund.

**B. Basic Financial Statement Information**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District.

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

Depreciation expense that can be specifically identified by function is included in the direct expenses of that function. Depreciation expense relating to assets that serve multiple functions is presented as unallocated depreciation in the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. The effect of interfund activity has been removed from these statements.

**Independent School District No. 424  
Notes to Basic Financial Statements**

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

**B. Basic Financial Statement Information (Continued)**

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

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

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting transactions are recorded in the following manner.

**1. Revenue Recognition**

Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to *Minnesota Statutes* and accounting principles generally accepted in the United States of America. *Minnesota Statutes* include state aid funding formulas for specific years. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within 60 days.

**2. Recording of Expenditures**

Expenditures are generally recorded when a liability is incurred. The exceptions to this general rule are that interest and principal expenditures in the Debt Service Fund, compensated absences and claims and judgments are recognized when payment is due.

The District applies restricted resources first when an expenditure is incurred for a purpose for which both restricted and unrestricted fund balances are available. Further, the District applies unrestricted funds in this order if various levels of restricted fund balances do not exist: committed, assigned, and unassigned.

**Description of Funds:**

**Major Funds:**

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

Debt Service Fund - This fund is used to account for the accumulation of resources for, and payment of, general obligation (G.O.) bond and state loan principal, interest, and related costs.

Building Construction Fund - Capital Projects - This fund is used to account for financial resources used for the acquisition or construction of major capital facilities authorized by bond issue.

**Independent School District No. 424  
Notes to Basic Financial Statements**

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

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

**Description of Funds: (Continued)**

**Nonmajor Funds:**

Food Service Special Revenue Fund - This fund is used to account for food service revenues and expenditures.

Community Service Special Revenue Fund - This fund is used to account for services provided to residents in the areas of community education, school readiness, early childhood, and family education or other similar services.

**D. Deposits and Investments**

Cash and 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 individual funds based on the average of month-end cash and investment balances.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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; Level 3 inputs are significant unobservable inputs. Investments held by investment pools are measured at amortized cost.

Cash and investments at June 30, 2025, were comprised of deposits and shares in MSDLAF.

*Minnesota Statutes* requires all deposits be protected by federal deposit insurance, corporate surety bonds or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds.

*Minnesota Statutes* authorizes the District to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days.

In accordance with GASB Statement No. 79, the various MSDLAF are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the MSDLAF. Investments in the MSDLAF MAX 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.

**E. Property Tax Receivable**

Current property taxes receivable are recorded for taxes certified the previous December and collectible in the current calendar year, which have not been received by the District. Delinquent property taxes receivable represents uncollected taxes for the past six years and is deferred and included in the deferred inflows of resources section of the fund financial statements as unavailable revenue because they are not available to finance the operations of the District in the current year.

**Independent School District No. 424  
Notes to Basic Financial Statements**

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

**F. Property Taxes Levied for Subsequent Year's Expenditures**

Property taxes levied for subsequent year's expenditures consist principally of property taxes levied in the current year which will be collected and recognized as revenue in the District's following year to properly match those revenues with the budgeted expenditures for which they were levied. This amount is equal to the amount levied by the School Board in December 2024, less various components, and their related adjustments as mandated by the state. These portions of that levy were recognized as revenue in fiscal year 2025. The remaining portion of the levy will be recognized when measurable and available.

**G. Inventories**

Inventories of commodities donated directly by the U.S. Department of Agriculture are recorded at market value. Other inventories are stated at cost as determined on a first-in, first-out (FIFO) basis. Inventories are recorded as expenditures when purchased rather than when consumed.

**H. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as an expenditure at the time of consumption.

**I. Property Taxes**

The District levies its property tax during the month of December. December 28 is the last day the District can certify a tax levy to the County Auditor. Such taxes become a lien on January 1. The property tax is recorded as revenue when it becomes measurable and available. McLeod and Carver Counties are the collecting agency for the levy and remit(s) the collections to the District three times a year. The tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Delinquent collections for November and December are received the following January.

A portion of property taxes levied is paid by the State of Minnesota through various tax credits, which are included in revenue from state sources in the basic financial statements.

**J. Capital Assets**

Capital assets are recorded in the government-wide financial statements but are not reported in the fund financial statements.

Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. For group purchases for technology, furniture or other equipment that is purchased as a per quantity that otherwise may be below the individual item threshold, the total threshold is \$15,000. Such assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings and 5 to 15 years for equipment.

**Independent School District No. 424**  
**Notes to Basic Financial Statements**

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

**J. Capital Assets (Continued)**

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

**K. Right-to-Use Lease Assets/Lease Liabilities**

The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the lease liability plus any payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

Key estimates and judgments related to leases include (1) the discount rate, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District determines its estimated borrowing rate based on the applicable State and Local Government Securities rate. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a re-measurement of the leases and will remeasure the right-to-use lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

**L. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has two items that qualify for reporting in this category. A deferred outflows of resources related to pensions, and deferred outflows of resources related to OPEB are reported in the government-wide Statement of Net Position. Deferred outflows of resources related to pensions is recorded for various estimate differences that will be amortized and recognized over future years. Deferred outflows of resources related to OPEB is recorded for various estimate differences that will be amortized and recognized over future years.

**Independent School District No. 424**  
**Notes to Basic Financial Statements**

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

**L. Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the Statement of Financial Position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has four types of items which qualify for reporting in this category. The first item, 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. The second item is property taxes levied for subsequent years, which represent property taxes received or reported as a receivable before the period for which the taxes are levied and is 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. Deferred inflows of resources related to pensions is recorded on the government-wide statements for various estimate differences that will be amortized and recognized over future years. Deferred inflows of resources related to OPEB is recorded on the government-wide statements for various estimate differences that will be amortized and recognized over future years.

**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 Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

**N. Compensated Absences**

The liability for compensated absences reported in the Statement of Net Position consists of leave that has not been used that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

**O. Other Postemployment Benefits (OPEB)**

The District provides postemployment health insurance benefits to some retired employees as established by contracts with bargaining units or other employment contracts.

**Independent School District No. 424**  
**Notes to Basic Financial Statements**

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

**P. Pensions**

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

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis, and Minneapolis School District. 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 Teacher's Retirement Fund Association (DTRFA) in 2015.

**Q. Risk Management**

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and injuries to employees for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in the District's insurance coverage during the year ending June 30, 2025.

**R. Fund Equity**

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in these funds can be spent.

- **Nonspendable Fund Balances** - These amounts are comprised of funds that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact and include inventory and prepaid items.
- **Restricted Fund Balances** - These are amounts that are comprised of funds that have legally enforceable constraints placed on their use that either are externally imposed by resource providers or creditors (such as through debt covenants), grantors, contributors, voters or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balances** - These are amounts comprised of unrestricted funds that can only be used for specific purposes pursuant to constraints imposed by formal action (majority vote) of the School Board and that remain binding unless removed by the School Board by subsequent formal action.
- **Assigned Fund Balances** - These are amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The School Board, by a majority vote, may assign balances. The School Board also delegates authority to assign fund balances to the Superintendent and or the Business Manager.

**Independent School District No. 424**  
**Notes to Basic Financial Statements**

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

**R. Fund Equity (Continued)**

- Unassigned Fund Balances - These are amounts that have not been restricted, committed, or assigned to a specific purpose in the General Fund. Other funds may also report a negative unassigned fund balance if the total nonspendable, restricted, and committed fund balances exceed the total net resources of that fund.
- Minimum Fund Balance Policy - The District will strive to maintain a minimum unassigned General Fund balance 18% of the annual operating expenditures.

**S. Net Position**

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

**T. Use of Estimates**

The preparation of basic 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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

**U. Budgetary Information**

The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. Prior to July 1, the Superintendent submits to the School Board, a proposed operating budget for the year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. The Superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the School Board.
3. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds. Formal budgetary integration is not required for the Debt Service and Capital Project Funds; however, during the year, the District approved Debt Service and Capital Project Fund budgets.
4. Budgets for the General, Special Revenue, Debt Service, and Capital Project Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
5. Budgets are as originally adopted or as amended by the School Board. Budgeted expenditure appropriations lapse at year-end.

**Independent School District No. 424  
Notes to Basic Financial Statements**

**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.

**Custodial Credit Risk - Deposits:** This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2025, none of the District's bank balances were exposed to custodial credit risk.

As of June 30, 2025, the District had the following deposits:

|                         |                            |
|-------------------------|----------------------------|
| Checking                | \$ 694,125                 |
| Certificates of Deposit | <u>545,211</u>             |
| Total Deposits          | <u><u>\$ 1,239,336</u></u> |

**B. Investments**

As of June 30, 2025, the District had the following investments:

| Investment Type    | Investment Maturity (In Years) |                            |                |
|--------------------|--------------------------------|----------------------------|----------------|
|                    | Maturities                     | Fair Value                 | Moody's Rating |
| MSDLAF - Max Class | Various                        | \$ 5,123,214               | AAAm           |
| MSDLAF - Liquid    | Various                        | <u>758,180</u>             | AAAm           |
| Total              |                                | <u><u>\$ 5,881,394</u></u> |                |

**Interest Rate Risk:** This is the risk that the market value of securities will be adversely affected due to the changes in market interest rates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk:** This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper and corporate bonds to those in the top two ratings issued by nationally recognized statistical rating organizations. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Concentration of Credit Risk:** This is the risk of loss attributed to the magnitude of a District's investment in a single issuer. The District has no policy in place that would limit its investment in a single issue.

**Independent School District No. 424**  
**Notes to Basic Financial Statements**

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

**B. Investments (Continued)**

Custodial Credit Risk - Investments: This is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no policy that addresses this risk.

The following is a summary of total deposits and investments:

|                       |                            |
|-----------------------|----------------------------|
| Deposits              | \$ 1,239,336               |
| Pooled Investments    | 5,301,992                  |
| Nonpooled Investments | <u>579,402</u>             |
| Total                 | <u><u>\$ 7,120,730</u></u> |

Deposits and investments are presented in the June 30, 2025, basic financial statements as follows:

|                           |                            |
|---------------------------|----------------------------|
| Statement of Net Position |                            |
| Cash and investments      | <u><u>\$ 7,120,730</u></u> |

**Independent School District No. 424**  
**Notes to Basic Financial Statements**

**NOTE 3 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2025, was as follows:

|   | Beginning<br>Balance | Increases         | Decreases   | Ending<br>Balance    |
|---|----------------------|-------------------|-------------|----------------------|
| Governmental activities                         |                      |                   |             |                      |
| Capital assets not being depreciated            |                      |                   |             |                      |
| Land  | \$ 404,999           | \$ -              | \$ -        | \$ 404,999           |
| Construction in progress                        | -                    | 463,310           | -           | 463,310              |
| Total capital assets not<br>being depreciated   | <u>404,999</u>       | <u>463,310</u>    | <u>-</u>    | <u>868,309</u>       |
| Other capital assets                            |                      |                   |             |                      |
| Land improvements                               | 744,023              | -                 | -           | 744,023              |
| Buildings                                       | 18,098,169           | 228,206           | -           | 18,326,375           |
| Equipment                                       | 5,944,065            | 90,000            | -           | 6,034,065            |
| Leased equipment                                | 38,197               | 189,578           | -           | 227,775              |
| Total other capital assets                      | <u>24,824,454</u>    | <u>507,784</u>    | <u>-</u>    | <u>25,332,238</u>    |
| Less accumulated depreciation for               |                      |                   |             |                      |
| Land improvements                               | 199,566              | 31,555            | -           | 231,121              |
| Buildings                                       | 3,567,626            | 384,140           | -           | 3,951,766            |
| Equipment                                       | 3,438,762            | 293,834           | -           | 3,732,596            |
| Less accumulated amortization for               |                      |                   |             |                      |
| Leased equipment                                | 33,539               | 61,438            | -           | 94,977               |
| Total accumulated<br>depreciation/amortization  | <u>7,239,493</u>     | <u>770,967</u>    | <u>-</u>    | <u>8,010,460</u>     |
| Total other capital assets, net                 | <u>17,584,961</u>    | <u>(263,183)</u>  | <u>-</u>    | <u>17,321,778</u>    |
| Governmental activities,<br>capital assets, net | <u>\$ 17,989,960</u> | <u>\$ 200,127</u> | <u>\$ -</u> | <u>\$ 18,190,087</u> |

**Independent School District No. 424  
Notes to Basic Financial Statements**

**NOTE 3 - CAPITAL ASSETS (CONTINUED)**

Depreciation and amortization expense for the year ended June 30, 2025, was charged to the following governmental functions:

|  |    |         |
|--|----|---------|
| District Support Services                    | \$ | 541     |
| Elementary and Secondary Regular Instruction |    | 81,774  |
| Vocational Instruction                       |    | 1,771   |
| Special Education Instruction                |    | 254     |
| Instructional Support Services               |    | 20,990  |
| Pupil Support Services                       |    | 1,507   |
| Sites and Buildings                          |    | 659,692 |
| Food Service                                 |    | 3,964   |
| Community Service                            |    | 474     |
|  |    | 474     |
| Total depreciation/amortization expense      | \$ | 770,967 |

**NOTE 4 - LONG-TERM LIABILITIES**

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

|                                  | Issue<br>Date | Interest<br>Rates | Original<br>Issue | Final<br>Maturity | Principal<br>Outstanding | Due Within<br>One Year |
|----------------------------------|---------------|-------------------|-------------------|-------------------|--------------------------|------------------------|
| Long-Term Liabilities            |               |                   |                   |                   |                          |                        |
| G.O. Bonds                       |               |                   |                   |                   |                          |                        |
| G.O. School Building Bonds 2019A | 11/20/19      | 2.38%-5.00%       | \$ 12,815,000     | 02/01/40          | \$ 10,620,000            | \$ 535,000             |
| G.O Refunding Bonds 2020A        | 12/30/20      | 1.0%-2.0%         | 2,425,000         | 02/01/32          | 1,470,000                | 250,000                |
| G.O. School Building Bond 2024A  | 02/01/24      | 3.1%              | 835,000           | 02/01/32          | 695,000                  | 95,000                 |
| Unamortized premium on bonds     |               |                   |                   |                   | 896,627                  | -                      |
| Total G.O. bonds, net of premium |               |                   |                   |                   | 13,681,627               | 880,000                |
| Lease Liability                  |               |                   |                   |                   | 161,034                  | 65,309                 |
| Compensated absences payable     |               |                   |                   |                   | 512,718                  | 271,471                |
| Total all long-term liabilities  |               |                   |                   |                   | \$ 14,355,379            | \$ 1,216,780           |

The long-term bond liabilities listed above were issued to finance acquisition and construction of capital facilities. The Lease Liabilities includes leased copiers. The General Fund typically liquidates the liability related to leases.

**Independent School District No. 424**  
**Notes to Basic Financial Statements**

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

**B. Minimum Debt Payments for Bonds**

Minimum annual principal and interest payments required to retire bond liabilities:

| Year Ended<br>June 30, | G.O. Bonds           |                     |                      |
|------------------------|----------------------|---------------------|----------------------|
|                        | Principal            | Interest            | Total                |
| 2026                   | \$ 880,000           | \$ 412,731          | \$ 1,292,731         |
| 2027                   | 910,000              | 376,231             | 1,286,231            |
| 2028                   | 870,000              | 338,531             | 1,208,531            |
| 2029                   | 905,000              | 300,431             | 1,205,431            |
| 2030                   | 940,000              | 262,781             | 1,202,781            |
| 2031-2035              | 4,190,000            | 887,106             | 5,077,106            |
| 2036-2040              | 4,090,000            | 358,625             | 4,448,625            |
| Total                  | <u>\$ 12,785,000</u> | <u>\$ 2,936,436</u> | <u>\$ 15,721,436</u> |

**C. Lease Obligations**

The District entered into a lease agreement in December 2023, for the lease of copiers. The lease agreement includes monthly payments of \$1,369 with an interest rate of 2.4%. The lease agreement expires on December 1, 2028.

The District entered into a lease agreement on August 13, 2024, for the lease of chrome books. The lease agreement included monthly payments of \$4,328 with an interest rate of 2.3%. The lease agreement expires July 1, 2027.

| Year Ended<br>June 30, | Lease Liability   |                 |                   |
|------------------------|-------------------|-----------------|-------------------|
|                        | Principal         | Interest        | Total             |
| 2026                   | \$ 65,309         | \$ 3,064        | \$ 68,373         |
| 2027                   | 66,838            | 1,536           | 68,374            |
| 2028                   | 20,336            | 427             | 20,763            |
| 2029                   | 8,551             | 63              | 8,614             |
| Total                  | <u>\$ 161,034</u> | <u>\$ 5,090</u> | <u>\$ 166,124</u> |

**Independent School District No. 424  
Notes to Basic Financial Statements**

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

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

|                              | Beginning<br>Balance,<br>Restated | Additions                   | Reductions                  | Ending<br>Balance           |
|------------------------------|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Long-term liabilities        |                                   |                             |                             |                             |
| G.O. school bonds            | \$ 13,685,000                     | \$ -                        | \$ 900,000                  | \$ 12,785,000               |
| Premium on bonds             | 969,088                           | -                           | 72,461                      | 896,627                     |
| Lease liability              | 4,029                             | 216,786                     | 59,781                      | 161,034                     |
| Compensated absences payable | 458,641                           | 54,077                      | -                           | 512,718                     |
|                              | <u>                    </u>       | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| Total long-term liabilities  | <u>\$ 15,116,758</u>              | <u>\$ 270,863</u>           | <u>\$ 1,032,242</u>         | <u>\$ 14,355,379</u>        |

**NOTE 5 - FUND BALANCES**

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

**Independent School District No. 424**  
**Notes to Basic Financial Statements**

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

**Fund Equity**

Fund balances are classified below to reflect the limitations and restrictions of the respective funds.

|                                  | General<br>Fund     | Debt<br>Service<br>Fund | Capital<br>Project<br>Fund | Other<br>Nonmajor<br>Funds | Total               |
|----------------------------------|---------------------|-------------------------|----------------------------|----------------------------|---------------------|
| <b>Nonspendable</b>              |                     |                         |                            |                            |                     |
| Inventory                        | \$ -                | \$ -                    | \$ -                       | \$ 4,062                   | \$ 4,062            |
| Prepaid items                    | 19,729              | -                       | -                          | -                          | 19,729              |
| <b>Total nonspendable</b>        | <u>19,729</u>       | <u>-</u>                | <u>-</u>                   | <u>4,062</u>               | <u>23,791</u>       |
| <b>Restricted/reserved for</b>   |                     |                         |                            |                            |                     |
| LTFM                             | 615,727             | -                       | -                          | -                          | 615,727             |
| Operating capital                | 1,975               | -                       | -                          | -                          | 1,975               |
| Basic skills                     | 265,329             | -                       | -                          | -                          | 265,329             |
| Student Activities               | 69,123              | -                       | -                          | -                          | 69,123              |
| Medical Assistance               | 30,508              | -                       | -                          | -                          | 30,508              |
| Learning and Development         | 74,016              | -                       | -                          | -                          | 74,016              |
| Safe Schools Revenue             | 81,876              | -                       | -                          | -                          | 81,876              |
| Literacy Aid                     | 18,332              | -                       | -                          | -                          | 18,332              |
| Gifted and Talented              | 16,268              | -                       | -                          | -                          | 16,268              |
| School Library Aid               | 51,780              | -                       | -                          | -                          | 51,780              |
| Literacy Incentive Aid           | 174                 | -                       | -                          | -                          | 174                 |
| Student Support Personnel Aid    | 32,708              | -                       | -                          | -                          | 32,708              |
| READ Act                         | 6,818               | -                       | -                          | -                          | 6,818               |
| Lions Club Donations             | 18,000              | -                       | -                          | -                          | 18,000              |
| Capital Projects                 | -                   | -                       | 256,600                    | -                          | 256,600             |
| Debt Service                     | -                   | 254,405                 | -                          | -                          | 254,405             |
| Food Service                     | -                   | -                       | -                          | 253,436                    | 253,436             |
| Early Childhood Family Education | -                   | -                       | -                          | 73,676                     | 73,676              |
| Adult Basic Education            | -                   | -                       | -                          | 1,159                      | 1,159               |
| Community Service                | -                   | -                       | -                          | 77,582                     | 77,582              |
| <b>Total restricted/reserved</b> | <u>1,282,634</u>    | <u>254,405</u>          | <u>256,600</u>             | <u>405,853</u>             | <u>2,199,492</u>    |
| <b>Committed for</b>             |                     |                         |                            |                            |                     |
| Seperation benefits              | 545,211             | -                       | -                          | -                          | 545,211             |
| <b>Total assigned</b>            | <u>545,211</u>      | <u>-</u>                | <u>-</u>                   | <u>-</u>                   | <u>545,211</u>      |
| <b>Assigned for</b>              |                     |                         |                            |                            |                     |
| Curriculum                       | 200,000             | -                       | -                          | -                          | 200,000             |
| Future roof project              | 500,000             | -                       | -                          | -                          | 500,000             |
| Technology                       | 100,000             | -                       | -                          | -                          | 100,000             |
| Unemployment costs               | 25,000              | -                       | -                          | -                          | 25,000              |
| <b>Total assigned</b>            | <u>825,000</u>      | <u>-</u>                | <u>-</u>                   | <u>-</u>                   | <u>825,000</u>      |
| <b>Unassigned</b>                |                     |                         |                            |                            |                     |
| General purposes                 | 2,857,822           | -                       | -                          | -                          | 2,857,822           |
| Negative disabled accessibility  | (700)               | -                       | -                          | -                          | (700)               |
| Negative school readiness        | -                   | -                       | -                          | (142,716)                  | (142,716)           |
| Negative community education     | -                   | -                       | -                          | (79,954)                   | (79,954)            |
| <b>Total unassigned</b>          | <u>2,857,122</u>    | <u>-</u>                | <u>-</u>                   | <u>(222,670)</u>           | <u>2,634,452</u>    |
| <b>Total fund balance</b>        | <u>\$ 5,529,696</u> | <u>\$ 254,405</u>       | <u>\$ 256,600</u>          | <u>\$ 187,245</u>          | <u>\$ 6,227,946</u> |

**Independent School District No. 424**  
**Notes to Basic Financial Statements**

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

**Fund Equity (Continued)**

Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) - This balance represents available resources to be used for LTFM projects in accordance with the 10-year plan (*Minnesota Statutes* § 123B.595, subd. 12).

Restricted/Reserved for Operating Capital - This balance represents available resources in the General Fund to be used to purchase equipment and facilities.

Restricted/Reserved for Basic Skills Programs - This balance represents resources available for the basic skills uses listed in *Minnesota Statutes* § 126C.15, subd. 1.

Restricted/Reserved for Student Activities - This balance represents available resources to be used for the extracurricular activity funds raised by the students.

Restricted/Reserved for Medical Assistance - This balance represents available resources to be used for medical assistance expenditures (*Minnesota Statutes* § 125A.21, subd. 3).

Restricted/Reserved for Learning and Development - Learning and development is funded by general education revenue. This reserve represents available general education revenues for learning and development, which is mainly for reducing the pupil to staff ratio.

Restricted/Reserved for Safe Schools Revenue - The unspent resources available from the Safe Schools revenue must be restricted in this account for future use.

Restricted/Reserved for Literacy Aid - This balance represents resources available for literacy aid for evidence-based literacy supports for children in prekindergarten through grade 12 based on structured literacy.

Restricted/Reserved for Gifted and Talented - The part of General Education Aid revenue for the gifted and talented program that is unspent at year end must be restricted in this Balance Sheet account.

Restricted/Reserved for School Library Aid - This balance represents resources available for the school library aid uses listed in *Minnesota Statute* § 134.356, subd. 1.

Restricted/Reserved for Literacy Incentive Aid - This balance represents the resources available to support implementation of evidence-based reading instruction.

Restricted/Reserved for Student Support Personnel Aid - This balance represents available resources to be used for student support personnel that are in addition to current staff levels.

Restricted/Reserved for Teacher Compensation for READ Act Training - This balance represents resources available for teacher compensation for Read Act training.

Restricted for Lions Club Donations - This balance represents donations received from the Lions Club. These funds are only to be used with prior approval from the Lions Club.

**Independent School District No. 424  
Notes to Basic Financial Statements**

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

**Fund Equity (Continued)**

Restricted for Capital Projects - This balance represents available resources in the Capital Projects Fund for projects.

Restricted for Debt Service - This balance represents the positive Fund balance of the debt service funds.

Restricted for Food Service - This balance represents the positive fund balance of the Food Service Fund.

Restricted/Reserved for Early Childhood and Family Education - This balance represents the resources available to provide for services for early childhood and family education programming.

Restricted/Reserved for Adult Basic Education - This account will represent the balance of carryover monies for all activity involving adult basic education. This would include all state aid and any grants or local funding used in support of ABE.

Restricted for Community Service - This balance represents the positive fund balance of the Community Service Fund.

Committed for Separation/Retirement Benefits - This balance represents resources segregated from the unassigned fund balance for retirement benefits, including compensated absences, pensions, other post-employment benefits (OPEB) and termination benefits (as defined in GASB Statements Nos. 16, 27, 45, 47, and 50 and *Minnesota Statutes* § 123B.79, subd. 7).

Unassigned for Disabled Accessibility - This balance represents resources restricted for disabled accessibility.

Unassigned for School Readiness - This balance represents the resources available to provide for services for school readiness programs (*Minnesota Statutes* § 124D.16). This balance is classified as unassigned as the balance was negative at year-end.

Unassigned for Community Education - This balance represents the resources available to provide programming such as: nonvocational, recreational and leisure time activities, programs for adults with disabilities, noncredit summer programs, youth development and youth service programming, early childhood and family education, and extended day programs. This balance is classified as unassigned as the balance was negative at year-end.

**Independent School District No. 424  
Notes to Basic Financial Statements**

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

The District participates in various pension plans. Total pension expense for the year ended June 30, 2025, was \$194,033. The components of pension expense are noted in the following plan summaries.

The General Fund typically liquidates the Liability related to the pensions.

**Teachers' Retirement Association**

**A. Plan Description**

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

Educators employed in Minnesota's public elementary and secondary schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those teachers employed by St. Paul Schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect either TRA coverage or coverage through the Define Contribution Retirement Plan (DCR) administered by the Minnesota State. A teacher employed by Minnesota State and electing the DCR plan is not a member of TRA except for purposes of social security coverage.

**B. Benefits Provided**

TRA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by *Minnesota Statute* and vest after three years of service credit. The defined retirement benefits are based on a member's highest average salary for any consecutive 60 months of formula service, age and years of formula service credit at termination of service. TRA members belong to either the Basic or Coordinated Plan.

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

*Tier I Benefits*

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

**Independent School District No. 424  
Notes to Basic Financial Statements**

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

**B. Benefits Provided (Continued)**

*Tier I Benefits (Continued)*

With these provisions:

- Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- 3% per year early retirement reduction factor for all years under normal retirement age.
- 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% per year for coordinated members and 2.7% per year for basic members is applied. For years of service July 1, 2006, and after, a level formula of 1.9% per year for Coordinated members and 2.7% 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 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.

**C. Contributions**

Per *Minnesota Statutes* Chapter 354 sets the contribution rates for employees and employers. Rates for the fiscal year 2025 for coordinated were 7.75% for the employee and 8.75% for the employer. Basic rates were 11.25% for the employee and 12.75% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2025 were \$198,631. The District's contributions were equal to the required contributions for each year as set by the state statute.

**Independent School District No. 424  
Notes to Basic Financial Statements**

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

**Teachers' Retirement Association (Continued)**

**D. Actuarial Assumptions**

The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

**Actuarial Information**

|                       |  |
|-----------------------|--|
| Experience study      | August 2, 2023 (Demographic and economic assumptions)* |
| Actuarial cost method | Entry Age Normal                                       |

**Actuarial assumptions**

|                           |  |
|---------------------------|--|
| Investment rate of return | 7.00%  |
| Price inflation           | 2.50%  |
| Wage growth rate          | 2.85% before July 1, 2028, and 3.25% after June 30, 2028.  |
| Projected salary increase | 2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028.                         |
| Cost of living adjustment | 1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually. |

**Mortality Assumptions**

|                 |  |
|-----------------|--|
| Pre-retirement  | Pub T-2010(A) Employee Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 Scale.         |
| Post-retirement | Pub T-2010(A) Retiree Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 Scale.          |
| Beneficiaries   | Pub-2010(A) Contingent Survivor Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 Scale |
| Post-disability | PubNS-2010 Disabled Retiree Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 Scale.    |

\* The assumptions prescribed are based on the experience study dated August 2, 2023. For GASB 67 purposes, the long-term rate of return assumptions is selected by the TRA management in consultation with the actuary.

**Independent School District No. 424  
Notes to Basic Financial Statements**

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

**Teachers' Retirement Association (Continued)**

**D. Actuarial Assumptions (Continued)**

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

| Asset Class          | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------|-------------------|--|
| Domestic equity      | 33.5 %            | 5.10 %                                 |
| International equity | 16.5              | 5.30                                   |
| Fixed income         | 25.0              | 0.75                                   |
| Private markets      | 25.0              | 5.90                                   |
| Total                | <u>100.0 %</u>    |  |

Changes in actuarial assumptions since the previous valuation:

- 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 Pub-2010 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 and 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% to reflect the continued lower than expected observations.

**E. Discount Rate**

The discount rate used to measure the total pension liability was 7.0%. 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.

**Independent School District No. 424  
Notes to Basic Financial Statements**

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

**Teachers' Retirement Association (Continued)**

**F. Net Pension Liability**

On June 30, 2025, the District reported a liability of \$2,154,115 for its proportionate share of the 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 TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis, and Minneapolis School District. District proportionate share was 0.0339% at the end of the measurement period and 0.0348% for the beginning of the year.

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

|   |              |
|---|--------------|
| District's proportionate share of net pension liability                               | \$ 2,154,115 |
| State's proportionate share of the net pension liability associated with the district | 140,848      |
| Total   | \$ 2,294,963 |

For the year ended June 30, 2025, the District recognized pension expense of \$178,990. Included in this amount, the District recognized \$7,743 as pension expense for the support provided by direct aid.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$176 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 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized \$59,721 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.

**Independent School District No. 424  
Notes to Basic Financial Statements**

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

**Teachers' Retirement Association (Continued)**

**F. Net Pension Liability (Continued)**

As of 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 of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                      | \$ 103,825                           | \$ 29,226                           |
| Net difference between projected and actual earnings on plan investment | -                                    | 308,815                             |
| Changes of assumptions  | 239,658                              | 256,884                             |
| Changes in proportion   | 29,936                               | 162,915                             |
| District's contributions to TRA subsequent to the measurement date      | 198,631                              | -                                   |
| Total   | \$ 572,050                           | \$ 757,840                          |

The \$198,631 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

| Year Ended<br>June 30, | Pension<br>Expense |
|------------------------|--------------------|
| 2026                   | \$ (166,864)       |
| 2027                   | 191,942            |
| 2028                   | (200,868)          |
| 2029                   | (162,248)          |
| 2030                   | (46,383)           |
| Total                  | \$ (384,421)       |

**Independent School District No. 424  
Notes to Basic Financial Statements**

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

**Teachers' Retirement Association (Continued)**

**G. Pension Liability Sensitivity**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower (6.0%) and 1 percent higher (8.0%) than the current rate.

| Sensitivity to Changes in the Discount Rate |                                    |   |
|---|------------------------------------|---|
| 1% Decrease in<br>Discount Rate<br>(6.0%)   | Current<br>Discount Rate<br>(7.0%) | 1% Increase in<br>Discount Rate<br>(8.0%) |
| \$ 3,793,522                                | \$ 2,154,115                       | \$ 804,844                                |

**H. Pension Plan Fiduciary Net Position**

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

**Public Employees' Retirement Association**

**A. Plan Description**

The District participates in the following cost-sharing multiple-employer defined benefit pension plan administered by PERA. PERA's defined benefit pension plan is established and administered in accordance with *Minnesota Statutes* Chapters 353, 353D, 353E, 353G, and 356. *Minnesota Statutes* Chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

**General Employees Retirement Plan**

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.

**B. Benefits Provided**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. 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.

**Independent School District No. 424  
Notes to Basic Financial Statements**

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

**Public Employees' Retirement Association (Continued)**

**B. Benefits Provided (Continued)**

**General Employees Plan Benefits**

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any 5 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 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% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% 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 .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% 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 a 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 postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.0% and a maximum of 1.5%. The 2024 annual increase was 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

**C. Contributions**

*Minnesota Statutes* Chapter 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

**General Employees Fund Contributions**

General Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2025 and the District was required to contribute 7.5% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2025, were \$41,184. The District's contributions were equal to the required contributions as set by state statute.

**Independent School District No. 424  
Notes to Basic Financial Statements**

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

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs**

General Employees Fund Pension Costs

At June 30, 2025, the District reported a liability of \$223,942 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$5,791.

|   |            |
|---|------------|
| District's proportionate share of net pension liability                               | \$ 223,942 |
| State's proportionate share of the net pension liability associated with the District | 5,791      |
|   | 5,791      |
| Total   | \$ 229,733 |

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 proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0061%, at the end of the measurement period and 0.0064% for the beginning of the period.

For the year ended June 30, 2025, the District recognized pension expense of \$15,044 for its proportionate share of the General Employees Plan's pension expense. Included in this amount, the District recognized \$155 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

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 schedule 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 \$10,304 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.

**Independent School District No. 424  
Notes to Basic Financial Statements**

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

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

General Employees Fund Pension Costs (Continued)

At June 30, 2025, the District reported its proportionate share of GERS's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience   | \$ 21,429                            | \$ -                                |
| Changes in actuarial assumptions                              | 1,137                                | 88,258                              |
| Difference between projected and actual investments earnings  | -                                    | 58,188                              |
| Change in proportion  | 11,433                               | 14,364                              |
| Contributions paid to PERA subsequent to the measurement date | 41,184                               | -                                   |
| Total   | \$ 75,183                            | \$ 160,810                          |

The \$41,184 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended<br>June 30, | Expense<br>Amount |
|------------------------|-------------------|
| 2026                   | \$ (61,747)       |
| 2027                   | (15,261)          |
| 2028                   | (32,640)          |
| 2029                   | (17,163)          |
| Total                  | \$ (126,811)      |

**Independent School District No. 424  
Notes to Basic Financial Statements**

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

**Public Employees' Retirement Association (Continued)**

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

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

| <u>Asset Class</u>   | <u>Final<br/>Target<br/>Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return</u> |
|----------------------|--|---|
| Domestic equity      | 33.5 %                                 | 5.10 %  |
| International equity | 16.5                                   | 5.30  |
| Fixed income         | 25.0                                   | 0.75  |
| Private markets      | 25.0                                   | 5.90  |
| Total                | <u>100.0 %</u>                         |   |

**F. Actuarial Methods and Assumptions**

The total pension liability for each of the cost-sharing defined benefit plans 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 in the determination of the total liability is 7.0%. The 7.0% assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates considered reasonable by the actuary. An investment return of 7.0% is within that range.

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

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

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023, actuarial valuation.

**Independent School District No. 424  
Notes to Basic Financial Statements**

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

**Public Employees' Retirement Association (Continued)**

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

The following changes in actuarial assumptions and plan provisions occurred in 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.

**Changes in Plan Provisions**

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

**G. Discount Rate**

The discount rate used to measure the total pension liability in 2024 was 7.0%. 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 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.

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

|   | 1% Decrease in<br>Discount Rate<br>(6.0%) | Current<br>Discount Rate<br>(7.0%) | 1% Increase in<br>Discount Rate<br>(8.0%) |
|---|---|------------------------------------|---|
| District's proportionate share of<br>the PERA net pension liability | \$ 489,131                                | \$ 223,942                         | \$ 5,805                                  |

**I. Pension Plan Fiduciary Net Position**

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

**Independent School District No. 424  
Notes to Basic Financial Statements**

**NOTE 7 - POST EMPLOYMENT HEALTH CARE PLAN**

**A. Plan Description**

The District provides a single employer defined benefit OPEB plan which provides medical and dental benefits to eligible retired employees and their dependents in accordance with the terms of the plan. It is the District's policy to periodically review its medical coverage and to obtain requests for proposals in order to provide the most favorable benefits and premiums for District employees and retirees. No assets are acclimated in a trust.

**B. Benefits Paid**

Various employee groups receive health insurance contributions at varying rates until they are Medicare eligible. The General Fund, Food Service Fund, and Community Service Fund typically liquidate the liability related to OPEB.

**C. Members**

As of July 1, 2023, the following were covered by the benefit terms:

|  |                  |
|--|------------------|
| Inactive employees or beneficiaries currently receiving benefits | 12               |
| Active employees   | <u>59</u>        |
| Total  | <u><u>71</u></u> |

**D. Contributions**

Retirees contribute to the health care plan at the same rate as District employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the District, based on the contract terms. The required contributions are based on projected pay-as-you-go financing requirements. For the year 2025, the District contributed \$85,328 to the plan.

**Independent School District No. 424  
Notes to Basic Financial Statements**

**NOTE 7 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**E. Actuarial Assumptions**

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

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

|                                 |   |
|---------------------------------|---|
| Discount rate                   | 4.10%   |
| Salary increases                | Service graded table  |
| Inflation                       | 2.50%   |
| Healthcare cost trend increases | 6.25% decreasing to 5.0% over 6 years and then to 4.0% over the next 48 years.  |
| Mortality Assumption            | Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale. |

The actuarial assumptions used in the July 1, 2023, valuation was based on the results of an actuarial experience study for the period July 1, 2024, through June 30, 2025.

The Discount rate was based on the 20-year Municipal Bond yield.

The following changes in actuarial assumptions in 2024:

Assumption changes

- The discount rate was changed from 3.90% to 4.10%.

**F. Total OPEB Liability**

The District's total OPEB liability of \$480,364 was measured as of July 1, 2024, and was determined by an actuarial valuation as of July 1, 2023.

**Independent School District No. 424  
Notes to Basic Financial Statements**

**NOTE 7 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**F. Total OPEB Liability (Continued)**

Changes in the total OPEB liability are as follows:

|                          | <u>Total<br/>OPEB<br/>Liability</u> |
|--------------------------|-------------------------------------|
| Balances at July 1, 2024 | \$ 525,280                          |
| Changes for the year     |                                     |
| Service cost             | 24,059                              |
| Interest                 | 19,776                              |
| Changes in assumptions   | (3,423)                             |
| Benefit payments         | <u>(85,328)</u>                     |
| Net changes              | <u>(44,916)</u>                     |
| Balances at July 1, 2025 | <u><u>\$ 480,364</u></u>            |

**G. OPEB Liability Sensitivity**

The following presents the District's total OPEB liability calculated using the discount rate of 4.10% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

|                      | 1% Decrease in<br>Discount Rate<br>(3.10%) | Current<br>Discount Rate<br>(4.10%) | 1% Increase in<br>Discount Rate<br>(5.10%) |
|----------------------|--|-------------------------------------|--|
| Total OPEB liability | \$ 501,426                                 | \$ 480,364                          | \$ 460,201                                 |

**Independent School District No. 424  
Notes to Basic Financial Statements**

**NOTE 7 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**G. OPEB Liability Sensitivity (Continued)**

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% lower and 1% higher than the current healthcare cost trend rates.

|                          | 1% Decrease in<br>Trend Rate<br>(5.50%<br>Decreasing to<br>3.00%) | Current<br>Trend Rate<br>(6.50%<br>Decreasing to<br>4.00%) | 1% Increase in<br>Trend Rate<br>(7.50%<br>Decreasing to<br>5.00%) |
|--------------------------|---|--|---|
| Total Net OPEB liability | \$ 456,463  | \$ 480,364   | \$ 508,885  |

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2025, the District recognized OPEB expense of \$35,236. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                          | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--------------------------|--------------------------------------|-------------------------------------|
| Liability losses         | \$ 8,569                             | \$ -                                |
| Changes of assumptions   | 10,977                               | 34,895                              |
| Subsequent contributions | 89,335                               | -                                   |
| Total                    | \$ 108,881                           | \$ 34,895                           |

The \$89,335 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2026.

**Independent School District No. 424  
Notes to Basic Financial Statements**

**NOTE 7 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to OPEB (Continued)**

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

| Year Ended<br>June 30, | Total       |
|------------------------|-------------|
| 2026                   | \$ (8,599)  |
| 2027                   | 451         |
| 2028                   | (1,632)     |
| 2029                   | (4,998)     |
| 2030                   | (82)        |
| Thereafter             | (489)       |
| Total                  | \$ (15,349) |

**NOTE 8 - DUE TO/DUE FROM OTHER FUNDS**

As of June 30, 2025, \$44,119 was due to the General Fund from the Community Service Fund to cover a deficit cash balance.

**NOTE 9 - COMMITMENTS**

As of June 30, 2025, the district had remaining contract commitments with UHL, GS Audio, and JT Electric of \$11,050, \$23,040, and \$52,000 respectively.

**Independent School District No. 424  
Notes to Basic Financial Statements**

**NOTE 10 - ACCOUNTING CHANGES**

The Governmental Activities beginning net position was restated as a result of the implementation of GASB Statement No. 101, *Compensated Absences*.

|                                       | Reporting Units<br>Affected by<br>Adjustments to<br>and Restatements<br>of Beginning<br>Balances |
|---------------------------------------|--|
|                                       | Governmental<br>Activities   |
| 6/30/2024, as previously reported     | \$ 6,587,342   |
| Accounting changes                    |  |
| GASB Statement No. 101 implementation | (458,641)  |
|                                       | \$ 6,128,701   |

**NOTE 11 - GASB STANDARDS ISSUED BUT NOT YET IMPLEMENTED**

GASB Statement No. 103, *Financial Reporting Model Improvements*. The changes required by this Statement provide clarity, enhance the relevance of information, provide more useful information for decision-making, and provide for greater comparability amongst government entities. This Statement will be effective for the year ending June 30, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The disclosures required by this Statement provide users of the financial statements with essential information about certain types of capital assets. This Statement will be effective for the year ending June 30, 2026.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**Independent School District No. 424**  
**Schedule of Changes in Total OPEB Liability**  
**and Related Ratios**

|   | <u>June 30, 2025</u> | <u>June 30, 2024</u> | <u>June 30, 2023</u> | <u>June 30, 2022</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| <b>Total OPEB Liability</b>   |                      |                      |                      |                      |
| Service cost  | \$ 24,059            | \$ 24,032            | \$ 24,486            | \$ 30,535            |
| Interest  | 19,776               | 20,756               | 13,107               | 14,551               |
| Differenced between expected<br>and actual experience               | -                    | 594                  | -                    | 11,516               |
| Changes of assumptions  | (3,423)              | 2,297                | (34,461)             | 12,100               |
| Plan changes  | -                    | -                    | -                    | 15,119               |
| Benefit payments  | <u>(85,328)</u>      | <u>(88,352)</u>      | <u>(73,323)</u>      | <u>(46,592)</u>      |
| Net change in total OPEB liability                                  | <u>(44,916)</u>      | <u>(40,673)</u>      | <u>(70,191)</u>      | <u>37,229</u>        |
| Beginning of year   | <u>525,280</u>       | <u>565,953</u>       | <u>636,144</u>       | <u>598,915</u>       |
| End of year   | <u>\$ 480,364</u>    | <u>\$ 525,280</u>    | <u>\$ 565,953</u>    | <u>\$ 636,144</u>    |
| Covered payroll   | \$ 2,647,564         | \$ 2,570,450         | \$ 2,661,693         | \$ 2,584,168         |
| Total OPEB liability as a percentage of<br>covered-employee payroll | 18.14%               | 20.44%               | 21.26%               | 24.62%               |

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

|    | <u>June 30, 2021</u> | <u>June 30, 2020</u> | <u>June 30, 2019</u> | <u>June 30, 2018</u> |
|----|----------------------|----------------------|----------------------|----------------------|
| \$ | 39,353               | \$ 34,670            | \$ 30,271            | \$ 29,389            |
|    | 18,118               | 21,323               | 20,801               | 20,356               |
|    | 14,554               | (85,895)             | -                    | -                    |
|    | -                    | 22,503               | -                    | -                    |
|    | -                    | -                    | -                    | -                    |
|    | <u>(36,143)</u>      | <u>(43,733)</u>      | <u>(36,540)</u>      | <u>(38,526)</u>      |
|    | <u>35,882</u>        | <u>(51,132)</u>      | <u>14,532</u>        | <u>11,219</u>        |
|    | <u>563,033</u>       | <u>614,165</u>       | <u>599,633</u>       | <u>588,414</u>       |
| \$ | <u>598,915</u>       | <u>\$ 563,033</u>    | <u>\$ 614,165</u>    | <u>\$ 599,633</u>    |
| \$ | 2,474,160            | \$ 2,402,097         | \$ 2,155,164         | \$ 2,092,392         |
|    | 24.21%               | 23.44%               | 28.50%               | 28.66%               |

**Independent School District No. 424**  
**Schedule of District's and Non-Employer Proportionate Share**  
**of Net Pension Liability - General Employees Retirement Fund**  
**Last Ten Years**

| For Plan's<br>Fiscal Year<br>Ended<br>June 30, | District's<br>Proportion of<br>the Net<br>Pension<br>Liability<br>(Asset) | District's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability<br>(Asset) | District's<br>Proportionate<br>Share of State<br>of Minnesota's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability | District's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability and<br>District's Share<br>of the State of<br>Minnesota's<br>Share of the<br>Net Pension of<br>Liability | District's<br>Covered -<br>Employee<br>Payroll | District's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability<br>(Asset) as a<br>Percentage of<br>its Covered -<br>Employee<br>Payroll | Plan Fiduciary<br>Net Position<br>as a<br>Percentage of<br>the Total<br>Pension<br>Liability |
|--|---|--|--|--|--|--|--|
| 2015   | 0.0051%   | \$ 264,308   | \$ -   | \$ 264,308   | \$ 293,680                                     | 90.00%   | 78.20%   |
| 2016   | 0.0050%   | 405,975  | 5,339  | 411,314  | 312,413  | 129.95%  | 68.90%   |
| 2017   | 0.0050%   | 319,197  | 4,044  | 323,241  | 324,547  | 98.35%   | 75.90%   |
| 2018   | 0.0053%   | 294,022  | 9,514  | 303,536  | 353,413  | 83.20%   | 79.50%   |
| 2019   | 0.0061%   | 337,255  | 10,500   | 347,755  | 429,573  | 78.51%   | 80.20%   |
| 2020   | 0.0063%   | 377,714  | 11,658   | 389,372  | 422,027  | 89.50%   | 79.10%   |
| 2021   | 0.0056%   | 239,145  | 7,213  | 246,358  | 400,373  | 59.73%   | 87.00%   |
| 2022   | 0.0063%   | 498,962  | 14,663   | 513,625  | 469,373  | 106.30%  | 76.70%   |
| 2023   | 0.0064%   | 357,881  | 9,901  | 367,782  | 510,773  | 70.07%   | 83.10%   |
| 2024   | 0.0061%   | 223,942  | 5,791  | 229,733  | 512,680  | 43.68%   | 89.08%   |

**Schedule of District's and Non-Employer Proportionate Share**  
**of Net Pension Liability - TRA Retirement Fund**  
**Last Ten Years**

| For Plan's<br>Fiscal Year<br>Ended<br>June 30, | District's<br>Proportion of<br>the Net<br>Pension<br>Liability<br>(Asset) | District's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability<br>(Asset) | District's<br>Proportionate<br>Share of State<br>of Minnesota's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability | District's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability and<br>District's Share<br>of the State of<br>Minnesota's<br>Share of the<br>Net Pension<br>Liability | District's<br>Covered -<br>Employee<br>Payroll | District's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability<br>(Asset) as a<br>Percentage of<br>its Covered -<br>Employee<br>Payroll | Plan Fiduciary<br>Net Position<br>as a<br>Percentage of<br>the Total<br>Pension<br>Liability |
|--|---|--|--|---|--|--|--|
| 2015   | 0.0349%   | \$ 2,158,910   | \$ 264,941   | \$ 9,472,444  | \$ 1,782,707                                   | 121.1%   | 76.80%   |
| 2016   | 0.0363%   | 8,658,416  | 868,131  | 9,526,547   | 1,905,560                                      | 454.4%   | 44.90%   |
| 2017   | 0.0366%   | 7,306,024  | 705,581  | 8,011,605   | 1,957,120                                      | 373.3%   | 51.60%   |
| 2018   | 0.0348%   | 2,188,103  | 205,523  | 2,393,626   | 1,945,080                                      | 112.5%   | 78.10%   |
| 2019   | 0.0359%   | 2,288,274  | 202,624  | 2,490,898   | 2,059,468                                      | 111.1%   | 78.10%   |
| 2020   | 0.0364%   | 2,689,281  | 225,653  | 2,914,934   | 2,115,833                                      | 127.1%   | 75.50%   |
| 2021   | 0.0374%   | 1,636,736  | 138,196  | 1,774,932   | 2,239,840                                      | 73.1%  | 86.60%   |
| 2022   | 0.0362%   | 2,898,705  | 214,749  | 3,113,454   | 2,235,384                                      | 129.7%   | 76.20%   |
| 2023   | 0.0348%   | 2,873,166  | 201,058  | 3,074,224   | 2,212,222                                      | 129.9%   | 76.42%   |
| 2024   | 0.0339%   | 2,154,115  | 140,848  | 2,294,963   | 2,245,291                                      | 95.9%  | 82.07%   |

See notes to required supplementary information.

**Independent School District No. 424  
Schedule of District Contributions -  
General Employees Retirement Fund  
Last Ten Years**

| Fiscal Year<br>Ending<br>June 30, | Statutorily<br>Required<br>Contribution | Contributions<br>in Relation to<br>the Statutorily<br>Required<br>Contributions | Contribution<br>Deficiency<br>(Excess) | District's<br>Covered -<br>Employee<br>Payroll | Contributions<br>as a<br>Percentage of<br>Covered -<br>Employee<br>Payroll |
|-----------------------------------|---|---|--|--|--|
| 2016                              | \$ 23,431                               | \$ 23,431   | \$ -                                   | \$ 312,413                                     | 7.50%  |
| 2017                              | 24,341                                  | 24,341  | -                                      | 324,547  | 7.50%  |
| 2018                              | 26,506                                  | 26,506  | -                                      | 353,413  | 7.50%  |
| 2019                              | 32,218                                  | 32,218  | -                                      | 429,573  | 7.50%  |
| 2020                              | 31,652                                  | 31,652  | -                                      | 422,027  | 7.50%  |
| 2021                              | 30,028                                  | 30,028  | -                                      | 400,373  | 7.50%  |
| 2022                              | 35,203                                  | 35,203  | -                                      | 469,373  | 7.50%  |
| 2023                              | 38,308                                  | 38,308  | -                                      | 510,773  | 7.50%  |
| 2024                              | 38,451                                  | 38,451  | -                                      | 512,680  | 7.50%  |
| 2025                              | 41,184                                  | 41,184  | -                                      | 549,120  | 7.50%  |

**Schedule of District Contributions -  
TRA Retirement Fund  
Last Ten Years**

| Fiscal Year<br>Ending<br>June 30, | Statutorily<br>Required<br>Contribution | Contributions<br>in Relation to<br>the Statutorily<br>Required<br>Contributions | Contribution<br>Deficiency<br>(Excess) | District's<br>Covered -<br>Employee<br>Payroll | Contributions<br>as a<br>Percentage of<br>Covered -<br>Employee<br>Payroll |
|-----------------------------------|---|---|--|--|--|
| 2016                              | \$ 142,917                              | \$ 142,917  | \$ -                                   | \$ 1,905,560                                   | 7.50%  |
| 2017                              | 146,784                                 | 146,784   | -                                      | 1,957,120                                      | 7.50%  |
| 2018                              | 145,881                                 | 145,881   | -                                      | 1,945,080                                      | 7.50%  |
| 2019                              | 158,785                                 | 158,785   | -                                      | 2,059,468                                      | 7.71%  |
| 2020                              | 167,574                                 | 167,574   | -                                      | 2,115,833                                      | 7.92%  |
| 2021                              | 182,099                                 | 182,099   | -                                      | 2,239,840                                      | 8.13%  |
| 2022                              | 186,431                                 | 186,431   | -                                      | 2,235,384                                      | 8.34%  |
| 2023                              | 189,145                                 | 189,145   | -                                      | 2,212,222                                      | 8.55%  |
| 2024                              | 196,463                                 | 196,463   | -                                      | 2,245,291                                      | 8.75%  |
| 2025                              | 198,631                                 | 198,631   | -                                      | 2,270,069                                      | 8.75%  |

**Independent School District No. 424**  
**Notes to the Required Supplementary Information**

**TRA Retirement Fund**

**2024 Changes**

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 Pub-2010 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 and 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% to reflect the continued lower than expected observations.

Changes of Benefit Terms

- The Normal Retirement Age (NRA) for active and eligible deferred Tier II members will be 65 effective July 1, 2024.

**2023 Changes**

Changes in Actuarial Assumptions

- None

**2022 Changes**

Changes in Actuarial Assumptions

- None

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return assumption was changed from 7.5% to 7.0%.

**2020 Changes**

Changes in Actuarial Assumptions

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP 2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP 2015 scale.
- Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

**2019 Changes**

Changes in Actuarial Assumptions

- None

**2018 Changes**

Changes in Actuarial Assumptions

- The discount rate was increased to 7.5% from 5.12%.

**Independent School District No. 424**  
**Notes to the Required Supplementary Information**

**TRA Retirement Fund (Continued)**

**2018 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- The cost-of-living adjustment (COLA) was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% 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 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019, and ending July 1, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers was reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next 6 years (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

**2017 Changes**

Changes in Actuarial Assumptions

- The discount rate was increased to 5.12% from 4.66%.
- The cost-of-living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the non-vested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 2.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

**2016 Changes**

Changes in Actuarial Assumptions

- The discount rate was decreased to 4.66% from 8.0%.
- The COLA was not assumed to increase for funding or the GASB calculation. It remained at 2% for all future years.
- The price inflation assumption was lowered from 3% to 2.75%.

**Independent School District No. 424**  
**Notes to the Required Supplementary Information**

**TRA Retirement Fund (Continued)**

**2016 Changes (Continued)**

**Changes in Actuarial Assumptions (Continued)**

- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes as some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP 2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP 2015 scale.
- The post-retirement mortality assumption was changed to the RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP 2015 scale.
- The post-disability mortality assumption was changed to the RP 2014 disabled retiree mortality table, without adjustment.
- Separate retirement assumptions for members hired before or after July 1, 1989, were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional form of annuity payment at retirement were made.

**2015 Changes**

**Changes of Benefit Terms**

- The DTRFA was merged into TRA on June 30, 2015.

**Changes in Actuarial Assumptions**

- The annual COLA for the June 30, 2015, valuation assumed 2%. The prior year valuation used 2% with an increase to 2.5% commencing in 2034. The discount rate used to measure the total pension liability was 8.0%. This is a decrease from the discount rate at the prior measurement date of 8.25%.

**Independent School District No. 424**  
**Notes to the Required Supplementary Information**

**General Employees Fund**

**2024 Changes**

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.

Changes in Plan Provisions

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

**2023 Changes**

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5% to 7.0%.

Changes in Plan Provisions

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

**2022 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.

**Independent School District No. 424**  
**Notes to the Required Supplementary Information**

**General Employees Fund (Continued)**

**2020 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

**2019 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changed prospectively, requiring \$16 million due per year through 2031.

**2018 Changes**

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

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 4.0% to 3.0%, beginning July 1, 2018.

**Independent School District No. 424**  
**Notes to the Required Supplementary Information**

**General Employees Fund (Continued)**

**2018 Changes (Continued)**

Changes in Plan Provisions (Continued)

- Deferred augmentation was changed to 0.0%, 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 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age. This does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**2017 Changes**

Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

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

**2016 Changes**

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation was decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

**2015 Changes**

Changes in Plan Provisions

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

**Independent School District No. 424**  
**Notes to the Required Supplementary Information**

**General Employees Fund (Continued)**

**2015 Changes (Continued)**

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

**Independent School District No. 424**  
**Notes to the Required Supplementary Information**

**Post Employment Healthcare Plan**

**2024 Changes**

Changes in Actuarial Assumptions

- The discount rate was changed from 3.90% to 4.10%.

**2023 Changes**

Changes in Actuarial Assumptions

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

**2022 Changes**

Changes in Actuarial Assumptions

- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.10% to 3.80%.

**2021 Changes**

Benefit Changes

- The matching contribution amount increased for Teachers and a subsidized benefit was added for the Business Official.

Changes in Actuarial Assumptions

- The health care trend rates, mortality tables, and withdrawal rates were updated.
- The salary scale for non-teachers was updated.
- The inflation rate was changed from 2.50% to 2.00%.
- The discount rate was changed from 2.40% to 2.10%.

**2020 Changes**

Changes in Actuarial Assumptions

- The discount rate was changed from 3.10% to 2.40%.

**2019 Changes**

Changes in Actuarial Assumptions

- The discount rate was changed from 3.40% to 3.10%.
- The health care trend rates were changed to better anticipate short term and long-term medical increases. The mortality tables were updated to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2018 Generational Improvement Scale. The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.

**2018 Changes**

Changes in Actuarial Assumptions

- None

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**SUPPLEMENTARY INFORMATION**

**Independent School District No. 424**  
**Lester Prairie, Minnesota**  
**Combining Balance Sheet -**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

|   | Special Revenue Funds |                   | Total             |
|---|-----------------------|-------------------|-------------------|
|   | Food Service          | Community Service |                   |
| <b>Assets</b>   |                       |                   |                   |
| Cash and investments  | \$ 259,335            | \$ -              | \$ 259,335        |
| Current property taxes receivable                                   | -                     | 15,512            | 15,512            |
| Delinquent property taxes receivable                                | -                     | 83                | 83                |
| Accounts receivable   | -                     | 400               | 400               |
| Due from Department of Education                                    | -                     | 4,547             | 4,547             |
| Due from other governmental units                                   | -                     | 135               | 135               |
| Inventory   | 4,062                 | -                 | 4,062             |
|   | <u>4,062</u>          | <u>-</u>          | <u>4,062</u>      |
| Total assets  | <u>\$ 263,397</u>     | <u>\$ 20,677</u>  | <u>\$ 284,074</u> |
| <b>Liabilities</b>  |                       |                   |                   |
| Accounts payable  | \$ 598                | \$ 130            | \$ 728            |
| Salaries and benefits payable                                       | 574                   | 13,295            | 13,869            |
| Due to other funds  | -                     | 44,119            | 44,119            |
| Unearned revenue  | 4,727                 | -                 | 4,727             |
| Total liabilities   | <u>5,899</u>          | <u>57,544</u>     | <u>63,443</u>     |
| <b>Deferred Inflows of Resources</b>                                |                       |                   |                   |
| Property taxes levied for subsequent year's expenditures            | -                     | 33,303            | 33,303            |
| Unavailable revenue - delinquent property taxes                     | -                     | 83                | 83                |
| Total deferred inflows of resources                                 | <u>-</u>              | <u>33,386</u>     | <u>33,386</u>     |
| <b>Fund Balances</b>  |                       |                   |                   |
| Nonspendable  | 4,062                 | -                 | 4,062             |
| Restricted  | 253,436               | 152,417           | 405,853           |
| Unassigned  | -                     | (222,670)         | (222,670)         |
| Total fund balances   | <u>257,498</u>        | <u>(70,253)</u>   | <u>187,245</u>    |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 263,397</u>     | <u>\$ 20,677</u>  | <u>\$ 284,074</u> |

**Independent School District No. 424**  
**Lester Prairie, Minnesota**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances -**  
**Nonmajor Governmental Funds**  
**Year Ended June 30, 2025**

|                                      | Special Revenue Funds |                   | Total      |
|--------------------------------------|-----------------------|-------------------|------------|
|                                      | Food Service          | Community Service |            |
| <b>Revenues</b>                      |                       |                   |            |
| Local property taxes                 | \$ -                  | \$ 29,830         | \$ 29,830  |
| Other local and county revenues      | -                     | 80,240            | 80,240     |
| Revenue from state sources           | 186,360               | 53,800            | 240,160    |
| Revenue from federal sources         | 158,137               | -                 | 158,137    |
| Sales and other conversion of assets | 18,680                | -                 | 18,680     |
| Total revenues                       | 363,177               | 163,870           | 527,047    |
| <b>Expenditures</b>                  |                       |                   |            |
| Current                              |                       |                   |            |
| Food service                         | 350,253               | -                 | 350,253    |
| Community education and services     | -                     | 177,656           | 177,656    |
| Capital outlay                       |                       |                   |            |
| Food service                         | 8,436                 | -                 | 8,436      |
| Total expenditures                   | 358,689               | 177,656           | 536,345    |
| Net change in fund balances          | 4,488                 | (13,786)          | (9,298)    |
| <b>Fund Balances</b>                 |                       |                   |            |
| Beginning of year                    | 253,010               | (56,467)          | 196,543    |
| End of year                          | \$ 257,498            | \$ (70,253)       | \$ 187,245 |

Independent School District No. 424  
 Uniform Financial Accounting And Reporting Standards  
 Compliance Table  
 Year Ended June 30, 2025

|   | Audit        | UFARS        | Audit-UFARS |   | Audit        | UFARS        | Audit-UFARS |
|---|--------------|--------------|-------------|---|--------------|--------------|-------------|
| <b>01 GENERAL FUND</b>  |              |              |             | <b>06 BUILDING CONSTRUCTION FUND</b>    |              |              |             |
| Total revenue   | \$ 6,504,399 | \$ 6,504,396 | \$ 3        | Total revenue                           | \$ 36,175    | \$ 36,176    | \$ (1)      |
| Total expenditures  | 6,354,199    | 6,354,202    | (3)         | Total expenditures                      | 774,742      | 774,742      | -           |
| <i>Nonspendable:</i>  |              |              |             | <i>Nonspendable:</i>                    |              |              |             |
| 4.60 Nonspendable fund balance  | 19,729       | 19,729       | -           | 4.60 Nonspendable fund balance          | -            | -            | -           |
| <i>Restricted/reserved:</i>   |              |              |             | <i>Restricted/reserved:</i>             |              |              |             |
| 4.01 Student Activities   | 69,123       | 69,125       | (2)         | 4.07 Capital Projects Levy              | -            | -            | -           |
| 4.02 Scholarships   | -            | -            | -           | 4.09 Alternative Facility Program       | -            | -            | -           |
| 4.03 Staff Development  | -            | -            | -           | 4.13 Building Projects Funded by COP/LP | -            | -            | -           |
| 4.07 Capital Projects Levy  | -            | -            | -           | <i>Restricted:</i>                      |              |              |             |
| 4.08 Cooperative Programs   | -            | -            | -           | 4.64 Restricted fund balance            | 256,600      | 256,600      | -           |
| 4.12 Literacy Aid   | 174          | 174          | -           | <i>Unassigned:</i>                      |              |              |             |
| 4.14 Operating Debt   | -            | -            | -           | 4.63 Unassigned fund balance            | -            | -            | -           |
| 4.16 Levy Reduction   | -            | -            | -           |   |              |              |             |
| 4.17 Taconite Building Maintenance                                      | -            | -            | -           | <b>07 DEBT SERVICE FUND</b>             |              |              |             |
| 4.20 American Indian Education Aid                                      | -            | -            | -           | Total revenue                           | \$ 1,293,487 | \$ 1,293,487 | \$ -        |
| 4.24 Operating Capital  | 1,975        | 1,975        | -           | Total expenditures                      | 1,350,231    | 1,350,231    | -           |
| 4.26 \$25 Taconite  | -            | -            | -           | <i>Nonspendable:</i>                    |              |              |             |
| 4.27 Disabled Accessibility   | (700)        | (700)        | -           | 4.60 Nonspendable fund balance          | -            | -            | -           |
| 4.28 Learning and Development   | 74,016       | 74,016       | -           | <i>Restricted/Reserved:</i>             |              |              |             |
| 4.34 Area Learning Center   | -            | -            | -           | 4.25 Bond refundings                    | -            | -            | -           |
| 4.35 Contracted Alternative Programs                                    | -            | -            | -           | 4.33 Maximum effort loan aid            | -            | -            | -           |
| 4.36 State Approved Alternative Learning Program                        | -            | -            | -           | 4.51 QZAB payments                      | -            | -            | -           |
| 4.37 Quality Compensation - Alternative Teacher Professional Pay System | -            | -            | -           | 4.67 Long-term Facilities Maintenance   | 91,003       | 91,003       | -           |
| 4.38 Gifted and Talented  | 16,268       | 16,268       | -           | <i>Restricted:</i>                      |              |              |             |
| 4.39 English Learner  | -            | -            | -           | 4.64 Restricted fund balance            | 163,402      | 163,402      | -           |
| 4.41 Basic Skills Programs  | 265,329      | 265,329      | -           | <i>Unassigned:</i>                      |              |              |             |
| 4.43 School Library Aid   | 51,780       | 51,780       | -           | 4.63 Unassigned fund balance            | -            | -            | -           |
| 4.48 Achievement and Integration  | -            | -            | -           |   |              |              |             |
| 4.49 Safe Schools Revenue   | 81,876       | 81,876       | -           | <b>08 TRUST FUND</b>                    |              |              |             |
| 4.51 QZAB Payments  | -            | -            | -           | Total revenue                           | \$ -         | \$ -         | \$ -        |
| 4.52 OPEB Liabilities not Held in Trust                                 | -            | -            | -           | Total expenditures                      | -            | -            | -           |
| 4.53 Unfunded Severance and Retirement Levy                             | -            | -            | -           | <i>Unassigned:</i>                      |              |              |             |
| 4.56 READ Act - Literacy Aid  | 18,332       | 18,332       | -           | 4.01 Student Activities                 | -            | -            | -           |
| 4.57 Teacher Compensation for Read Act Training                         | 6,818        | 6,818        | -           | 4.02 Scholarships                       | -            | -            | -           |
| 4.67 Long-term Facilities Maintenance                                   | 615,727      | 615,727      | -           | 4.48 Achievement and Integration        | -            | -            | -           |
| 4.71 Student Support Personnel Aid                                      | 32,708       | 32,708       | -           | 4.64 Restricted                         | -            | -            | -           |
| 4.72 Medical Assistance   | 30,508       | 30,508       | -           |   |              |              |             |
| 4.75 Title VII - Impact Aid   | -            | -            | -           | <b>18 CUSTODIAL</b>                     |              |              |             |
| 4.76 Payments in Lieu of Taxes  | -            | -            | -           | Total revenue                           | \$ -         | \$ -         | \$ -        |
| <i>Restricted:</i>  |              |              |             | Total expenditures                      | -            | -            | -           |
| 4.64 Restricted fund balance  | 18,000       | 18,000       | -           | <i>Restricted/Reserved:</i>             |              |              |             |
| 4.72 Medical Assistance   | -            | -            | -           | 4.01 Student Activities                 | -            | -            | -           |
| 4.75 Title VII - Impact Aid   | -            | -            | -           | 4.02 Scholarships                       | -            | -            | -           |
| 4.76 Payments in Lieu of Taxes  | -            | -            | -           | 4.48 Achievement and Integration        | -            | -            | -           |
| <i>Committed:</i>   |              |              |             | 4.64 Restricted                         | -            | -            | -           |
| 4.18 Committed for separation   | 545,211      | 545,211      | -           |   |              |              |             |
| 4.61 Committed  | -            | -            | -           | <b>20 INTERNAL SERVICE FUND</b>         |              |              |             |
| <i>Assigned:</i>  |              |              |             | Total revenue                           | \$ -         | \$ -         | \$ -        |
| 4.62 Assigned fund balance  | 825,000      | 825,000      | -           | Total expenditures                      | -            | -            | -           |
| <i>Unassigned:</i>  |              |              |             | <i>Unassigned:</i>                      |              |              |             |
| 4.22 Unassigned fund balance  | 2,857,822    | 2,857,817    | 5           | 4.22 Net position                       | -            | -            | -           |
|   |              |              |             |   |              |              |             |
| <b>02 FOOD SERVICE FUND</b>   |              |              |             | <b>25 OPEB REVOCABLE TRUST</b>          |              |              |             |
| Total revenue   | \$ 363,177   | \$ 363,180   | \$ (3)      | Total revenue                           | \$ -         | \$ -         | \$ -        |
| Total expenditures  | 358,689      | 358,689      | -           | Total expenditures                      | -            | -            | -           |
| <i>Nonspendable:</i>  |              |              |             | <i>Unassigned:</i>                      |              |              |             |
| 4.60 Nonspendable fund balance  | 4,062        | 4,063        | (1)         | 4.22 Net position                       | -            | -            | -           |
| <i>Restricted/reserved:</i>   |              |              |             |   |              |              |             |
| 4.52 OPEB Liabilities not Held in Trust                                 | -            | -            | -           | <b>47 OPEB DEBT SERVICE</b>             |              |              |             |
| <i>Restricted:</i>  |              |              |             | Total revenue                           | \$ -         | \$ -         | \$ -        |
| 4.64 Restricted fund balance  | 253,436      | 253,437      | (1)         | Total expenditures                      | -            | -            | -           |
| <i>Unassigned:</i>  |              |              |             | <i>Nonspendable:</i>                    |              |              |             |
| 4.63 Unassigned fund balance  | -            | -            | -           | 4.60 Nonspendable fund balance          | -            | -            | -           |
|   |              |              |             | <i>Restricted:</i>                      |              |              |             |
| <b>04 COMMUNITY SERVICE FUND</b>  |              |              |             | 4.25 Bond refundings                    | -            | -            | -           |
| Total revenue   | \$ 163,870   | \$ 163,868   | \$ 2        | 4.64 Restricted fund balance            | -            | -            | -           |
| Total expenditures  | 177,656      | 177,655      | 1           | <i>Unassigned:</i>                      |              |              |             |
| <i>Nonspendable:</i>  |              |              |             | 4.63 Unassigned fund balance            | -            | -            | -           |
| 4.60 Nonspendable fund balance  | -            | -            | -           |   |              |              |             |
| <i>Restricted/reserved:</i>   |              |              |             |   |              |              |             |
| 4.26 \$25 Taconite  | -            | -            | -           |   |              |              |             |
| 4.31 Community Education  | (79,954)     | (79,954)     | -           |   |              |              |             |
| 4.32 ECFE   | 73,666       | 73,666       | -           |   |              |              |             |
| 4.40 Teacher Development and Evaluation                                 | -            | -            | -           |   |              |              |             |
| 4.44 School Readiness   | (142,716)    | (142,716)    | -           |   |              |              |             |
| 4.47 Adult Basic Education  | 1,159        | 1,159        | -           |   |              |              |             |
| 4.52 OPEB Liabilities not Held in Trust                                 | -            | -            | -           |   |              |              |             |
| <i>Restricted:</i>  |              |              |             |   |              |              |             |
| 4.64 Restricted fund balance  | 77,592       | 77,591       | 1           |   |              |              |             |
| <i>Unassigned:</i>  |              |              |             |   |              |              |             |
| 4.63 Unassigned fund balance  | -            | -            | -           |   |              |              |             |



**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***

**Independent Auditor's Report**

To the School Board  
Independent School District No. 424  
Lester Prairie Schools  
Lester Prairie, 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 (*Government Auditing Standards*), the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 424, Lester Prairie, Minnesota, as of and for the year ending June 30, 2025, and the related notes to basic financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 11, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the basic 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 basic 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 basic 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 did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Corrective Action Plans on Internal Control that we consider to be a material weakness as audit finding 2025-001.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's basic 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 basic 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 Response to the Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Corrective Action Plans on Internal Control. The District's response was not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

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

BerganKDV, Ltd.

St. Cloud, Minnesota  
September 11, 2025



## Minnesota Legal Compliance

### Independent Auditor's Report

To the School Board  
Independent School District No. 424  
Lester Prairie Schools  
Lester Prairie, 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 basic financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. 424, Lester Prairie, Minnesota, as of and for the year ended June 30, 2025, and the related notes to basic financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 11, 2025.

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 Statute* § 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.

The purpose of this report is 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 communication is not suitable for any other purpose.

*BergankDV, Ltd.*

St. Cloud, Minnesota  
September 11, 2025

**Independent School District No. 424  
Schedule of Findings and Corrective Action Plans  
on Internal Control**

**CURRENT AND PRIOR YEAR INTERNAL CONTROL FINDING:**

**Material Weakness:**

**Audit Finding 2025-001 - Lack of Segregation of Accounting Duties**

The District had a lack of segregation of accounting duties due to a limited number of office employees. The lack of adequate segregation of accounting duties could adversely affect the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the basic financial statements. Segregation of accounting duties relates to four key processes: initiation, authorization, recording, and reconciliation of financial data.

During our audit, we tested the internal control over various District financial reporting functions. One such function is the general ledger journal entry process. Not having an adequate process in place could jeopardize the integrity of the basic financial statements.

With the District having the material weakness relating to the lack of segregation of accounting duties, there is the risk that not all significant areas of the District's financial reporting process are protected by adequate internal control. However, this is one area we recommend an additional internal control could be implemented without adding significant cost. While implementing this control will not relieve the District of the material weakness, it is another control that reduces the risk that the basic financial statements are materially misstated. With this information, we recommend the Business Manager implement procedures that would support a journal entry review and approval process. One such procedure would be to require a person not involved with creating the journal entry but versed in understanding basic financial statements to review the documentation and approve the journal entry.

Management is aware of this condition and will take certain steps to compensate for the lack of segregation. However, due to the small accounting staff needed to handle all of the accounting duties, the cost of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. Due to this reason, management has determined a complete segregation of accounting duties is impractical to correct.

**Independent School District No. 424  
Schedule of Findings and Corrective Action Plans  
on Internal Control**

**CURRENT AND PRIOR YEAR INTERNAL CONTROL FINDING (CONTINUED)**

**Material Weakness: (Continued)**

**Audit Finding 2025-001 - Lack of Segregation of Accounting Duties (Continued)**

**CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement with Audit Finding  
There is no disagreement with the audit finding.
2. Actions Planned in Response to Finding  
Administration will continually review current segregation of accounting duties to determine if further segregation is possible. However, at this time, the District does not consider it cost beneficial to increase staff in order to further segregate accounting functions.
3. Official Responsible for Ensuring CAP  
The Superintendent is the official responsible for ensuring corrective action of the deficiency.
4. Planned Completion Date for CAP  
The planned completion date for the CAP is ongoing.
5. Plan to Monitor Completion of CAP  
The Superintendent will continually monitor the accounting system and improve controls when possible.



**Independent School District No. 424  
Lester Prairie, Minnesota**

**Communications Letter**

**June 30, 2025**

**Independent School District No. 424  
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## Report on Matters Identified as a Result of the Audit of the Basic Financial Statements

To the School Board and Management  
Independent School District No. 424  
Lester Prairie, Minnesota

In planning and performing our audit of the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 424, Lester Prairie, Minnesota, as of and for the year ended June 30, 2025, 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, 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 basic 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 over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error, or fraud may occur and not be detected by such controls. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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 over financial reporting, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

The material weakness identified is stated within this letter.

The accompanying memorandum also includes financial analysis provided as a basis for discussion. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated September 11, 2025, on such statements.

The purpose of this communication, which is an integral part of our audit, is to describe for the School Board, management, others within the Entity, and state oversight agencies the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

*BerganKDV, Ltd.*

St. Cloud, Minnesota  
September 11, 2025

## Independent School District No. 424 Material Weakness

### **Lack of Segregation of Accounting Duties**

The District had a lack of segregation of accounting duties due to a limited number of office employees. The lack of adequate segregation of accounting duties could adversely affect the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the basic financial statements. Segregation of accounting duties relates to four key processes: initiation, authorization, recording, and reconciliation of financial data.

During our audit, we tested the internal control over various District financial reporting functions. One such function is the general ledger journal entry process. Not having an adequate process in place could jeopardize the integrity of the basic financial statements.

With the District having the material weakness relating to the lack of segregation of accounting duties, there is the risk that not all significant areas of the District's financial reporting process are protected by adequate internal control. However, this is one area we recommend an additional internal control could be implemented without adding significant cost. While implementing this control will not relieve the District of the material weakness, it is another control that reduces the risk that the basic financial statements are materially misstated. With this information, we recommend the Business Manager implement procedures that would support a journal entry review and approval process. Once such procedure would be to require a person not involved with creating the journal entry but versed in understanding basic financial statements to review the documentation and approve the journal entry.

In order to ensure financial statements were free from material misstatements, an audit adjustment was required to properly record Capital Project Fund expenditures.

Management and the School Board are aware of this condition and will take certain steps to compensate for the lack of segregation but due to the number of staff needed to properly segregate all of the accounting duties, the cost of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. However, management and the School Board must remain aware of this situation and should continually monitor the accounting system, including changes that occur.

**Independent School District No. 424  
Required Communication**

We have audited the basic 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 advise you of the following matters related to our audit.

**Our Responsibility in Relation to the Basic Financial Statement Audit**

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express opinions about whether the basic financial statements prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the basic financial statements does not relieve you or management of its respective responsibilities.

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

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

Generally accepted accounting principles provide for certain Required Supplementary Information (RSI) to supplement the basic financial statements. Our responsibility with respect to the RSI, which supplements the basic audit basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Our Responsibility in Relation to *Government Auditing Standards***

As communicated in our engagement letter, part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## Independent School District No. 424 Required Communication

### Compliance with All Ethics Requirements Regarding Independence

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

### Significant Risks

We addressed the following significant risks of material misstatement identified in our planning procedures:

- Improper Revenue Recognition - Revenue recognition is considered a fraud risk on substantially all engagements as it generally has a significant impact on the results of the governments operations. In addition, complexities exist surrounding the calculation and recording of various revenue sources.
- Management Override of Controls - Overall Financial Statements - Management override of internal control is considered a risk in substantially all engagements as management may be incentivized to produce better results. This is tested through review of journal entries.
- State Aid Valuation - Revenue and receivable amounts related to General Education Aid and Special Education Aid are generally material to the financial statements and involve significant estimates.
- Pension Valuation - Net pension liability, deferred outflows of resources related to pensions, and deferred inflows of resources related to pensions are generally material to the financial statements and involve significant estimates.
- Other Post Employment Benefits (OPEB) Valuation - Total/Net OPEB liability, deferred outflows of resources related to OPEB, and deferred inflows of resources related to OPEB are generally material to the financial statements and involve significant estimates.
- Risk of Misappropriation of Assets - If duties cannot be appropriately segregated within the accounting department, there is a risk of unauthorized disbursements made from the District.
- Compensated Absences - Compensated absences are generally material to the financial statements and involve significant estimates.

### Qualitative Aspects of the District's Significant Accounting Practices

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in the notes to the basic financial statements. There have been no initial selection of accounting policies and no changes to significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

**Independent School District No. 424  
Required Communication**

**Qualitative Aspects of the District's Significant Accounting Practices (Continued)**

*Significant Accounting Estimates and Related Disclosures*

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

General Education and Special Education Aid - General Education Aid is an estimate until average daily membership (ADM) values are final. Since this is normally not done until after the reporting deadlines, this Aid is an estimate. Special Education Aid is dependent on the availability of funds and complex formulas that are finalized after reporting deadlines.

Total Other Post Employment Benefits (OPEB) Liability, Deferred Outflows of Resources Related to OPEB and Deferred Inflows of Resources Related to OPEB - These balances are based on an actuarial study using the estimates of future obligations of the District for post-employment benefits.

Net Pension Liability, Deferred Outflows of Resources Related to Pensions and Deferred Inflows of Resources Related to Pensions - These balances are based on an allocation by the pension plans using estimates based on contributions.

Compensated Absences Liability - These balances are related to leave accrued based on employment contracts and estimates based on historical use of leave balances.

We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

*Financial Statement Disclosures*

Certain basic financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The basic financial statement disclosures are neutral, consistent, and clear.

**Significant Difficulties Encountered during the Audit**

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

**Uncorrected and Corrected Misstatements**

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the basic financial statements taken as a whole and each applicable opinion unit.

## Independent School District No. 424 Required Communication

### **Uncorrected and Corrected Misstatements (Continued)**

The following bullet point summarizes the uncorrected financial statement misstatement whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

- Special Education State Receivable

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatement that we identified as a result of our audit procedures was brought to the attention of and corrected by management.

- Capital project costs moved from General Fund to Capital Projects Fund statements.

### **Disagreements with Management**

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

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter.

### **Management's Consultations with Other Accountants**

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

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

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

### **Other Information Included in Annual Reports**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the District's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

**Independent School District No. 424  
Required Communication**

**Other Information Included in Annual Reports (Continued)**

We applied certain limited procedures to the RSI that supplements 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.

With respect to the supplementary information accompanying the basic financial statements, 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 basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the basic financial statements.

**Independent School District No. 424  
Financial Analysis**

The following pages provide graphic representation of select data pertaining to the financial position and operations of the District for the past five years. Our analysis of each graph is presented to provide a basis for discussion of past performance.

Due to its complexity, it would be impossible to fully explain the funding of public education in Minnesota within this letter. The last section of this report, which contains a summary of legislative changes affecting school districts, gives an indication of how complicated the funding system is. The following section provides some state-wide funding and financial trend information.

**Average Daily Membership and Pupil Units**

The largest single funding source for Minnesota school districts is basic General Education Aid. Each year, the State 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 ADM. Over the years, various modifications have been made to this calculation, including changes in weighting and special consideration for declining enrollment districts.

| Year | General Education Aid<br>Formula Allowance |                     |
|------|--|---------------------|
|      | Amount                                     | Percent<br>Increase |
| 2016 | \$ 5,948                                   | 2.0%                |
| 2017 | 6,067                                      | 2.0%                |
| 2018 | 6,188                                      | 2.0%                |
| 2019 | 6,312                                      | 2.0%                |
| 2020 | 6,438                                      | 2.0%                |
| 2021 | 6,567                                      | 2.0%                |
| 2022 | 6,728                                      | 2.5%                |
| 2023 | 6,863                                      | 2.0%                |
| 2024 | 7,138                                      | 4.0%                |
| 2025 | 7,281                                      | 2.0%                |
| 2026 | 7,481                                      | 2.7%                |

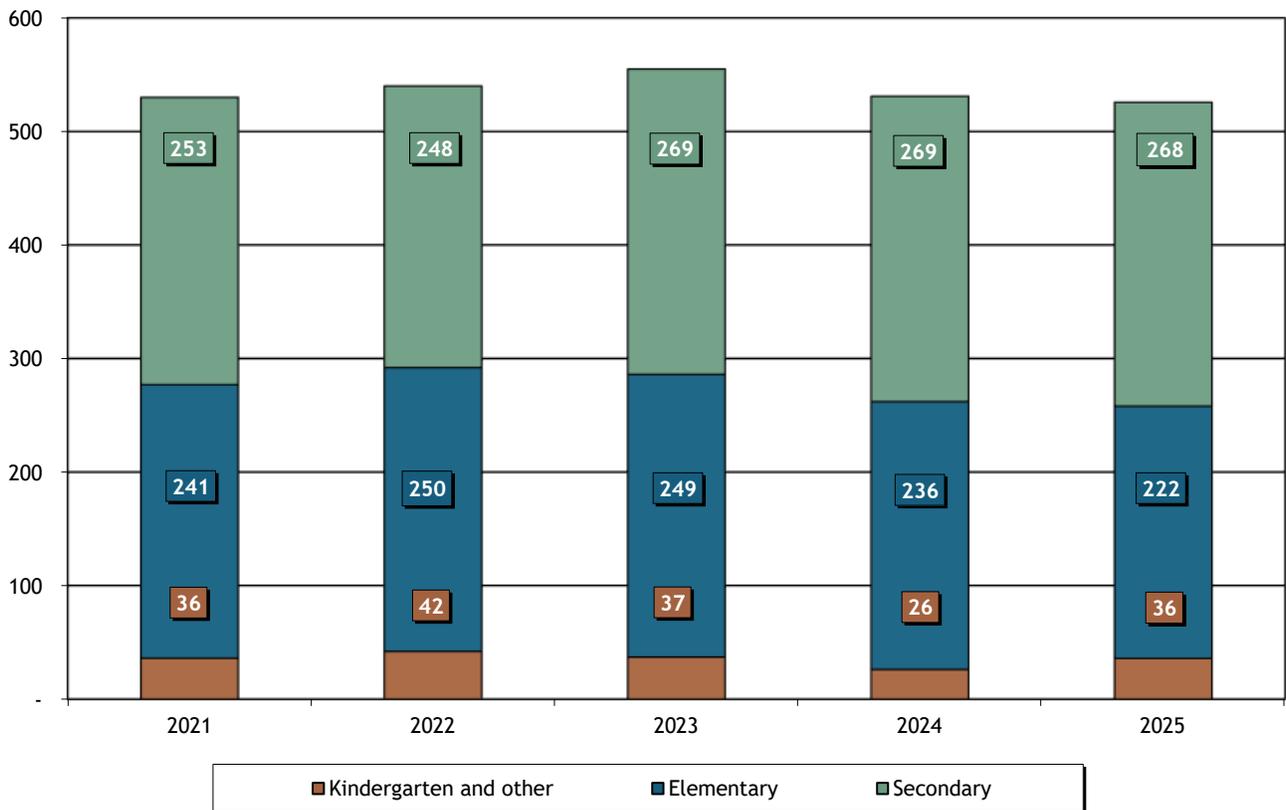
## Independent School District No. 424 Financial Analysis

### Average Daily Membership and Pupil Units (Continued)

The following summarizes resident ADM of the District over the past five years ended June 30:

| Resident ADM           | 2021       | 2022       | 2023       | 2024       | 2025       |
|------------------------|------------|------------|------------|------------|------------|
| Kindergarten and other | 36         | 42         | 37         | 26         | 36         |
| Elementary             | 241        | 250        | 249        | 236        | 222        |
| Secondary              | 253        | 248        | 269        | 269        | 268        |
| <b>Total</b>           | <b>530</b> | <b>540</b> | <b>555</b> | <b>531</b> | <b>526</b> |

**Student (Average Daily Membership)**



\* Estimate

Resident ADM has decreased by less than 1%, or 4 students, over the last five years. Resident ADM decreased 1%, or 5 students, from 2024 and 2025.

To calculate a majority of the District's education aids, the ADM amounts are converted into pupil units by weighting based on the student's grade level. These weighting factors are presented on next page.

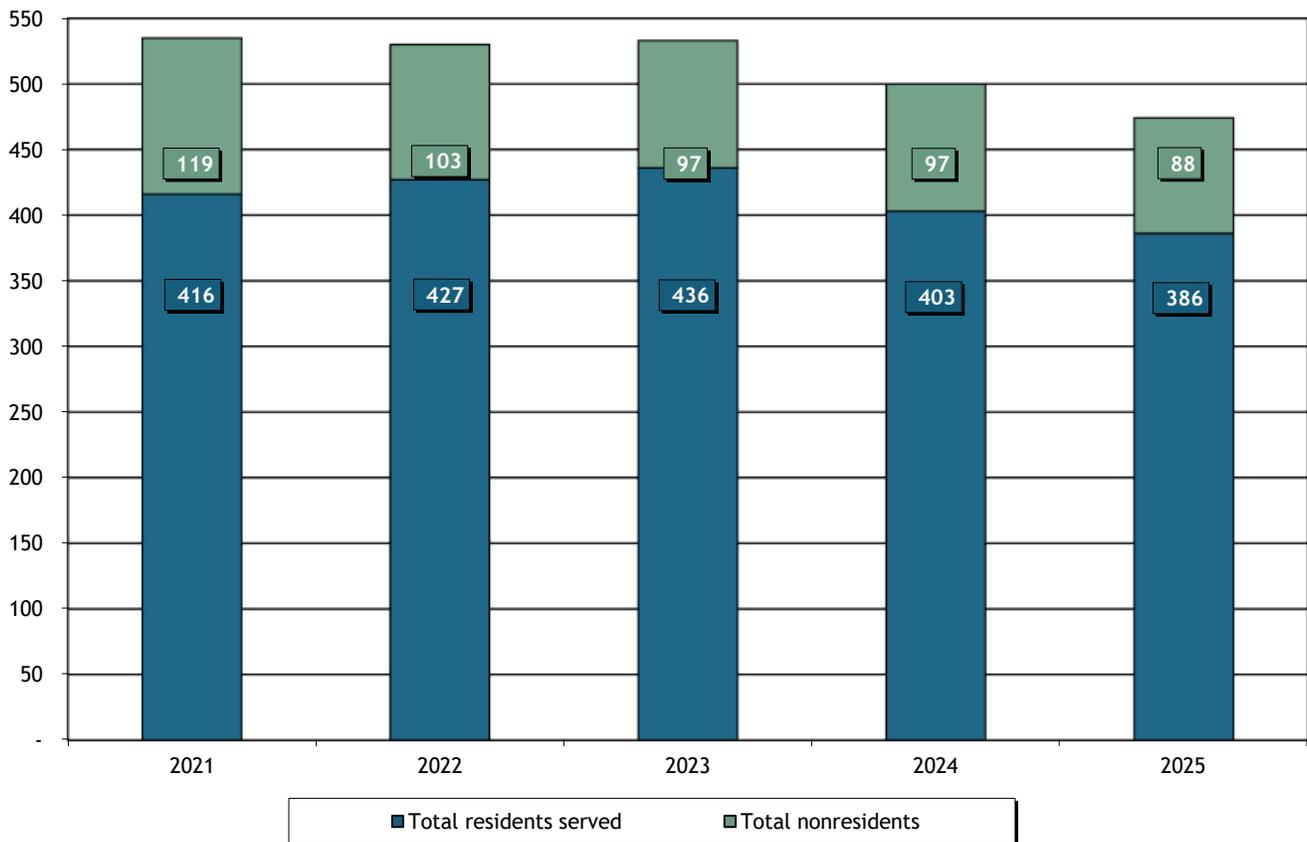
## Independent School District No. 424 Financial Analysis

### Average Daily Membership and Pupil Units (Continued)

Resident ADM is converted to adjusted (PUN) below for the same five years:

| PUN Served                      | 2021       | 2022       | 2023       | 2024       | 2025       |
|---------------------------------|------------|------------|------------|------------|------------|
| Residents                       | 580        | 589        | 609        | 585        | 579        |
| Resident PUN<br>going elsewhere | (164)      | (162)      | (173)      | (182)      | (193)      |
| Total residents served          | 416        | 427        | 436        | 403        | 386        |
| Total nonresidents              | 119        | 103        | 97         | 97         | 88         |
| <b>Total Adjusted PUN</b>       | <b>535</b> | <b>530</b> | <b>533</b> | <b>500</b> | <b>474</b> |

### Adjusted PUN



\* Estimate

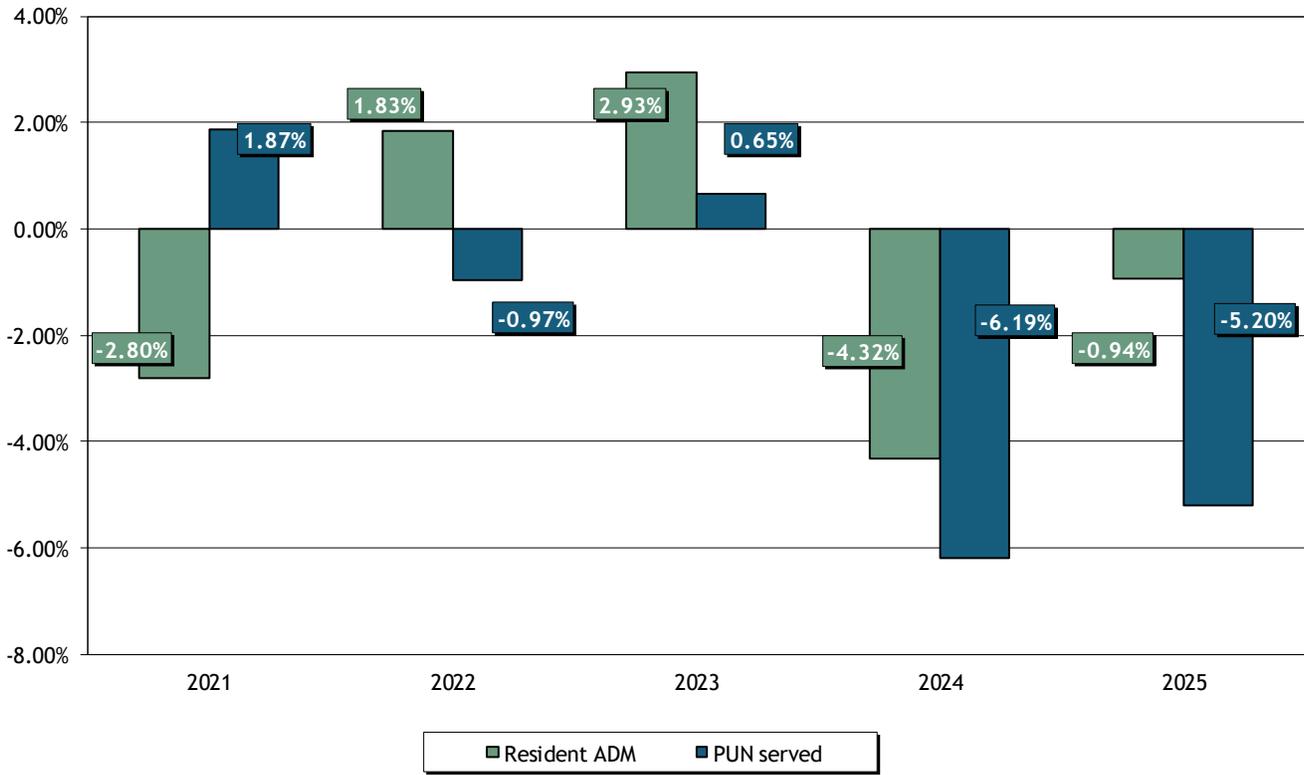
For 2025, PUN decreased 5.2% or 26 students from 2024. Resident PUN going elsewhere increased 6.0%, or 11 students from 2024. Total nonresidents coming in decreased 9.2%, or 9 students from 2024.

## Independent School District No. 424 Financial Analysis

### Average Daily Membership and Pupil Units (Continued)

The following chart and graph illustrate the percentage change from year-to-year in resident ADM and adjusted pupil units.

**Change in Resident ADM and Adjusted PUN**



\* Estimate

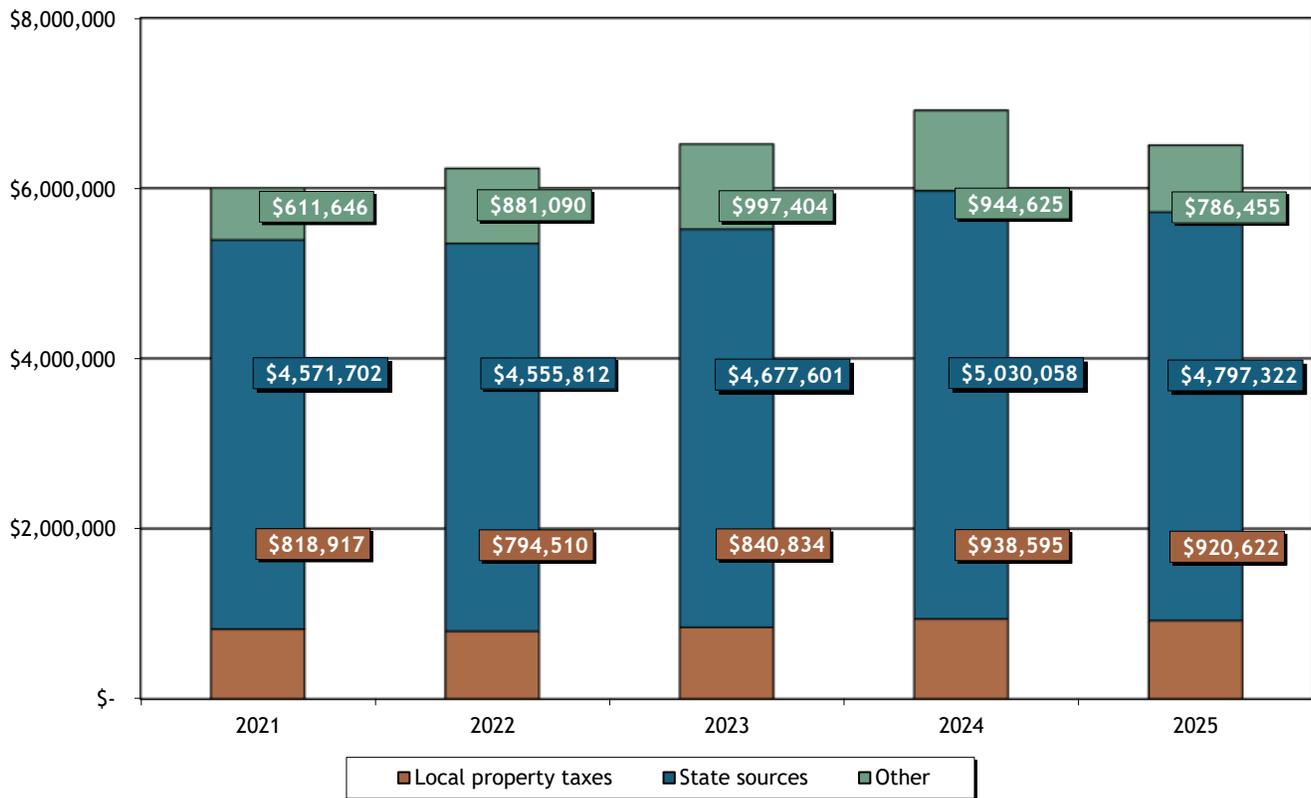
## Independent School District No. 424 Financial Analysis

### General Fund Sources of Revenue

General Fund sources of revenue are summarized as follows:

|                      | 2021                | 2022                | 2023                | 2024                | 2025                |
|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Local property taxes | \$ 818,917          | \$ 794,510          | \$ 840,834          | \$ 938,595          | \$ 920,622          |
| State sources        | 4,571,702           | 4,555,812           | 4,677,601           | 5,030,058           | 4,797,322           |
| Other                | 611,646             | 881,090             | 997,404             | 944,625             | 786,455             |
| <b>Total</b>         | <b>\$ 6,002,265</b> | <b>\$ 6,231,412</b> | <b>\$ 6,515,839</b> | <b>\$ 6,913,278</b> | <b>\$ 6,504,399</b> |

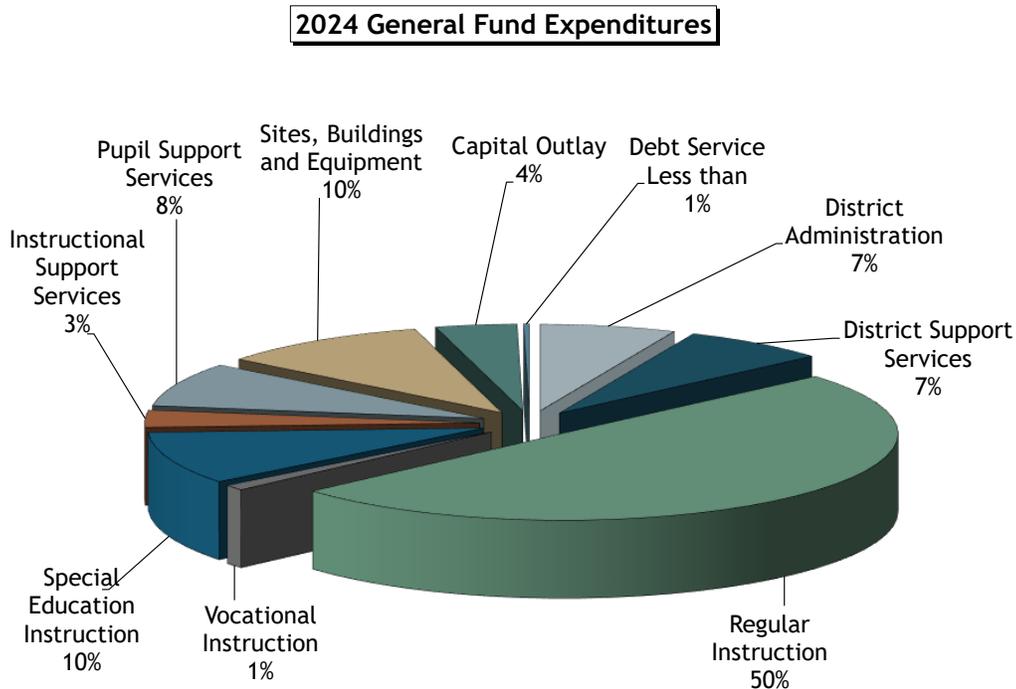
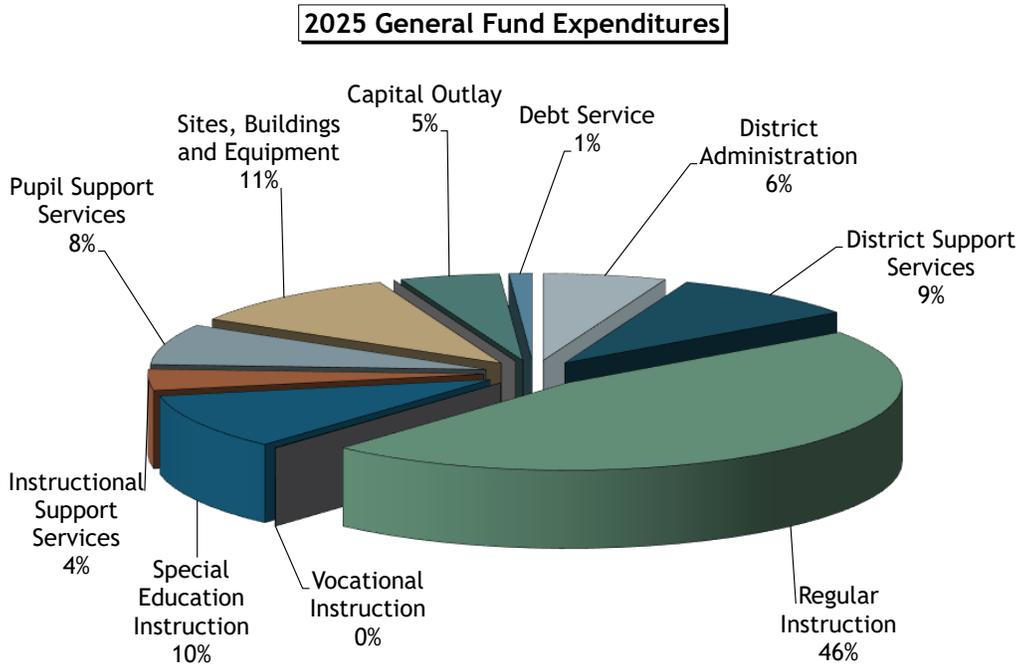
**General Fund Sources of Revenue**



Total revenue decreased \$408,879, or 5.9%, from 2024 to 2025. The most significant portion of the District's funding came from the state in the form of general education revenue. As previously explained, this funding is determined based on student enrollment.

## Independent School District No. 424 Financial Analysis

### General Fund Expenditures



Expenditures in the General Fund for 2025 increased \$212,786, or 3.5%, from 2024. Capital outlay increased due to the chrome book lease issuance in the current year. District support services increased due to increased contracted services. All other programs remained consistent with the prior year.

**Independent School District No. 424  
Financial Analysis**

**Revenues and Expenditures Per ADM Served**

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.

Revenues per student (ADM served) are summarized in the following table:

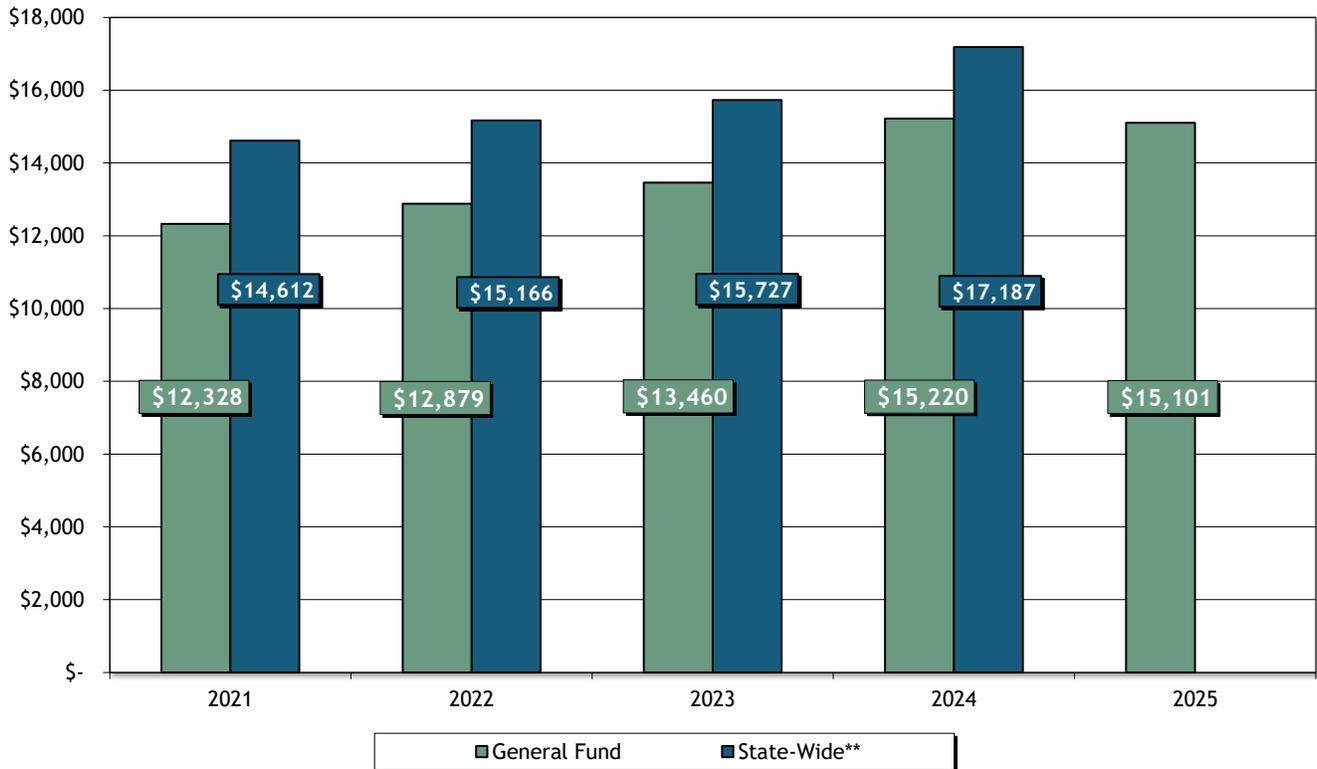
| General Fund                      | 2021             | 2022             | 2023             | 2024             | 2025             |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|
| Property taxes                    | \$ 1,688         | \$ 1,625         | \$ 1,716         | \$ 2,023         | \$ 2,137         |
| State aid                         | 9,402            | 9,407            | 9,611            | 11,066           | 11,138           |
| Other                             | 1,238            | 1,847            | 2,133            | 2,131            | 1,826            |
| <b>Total General Fund Revenue</b> | <b>\$ 12,328</b> | <b>\$ 12,879</b> | <b>\$ 13,460</b> | <b>\$ 15,220</b> | <b>\$ 15,101</b> |
| <b>State-Wide**</b>               |                  |                  |                  |                  |                  |
| Property taxes                    | \$ 2,381         | \$ 2,443         | \$ 2,545         | \$ 2,728         | N/A              |
| State aid                         | 10,758           | 10,782           | 11,073           | 12,448           | N/A              |
| Other local sources               | 1,473            | 1,941            | 2,109            | 2,011            | N/A              |
| <b>Total General Fund Revenue</b> | <b>\$ 14,612</b> | <b>\$ 15,166</b> | <b>\$ 15,727</b> | <b>\$ 17,187</b> | <b>N/A</b>       |

Revenues per student for the General Fund decreased 0.8% from 2024 to 2025. Revenues decreased 5.9% and ADM Served decreased 5.0% from 2024 to 2025.

**Independent School District No. 424  
Financial Analysis**

**Revenues and Expenditures Per ADM Served (Continued)**

**General Fund Revenues Per ADM Served**



Expenditures per student (ADM served) are summarized in the following table:

| ISD No. 424                 | 2021      | 2022      | 2023      | 2024      | 2025      |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|
| General Fund                | \$ 10,047 | \$ 11,804 | \$ 12,417 | \$ 13,518 | \$ 14,249 |
| General and special revenue | 10,963    | 12,934    | 13,530    | 14,723    | 15,494    |
| <b>State Averages**</b>     |           |           |           |           |           |
| General Fund                | \$ 14,167 | \$ 15,010 | \$ 15,730 | \$ 16,649 | N/A       |
| General and special revenue | 15,267    | 16,322    | 17,147    | 18,215    | N/A       |

\* Estimate

Expenditures per student served for the General Fund increased 5.4% from 2024 to 2025 as students served decreased by 5.0% and expenditures increased 3.5%.

**Independent School District No. 424  
Financial Analysis**

**General Fund Budgeted to Actual**

The chart below presents final budget and actual for General Fund revenues and expenditures.

|  | Budgeted Amounts  |                   | Actual<br>Amounts | Variance with<br>Final Budget -<br>Over (Under) |
|--|-------------------|-------------------|-------------------|---|
|  | Original          | Final             |                   |   |
| <b>Revenues</b>                              |                   |                   |                   |   |
| Local property taxes                         | \$ 1,024,895      | \$ 999,588        | \$ 920,622        | \$ (78,966)                                     |
| Other local and county revenues              | 329,938           | 600,119           | 602,111           | 1,992   |
| Revenue from state sources                   | 5,084,016         | 5,181,397         | 4,797,322         | (384,075)                                       |
| Revenue from federal sources                 | 62,062            | 156,573           | 182,467           | 25,894  |
| Sales and other conversion of assets         | 500               | 2,000             | 1,877             | (123)   |
| <b>Total revenues</b>                        | <b>6,501,411</b>  | <b>6,939,677</b>  | <b>6,504,399</b>  | <b>(435,278)</b>                                |
| <b>Expenditures</b>                          |                   |                   |                   |   |
| Administration                               | 389,926           | 388,821           | 378,301           | (10,520)  |
| District support services                    | 507,816           | 545,916           | 589,790           | 43,874  |
| Elementary and secondary regular instruction | 2,764,075         | 2,712,732         | 3,188,022         | 475,290   |
| Vocational education instruction             | 11,761            | -                 | 2,390             | 2,390   |
| Special education instruction                | 814,636           | 762,445           | 669,394           | (93,051)  |
| Instructional support services               | 344,672           | 359,250           | 268,216           | (91,034)  |
| Pupil support services                       | 508,021           | 512,178           | 481,666           | (30,512)  |
| Sites and buildings                          | 595,522           | 913,821           | 705,972           | (207,849)                                       |
| Debt service                                 | 7,000             | 17,122            | 70,448            | 53,326  |
| <b>Total expenditures</b>                    | <b>5,943,429</b>  | <b>6,212,285</b>  | <b>6,354,199</b>  | <b>141,914</b>                                  |
| Excess of revenues over (under) budget       | 557,982           | 727,392           | 150,200           | (577,192)                                       |
| <b>Other Financing Sources</b>               |                   |                   |                   |   |
| Lease proceeds                               | -                 | -                 | 216,786           | 216,786   |
| <b>Net change in fund balances</b>           | <b>\$ 557,982</b> | <b>\$ 727,392</b> | <b>\$ 366,986</b> | <b>\$ (360,406)</b>                             |

Revenues were under budget by \$435,278. The largest variance was in revenue from state sources. This was a result of ADMs being lower than budgeted for. Property taxes were under budget due to under estimation of delinquent payments. Expenditures were over budget by 2.3%, or \$141,914. The most significant variance was in regular instruction. This was due to the District not budgeting for items such as sports activities and student activities as well as the lease issuance costs for the chrome book lease. Special education instruction and instructional support were under budget \$93,051 and \$91,034 respectively, due to budgeting conservatively for purchased services and salary expenditures. Sites and buildings was under budget due to budgeted expenditures being moved to capital project fund where the associated debt was issued.

**Independent School District No. 424  
Financial Analysis**

**General Fund Operations**

The following table presents five years of comparative operating results for the District's General Fund and the components of the District's fund balance:

| For the Year Ended June 30,                     | 2021                | 2022                | 2023                | 2024                | 2025                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenues  | \$ 6,002,265        | \$ 6,231,412        | \$ 6,515,839        | \$ 6,913,278        | \$ 6,504,399        |
| Expenditures                                    | 4,895,914           | 5,712,927           | 6,038,800           | 6,141,413           | 6,354,199           |
| Excess of revenues over<br>(under) expenditures | 1,106,351           | 518,485             | 477,039             | 771,865             | 150,200             |
| Plus other sources                              | -                   | -                   | 29,260              | -                   | 216,786             |
| Fund balance, July 1                            | 2,259,710           | 3,366,061           | 3,884,546           | 4,390,845           | 5,162,710           |
| <b>Fund Balance, June 30</b>                    | <b>\$ 3,366,061</b> | <b>\$ 3,884,546</b> | <b>\$ 4,390,845</b> | <b>\$ 5,162,710</b> | <b>\$ 5,529,696</b> |

| Components of Fund Balance          | 2021                | 2022                | 2023                | 2024                | 2025                |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Nonspendable                        | \$ 15,781           | \$ 17,292           | \$ 19,876           | \$ 19,876           | \$ 19,729           |
| Restricted/reserved for             |                     |                     |                     |                     |                     |
| Staff development                   | 61,128              | 43,027              | 12,294              | -                   | -                   |
| Learning and Development            | 18,216              | 27,016              | 36,563              | 78,243              | 74,016              |
| Gifted and Talented                 | 1,714               | 5,473               | 9,491               | 14,554              | 16,268              |
| Student activities                  | 39,169              | 52,521              | 71,569              | 60,815              | 69,123              |
| Operating capital                   | 79,243              | 48,944              | -                   | 3,162               | 1,975               |
| Long term facilities<br>maintenance | 117,508             | 250,005             | 408,355             | 516,280             | 615,727             |
| Medical assistance                  | 26,864              | 42,960              | 32,536              | 30,871              | 30,508              |
| Basic skills                        | 10,259              | 1,565               | 35,135              | 118,307             | 265,329             |
| Safe school crime                   | 86,420              | 57,435              | 70,079              | 69,967              | 81,876              |
| Lion's Club Donation                | -                   | -                   | 18,000              | 18,000              | 18,000              |
| EIDL Loans                          | -                   | 475                 | -                   | -                   | -                   |
| READ Act                            | -                   | -                   | -                   | -                   | 6,818               |
| Literacy aid                        | -                   | -                   | -                   | 15,242              | 18,506              |
| Disabled accessibility              | -                   | -                   | -                   | (700)               | (700)               |
| English learner                     | -                   | -                   | -                   | 684                 | -                   |
| School library aid                  | -                   | -                   | -                   | 27,524              | 51,780              |
| Student support personnel           | -                   | -                   | -                   | 18,786              | 32,708              |
| Committed                           | 405,727             | 432,755             | 459,706             | 501,080             | 545,211             |
| Assigned                            | -                   | -                   | -                   | 400,000             | 825,000             |
| Unassigned                          | 2,504,032           | 2,905,078           | 3,217,241           | 3,270,019           | 2,857,822           |
| <b>Fund Balance, June 30</b>        | <b>\$ 3,366,061</b> | <b>\$ 3,884,546</b> | <b>\$ 4,390,845</b> | <b>\$ 5,162,710</b> | <b>\$ 5,529,696</b> |

In 2024, the District's revenues decreased \$408,879 and expenditures increased \$212,786 as discussed earlier. The General Fund balance increased \$366,986 as a result of current year activity.

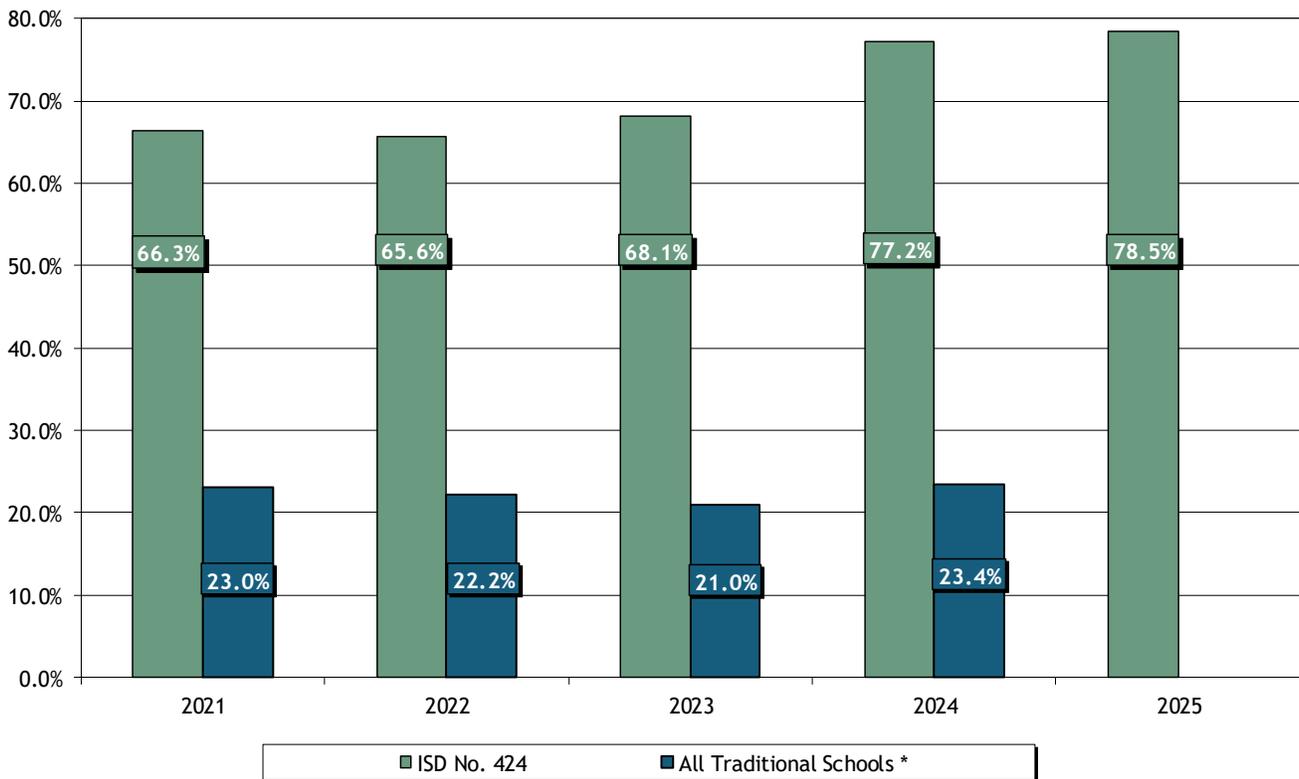
The District's goal is to maintain a minimum unassigned General Fund balance of 18% of the annual operating expenditures for each year. The unassigned fund balance of \$2,857,822 at June 30, 2025, represents 45% of current year expenditures.

## Independent School District No. 424 Financial Analysis

### District Financial Health

One of the most common and comparable statistics used to evaluate school district financial health is the fund balance as a percentage of operating expenditures. The chart below provides unrestricted fund balance as a percentage of unrestricted expenditures for the District, all districts state-wide and the District's peer group.

**Unrestricted Fund Balance as a Percent of Unrestricted Expenditures**



\* Source: *School District Profiles*; 2025 data not yet available.

The graph above details the unrestricted fund balance as a percentage of unrestricted expenditures. The District's unrestricted fund balance as a percent of expenditures has remained above the state-wide average for all years presented.

**Independent School District No. 424  
Financial Analysis**

**Food Service Fund**

The following table presents five years of comparative operating results for the District's Food Service Fund:

| For the Year Ended June 30,                     | 2021             | 2022              | 2023              | 2024              | 2025              |
|---|------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues  | \$ 213,158       | \$ 393,811        | \$ 318,762        | \$ 411,843        | \$ 363,177        |
| Expenditures                                    | 201,331          | 293,317           | 321,030           | 344,395           | 358,689           |
| Excess of revenues over<br>(under) expenditures | 11,827           | 100,494           | (2,268)           | 67,448            | 4,488             |
| Fund balance, July 1                            | 75,509           | 87,336            | 187,830           | 185,562           | 253,010           |
| <b>Fund Balance, June 30</b>                    | <b>\$ 87,336</b> | <b>\$ 187,830</b> | <b>\$ 185,562</b> | <b>\$ 253,010</b> | <b>\$ 257,498</b> |

In 2025, revenues exceeded expenditures, resulting in an increase in fund balance of \$4,488. Revenues decreased by \$48,666 due to less meals served. Expenditures increased by \$14,294 as a result of increased food and personnel costs.

**Community Service Fund**

The following table presents five years of comparative operating results for the District's Community Service Fund:

| For the Year Ended June 30,                     | 2021               | 2022               | 2023               | 2024               | 2025               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenues and transfers in                       | \$ 219,220         | \$ 258,960         | \$ 210,625         | \$ 192,407         | \$ 163,870         |
| Expenditures                                    | 242,867            | 252,065            | 218,575            | 201,852            | 177,656            |
| Excess of revenues over<br>(under) expenditures | (23,647)           | 6,895              | (7,950)            | (9,445)            | (13,786)           |
| Fund balance, July 1                            | (22,320)           | (45,967)           | (39,072)           | (47,022)           | (56,467)           |
| <b>Fund Balance, June 30</b>                    | <b>\$ (45,967)</b> | <b>\$ (39,072)</b> | <b>\$ (47,022)</b> | <b>\$ (56,467)</b> | <b>\$ (70,253)</b> |

In 2025, revenues decreased by \$28,257 primarily due to a decrease in the fund's levy. Expenditures decreased by \$24,196 as a result of less wages. The fund saw a decrease in fund balance of \$13,786, making 2022 the only year of the five presented with positive operating results.

## Independent School District No. 424 Legislative Summary

The following is a brief summary of current legislative changes and issues affecting the funding of Minnesota school districts. More detailed and extensive summaries are available from the Minnesota Department of Education (MDE).

### **Achievement and Integration Revenue**

The administrative amount of each district's initial achievement and integration revenue that MDE may retain for administration of the program increased from 0.3% to 1.3% for the second prior fiscal year beginning in 2026 and later.

### **Basic Alternative Teacher Compensation Aid (Q-Comp)**

The total cap for basic alternative teacher compensation aid increased to \$89,486,000 for 2026 and beyond. Unspent "Q Comp" funds must be reserved in a restricted fund balance and used only for their intended purpose.

### **Basic General Education Aid**

The formula allowance for 2025 was set at \$7,281 and for 2026, the formula allowance increases to \$7,481, which is a 2.7% increase over 2025.

### **Compensatory Education Revenue**

For fiscal year 2026 only, the compensation revenue pupil units for each building in a district are set equal to the greater of the building's actual compensation revenue pupil units for revenue in FY 2026, or the building's actual compensation revenue pupil units computed for revenue in FY 2024. The transition to the new compensatory formula enacted in Minnesota Laws 2023, chapter 55 has been delayed until fiscal year 2027.

### **English Learner Aid and Cross Subsidy**

For 2026, the aid is \$1,228 times the greater of 20 or total English learner ADM. For 2027, this increases to \$1,775 times the greater of 20 or total English learner ADM. The English learner concentration formula amount increases from \$436 in 2026 to \$630 in 2027. For 2027 and later, a district's Cross Subsidy Aid equals 25% of the district's cross subsidy, which is the greater of zero or the difference between the district's expenditures for qualifying services for the second prior year and the district's English learner revenue for the second previous year.

### **Food Service Net Cash Resource Limitation**

The temporary 6-month net cash resource limit of operating expenditures in the Food Service Fund has been extended through fiscal year 2026 for authorities who provide justification for higher balances.

### **Long-Term Facilities Maintenance (LTFM) Revenue**

Districts may include roof repair and replacement costs totaling \$100,000 or more per site in the annual LTFM revenue authority effective for fiscal year 2027 and later. The LTFM equalizing factor increased to offset the projected increase in statewide LTFM levies with additional equalization aid.

### **Pension Bill and Pension Adjustment Revenue**

Minnesota Laws 2025, chapter 37, article 13, section 1 increases the pension adjustment rate for all other districts (besides ISD No. 625, St. Paul) in fiscal year 2026 and later from 2.0% to 2.31%. Article 13, section 2 increases the employer contribution to the Teachers Retirement Association in the special revenue fund in fiscal year 2026 and later from 9.5% to 9.81% of the salary of each coordinated member and from 13.5% to 13.81% of the salary of each basic member.

**Independent School District No. 424  
Legislative Summary**

**School Library Aid**

Beginning in fiscal year 2026, the school library aid per pupil allowance is reduced from \$16.11 to \$10.27 for 2026 and 2027, and \$9.12 for 2028 and later. The minimum amount for a school district is reduced from \$40,000 to \$20,000, while the minimum amount for a charter school is reduced from \$20,000 to \$10,000 beginning in 2026.

**Special Education Aid**

The Special Education Cross Subsidy Reduction Aid paid to districts increased from 6.43% to 44% beginning in 2024. A further increase to 50% begins in 2027.

**Student Support Personnel Aid**

Beginning in fiscal year 2026, the per pupil allowance is reduced from \$48.73 to \$30.05 in 2026 and 2027, and \$34.32 in 2028 and later. The cooperative student support allowance is reduced from \$2.44 to \$1.60 in 2026 and later.

**Independent School District No. 424**  
**Emerging Issues**

**Executive Summary**

The following is an executive summary of financial related updates to assist you in staying current on emerging issues in accounting and finance. This summary will give you a preview of the new standards that have been recently issued and what is on the horizon for the near future. The most recent and significant updates include:

- **Accounting Standard Update - GASB Statement No. 103 - *Financial Reporting Model Improvements***

GASB has issued GASB Statement No. 103 relating to changes in financial reporting requirements. The changes provide clarity, enhance the relevance of information, provide more useful information for decision-making, and provide for greater comparability amongst government entities.

- **Accounting Standard Update - GASB Statement No. 104 - *Disclosure of Certain Capital Assets***

GASB has issued GASB Statement No. 104 relating to capital asset disclosures. The disclosures required by this Statement provide users of the financial statements with essential information about certain types of capital assets.

The following are summaries of the current updates. As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss these issues with you further and their applicability to your District.

**Independent School District No. 424  
Emerging Issues**

**Accounting Standard Update - 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 addresses 5 areas of the financial statements (1) Management's Discussion and Analysis (MD&A), (2) Unusual or Infrequent Items, (3) Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position, (4) Major Component Unit Information, and (5) Budgetary Comparison Information.

This Statement continues the requirement that the MD&A precede the basic financial statements as part of the 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. The Statement stresses that detailed analyses should explain why balances and results of operations changed, rather than stating amounts and "boilerplate" discussions.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

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. The Statement provides clarification regarding operating and nonoperating revenues and expenses. Also, 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.

GASB Statement No. 103 is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).

**Independent School District No. 424**  
**Emerging Issues**

**Accounting Standard Update - 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 continue to be disclosed separately in the capital assets note disclosures including presentation of capital assets by major class and separate disclosure of lease assets, subscription assets, and intangible right-to-use assets.

This Statement requires additional disclosures for capital assets held for sale. A capital asset is 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 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.

GASB Statement No. 104 is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).

**706 ACCEPTANCE OF GIFTS**

*[Note: The provisions of this policy substantially reflect statutory requirements.]*

**I. PURPOSE**

The purpose of this policy is to provide guidelines for the acceptance of gifts by the school board.

**II. GENERAL STATEMENT OF POLICY**

It is the policy of this school district to accept gifts only in compliance with state law.

**III. ACCEPTANCE OF GIFTS GENERALLY**

The school board may receive, for the benefit of the school district, bequests, donations or gifts for any proper purpose. The school board shall have the sole authority to determine whether any gift or any precondition, condition, or limitation on use included in a proposed gift furthers the interests of or benefits the school district and whether it should be accepted or rejected.

**IV. GIFTS OF REAL OR PERSONAL PROPERTY**

The school board may accept a gift, grant or devise of real or personal property only by the adoption of a resolution approved by two-thirds of its members. The resolution must fully describe any conditions placed on the gift. The real or personal property so accepted may not be used for religious or sectarian purposes.

*[Note: This voting requirement and gift use provision is specified by Minnesota Statutes section 465.03.]*

**V. ADMINISTRATION IN ACCORDANCE WITH TERMS**

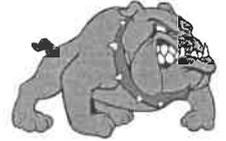
If the school board agrees to accept a bequest, donation, gift, grant or devise which contains preconditions, conditions or limitations on use, the school board shall administer it in accordance with those terms. Once accepted, a gift shall be the property of the school district unless otherwise provided in the agreed upon terms.

**Legal References:** Minn. Stat. § 123B.02, Subd. 6 (General Powers of Independent School Boards)  
Minn. Stat. § 465.03 (Gifts to Municipalities)

**Cross References:** None



**LESTER PRAIRIE PUBLIC SCHOOL**  
School District #424  
131 Hickory Street North  
Lester Prairie, MN 55354  
PHONE (320) 395-2521 FAX (320) 395-4204



**Melissa Radeke**  
radeke@lp.k12.mn.us  
*Superintendent*

**Michael Lee**  
lee@lp.k12.mn.us  
*K-12 Principal*

September 17, 2025

To: Ross Scheevel, Activities Director

Please accept my resignation as the JV Girls Basketball Coach at Lester Prairie High School.

Go Bulldogs,  
Mike Lee

Lester Prairie Public Schools

LANE CHANGE REQUEST

Must be submitted by September 1 (effective September 15) or January 1 (effective January 15).

I have completed the following courses which qualify me to be granted a lane change.

| Name of Course | Credits | Year Completed |
|----------------|---------|----------------|
| CI 5333        | 3       | 2025           |
| CI 5353        | 3       | 2025           |
| LEAD 5393      | 3       | 2025           |
| Re S 5153      | 3       | 2025           |
|                |         |                |
|                |         |                |
|                |         |                |
|                |         |                |
|                |         |                |
|                |         |                |
|                |         |                |

I am currently on step 65 lane BA+10 at a salary of \$ 48,222

This would place me on step 65 lane BA+20 at a salary of \$ 48,656

*[Signature]* 10-14-25

Instructor's Signature

Date

Approval

Date