South St. Paul School Board Meeting

Monday, January 26, 2026 6:00 PM
CITY HALL, 125 THIRD AVENUE NORTH, South St Paul, Minnesota 55075

I. **ROLL CALL and PLEDGE OF ALLEGIANCE**

II. **APPROVAL OF MEETING AGENDA/MINUTES**

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

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

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

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

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

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

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

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

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

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

IV. **CONSENT ITEMS**

IV.A. Financial Claims: Bills Payable

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

V. **POLICY REVIEW**

VI. **BUSINESS ITEMS**

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

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

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

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

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

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

VII. **INFORMATIONAL ITEMS**

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

VIII. **ADJOURNMENT**

South St. Paul Public Schools

School Board Work Session Minutes
December 8, 2025

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

Potential Facilities, and Long-Range Planning

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

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

The Review and Comment submission included:

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

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

Public Relations and Community Engagement

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

Committee Updates

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

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

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

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

Respectfully Submitted by:

Lisa Brandecker, Acting Secretary-Clerk
Board of Education

South St. Paul Public Schools

School Board Business Meeting Minutes
December 8, 2025

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

PLEDGE OF ALLEGIANCE

The pledge of allegiance was recited.

MINUTES

By Director Claflin — Seconded by Director W. Felton

The South St. Paul School Board approves the December 8, 2025, School Board meeting agenda as well as the work session and regular meeting minutes for November 24, 2025.
Motion carried (6-0)

QUALITY-IN-ACTION AND REPORTS

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

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

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

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

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

CONSENT ITEMS

By Director Claflin — Seconded by Director Weber

A. Financial Claims - Bills Payable
B. Staffing: Appointments, Resignations, Transfers, Retirements, Abolishments, and Leaves

Motion Carried (6-0)

POLICY REVIEW

By Director Claflin Seconded by Director Weber
Approval - The following policies are on their third and final readings:

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

Motion Carried (6-0)

PUBLIC HEARING FOR TAXES PAYABLE IN 2026

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

By Director Cumings Seconded by Director Claflin
Approval, for the South St. Paul School Board to certify the Payable 2026 Levy at $15,228,617.98.
Motion Carried (6-0)

BUSINESS ITEMS

By Director W. Felton Seconded by Director Claflin
Approval, for the South St. Paul School Board to approve the Acceptance of Gifts Report.
Motion Carried (6-0)

By Director Weber Seconded by Director Claflin
Approval, for the South St. Paul School Board to approve the Boys' and Girls' Nordic Skiing cooperative agreement with Two Rivers and Simley, beginning of the 2025-26 School Year.
Motion Carried (6-0)

By Director Claflin Seconded by Director W. Felton
Approval, for the South St. Paul School Board to approve the 2026-27 District Calendar.
Motion Carried (6-0)

By Director Weber Seconded by Director W. Felton
Approval, for the South St. Paul School Board to approve the agreement with the South St. Paul Educational Support Professionals Local 7312, for the contract period of July 1, 2025, to June 30, 2027.
Motion Carried (6-0)

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

ADJOURN

By Director Claflin Seconded by Director W. Felton

Approval, for the South St. Paul School Board to adjourn the December 8, 2025, meeting at 7:21 PM.
Motion carried (6-0)

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

Respectfully Submitted by:

Lisa Brandecker, Acting Secretary-Clerk
Board of Education

South St. Paul Public Schools

School Board Work Session Minutes
January 12, 2026

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

Secondary Teaching and Learning

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

2025 Year End Audit

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

2026 Organizational Items

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

Potential Facilities, and Long-Range Planning

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

Public Relations and Community Engagement

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

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

Stakeholder Comments to the Board

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

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

Mid-Year Superintendent Evaluation Logistics

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

Mid-Year School Board Self-Evaluation

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

Committee Updates

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

Adjourn

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

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

Respectfully Submitted by:

Lisa Brandecker, Acting Secretary-Clerk
Board of Education

South St. Paul Public Schools

School Board Business Meeting Minutes
January 12, 2026

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

APPROVAL OF MEETING AGENDA

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

ELECTION OF OFFICERS

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

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

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

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

BUSINESS ITEMS

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

By Director Claflin Seconded by Director Weber
Approval for the South St. Paul School Board to approve the Resolution Relating to the Delegation of Clerk and Treasurer Duties to the Finance Director for Day-to-Day Business.
Motion Carried 6 yeas - Weber, W. Felton, Claflin, Cumings, T. Felton, and Humann
0 nays -

ADJOURN

By Director Claflin Seconded by Director W. Felton
Approval, for the South St. Paul School Board to adjourn the January 12, 2026, meeting at 6:24 PM.
Motion carried (6-0)

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

Respectfully Submitted by:

Lisa Brandecker, Acting Secretary-Clerk
Board of Education

South St. Paul Public Schools

School Board Agenda Item

Place on Agenda: Reports

Action Requested: Discussion Only

Attachment: None

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

Place on Agenda: Regular Meeting Reports

Action Requested: None

Attachment: None

Topic: Stakeholder Comments to the Board

Presenter(s): Board Chair

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

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

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

South St. Paul Public Schools

School Board Agenda Item

Date: Monday, January 26, 2026

Place on Agenda: Business Meeting

Action Requested: None

Attachment: None

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

South St. Paul
Public Schools

SOUTH ST. PAUL PUBLIC SCHOOLS

School Board Agenda Item

Place on Agenda: Reports

Action Requested: None

Attachment: None

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

Passionate Learners Positively Changing Our World

SOUTH ST. PAUL PUBLIC SCHOOLS

School Board Agenda Item

Place on Agenda: Reports

Action Requested: None

Attachment: None

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

Passionate Learners | Positively Changing our World

South St. Paul
Public Schools

School Board Agenda Item

Date: January 26, 2026

Place on Agenda: Consent Items

Action Requested: Approval

Attachment: Financials - Bills Payable

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

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

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

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

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

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

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

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

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

CHECK NUMBER	CHE TYP	AMOUNT	CHECK DATE	VENDOR
252600291	A	90.00	12/23/2025	HANSEN, JODY
252600292	A	45.00	12/23/2025	JACOBS-BUSE, LINDA
252600293	A	90.00	12/23/2025	KRUEGER, BRADY
252600294	A	45.00	12/23/2025	LOUGH, LAWRENCE
252600295	A	90.00	12/23/2025	OCHOCKI, CHARLES
252600296	A	45.00	12/23/2025	OSTER, PATRICK
252600297	A	45.00	12/23/2025	PENMAN, MICHELLE
252600298	A	90.00	12/23/2025	PETERSON, LORI
252600299	A	45.00	12/23/2025	RYAN, ERIKA
252600300	A	90.00	12/23/2025	SCHWAB, ROBIN
252600301	A	90.00	12/23/2025	TAYLOR MINER, MELANEE
252600302	A	90.00	12/23/2025	TOURTELOTTE, NATALIE
252600303	A	45.00	12/23/2025	VANDERBILT, TONY
252600304	A	90.00	12/23/2025	WELLS, TRAVIS
252600305	A	90.00	12/23/2025	ZAMBRENO, BRIAN
252600306	A	90.00	12/23/2025	ZEHNDER, JEAN
252600307	A	200.00	01/16/2026	BONK, ANDREW
252600308	A	300.00	01/16/2026	BOUDREAU, MICHAEL
252600309	A	50.00	01/16/2026	BRANDNER, DWAIN
252600310	A	140.50	01/16/2026	BRANDECKER, LISA
252600311	A	81.41	01/16/2026	BRIAN, TIFFANY
252600312	A	300.00	01/16/2026	CHALLBERG, ALAN
252600313	A	33.60	01/16/2026	HANLEY, KATHLEEN
252600314	A	56.70	01/16/2026	HOWLETT, SHERIN
252600315	A	211.40	01/16/2026	LITFIN, AMY
252600316	A	435.68	01/16/2026	MILLER, LEAH
252600317	A	79.80	01/16/2026	NEU, MEGHAN
252600318	A	300.00	01/16/2026	RAMIREZ, GREGORY
252600319	A	350.00	01/16/2026	ROSS, LAWRENCE
252600320	A	184.73	01/16/2026	RUMPZA, AIMEE
252600321	A	150.00	01/16/2026	RUNNING, MICHAEL
252600322	A	50.00	01/16/2026	SHERRY, MATTHEW
252600323	A	14.00	01/16/2026	VANDERBILT, TONY
252600324	A	61.67	01/16/2026	WOHLERS, DARII
		5,487,462.45	Totals for checks	

F U N D   S U M M A R Y

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

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

CHECKRUNS

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

PAYROLL			12/15/2025-01/15/2026
Payroll Direct Deposit	900124079-900124860	$	2,861,993.63

South St. Paul Public Schools

School Board Agenda Item

Date: January 26, 2026

Place on Agenda: Consent Items

Action Requested: Approval

Attachment: Staffing Report

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

VII.A.1 Staff Appointments, Resignations, Retirements, Terminations and Leaves **01/26/2026**

Certified

A. Appointments/Reassignments

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

B. Resignations/Retirements/Leaves/Reductions/Other

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

ATHLETICS 2025-26

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

ACTIVITIES & AFFINITY GROUPS 2025-26

Show Choir Choreographer	King, Nakeema*	$892.00

VII.A.2 Staff Appointments, Resignations, Retirements, Terminations and Leaves **01/26/2026**

Classified

A. Appointments/Reassignments

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

4. Destiny Buth-Phal- Special Education Assistant, Kaposia, $25.11 an hour, effective December 17, 2025

5. Frances Gil-Hagberg-User Support Specialist, District Wide, effective January 5, 2026

6. Araya Oase- Nutrition Assistant,Lincoln Center, $18.63 an hour, effective December 17, 2025

7. Jacob Quiroga- PT Cleaner, Secondary, $19.78 an hour, effective December 18, 2025

8. Lacey Cardenas- PT Cleaner, Secondary, $19.78 an hour, effective January 5, 2026

9. Lisa Keith - Education Services and Technology Administrative Assistant, District Office, **$27.35** an hour, effective January 7, 2026

10. Carmen Caragena- PT Cleaner, Kaposia, $19.78 an hour, effective December 19, 2025

11. Tessa Walker- Clerical Office Assistant Substitute, District Wide, $19 an hour, effective December 23, 2025

12. Kenya Williams- Nutrition Assistant, Secondary, $18.63 an hour, effective January 6 , 2026

13. Leslie Erickson- Clerical Office Assistant Substitute, District Wide, $19 an hour, effective January 6, 2026

14. Richard Schwab- Clerical Office Assistant Substitute, District Wide, $19 an hour, effective January 9, 2026

15. Kiely Schultz- Early Learning Assistant Substitute, Kaposia, $17 an hour, effective January 6, 2026

16. Ashley DePover- Special Education Assistant, Middle School, $25.11 an hour, effective January 5, 2026

17. Jesse St. John- Special Education Assistant, Lincoln Center, $25.11 an hour, effective January 12, 2026

18. Martha Nieto- Temporary Student Supervisor, Lincoln Center, $17.97 an hour, effective January 12 - February 27, 2026

19. Christopher Fondren- PT Cleaner Substitute, District Wide, $17.45 an hour, effective January 15, 2026

20. Susan Temple- Early Learning Screener, Central Square, $28 an hour, effective January 22, 2026

A. Resignations/Retirements/Leaves/Reductions/Other

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

South St. Paul Public Schools

School Board Agenda Item

Date: January 26, 2026

Place on Agenda: Business Meeting

Action Requested: Approval

Attachment: None.

Topic: Potential May 12, 2026 Special Election

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

Background:

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

School District Question 1, Building Bond Authorization

- As the district's 2013 building bond nears payoff, this proposal creates an opportunity to reinvest in district facilities with a minimal estimated tax impact, approximately $12 per month for the average $300,000 home.

- District buildings are aging, and many building systems are at or beyond their expected lifespan, making reinvestment necessary to maintain safe and reliable learning environments.

- The bond proposal would authorize issuance of general obligation school building bonds in an amount not to exceed $50,000,000 and would focus exclusively on critical facility needs.

- Projects would include improvements to mechanical, plumbing, and electrical systems, roofing and building envelope repairs, fire and life safety systems, accessibility and ADA improvements, lighting, flooring, and interior finishes, as well as safety and ADA compliance improvements to athletic and activity spaces, including Ettinger Field bleachers and Roosevelt tennis courts.

- While this bond would not address all identified facility needs, it would allow the district to make meaningful progress on the most urgent priorities while limiting long-term costs associated with deferred maintenance.

School District Question 2, Capital Projects Levy Renewal ● This ballot question would renew the district's existing capital projects levy, which is currently scheduled to expire in 2029. ● The proposed renewal would be effective in 2029 and would maintain the levy at its current rate, resulting in no tax increase to the community. ● Levy funds would continue to support capital needs focused on safety, security, and technology, including security cameras, phone systems, technology infrastructure that supports those systems, and cybersecurity improvements. ● Approval of School District Question 2 is contingent upon the passage of School District Question 1, as required by statute. ● Including the levy renewal in this special election would allow the district to avoid the cost of holding a separate election in future years, reflecting a fiscally responsible approach to long-term planning.
Recommendation: Administration recommends the approval of the Resolution Relating to the Issuance of School Building Bonds and Calling an Election Thereon
Alternatives: Do not approve and direct administration with next steps.

South St. Paul Public Schools

School Board Agenda Item

Date: Monday, January 26, 2026

Place on Agenda: Regular Meeting

Action Requested: Approval

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

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

South St. Paul Public Schools

Audit Summary and Key Findings

Ra Chhoth, Executive Director Finance and Operations

Audit Opinion and Internal Control Findings

Unmodified Audit Opinion

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

Internal Control Weaknesses

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

Compliance and Accounting Updates

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

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

ADM Trends and Impact on Funding

Fund Balance and Financial Position

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

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

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

Financial Statements and
Supplementary Information

Year Ended
June 30, 2025

LB | CARLSON

Certified Public Accountants Business Consultants

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SPECIAL SCHOOL DISTRICT NO. 6

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Table of Contents (continued)

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INTRODUCTORY SECTION

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SPECIAL SCHOOL DISTRICT NO. 6

School Board and Administration
Year Ended June 30, 2025

SCHOOL BOARD

	Board Position
Kim Humann	Chair
Anne Claflin	Vice Chair
Paul Cumings	Treasurer
Wendy Felton	Clerk
Ryan Duffy	Director
Tim Felton	Director
Monica Weber	Director

ADMINISTRATION

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

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Special School District No. 6 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

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

EMPHASIS OF MATTER

Change in Accounting Principle

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

(continued)

605 US Highway 169 N, Suite 650, Minneapolis, MN 55441
763.535.8150 I www.lbcarlson.com

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

(continued)

REQUIRED SUPPLEMENTARY INFORMATION

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

SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table is presented for purposes of additional analysis as required by the Minnesota Department of Education, and is also not a required part of the basic financial statements of the District. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the UFARS Compliance Table are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER INFORMATION

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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

PRIOR YEAR COMPARATIVE INFORMATION

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

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,

LB Carlson, LLP

LB CARLSON, LLP
Minneapolis, Minnesota

December 30, 2025

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

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of June 30, 2025 by $11,194,403. The District's total net position increased by $7,334,377 from operations in the current year, not including the change in accounting principle discussed below.

- Government-wide revenues totaled $63,754,350 and were $7,334,377 more than expenses of $56,419,973.

- The District adopted new accounting guidance for compensated absences in the current year, which reduced beginning net position by $5,607,843. This change is further described in Note 1 of the notes to basic financial statements.

- The General Fund's total fund balance (under the governmental fund presentation) increased by $1,313,605 from the prior year, compared to an increase of $274,938 planned in the budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information about the District as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Position includes *all* of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide financial statements report the District's *net position* and how it has changed. Net position—the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources—is one way to measure the District's financial health or *position*.

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

- To assess the overall health of the District requires consideration of additional nonfinancial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

FUND FINANCIAL STATEMENTS

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

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

The District maintains the following types of funds:

Governmental Funds – The District's basic services are included in governmental funds, which generally focus on: 1) how *cash and other financial assets* that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. Consequently, the governmental fund financial statements provide a detailed *short-term* view that helps to determine whether there are more or less financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, we provide additional information (reconciliation schedules) immediately following the governmental fund financial statements that explain the relationship (or differences) between these two types of financial statement presentations.

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1
Summary Statement of Net Position
as of June 30, 2025 and 2024

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

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

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

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

Table 2
Summary Statement of Activities
for the Years Ended June 30, 2025 and 2024

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

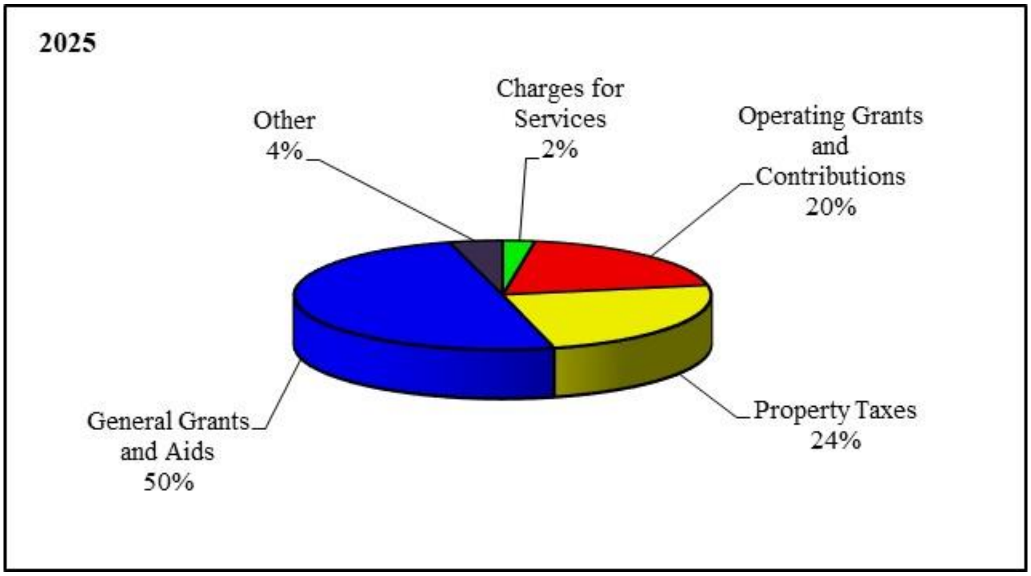
This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation and amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

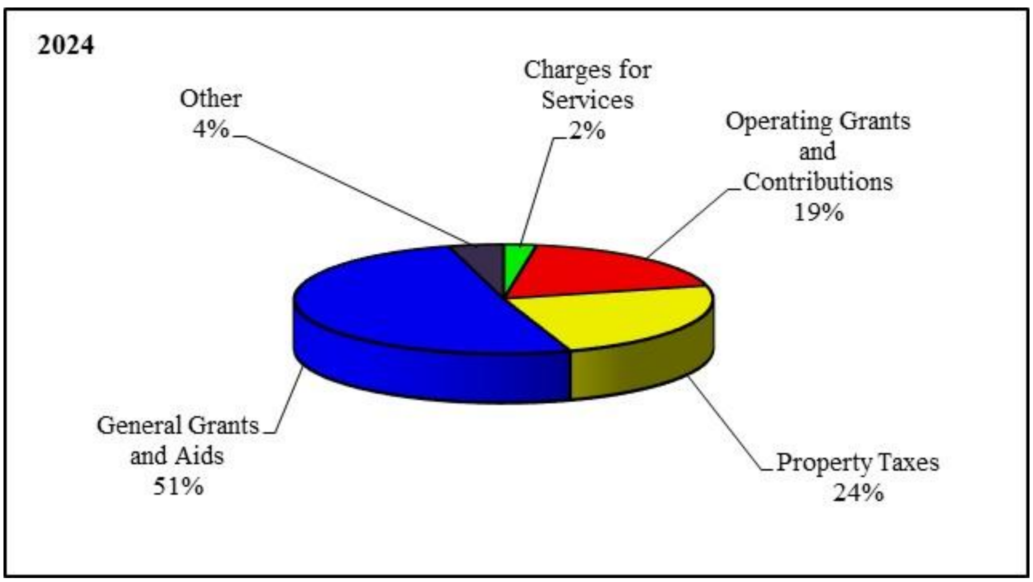
Revenues decreased $111,583 in the current year. Funding improvements in state special education funding and the basic formula allowance were offset with fewer students served in the current year and the end of several federal pandemic grants.

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

Figure A shows further analysis of these revenue sources:

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



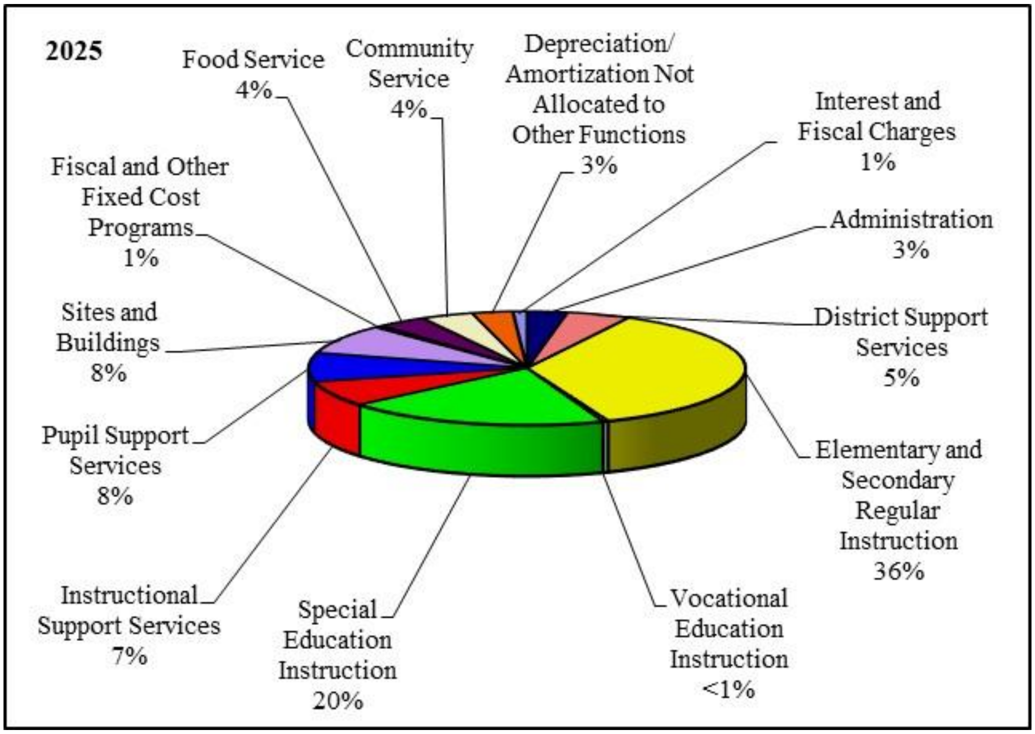


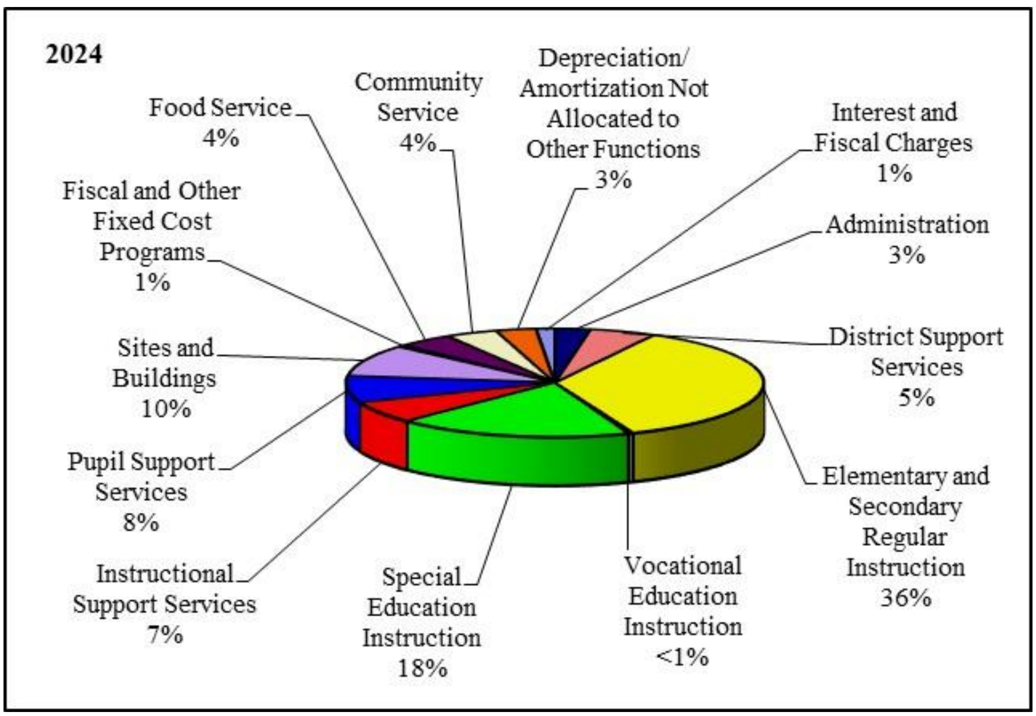
The largest share of the District's revenue is received from the state, including the general education aid formula and most of the operating grants.

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

Figure B shows further analysis of these expense functions:

Figure B – Expenses for Fiscal Years 2025 and 2024





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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Table 3
Governmental Fund Balances
as of June 30, 2025 and 2024

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

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

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

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

ANALYSIS OF THE GENERAL FUND

Table 4 summarizes the amendments to the General Fund budget:

Table 4
General Fund
Budget

	Original Budget	Final Budget	Change	Percent Change
Revenue	$ 50,967,027	$ 52,256,927	$ 1,289,900	2.5%
Expenditures	$ 50,950,894	$ 51,981,989	$ 1,031,095	2.0%

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

Table 5 summarizes the operating results of the General Fund:

Table 5
General Fund
Operating Results

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

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

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

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

COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER FUNDS

Debt Service Fund

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

Other Governmental Funds

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

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

Internal Service Funds

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

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

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

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

Table 6
Capital Assets

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

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

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

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

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

Long-Term Liabilities

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

Table 7
Outstanding Long-Term Liabilities

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

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

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

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

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

Table 8
Limitations on Debt

District's market value	$ 2,398,943,050
Limit rate	15.0%
Legal debt limit	$ 359,841,458

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

SPECIAL SCHOOL DISTRICT NO. 6

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

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

See notes to basic financial statements

SPECIAL SCHOOL DISTRICT NO. 6

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

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

SPECIAL SCHOOL DISTRICT NO. 6

Balance Sheet
Governmental Funds
as of June 30, 2025
(With Partial Comparative Information as of June 30, 2024)

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

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

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SPECIAL SCHOOL DISTRICT NO. 6

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
as of June 30, 2025
(With Partial Comparative Information as of June 30, 2024)

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

SPECIAL SCHOOL DISTRICT NO. 6

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

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

See notes to basic financial statements

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

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SPECIAL SCHOOL DISTRICT NO. 6

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

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

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SPECIAL SCHOOL DISTRICT NO. 6

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

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

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

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

SPECIAL SCHOOL DISTRICT NO. 6

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

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

SPECIAL SCHOOL DISTRICT NO. 6

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Special School District No. 6 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. The District is governed by a School Board elected by voters of the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

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

C. Government-Wide Financial Statement Presentation

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other internally directed revenues are reported instead as general revenues.

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

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

D. Fund Financial Statement Presentation

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

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

1. **Revenue Recognition** – Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues, including property taxes, to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Proceeds of long-term debt are reported as other financing sources.

2. **Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term obligations, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The proprietary (internal service funds) are presented in the proprietary fund financial statements. Because the principal users of internal services are the District's governmental activities, the internal service funds are consolidated into the governmental activities column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

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

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

Description of Funds

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

Major Governmental Funds

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

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

Nonmajor Governmental Funds

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

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

Proprietary Funds

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Information

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

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

F. Restricted Assets

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

G. Cash and Temporary Investments

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Receivables

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

I. Inventories

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

J. Property Taxes

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

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

Property tax levies are certified to the County Auditor in December of each year for collection from taxpayers in May and October of the following calendar year. In Minnesota, counties act as collection agents for all property taxes. The county spreads all levies over taxable property. Such taxes become a lien on property on the following January 1. The county generally remits taxes to the District at periodic intervals, as they are collected.

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is reported as a deferred inflow of resources (unavailable revenue) in the fund financial statements because it is not known to be available to finance the operations of the District.

K. Subscription-Based Information Technology Arrangements (SBITAs)

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets

Capital assets that are purchased or constructed by the District are recorded at historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Technology subscriptions are recorded based on the measurement of any subscription liability plus the payments due to a SBITA vendor at the commencement of the subscription term, including any applicable initial implementation costs as defined in the standard. The District defines capital assets as those with an initial, individual cost of $3,000 or more, which benefit more than one fiscal year. Groups of similar assets acquired at or near the same time for a single objective, with individual acquisition costs below this threshold, are also capitalized if cost of the assets is considered significant in the aggregate. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or needed for public school purposes by the District, no salvage value is considered for depreciation purposes. Useful lives vary from 20 to 50 years for buildings and building improvements, and 5 to 20 years for furniture and equipment. Technology subscriptions are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. Land is not depreciated.

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

M. Long-Term Obligations

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

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

N. Compensated Absences

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

O. State-Wide Pension Plans

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

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

P. Deferred Outflows/Inflows of Resources

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Net Position

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

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation and amortization, reduced by any outstanding debt attributable to acquire capital assets.

- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

- **Unrestricted Net Position** – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

R. Fund Balance Classifications

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.

- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.

- **Committed** – Consists of internally imposed constraints that are established by resolution of the School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to School Board resolution, the District's superintendent of schools is authorized to establish assignments of fund balance.

- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Risk Management and Self-Insurance

1. **General Insurance –** The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. As part of the insurance renewal process and available coverage limits for cyber and privacy liability there was a reduction in this one area of the District's insurance coverage in the current fiscal year.

2. **Self-Insurance** – The District has established two internal service funds to account for and finance its self-insured risk of loss for respective employee dental and health insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various dental and healthcare costs as described in the plans.

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Use of Estimates

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

U. Prior Period Comparative Financial Information/Reclassification

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

V. Deficit Net Position

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

W. Change in Accounting Principle

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

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Deposits

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

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

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

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

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

B. Investments

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

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

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the District's investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers. For assets held in the District's revocable OPEB trust accounted for in its OPEB Internal Service Fund, the investment options available to the District are expanded to include the investment types specified in Minnesota Statutes § 356A.06, Subd. 7. The District's investment policies do not further restrict investing in specific financial instruments.

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

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

N/A – Not Applicable
N/R – Not Rated

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

Statement of Net Position	
Cash and temporary investments	$ 35,424,598
Restricted assets	
Cash and investments for OPEB	5,500,837
Total deposits and investments	$ 40,925,435

NOTE 3 – CAPITAL ASSETS

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

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

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

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

NOTE 4 – LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

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

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

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

B. Certificates of Participation Payable

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

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

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

C. Financed Purchase Payable

The District currently has the following financed purchase payable outstanding:

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

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

D. Other Long-Term Liabilities

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

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

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

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

E. Minimum Debt Payments

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

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

F. Changes in Long-Term Liabilities

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

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

NOTE 5 – FUND BALANCES

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

A. Classifications

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

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

NOTE 5 – FUND BALANCES (CONTINUED)

B. Minimum Fund Balance Policy

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

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

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

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

2. Teachers Retirement Association (TRA)

The TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 354 and 356. The TRA is a separate statutory entity, administered by a Board of Trustees. The Board of Trustees consists of four active members, one retired member, and three statutory officials.

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those employed by St. Paul Public Schools or Minnesota State Colleges and Universities (MnSCU)). Educators first hired by MnSCU may elect either TRA coverage within one year of eligible employment or elect coverage through the Defined Contribution Retirement (DCR) Plan administered by MnSCU. A teacher employed by MnSCU and electing the DCR Plan is not a member of the TRA except for purposes of Social Security coverage.

B. Benefits Provided

1. GERF Benefits

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statutes and can only be modified by the State Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

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

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

2. TRA Benefits

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

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

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

Tier I Benefits

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

With these provisions:

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

(b) Three percent per year early retirement reduction factor for all years under normal retirement age.

(c) Unreduced benefits for early retirement under a Rule of 90 (age plus allowable service equals 90 or more).

Or

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

Tier II Benefits

Members first employed after June 30, 1989, receive only the Tier II benefit calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 66. After July 1, 2024, the age will change to not to exceed 65. An early retirement reduction is applied to members retiring before age 66, but will be age 65 after July 1, 2024. Members who reach age 62 with 30 years of service have a lower (more favorable to the member) early retirement reduction rate applied.

Six different types of annuities are available to members upon retirement. The No Refund Life Plan is a lifetime annuity that ceases upon the death of the retiree—no survivor annuity is payable. A retiring member may also choose to provide survivor benefits to a designated beneficiary(ies) by selecting one of the five plans that have survivorship features. Vested members may also leave their contributions in the TRA Fund upon termination of service in order to qualify for a deferred annuity at retirement age. Any member terminating service is eligible for a refund of their employee contributions plus interest.

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

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

C. Contributions

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

1. GERF Contributions

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

2. TRA Contributions

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

D. Pension Costs

1. GERF Pension Costs

At June 30, 2025, the District reported a liability of $3,276,952 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of $16 million. The state of Minnesota is considered a nonemployer contributing entity and the states contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled $84,735.

District's proportionate share of the net pension liability	$ 3,276,952
State's proportionate share of the net pension liability associated with the District	84,735
Total	$ 3,361,687

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

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

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

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

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

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

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

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

2. TRA Pension Costs

At June 30, 2025, the District reported a liability of $20,086,009 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportion of the net pension liability was based on the District's contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.3161 percent at the end of the measurement period and 0.3068 percent for the beginning of the period.

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

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

District's proportionate share of the net pension liability	$ 20,086,009
State's proportionate share of the net pension liability associated with the District	1,313,808
Total	$ 21,399,817

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

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

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

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

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

Year Ending June 30,	Pension Expense Amount
2026	$ (1,768,265)
2027	$ 1,523,469
2028	$ (1,647,846)
2029	$ (1,284,737)
2030	$ (189,023)

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

E. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of the PERA and the TRA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation.

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

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

F. Actuarial Methods and Assumptions

1. GERF

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

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

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

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

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

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

2. TRA

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

Actuarial Assumptions Used in Valuation of Total Pension Liability	
Investment rate of return	7.00%
Price inflation	2.50%
Wage growth rate	2.85% before July 1, 2028, and 3.25% after June 30, 2028
Projected salary increase	2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% thereafter
Cost of living adjustment	1.00 percent for January 2019 through January 2023, then increasing by 0.10 percent each year up to 1.50 percent annually

Mortality Assumptions Used in Valuation of Total Pension Liability	
Pre-Retirement	PubT-2010(A) Employee Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.
Healthy Retirees	PubT-2010(A) Retiree Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.
Beneficiaries	Pub-2010(A) Contingent Survivor Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.
Disabled Retirees	PubNS-2010 Disabled Retiree Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.

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

1. GERF

CHANGES IN PLAN PROVISIONS

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

CHANGES IN ACTUARIAL ASSUMPTIONS

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

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

2. TRA

CHANGES IN ACTUARIAL ASSUMPTIONS

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

G. Discount Rate

1. GERF

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

2. TRA

The discount rate used to measure the total pension liability was 7.00 percent. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2024 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

H. Pension Liability Sensitivity

The following table presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rates disclosed in the preceding paragraphs, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

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

I. Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org.

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

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

A. Plan Description

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

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

B. Benefits Provided

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

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

C. Contributions

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

D. Membership

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

Retirees and beneficiaries receiving benefits	82
Active plan members	390
Total members	472

E. Total OPEB Liability of the District

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

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

F. Actuarial Methods and Assumptions

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

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

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

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

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

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

G. Changes in the Total OPEB Liability

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

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

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

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

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

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

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
OPEB discount rate	3.10%	4.10%	5.10%
Total OPEB liability	$ 5,597,681	$ 5,290,336	$ 4,997,565

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

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

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

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

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

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

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

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

NOTE 8 – FLEXIBLE BENEFIT PLAN

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

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

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

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

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

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. Federal and State Programs

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

B. Legal Claims

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

C. Purchase Power Commitment

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

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REQUIRED SUPPLEMENTARY INFORMATION

SPECIAL SCHOOL DISTRICT NO. 6

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

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

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

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

SPECIAL SCHOOL DISTRICT NO. 6

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

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

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

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

SPECIAL SCHOOL DISTRICT NO. 6

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

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

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

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2024 CHANGES IN PLAN PROVISIONS

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

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2023 CHANGES IN PLAN PROVISIONS

- An additional one-time direct state aid contribution of $170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, noncompounding benefit increase of 2.50 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 CHANGES IN PLAN PROVISIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two through five, and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 General Mortality Table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality Table to the Pub-2010 General/Teacher Disabled Annuitant Mortality Table, with adjustments.
- The mortality improvement scale was changed from MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100.00 percent joint and survivor option changed from 35.00 percent to 45.00 percent. The assumed number of married female new retirees electing the 100.00 percent joint and survivor option changed from 15.00 percent to 30.00 percent. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

2019 CHANGES IN PLAN PROVISIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year, with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio, to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2018 CHANGES IN PLAN PROVISIONS (CONTINUED)

- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age. Does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN PLAN PROVISIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Retirement Fund, which increased the total pension liability by $1.1 billion and increased the fiduciary plan net position by $892.0 million. Upon consolidation, state and employer contributions were revised; the state's contribution of $6.0 million, which meets the special funding situation definition, was due September 2015.

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA)

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

- The cost of living adjustment (COLA) was reduced from 2.00 percent each January 1 to 1.00 percent, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.10 percent each year until reaching the ultimate rate of 1.50 percent on January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit, are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.50 percent if the funded ratio was at least 90.00 percent for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.00 percent to 3.00 percent, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.50 percent to 7.50 percent, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years, (7.71 percent in 2018, 7.92 percent in 2019, 8.13 percent in 2020, 8.34 percent in 2021, 8.55 percent in 2022, and 8.75 percent in 2023). In addition, the employee contribution rate will increase from 7.50 percent to 7.75 percent on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

OTHER POST-EMPLOYMENT BENEFITS PLAN

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN PLAN PROVISIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

SUPPLEMENTARY INFORMATION

SPECIAL SCHOOL DISTRICT NO. 6

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

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

SPECIAL SCHOOL DISTRICT NO. 6

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

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

SPECIAL SCHOOL DISTRICT NO. 6

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

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

SPECIAL SCHOOL DISTRICT NO. 6

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

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

SPECIAL SCHOOL DISTRICT NO. 6

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

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

SPECIAL SCHOOL DISTRICT NO. 6

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

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

SPECIAL SCHOOL DISTRICT NO. 6

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

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

SPECIAL SCHOOL DISTRICT NO. 6

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

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

SPECIAL SCHOOL DISTRICT NO. 6

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

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

SPECIAL SCHOOL DISTRICT NO. 6

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

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

SPECIAL SCHOOL DISTRICT NO. 6

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

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

SPECIAL SCHOOL DISTRICT NO. 6

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

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

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

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

OTHER DISTRICT INFORMATION

(UNAUDITED)

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SPECIAL SCHOOL DISTRICT NO. 6

Government-Wide Revenue by Type
Last Ten Fiscal Years

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

SPECIAL SCHOOL DISTRICT NO. 6

Government-Wide Expenses by Function
Last Ten Fiscal Years

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

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

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SPECIAL SCHOOL DISTRICT NO. 6

General Fund Revenue by Source
Last Ten Fiscal Years

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

SPECIAL SCHOOL DISTRICT NO. 6

General Fund Expenditures by Function
Last Ten Fiscal Years

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

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

SPECIAL SCHOOL DISTRICT NO. 6

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

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

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

Source: State of Minnesota School Tax Report

SPECIAL SCHOOL DISTRICT NO. 6

Tax Capacities and Market Values
Last Ten Fiscal Years

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

Source: State of Minnesota School Tax Report

SPECIAL SCHOOL DISTRICT NO. 6

Property Tax Levies and Receivables
Last Ten Fiscal Years

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

Note: Delinquent taxes are written off after seven years.

Source: Dakota County

Uncollected Taxes Receivable as of June 30, 2025			
Delinquent		Current	
Amount	Percent	Amount	Percent
$ –	– %	$ –	– %
–	–	–	–
–	–	–	–
9,300	0.09	–	–
5,181	0.05	–	–
12,325	0.11	–	–
15,175	0.14	–	–
51,058	0.34	–	–
164,194	1.10	–	–
–	–	8,836,090	57.77
$ 257,233		$ 8,836,090	

SPECIAL SCHOOL DISTRICT NO. 6

Students Served
Last Ten Fiscal Years

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

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

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

	Pre-Kindergarten	Half-Day Kindergarten	Full-Day Kindergarten	Elementary 1–6	Secondary 7–12+
All years presented	1.000	0.550	1.000	1.000	1.200

Source: Minnesota Department of Education student reporting system

OTHER REQUIRED REPORTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN

ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Special School District No. 6 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 30, 2025.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as findings 2025-001 and 2025-002 that we consider to be material weaknesses.

(continued)

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REPORT ON COMPLIANCE AND OTHER MATTERS

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

DISTRICT'S RESPONSES TO FINDINGS

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

PURPOSE OF THIS REPORT

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

Respectfully submitted,

LB Carlson, LLP

LB CARLSON, LLP
Minneapolis, Minnesota

December 30, 2025

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INDEPENDENT AUDITOR'S REPORT

ON MINNESOTA LEGAL COMPLIANCE

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Special School District No. 6 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 30, 2025.

MINNESOTA LEGAL COMPLIANCE

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

PURPOSE OF THIS REPORT

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

Respectfully submitted,

LB Carlson, LLP

LB CARLSON, LLP
Minneapolis, Minnesota

December 30, 2025

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A. FINANCIAL STATEMENT FINDINGS IN INTERNAL CONTROL OVER FINANCIAL REPORTING

MATERIAL WEAKNESSES

2025-001 Segregation of Duties

Criteria – Internal control over financial reporting.

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

Questioned Costs – Not applicable.

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

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

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

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

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

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

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

MATERIAL WEAKNESSES (CONTINUED)

2025-002 Timeliness and Accuracy of Reconciliations

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

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

Questioned Costs – Not applicable.

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

Repeat Finding – This is a current year finding.

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

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

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

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

B. MINNESOTA LEGAL COMPLIANCE FINDINGS

None.

SPECIAL SCHOOL DISTRICT NO. 6

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

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

SPECIAL SCHOOL DISTRICT NO. 6

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

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

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

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Management Report

for

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

June 30, 2025

LB | CARLSON

Certified Public Accountants Business Consultants

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

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

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

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

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

Respectfully submitted,

LB Carlson, LLP

LB CARLSON, LLP
Minneapolis, Minnesota

December 30, 2025

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AUDIT SUMMARY

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

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

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

PLANNED SCOPE AND TIMING OF THE AUDIT

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

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

AUDIT OPINIONS AND FINDINGS

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

- We have issued unmodified opinions on the District's basic financial statements. Our report included a paragraph emphasizing the District's implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, this year. Our opinion was not modified with respect to this matter.

- We reported two deficiencies in the District's internal control over financial reporting that we considered to be material weaknesses:

    - Due to the limited size of the office staff, the District has limited segregation of duties in several areas. An ideal system of internal accounting control contemplates an adequate segregation of duties so that no one individual handles a transaction from inception to completion. While we recognize that your organization may not be large enough to permit adequate segregation of duties in all respects, it is important that you are aware of this condition. This finding is further detailed in the Schedule of Findings and Questioned Costs as finding 2025-001.

- During our audit, we noted that the monthly cash and investment reconciliations and payroll liability reconciliations prepared by the District's staff were not being performed in a timely manner, due in part to turnover in the business office staff. The effectiveness of some internal controls was diminished, due to a lack of timeliness and accuracy in completing these important control procedures. This finding is further detailed in the Schedule of Findings and Questioned Costs as finding 2025-002.

- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.

- We reported no findings based on our testing of the District's compliance with Minnesota laws and regulations.

OTHER OBSERVATIONS AND RECOMMENDATIONS

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

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

SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

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

The most sensitive estimates affecting the financial statements were:

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

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

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

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

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

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

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

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

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

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

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

CORRECTED AND UNCORRECTED MISSTATEMENTS

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

DISAGREEMENTS WITH MANAGEMENT

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

MANAGEMENT REPRESENTATIONS

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

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

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

OTHER AUDIT FINDINGS OR ISSUES

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

OTHER MATTERS

We applied certain limited procedures to the management's discussion and analysis and the pension and OPEB-related required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

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

FUNDING PUBLIC EDUCATION IN MINNESOTA

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

BASIC GENERAL EDUCATION REVENUE

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

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

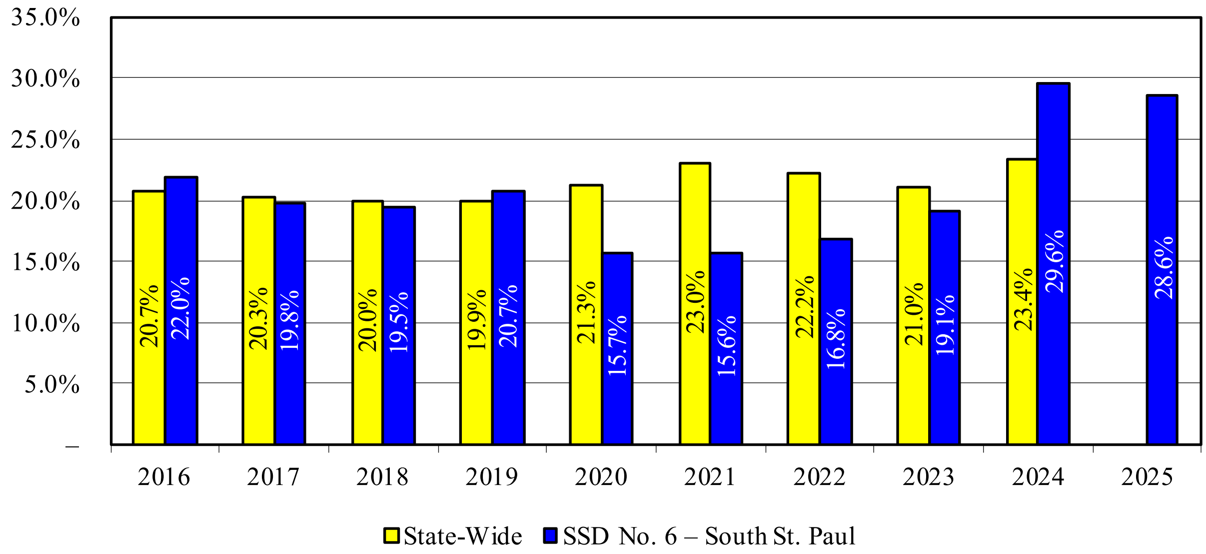
For fiscal 2026 and beyond, the annual formula increase will be adjusted for inflation, using a formula based on the Consumer Price Index-Urban (CPI-U) average inflation rate for the fourth calendar quarter of the immediately prior fiscal year compared to the average for the fourth calendar quarter of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

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

STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

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

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



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

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

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

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

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

GOVERNMENTAL FUNDS REVENUE

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

Governmental Funds Revenue per Student (ADM) Served

	State-Wide		Metro Area		SSD No. 6 – South St. Paul		
	2023	2024	2023	2024	2023	2024	2025
General Fund							
Property taxes	$ 2,760	$ 2,966	$ 3,704	$ 3,976	$ 2,660	$ 3,978	$ 4,065
Other local sources	742	895	595	744	519	739	656
State	10,771	12,149	10,792	12,186	11,424	13,108	13,438
Federal	1,344	1,124	1,441	1,257	1,323	1,109	633
Total General Fund	15,617	17,134	16,532	18,163	15,926	18,934	18,792
Special revenue funds							
Food Service	676	847	649	822	704	877	877
Community Service	795	835	919	964	805	814	787
Debt Service Fund	1,579	1,669	1,595	1,625	1,062	1,165	1,164
Total revenue	$ 18,667	$ 20,485	$ 19,695	$ 21,574	$ 18,497	$ 21,790	$ 21,620
ADM served per MDE School District Profiles Report (current year estimated)					2,972	2,883	2,874

Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.

Source of state-wide and metro area data: School District Profiles Report published by the MDE

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

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

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

GOVERNMENTAL FUNDS EXPENDITURES

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

Governmental Funds Expenditures per Student (ADM) Served

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

Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.

Source of state-wide and metro area data: School District Profiles Report published by the MDE

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

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

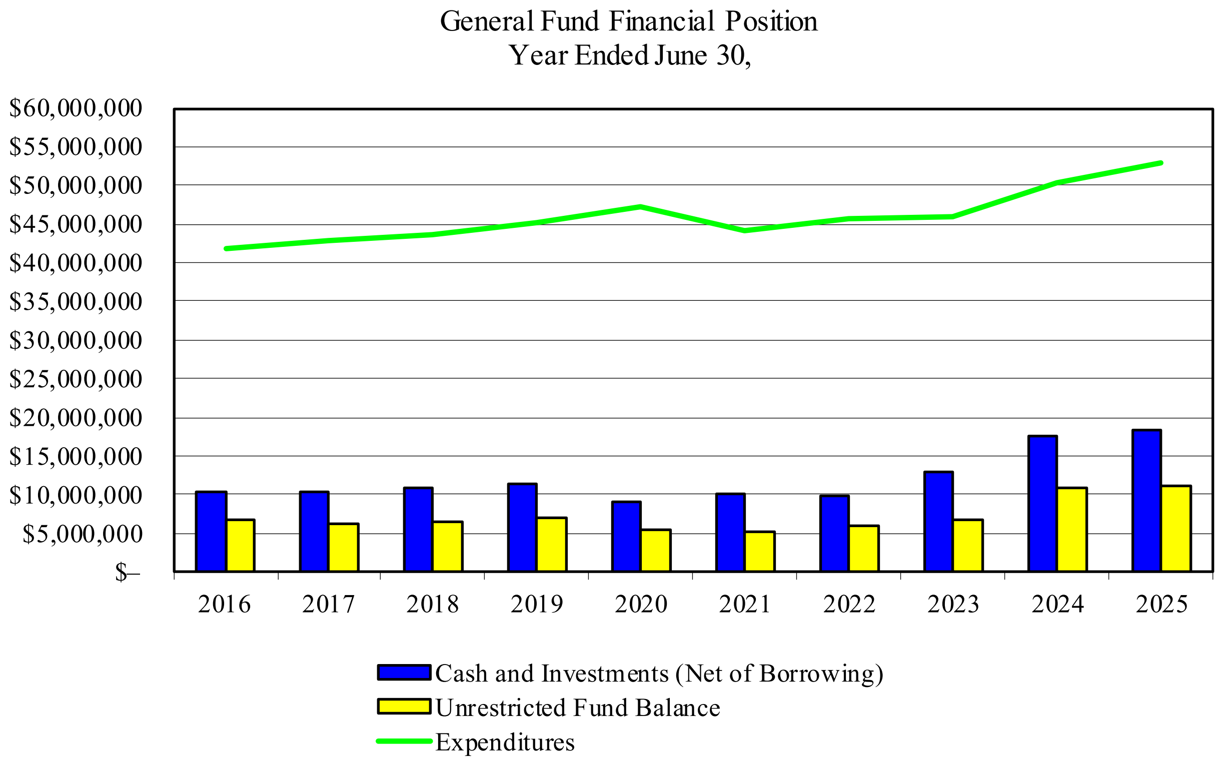
SUMMARY

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

FINANCIAL TRENDS OF YOUR DISTRICT

GENERAL FUND FINANCIAL POSITION

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



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

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

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

GENERAL FUND COMPONENTS OF FUND BALANCE

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

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

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

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

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

Minimum Fund Balance Policy

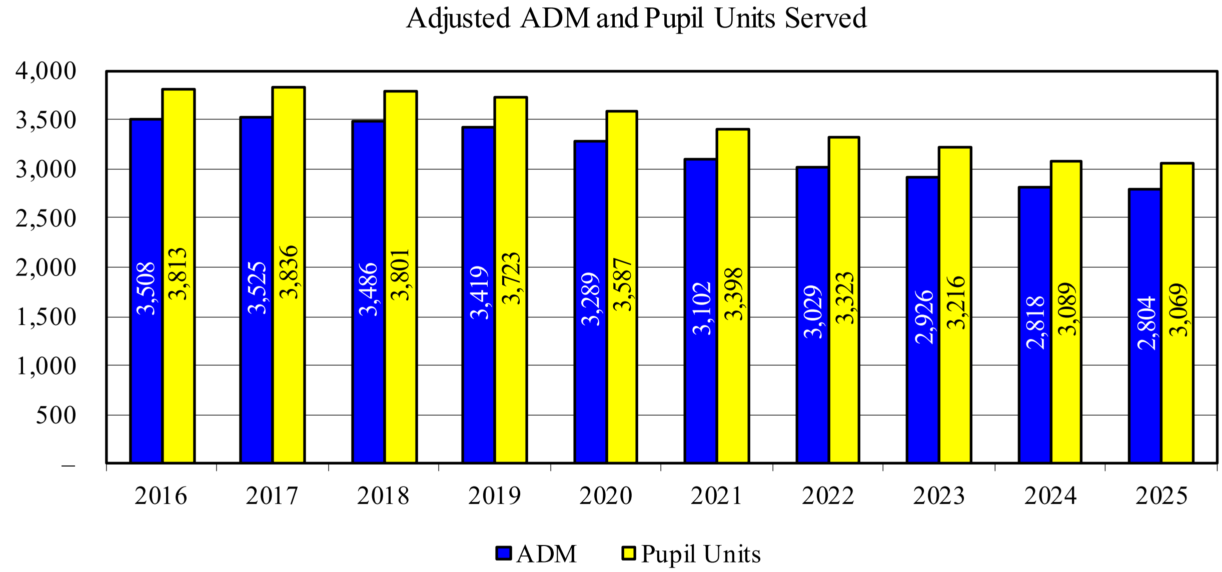
The School Board has formally adopted a fund balance policy regarding maintaining a minimum fund balance for the General Fund. The policy states that the District will strive to maintain a minimum General Fund unassigned balance (excluding restricted deficits) of 8.0 percent of the annual budget.

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

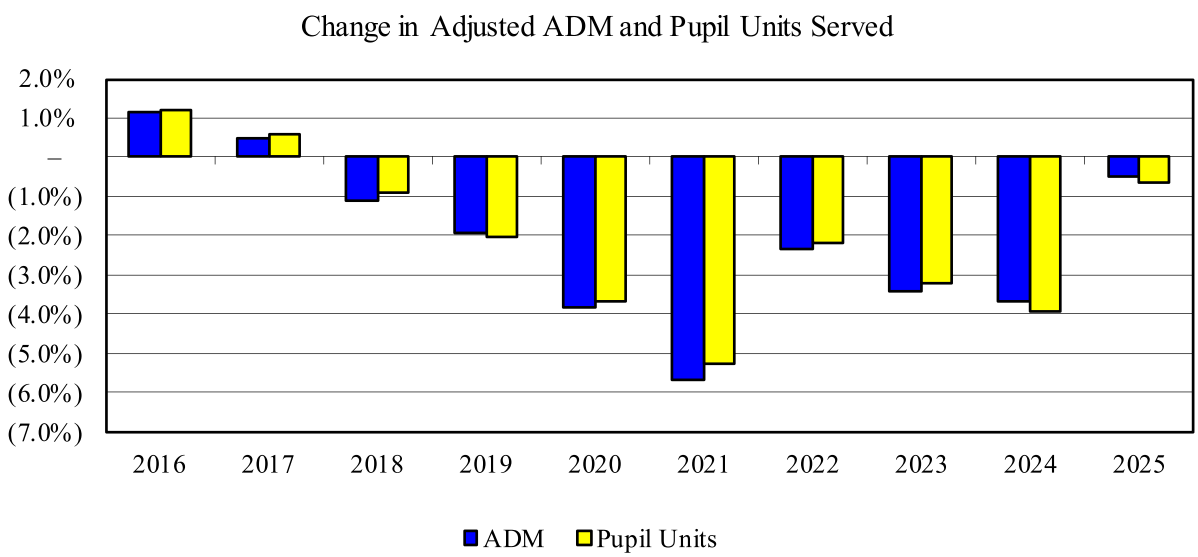
As of June 30, 2025, unrestricted fund balance in the General Fund represented 21.0 percent of annual expenditures, or approximately 11 weeks of operations, assuming level spending throughout the year.

AVERAGE DAILY MEMBERSHIP (ADM) AND PUPIL UNITS

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



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



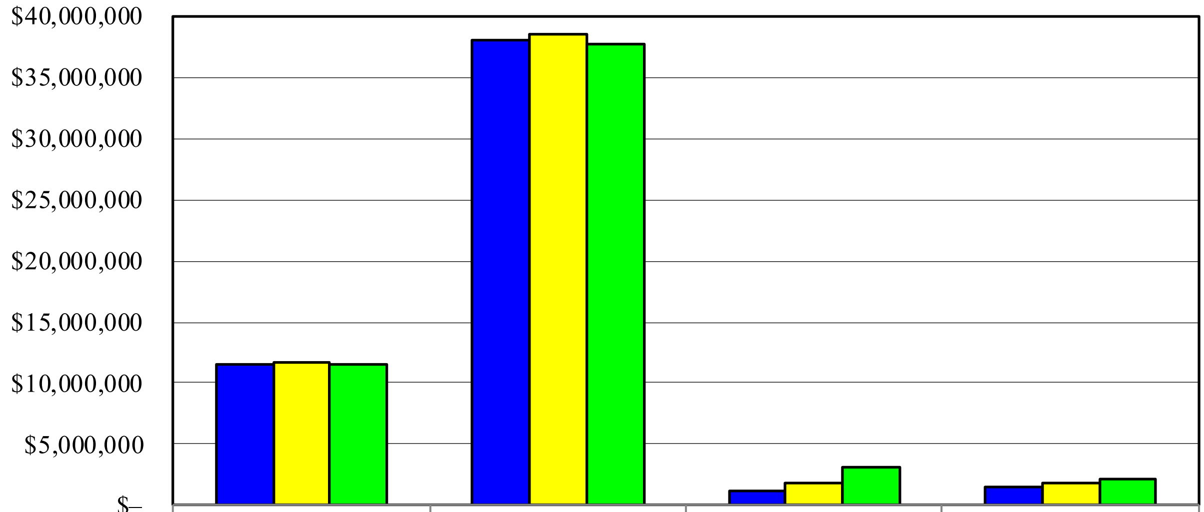
ADM is a measure of students attending class, which is then converted to pupil units (the base for determining revenue) using a statutory formula. Not only is the original budget based on ADM estimates, the final audited financial statements are based on updated, but still estimated, ADM since the counts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

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

GENERAL FUND REVENUES

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

General Fund Revenues



	Property Taxes	State Sources	Federal Sources	Other
Budget	$11,477,388	$37,995,591	$1,258,044	$1,525,904
Actual	$11,683,869	$38,621,894	$1,819,421	$1,886,412
Prior Year	$11,468,447	$37,789,940	$3,198,331	$2,129,867

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

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

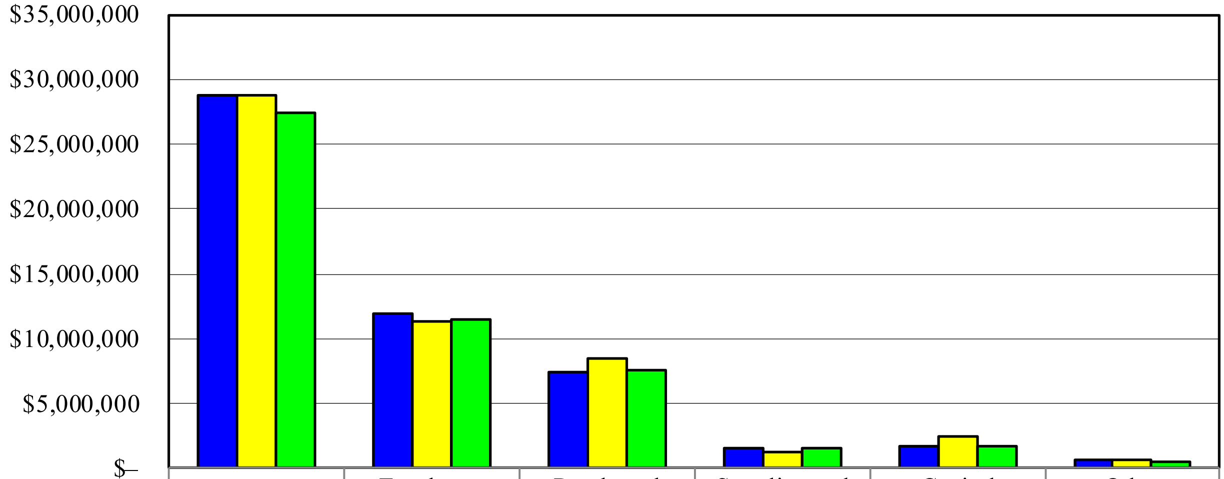
The District reported revenue increases over the prior year in property taxes and state sources, which partially offset the overall reduction from federal and other local sources. An increase in the School Board-approved levy contributed to the growth in property taxes in the current year. State sources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

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

GENERAL FUND EXPENDITURES

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

General Fund Expenditures



	Salaries	Employee Benefits	Purchased Services	Supplies and Materials	Capital Expenditures	Other Expenditures
Budget	$28,841,697	$11,877,981	$7,415,301	$1,556,313	$1,717,142	$573,555
Actual	$28,827,246	$11,300,247	$8,465,306	$1,292,329	$2,429,123	$671,392
Prior Year	$27,399,282	$11,519,143	$7,603,554	$1,510,991	$1,675,818	$556,847

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

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

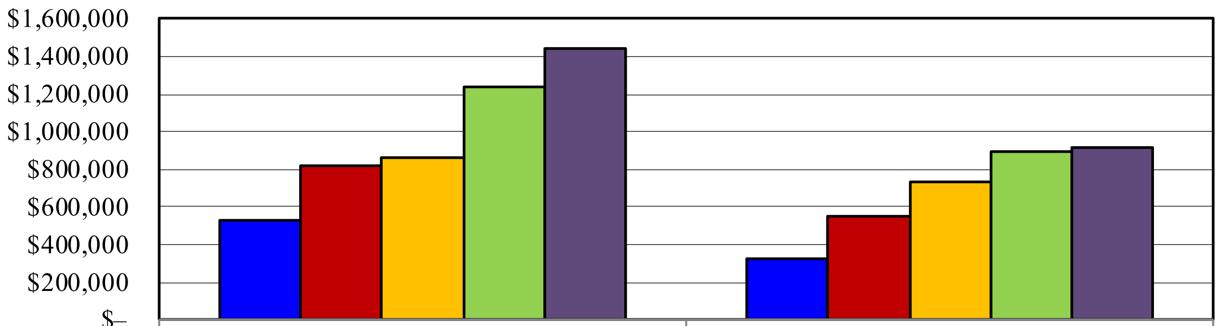
Spending shifted in the current year with more expenditures in purchased services due to the need to contract for services, along with inflationary increases.

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

OTHER FUNDS OF THE DISTRICT

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

Other Operating Funds
Total Fund Balances



	Food Service Special Revenue	Community Service Special Revenue
2021	$523,334	$321,789
2022	$822,309	$549,213
2023	$864,943	$728,068
2024	$1,243,211	$892,098
2025	$1,445,757	$911,168

Food Service Special Revenue Fund

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

Community Service Special Revenue Fund

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

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

Debt Service Fund

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

Proprietary Funds – Internal Service Funds

Dental Self-Insurance

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

Medical Self-Insurance

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

Other Post-Employment Benefits

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

ACCOUNTING AND AUDITING UPDATES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

South St. Paul Public Schools

School Board Agenda Item

Date: Monday, January 26, 2026

Place on Agenda: Regular Meeting

Action Requested: Approval

Attachment: Resolution

Topic: Resolution Directing Administration to Make Recommendations for adjustment in Programs and/or Positions

Presenter(s): Ra Chhoth, Executive Director of Finance and Operations

Background:

Each year, the School Board considers resolutions that allow the district to plan responsibly for the upcoming school year. While the district does not anticipate significant budget reductions, enrollment trends, program needs, and operational considerations may require adjustments to ensure resources are aligned with district priorities and student needs.

The purpose of this resolution is to provide the administration with clear direction and flexibility to consider adjustments to programs and staffing, should changing district needs require them. The resolution does not presume reductions, rather it ensures the district is prepared to respond thoughtfully and responsibly to evolving circumstances.

Recommendation:

Approval

Alternatives:

Do not approve; explore other options

(South St. Paul Public Schools)
State of Minnesota

Member ______________________ introduced the following resolution and moved its adoption:

RESOLUTION DIRECTING THE ADMINISTRATION TO MAKE RECOMMENDATIONS FOR ADJUSTMENTS IN PROGRAMS POSITIONS, AND REASONS THEREFOR.

WHEREAS, the School Board has a responsibility to ensure the effective and sustainable use of district resources in support of student learning and district priorities; and

WHEREAS, changing enrollment, programmatic needs, staffing considerations, and financial conditions may require adjustments to programs and positions in order to best meet the needs of students and the district; and

WHEREAS, such adjustments may include the modification, realignment, or discontinuance of programs or positions, as well as changes to staffing assignments, consistent with district needs and applicable law; and

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

That the School Board hereby directs the Superintendent of Schools and administration to review district programs and positions as necessary, consider potential adjustments to programs or staffing to align with district needs, and make recommendations to the School Board regarding the adjustment, realignment, or discontinuance of programs or positions, as appropriate.

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

____________________________ and upon vote being taken thereon, the following

voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

South St. Paul Public Schools

School Board Agenda Item

Date: January 26, 2026

Place on Agenda: Business Meeting

Action Requested: Approval to Reject the 2026 PAC Ventilation Bid

Attachment: None.

Topic: 2026 Packer Activity Center Ventilation Bid
Presenter(s): Mark Fenton, Director of Buildings and Grounds
Background: The District recently requested bids to address ventilation improvements at the Packer Activity Center (PAC). One bid was received from CM Construction of Burnsville, Minnesota, with a low base bid amount of $355,800. The submitted bid exceeds the budget allocated for this project. After review, Administration, in collaboration with Wold Architects, recommends rejecting the bid and evaluating current market conditions and project costs. This process will allow the District to refine the project scope as needed and rebid the project in an effort to obtain more competitive pricing aligned with the approved budget.
Recommendation: Administration recommends to reject the PAC ventilation bid from CM Construction of Burnsville, Minnesota
Alternatives: Do not reject the bid and direct administration with next steps.

South St. Paul Public Schools

School Board Agenda Item

Date: January 26, 2026

Place on Agenda: Business Meeting

Action Requested: Approval

Attachment: Grow Your Own Grant Agreements

Topic: Grow Your Own Grant Agreements
Presenter(s): Charlie Cook, Executive Director of Human Resources
Background: At the end of the 2022–23 school year, the School Board was presented with a Tri-District grant that provides funding to support a Grow Your Own teacher pathway within each of the three districts. As we enter the 2025–26 school year, the district is pleased to expand this program with the addition of three more staff members who have been selected to participate in the Grow Your Own pathway. This evening, I am bringing forward individual participation agreements for these candidates for School Board approval. These agreements define the terms and conditions of their participation in the grow your own program during the course of their education.
Recommendation: Approval of individual agreements for the district's Grow Your Own Teacher Preparation Program.
Alternatives: Do not approve and direct administration with next steps.

Tuition Reimbursement Agreement

This Tuition Reimbursement Agreement ("Agreement") is entered into by **South St. Paul Public Schools** ("District"), and **Teranique Bowen-Jerez** ("Teacher Candidate"). The District and the Teacher Candidate are referred to in this Agreement as "the Parties."

WHEREAS, the District has a need to fill and maintain teaching positions that require specific licenses and/or education;

WHEREAS, the District wishes to hire, employ, and retain well-qualified teachers to deliver services to the benefit of its students;

WHEREAS, the District has applied for and has received a Grow Your Own grant ("Grant") under Minnesota Statutes, section 122A.73, subdivision 2;

WHEREAS, the Teacher Candidate wishes to obtain their first professional teaching license;

WHEREAS, the Parties desire to specify the terms of their Agreement governing the benefit of tuition assistance provided to the Teacher Candidate.

NOW, THEREFORE, IN CONSIDERATION OF the mutual promises and covenants contained in this Agreement and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

1. Course Selection. Prior to the commencement of the course or program, the Teacher Candidate must submit a statement of any courses or programs for which the Teacher Candidate will seek tuition expenses/payment under this Agreement to the Superintendent or designee for approval. The statement must indicate the anticipated completion date of the course or program. The course or program must be from an accredited institution and must be one of the following:

   (1) a Professional Educator Licensing and Standards Board-approved teacher preparation program;

   (2) a Council for the Accreditation of Educator Preparation-accredited teacher preparation program from a private, not for profit, institution of higher education; or

   (3) an institution that has an articulated transfer pathway with a board-approved teacher preparation program

as required under Minnesota Statutes, section 122A.73, subdivision 2.

No tuition disbursement will be made under this Agreement for any course or program that does not meet the above requirements. The Teacher Candidate must receive written approval of the course or program from the Superintendent or designee prior to registering for the course. The written approval applies only to the specific course or program identified and approved.

2. Tuition and License Disbursement. The Teacher Candidate will register for courses after receiving approval from the Superintendent or designee. The Teacher Candidate will submit an invoice to the Human Resources or Finance department for any expenses related to tuition or license reimbursement. Upon successful completion of the course or program, the District will cover the Teacher Candidate's expenses: up to **$56,000** for the cost of tuition, fees, textbooks, fees for licensure exam and licensure fees for the Teacher Candidate's pre-approved teacher preparation program and teacher license.

   Successful completion of the course will be demonstrated by submission of a copy of a transcript to Human Resources showing that the Teacher Candidate has completed the course and obtained a letter grade of "C" or higher. In courses where grades are assigned on a pass/fail basis, a pass grade shall be deemed to be a "C".

   The District will disburse funds to the College/University, or the Teacher Candidate within 30 calendar days of receipt of proof of course/program registration or will reimburse the Teacher Candidate after receipt of documentation of amounts owed/paid for all allowable expenses.

   If a teacher does not successfully complete a course, demonstrated by a grade of less than a "C," and/or the teacher discontinues or drops out of a course before successful completion of that course, the Teacher Candidate will be responsible for reimbursing any fees and/or costs provided to the Teacher Candidate for that course. The Teacher Candidate must work with the District to arrange a reimbursement schedule. Failure by the Teacher Candidate to reimburse the District and/or grant program for incomplete courses may result in legal action to recoup the funds provided to the Teacher Candidate.

3. Stipend and Expense Disbursement. In addition to Tuition and License Disbursement, the District will also pay the Teacher Candidate:

    (1) An $8,000 stipend to be paid in equal installments during the time that the Teacher Candidate is student-teaching for the District;

Disbursement of up to $6,000 for pre-approved program-related expenses (i.e. purchase of computer, childcare, transportation). The Teacher Candidate must provide invoices and/or estimated costs to the School District prior to purchase. The invoice and/or estimated costs, must include an itemized list of the expenses the Teacher Candidate expects to incur. The School District will review the submitted proposed expenses, and advise the Teacher Candidate of any expenses that will not be approved by email within 15 business days of the Teacher Candidate submitting the request. Once expenses have been approved by the School District, payment to the Teacher Candidate will be provided to purchase the required expenses within 30 business days.

4. Requirements for Expense Disbursement. The Teacher Candidate must enroll in and complete a course or program and incur tuition expenses during their enrollment in order for funds to be disbursed under this Agreement. The District is not obligated to pay any amount under this Agreement, and any such obligation for payment under this Agreement shall cease if any of the following occur:

    (1) the Teacher Candidate does not complete the course or program;
    (2) the Teacher Candidate receives a letter grade below "C;"
    (3) the Teacher Candidate attends a course or program for which approval has not been received;
    (4) the Teacher Candidate resigns, abandons or is terminated from any pre-existing employment with the District;
    (5) the District loses any funding for the Grow Your Own district program.

5. District Employment During the Educational Program. The teacher candidate is required to be employed by the School District during the entirety of the Teacher Candidate's educational program. The role/position in which the Teacher Candidate is employed will be at the discretion of the District. Teacher Candidates, at the time of beginning the educational program, who are current School District employees, will remain in the current position throughout the educational program unless the Teacher Candidate applies for and is selected for another position within the School District. Teacher Candidates who are not current employees of the School District when they begin the educational program, must apply for open non-licensed positions within the School District

and be selected for one of those positions in order to qualify to be a Teacher Candidate in the Grow Your Own Program.

6. Term of Agreement to Teach. In consideration of the tuition reimbursement, license reimbursement, stipend and expense reimbursement described above, the Teacher Candidate agrees to maintain employment with the District for a minimum of an additional **two (2)** full school years after completing the course or program. In the event the Teacher Candidate completes the course or program after the start of a school year, the District will have the right to defer the commencement of the Teacher Candidate's **two year** commitment as a result of this Agreement until the start of the next school year. The District currently employs the Teacher Candidate as **Paraprofessional- Special Education**, which employment relationship shall not be altered by this Agreement.

7. Reimbursement in the Event the Teacher Candidate Does Not Complete Four Year Term of Employment as Teacher. Because the District has agreed to provide the Teacher Candidate with the tuition reimbursement, license reimbursement, stipend and expense reimbursement as described above in exchange for the Teacher Candidate obtaining the above-described license and/or education, the District will lose the benefit of this Agreement if the Teacher Candidate does not complete a minimum of **two (2)** full school years of teaching service with the District following completion of the course or program. In the event the Teacher Candidate does not complete at least **two (2)** full school years of employment as a teacher for the District (after the Teacher Candidate completes the course or program), the Teacher Candidate agrees to repay the District all sums Teacher Candidate has received pursuant to this Agreement. The Teacher Candidate shall enter into an agreement to repay the District ("repayment agreement") and if all sums are not paid when due as set forth in the repayment agreement, Teacher Candidate agrees to confess judgment to the District pursuant to Minn. Stat. §548.22 for all sums due and to become due. The Teacher Candidate agrees to also pay for all of the District's expenses in remedying the matter including, but not limited to court fees, and attorney fees, should the District have to initiate legal action to collect the amount that the Teacher Candidate owes. The District retains the right to collect any unpaid sums in any manner permitted by law.

8. No Guaranteed Employment. Nothing in this Agreement requires the District to continue to employ Teacher Candidate for any length of time.

9. No Teaching Positions Meeting Teacher Candidate License Area. In the event the Teacher Candidate successfully completes the educational program and/or receives a valid Minnesota teaching license, and there are no teacher openings within the Tri-District (South St. Paul, Inver Grove Heights, or West St. Paul School Districts) for which the teacher is qualified and/or selected. The Teacher Candidate will continue to serve in the current licensed or non-licensed position for up to **two (2)** full school years. The Teacher Candidate is expected to apply to any and all open positions within the Tri-District for which the Teacher Candidate is qualified and licensed.

10. Termination for Cause. The Teacher Candidate must meet all performance expectations in either their non-licensed or licensed position during their educational program and the **two (2)** year commitment period after successful completion of the educational program. Failure to meet performance expectations may result in discipline up to and including termination. Termination for cause from employment with the School District in either role for the time period from the beginning of the educational program through the full **two (2)** year term of their teaching assignment as indicated in this agreement, will result in the Teacher Candidate reimbursing the School District and/or grant program based on the terms in Paragraph (6) above.

11. Governing Law, Forum and Severability. This Agreement will be construed and enforced in accordance with the laws of the State of Minnesota. Parties agree that any action to enforce the terms of this Agreement shall be brought in a State court of competent jurisdiction in Minnesota. If any part of this Agreement is construed to be in violation of any law, the remaining portions shall remain in full force and effect.

12. Entire Agreement. This Agreement constitutes the entire agreement between the Parties. No Party has relied upon statements or promises that are not set forth in this Agreement. Any change or amendment to this Agreement shall be made in writing, signed by the parties.

I have read and understood the foregoing Tuition Disbursement Agreement and acknowledge that it is the complete Agreement and by signing below agree to be bound by its terms and conditions.

Dated: ____________ ______________________
Teacher Candidate

University of St. Thomas

Dated: ____________ ______________________

Its: School Board Chair

Dated: ____________ ______________________

Its: School Board Clerk

Tuition Reimbursement Agreement

This Tuition Reimbursement Agreement ("Agreement") is entered into by **South St. Paul Public Schools** ("District"), and **Alan Lance** ("Teacher Candidate"). The District and the Teacher Candidate are referred to in this Agreement as "the Parties."

WHEREAS, the District has a need to fill and maintain teaching positions that require specific licenses and/or education;

WHEREAS, the District wishes to hire, employ, and retain well-qualified teachers to deliver services to the benefit of its students;

WHEREAS, the District has applied for and has received a Grow Your Own grant ("Grant") under Minnesota Statutes, section 122A.73, subdivision 2;

WHEREAS, the Teacher Candidate wishes to obtain their first professional teaching license;

WHEREAS, the Parties desire to specify the terms of their Agreement governing the benefit of tuition assistance provided to the Teacher Candidate.

NOW, THEREFORE, IN CONSIDERATION OF the mutual promises and covenants contained in this Agreement and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

1. Course Selection. Prior to the commencement of the course or program, the Teacher Candidate must submit a statement of any courses or programs for which the Teacher Candidate will seek tuition expenses/payment under this Agreement to the Superintendent or designee for approval. The statement must indicate the anticipated completion date of the course or program. The course or program must be from an accredited institution and must be one of the following:

    (1) a Professional Educator Licensing and Standards Board-approved teacher preparation program;

    (2) a Council for the Accreditation of Educator Preparation-accredited teacher preparation program from a private, not for profit, institution of higher education; or

    (3) an institution that has an articulated transfer pathway with a board-approved teacher preparation program

as required under Minnesota Statutes, section 122A.73, subdivision 2.

No tuition disbursement will be made under this Agreement for any course or program that does not meet the above requirements. The Teacher Candidate must receive written approval of the course or program from the Superintendent or designee prior to registering for the course. The written approval applies only to the specific course or program identified and approved.

2. Tuition and License Disbursement. The Teacher Candidate will register for courses after receiving approval from the Superintendent or designee. The Teacher Candidate will submit an invoice to the Human Resources or Finance department for any expenses related to tuition or license reimbursement. Upon successful completion of the course or program, the District will cover the Teacher Candidate's expenses: up to **$38,000** for the cost of tuition, fees, textbooks, fees for licensure exam and licensure fees for the Teacher Candidate's pre-approved teacher preparation program and teacher license.

   Successful completion of the course will be demonstrated by submission of a copy of a transcript to Human Resources showing that the Teacher Candidate has completed the course and obtained a letter grade of "C" or higher. In courses where grades are assigned on a pass/fail basis, a pass grade shall be deemed to be a "C".

   The District will disburse funds to the College/University, or the Teacher Candidate within 30 calendar days of receipt of proof of course/program registration or will reimburse the Teacher Candidate after receipt of documentation of amounts owed/paid for all allowable expenses.

   If a teacher does not successfully complete a course, demonstrated by a grade of less than a "C," and/or the teacher discontinues or drops out of a course before successful completion of that course, the Teacher Candidate will be responsible for reimbursing any fees and/or costs provided to the Teacher Candidate for that course. The Teacher Candidate must work with the District to arrange a reimbursement schedule. Failure by the Teacher Candidate to reimburse the District and/or grant program for incomplete courses may result in legal action to recoup the funds provided to the Teacher Candidate.

3. Stipend and Expense Disbursement. In addition to Tuition and License Disbursement, the District will also pay the Teacher Candidate:

   (1) An $8,000 stipend to be paid in equal installments during the time that the Teacher Candidate is student-teaching for the District;

Disbursement of up to $6,000 for pre-approved program-related expenses (i.e. purchase of computer, childcare, transportation). The Teacher Candidate must provide invoices and/or estimated costs to the School District prior to purchase. The invoice and/or estimated costs, must include an itemized list of the expenses the Teacher Candidate expects to incur. The School District will review the submitted proposed expenses, and advise the Teacher Candidate of any expenses that will not be approved by email within 15 business days of the Teacher Candidate submitting the request. Once expenses have been approved by the School District, payment to the Teacher Candidate will be provided to purchase the required expenses within 30 business days.

4. Requirements for Expense Disbursement. The Teacher Candidate must enroll in and complete a course or program and incur tuition expenses during their enrollment in order for funds to be disbursed under this Agreement. The District is not obligated to pay any amount under this Agreement, and any such obligation for payment under this Agreement shall cease if any of the following occur:

   (1) the Teacher Candidate does not complete the course or program;
   (2) the Teacher Candidate receives a letter grade below "C;"
   (3) the Teacher Candidate attends a course or program for which approval has not been received;
   (4) the Teacher Candidate resigns, abandons or is terminated from any pre-existing employment with the District;
   (5) the District loses any funding for the Grow Your Own district program.

5. District Employment During the Educational Program. The teacher candidate is required to be employed by the School District during the entirety of the Teacher Candidate's educational program. The role/position in which the Teacher Candidate is employed will be at the discretion of the District. Teacher Candidates, at the time of beginning the educational program, who are current School District employees, will remain in the current position throughout the educational program unless the Teacher Candidate applies for and is selected for another position within the School District. Teacher Candidates who are not current employees of the School District when they begin the educational program, must apply for open non-licensed positions within the School District

and be selected for one of those positions in order to qualify to be a Teacher Candidate in the Grow Your Own Program.

6. Term of Agreement to Teach. In consideration of the tuition reimbursement, license reimbursement, stipend and expense reimbursement described above, the Teacher Candidate agrees to maintain employment with the District for a minimum of an additional **three (3)** full school years after completing the course or program. In the event the Teacher Candidate completes the course or program after the start of a school year, the District will have the right to defer the commencement of the Teacher Candidate's **three year** commitment as a result of this Agreement until the start of the next school year. The District currently employs the Teacher Candidate as **Paraprofessional- Special Education**, which employment relationship shall not be altered by this Agreement.

7. Reimbursement in the Event the Teacher Candidate Does Not Complete Four Year Term of Employment as Teacher. Because the District has agreed to provide the Teacher Candidate with the tuition reimbursement, license reimbursement, stipend and expense reimbursement as described above in exchange for the Teacher Candidate obtaining the above-described license and/or education, the District will lose the benefit of this Agreement if the Teacher Candidate does not complete a minimum of **three (3)** full school years of teaching service with the District following completion of the course or program. In the event the Teacher Candidate does not complete at least **three (3)** full school years of employment as a teacher for the District (after the Teacher Candidate completes the course or program), the Teacher Candidate agrees to repay the District all sums Teacher Candidate has received pursuant to this Agreement. The Teacher Candidate shall enter into an agreement to repay the District ("repayment agreement") and if all sums are not paid when due as set forth in the repayment agreement, Teacher Candidate agrees to confess judgment to the District pursuant to Minn. Stat. §548.22 for all sums due and to become due. The Teacher Candidate agrees to also pay for all of the District's expenses in remedying the matter including, but not limited to court fees, and attorney fees, should the District have to initiate legal action to collect the amount that the Teacher Candidate owes. The District retains the right to collect any unpaid sums in any manner permitted by law.

8. No Guaranteed Employment. Nothing in this Agreement requires the District to continue to employ Teacher Candidate for any length of time.

9. No Teaching Positions Meeting Teacher Candidate License Area. In the event the Teacher Candidate successfully completes the educational program and/or receives a valid Minnesota teaching license, and there are no teacher openings within the Tri-District (South St. Paul, Inver Grove Heights, or West St. Paul School Districts) for which the teacher is qualified and/or selected. The Teacher Candidate will continue to serve in the current licensed or non-licensed position for up to **three (3)** full school years. The Teacher Candidate is expected to apply to any and all open positions within the Tri-District for which the Teacher Candidate is qualified and licensed.

10. Termination for Cause. The Teacher Candidate must meet all performance expectations in either their non-licensed or licensed position during their educational program and the **three (3)** year commitment period after successful completion of the educational program. Failure to meet performance expectations may result in discipline up to and including termination. Termination for cause from employment with the School District in either role for the time period from the beginning of the educational program through the full **three (3)** year term of their teaching assignment as indicated in this agreement, will result in the Teacher Candidate reimbursing the School District and/or grant program based on the terms in Paragraph (6) above.

11. Governing Law, Forum and Severability. This Agreement will be construed and enforced in accordance with the laws of the State of Minnesota. Parties agree that any action to enforce the terms of this Agreement shall be brought in a State court of competent jurisdiction in Minnesota. If any part of this Agreement is construed to be in violation of any law, the remaining portions shall remain in full force and effect.

12. Entire Agreement. This Agreement constitutes the entire agreement between the Parties. No Party has relied upon statements or promises that are not set forth in this Agreement. Any change or amendment to this Agreement shall be made in writing, signed by the parties.

I have read and understood the foregoing Tuition Disbursement Agreement and acknowledge that it is the complete Agreement and by signing below agree to be bound by its terms and conditions.

Dated: 9/17/25 ______________________ Teacher Candidate

Metropolitan State University

Dated: ______________ ______________________

Its: School Board Chair

Dated: ______________ ______________________

Its: School Board Clerk

Tuition Reimbursement Agreement

This Tuition Reimbursement Agreement ("Agreement") is entered into by **South St. Paul Public Schools** ("District"), and **Kayla Thomas** ("Teacher Candidate"). The District and the Teacher Candidate are referred to in this Agreement as "the Parties."

WHEREAS, the District has a need to fill and maintain teaching positions that require specific licenses and/or education;

WHEREAS, the District wishes to hire, employ, and retain well-qualified teachers to deliver services to the benefit of its students;

WHEREAS, the District has applied for and has received a Grow Your Own grant ("Grant") under Minnesota Statutes, section 122A.73, subdivision 2;

WHEREAS, the Teacher Candidate wishes to obtain their first professional teaching license;

WHEREAS, the Parties desire to specify the terms of their Agreement governing the benefit of tuition assistance provided to the Teacher Candidate.

NOW, THEREFORE, IN CONSIDERATION OF the mutual promises and covenants contained in this Agreement and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

1. Course Selection. Prior to the commencement of the course or program, the Teacher Candidate must submit a statement of any courses or programs for which the Teacher Candidate will seek tuition expenses/payment under this Agreement to the Superintendent or designee for approval. The statement must indicate the anticipated completion date of the course or program. The course or program must be from an accredited institution and must be one of the following:

   (1) a Professional Educator Licensing and Standards Board-approved teacher preparation program;

   (2) a Council for the Accreditation of Educator Preparation-accredited teacher preparation program from a private, not for profit, institution of higher education; or

   (3) an institution that has an articulated transfer pathway with a board-approved teacher preparation program

as required under Minnesota Statutes, section 122A.73, subdivision 2.

No tuition disbursement will be made under this Agreement for any course or program that does not meet the above requirements. The Teacher Candidate must receive written approval of the course or program from the Superintendent or designee prior to registering for the course. The written approval applies only to the specific course or program identified and approved.

2. Tuition and License Disbursement. The Teacher Candidate will register for courses after receiving approval from the Superintendent or designee. The Teacher Candidate will submit an invoice to the Human Resources or Finance department for any expenses related to tuition or license reimbursement. Upon successful completion of the course or program, the District will cover the Teacher Candidate's expenses: up to **$56,000** for the cost of tuition, fees, textbooks, fees for licensure exam and licensure fees for the Teacher Candidate's pre-approved teacher preparation program and teacher license.

   Successful completion of the course will be demonstrated by submission of a copy of a transcript to Human Resources showing that the Teacher Candidate has completed the course and obtained a letter grade of "C" or higher. In courses where grades are assigned on a pass/fail basis, a pass grade shall be deemed to be a "C".

   The District will disburse funds to the College/University, or the Teacher Candidate within 30 calendar days of receipt of proof of course/program registration or will reimburse the Teacher Candidate after receipt of documentation of amounts owed/paid for all allowable expenses.

   If a teacher does not successfully complete a course, demonstrated by a grade of less than a "C," and/or the teacher discontinues or drops out of a course before successful completion of that course, the Teacher Candidate will be responsible for reimbursing any fees and/or costs provided to the Teacher Candidate for that course. The Teacher Candidate must work with the District to arrange a reimbursement schedule. Failure by the Teacher Candidate to reimburse the District and/or grant program for incomplete courses may result in legal action to recoup the funds provided to the Teacher Candidate.

3. Stipend and Expense Disbursement. In addition to Tuition and License Disbursement, the District will also pay the Teacher Candidate:

   (1) An $8,000 stipend to be paid in equal installments during the time that the Teacher Candidate is student-teaching for the District;

Disbursement of up to $6,000 for pre-approved program-related expenses (i.e. purchase of computer, childcare, transportation). The Teacher Candidate must provide invoices and/or estimated costs to the School District prior to purchase. The invoice and/or estimated costs, must include an itemized list of the expenses the Teacher Candidate expects to incur. The School District will review the submitted proposed expenses, and advise the Teacher Candidate of any expenses that will not be approved by email within 15 business days of the Teacher Candidate submitting the request. Once expenses have been approved by the School District, payment to the Teacher Candidate will be provided to purchase the required expenses within 30 business days.

4. Requirements for Expense Disbursement. The Teacher Candidate must enroll in and complete a course or program and incur tuition expenses during their enrollment in order for funds to be disbursed under this Agreement. The District is not obligated to pay any amount under this Agreement, and any such obligation for payment under this Agreement shall cease if any of the following occur:

   (1) the Teacher Candidate does not complete the course or program;
   (2) the Teacher Candidate receives a letter grade below "C;"
   (3) the Teacher Candidate attends a course or program for which approval has not been received;
   (4) the Teacher Candidate resigns, abandons or is terminated from any pre-existing employment with the District;
   (5) the District loses any funding for the Grow Your Own district program.

5. District Employment During the Educational Program. The teacher candidate is required to be employed by the School District during the entirety of the Teacher Candidate's educational program. The role/position in which the Teacher Candidate is employed will be at the discretion of the District. Teacher Candidates, at the time of beginning the educational program, who are current School District employees, will remain in the current position throughout the educational program unless the Teacher Candidate applies for and is selected for another position within the School District. Teacher Candidates who are not current employees of the School District when they begin the educational program, must apply for open non-licensed positions within the School District

and be selected for one of those positions in order to qualify to be a Teacher Candidate in the Grow Your Own Program.

6. Term of Agreement to Teach. In consideration of the tuition reimbursement, license reimbursement, stipend and expense reimbursement described above, the Teacher Candidate agrees to maintain employment with the District for a minimum of an additional **two (2)** full school years after completing the course or program. In the event the Teacher Candidate completes the course or program after the start of a school year, the District will have the right to defer the commencement of the Teacher Candidate's **two year** commitment as a result of this Agreement until the start of the next school year. The District currently employs the Teacher Candidate as **Paraprofessional- Special Education**, which employment relationship shall not be altered by this Agreement.

7. Reimbursement in the Event the Teacher Candidate Does Not Complete Four Year Term of Employment as Teacher. Because the District has agreed to provide the Teacher Candidate with the tuition reimbursement, license reimbursement, stipend and expense reimbursement as described above in exchange for the Teacher Candidate obtaining the above-described license and/or education, the District will lose the benefit of this Agreement if the Teacher Candidate does not complete a minimum of **two (2)** full school years of teaching service with the District following completion of the course or program. In the event the Teacher Candidate does not complete at least **two (2)** full school years of employment as a teacher for the District (after the Teacher Candidate completes the course or program), the Teacher Candidate agrees to repay the District all sums Teacher Candidate has received pursuant to this Agreement. The Teacher Candidate shall enter into an agreement to repay the District ("repayment agreement") and if all sums are not paid when due as set forth in the repayment agreement, Teacher Candidate agrees to confess judgment to the District pursuant to Minn. Stat. §548.22 for all sums due and to become due. The Teacher Candidate agrees to also pay for all of the District's expenses in remedying the matter including, but not limited to court fees, and attorney fees, should the District have to initiate legal action to collect the amount that the Teacher Candidate owes. The District retains the right to collect any unpaid sums in any manner permitted by law.

8. No Guaranteed Employment. Nothing in this Agreement requires the District to continue to employ Teacher Candidate for any length of time.

9. No Teaching Positions Meeting Teacher Candidate License Area. In the event the Teacher Candidate successfully completes the educational program and/or receives a valid Minnesota teaching license, and there are no teacher openings within the Tri-District (South St. Paul, Inver Grove Heights, or West St. Paul School Districts) for which the teacher is qualified and/or selected. The Teacher Candidate will continue to serve in the current licensed or non-licensed position for up to **two (2)** full school years. The Teacher Candidate is expected to apply to any and all open positions within the Tri-District for which the Teacher Candidate is qualified and licensed.

10. Termination for Cause. The Teacher Candidate must meet all performance expectations in either their non-licensed or licensed position during their educational program and the **two (2)** year commitment period after successful completion of the educational program. Failure to meet performance expectations may result in discipline up to and including termination. Termination for cause from employment with the School District in either role for the time period from the beginning of the educational program through the full **two (2)** year term of their teaching assignment as indicated in this agreement, will result in the Teacher Candidate reimbursing the School District and/or grant program based on the terms in Paragraph (6) above.

11. Governing Law, Forum and Severability. This Agreement will be construed and enforced in accordance with the laws of the State of Minnesota. Parties agree that any action to enforce the terms of this Agreement shall be brought in a State court of competent jurisdiction in Minnesota. If any part of this Agreement is construed to be in violation of any law, the remaining portions shall remain in full force and effect.

12. Entire Agreement. This Agreement constitutes the entire agreement between the Parties. No Party has relied upon statements or promises that are not set forth in this Agreement. Any change or amendment to this Agreement shall be made in writing, signed by the parties.

I have read and understood the foregoing Tuition Disbursement Agreement and acknowledge that it is the complete Agreement and by signing below agree to be bound by its terms and conditions.

Dated: 11/11/2025

Teacher Candidate

University of St. Thomas

Dated: ______________

Its: School Board Chair

Dated: ______________

Its: School Board Clerk

South St. Paul Public Schools

School Board Agenda Item

Date: Monday, January 26, 2026

Place on Agenda: Business Meeting

Action Requested: Approval

Attachment: Kids Choice (SAC) 26-27 Fee Increase
Preschool 2026-2027 Fee Increase

Topic: Kids' Choice (SAC) & Community Preschool Fees for 2026-2027
Presenter(s): RA Chhoth. Finance and Operations Executive Director**,** Amy Winter, Educational Services Executive Director, Jeanne Zehnder, Community Education Director
Background: We are asking for your approval of an increase in the Kids' Choice and Community Preschool fees for the 2026-2027 fiscal year. The proposed fees are listed in the attached fee schedule document. Below are some notes regarding the proposed changes: ● The **Kids' Choice** (SAC) and Community Preschool programs are fee-based programs ● Though the Kids Choice fees were increased in the fiscal year 2025-2026 Administration is proposing an increase for 2026-2027 (detailed in the chart below) to address inflation in operating expenses. ● The Community Preschool fees were increased in the fiscal year 2025-2026 Administration is proposing an increase for 2026-2027 (detailed in the chart below) to address inflation in operating expenses. ● Financial assistance from the County Child Care (Kids' Choice) and School Readiness (Community Preschool) scholarships are available. ● VPK funding has been permanent since the fiscal year 2016-2017 for 4 yr old VPK preschool at Kaposia Education Center, and since the fiscal year 2023-2024 for 4 yr old VPK preschool at Lincoln Center. Seat allocations are now applied for and updated every 5 years and were allocated most recently in January of 2025 ● The proposed program fees fo the next year remain at or below comparison districts' fees for the 2026-2027 fiscal year.
Recommendation: Administration recommends approval of the 2026-2027 Fee Schedule
Alternatives: Do not approve and direct administration with next steps.

***SAC fees proposal as of 11/2025 (3% increase + to rounded up to the nearest dollar)**

South St. Paul 2025-2026	South St. Paul 2026-2027
Registration Fee: $50	Registration Fee: $50
Daily Rate **1 Day AM+PM = $29.00** LC AM: $ 12.00 PM: $ 17.00 KEC AM: $ 14.00 PM: $ 15.00 Part-time Rate: LC AM: $14.00 PM: $21.00 KEC AM: $17.00 PM: $18.00 Drop-in: LC AM: $20.00 PM: $26.00 KEC AM: $22.00 PM: $24.00	Daily Rate **1 Day AM+PM = $31.00** LC AM: $ 13.00 PM: $ 18.00 KEC AM: $ 15.00 PM: $ 16.00 Part-time Rate: LC AM: $15.00 PM: $22.00 KEC AM: $18.00 PM: $19.00 Drop-in: LC AM: $21.00 PM: $27.00 KEC AM: $23.00 PM: $25.00
NSD Rate: $44.00-$48.00 Summer Daily Rate: $44.00-$48.00 Summer Drop In: $54 ½ Day Options ½ AM M-TH $27.00 ½ PM M-TH $27.00 Drop-In ½ AM M-TH $31.00 Drop-In ½ PM M-TH $31.00	NSD Rate: $46.00-$50.00 Summer Daily Rate: $46.00-$50.00 Summer Drop In: $56 ½ Day Options ½ AM M-TH $28.00 ½ PM M-TH $28.00 Drop-In ½ AM M-TH $32.00 Drop-In ½ PM M-TH $32.00

Inver Grove Heights 2025-2026	District 197 2025-2026
Registration Fee: $30.00	Registration Fee: $45.00-$80.00
Daily Rate **1 Day AM+PM = $24.50-$27.50** AM: $11.75 PM: $12.75-$15.75 Part-time Rate: AM: $12.75 PM: $14.75-$18.75 Drop-in Rate: AM $21.50/day PM $22.50/day	Daily Rate **1 Day AM+PM = $28.75-$29.25** AM K-4: $8.25 AM 5-8: $12.25 PM K-4: $21.00 PM 5-8: $16.50 Drop-in Rate K-4 AM: $12.25/day PM: $27.00/day Drop-in Rate 5-8 AM: $16.75/day PM: $22.50/day Pick Your Day Rate K-4 AM: $10.25/day Pick Your Day Rate 5-8 AM: $14.75/day

	PM: $24.00/day PM: $19.50/day
NSD Rate: $47.00-$52.00 2025 Summer Daily Rate: $46.00-$65.00	NSD Rate: $55.50-$66.50 2026 Summer Daily Rate: $52.50-$67

South Washington County 2025-2026	Hastings 2025-2026
Registration Fee: $69.00	Registration Fee: $50.00 (school yr), $60.00 (summer)
Daily Rate **1 Day AM+PM = $24.75-$39.75** AM: $10.50-18.00 PM: $14.25-21.75 Part-time Rate: AM: $11.00-$18.50 PM: $14.75-$22.25 Drop-in AM: $14.50-$22.00 Drop-in PM: $18.25-$25.75	Daily Rate **1 Day AM+PM = $27-$36** AM: $13.25-$17.75 PM: $17.75-$22.25 Full-Time All Schools (AM & PM) - $35.50 Drop-in: Not Available Pick Your Day Rate: Not Available
NSD Rate: $48.50 (Summer 2025) 2025 Summer Daily Rate: $48.50-$50.00	NSD Rate: $46.50 (Summer 2026) 2026 Summer Daily Rate: $50.00

***Preschool fees proposal as of 12/2025 (3% increase + to rounded up to the nearest dollar)**

<table>
<tr><th>South St. Paul 2025-2026</th><th>South St. Paul 2026-2027</th></tr>
<tr><td>Registration Fee: $50</td><td>Registration Fee: $50</td></tr>
<tr><td>3’s Preschool
KEC (3 days/week)
Morning: $200/month
Afternoon: $200/month

LC
Morning: $200/month
Afternoon: $200/month

4’s Preschool
KEC (5 days/week)
Morning: $335/month
Afternoon: $335/month
All Day: $670/month

LC (5 days/week)
Morning: $335/month
Afternoon: $335/month
All Day: $670/month</td><td>3’s Preschool
KEC (3 days/week)
Morning: $210/month
Afternoon: $210/month

LC
Morning: $210/month
Afternoon: $210/month

4’s Preschool
KEC (5 days/week)
Morning: $345/month
Afternoon: $345/month
All Day: $690/month

LC (5 days/week)
Morning: $345/month
Afternoon: $345/month
All Day: $690/month</td></tr>
</table>

<table>
<tr><th>Inver Grove Heights 2025-2026</th><th>Inver Grove Heights 2026-2027</th></tr>
<tr><td>Registration Fee: $?</td><td>Registration Fee: ?</td></tr>
<tr><td>3’s Preschool
Morning (2 days/week): $152/month
Morning (3 days/week): $203/month
Afternoon: (2 days/week): $152/month

4’s Preschool
Morning (5 days/week): $328/month
Afternoon (4 days/week): $267/month
All Day (5 days/week): $907/month</td><td>3’s Preschool
Morning (2 days/week): $
Morning (3 days/week): $
Afternoon: (2 days/week): $

4’s Preschool
Morning (5 days/week): $
Afternoon (4 days/week): $
All Day (5 days/week): $</td></tr>
</table>

<table>
<tr><th>District 197 2025-2026</th><th>District 197 2026-2027</th></tr>
<tr><td>Registration Fee: $60</td><td>Registration Fee: $60</td></tr>
<tr><td>3’s Preschool
Morning (2 days/week): $181/month

4’s Preschool
Morning (3 days/week): $253/month
Morning (5 days/week): $408/month
Afternoon (3 days/week): $253/month
Pilot Knob (5 days) (9:30 am-2:15 pm): $735/month
All Day (5 days/week): $980/month</td><td>3’s Preschool
Morning (2 days/week): $185/month

4’s Preschool
Morning (3 days/week): $270/month
Morning (5 days/week): $420/month
Afternoon (3 days/week): $270/month
Pilot Knob (5 days) (9:30 am-2:15 pm): $735/month
All Day (5 days/week): $980/month</td></tr>
</table>

South Washington County 2025-2026	South Washington County 2026-2027
Registration Fee: $85	Registration Fee: $85
Little Suns (3's Preschool) Morning (2 days/week): $205/month Morning (3 days/week) - $245/month Afternoon (2 days/week) - $205/month **Multi-Age (3's and 4's) Solar Sparks** Morning (2 days/week): $205/month Morning (3 days/week): $245/month Afternoon (2 days/week): $205/month Afternoon (3 days/week): $245/month **Sunny Scholars (4's Preschool)** Morning (5 days/week) - $415/month Afternoon (5 days/week) - $415/month	**Little Suns (3's Preschool)** Morning (2 days/week): $220/month Morning (3 days/week) - $260/month Afternoon (2 days/week) - $220/month **Multi-Age (3's and 4's) Solar Sparks** Morning (2 days/week): $220/month Morning (3 days/week): $260/month Afternoon (2 days/week): $220/month Afternoon (3 days/week): $260/month **Sunny Scholars (4's Preschool)** Morning (5 days/week) - $440/month Afternoon (5 days/week) - $440/month

St. Paul 2025-2026	St. Paul 2026-2027
Registration Fee: $49	Registration Fee: $
3-4 Year Old Preschool Morning (5 days/week): $40/day Afternoon (5 days/week) - $40/day Full Day (5 days/week) - $80/day	**3-4 Year Old Preschool** Morning (5 days/week): $ Afternoon (5 days/week) - $ Full Day (5 days/week) - $

Minneapolis 2025-2026	Minneapolis 2026-2027
Registration Fee: $	Registration Fee: $
3-4 Year Old Preschool Half Day - $400/month Full Day - $800/month	**3-4 Year Old Preschool** Half Day - $ Full Day - $

ISD 196 2025-2026	ISD 196 2026-2027
Registration Fee: $	Registration Fee: $
3 Year Old Preschool Half Day PM (2 days/week) - $175 to $215/month **4 Year Old Preschool** Morning (3 days/week) - $245/month Afternoon (3 days/week) - $245/month Afternoon (4 days/week) - $295/month Afternoon (5 days/week) - $335/month	**3 Year Old Preschool** Half Day PM (2 days/week) - **4 Year Old Preschool** Morning (3 days/week) - Afternoon (3 days/week) - Afternoon (4 days/week) - Afternoon (5 days/week) -

Fridley 2025-2026	Fridley 2026-2027
Registration Fee: $	Registration Fee: $
3 Year Old Preschool Morning (4 days/week) - $340/month Afternoon (4 days/week) - $340/month Full Day (5 days/week) - $290/week **4 Year Old Preschool** Morning (5 days/week) - Sliding Scale $40-$370/mo Afternoon(5 days/week)-Sliding Scale $40-$370/mo Full Day (5 days/week) - $290/week	**3 Year Old Preschool** Morning (4 days/week) - $340/month Afternoon (4 days/week) - $340/month Full Day (5 days/week) - $290/week **4 Year Old Preschool** Morning (5 days/week) - Sliding Scale $40-$370/mo Afternoon(5 days/week)-Sliding Scale $40-$370/mo Full Day (5 days/week) - $290/week

Richfield 2025-2026	Richfield 2026-2027
Registration Fee: $	Registration Fee: $
3 Year Old Preschool 2 days/week - $160/month 3 days/week - $230/month **4 Year Old Preschool** Half Day 5 days/week - $370/month	**3 Year Old Preschool** 2 days/week - $ 3 days/week - $ **4 Year Old Preschool** Half Day 5 days/week - $

Hastings 2025-2026	Hastings 2026-2027
Registration Fee: $	Registration Fee: $
3 Year Old Preschool Morning (2 days/week) - $ Morning (3 days/week) - $ **4 Year Old Preschool** Morning (3 days/week) - $ Afternoon (3 day/week) - $ Morning (5 days/week) - $ Afternoon (5 days/week) - $ Full Day (5 days/week) - $	**3 Year Old Preschool** Morning (2 days/week) - $190/month Morning (3 days/week) - $190/month **4 Year Old Preschool** Morning (3 days/week) - $220/month Afternoon (3 day/week) - $220/month Morning (5 days/week) - $330/month Afternoon (5 days/week) - $330/month Full Day (5 days/week) - $850/month

Bloomington 2025-2026	Bloomington 2026-2027
Registration Fee: $75	Registration Fee: $75
3 Year Old Preschool Half Day 2 days/week - $169/month Half Day 3 days/week - $253/month Half Day 5 days/week - $422/month **4 Year Old Preschool** Half Day 5 days/week - $422/month	**3 Year Old Preschool** Half Day 2 days/week - $ Half Day 3 days/week - $ Half Day 5 days/week - $ **4 Year Old Preschool** Half Day 5 days/week - $

ISD 622 2025-2026	ISD 622 2026-2027
Registration Fee: $?	Registration Fee: $?
3 Year Old Preschool Half Day 2 days/week - $180/month Half Day 3 days/week - $255/month **4 Year Old Preschool** Half Day 5 days/week - $420/month	**3 Year Old Preschool** Half Day 2 days/week - $ Half Day 3 days/week - $ **4 Year Old Preschool** Half Day 5 days/week - $