INDEPENDENT SCHOOL DISTRICT NO. 108
NORWOOD YOUNG AMERICA, MN 55368
AGENDA: Monday, November 16, 2026
6:00 PM Meeting
Central High School

A. PROCEDURAL ITEMS:
Board Chair

1. Call to order
   Board Chair
   call the meeting to order
2. Roll Call
   Board Chair
3. Pledge of Allegiance
   Board Chair
4. Approval of Agenda
   Board Chair
   Board members can amend the presented agenda by adding, removing or adjusting items to suit the needs of a particular meeting.
5. Consent Agenda 5
   Board Chair
   a) Approval of Minutes
      October Regular Board Meeting Minutes
   b) Payment of Invoices
   c) Correspondence
   d) Approve Field Trip(s)
   Boys Basketball to Duluth Feb. 2027
   e) Human Resources Items:
      1. Retirement
         a).
      2. Lane Change
         a).
      3. Resignations
         a).
      4. Non-Renewal
         a).
      5. New Hires
         a).
      6. Leave of Absence - Allison Cruse - Jan 27 - May 27

f) Extra Curricular Assignments
Sarah Beadling - MS Yearbook
Wade Degler - GBB
Preston Dvorak - Asst GBB
LD Fenny - Wrestling
Nick Norner - Asst Wrestling
Charlie Gove - Asst BBB
Haydon Molva - MS BBB
Keegan Oak - BBB
Dane Schwirtz - 9th Grade BBB
Jordan Maher - C GBB
Wade Degler - GBB
g) Volunteer Coaches:

6. Acceptance of Gifts
Board Chair
Board approves donations received.

	American Legion - Edward Born Post 343	Band Performance Shirts	$1,000.00
	Cologne Fire Dept Relief Assn	5th Grade Boys Basketball Program	$1,500.00
	Metro Conservation Districts	4th Grade Children's Water Festival Busing	$534.10
	Laura Van Eyll	Scholarship	$2,000.00
	VFW	Band Performance Shirts	$1,000.00
	Hamburg Fire - Relief Association	5th Grade Boys Basketball	$400.00
	NYA Lions Club	Family Literacy Night	$450.00
	NYA Lions Club	Title 1 Family Night	$450.00
	Elroy Latzig	Band Performance Shirts	$2,000.00
	Plato American Legion	Band Performance Shirts	$1,000.00
	NYA Wrestling Club	Team Warm Ups	$3,647.62
	Raiders Baseball Association	Scoreboard Project	$8,100.00

B. PUBLIC FORUM
Board Chair
During the Public Forum any person may address the School Board on a topic of interest or concern. Listed below are the procedures.
1. Public Forum will follow the Procedural Items on the agenda.
2. Public Forum will be open up to 30 minutes (3 minutes per speaker, 10 minutes per topic, and no more than 3 speakers per topic as a general rule). Comments should be brief, and repetition of public comments already expressed at the same meeting should be avoided.
3. Those wishing to address the Board should fill out the Public Forum Speaker Card and

submit the card to the School Board clerk or other district official at the meeting
4. Questions may be asked on any topic, including those on the agenda.
5. School District policy and data privacy laws preclude the Board from publicly discussing personnel matters or data, including information, which, if discussed in a public meeting could violate law or policy. Under School Board Policy 206, complaints or concerns regarding individual school district employees should be presented in writing to school administration and signed by the person submitting the complaint or concern.
6. An attempt will be made to answer questions addressed to the Board. In those cases where an answer is not provided, a phone call from an appropriate school district official will be made as a follow-up.
7. A handout on the purpose of School Board meetings and the meeting process is available at each School Board meeting.
8. Citizens may be asked to address the school board on a particular subject during the discussion of that item.
9. The School Board chairperson will attempt to reasonably honor requests to speak, but shall also exercise discretion with regard to time constraints and therefore may limit the number of requests to speak accordingly.

C. INFORMATIONAL ITEMS: MONTHLY REPORTS
Board Chair

1. Student Council
   Board Chair
2. Superintendent
   Board Chair
3. Board
   Board Chair
   Minnesota State High School League
   Representative: Krueger; Alt: Erickson
   Community Education Board
   Representatives: Kelly, Kroells
   Southwest Metro Educational Coop
   Representative: Perlbachs Alt: Kroells
   Community Development/County & City Liaison
   Representative: Eischens; Alt: Erickson
   Finance Committee
   Representative: Perlbachs: Alt: Eischens
   Policy Committee:
   Representatives: Erickson, Kelly, Kroells
   Facilities Committee
   Representatives: Krueger, Kroells

   _____

   Negotiation Committees:

MN School Employees Association:
Representatives: Erickson, Eischens, Bentz
Teachers Association:
Representatives: Krueger, Kelly, Perlbachs
Superintendent:
Representatives: Erickson, Kroells, Eischens
Principals/Administration:
Representatives Erickson, Eischens, Bentz
Non-Union Support Staff, Technology Director, Community Ed. Director:
Representatives Kelly, Kroells, Krueger

D. DISCUSSION ITEMS
Board Chair

1. FY 2026 Audit Report - Bergan KDV 11
2. Legislative Issues: Rep. Bobby Harder 60
3. Elementary Goals - Mr. Erpenbach 61
4. Student Services Update - Mrs. Braun 64
5. 2028-29 Calendar: First Draft 77

E. OPERATIONAL ITEMS
Board Chair

1. Consideration of the FY 2026 Audit

F. NEXT BOARD MEETING Dec. 14, 2026
Board Chair

G. ADJOURNMENT
Board Chair

2026 Election Canvass Meeting
Monday, November 9, 2026 7:30 AM Central

High School Media Center
531 Morse Street
Norwood Young America, MN 55368

Anthony Bentz:	Present
Sara Eischens:	Present
Shelby Erickson:	Present
Spencer Kelly:	Present
Josh Kroells:	Absent
Troy Krueger:	Absent
Emily Perlbachs:	Absent

Present: 4, Absent: 3.

A. Call the meeting to order and roll count
B. Consideration of the 2026 Election Results
   Approved in roll vote. This motion, made by Sara Eischens and seconded by Shelby Erickson, Carried.
   Josh Kroells: Absent, Troy Krueger: Absent, Emily Perlbachs: Absent, Anthony Bentz: Yea, Sara Eischens: Yea, Shelby Erickson: Yea, Spencer Kelly: Yea
   Yea: 4, Nay: 0, Absent: 3
C. Adjourn Meeting
   Approved. This motion, made by Sara Eischens and seconded by Shelby Erickson, Carried.
   Josh Kroells: Absent, Troy Krueger: Absent, Emily Perlbachs: Absent, Anthony Bentz: Yea, Sara Eischens: Yea, Shelby Erickson: Yea, Spencer Kelly: Yea
   Yea: 4, Nay: 0, Absent: 3

County: Precinct	NP Emily Perlbachs	NP Josh Kroells	NP Cassy Vos	WI WRITE-IN	
Carver: BENTON TWP	200	263	227	3	
Carver: CAMDEN TWP	134	184	143	1	
Carver: COLOGNE	527	642	668	20	
Carver: DAHLGREN TWP	0	0	0	0	
Carver: HAMBURG	143	199	161	2	
Carver: HANCOCK TWP	46	65	61	3	
Carver: NORWOOD YOUNG AMERICA	1,041	1,301	1,155	37	
Carver: WACONIA TWP	17	24	17	0	
Carver: YOUNG AMERICA TWP	192	293	234	2	
Sibley: WASHINGTON LAKE TWP.	25	45	36	3	
Candidate Totals:	**2,325**	**3,016**	**2,702**	**71**	

INDEPENDENT SCHOOL DISTRICT NO. 108
(CENTRAL PUBLIC SCHOOLS),
MINNESOTA

Pursuant to due call and notice thereof, a special meeting of the School Board of Independent School District No. 108, Central Public Schools, Minnesota, was held on the 9th day of November, 2026, at 7:30 AM.

The following Board Members were present:

_____.

and the following were absent: _____.

RESOLUTION CANVASSING RETURNS OF VOTES OF SCHOOL DISTRICT ELECTION HELD ON NOVEMBER 3, 2026

BE IT RESOLVED by the School Board of Independent School District No. 108 (Central Public Schools), as follows:

1. It is hereby found, determined and declared that the election of the voters of this district held on November 3, 2026, was in all respects duly and legally called and held.

2. As specified in the attached Abstract and Return of Votes Case, a total of [8,114] voters of the district voted at said election to elect four (3) board members to a term of four (4) years each.

3. The results of the election are as follows and the bolded candidates are elected:

- **Emily Perlbachs: 2325**
- **Josh Kroells: 3016**
- **Cassy Vos: 2702**
- **Write in: 71**

4. The school district clerk is hereby directed to certify the results of the special election to the County Auditors of Carver County and Sibley County.

CLERK'S CERTIFICATE AS TO ABSTRACT AND RETURN OF VOTES CAST

STATE OF MINNESOTA
COUNTY OF CARVER

I, the undersigned, being the duly qualified and acting Clerk of Independent School District No. 108 (Central Public Schools), State of Minnesota, do hereby certify that I have carefully compared the attached copy of the Abstract and Return of Votes Cast in the November 3, 2026 election, with the original thereof on file and of record in my office and the same is a full, true and complete copy thereof.

WITNESS MY HAND officially as Clerk of said School District this 9th day of November,

2026.

_____
School District Chair

Regular Meeting
Monday, October 26, 2026 6:00 PM Central

Central High School
531 Morse Street
Norwood Young America, MN 55368

A. PROCEDURAL ITEMS:

A.1. Call to order

A.2. Roll Call
Approved. This motion, made by Josh Kroells and seconded by Sara Eischens, Carried.
Anthony Bentz: Yea, Sara Eischens: Yea, Shelby Erickson: Yea, Spencer Kelly: Yea, Josh Kroells: Yea, Troy Krueger: Yea, Emily Perlbachs: Yea
Yea: 7, Nay: 0

A.3. Pledge of Allegiance

A.4. Approval of Agenda

A.5. Consent Agenda
Move to approve Consent agenda as presented. This motion, made by Sara Eischens and seconded by Troy Krueger, Carried.
Anthony Bentz: Yea, Sara Eischens: Yea, Shelby Erickson: Yea, Spencer Kelly: Yea, Josh Kroells: Yea, Troy Krueger: Yea, Emily Perlbachs: Yea
Yea: 7, Nay: 0

A.6. Acceptance of Gifts
Move to approve gifts. This motion, made by Spencer Kelly and seconded by Shelby Erickson, Carried.
Anthony Bentz: Yea, Sara Eischens: Yea, Shelby Erickson: Yea, Spencer Kelly: Yea, Josh Kroells: Yea, Troy Krueger: Yea, Emily Perlbachs: Yea
Yea: 7, Nay: 0

B. PUBLIC FORUM

C. INFORMATIONAL ITEMS: MONTHLY REPORTS

C.1. Student Council

C.2. Superintendent

C.3. Board

D. DISCUSSION ITEMS

D.1. Building and Department Goals - Larson and Braun

D.2. Vision Card

E. OPERATIONAL ITEMS

E.1. Consideration of Policies 2nd Reading

Approve. This motion, made by Sara Eischens and seconded by Emily Perlbachs, Carried.
Anthony Bentz: Yea, Sara Eischens: Yea, Shelby Erickson: Yea, Spencer Kelly: Yea, Josh Kroells: Yea, Troy Krueger: Yea, Emily Perlbachs: Yea
Yea: 7, Nay: 0

F. NEXT BOARD MEETING is November 16, 2026

G. ADJOURNMENT
Approved. This motion, made by Emily Perlbachs and seconded by Shelby Erickson, Carried.
Anthony Bentz: Yea, Sara Eischens: Yea, Shelby Erickson: Yea, Spencer Kelly: Yea, Josh Kroells: Yea, Troy Krueger: Yea, Emily Perlbachs: Yea
Yea: 7, Nay: 0

ISD No. 108
Central Public Schools

Audit Presentation

CP ASSURANCE®

(formerly BerganKDV)

The Audit

Independent Auditor's Report

- Independent Auditor's Report – Unmodified opinion
- Government Auditing Standards Report – Lack of Segregation of Accounting Duties
- Minnesota Legal Compliance – No findings reported
- Communications Letter – Required Communication, Financial Analysis, Legislative Update and Emerging Issues

Financial Communications

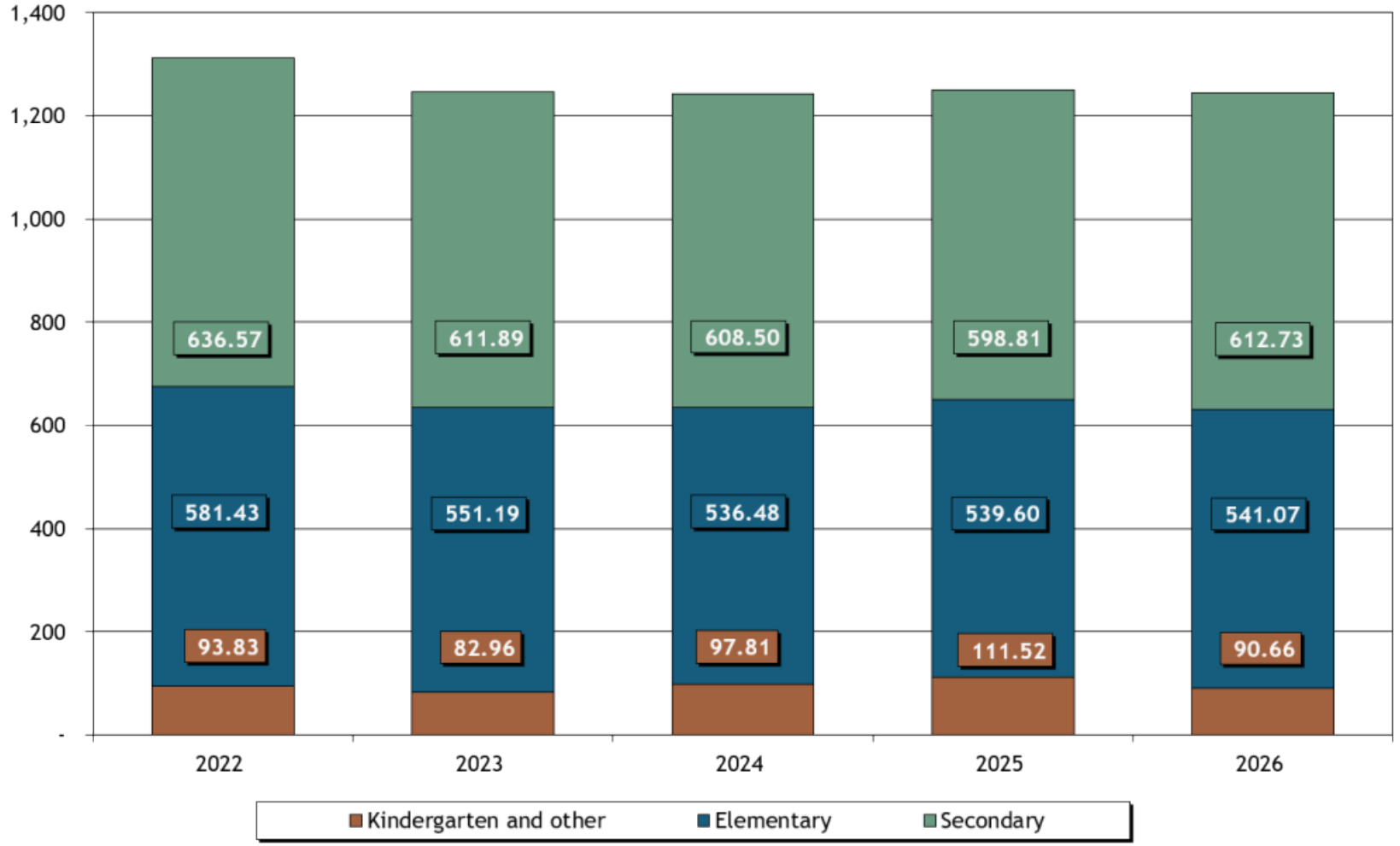
General Education Aid – Formula Allowance

Year	General Education Aid Formula Allowance	
	Amount	Percent Increase
2017	$ 6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%
2022	6,728	2.5%
2023	6,863	2.0%
2024	7,138	4.0%
2025	7,281	2.0%
2026	7,481	2.7%
2027	7,683	2.7%

Average Daily Membership and Pupil Units - Resident ADM

Resident ADM	2022	2023	2024	2025	2026
Kindergarten and other	93.83	82.96	97.81	111.52	90.66
Elementary	581.43	551.19	536.48	539.60	541.07
Secondary	636.57	611.89	608.50	598.81	612.73
Total Resident ADM	**1,311.83**	**1,246.04**	**1,242.79**	**1,249.93**	**1,244.46**

Average Daily Membership and Pupil Units - Resident Students ADM

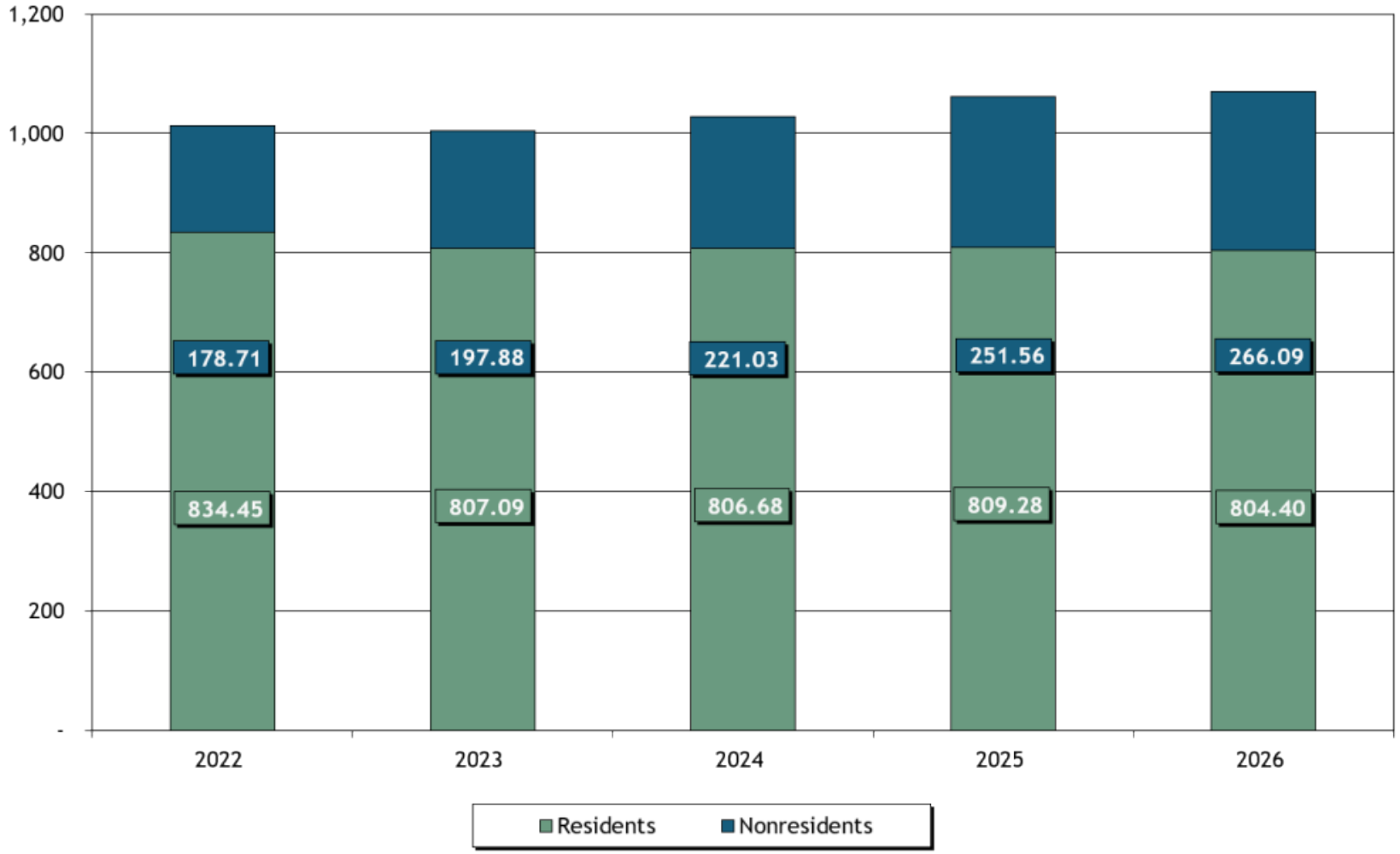


Average Daily Membership and Pupil Units - Weighting & Adjusted PUN

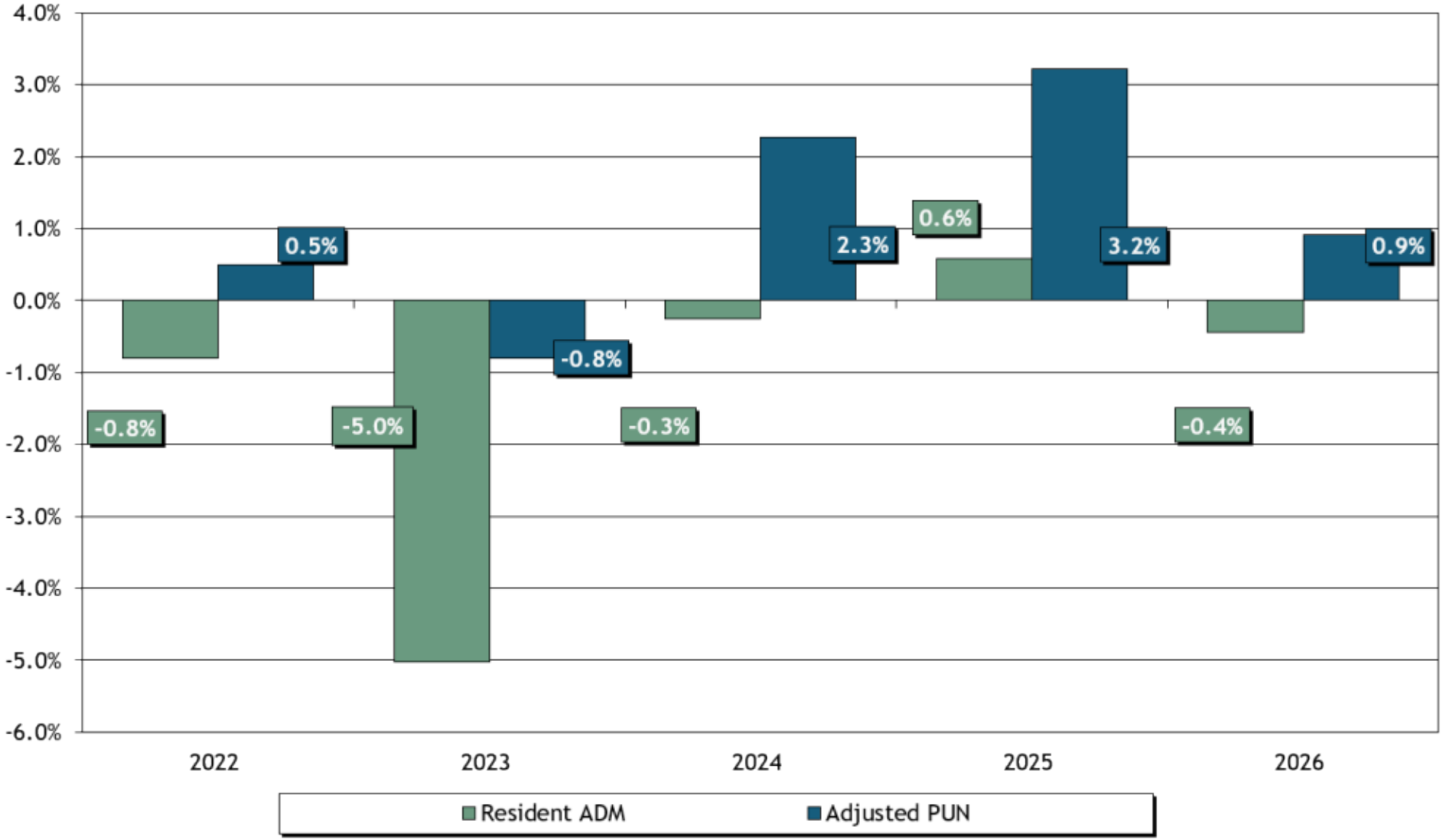
Pupil Units Weighting	Pre-Kindergarten	Handicapped Kindergarten	Kindergarten	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
Fiscal Years 2022-2026	1.000	1.000	1.000	1.000	1.000	1.200

	2022	2023	2024	2025	2026
Residents	1,439.14	1,368.42	1,364.50	1,369.71	1,367.00
Residents going elsewhere	(604.69)	(561.33)	(557.82)	(560.43)	(562.60)
Nonresidents coming in	178.71	197.88	221.03	251.56	266.09
Total Adjusted PUN	**1,013.16**	**1,004.97**	**1,027.71**	**1,060.84**	**1,070.49**

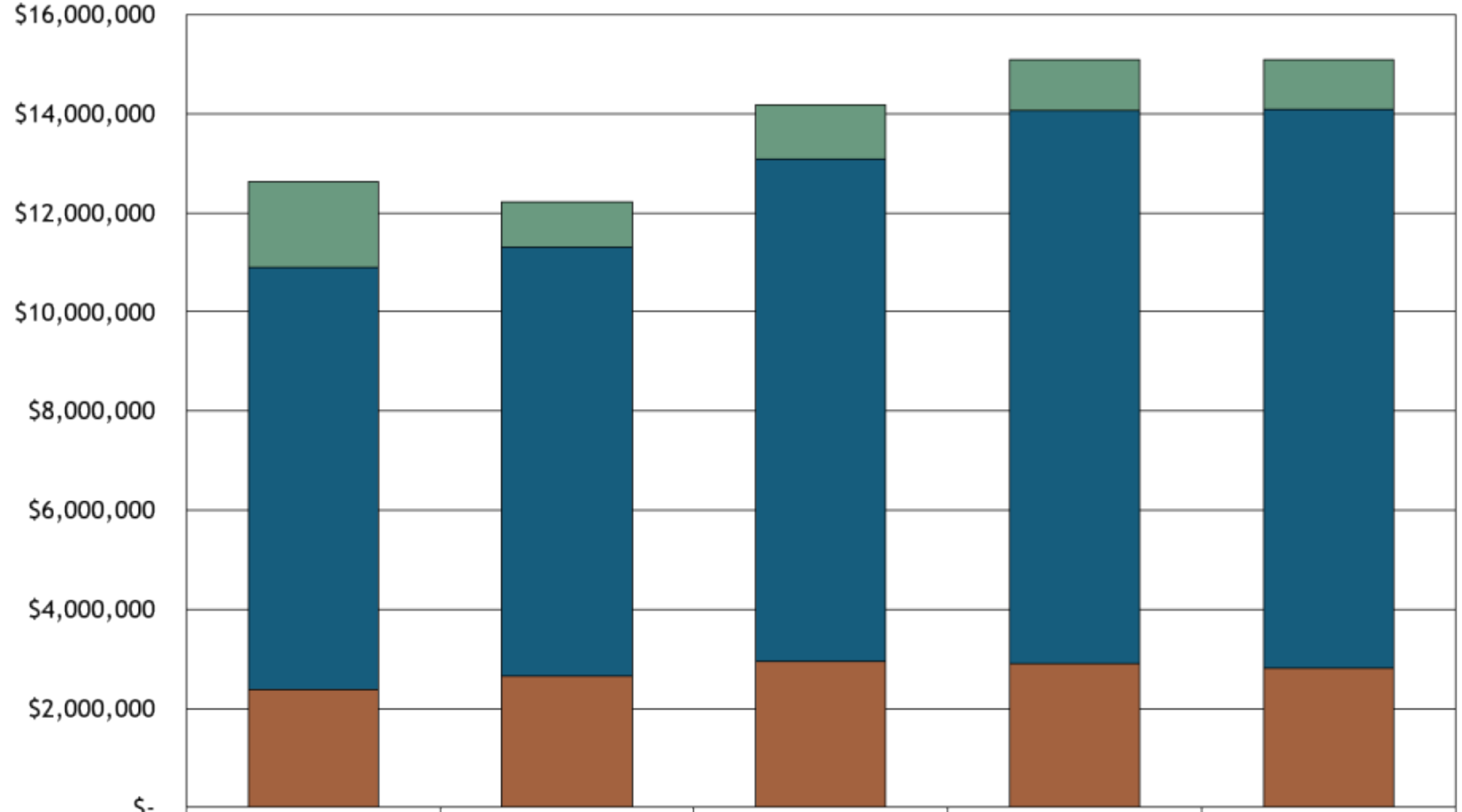
Average Daily Membership and Pupil Units - Students Served - PUN



Change in Resident ADM and Adjusted PUN



General Fund Sources of Revenue

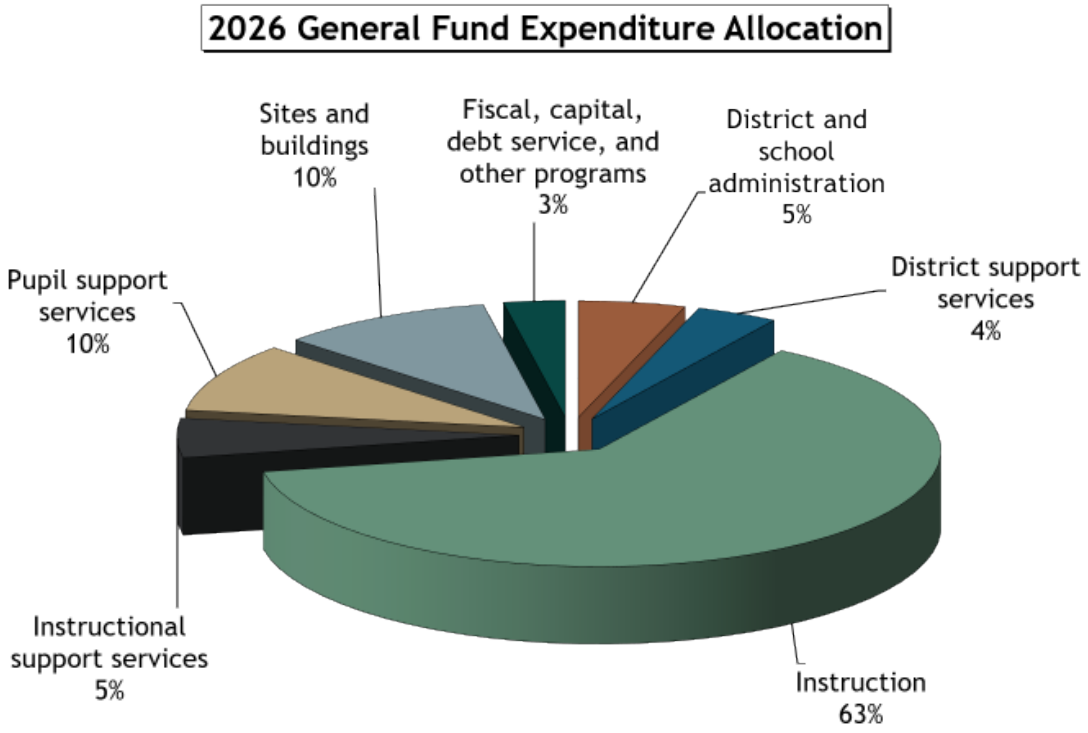


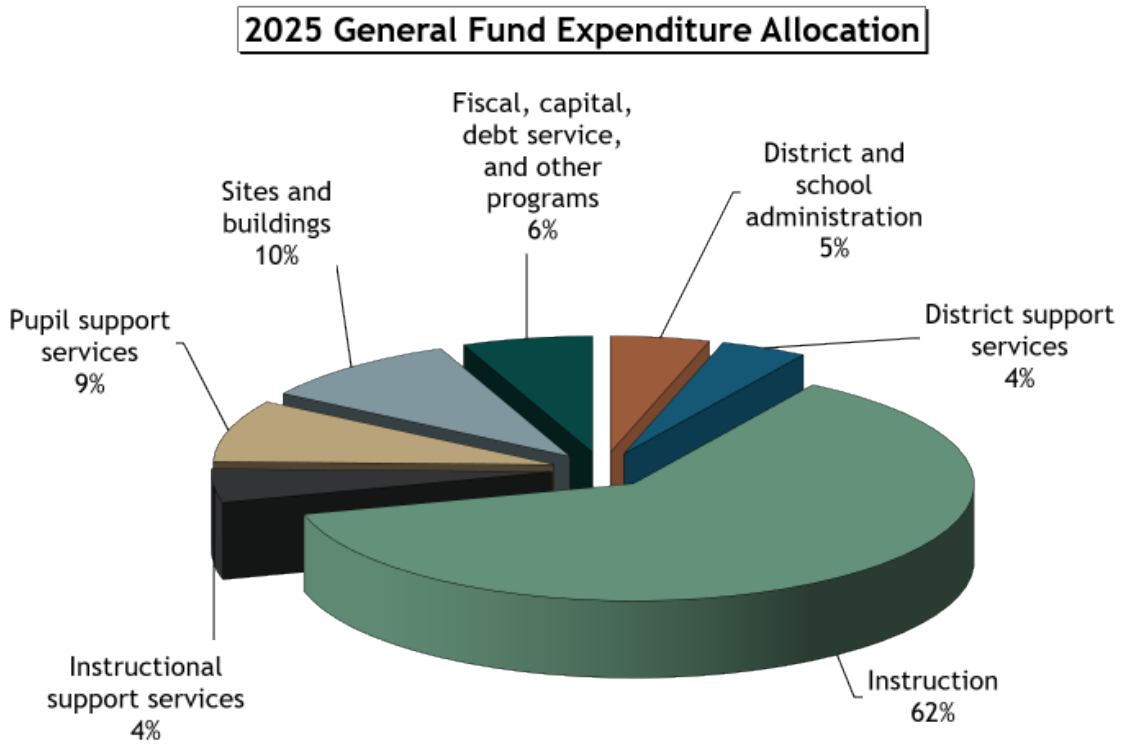
	2022	2023	2024	2025	2026
Other Revenue	$1,732,809	$898,068	$1,099,640	$1,027,933	$1,008,322
State Revenue	8,509,853	8,670,807	10,146,320	11,159,818	11,277,550
Local Property Taxes	2,380,899	2,643,379	2,940,245	2,907,361	2,803,668

General Fund Budget and Actual

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Local property taxes	$ 2,844,168	$ 2,832,157	$ 2,803,668	$ (28,489)
Other local and county revenues	330,250	431,735	627,049	195,314
Revenue from state sources	10,730,769	11,017,830	11,277,550	259,720
Revenue from federal sources	425,000	384,576	381,273	(3,303)
Total revenues	14,330,187	14,666,298	15,089,540	423,242
Expenditures				
Administration	719,000	725,547	731,910	6,363
District support services	651,745	626,990	560,973	(66,017)
Regular instruction	5,775,604	5,966,933	5,978,626	11,693
Vocational education instruction	225,967	222,939	269,637	46,698
Special education instruction	2,796,227	2,906,197	2,836,059	(70,138)
Instructional support services	774,094	796,930	782,960	(13,970)
Pupil support services	1,318,295	1,356,926	1,383,374	26,448
Sites and buildings	1,394,116	1,509,474	1,465,087	(44,387)
Fiscal and other fixed cost programs	131,000	112,040	112,946	906
Capital outlay	136,961	107,085	242,062	134,977
Debt service	45,000	45,000	65,496	20,496
Total expenditures	13,968,009	14,376,061	14,429,130	53,069
Excess of revenues over (under) expenditures	362,178	290,237	660,410	370,173
Other Financing Sources (Uses)				
Transfers Out	(226,792)	(226,792)	(222,300)	4,492
Net change in fund balances	$ 135,386	$ 63,445	$ 438,110	$ 374,665

General Fund Expenditures



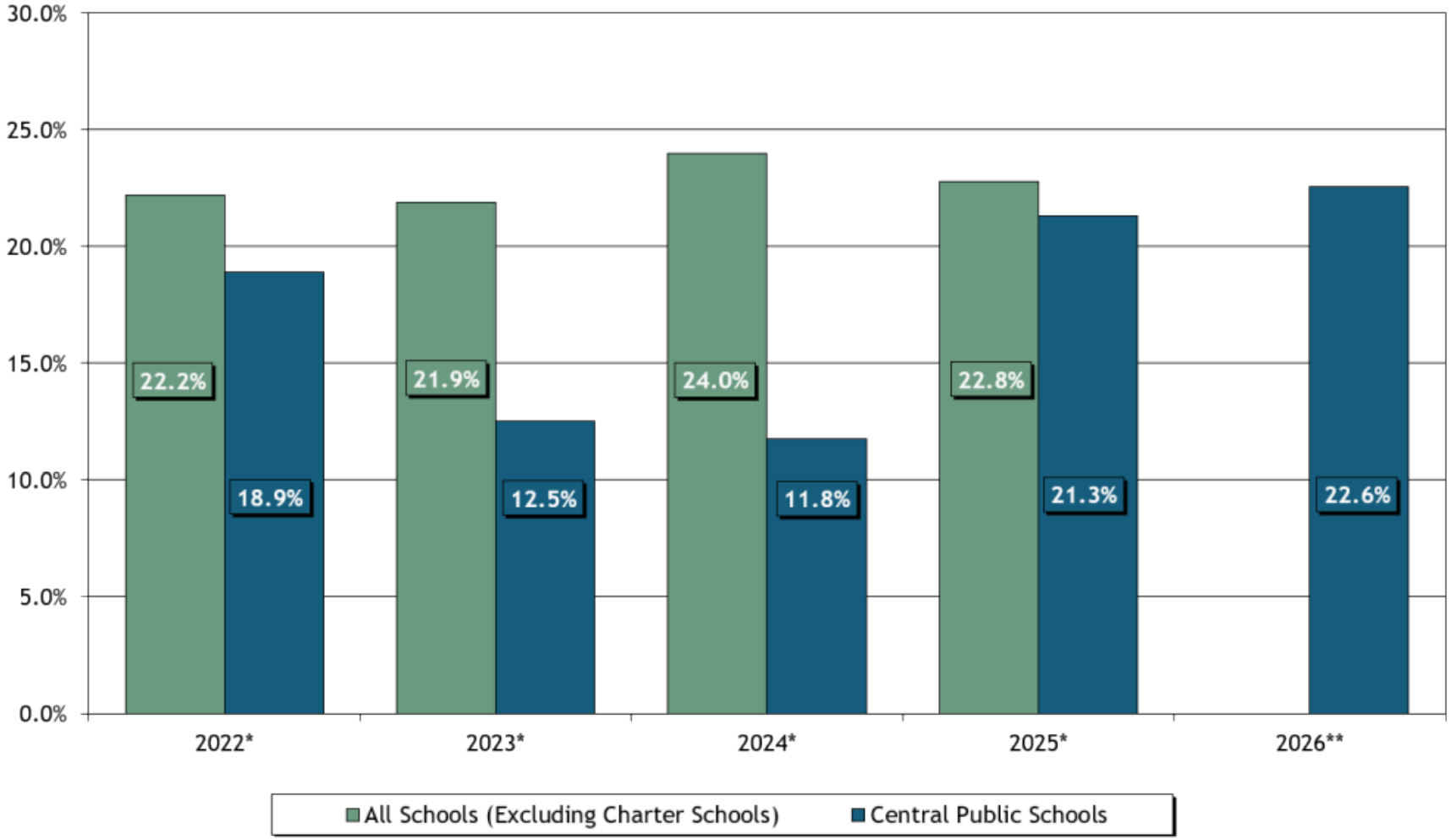


General Fund Operations

Year Ended June 30,	2022	2023	2024	2025	2026
Revenues	$ 12,623,561	$ 12,212,254	$ 14,186,205	$15,095,112	$ 15,089,540
Expenditures	12,366,777	12,745,071	13,770,501	14,097,664	14,429,130
Excess of revenues over (under) expenditures	256,784	(532,817)	415,704	997,448	660,410
Add lease issuance	-	-	-	214,939	-
Less transfers out	-	-	(76,858)	(238,140)	(222,300)
Fund balance, July 1	2,514,506	2,771,290	2,238,473	2,577,319	3,551,566
Fund Balance, June 30	**$ 2,771,290**	**$ 2,238,473**	**$ 2,577,319**	**$ 3,551,566**	**$ 3,989,676**
Nonspendable for					
Inventory	$ -	$ -	$ -	$ -	$ -
Prepaids	55,979	14,007	43,766	25,419	28,254
Restricted/reserved for					
Student Activities	103,059	81,865	65,973	70,788	82,082
Scholarships	31,777	31,492	31,211	29,491	30,564
Capital Projects Levy	95,954	221,264	168,786	102,381	96,902
Basic Skills	-	-	216,903	284,459	318,305
Operating Capital	61,353	2,027	116,172	141,996	152,565
Basic Skills Extended Time	43,341	77,220		-	-
Safe Schools	-	-	2,334	10,177	11,917
Literacy Incentive Aid	-	-	-	-	1,141
Teacher Compound Read Act	-	-	-	16,559	408
Literacy Aid	-	-	-	37,663	33,035
Student Support Personnel	-	-	-	-	11,261
Long Term Facilities Maintenance	295,600	301,495	492,371	209,910	230,470
Medical Assistance	109,326	135,225	65,822	142,356	204,812
Assigned	624,624	417,589	387,077	998,161	1,194,724
Unassigned	1,350,277	956,289	986,904	1,482,206	1,593,236
Fund Balance, June 30	**$ 2,771,290**	**$ 2,238,473**	**$ 2,577,319**	**$ 3,551,566**	**$ 3,989,676**

General Fund Financial Health

Unrestricted Fund Balance as a Percentage of Unrestricted Expenditures



Revenues Per Student

Independent School District No. 108*	2022	2023	2024	2025	2026
General Fund	$ 13,609	$ 13,194	$ 14,917	$15,319	$ 14,951
Food Service Fund	712	619	751	764	777
Community Service Fund	951	1,075	977	1,146	1,078
Building Construction Fund	(390)	1,109	1,578	211	4
Debt Service Fund	1,053	1,900	3,056	3,213	3,266
Total Revenues Per Student	**$ 15,935**	**$ 17,897**	**$ 21,279**	**$ 20,653**	**$ 20,076**

State Average*	2022	2023	2024	2025	2026
General Fund	$ 15,166	$ 15,727	$ 17,187	$ 17,495	N/A
Food Service Fund	791	667	836	822	N/A
Community Service Fund	685	745	781	804	N/A
Building Construction Fund	35	104	173	193	N/A
Debt Service Fund	1,447	1,456	1,591	1,667	N/A
Total Revenues Per Student	**$ 18,124**	**$ 18,699**	**$ 20,568**	**$ 20,981**	**N/A**

Districts with 500 to 999 ADM Served*	2022	2023	2024	2025	2026
General Fund	$ 14,598	$ 16,398	$ 16,180	$ 16,588	N/A
Food Service Fund	856	680	910	897	N/A
Community Service Fund	428	521	463	506	N/A
Building Construction Fund	106	103	297	389	N/A
Debt Service Fund	1,204	1,070	1,566	1,705	N/A
Total Revenues Per Student	**$ 17,192**	**$ 18,772**	**$ 19,416**	**$ 20,085**	**N/A**

Expenditures Per Student

Independent School District No. 108*	2022	2023	2024	2025	2026
General Fund	$ 13,331	$ 13,772	$ 14,479	$14,085	$ 14,297
Food Service Fund	583	718	755	755	789
Community Service Fund	1,028	1,172	1,153	1,007	967
Building Construction Fund	3,987	19,497	28,727	3,503	138
Debt Service Funds	1,068	2,335	2,674	3,239	3,291
Total Expenditures Per Student	**$ 19,997**	**$ 37,494**	**$ 47,788**	**$ 22,589**	**$ 19,480**

State Average*	2022	2023	2024	2025	2026
General Fund	$ 15,010	$ 15,730	$ 16,649	$ 17,334	N/A
Food Service Fund	666	702	801	832	N/A
Community Service Fund	646	715	765	807	N/A
Building Construction Fund	1,773	1,513	1,657	1,908	N/A
Debt Service Funds	1,531	1,499	1,652	1,821	N/A
Total Expenditures Per Student	**$ 19,626**	**$ 20,159**	**$ 21,524**	**$ 22,702**	**N/A**

Districts with 500 to 999 ADM Served*	2022	2023	2024	2025	2026
General Fund	$ 14,015	$ 14,577	$ 15,318	$ 16,034	N/A
Food Service Fund	769	810	900	933	N/A
Community Service Fund	539	599	616	643	N/A
Building Construction Fund	2,787	2,437	3,256	4,130	N/A
Debt Service Funds	2,097	1,725	2,200	2,205	N/A
Total Expenditures Per Student	**$ 20,207**	**$ 20,148**	**$ 22,290**	**$ 23,945**	**N/A**

Food Service Fund

Year Ended June 30,	2022	2023	2024	2025	2026
Revenues	$ 658,692	$ 570,845	$ 712,041	$751,015	$ 784,505
Expenditures	538,953	662,448	715,733	742,526	795,969
Excess of revenues over (under) expenditures	119,739	(91,603)	(3,692)	8,489	(11,464)
Other financing sources	-	-	-	16,540	-
Fund balance, July 1	128,167	247,906	156,303	152,611	177,640
Fund Balance, June 30	**$ 247,906**	**$ 156,303**	**$ 152,611**	**$ 177,640**	**$ 166,176**

Community Service Fund

Year Ended June 30,	2022	2023	2024	2025	2026
Revenues	$ 879,859	$ 992,485	$ 926,831	$1,126,587	$ 1,087,882
Expenditures	950,826	1,081,440	1,093,892	990,054	975,850
Excess of revenues over (under) expenditures	(70,967)	(88,955)	(167,061)	136,533	112,032
Fund balance, July 1	332,840	261,873	172,918	5,857	142,390
Fund Balance, June 30	**$ 261,873**	**$ 172,918**	**$ 5,857**	**$ 142,390**	**$ 254,422**

Auditor



Andrew Grice

AUDIT SHAREHOLDER
952-563-6862
ANDY.GRICE@CREATIVEPLANNING.COM

Thank You



This commentary is provided for general information purposes only, should not be construed as investment, tax or legal advice, and does not constitute an attorney/client relationship. Past performance of any market results is no assurance of future performance. The information contained herein has been obtained from sources deemed reliable but is not guaranteed.

CP ASSURANCE

Independent School District No. 108
Norwood Young America, Minnesota

Communications Letter

June 30, 2026

Independent School District No. 108
Table of Contents

Report on Matters Identified as a Result of the Audit of the Basic Financial Statements	1
Significant Deficiency	3
Required Communication	4
Financial Analysis	8
Legislative Summary	20
Emerging Issues	22

CP ASSURANCE

Report on Matters Identified as a Result of the Audit of the Basic Financial Statements

To the School Board and Management
Independent School District No. 108
Norwood Young America, Minnesota

In planning and performing our audit of the basic financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. 108, Norwood Young America, Minnesota as of and for the year ended June 30, 2026, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.

- *Probable*. The future event or events are likely to occur.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. The significant deficiency identified is stated within this letter.

The District's written response to the significant deficiency identified in our audit has not been subjected to audit procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

The accompanying memorandum also includes financial analysis provided as a basis for discussion. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated November 4, 2026, on such statements.

The purpose of this communication, which is an integral part of our audit, is to describe for the School Board and management and others within the District and state oversight agencies the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

CP Assurance, Ltd.

Minneapolis, Minnesota
November 4, 2026

Independent School District No. 108
Significant Deficiency

Lack of Segregation of Accounting Duties
The District has a lack of segregation of accounting duties due to a limited number of office employees. The lack of adequate segregation of accounting duties could adversely affect the District's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements.

Management and the School Board are aware of this condition and have taken certain steps to compensate for the lack of segregation but due to the number of staff needed to properly segregate all of the accounting duties, the costs of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. However, management and the School Board must remain aware of this situation and should continually monitor the accounting system, including changes that occur.

Segregation of accounting duties relates to four key areas: initiation/authorization, processing/recording, reconciling/reporting of financial data and custody of assets. This lack of segregation can be demonstrated in the following areas, which is not intended to be an all-inclusive list:

- The Finance Coordinator has access to various areas of the accounting system and can initiate, record, process and report financial information. The Finance Coordinator also has access to District bank accounts.
- The Payroll Coordinator enters payroll information and processes payroll.
- The Finance Coordinator records and maintains all capital asset records.
- Cash payments can be received at various locations and there are instances where the individual collecting payment can also record and process receipts in the accounting system.

We recommend segregation or independent review be implemented whenever practical and cost effective.

Independent School District No. 108
Required Communication

We have audited the basic financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District for the year ended June 30, 2026. Professional standards require that we advise you of the following matters related to our audit.

Our Responsibility in Relation to the Basic Financial Statement Audit
As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express opinions about whether the basic financial statements prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the basic financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the basic financial statements are free of material misstatement. An audit of the basic financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Generally accepted accounting principles provide for certain Required Supplementary Information (RSI) to supplement the basic financial statements. Our responsibility with respect to the RSI, which supplements the basic audit financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our Responsibility in Relation to *Government Auditing Standards*
As communicated in our engagement letter, part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Planned Scope and Timing of the Audit
We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Independent School District No. 108
Required Communication

Compliance with All Ethics Requirements Regarding Independence
The engagement team, others in our firm, as appropriate, our firm and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks
We addressed the following significant risks of material misstatement identified in our planning procedures:

- Management Override of Controls – Management override of internal control is considered a risk in substantially all engagements as management may be incentivized to produce better results.
- Misappropriation of Assets – If duties cannot be appropriately segregated, there is a risk of unauthorized transactions being made by the District. In addition, generally this results in less review taking place as transactions are recorded in the financial statements.
- Improper Revenue Recognition – Revenue recognition is considered a fraud risk on substantially all engagements as it generally has a significant impact on the results of the governments operations. In addition, complexities exist surrounding the calculation and recording of various revenue sources.
- State Aid Valuation – Revenue and receivable amounts related to General Education Aid and Special Education Aid are generally material to the financial statements and involve significant estimates.
- Pension Valuation – Net pension liability, deferred outflows of resources related to pensions and deferred inflows of resources related to pensions are generally material to the financial statements and involve significant estimates.
- Other Post Employment Benefits (OPEB) Valuation – Total OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB are generally material to the financial statements and involve significant estimates.

Qualitative Aspects of the District's Significant Accounting Practices

Significant Accounting Policies
Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in the notes to the basic financial statements. There have been no initial selection of accounting policies and no changes to significant accounting policies or their application during 2026, except for the implementation of GASB Statement No. 103, Financial Reporting Model Improvements, as described in Note 9 to the basic financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Qualitative Aspects of the District's Significant Accounting Practices (Continued)

Significant Accounting Estimates and Related Disclosures
Accounting estimates and related disclosures are an integral part of the basic financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive estimates affecting the basic financial statements relate to:

General Education and Special Education Aid – General Education Aid is an estimate until average daily membership (ADM) values are final. Since this is normally not done until after the reporting deadline, this Aid is an estimate. Special Education Aid is dependent on the availability of monies and complex formulas that are finalized after reporting deadlines.

Total Other Post Employment Benefits (OPEB) Liability, Deferred Outflows of Resources Related to OPEB and Deferred Inflows of Resources Related to OPEB – These balances are based on an actuarial study using the estimates of future obligations of the District for post-employment benefits.

Net Pension Liability, Deferred Outflows of Resources Related to Pensions and Deferred Inflows of Resources Related to Pensions – These balances are based on an allocation by the pension plans using estimates based on contributions.

We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures
Certain basic financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The basic financial statement disclosures are neutral, consistent and clear.

Significant Difficulties Encountered during the Audit
We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements
For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures and the basic financial statements taken as a whole and each applicable opinion unit. Management did not identify, and we did not notify them of any uncorrected financial statement misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the basic financial statements taken as a whole.

Independent School District No. 108
Required Communication

Disagreements with Management
For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting or auditing matter, which could be significant to the District's basic financial statements or the auditor's report. No such disagreements arose during the course of our audit.

Representations Requested from Management
We have requested certain written representations from management, which are included in the management representation letter.

Management's Consultations with Other Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues
In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the District and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditor.

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

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information or manner of its presentation, appearing in the basic financial statements.

Independent School District No. 108
Financial Analysis

The following pages provide graphic representation of select data pertaining to the financial position and operations of the District for the past five years. Our analysis of each graph is presented to provide a basis for discussion of past performance and how implementing certain changes may enhance future performance.

Average Daily Membership and Pupil Units

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

Due to its complexity, it would be impossible to fully explain the funding of public education in Minnesota within this letter. The last section of this report, which contains a summary of legislative changes affecting school districts, gives an indication of how complicated the funding system is. The following section provides some state-wide funding and financial trend information.

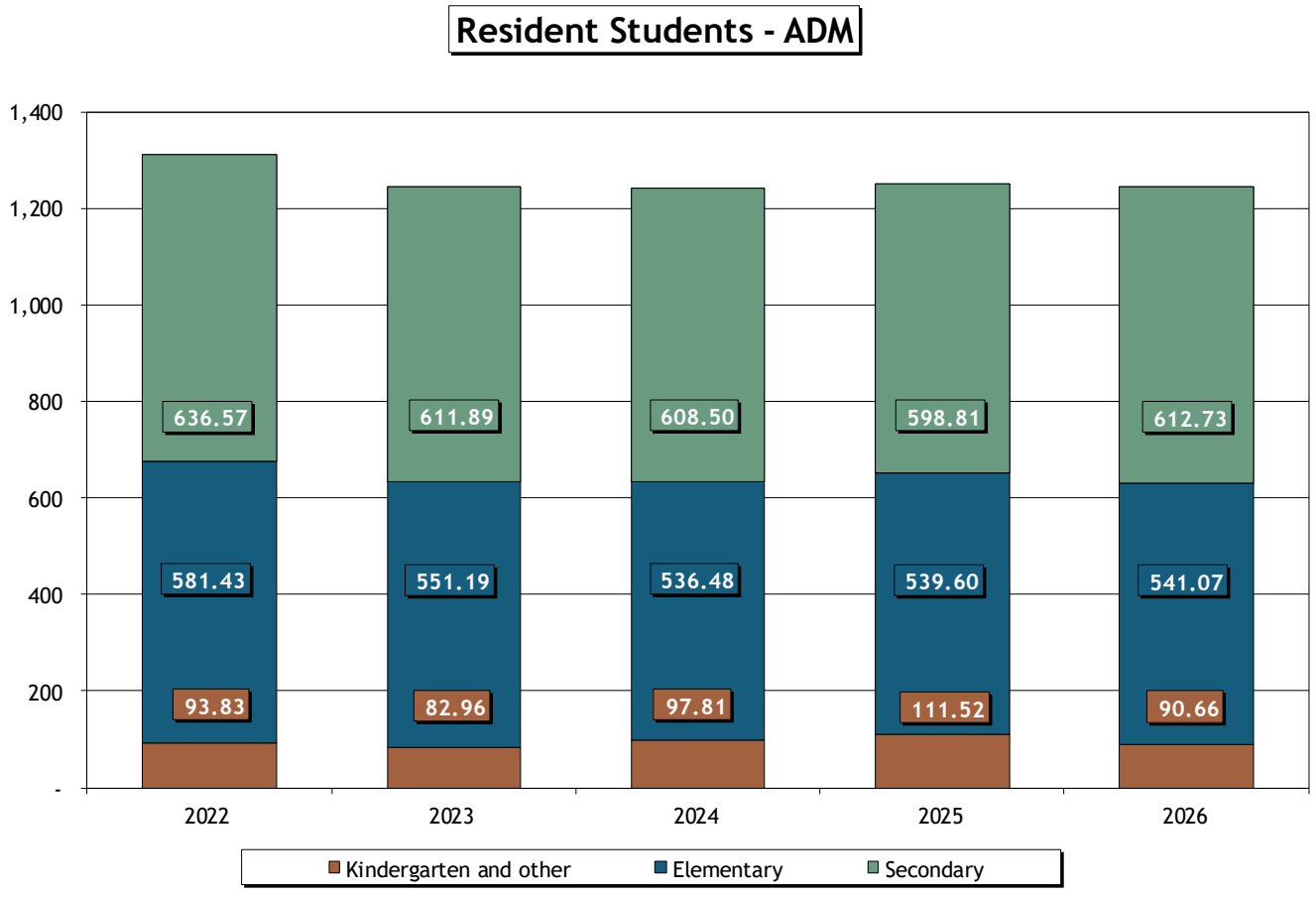
	General Education Aid Formula Allowance	
Year	Amount	Percent Increase
2017	$ 6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%
2022	6,728	2.5%
2023	6,863	2.0%
2024	7,138	4.0%
2025	7,281	2.0%
2026	7,481	2.7%
2027	7,683	2.7%

Average Daily Membership and Pupil Units (Continued)
The following chart and graph summarizes resident ADM of the District over the past five years.

Resident ADM	2022	2023	2024	2025	2026
Kindergarten and other	93.83	82.96	97.81	111.52	90.66
Elementary	581.43	551.19	536.48	539.60	541.07
Secondary	636.57	611.89	608.50	598.81	612.73
Total Resident ADM	**1,311.83**	**1,246.04**	**1,242.79**	**1,249.93**	**1,244.46**

* Estimate as of October 13, 2026

The chart and graph above provides resident ADM over the past five years. Total resident ADM has decreased in three of the last four years. Resident ADM ended 2026 with a total of 1244.46, a decrease of 5.47 ADM compared to 2025.

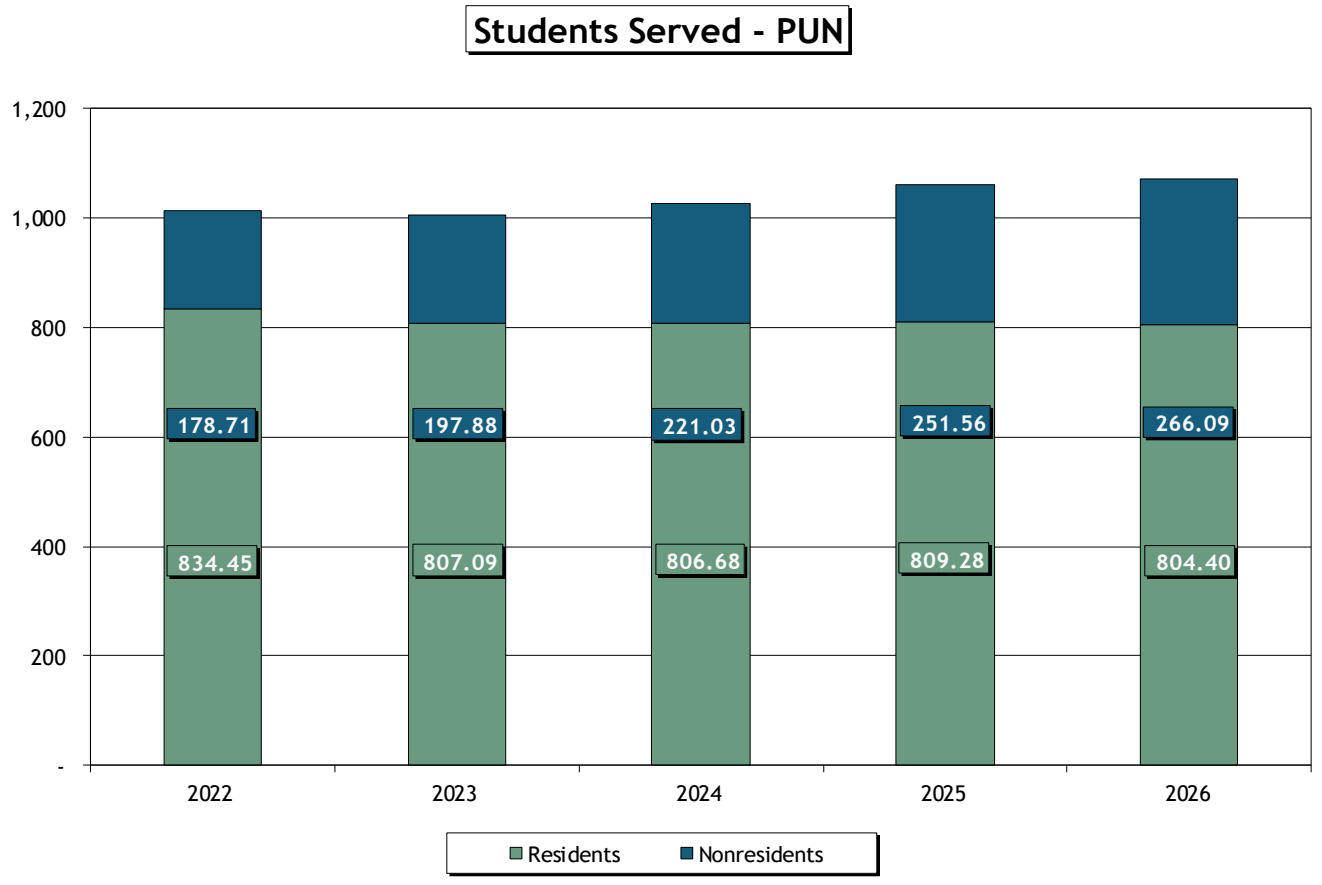


Average Daily Membership and Pupil Units (Continued)

Pupil Units Weighting	Pre-Kindergarten	Handicapped Kindergarten	Kindergarten	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
Fiscal Years 2022-2026	1.000	1.000	1.000	1.000	1.000	1.200

Pupil units are computed by weighting ADM (PUN) using the factors on the table above. The PUN served table and graph below converts resident ADM into weighted or adjusted pupil unit data for the past five years taking into consideration the above weighting factors and open enrollment.

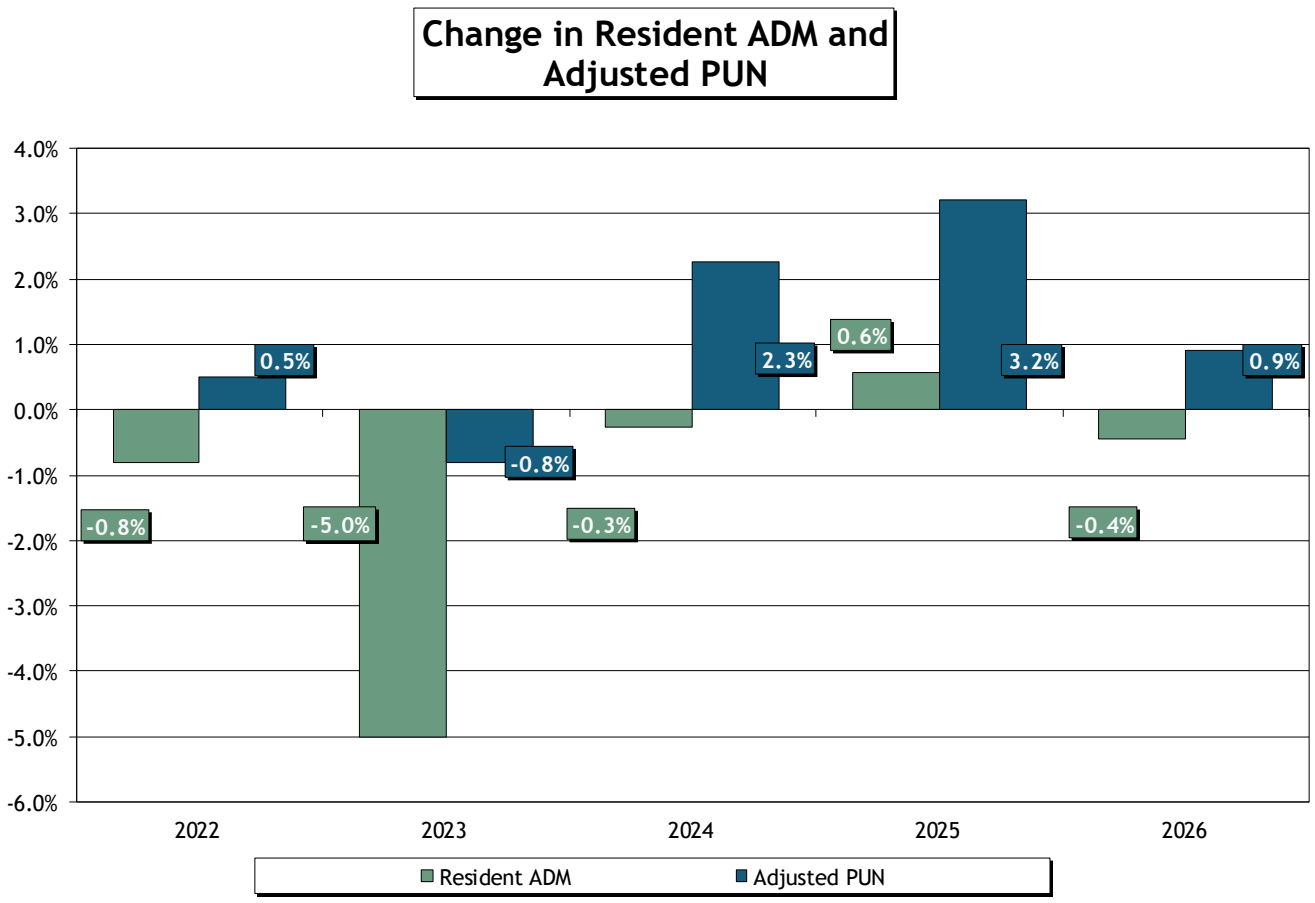
	2022	2023	2024	2025	2026
Residents	1,439.14	1,368.42	1,364.50	1,369.71	1,367.00
Residents going elsewhere	(604.69)	(561.33)	(557.82)	(560.43)	(562.60)
Nonresidents coming in	178.71	197.88	221.03	251.56	266.09
Total Adjusted PUN	**1,013.16**	**1,004.97**	**1,027.71**	**1,060.84**	**1,070.49**



* Estimate as of October 13, 2026

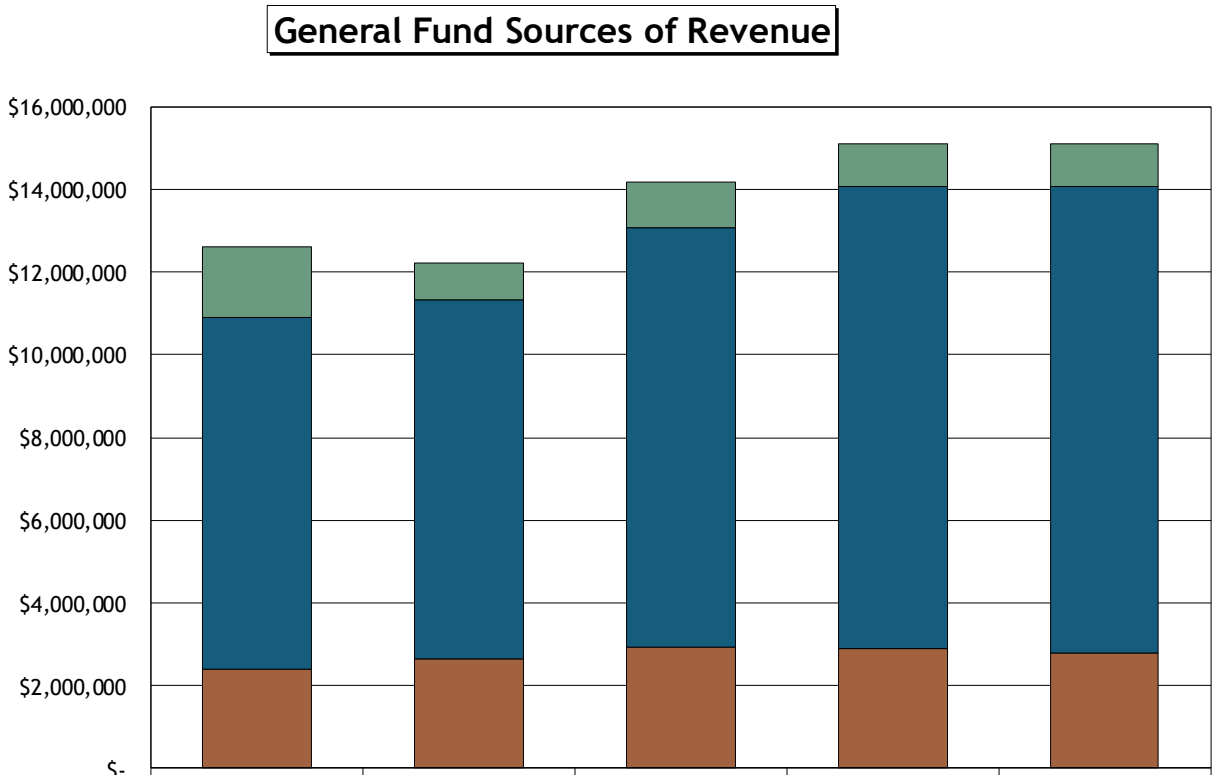
Average Daily Membership and Pupil Units (Continued)
Adjusted PUN increased from 2025 to 2026 was 0.9%. Open enrollment is a factor in the District's student count fluctuation. For the past five years, the District has experienced a net loss due to open enrollment. In 2022, the net loss was 425.98 and in 2026 the net loss dropped to 296.51. These losses are due to resident students leaving the District through open enrollment and the growing number of students attending charter schools. The number of residents going elsewhere increased by 2.17 adjusted PUN. The number of nonresidents coming into the District increased by 14.53.

The following graph illustrates the percentage change from year-to-year in resident ADM and PUN served.



* Estimate as of October 13, 2026

General Fund Sources of Revenue
The following table displays the sources of revenue for the General Fund.



	2022	2023	2024	2025	2026
Other Revenue	$1,732,809	$898,068	$1,099,640	$1,027,933	$1,008,322
State Revenue	8,509,853	8,670,807	10,146,320	11,159,818	11,277,550
Local Property Taxes	2,380,899	2,643,379	2,940,245	2,907,361	2,803,668

Total General Fund revenues of $15,089,540 was a decrease of $5,572, or 0.04%, from 2025 to 2026 and increased $2,465,979, or 19.53% over the course of the five years presented.

State revenue, which makes up the largest percentage of the District's revenue at 74.74%, increased by $117,732 in 2026 due to an increase in general education aid funding. Local property tax revenue decreased $103,693 due to lesser allocation of the tax levy to the General Fund. Other revenue sources decreased $19,611 compared to 2025 primarily due to a decrease in interest earnings.

General Fund Budget and Actual
The chart on the following page highlights 2026 General Fund budget and actual results. Originally, in June 2025, the District budgeted for a surplus of $135,386 for 2026. Budget revisions resulted in a projected surplus of $63,445. The District ended 2026 with an actual surplus of $438,110 for the General Fund.

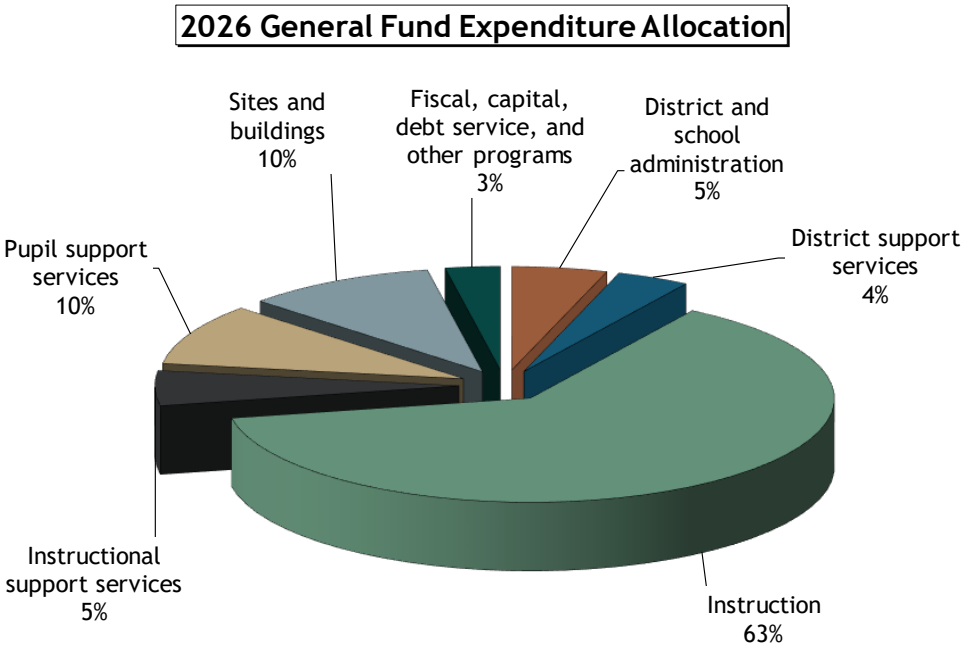
Independent School District No. 108
Financial Analysis

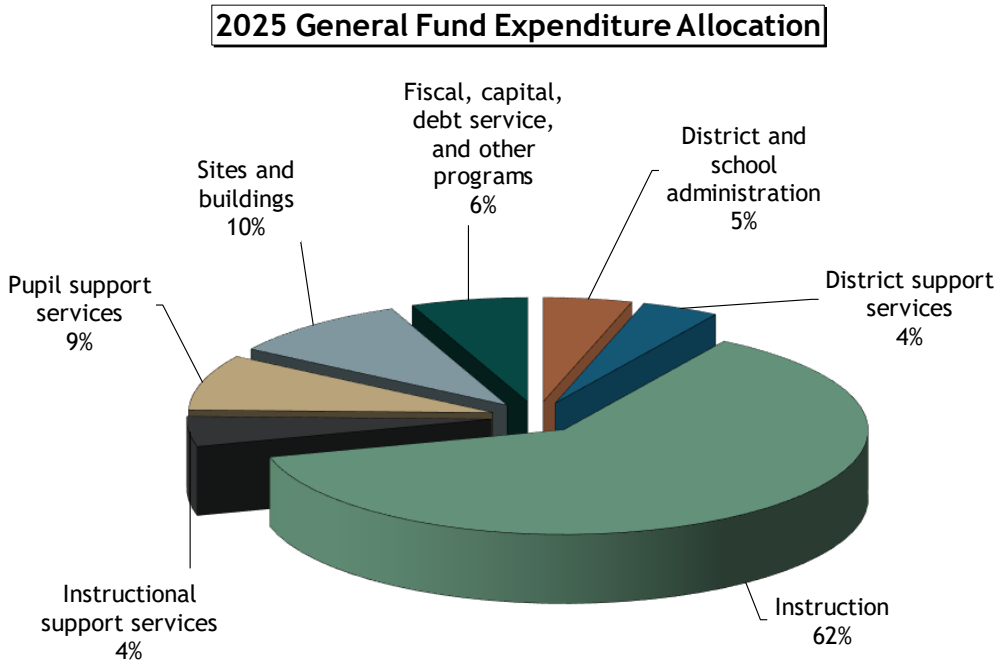
Actual revenues exceeded the final budget by $423,242. The favorable variance was primarily attributable to revenue from state sources exceeding the final budget by $259,720 and other local and county revenues exceeding the final budget by $195,314. State revenues exceeded budget primarily due to higher than anticipated enrollment resulting in additional general education aid. Other local and county revenues exceeded budget primarily due to investment income exceeding conservative budget estimates.

Actual expenditures exceeded the final budget by $53,069. The most significant expenditure variance was within capital outlay, where actual expenditures exceeded the final budget by $134,977. This variance was primarily attributable to unanticipated costs incurred to complete facility-related projects. The unfavorable variance was partially offset by favorable variances in other instructional and support service functions.

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Local property taxes	$ 2,844,168	$ 2,832,157	$ 2,803,668	$ (28,489)
Other local and county revenues	330,250	431,735	627,049	195,314
Revenue from state sources	10,730,769	11,017,830	11,277,550	259,720
Revenue from federal sources	425,000	384,576	381,273	(3,303)
Total revenues	14,330,187	14,666,298	15,089,540	423,242
Expenditures				
Administration	719,000	725,547	731,910	6,363
District support services	651,745	626,990	560,973	(66,017)
Regular instruction	5,775,604	5,966,933	5,978,626	11,693
Vocational education instruction	225,967	222,939	269,637	46,698
Special education instruction	2,796,227	2,906,197	2,836,059	(70,138)
Instructional support services	774,094	796,930	782,960	(13,970)
Pupil support services	1,318,295	1,356,926	1,383,374	26,448
Sites and buildings	1,394,116	1,509,474	1,465,087	(44,387)
Fiscal and other fixed cost programs	131,000	112,040	112,946	906
Capital outlay	136,961	107,085	242,062	134,977
Debt service	45,000	45,000	65,496	20,496
Total expenditures	13,968,009	14,376,061	14,429,130	53,069
Excess of revenues over (under) expenditures	362,178	290,237	660,410	370,173
Other Financing Sources (Uses)				
Transfers Out	(226,792)	(226,792)	(222,300)	4,492
Net change in fund balances	$ 135,386	$ 63,445	$ 438,110	$ 374,665

General Fund Expenditure Allocation





Total instruction expenditures (regular, special education and vocational) represents approximately 63% of total General Fund expenditures for 2026 and approximately 62% for 2025. Expenditures related to instruction programs increased $352,494, sites and buildings increased $92,627, administration costs increased $67,586, and district support services costs decreased $21,103 during 2026.

Independent School District No. 108
Financial Analysis

General Fund Operations

The chart below illustrates the General Fund revenue, expenditures and fund balances for the past five years.

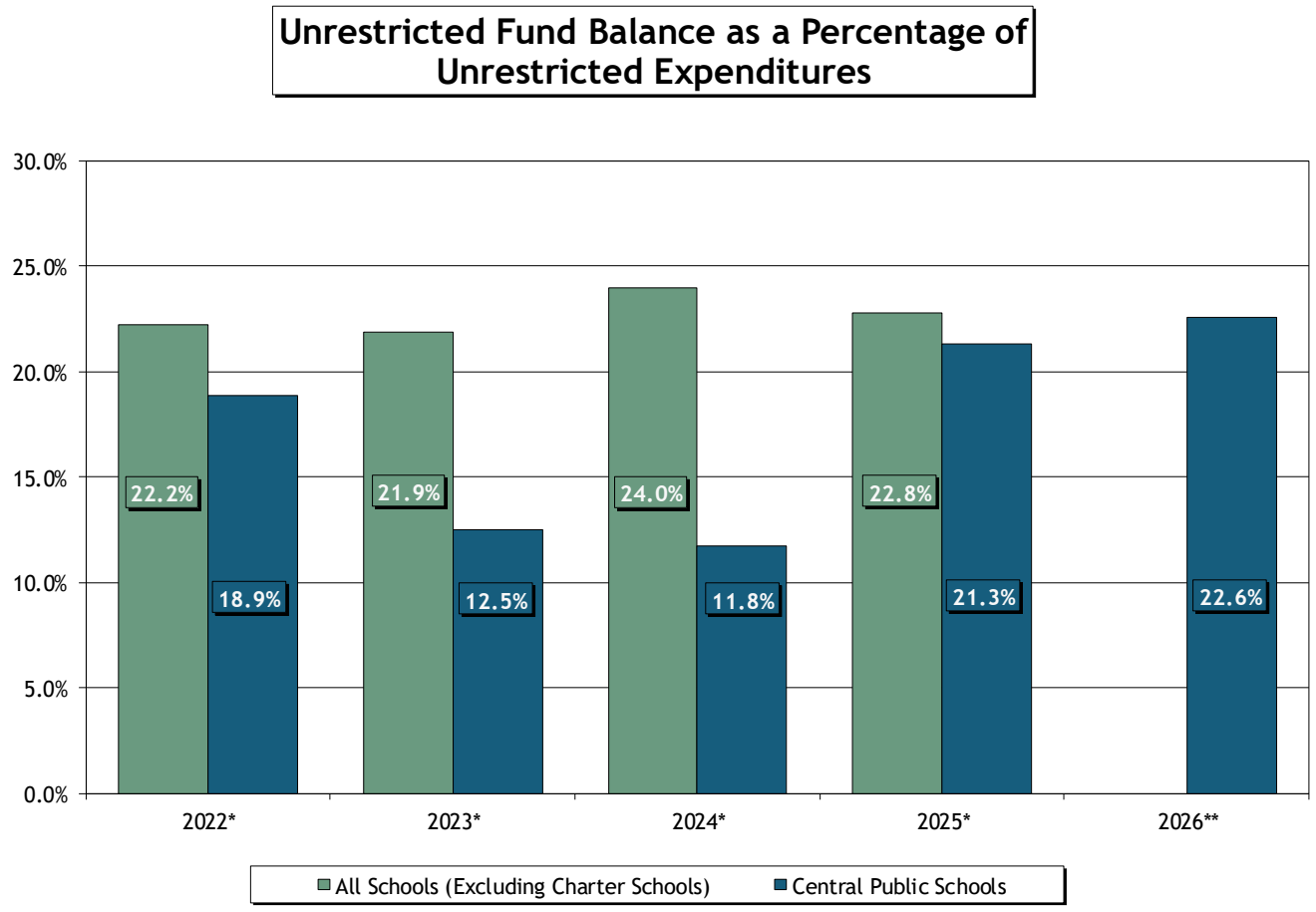
Year Ended June 30,	2022	2023	2024	2025	2026
Revenues	$ 12,623,561	$ 12,212,254	$ 14,186,205	$15,095,112	$ 15,089,540
Expenditures	12,366,777	12,745,071	13,770,501	14,097,664	14,429,130
Excess of revenues over (under) expenditures	256,784	(532,817)	415,704	997,448	660,410
Add lease issuance	-	-	-	214,939	-
Less transfers out	-	-	(76,858)	(238,140)	(222,300)
Fund balance, July 1	2,514,506	2,771,290	2,238,473	2,577,319	3,551,566
Fund Balance, June 30	**$ 2,771,290**	**$ 2,238,473**	**$ 2,577,319**	**$ 3,551,566**	**$ 3,989,676**
Nonspendable for					
Inventory	$ -	$ -	$ -	$ -	$ -
Prepaids	55,979	14,007	43,766	25,419	28,254
Restricted/reserved for					
Student Activities	103,059	81,865	65,973	70,788	82,082
Scholarships	31,777	31,492	31,211	29,491	30,564
Capital Projects Levy	95,954	221,264	168,786	102,381	96,902
Basic Skills	-	-	216,903	284,459	318,305
Operating Capital	61,353	2,027	116,172	141,996	152,565
Basic Skills Extended Time	43,341	77,220		-	-
Safe Schools	-	-	2,334	10,177	11,917
Literacy Incentive Aid	-	-	-	-	1,141
Teacher Compound Read Act	-	-	-	16,559	408
Literacy Aid	-	-	-	37,663	33,035
Student Support Personnel	-	-	-	-	11,261
Long Term Facilities Maintenance	295,600	301,495	492,371	209,910	230,470
Medical Assistance	109,326	135,225	65,822	142,356	204,812
Assigned	624,624	417,589	387,077	998,161	1,194,724
Unassigned	1,350,277	956,289	986,904	1,482,206	1,593,236
Fund Balance, June 30	**$ 2,771,290**	**$ 2,238,473**	**$ 2,577,319**	**$ 3,551,566**	**$ 3,989,676**

At June 30, 2026, the District has 11.0% of actual expenditures (based on 2026 levels) in the unassigned fund balance. The District has a fund balance policy to maintain an unassigned fund balance of no less than 8% of budgeted general fund expenditures.

From 2025 to 2026, revenues decreased 0.04% and expenditures increased 2.4%. Included in the illustration above are all the general activities of the District, including all categorical or reserved programs. All of these activities comprise the General Fund, per the Uniform Financial Accounting and Reporting Standards (UFARS) definition. Overall, the General Fund balance increased $438,110 while the unassigned portion increased by $111,030.

Independent School District No. 108
Financial Analysis

General Fund Financial Health
One of the most common comparable statistics used to evaluate school district financial health is the operating fund balance as a percentage of operating expenditures.



* Information was obtained from the Minnesota Department of Education (MDE) web site report *General Fund Unreserved Balance for Fiscal Years 2022-2025*. Fiscal year 2026 information is not available.

** MDE 2026 UFARS Turnaround Compliance Report

Independent School District No. 108
Financial Analysis

Revenues Per Student

Revenues per student (ADM served) are summarized as follows:

Independent School District No. 108*	2022	2023	2024	2025	2026
General Fund	$ 13,609	$ 13,194	$ 14,917	$15,319	$ 14,951
Food Service Fund	712	619	751	764	777
Community Service Fund	951	1,075	977	1,146	1,078
Building Construction Fund	(390)	1,109	1,578	211	4
Debt Service Fund	1,053	1,900	3,056	3,213	3,266
Total Revenues Per Student	**$ 15,935**	**$ 17,897**	**$ 21,279**	**$ 20,653**	**$ 20,076**

State Average*	2022	2023	2024	2025	2026
General Fund	$ 15,166	$ 15,727	$ 17,187	$ 17,495	N/A
Food Service Fund	791	667	836	822	N/A
Community Service Fund	685	745	781	804	N/A
Building Construction Fund	35	104	173	193	N/A
Debt Service Fund	1,447	1,456	1,591	1,667	N/A
Total Revenues Per Student	**$ 18,124**	**$ 18,699**	**$ 20,568**	**$ 20,981**	**N/A**

Districts with 500 to 999 ADM Served*	2022	2023	2024	2025	2026
General Fund	$ 14,598	$ 16,398	$ 16,180	$ 16,588	N/A
Food Service Fund	856	680	910	897	N/A
Community Service Fund	428	521	463	506	N/A
Building Construction Fund	106	103	297	389	N/A
Debt Service Fund	1,204	1,070	1,566	1,705	N/A
Total Revenues Per Student	**$ 17,192**	**$ 18,772**	**$ 19,416**	**$ 20,085**	**N/A**

* Source: *School District Profiles*; year 2026 is not yet available.
** Estimate as of October 13, 2026

Expenditures Per Student

Expenditures per student (ADM served) are summarized as follows:

Independent School District No. 108*	2022	2023	2024	2025	2026
General Fund	$ 13,331	$ 13,772	$ 14,479	$14,085	$ 14,297
Food Service Fund	583	718	755	755	789
Community Service Fund	1,028	1,172	1,153	1,007	967
Building Construction Fund	3,987	19,497	28,727	3,503	138
Debt Service Funds	1,068	2,335	2,674	3,239	3,291
Total Expenditures Per Student	**$ 19,997**	**$ 37,494**	**$ 47,788**	**$ 22,589**	**$ 19,480**

State Average*	2022	2023	2024	2025	2026
General Fund	$ 15,010	$ 15,730	$ 16,649	$ 17,334	N/A
Food Service Fund	666	702	801	832	N/A
Community Service Fund	646	715	765	807	N/A
Building Construction Fund	1,773	1,513	1,657	1,908	N/A
Debt Service Funds	1,531	1,499	1,652	1,821	N/A
Total Expenditures Per Student	**$ 19,626**	**$ 20,159**	**$ 21,524**	**$ 22,702**	**N/A**

Districts with 500 to 999 ADM Served*	2022	2023	2024	2025	2026
General Fund	$ 14,015	$ 14,577	$ 15,318	$ 16,034	N/A
Food Service Fund	769	810	900	933	N/A
Community Service Fund	539	599	616	643	N/A
Building Construction Fund	2,787	2,437	3,256	4,130	N/A
Debt Service Funds	2,097	1,725	2,200	2,205	N/A
Total Expenditures Per Student	**$ 20,207**	**$ 20,148**	**$ 22,290**	**$ 23,945**	**N/A**

* Source: *School District Profiles*; year 2026 is not yet available.
** Estimate as of October 13, 2026

Food Service Fund

The following table presents five years of comparative operating results for the Food Service Fund.

Year Ended June 30,	2022	2023	2024	2025	2026
Revenues	$ 658,692	$ 570,845	$ 712,041	$751,015	$ 784,505
Expenditures	538,953	662,448	715,733	742,526	795,969
Excess of revenues over (under) expenditures	119,739	(91,603)	(3,692)	8,489	(11,464)
Other financing sources	-	-	-	16,540	-
Fund balance, July 1	128,167	247,906	156,303	152,611	177,640
Fund Balance, June 30	**$ 247,906**	**$ 156,303**	**$ 152,611**	**$ 177,640**	**$ 166,176**

Overall, food service revenues increased $33,490 from 2025 to 2026, and expenditures increased $53,443. The increase in revenue was the result of more state funding related to meal reimbursements. The increase in expenditures primarily was related to the increase in costs and number of meals served, as well as an increase in the cost of contracted services. The fund finished the year with a 21% fund balance based on 2026 spending levels.

Community Service Fund

The following table presents five years of comparative operating results for the Community Service Fund.

Year Ended June 30,	2022	2023	2024	2025	2026
Revenues	$ 879,859	$ 992,485	$ 926,831	$1,126,587	$ 1,087,882
Expenditures	950,826	1,081,440	1,093,892	990,054	975,850
Excess of revenues over (under) expenditures	(70,967)	(88,955)	(167,061)	136,533	112,032
Fund balance, July 1	332,840	261,873	172,918	5,857	142,390
Fund Balance, June 30	**$ 261,873**	**$ 172,918**	**$ 5,857**	**$ 142,390**	**$ 254,422**

As the table indicates, Community Service Fund revenue decreased by $38,705 or 3.44% while also decreasing expenditures by $14,204 or 1.43% raising fund balance to 254,422 at the end of the year.

Due to MDE regulations, the total Community Service Fund is segregated, or restricted, as follows: restricted for early childhood and family education $56,716, and restricted for community education $197,706.

Independent School District No. 108
Legislative Summary

The following is a brief summary of current legislative changes and issues affecting the funding of Minnesota school districts. More detailed and extensive summaries are available from the Minnesota Department of Education (MDE).

Basic General Education Aid
The formula allowance for 2026 was set at $7,481 and for 2027, the formula allowance increases to $7,683, which is a 2.7% increase over 2026.

Compensatory Education Revenue
For fiscal year 2027 only, compensatory revenue will be calculated using the greater of the direct certification only formula enacted in the 2023 legislative session or the prorated 2026 revenue adjusted for fall enrollment.

English Learner Aid and Cross Subsidy
For 2026, the aid was $1,228 times the greater of 20 or total English learner ADM. For 2027, this increases to $1,775 times the greater of 20 or total English learner ADM. The English learner concentration formula amount increased from $436 in 2026 to $630 in 2027.

For 2027 and later, a district's Cross Subsidy Aid equals 25% of the district's cross subsidy, which is the greater of zero or the difference between the district's expenditures for qualifying services for the second prior year and the district's English learner revenue for the second previous year.

Food Service Net Cash Resource Limitation
The allowable excess net cash resource threshold approved by the State agency remains at six months of average operating expenditures through fiscal year 2027. The excess net cash resources is a federal compliance standard established under USDA regulations (7 CFR 210.14(b)). This measure focuses on the program's liquidity, or the amount of cash readily available to cover operating costs. The USDA requires that net cash resources not exceed the equivalent of three months of average operating expenses, unless the State agency has approved a different limit, such as the six-month threshold noted above.

Long-Term Facilities Maintenance (LTFM) Revenue
Districts may include roof repair and replacement costs totaling $100,000 or more per site in the annual LTFM revenue authority effective for fiscal year 2027 and later. The LTFM equalizing factor increases to 125.5% for fiscal year 2027 and 127% for fiscal year 2028.

School Library Aid
Beginning in fiscal year 2026, the school library aid per pupil allowance decreased from $16.11 to $10.27 for 2026 and 2027, and $9.12 for 2028 and later. The minimum amount for a school district is reduced from $40,000 to $20,000, while the minimum amount for a charter school is reduced from $20,000 to $10,000 beginning in 2026.

School and Student Safety
By June 30, 2027, the board of a school district or charter school must adopt a policy to implement the use of an anonymous threat reporting system. Districts or schools electing to use a reporting system must implement either the local or statewide system by July 1, 2028. One-time grants of up to $10,000 per district or $2,500 per charter school are available for 2027 to fund expenses associated with the development, purchase, implementation, operations and maintenance of an anonymous threat reporting system.

School and Student Safety (Continued)
Mobile crisis one-time grants are available in 2027 with dollars to be expended through June 30, 2029. School-linked behavioral health grants are available one-time in 2027 with dollars to be expended through June 30, 2029.

Seasonal Tax Base Replacement Aid
The seasonal tax base replacement aid is provided to reduce a portion of voter approved operating referendum in districts with seasonal recreational property. One-time aid for 2027 of $2.542 million is approved.

Special Education Aid
The Special Education Cross Subsidy Reduction Aid paid to districts increased from 6.43% to 44% beginning in 2024. A further increase to 50% begins in 2027.

Student Support Personnel Aid
The per pupil allowance increased from $30.05 in 2026 and 2027 to $34.32 in 2028 and 2029.

Independent School District No. 108
Emerging Issues

Executive Summary
The following is an executive summary of financial related updates to assist you in staying current on emerging issues in accounting and finance. This summary will give you a preview of the new standards that have been recently issued and what is on the horizon for the near future. The most recent and significant updates include:

- **Accounting Standard Update – GASB Statement No. 105 – *Subsequent Events***
  GASB has issued GASB Statement No. 105 relating to subsequent events. This Statement defines recognized and nonrecognized subsequent events and outlines the required note disclosures for nonrecognized subsequent events.
- **Uniform Grants Guidance Considerations**

The following are extensive summaries of the current updates. As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss these issues with you further and their applicability to your District.

Independent School District No. 108
Emerging Issues

Accounting Standard Update – GASB Statement No. 105 – *Subsequent Events*
The objective of this Statement is to improve financial reporting related to subsequent events by clarifying the subsequent events time frame, defining recognized and nonrecognized subsequent events and specifying the information that is required to be disclosed about subsequent events.

Subsequent events are transactions or events that occur after the financial statement date but before the financial statements are available to be issued. Financial statements are considered available to be issued when they are complete in accordance with GAAP and all required approvals for issuance have been obtained.

A recognized event is a subsequent event that provides evidence of conditions that existed at the financial statement date that inform accounting estimates reported as of the financial statement date.

A nonrecognized event is a subsequent event that results in a significant effect that is recognized or disclosed in the basic financial statements in the reporting period in which the event occurs and is one of the following: a debt-related transaction, a government combination or disposal of government operations, a change to the legally separate entities that compose the financial reporting entity or a transaction or other event that is disclosure of which is essential to a user's analysis for making decisions or assessing accountability.

Required disclosures for nonrecognized events include a description of the nonrecognized event and its effect, and an estimate of the amount of the effect of the nonrecognized event or the reason why an estimate of the amount cannot be made.

GASB Statement No. 105 is effective for fiscal years beginning after June 15, 2026. Earlier application is encouraged.

Information provided above was obtained from www.gasb.org.

Independent School District No. 108
Emerging Issues

Uniform Grants Guidance Considerations

On May 29, 2026, the *Office of Management and Budget* (OMB) issued a notice of proposed rulemaking (NPRM), which proposed amendments to 2 CFR Part 200 (Uniform Guidance). As a result of the proposed changes by the OMB, the following items should be considered by management for implementation:

- Be prepared to provide payment justification support for federally funded costs.
- Costs such as advertising, conferences, professional development, memberships and subscriptions may be subject to additional questioning. Document the rationale behind the allowability determination.
- Develop written policies and procedures for monitoring subrecipients.
- Develop written documentation of internal controls over federal awards. Current guidance in Part 200.303 states that internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO); however, proposed changes could remove reference to these frameworks.

In addition, the following changes have been implemented in recent years and should be considered when updating policies or procedures.

- The single audit threshold increased from $750,000 to $1,000,000.
- Update all policy references from "OMB Uniform Guidance" or "Grants and Agreements" to "OMB Guidance for Federal Financial Assistance".
- Replace the term "non-Federal entity" with "recipient or subrecipient", as applicable.
- Increase the de minimis indirect cost rate from 10% to 15% of Modified Total Direct Costs (MTDC). Update MTDC definition to include up to the first $50,000 of each subaward (up from $25,000).
- The capitalization threshold for equipment and supplies purchased with federal funds may be increased from $5,000 to $10,000 per unit.
- Incorporate Buy America preference requirements for iron, steel, manufactured products and construction materials into infrastructure-related procurement and contracting policies.
- Add a requirement to take "reasonable cybersecurity measures" to safeguard sensitive data. Cybersecurity expectations should also be incorporated into subaward agreements.
- Expand mandatory disclosure policies to require the prompt disclosure of credible evidence of fraud, bribery or gratuities and conflict of interest violations.

Investing in Minnesota Students

A Legislative Priorities Brief for Minnesota House & Senate Members

SCHOOL FINANCE REFORM | STUDENT SUCCESS | LOCAL CONTROL

No New Unfunded Mandates

Any new state mandate must include a **permanent funding stream** that fully covers implementation costs — before it takes effect.

Fund What We've Already Promised

Fully fund **Paid Family Medical Leave, unemployment insurance** for hourly staff, and **READ Act implementation** before introducing new initiatives.

Protect Special Education Relief

Do not reduce special education aid. Continue working to eliminate the **cross subsidy** that unfairly shifts costs onto local taxpayers.

Why This Matters

Minnesota school districts are being asked to do more with less, absorbing unfunded state mandates, managing unpredictable annual budgets, and navigating a teacher pipeline that doesn't reflect the needs of today's classrooms.

These six priorities represent **common-sense, fiscally responsible solutions** that give districts the tools, funding, and flexibility they need to serve every student well.

ⓘ When the state doesn't fund its own mandates, local property taxpayers pay the price. Students and communities deserve better.

The Ask Is Simple

- → Fund mandates **before** passing them
- → Honor **existing** commitments first
- → Give districts **predictability** to plan
- → Expand **pathways** into teaching
- → Allow **flexible** use of facility funds

📈 Predictable Per-Pupil Funding

Move toward a **multi-year funding formula tied to inflation** so districts can budget responsibly — without the anxiety of annual uncertainty disrupting long-term planning.

🎓 Flexible Licensure Pathways

Expand **Tiered Licensure** and streamline entry for experienced professionals in CTE, STEM, and the trades. Minnesota's workforce talent should be in our classrooms.

🏫 Capital Project Levy Flexibility

Allow districts to use **Long-Term Facilities Maintenance** revenue more flexibly for critical safety and security upgrades that protect students and staff.

> *"Districts cannot plan for student success when the state's financial commitments shift year to year. Predictability isn't a luxury — it's a necessity for every child in Minnesota."*

These priorities reflect the voices of Central Public Schools.

We urge the Legislature to act with urgency, fairness, and a commitment to every student's future.

Central Elementary School Goals

Monday, November 16, 2026

We collaborate and communicate to build a supportive community.

Ron Erpenbach

Ready, Set, Thrive!™
CENTRAL PUBLIC SCHOOLS
Hamburg • Norwood Young America • Cologne

Goal:

1. The percentage of all students in grades 2-5 at Central Elementary who are in the “low risk” or“advanced” category on the FastBridge aReading standardized assessment will increase from 54.6% in the fall of 2026 to 62% in the spring of 2027.

2. The focus will be on fluency.

   A. *Automaticity*
   B. Accuracy
   C. Phrasing

K-5 Plan

- Built on the FastBridge data from CES
- Our data suggests our accuracy is at level to promote true reading comprehension
- Research based materials and strategies essential to increased automaticity.
- Goal setting and weekly discussion in our PLCs
- Biweekly conversations and check-ins from building administrator and curriculum leader
- Weekly support for our PLCs from MDE

Student Support Services Update
November 2026

Ready, Set, Thrive!™
CENTRAL PUBLIC SCHOOLS
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Back to School Supply Drive

Supported By

- Love INC
- St. John's organized the event

- Approximately 90 students received school supplies for the 26-27 school year



Weekend Backpack Program

Supported by:

- The NYA Food Shelf
- $500 Grant (MN Valley Electric Trust/Operation Round Up) which helps supplement food as needed



Ms. Beadling packs the bags and distributes on Friday

- 2023-2024
  - 4 families=
  - 7 students
- 2024-2025
  - 8 Families=
  - 15 students
- 2025-2026
  - 6 families=
  - 13 students
- 2026-2027
  - 5 families=
  - 9 students

Season of Thanks 2026

- We have 12 families (17 students) this year for our Season of Thanks.
- Donations comes from area organizations to help purchase the meals
- Mackenthun's provides the meal with a 15% discount
  - Families will enjoy turkey, mashed potatoes, stuffing, gravy, sweet potatoes, green beans and a fresh baked pie
- Admin team and counselors deliver the meals to families.



Season of Giving 2026

- This year we are helping 19 families. (45 children)

- Shopping/Donations thanks to the following:
  - Teachers/Staff
  - Raider Time classrooms
  - School Groups (including FFA and NHS)
  - Multiple community members



Unified Champion Schools

Building a school culture of inclusion, acceptance, and respect where students with and without intellectual disabilities learn, play, and lead together.

Athletes	students with intellectual disabilities who participate on a Unified Sports team.
Partners	students without intellectual disabilities who participate on the same team
Everyone is a teammate	Athletes and partners practice together, encourage each other, and contribute during games.

Goal: Shared experiences creating lasting friendships across all grade levels.

Unified Champion Schools

Three Core Pillars		
Unified Sports	**Inclusive Leadership**	**Whole School Engagement**
Inclusive sports teams with athletes and unified partners.	Students co-lead inclusion events and shared decisions.	Schoolwide awareness, assemblies, and belonging.
• Soccer • Bowling • Track and field activities • Inclusive PE games and skill activities	• Choose activities together • Plan an inclusion event or club activity • Share ideas through speech, pictures or communication tools • Take meaningful leadership roles	• Classroom conversations about acceptance • Schoolwide inclusion activities • Cheering for Unified teams • Celebrating student leadership and participation

Inclusive Playground

Project Vision

Central Public Schools is developing an inclusive, multigenerational playground at our elementary school. Designed for children and community members of all ages and abilities, this accessible space fosters play, learning, and connection across physical, sensory, social, and developmental needs.

Inclusive Playground

Project Goals

- Create a fully accessible playground where people of all ages and abilities, including children, parents, and grandparents, can engage in meaningful play .
- Incorporate accessible equipment, inclusive play structures, sensory experiences, and appropriate safety surfacing.
- Develop a sustainable playground that benefits current students and future generations.

Inclusive Playground

Where We Are Today

- *Project Kickoff*: A dedicated staff team partnered with Sarah Molnau to outline our park vision, project timeline, fundraising strategies, and vendor options (*Landscape Structures* vs. *Kompan*).
- *Site Visits Completed*: Toured inclusive parks in Waconia and Mayer to gather inspiration and design ideas for Central's space.

Core Planning Team

- Andrea Kolstad, Allison Cruse, Becca Braun, Jessica Solberg, Jill Rolf, Katie Dent, Lisa Stiele, Lindsay Hanish, Sarah Molnau, Sarah Norton

Inclusive Playground



















CENTRAL
PUBLIC SCHOOLS

Sensory Lending Library



What Is a Sensory Lending Library? A centralized collection of specialized tools (e.g., noise-canceling headphones, weighted lap pads, wobble cushions) that general education teachers check out on a short-term basis to support students' sensory processing and self-regulation needs.

Collaborative MTSS Process:

- Teachers identify a student need and collaborate with their Multi-Tiered System of Supports (MTSS) team to select an appropriate tool.
- The MTSS team manages inventory and tracking via a central checkout spreadsheet.
- Teachers observe the student's response informally without heavy paperwork or formal data collection requirements.

Family Partnership: Teachers obtain parent or guardian approval via phone, email, or message before introducing any sensory tool to a student.

Questions



PD or Comp
Holidays
No School
Early Release
Secondary Conf
Elem Conf

EnchantedLearning.com

2028-2029 Calendar

Q1-42
Q2-40
Q3-46
Q4-39

July 2028

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August 2028

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

September 2028

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

19

October 2028

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

20

3

November 2028

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

15

December 2028

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

16

January 2029

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

9

11

February 2029

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

18

March 2029

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

17

April 2029

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

20

19

May 2029

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

June 2029

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

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