

Regular School Board Meeting

Monday, October 19, 2026 5:45 PM

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

I. Call to Order

II. Pledge of Allegiance

III. Approval of Agenda

III.A. Agenda approval

IV. Recognition of Communications Since Last Meeting

V. Open Dialogue

VI. Approval of Consent Agenda

VI.A.

A. Approve Previous Minutes

- o Regular Board Meeting:
September 25, 2026

B. Approve wire payment bill

vouchers: 51042-51066, 51098, 51102-51107, 51169, 51171-51179, and check payments: 55683-55804 for a total amount of **\$387,658.26**

VII. Reports

VII.A. Dashir Report

VIII. New Business

VIII.A.

Action to approve the Community Solar Savings Expansion Proposal

VIII.B. Action to approve the LITIX Insights K12 agreement

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

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

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

IX. Old Business

X. School Finance

XI. Policy Administration

XII. Personnel

XIII. Other Items for the Board

XIV. Adjourn the Regular Board Meeting

XV.

Action to approve 2025-26 Audit



Lester Prairie Schools

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

Phone: 320-395-2521
Fax: 320-395-4202
Website: www.lp.k12.mn.us/

REGULAR BOARD MEETING AGENDA

DATE: Monday, October 19, 2026

LOCATION: School Media Center and 3350 Harbor
Ln N, Plymouth, MN

TIME: 5:45pm

I. Call to Order

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

II. Pledge of Allegiance

III. Approval of Agenda

Motion by _____ and seconded by _____ to approve agenda.

Roll Call Vote:

CA _____ RH _____ DL _____ BH _____ JE _____ KC _____

Voting was _____ for and _____ against

IV. Recognition of Communications Since the Last Meeting

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

V. Approval of Consent Agenda

A. Approve Previous Minutes

- o Regular Board Meeting: September 25, 2026

B. Approve wire payment bill vouchers: 51042-51066, 51098, 51102-51107, 51169, 51171-51179, and check payments: 55683-55804 for a total amount of **\$387,658.26**

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

Roll Call Vote:

CA _____ RH _____ DL _____ BH _____ JE _____ KC _____

Voting was _____ for and _____ against.

VI. Administrative Reports

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

VII. School Board Committee Reports

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

VIII. School Finance

- A. Bergen KDV Presentation on Lester Prairie Schools
2025-26 Audit - Caroline Stutsman.

- B. Action to approve 2025-26 Audit.

*Motion by _____ and seconded by _____ to approve audit
as presented.*

Roll Call Vote:

CA_____ RH_____ DL_____ BH_____ JE_____ KC_____

Voting was _____ for and _____ against.

- C. No donation report this month.

- D. Action to approve snow removal quote with _____.

*Motion by _____ and seconded by _____ to approve quote
as presented.*

Roll Call Vote:

CA_____ RH_____ DL_____ BH_____ JE_____ KC_____

Voting was _____ for and _____ against.

IX. New Business

- A. Action to approve the Community Solar Savings
Expansion Proposal.

*Motion by _____ and seconded by _____ to approve proposal
as presented.*

Roll Call Vote:

CA _____ RH _____ DL _____ BH _____ JE _____ KC _____

Voting was _____ for and _____ against.

B. Action to approve the LITIX Insights K12 agreement.

Motion by _____ and seconded by _____ to approve agreement as presented.

Roll Call Vote:

CA _____ RH _____ DL _____ BH _____ JE _____ KC _____

Voting was _____ for and _____ against

C. Action to approve Superintendent search with _____.

Motion by _____ and seconded by _____ to approve _____ as presented.

Roll Call Vote:

CA _____ RH _____ DL _____ BH _____ JE _____ KC _____

Voting was _____ for and _____ against

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

Motion by _____ and seconded by _____ to approve RESOLUTION as presented.

Roll Call Vote:

CA _____ RH _____ DL _____ BH _____ JE _____ KC _____

Voting was _____ for and _____ against

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

Motion by _____ and seconded by _____ to approve RESOLUTION as presented.

Roll Call Vote:

CA _____ RH _____ DL _____ BH _____ JE _____ KC _____

Voting was _____ for and _____ against

F. Action to approve RESOLUTION FOR COMBINED POLLING PLACE.

Motion by _____ and seconded by _____ to approve
resolution as presented.

Roll Call Vote:

CA _____ RH _____ DL _____ BH _____ JE _____ KC _____

Voting was _____ for and _____ against

X. Old Business

A. None

XI. Policy Administration

A. None

XII. Personnel

A. None

XIII. Other Items for the Board

XIV. Adjourn the Regular Board meeting at _____

UPCOMING DATES and NOTES:

- A. October 30: End of 1st Quarter - 11:30 Dismissal
- B. November 23: Regular School Board Meeting 5:45pm
- C. November 25-27: Thanksgiving Break - no school

REGULAR MEETING of the SCHOOL BOARD of EDUCATION
Lester Prairie Public Schools
Monday, September 25, 2026 7:30am
Lester Prairie School Media Center

Roll call was taken and the following board members were present: Keith Christen, Jeff Engen, Brian Heimerl, Rebecca Heimerl and Dan LaMott. Administration present: Dr. Melissa Radeke, Mike Lee and Ross Scheevel
Guests: Marc Wawrzyniak, Angelica Biondo, Ryan Sinda

Call to order

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

Agenda

- Motion by B. Heimerl and 2nd by LaMott to approve the Agenda as presented and or modified
 - **Vote: 5 for, 0 against.**

Recognition of Communications since Last Meeting:

- Communication - none
- Open dialogue - none

Minutes and Bills

- Motion by R. Heimerl and 2nd by B. Heimerl to approve consent agenda, the meeting minutes of the Regular Board meeting on August 17, 2026 and payment of bills in the amount of:
 - o Total amount: \$278,256.86
- **Vote: 5 for, 0 against.**

Administrative Reports

Mr. Lee K-12 Principal Report: - highlights

- Good start to the new school year
- New Teacher Center Learning Walks completed - working towards creating an optimal learning environment
- Natalie Delmonico on site working with K-5 teachers on Functional Phonics and Morphology program - used to supplement ELA curriculum to enhance reading program and testing scores

- 1st week of school - welcome back, relationship building and expectations developed. Impressed that teachers jumped right into learning.
- 2nd Week of school - Youth Force Committee, Lion's donation of dictionaries to 3rd graders and bus safety training completed
- Homecoming next week with Coronation 9:15am on Monday morning
- Conferences upcoming on Oct 1st and October 5th.

Ross Scheevel AD/DoS - highlights

- Attended state wide MSHSL meetings on Sept 22nd. New item discussed was eligibility as it pertains to ISD- starting in 2027 incoming freshmen eligibility will be with school they are enrolled in, not district of residence.
- Opt up for football submitted for section placement
- Section placements scheduled to be released early to mid January which is an improvement
- New Bound system and cashless ticketing is going well
- Request from the Booster Club along with money donated by the Booster club to purchase another card reader for football games. Should be available for concessions before the basketball season so cards can be accepted along with cash for concessions
- Fall activities are right at the mid points of their seasons
- Registrations for winter activities are open

Dr. Melissa Radeke Superintendent Report: - highlights

- Enrollment update: Current enrollment is at 377 students - unchanged from last month
- Will start reporting PreK enrollment as well. Current PreK is at 28 students
- PreK teacher - Helen Lester has also been substitute teaching on her off days from PreK. Lauren- Business manager- has moved some of her costs from the Community Ed fund to the General School fund. Comm Ed fund remains at a deficit and decision to leave it that way to hopefully show that additional state funding is needed.
- Later in the meeting, recommendation is to approve maximum levy. Final levy amount to be set in December. Preliminary numbers show levy up slightly; less than 1% from last year. Small increase due primarily to increased Unemployment costs. District is held to the amount certified so will approve maximum amount which can be reduced if appropriate.
- Attended a candidate forum for nominees for the upcoming election. Only 1 incumbent, the rest are new. New legislators need time to learn about complicated Education Finance. Need to continue to educate the public about education finance.

Lauren Syrup - Business Manager

- No report

School Board Committee Reports

- Community Ed. - none
- PTO - approved funding for whiteboards, pocket planners, folding organizers, stools and tables. Started working on X-mas store
- Facilities/Maintenance- none
- Facility Planning - none
- Tech/Media - none
- Activities Committee - none
- Negotiations - Certified - none
- Negotiations - Non-Certified - none
- Negotiations - Administration - none
- Meet and Confer - none
- Policy - none
- Social Media - none
- City Council - none

New Business

- Mark Wawrzyniak and Angelica Biondo provided a presentation on the proposed Senior Class Trip to New York City
- Motion by B. Heimerl and 2nd by R. Heimerl to approve Senior Class Trip to New York City as presented.

Vote: 5 for, 0 against

- Motion by R. Heimerl and 2nd by B. Heimerl to approve the Cardiac Emergency Reponse Plan (CERP).

Vote: 5 for, 0 against

Old Business

- Motion by LaMott and 2nd by B. Heimerl to approve Facilities Use Agreement with City of Lester Prairie.

Vote: 5 for, 0 against

School Finance

- Annual **Truth in Taxation** meeting is set for December 21, 2026 at 6:00pm
- Motion by B. Heimerl and 2nd by LaMott to approve the August donation resolution report.

Vote: 5 for, 0 against

- Motion by R. Heimerl and 2nd by B. Heimerl to approve certification of proposed 2026 Payable 2027 Property Tax Levy Limitations at the maximum amount with final amount to be given at the December School Board meeting.

Roll Call Vote:

BH - Yes

RH - Yes

KC - Yes

JE - Yes

DL - Yes

Vote: 5 for, 0 against

Policy Administration

- None

Personnel

- Motion by R. Heimerl and 2nd by LaMott to approve the following contracts:
 - **Lauren Trittabaugh:** Co-Yearbook Advisor
 - **Naomi Grein:** JH Volleyball Coach
 - **Josh Dumas:** NHS Co-Advisor/Student Council Co-Advisor
 - **Terri Helland:** NHS Co-Advisor/Student Council Co-Advisor
 - **Dan Herda:** Head Girls Basketball Coach
 - **Caroline Toenies:** SPED Paraprofessional
 - **Ashley Alberts:** Kids Depot Worker
 - **Ashley Heckson:** Kids Depot Worker

Vote: 5 for, 0 against

- Motion by B. Heimerl and 2nd by LaMott to approve lane change for **Morgan Hughes** from BA step 4 to BA+30 step 4.

Vote: 5 for, 0 against

- Motion by R. Heimerl and 2nd by B. Heimerl to approve lane change for **Danny Mages** from BA +20 step 8 to MA step 8.

Vote: 5 for, 0 against

Other Items for the Board

- None

Meeting was adjourned at 8:00 AM

Jeff Engen, Clerk ISD #424

Detail Payment Register By Check

10/13/2026

9:38 PM

Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
100	1245			Amazon		Wire		
			E 01 005 810 810 000 401	B07VX5LLJW 8066184 Dryer Motor Pulley & 3		\$11.24		
			E 01 005 810 810 000 401	Amazon Shipping Charge		\$0.00		
PO#: 11159	Voucher #:	51052	Invoice	Invoice No: 1H9H4FTTRR96	9/4/2026	Paid Amt:	\$11.24	
			E 01 005 605 000 000 401	B09TQY97MJ Plugable USB C Laptop Dockin		\$1,920.00		
PO#: 11162	Voucher #:	51054	Invoice	Invoice No: 11MPFWVVGfHJ	9/4/2026	Paid Amt:	\$1,920.00	
			E 01 005 110 000 000 401	B074ZRZ4CZ Swingline Commercial Stapler, 1		\$29.49		
			E 01 005 110 000 000 401	Amazon Shipping Charge		\$0.00		
			E 01 005 110 000 000 401	DISCOUNT		(\$9.37)		
PO#: 11144	Voucher #:	51065	Invoice	Invoice No: 1K61T6M3HY69	9/4/2026	Paid Amt:	\$20.12	
			E 01 100 219 000 339 430	B004GIZ3MW Avery Multi-Use Removable Lal		\$1.29		
			E 01 100 219 000 339 430	B00V5DG2J4 Amazon Basics Expanding File		\$24.63		
			E 01 100 219 000 339 430	B00XHXU7PU Coavas Frosted Glass Window		\$6.64		
			E 01 100 219 000 339 430	B01LYHE49W Amazon Basics Sturdy File Fol		\$10.68		
			E 01 100 219 000 339 430	B081M1QF1Z Astrobrights Mega Collection, C		\$20.34		
			E 01 100 219 000 339 430	B0DDKMK722 Scissors, BOOMIBOO 8" All Pl		\$5.99		
			E 01 100 219 000 339 430	B0DYNVPQ1W 24 Pack Small Sticky Notes 2		\$11.69		
			E 01 100 219 000 339 430	B0DZX98VVP 2026 Upgraded Magnetic Rod f		\$16.99		
			E 01 100 219 000 339 430	Amazon Shipping Charge		\$0.00		
PO#: 11126	Voucher #:	51063	Invoice	Invoice No: 134WDR3D6PN1	9/4/2026	Paid Amt:	\$98.25	
			E 01 100 216 635 401 401	B0CQTWY3C7 Phonics Cut and Paste Puzzle		\$9.99		
PO#: 11121	Voucher #:	51064	Invoice	Invoice No: 1W1JCCF3674N	9/4/2026	Paid Amt:	\$9.99	
			E 01 100 219 000 339 430	B0D6RVRGVT Mini Sticky Notes 1.5x2 in, 36 l		\$6.64		
			E 01 100 219 000 339 430	Amazon Shipping Charge		\$0.00		
PO#: 11124	Voucher #:	51049	Invoice	Invoice No: 1NC7DY3PCF6F	9/4/2026	Paid Amt:	\$6.64	
			E 01 005 810 810 000 401	B07KWYGTC6 Amazon Basics 12-Pack AA Al		\$8.49		
			E 01 005 810 810 000 401	B07LC2Y85W Steelcase FR400 Replacement		\$6.87		
			E 01 005 810 810 000 401	Amazon Shipping Charge		\$4.87		
PO#: 11150	Voucher #:	51050	Invoice	Invoice No: 17RF33H4NLY6	9/4/2026	Paid Amt:	\$20.23	
			E 01 005 605 000 000 401	B09TQY97MJ Plugable USB C Laptop Dockin		\$776.00		
			E 01 005 605 000 000 401	B0DLH6T44P StarTech Active HDMI to VGA A		\$182.26		
			E 01 005 605 000 000 401	Amazon Shipping Charge		\$0.00		
			E 01 005 605 000 000 401	ACTIVE HDMI		\$14.02		
PO#: 11161	Voucher #:	51051	Invoice	Invoice No: 1TW1JYLKNNW9	9/4/2026	Paid Amt:	\$972.28	
			E 01 100 219 000 339 430	B07VLJCFQ8 Ballucci File Organizer Paper S		\$30.39		
			E 01 100 219 000 339 430	B0BPMY4PZ7 Carson Dellosa Bloom with a C		\$11.69		
			E 01 100 219 000 339 430	B0D1QZQGBF X-Bet Ceramic Round Adhesiv		\$11.99		

Detail Payment Register By Check

10/13/2026

9:38 PM

Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
100	1245			Amazon		Wire		
			E 01	100 219 000 339 430	B0D68H537L Ballucci File Organizer, 4-Tier O	\$28.49		
			E 01	100 219 000 339 430	B0FQ68DW5Z 50ft Bulletin Board Borders Trii	\$12.73		
			E 01	100 219 000 339 430	Amazon Shipping Charge	\$0.00		
PO#: 11127	Voucher #:	51053	Invoice	Invoice No: 114V XTHY FYV9	9/4/2026	Paid Amt:	\$95.29	
			E 01	005 810 810 000 401	B00004TUDT Wagner Spraytech 9-Inch Perfo	\$6.98		
			E 01	005 810 810 000 401	B077462NSR Amazon Basics 24-Pack D Cell	\$25.49		
			E 01	005 810 810 000 401	B09DTD5VBF 3M 5582113 Hf8-S	\$64.98		
			E 01	005 810 810 000 401	B0C4TR1FLS X-Protector Felt Furniture Pads	\$7.59		
			E 02	005 770 000 701 401	B0CD3894HG 3M High Flow Series Filter Cart	\$474.92		
			E 01	005 810 810 000 401	B0D17R5YT8 HOLKIE Caster Wheels Locking	\$48.99		
			E 01	005 810 810 000 401	B0DBQX6NS4 Macarrie 220 Pcs Precut Tenni	\$153.99		
			E 01	005 810 810 000 401	Amazon Shipping Charge	\$0.00		
PO#: 11136	Voucher #:	51048	Invoice	Invoice No: 17CTQCVTJR9C	9/4/2026	Paid Amt:	\$782.94	
			E 01	100 203 105 000 430	B01N5XJ2XY Pentel Hi-Polymer White Cap Ei	\$7.70		
			E 01	100 203 105 000 430	B07144DC8V Pentel Hi-Polymer Block Eraser	\$8.47		
			E 01	100 203 105 000 430	B08CHHT833 Crayola Broad Line Markers (12	\$11.88		
			E 01	100 203 105 000 430	B09L54NDLB Bostitch Professional Magnetic	\$9.84		
			E 01	100 203 105 000 430	B0C5MN6BN3 Hiziwimi 30 Pcs White Letter S	\$23.74		
			E 01	100 203 105 000 430	B0C5MPXRB1 30Pcs Plastic Hanging File Fol	\$24.99		
			E 01	100 203 105 000 430	B0CN6S8NLC Zhehao 32 Pcs LCD Writing Ta	\$49.99		
			E 01	100 203 105 000 430	B0CP1Y3KM2 Uoisaiko 8-Pack Hexagon Felt	\$21.84		
			E 01	100 203 105 000 430	B0DZGLD3J1 Sbanmao Rolling File Cart, Mok	\$53.99		
			E 01	100 203 105 000 430	B0FK2BGT8C Kimseror 4 Packs Privacy Des	\$42.74		
PO#: 11158	Voucher #:	51066	Invoice	Invoice No: 17CTQCVT3NXR	9/4/2026	Paid Amt:	\$255.18	
			E 01	100 203 106 000 430	B074XTSCWK Amazon Basics Sturdy Binder	\$4.60		
			E 01	100 203 106 000 430	B082DW6XQP 12 PCS Small Storage Contair	\$17.24		
			E 01	100 203 106 000 430	B09MSSZYIM Crystal Light Variety Pack, 44	\$10.33		
			E 01	100 203 106 000 430	B0BH9C4GV4 Amazon Basics Mini Rectangul	\$8.99		
			E 01	100 203 106 000 430	B0CHVM2D8L Tactical 2000 Smile Raffle Tick	\$8.89		
			E 01	100 203 106 000 430	B0D4TR8GBF SPIRITDUST 52-pack Thank Y	\$5.99		
			E 01	100 203 106 000 430	B0F7R7GKQS 2 Pack Desk Dividers for Stude	\$11.10		
			E 01	100 203 106 000 430	B0FBLHZ4DN HOME GOODS MARKETPLAC	\$13.99		
			E 01	100 203 106 000 430	B0FCY2PY5W Simetufy 1200Pcs Pony Beads	\$7.89		
			E 01	100 203 106 000 430	B0G15J2C97 LEDUO 30 Reusable Silly Crazy	\$15.99		
			E 01	100 203 106 000 430	B0GS9453VS Teacher Planner 2026-2027 Ac	\$17.99		

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Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
100	1245			Amazon		Wire
			E 01	100 203 106 000 430	B0H2DSXBQY KIOEEE Heavy Duty 2 Pocket	\$6.99
PO#: 11157	Voucher #:	51055	Invoice	Invoice No: 1QFQN93V7YHG	9/4/2026	Paid Amt: \$129.99
			E 01	100 203 103 000 430	B003DCIBNA Pilot V Board Master BeGreen I	\$13.45
			E 01	100 203 103 000 430	B0792HCFTJ Teacher Created Resources Bla	\$19.04
			E 01	100 203 103 000 430	B08Y72XL3K Pop Secret Popcorn, Homestyle	\$7.50
			E 01	100 203 103 000 430	B09TX8D7FW CXPHT 35,50,100 Pcs Randon	\$9.11
			E 01	100 203 103 000 430	B0B6DVFTYZ Papacharms 20PCS 7 Inch Wri	\$12.95
			E 01	100 203 103 000 430	B0C3RKWK26 Ctosree 50 Pcs Magnetic Labe	\$28.99
			E 01	100 203 103 000 430	B0DQNKM25Y Acer USB C to HDMI Cable fo	\$12.99
			E 01	100 203 103 000 430	B0G7YPMSNV Aesthetic Teacher Planner For	\$10.49
			E 01	100 203 103 000 430	Amazon Shipping Charge	\$0.00
PO#: 11149	Voucher #:	51056	Invoice	Invoice No: 1KCJWLWXCYPH9	9/4/2026	Paid Amt: \$114.52
			E 04	005 580 000 325 430	B087F3BZXD Toddler Puzzles Montessori Toy	\$18.98
			E 04	005 580 000 325 430	B09RSZN83B Educational Insights Playfoam :	\$18.27
			E 04	005 580 000 325 430	B0BZ3ZLZZX Letters Learning Matching Gam	\$21.84
			E 04	005 580 000 325 430	B0CB1J3DF7 Bimi Boo Peg Board for Toddler	\$22.99
			E 04	005 580 000 325 430	B0CKMDH9QV Suwimut Number & Letter Tra	\$20.98
			E 04	005 580 000 325 430	B0D4LW2JQS 2-in-1 Montessori Counting & S	\$19.94
			E 04	005 580 000 325 430	B0GR6VPPCP Learning Resources Snap-n-Le	\$27.49
			E 04	005 580 000 325 430	B0GVGNXWKX Learning Resources ABC Rot	\$27.99
			E 04	005 580 000 325 430	Amazon Shipping Charge	\$0.00
PO#: 11129	Voucher #:	51057	Invoice	Invoice No: 1DYRCJLM3F6P	9/4/2026	Paid Amt: \$178.48
			E 04	005 580 000 325 430	B0DPBY77TJ EZdhuawuse Summer Sea Anir	\$9.99
			E 04	005 580 000 325 430	Amazon Shipping Charge	\$0.00
PO#: 11132	Voucher #:	51058	Invoice	Invoice No: 17RF33H471TY	9/4/2026	Paid Amt: \$9.99
			E 01	100 203 975 000 401	B0CQ8V67MS hand2mind Advancing Phonics	\$128.94
			E 01	100 203 975 000 401	Amazon Shipping Charge	\$0.00
PO#: 11151	Voucher #:	51059	Invoice	Invoice No: 1T1W39PJDDL9	9/4/2026	Paid Amt: \$128.94
			E 01	100 203 102 000 430	B003U6P2FO Sax Sulphite Drawing Paper, 80	\$31.94
			E 01	100 203 102 000 430	B07MWP8FL3 Crayola Take Note Dry Erase N	\$29.98
			E 01	100 203 102 000 430	B0CLKM68WJ Tiizze 10 Pack Adhesive Penci	\$7.58
			E 01	100 203 102 000 430	B0FP2DK5BJ HUANUO Small Rolling Laptop	\$49.99
			E 01	100 203 102 000 430	B0FYD5R29G BeapTcely 30 Pcs Plastic Cray	\$24.99
			E 01	100 203 102 000 430	Amazon Shipping Charge	\$0.00
PO#: 11145	Voucher #:	51060	Invoice	Invoice No: 17RF33H44WMP	9/4/2026	Paid Amt: \$144.48
			E 04	005 582 000 344 430	B07FT8PJ3Y kizh Wooden Letter and Number	\$11.98

Detail Payment Register By Check

10/13/2026

9:38 PM

Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
100	1245			Amazon		Wire
			E 04 005 582 000 344 430	B08SJB61L TBC The Best Crafts Paint Stick		\$16.99
			E 04 005 582 000 344 430	B0BQLMBX5W BelleAngle Boho Rainbow Cal		\$9.79
			E 04 005 582 000 344 430	B0C36VSQTC Whaline 120Pcs Back to Scho		\$9.37
			E 04 005 582 000 344 430	B0CF5JMHX2 Whaline 48 Pack Boho Magnet		\$12.49
			E 04 005 582 000 344 430	B0CNX6HPKD BoArt Voice Recording Button,		\$8.99
			E 04 005 582 000 344 430	B0DHHDN3YC INIFEIDALA Montessori Wood		\$9.49
			E 04 005 582 000 344 430	B0DRTZN4MT 115Ft Boho Bulletin Board Bor		\$8.99
			E 04 005 582 000 344 430	B0FJRPNSPG AFMAT Electric Pencil Sharper		\$19.99
			E 04 005 582 000 344 430	B0FKGDKWX2 Vanmor Wooden Vehicle Alph		\$24.69
			E 04 005 582 000 344 430	B0FLDPK599 52 PCS Lacing Cards, 26 Doubl		\$19.79
			E 04 005 582 000 344 430	B0FVV3N8WL 5 Pack Multifunctional Magneti		\$25.64
			E 04 005 582 000 344 430	B0GGV2V4W5 Vermiels 30 Pack Makeup Rer		\$5.99
			E 04 005 582 000 344 430	B0GJSSMV65 PraxiKidy Alphabet Number Sh		\$13.29
			E 04 005 582 000 344 430	B0GNNT868M Learning Resources Number S		\$13.99
			E 04 005 582 000 344 430	B0GYWKFXN6 Magnetic Alphabet Maze, Mon		\$17.99
			E 04 005 582 000 344 430	Amazon Shipping Charge		\$0.00
			E 04 005 582 000 344 430	PROMO		(\$1.28)
PO#: 11130	Voucher #:	51061	Invoice	Invoice No: 1GRTTNF3DLFL	9/4/2026	Paid Amt: \$228.18
			E 01 005 110 000 000 401	B00006B8FZ Avery Easy Peel Printable Addre		\$25.09
			E 01 005 110 000 000 401	B00006IFJ8 Avery® Marks A Lot® Permanent		\$11.36
			E 01 005 110 000 000 401	B00006IFJ9 Avery Marks A Lot Permanent Ma		\$8.89
			E 01 005 110 000 000 401	B0013CBC5Q Avery Marks A Lot Permanent M		\$12.49
			E 01 005 110 000 000 401	B004G08V5Q Avery® Marks A Lot® Permanei		\$12.68
			E 01 005 110 000 000 401	B005KQ95Q4 Avery® Marks A Lot® Permanei		\$9.00
			E 01 005 110 000 000 401	B00CMKA9HK Post-it Super Sticky Notes, 3 x		\$30.78
			E 01 005 110 000 000 401	B00OQQ01BW Sharpie Permanent Markers, I		\$25.56
			E 01 005 110 000 000 401	B00QSR9URI Amazon Basics Wide Ruled Lin		\$12.82
			E 01 005 110 000 000 401	B074B184MR Amazon Basics Rubber Bands,		\$12.05
			E 01 005 110 000 000 401	B074XTRX7G Amazon Basics Sturdy Binder C		\$6.11
			E 01 005 110 000 000 401	B074XTRX7K Amazon Basics Sturdy Binder C		\$8.48
			E 01 005 110 000 000 401	B07L54B5N3 BIC Round Stic Xtra Life Assorte		\$6.33
			E 01 005 110 000 000 401	B07V5JNKN2 Sticky Notes 2x2 inch, 8 Bright		\$15.98
			E 01 005 110 000 000 401	B082CLHSPD Rarlan Wood-Cased #2 HB Per		\$20.19
			E 01 005 110 000 000 401	B08FHGTS6W Mr. Pen- Large Rubber Bands,		\$6.19
			E 01 005 110 000 000 401	B08ZMHSN26 Large Binder Clips 1.6 Inch (60		\$14.99
			E 01 005 110 000 000 401	B09XQLJFDD PAPERPAL Paperclips for Offic		\$15.18

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Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
100	1245			Amazon		Wire
			E 01 005 110 000 000 401	B09Y2KSBVZ Sharpie Tank Highlighters, Chis		\$38.78
			E 01 005 110 000 000 401	B0BCFF8Z2H PAPERPAL Paperclips for Offic		\$22.49
			E 01 005 110 000 000 401	B0DWM98HCG Deli Staples, Heavy Duty Sta		\$9.49
			E 01 005 110 000 000 401	Amazon Shipping Charge		\$0.00
PO#: 11137	Voucher #:	51062	Invoice	Invoice No: 1R7MPLDHH1GV	9/4/2026	Paid Amt: \$324.93
						Check Amount: \$5,451.67
100	2225			Andy's Lawn & Snow LLC		Wire
			E 01 005 810 191 000 305	8/3/2026		\$339.00
			E 01 005 810 191 000 305	8/12/2026		\$339.00
			E 01 005 810 191 000 305	8/20/2026		\$339.00
			E 01 005 810 191 000 305	8/27/2026		\$422.00
			E 01 005 810 191 000 305	8/31/2026		\$339.00
PO#:	Voucher #:	51042	Invoice	Invoice No: 54249-54576-55120	9/4/2026	Paid Amt: \$1,778.00
						Check Amount: \$1,778.00
100	2633			American Express		Wire
			E 01 005 020 000 000 366	MREA-SUPERINTENDENT		\$243.84
			E 01 300 050 000 000 820	MREA-PRINCIPAL		\$243.84
			E 01 005 105 000 000 401	LEXIA-DHOORE LETERS		\$399.00
			E 01 005 810 193 000 350	PITTSBURGH PAINTS		\$268.95
			E 01 300 292 000 000 820	MSHSL-SPORTS RULES BOOKS		\$90.58
			E 01 300 294 412 000 401	FOOTBALL FUNDRAISER ACCT-CASEYS PI		\$119.13
			E 01 300 050 000 000 820	PRINCIPAL TRAINING -SWWC		\$15.00
PO#:	Voucher #:	51046	Invoice	Invoice No: 9.4.26	9/4/2026	Paid Amt: \$1,380.34
			E 02 005 770 000 701 401	9" PAPER PLATES		\$37.99
			E 02 005 770 000 701 401	FOIL STEAM PANS		\$133.98
			E 02 005 770 000 701 401	DINNER FORKS		\$66.50
			E 02 005 770 000 701 401	NAPKINS		\$299.90
			E 02 005 770 000 701 401	BROOM		\$62.99
			E 02 005 770 000 701 401	SHIPPING		\$156.48
PO#: 11147	Voucher #:	51047	Invoice	Invoice No: 9.4.26	9/4/2026	Paid Amt: \$757.84
						Check Amount: \$2,138.18
100	3002			Fidelity Security Life Insurance Co.		Wire
			B 01 215 000	MONTHLY PREMIUMS		\$128.10
PO#:	Voucher #:	51045	Invoice	Invoice No: 167485601	9/4/2026	Paid Amt: \$128.10
						Check Amount: \$128.10

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Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
100	3226			Ampion PBC		Wire
			E 01 005 810	184 000 330 MONTHLY CHARGES		\$15.32
PO#:	Voucher #:	51043	Invoice	Invoice No: 2026090003281118	9/4/2026	Paid Amt: \$15.32
						Check Amount: \$15.32
100	3690			Ampion PBC		Wire
			E 01 005 810	184 000 330 MONTHLY CHARGES		\$1,375.00
PO#:	Voucher #:	51044	Invoice	Invoice No: 2026090003282218	9/4/2026	Paid Amt: \$1,375.00
						Check Amount: \$1,375.00
100	00524			Waste Management-TC West		Wire
			E 01 005 810	186 000 330 MONTHLY CHARGES		\$480.27
PO#:	Voucher #:	51098	Invoice	Invoice No: 9.11.26	9/11/2026	Paid Amt: \$480.27
						Check Amount: \$480.27
100	00160			MN Teachers Retirement Assoc.		Wire
			B 01 215 018	PAYROLL DEDUCTIONS		\$15,611.31
PO#:	Voucher #:	51105	Invoice	Invoice No: 9.15.26	9/15/2026	Paid Amt: \$15,611.31
						Check Amount: \$15,611.31
100	00165			Public Empl. Retirement Assoc		Wire
			B 01 215 014	PAYROLL DEDUCTIONS		\$1,733.21
			B 01 215 014	CREDIT		(\$246.92)
PO#:	Voucher #:	51104	Invoice	Invoice No: 9.15.26	9/15/2026	Paid Amt: \$1,486.29
						Check Amount: \$1,486.29
100	00196			INTERNAL REVENUE SERVICE		Wire
			B 01 215 011	FEDERAL TAXES		\$5,547.39
			B 01 215 010	OSADI		\$12,167.90
			B 01 215 010	MEDICARE		\$2,845.58
PO#:	Voucher #:	51102	Invoice	Invoice No: 9.15.26	9/15/2026	Paid Amt: \$20,560.87
						Check Amount: \$20,560.87
100	01022			MN Department of Revenue		Wire
			B 01 215 013	STATE TAXES PAYROLL 9/15/2026		\$3,483.66
PO#:	Voucher #:	51103	Invoice	Invoice No: 9.15.26	9/15/2026	Paid Amt: \$3,483.66
						Check Amount: \$3,483.66
100	2455			EBC		Wire
			B 01 215 005	PAYROLL DEDUCTIONS 403B		\$6,746.42
PO#:	Voucher #:	51106	Invoice	Invoice No: 9.15.26	9/15/2026	Paid Amt: \$6,746.42
						Check Amount: \$6,746.42

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Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type			
100	3269			WEX Health, Inc.		Wire			
			B 01 215 023		HSA	\$1,777.32			
			B 01 215 023		FSA	\$15.00			
PO#:	Voucher #:	51107	Invoice	Invoice No: 9.15.26	9/15/2026	Paid Amt:	\$1,792.32		
						Check Amount:	\$1,792.32		
100	00127			Xcel Energy		Wire			
			E 01 005 810 184 000 330	MONTHLY CHARGES		\$3,463.91			
PO#:	Voucher #:	51169	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt:	\$3,463.91		
						Check Amount:	\$3,463.91		
100	00160			MN Teachers Retirement Assoc.		Wire			
			B 01 215 018	PAYROLL DEDUCTIONS 9/30/2026		\$15,672.49			
PO#:	Voucher #:	51174	Invoice	Invoice No: 9.30.26	9/30/2026	Paid Amt:	\$15,672.49		
						Check Amount:	\$15,672.49		
100	00165			Public Empl. Retirement Assoc		Wire			
			B 01 215 014	PAYROLL DEDUCTIONS 9/30/2026		\$3,618.55			
PO#:	Voucher #:	51173	Invoice	Invoice No: 9.30.26	9/30/2026	Paid Amt:	\$3,618.55		
						Check Amount:	\$3,618.55		
100	00196			INTERNAL REVENUE SERVICE		Wire			
			B 01 215 011	FEDERAL		\$5,840.30			
			B 01 215 010	OSADI		\$13,415.78			
			B 01 215 010	MEDICARE		\$3,137.68			
PO#:	Voucher #:	51171	Invoice	Invoice No: 9.30.26	9/30/2026	Paid Amt:	\$22,393.76		
						Check Amount:	\$22,393.76		
100	01022			MN Department of Revenue		Wire			
			B 01 215 013	PAYROLL TAXES 9/30/2026		\$3,770.18			
PO#:	Voucher #:	51172	Invoice	Invoice No: 9.30.26	9/30/2026	Paid Amt:	\$3,770.18		
						Check Amount:	\$3,770.18		
100	2455			EBC		Wire			
			B 01 215 005	PAYROLL DEDUCTIONS 9/30/2026		\$7,197.52			
PO#:	Voucher #:	51175	Invoice	Invoice No: 9.30.26	9/30/2026	Paid Amt:	\$7,197.52		
						Check Amount:	\$7,197.52		
100	3269			WEX Health, Inc.		Wire			
			B 01 215 023	FSA		\$15.00			
			B 01 215 023	HSA		\$1,777.32			
PO#:	Voucher #:	51176	Invoice	Invoice No: 9.30.26	9/30/2026	Paid Amt:	\$1,792.32		
						Check Amount:	\$1,792.32		

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Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
100	00160			MN Teachers Retirement Assoc.		Wire
			B 01 215 018	PAYROLL DEDUCTIONS		\$199.63
PO#:	Voucher #:	51179	Invoice	Invoice No: 9.30.26	9/30/2026	Paid Amt: \$199.63
						Check Amount: \$199.63
100	00196			INTERNAL REVENUE SERVICE		Wire
			B 01 215 011	FEDERAL		\$127.03
			B 01 215 010	OSADI		\$252.34
			B 01 215 010	MEDICARE		\$59.00
PO#:	Voucher #:	51177	Invoice	Invoice No: 9.30.26	9/30/2026	Paid Amt: \$438.37
						Check Amount: \$438.37
100	01022			MN Department of Revenue		Wire
			B 01 215 013	PAYROLL TAXES-G. LEMBCKE		\$76.10
PO#:	Voucher #:	51178	Invoice	Invoice No: 9.30.26	9/30/2026	Paid Amt: \$76.10
						Check Amount: \$76.10
100	55683 3529			Aviben		Check
			B 01 215 005	Monthly fee		\$70.25
PO#:	Voucher #:	51002	Invoice	Invoice No: 43436	9/4/2026	Paid Amt: \$70.25
						Check Amount: \$70.25
100	55684 2185			Bernick's		Check
			E 21 300 298 948 301 401	Concessions-class of 2030		\$689.76
PO#:	Voucher #:	51003	Invoice	Invoice No: 10531412	9/4/2026	Paid Amt: \$689.76
						Check Amount: \$689.76
100	55685 3171			blick.com		Check
			E 01 300 270 000 000 401	21518-3050 Pink Pearl Eraser - Medium, Box		\$6.93
PO#:	Voucher #:	51005	Invoice	Invoice No: 8623875	9/4/2026	Paid Amt: \$6.93
			E 01 300 212 000 000 430	30408-2246 Mayco Stroke & Coat Wonderglaz		\$36.24
			E 01 300 212 000 000 430	30408-1004 Mayco Stroke & Coat Wonderglaz		\$36.24
			E 01 300 212 000 000 430	30408-4936 Mayco Stroke & Coat Wonderglaz		\$18.12
			E 01 300 212 000 000 430	30408-4506 Mayco Stroke & Coat Wonderglaz		\$18.12
			E 01 300 212 000 000 430	83427-1009 Blick Essentials Clear Glaze - Gal		\$31.01
			E 01 300 212 000 000 430	30408-4106 Mayco Stroke & Coat Wonderglaz		\$18.12
PO#:	Voucher #:	51004	Invoice	Invoice No: 8375215	9/4/2026	Paid Amt: \$157.85
						Check Amount: \$164.78

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Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type			
100	55686	03821		CenturyLink		Check			
			E 01 005 110 000 000 320	MONTHLY CHARGES		\$587.78			
PO#:	Voucher #:	51007	Invoice	Invoice No: 9.4.26	9/4/2026	Paid Amt:	\$587.78		
						Check Amount:	\$587.78		
100	55687	3579		CESO Finance, LLC		Check			
			E 01 005 110 000 000 305	BUSINESS MANGER SUPPORT		\$10,416.67			
PO#:	Voucher #:	51006	Invoice	Invoice No: 2363	9/4/2026	Paid Amt:	\$10,416.67		
						Check Amount:	\$10,416.67		
100	55688	01694		CULLIGAN-METRO		Check			
			E 02 005 770 000 701 305	SOLAR SALT & EQUIP INSPECTION		\$212.00			
PO#:	Voucher #:	51008	Invoice	Invoice No: 101X41734503	9/4/2026	Paid Amt:	\$212.00		
						Check Amount:	\$212.00		
100	55689	03735		DISCOUNT SCHOOL SUPPLY		Check			
			E 01 300 270 000 000 401	32091 Expo Chisel Tip Dry Erase Markers Se		\$22.79			
PO#: 11139	Voucher #:	51010	Invoice	Invoice No: 011883590101	9/4/2026	Paid Amt:	\$22.79		
						Check Amount:	\$22.79		
100	55690	3709		Ecolab Pest Elimination		Check			
			E 01 005 810 192 000 305	MONTHLY PEST PROGRAM		\$91.49			
PO#:	Voucher #:	51009	Invoice	Invoice No: 4729734	9/4/2026	Paid Amt:	\$91.49		
						Check Amount:	\$91.49		
100	55691	00262		EDMINSON, LINDA		Check			
			E 01 300 296 317 000 305	8/27 VOLLEYBALL OFFICIAL		\$60.00			
			E 01 300 296 317 000 305	8/27 VOLLEYBALL OFFICIAL		\$140.00			
PO#:	Voucher #:	51039	Invoice	Invoice No: 9.4/.2026	9/4/2026	Paid Amt:	\$200.00		
						Check Amount:	\$200.00		
100	55692	2527		Gold Medal		Check			
			E 21 300 298 948 301 401	CONCESSIONS POPCORN (CLASS OF 2021)		\$757.94			
PO#:	Voucher #:	51011	Invoice	Invoice No: 55-53157	9/4/2026	Paid Amt:	\$757.94		
						Check Amount:	\$757.94		
100	55693	3513		Hanson, Jeanne		Check			
			E 01 300 296 317 000 305	8/27 VOLLEYBALL OFFICAL		\$140.00			
			E 01 300 296 317 000 305	8/31 VOLLEYBALL OFFICAL		\$60.00			
			E 01 300 296 317 000 305	8/31 VOLLEYBALL OFFICAL		\$140.00			
PO#:	Voucher #:	51037	Invoice	Invoice No: 9.4.26	9/4/2026	Paid Amt:	\$340.00		
						Check Amount:	\$340.00		

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Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
100	55694	3449		IEA Environmental, Health & Safety Mgmt Services		Check
			E 01 005 865 000 352 305	SITE VISIT ONE		\$900.00
PO#:	Voucher #:	51012	Invoice	Invoice No: 00064583	9/4/2026	Paid Amt: \$900.00
						Check Amount: \$900.00
100	55695	00419		JK Sports Inc		Check
			E 01 300 294 412 000 401	FOOTBALL		\$938.00
PO#:	Voucher #:	51013	Invoice	Invoice No: 98697	9/4/2026	Paid Amt: \$938.00
						Check Amount: \$938.00
100	55696	3114		Johnson Control Fire Protection LP		Check
			E 01 005 810 810 000 401	SSD SENSOR BASE		\$150.11
			E 01 005 810 810 000 401	SSD HEAT SENSOR		\$158.43
			E 01 005 810 810 000 401	L&M Labor Regular		\$600.00
PO#: 11152	Voucher #:	51014	Invoice	Invoice No: 54417459	9/4/2026	Paid Amt: \$908.54
						Check Amount: \$908.54
100	55697	1479		Kemps		Check
			E 02 005 770 000 701 495	MILK DELIVERY		\$331.90
PO#:	Voucher #:	51015	Invoice	Invoice No: 103951888	9/4/2026	Paid Amt: \$331.90
						Check Amount: \$331.90
100	55698	03070		MADISON NATIONAL LIFE INSURANCE CO		Check
			B 01 215 027	LTD		\$468.39
			B 01 215 026	LIFE		\$420.56
PO#:	Voucher #:	51019	Invoice	Invoice No: 1792162	9/4/2026	Paid Amt: \$888.95
						Check Amount: \$888.95
100	55699	00391		MARCO		Check
			E 01 100 203 000 000 560	CONTRACT PAYMENT		\$1,667.28
PO#:	Voucher #:	51016	Invoice	Invoice No: 588969444	9/4/2026	Paid Amt: \$1,667.28
						Check Amount: \$1,667.28
100	55700	00306		MN STATE HIGH SCHOOL LEAGUE		Check
			E 01 300 292 000 000 820	MEMBERSHIP DUES		\$2,185.00
PO#:	Voucher #:	51018	Invoice	Invoice No: 044766	9/4/2026	Paid Amt: \$2,185.00
						Check Amount: \$2,185.00
100	55701	1579		Music Mart		Check
			E 01 300 258 233 000 430	MERRY WAYFAIR		\$48.00
			E 01 300 258 233 000 430	DISCOUNT		(\$29.45)
PO#:	Voucher #:	51017	Invoice	Invoice No: 2068474	9/4/2026	Paid Amt: \$18.55
						Check Amount: \$18.55

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Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type	
100	55702	3718		O'BRIEN ORNAMENTAL IRON, INC		Check	
			E 01	005 865 000 384 305 EXTERIOR RAILING		\$800.00	
PO#:	Voucher #:	51020	Invoice	Invoice No: 9.4.2026	9/4/2026	Paid Amt: \$800.00	
						Check Amount: \$800.00	
100	55703	03390		PAN-O-GOLD BAKING CO		Check	
			E 02	005 770 000 701 490 OPEN HOUSE		\$145.74	
PO#:	Voucher #:	51021	Invoice	Invoice No: 10003426236001	9/4/2026	Paid Amt: \$145.74	
			E 02	005 770 000 701 490 8/31 DELIVERY		\$251.64	
PO#:	Voucher #:	51022	Invoice	Invoice No: 10003426243001	9/4/2026	Paid Amt: \$251.64	
						Check Amount: \$397.38	
100	55704	01974		Performance Foodservice		Check	
			E 02	005 770 000 705 490 BREAKFAST		\$1,053.72	
			E 02	005 770 000 701 490 LUNCH		\$413.73	
			E 02	005 770 000 707 490 ALA CAARTE		\$735.64	
			E 02	005 770 000 701 490 PAPER PRODUCTS		\$466.60	
			E 02	005 770 000 701 490 FUEL CHARGE		\$8.50	
PO#:	Voucher #:	51025	Invoice	Invoice No: 209891	9/4/2026	Paid Amt: \$2,678.19	
						Check Amount: \$2,678.19	
100	55705	3315		Pink's Hardware Store		Check	
			E 01	005 810 193 000 350 CUSTODIANS		\$26.76	
			E 01	005 810 193 000 350 CUSTODIANS		\$68.91	
PO#:	Voucher #:	51024	Invoice	Invoice No: 9.4.26	9/4/2026	Paid Amt: \$95.67	
						Check Amount: \$95.67	
100	55706	3476		Really Good Stuff		Check	
			E 01	100 203 104 000 430 155787 Desktop Helper 18 Self Adhesive Viny		\$76.92	
			E 01	100 203 104 000 430 165075 Zaner Bloser Print Cursive Self Adhes		\$33.24	
PO#:	11153	Voucher #:	51026	Invoice	Invoice No: 9336113	9/4/2026	Paid Amt: \$110.16
			E 01	300 270 000 000 401 167263BK Colorations Mediumweight Constr		\$7.10	
			E 01	300 270 000 000 401 170925 Economy Weight White Poster Board		\$56.99	
PO#:	11142	Voucher #:	51027	Invoice	Invoice No: 9314606	9/4/2026	Paid Amt: \$64.09
						Check Amount: \$174.25	
100	55707	3512		Schiroo, Mark		Check	
			E 01	300 296 317 000 305 8/31 VOLLEYBALL OFFICIAL		\$140.00	
PO#:	Voucher #:	51038	Invoice	Invoice No: 9.4.26	9/4/2026	Paid Amt: \$140.00	
						Check Amount: \$140.00	

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Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
100	55708	1216		School Mate		Check
			E 01	100 203 000 000 430 pLANNERS		\$544.00
			E 01	100 203 000 000 430 SHIPPING		\$96.00
PO#:	Voucher #:	51028	Invoice	Invoice No: 000656287	9/4/2026	Paid Amt: \$640.00
						Check Amount: \$640.00
100	55709	01283		SCHOOL SPECIALTY INC		Check
			E 01	300 270 000 000 401 1512578 Ticonderoga Wood-Cased Golf Penc		\$14.16
			E 01	300 270 000 000 401 077415 Sharpie Permanent Markers, Ultra Fin		\$11.37
PO#: 11143	Voucher #:	51029	Invoice	Invoice No: 308104935532	9/4/2026	Paid Amt: \$25.53
						Check Amount: \$25.53
100	55710	2239		Sysco Western Minnesota		Check
			E 02	005 770 000 705 490 BREAKFAST		\$160.88
			E 02	005 770 000 701 490 LUNCH		\$2,532.16
			E 02	005 770 000 707 490 ALA CARTE		\$261.75
			E 02	005 770 000 701 490 PAPER PRODUCTS		\$170.90
PO#:	Voucher #:	51030	Invoice	Invoice No: 353257024	9/4/2026	Paid Amt: \$3,125.69
			E 02	005 770 000 705 490 BREAKFAST		\$806.69
			E 02	005 770 000 701 490 LUNCH		\$3,103.44
			E 02	005 770 000 701 490 PAPER PRODUCTS		\$139.75
			E 02	005 770 000 701 490 OPEN HOUSE-DASHIR		\$328.14
			E 02	005 770 000 701 490 EMPLOYEE BREAKFAST		\$19.86
			E 02	005 770 000 707 490 ALA CARTE		\$697.15
PO#:	Voucher #:	51031	Invoice	Invoice No: 353252466	9/4/2026	Paid Amt: \$5,095.03
						Check Amount: \$8,220.72
100	55711	3261		UHL		Check
			E 01	005 810 193 000 350 AAON CONDENSOR		\$2,860.00
PO#:	Voucher #:	51032	Invoice	Invoice No: 86384	9/4/2026	Paid Amt: \$2,860.00
						Check Amount: \$2,860.00
100	55712	2055		Unhinged Pizza		Check
			E 21	300 298 948 301 401 #70		\$78.00
			E 21	300 298 948 301 401 #94		\$82.99
PO#:	Voucher #:	51033	Invoice	Invoice No: 9.4.26	9/4/2026	Paid Amt: \$160.99
						Check Amount: \$160.99

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Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
100	55713	1948		University of Oregon		Check
			E 01 005 105 108 000 401	SWIS		\$500.00
PO#:	Voucher #:	51023	Invoice	Invoice No: 00084691	9/4/2026	Paid Amt: \$500.00
						Check Amount: \$500.00
100	55714	01150		Verified Credentials		Check
			E 01 005 718 000 342 311	AUGUST BACKGROUND CHECKS		\$320.00
PO#:	Voucher #:	51034	Invoice	Invoice No: 1161	9/4/2026	Paid Amt: \$320.00
						Check Amount: \$320.00
100	55715	3626		VESTIS		Check
			E 02 005 770 000 701 401	8/26 DELIVERY		\$61.60
PO#:	Voucher #:	51035	Invoice	Invoice No: 25001068271	9/4/2026	Paid Amt: \$61.60
			E 02 005 770 000 701 401	8/26 DELIVERY		\$61.60
PO#:	Voucher #:	51036	Invoice	Invoice No: 2501068271	9/4/2026	Paid Amt: \$61.60
						Check Amount: \$123.20
100	55716	3719		Harper, Kayla		Check
			E 01 300 294 312 000 305	football refund		\$240.00
PO#:	Voucher #:	51041	Invoice	Invoice No: 9.4.26	9/4/2026	Paid Amt: \$240.00
						Check Amount: \$240.00
100	55717	00285		FIRST COMMUNITY BANK		Check
			B 01 104 001	CD RENEWAL		\$25,000.00
PO#:	Voucher #:	51067	Invoice	Invoice No: 9.2026	9/11/2026	Paid Amt: \$25,000.00
						Check Amount: \$25,000.00
100	55718	00170		4.0 Bus Service		Check
			E 01 005 760 000 720 360	CONTRACT ROUTES		\$25,011.00
			E 01 005 760 000 720 360	FUEL CLAUSE		\$642.60
			E 01 300 296 317 000 366	VOLLEYBALL		\$416.83
			E 01 300 292 321 000 366	CROSS COUNTRY		\$177.40
PO#:	Voucher #:	51068	Invoice	Invoice No: 9.2026	9/11/2026	Paid Amt: \$26,247.83
						Check Amount: \$26,247.83
100	55719	2269		Advanced Health, Safety and Security		Check
			E 01 005 810 193 000 350	RENEWAL SUBSCRIPTION AUGUST 2026-A		\$805.00
PO#:	Voucher #:	51069	Invoice	Invoice No: 6476MN	9/11/2026	Paid Amt: \$805.00
						Check Amount: \$805.00

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Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
100	55720	3274		BerganKDV		Check
			E 01	005 110 022 000 305	2026 AUDIT	\$30,000.00
PO#:	Voucher #:	51070	Invoice	Invoice No: 1293978	9/11/2026	Paid Amt: \$30,000.00
						Check Amount: \$30,000.00
100	55721	3048		Blashack, Jason		Check
			E 01	300 296 317 000 305	8/27/26 AND 8/31/26 VOLLEYBALL	\$50.00
PO#:	Voucher #:	51096	Invoice	Invoice No: 9.11.26	9/11/2026	Paid Amt: \$50.00
						Check Amount: \$50.00
100	55722	3648		Capti		Check
			E 01	005 605 063 499 406	Capti ReadBasix	\$1,100.00
			E 01	005 605 063 499 406	Year 2 Professional Learning	\$1,000.00
PO#: 11179	Voucher #:	51071	Invoice	Invoice No: 2856	9/11/2026	Paid Amt: \$2,100.00
						Check Amount: \$2,100.00
100	55723	00126		CenterPoint Energy		Check
			E 01	005 810 181 000 330	MONTHLY CHARGES	\$403.44
PO#:	Voucher #:	51097	Invoice	Invoice No: 9.11.26	9/11/2026	Paid Amt: \$403.44
						Check Amount: \$403.44
100	55724	00061		CITY OF LESTER PRAIRIE		Check
			E 01	005 865 000 384 305	AUGUST 2026 USAGE	\$284.25
			E 01	005 865 000 384 305	AUGUST 2026 USAGE	\$109.05
			E 01	005 865 000 384 305	AUGUST 2026 USAGE	\$141.25
PO#:	Voucher #:	51073	Invoice	Invoice No: 9.10.26	9/11/2026	Paid Amt: \$534.55
						Check Amount: \$534.55
100	55725	00959		Electronic Servicing		Check
			E 01	005 605 000 302 555	SMART BOARD PLACMENT	\$168.75
PO#:	Voucher #:	51074	Invoice	Invoice No: 24669	9/11/2026	Paid Amt: \$168.75
						Check Amount: \$168.75
100	55726	3717		Functional Phonics		Check
			E 01	100 203 000 000 430	TEACHER MANUAL-EARLY	\$135.00
			E 01	100 203 000 000 430	TEACHER MANUAL-BASIC	\$135.00
			E 01	100 203 000 000 430	ADVANCED-MANUAL	\$135.00
			E 01	100 203 000 000 430	SERIES 1- MANUAL	\$135.00
			E 01	100 203 000 000 430	SERIES 2-MANUAL	\$135.00
			E 01	100 203 000 000 430	SERIES 3- MANUAL	\$135.00
			E 01	100 203 000 000 430	SERIES 1- CARDS	\$35.00
			E 01	100 203 000 000 430	SERIES 2- CARDS	\$35.00

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Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
100	55726	3717		Functional Phonics		Check
			E 01	100 203 000 000 430	SERIES 3- CARDS	\$35.00
			E 01	100 203 000 000 430	SHIPPING	\$92.00
PO#:	11167	Voucher #:	51100	Invoice	Invoice No: 9.11.26	9/11/2026
					Paid Amt:	\$1,007.00
					Check Amount:	\$1,007.00
100	55727	3664		GFW HIGH SCHOOL		Check
			E 01	300 296 317 000 305	9/12/2026 VOLLEYBALL TOURNAMENT	\$90.00
PO#:		Voucher #:	51076	Invoice	Invoice No: 9.10.2026	9/11/2026
					Paid Amt:	\$90.00
					Check Amount:	\$90.00
100	55728	3380		Gold Tree Apparel		Check
			E 21	300 298 970 301 401	CLASS SHIRT ORDER	\$1,561.00
PO#:		Voucher #:	51075	Invoice	Invoice No: 0885	9/11/2026
					Paid Amt:	\$1,561.00
					Check Amount:	\$1,561.00
100	55729	2483		Greater MN Communications		Check
			E 01	005 110 381 000 305	Prins bank decal	\$199.00
PO#:		Voucher #:	51099	Invoice	Invoice No: 36246	9/11/2026
					Paid Amt:	\$199.00
					Check Amount:	\$199.00
100	55730	2571		Heimerl, Craig		Check
			E 01	300 296 317 000 305	8/31/26 VOLLEYBALL	\$25.00
PO#:		Voucher #:	51093	Invoice	Invoice No: 9.11.26	9/11/2026
					Paid Amt:	\$25.00
					Check Amount:	\$25.00
100	55731	01306		Herald Journal Publishing		Check
			E 01	005 110 381 000 305	BOND NOTICE	\$73.50
PO#:		Voucher #:	51077	Invoice	Invoice No: 9.11.26	9/11/2026
					Paid Amt:	\$73.50
					Check Amount:	\$73.50
100	55732	3714		Heritage Landscape Supply Egan		Check
			E 01	300 292 000 000 820	STRIPE MARKING PAINT-ATHLETICS	\$1,513.80
PO#:	11146	Voucher #:	51078	Invoice	Invoice No: 0029060016-001	9/11/2026
					Paid Amt:	\$1,513.80
					Check Amount:	\$1,513.80
100	55733	3299		Herrmann, Erin		Check
			E 01	300 296 317 000 305	8/27/26 AND 8/31/26 VOLLEYBALL	\$50.00
PO#:		Voucher #:	51095	Invoice	Invoice No: 9.11.26	9/11/2026
					Paid Amt:	\$50.00
					Check Amount:	\$50.00

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Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
100	55734	3716		Imperial Brady		Check
			E 01	005 810 810 000 401 CUSTODIAN ORDER		\$184.09
PO#:	Voucher #:	51079	Invoice	Invoice No: 43039348	9/11/2026	Paid Amt: \$184.09
						Check Amount: \$184.09
100	55735	1895		ISD # Central Public Schools		Check
			E 01	300 292 321 000 369 9/15/2026 CROSS COUNTRY MEET		\$200.00
PO#:	Voucher #:	51072	Invoice	Invoice No: 9.2026	9/11/2026	Paid Amt: \$200.00
						Check Amount: \$200.00
100	55736	3156		ISD #2905 - Tri City United		Check
			E 01	300 296 317 000 305 9/12/26 VOLLEYBALL TOURNAMENT		\$100.00
PO#:	Voucher #:	51087	Invoice	Invoice No: 9.11.26	9/11/2026	Paid Amt: \$100.00
			E 01	300 292 321 000 369 9/10/2026 CROSS COUNTRY MEET		\$250.00
PO#:	Voucher #:	51088	Invoice	Invoice No: 9.11.26	9/11/2026	Paid Amt: \$250.00
						Check Amount: \$350.00
100	55737	1479		Kemps		Check
			E 02	005 770 000 701 495 9/2/2026 DELIVERY		\$569.10
PO#:	Voucher #:	51080	Invoice	Invoice No: 103956840	9/11/2026	Paid Amt: \$569.10
						Check Amount: \$569.10
100	55738	2634		ND Center for Distance Education		Check
			E 01	300 211 211 000 394 STUDENT DISTANT EDUCATION		\$349.00
PO#:	Voucher #:	51092	Invoice	Invoice No: 9.11.2026	9/11/2026	Paid Amt: \$349.00
						Check Amount: \$349.00
100	55739	01467		Region 2A		Check
			E 01	300 292 321 000 369 CROSS COUNTRY ENTRY FEE		\$300.00
PO#:	Voucher #:	51081	Invoice	Invoice No: 9.11.2026	9/11/2026	Paid Amt: \$300.00
						Check Amount: \$300.00
100	55740	2875		Riverside Insights LLC Customer Service		Check
			E 01	100 203 000 000 430 WJV NONVERBAL FOR UNLIMITED MODEL		\$35.79
			E 01	100 203 000 000 430 WJV-UNLIMITED SUBSCRIPTION		\$505.70
			E 01	100 203 000 000 430 DISACOUNT		(\$35.79)
PO#:	Voucher #:	51083	Invoice	Invoice No: INV289530	9/11/2026	Paid Amt: \$505.70
						Check Amount: \$505.70
100	55741	00249		SUPREME SCHOOL SUPPLY CO.		Check
			E 01	100 203 000 000 401 (M11708) DAILY PLANNER		\$17.25
			E 01	100 203 000 000 401 (40D) TEACHER PLAN BOOK		\$21.00
			E 01	100 203 000 000 401 (36) TEACHER REFERENCE PLANNER		\$22.50

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Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
100	55741	00249		SUPREME SCHOOL SUPPLY CO.		Check
			E 01	100 203 000 000 401 Freight		\$13.81
PO#:	11160	Voucher #:	51082	Invoice Invoice No: 208332	9/11/2026	Paid Amt: \$74.56
						Check Amount: \$74.56
100	55742	1623		SW/WC Service Coop		Check
			E 01	005 110 000 000 316 STUDENT DATA PRIVACY PROGRAM		\$1,775.00
PO#:		Voucher #:	51101	Invoice Invoice No: 82805	9/11/2026	Paid Amt: \$1,775.00
						Check Amount: \$1,775.00
100	55743	00272		SW/WC SERVICE COOPERATIVES		Check
			E 01	005 408 000 740 396 BEHAVIOR ANALYSIS-SALARY		\$963.18
			E 01	005 408 000 740 397 BENEFITS		\$372.79
			E 01	005 408 000 740 397 ADMIN FEES		\$111.25
			E 01	005 408 000 740 366 TRAVEL		\$1,252.79
			E 01	005 412 000 740 396 ECSE TEACHER-SALARY		\$5,857.00
			E 01	005 412 000 740 397 BENEFITS		\$2,266.78
			E 01	005 110 000 000 316 SCHOOL NURSE-SALARY		\$978.90
			E 01	005 110 000 000 316 BENEFITS		\$378.88
			E 01	005 110 000 000 316 ADMIN FEES		\$81.50
			E 01	005 110 000 000 316 TRAVEL		\$535.73
			E 01	005 404 000 740 396 OCCUPATIONAL THERAPY-SALARY		\$3,006.00
			E 01	005 404 000 740 397 BENEFITS		\$1,163.25
			E 01	005 404 000 740 396 PHYSICAL THERAPY-SALARY		\$1,297.75
			E 01	005 420 000 740 396 SCHOOL PSYCHOLOGIST-SALARY		\$1,900.00
			E 01	005 420 000 740 366 TRAVEL		(\$0.50)
			E 01	005 401 000 740 396 SPEECH/LANGUAGE-SALARY		\$19,938.00
			E 01	005 401 000 740 397 BENEFITS		\$7,715.75
			E 01	005 405 000 740 396 TEACHE ROF DEAF-SALARY		\$2,199.75
			E 01	005 405 000 740 396 Sp Ed Sal Pur F Other D		\$0.00
PO#:		Voucher #:	51084	Invoice Invoice No: 82875	9/11/2026	Paid Amt: \$50,018.80
						Check Amount: \$50,018.80
100	55744	3684		Swartzter, Kortney		Check
			E 01	300 296 317 000 305 8/27/26 and 8/31/26 VOLLEYBALL		\$50.00
PO#:		Voucher #:	51094	Invoice Invoice No: 9.11.26	9/11/2026	Paid Amt: \$50.00
						Check Amount: \$50.00
100	55745	2239		Sysco Western Minnesota		Check
			E 02	005 770 000 705 490 BREAKFAST		\$196.15
			E 02	005 770 000 701 490 LUNCH		\$1,593.73

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Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
100	55745	2239		Sysco Western Minnesota		Check		
			E 02	005 770 000 707 490			\$213.67	
			E 02	005 770 000 701 490			\$81.73	
PO#:	Voucher #:	51085	Invoice	Invoice No: 353263422	9/11/2026	Paid Amt:	\$2,085.28	
			E 02	005 770 000 701 491			\$21.67	
PO#:	Voucher #:	51086	Invoice	Invoice No: 353263421	9/11/2026	Paid Amt:	\$21.67	
							Check Amount:	\$2,106.95
100	55746	1602		Verizon Wireless		Check		
			E 01	005 020 000 000 320			\$50.24	
			E 01	300 050 000 000 320			\$49.56	
			E 01	300 292 311 000 320			\$49.56	
PO#:	Voucher #:	51090	Invoice	Invoice No: 9.11.26	9/11/2026	Paid Amt:	\$149.36	
							Check Amount:	\$149.36
100	55747	3626		VESTIS		Check		
			E 02	005 770 000 701 401			\$41.56	
PO#:	Voucher #:	51089	Invoice	Invoice No: 2501073894	9/11/2026	Paid Amt:	\$41.56	
							Check Amount:	\$41.56
100	55748	3147		Weatherproofing Technologies, Inc.		Check		
			E 01	005 810 192 000 350			\$899.70	
PO#:	Voucher #:	51091	Invoice	Invoice No: 98691590	9/11/2026	Paid Amt:	\$899.70	
							Check Amount:	\$899.70
100	55749	2185		Bernick's		Check		
			E 21	300 298 948 301 401			\$865.42	
PO#:	Voucher #:	51108	Invoice	Invoice No: 10536601	9/18/2026	Paid Amt:	\$865.42	
							Check Amount:	\$865.42
100	55750	1656		Bjork, Michael		Check		
			E 01	300 294 312 000 305	9/11/2026		\$25.00	
PO#:	Voucher #:	51126	Invoice	Invoice No: 9.18.2026	9/18/2026	Paid Amt:	\$25.00	
							Check Amount:	\$25.00
100	55751	3579		CESO Finance, LLC		Check		
			E 01	005 110 000 000 305			\$10,416.67	
PO#:	Voucher #:	51109	Invoice	Invoice No: 2293	9/18/2026	Paid Amt:	\$10,416.67	
							Check Amount:	\$10,416.67

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Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
100	55752	3721		CHAD CROSBY		Check
			E 01 300 294 312 000 305	FOOTBALL OFFICIAL 9/11/2026		\$125.00
PO#:	Voucher #:	51127	Invoice	Invoice No: 9.18.26	9/18/2026	Paid Amt: \$125.00
						Check Amount: \$125.00
100	55753	3713		eGoldFax		Check
			E 01 005 110 000 000 320	MONTHLY CHARGES		\$30.99
PO#:	Voucher #:	51110	Invoice	Invoice No: 12236446	9/18/2026	Paid Amt: \$30.99
						Check Amount: \$30.99
100	55754	2799		Greater Minnesota Family Services		Check
			E 01 005 420 000 740 394	AUGUST 2026 CONTRACTED SERVICES		\$1,024.85
PO#:	Voucher #:	51111	Invoice	Invoice No: 1300629	9/18/2026	Paid Amt: \$1,024.85
						Check Amount: \$1,024.85
100	55755	1479		Kemps		Check
			E 02 005 770 000 701 495	9/9/2026 DELIVERY		\$843.83
PO#:	Voucher #:	51112	Invoice	Invoice No: 103961455	9/18/2026	Paid Amt: \$843.83
						Check Amount: \$843.83
100	55756	3123		Lady J Design		Check
			E 01 300 296 419 000 401	JACKETS		\$660.00
			E 01 300 296 419 000 401	PANTS		\$384.00
			E 01 300 296 419 000 401	HATS		\$432.00
PO#:	Voucher #:	51113	Invoice	Invoice No: 17302	9/18/2026	Paid Amt: \$1,476.00
						Check Amount: \$1,476.00
100	55757	3720		LOYD, DOUGLAS		Check
			E 01 300 294 312 000 305	FOOTBALL OFFICIAL 9/11/2026		\$125.00
PO#:	Voucher #:	51129	Invoice	Invoice No: 9.18.26	9/18/2026	Paid Amt: \$125.00
						Check Amount: \$125.00
100	55758	3724		Matthew Kleis		Check
			E 01 300 294 312 000 305	FOOTBALL OFFICIAL 9/11/2026		\$125.00
PO#:	Voucher #:	51130	Invoice	Invoice No: 9.18.26	9/18/2026	Paid Amt: \$125.00
						Check Amount: \$125.00
100	55759	03390		PAN-O-GOLD BAKING CO		Check
			E 02 005 770 000 701 490	9/14/26 DELIVERY		\$254.92
PO#:	Voucher #:	51114	Invoice	Invoice No: 10003426257001	9/18/2026	Paid Amt: \$254.92
						Check Amount: \$254.92

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Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
100	55760	3723		Patrick Buhl		Check
			E 01	300 294 312 000 305	FOOTBALL OFFICIAL 9/11/2026	\$125.00
PO#:	Voucher #:	51131	Invoice	Invoice No: 9.18.26	9/18/2026	Paid Amt: \$125.00
						Check Amount: \$125.00
100	55761	01974		Performance Foodservice		Check
			E 02	005 770 000 705 490	BREAKFAST	\$258.61
			E 02	005 770 000 701 490	LUNCH	\$838.37
			E 02	005 770 000 701 490	PAPER PRODUCTS	\$109.31
			E 02	005 770 000 701 490	FUEL CHARGE	\$8.50
			E 02	005 770 000 707 490	ALA CARTE	\$242.49
PO#:	Voucher #:	51115	Invoice	Invoice No: 236409	9/18/2026	Paid Amt: \$1,457.28
						Check Amount: \$1,457.28
100	55762	2615		Southern Lock & Glass		Check
			E 01	005 718 000 342 401	REKEY SERVICES	\$610.00
PO#:	Voucher #:	51116	Invoice	Invoice No: 20573	9/18/2026	Paid Amt: \$610.00
						Check Amount: \$610.00
100	55763	3367		Squire, Waldspurger & Mace, P.A.		Check
			E 01	005 110 150 000 305	PHONE CALL WITH SUPERINTENDENT	\$58.00
PO#:	Voucher #:	51117	Invoice	Invoice No: 30929	9/18/2026	Paid Amt: \$58.00
						Check Amount: \$58.00
100	55764	3722		STEVEN WOLVIN		Check
			E 01	300 294 312 000 305	FOOTBALL OFFICIAL 9/11/2026	\$125.00
PO#:	Voucher #:	51128	Invoice	Invoice No: 9.18.26	9/18/2026	Paid Amt: \$125.00
						Check Amount: \$125.00
100	55765	2756		Superior Cheer		Check
			E 01	300 296 419 000 401	CUSTOM BOW	\$69.75
			E 01	300 296 419 000 401	SHIPPING	\$15.95
PO#:	Voucher #:	51120	Invoice	Invoice No: S1268711	9/18/2026	Paid Amt: \$85.70
						Check Amount: \$85.70
100	55766	2239		Sysco Western Minnesota		Check
			E 02	005 770 000 705 490	BREAKFAST	\$445.06
			E 02	005 770 000 701 490	LUNCH	\$1,978.19
			E 02	005 770 000 707 490	ALA CARTE	\$416.66
PO#:	Voucher #:	51119	Invoice	Invoice No: 353268164	9/18/2026	Paid Amt: \$2,839.91

Detail Payment Register By Check

10/13/2026

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Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
100	55766	2239		Sysco Western Minnesota		Check
			E 02 005 770 000 701 491	COMMODITY		\$14.86
PO#:	Voucher #:	51118	Invoice	Invoice No: 353268163	9/18/2026	Paid Amt: \$14.86
						Check Amount: \$2,854.77
100	55767	2390		Teachers Pay teachers.com		Check
			E 01 100 411 000 740 433	Elem. Sped Science Curriculum		\$160.52
			E 01 100 411 000 740 433	Processing fee		\$2.99
			E 01 100 411 000 740 433	tax-exempt papers sent so it should be remove		\$0.00
PO#: 11107	Voucher #:	51121	Invoice	Invoice No: 340109560	9/18/2026	Paid Amt: \$163.51
						Check Amount: \$163.51
100	55768	3349		Tomahawk Conference		Check
			E 01 300 292 000 000 820	MEMBERSHIP FEE		\$600.00
			E 01 300 292 000 000 820	ACTIVITY FEES		\$540.00
			E 01 300 292 000 000 820	TRACK MEET FEE		\$75.00
PO#:	Voucher #:	51122	Invoice	Invoice No: 9.17.26	9/18/2026	Paid Amt: \$1,215.00
						Check Amount: \$1,215.00
100	55769	2055		Unhinged Pizza		Check
			E 21 300 298 948 301 401	9/11/2026 DELIVERY-FOOTBALL		\$97.99
PO#:	Voucher #:	51123	Invoice	Invoice No: TICKET #154	9/18/2026	Paid Amt: \$97.99
						Check Amount: \$97.99
100	55770	3626		VESTIS		Check
			E 02 005 770 000 701 401	TOWEL DELIVERY		\$41.56
PO#:	Voucher #:	51124	Invoice	Invoice No: 2501085047	9/18/2026	Paid Amt: \$41.56
			E 02 005 770 000 701 401	TOWEL DELIVERY		\$41.56
PO#:	Voucher #:	51125	Invoice	Invoice No: 2501079460	9/18/2026	Paid Amt: \$41.56
						Check Amount: \$83.12
100	55771	3725		Amanda Machemehl		Check
			E 01 300 296 317 000 305	VOLLEYBALL 8/27,8/31,9/15,9/17 & 9/22		\$125.00
PO#:	Voucher #:	51160	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt: \$125.00
						Check Amount: \$125.00
100	55772	3048		Blashack, Jason		Check
			E 01 300 296 317 000 305	VOLLEYBALL 9/15/2026		\$25.00
PO#:	Voucher #:	51159	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt: \$25.00
						Check Amount: \$25.00
100	55773	3254		Bluum of Minnesota, LLC		Check
			E 01 005 620 000 343 465	SMART BOARD		\$2,899.00

Detail Payment Register By Check

10/13/2026

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Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type			
100	55773	3254		Bluum of Minnesota, LLC		Check			
			E 01	005 620 000 343 465	RFCUB	\$499.00			
			E 01	005 620 000 343 465	SHIPPING	\$150.00			
PO#:	11173	Voucher #:	51132	Invoice	Invoice No: 1110370 & 1110578	9/25/2026	Paid Amt:	\$3,548.00	
							Check Amount:	\$3,548.00	
100	55774	3698		BOUND		Check			
			E 01	300 211 977 000 401	Card Reader	\$349.00			
PO#:	11184	Voucher #:	51133	Invoice	Invoice No: B27-1145-0	9/25/2026	Paid Amt:	\$349.00	
							Check Amount:	\$349.00	
100	55775	3728		Catherine Tannehill		Check			
			E 01	300 296 317 000 305	VOLLEYBALL OFFICIAL 9/22/2026	\$140.00			
PO#:		Voucher #:	51170	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt:	\$140.00	
							Check Amount:	\$140.00	
100	55776	00126		CenterPoint Energy		Check			
			E 01	005 810 181 000 330	MONTHLY CHARGES	\$98.00			
			E 01	005 810 181 000 330	MONTHLY CHARGES	\$1,199.56			
PO#:		Voucher #:	51167	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt:	\$1,297.56	
							Check Amount:	\$1,297.56	
100	55777	3726		Cody Strawn		Check			
			E 02	005 770 000 701 490	LUNCH ACCOUNT REIMBURSMENT	\$40.00			
PO#:		Voucher #:	51150	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt:	\$40.00	
							Check Amount:	\$40.00	
100	55778	2573		Dashir Management Services Inc		Check			
			E 01	005 810 810 000 305	OCTOBER SERVICES	\$25,876.02			
			E 01	005 810 810 000 305	RETRO FROM JULY TO SEPTEMBER	\$729.58			
PO#:		Voucher #:	51134	Invoice	Invoice No: 9468	9/25/2026	Paid Amt:	\$26,605.60	
							Check Amount:	\$26,605.60	
100	55779	3098		Dreier, Sarah		Check			
			E 01	300 296 317 000 305	9/17	\$15.00			
			E 01	300 296 317 000 305	9/22	\$25.00			
PO#:		Voucher #:	51161	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt:	\$40.00	
							Check Amount:	\$40.00	
100	55780	3709		Ecolab Pest Elimination		Check			
			E 01	005 810 192 000 305	MONTHLY SERVICES DONE ON 9/18/2026	\$92.56			
PO#:		Voucher #:	51135	Invoice	Invoice No: 4977775	9/25/2026	Paid Amt:	\$92.56	
							Check Amount:	\$92.56	

Detail Payment Register By Check

10/13/2026

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Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
100	55781	2483		Greater MN Communications		Check
			E 01 300 294 312 000 305	FOOTBALL STATE APPEARANCE DATES (S		\$130.00
PO#:	Voucher #:	51136	Invoice	Invoice No: 36265	9/25/2026	Paid Amt: \$130.00
			E 01 300 294 412 000 401	FOOTBALL PROGRAMS (BOLD)		\$91.00
PO#:	Voucher #:	51137	Invoice	Invoice No: 36358	9/25/2026	Paid Amt: \$91.00
			E 01 005 110 381 000 305	BANNER		\$225.00
			E 01 005 110 381 000 305	BUSINESS SIGNS FOR BOTH GYMS		\$260.00
PO#:	Voucher #:	51138	Invoice	Invoice No: 36393	9/25/2026	Paid Amt: \$485.00
						Check Amount: \$706.00
100	55782	3299		Herrmann, Erin		Check
			E 01 300 296 317 000 305	VOLLEYBALL 9/15, 9/17 & 9/22		\$75.00
PO#:	Voucher #:	51158	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt: \$75.00
						Check Amount: \$75.00
100	55783	00290		Hingst, Lee		Check
			E 01 300 296 317 000 305	9/15/2026		\$140.00
			E 01 300 296 317 000 305	9/17/2026		\$140.00
PO#:	Voucher #:	51164	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt: \$280.00
						Check Amount: \$280.00
100	55784	3449		IEA Environmental, Health & Safety Mgmt Services		Check
			E 01 005 865 000 352 305	SITE VISIT TWO		\$900.00
PO#:	Voucher #:	51139	Invoice	Invoice No: 00064915	9/25/2026	Paid Amt: \$900.00
						Check Amount: \$900.00
100	55785	2893		ISD # Foley High School		Check
			E 01 300 292 321 000 369	CROSS COUNTRY MEET OCTOBER 1ST		\$200.00
PO#:	Voucher #:	51168	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt: \$200.00
						Check Amount: \$200.00
100	55786	00087		ISD #110 WACONIA COMM ED		Check
			E 04 005 505 317 321 305	COMMUNITY ED VOLLEYBALL		\$100.00
PO#:	Voucher #:	51142	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt: \$100.00
						Check Amount: \$100.00
100	55787	00311		ISD #2859 GSL		Check
			E 01 300 292 321 000 369	9/24/2026 CROSS COUNTRY COMPETITION		\$150.00
PO#:	Voucher #:	51140	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt: \$150.00
						Check Amount: \$150.00

Detail Payment Register By Check

10/13/2026

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Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type			
100	55788	00161		ISD #466 DASSEL-COKATO		Check			
			E 01	300 292 321 000 369	9/29/2026 CROSS COUNTRY MEET	\$250.00			
PO#:	Voucher #:	51141	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt:	\$250.00		
						Check Amount:	\$250.00		
100	55789	3382		Jilek, Ashley		Check			
			E 02	005 770 000 701 490	REMAINING LUNCH ACCOUNT MONEY	\$2.35			
PO#:	Voucher #:	51143	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt:	\$2.35		
						Check Amount:	\$2.35		
100	55790	1479		Kemps		Check			
			E 02	005 770 000 701 495	DELIVERED 9/16/2026	\$722.90			
PO#:	Voucher #:	51145	Invoice	Invoice No: 103967329	9/25/2026	Paid Amt:	\$722.90		
			E 02	005 770 000 701 495	DELIVERED 9/14/2026	\$843.83			
PO#:	Voucher #:	51144	Invoice	Invoice No: 103965231	9/25/2026	Paid Amt:	\$843.83		
						Check Amount:	\$1,566.73		
100	55791	01230		Marco Business Products, Inc		Check			
			E 01	100 203 000 000 560	MONTHLY LEASE	\$1,822.81			
PO#:	Voucher #:	51146	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt:	\$1,822.81		
						Check Amount:	\$1,822.81		
100	55792	01157		MetLife SBC		Check			
			B 01	215 030	MONTHLY CHARGES	\$3,629.28			
PO#:	Voucher #:	51147	Invoice	Invoice No: TSO5389347	9/25/2026	Paid Amt:	\$3,629.28		
						Check Amount:	\$3,629.28		
100	55793	3727		NICOLE KLEVE		Check			
			E 01	300 296 317 000 305	JV VOLLEYBALL LINE JUDGE 9/17/26	\$15.00			
PO#:	Voucher #:	51162	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt:	\$15.00		
						Check Amount:	\$15.00		
100	55794	03390		PAN-O-GOLD BAKING CO		Check			
			E 02	005 770 000 701 490	9/21/2026 DELIVERY	\$128.70			
PO#:	Voucher #:	51148	Invoice	Invoice No: 10003426264001	9/25/2026	Paid Amt:	\$128.70		
						Check Amount:	\$128.70		
100	55795	01974		Performance Foodservice		Check			
			E 02	005 770 000 705 490	BREAKFAST	\$215.10			
			E 02	005 770 000 707 490	ALA CARTE	\$163.52			
			E 02	005 770 000 707 490	REFUND	(\$16.46)			
			E 02	005 770 000 701 490	LUNCH	\$766.94			
			E 02	005 770 000 701 490	PAPER PRODUCTS	\$54.52			

Detail Payment Register By Check

10/13/2026

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Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
100	55795	01974		Performance Foodservice		Check
			E 02 005 770 000 701 490	FUEL SURCHARGE		\$8.50
			E 02 005 770 000 701 490	REFUND		(\$57.22)
PO#:	Voucher #:	51149	Invoice	Invoice No: 245485	9/25/2026	Paid Amt: \$1,134.90
						Check Amount: \$1,134.90
100	55796	00256		Pohlmeier, Rich		Check
			E 01 300 296 317 000 305	C SQUAD		\$60.00
			E 01 300 296 317 000 305	JV/VARSITY		\$140.00
PO#:	Voucher #:	51166	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt: \$200.00
						Check Amount: \$200.00
100	55797	2536		Rettmann, Paul		Check
			E 01 300 296 317 000 305	C-SQUAD		\$60.00
			E 01 300 296 317 000 305	VARSITY		\$140.00
PO#:	Voucher #:	51163	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt: \$200.00
						Check Amount: \$200.00
100	55798	00272		SW/WC SERVICE COOPERATIVES		Check
			E 01 005 850 000 389 335	FINAL 2025-2026 LEASE ALLOCATION		\$5,334.00
PO#:	Voucher #:	51153	Invoice	Invoice No: 83008	9/25/2026	Paid Amt: \$5,334.00
						Check Amount: \$5,334.00
100	55799	3684		Swartzter, Kortney		Check
			E 01 300 296 317 000 305	VOLLEYBALL 9/15, 9/17 & 9/22		\$75.00
PO#:	Voucher #:	51157	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt: \$75.00
						Check Amount: \$75.00
100	55800	2239		Sysco Western Minnesota		Check
			E 02 005 770 000 701 491	COMMODITY		\$20.73
PO#:	Voucher #:	51151	Invoice	Invoice No: 353273809	9/25/2026	Paid Amt: \$20.73
			E 02 005 770 000 705 490	BREAKFAST		\$261.76
			E 02 005 770 000 701 490	LUNCH		\$2,562.96
			E 02 005 770 000 707 490	ALA CARTE		\$209.23
PO#:	Voucher #:	51152	Invoice	Invoice No: 353273810	9/25/2026	Paid Amt: \$3,033.95
						Check Amount: \$3,054.68
100	55801	00567		Thunstrom, Lee		Check
			E 01 300 296 317 000 305	C SQUAD		\$60.00
			E 01 300 296 317 000 305	JV/VARSITY		\$140.00
PO#:	Voucher #:	51165	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt: \$200.00
						Check Amount: \$200.00

Detail Payment Register By Check

Check Number: 0-2147483647 Payment Date: 9/1/2026-9/30/2026 Period: 202703-202703 Void Status: N

Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
100	55802	2055		Unhinged Pizza		Check
			E 21 300 298 948 301 401	TICKET #65 (9/15)		\$85.99
			E 21 300 298 948 301 401	TICKET #61 (9/17)		\$85.99
PO#:	Voucher #:	51154	Invoice	Invoice No: 9.25.26	9/25/2026	Paid Amt: \$171.98
						Check Amount: \$171.98
100	55803	3626		VESTIS		Check
			E 02 005 770 000 701 401	MONTHLY CHARGES		\$41.56
PO#:	Voucher #:	51155	Invoice	Invoice No: 2501090566	9/25/2026	Paid Amt: \$41.56
						Check Amount: \$41.56
100	55804	2786		Xcel Energy Solutions		Check
			E 01 005 810 184 000 330	mONTHLY CHARGES		\$7,128.96
PO#:	Voucher #:	51156	Invoice	Invoice No: 004548	9/25/2026	Paid Amt: \$7,128.96
						Check Amount: \$7,128.96
						Report Total: \$387,658.26

Lester Prairie Public Schools
Detail Payment Register By Check
Fund Summary

Fund Description		Total
01	General	\$355,459.93
02	Food Service	\$27,376.60
04	Community Service	\$516.65
21	Student Activities	\$4,305.08
Report Total		\$387,658.26

Dashir Management Services, Inc.

www.dashirmanagement.com

Lester Prairie School District

October 2026

Custodial / Maintenance Report

Personnel Information

We are currently fully staffed.

Training Conducted

The OSHA required safety training on Material Safety Data Sheets on October 12, 2026.

Inspections

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

Progress on Projects

- Water softeners went down over the weekend due to a busted gauge. Contacted the water softener company to come and repair the gauge.
- Filters for rooftop units and air handlers have been delivered, and we are working on changing out filters.
- UHL worked with Jacob from Daikin to convert the boilers into the system software and they are running well.
- Southern Lock and Glass installed a new keypad and lock assembly for the safe.
- Met with Melissa and Andy's lawn care to go over details and questions about snow removal to obtain a quote.

Comments

The school year has been going well so far. Volleyball is wrapping up soon, and football is going well. We will be working on making sure all the winter equipment is working and ready for the upcoming winter months ahead.

Respectfully Submitted,
Lisa Hins
Facility Manager

Community Solar Savings Expansion Proposal

Prepared for: Lester Prairie School District

Prepared by: Ampion Renewable Energy

Purpose: Board Review & Approval, 10/19/26

Executive Summary

Lester Prairie School District currently participates in Minnesota's Community Solar Garden program through an existing agreement that was signed in 2016. While this initial arrangement provides clean energy savings benefits, it only offsets **approximately 11%** of the district's total electricity usage and spend.

Ampion, the group responsible for managing the billing for this existing community solar agreement, has identified an opportunity to expand the district's solar participation by adding a new allocation from a solar project in **Renville County**, scheduled to go live later this month. This new project utilizes a modern, guaranteed-discount model designed to offset the vast majority of the district's remaining energy usage, delivering an estimated **\$4,781 in net annual savings** with zero upfront cost and increased operational flexibility.

Key Considerations

1. Existing Agreement Preserved

- **Original Contract Intact:** The original 11% allocation under the 2016 agreement with a duration of 25 years remains entirely intact and active as required by its contract terms.
- **PPA Contract Structure:** This legacy setup operates under a fixed Power Purchase Agreement (PPA) model signed in 2016, where the district agreed to purchase solar energy at fixed prices per kilowatt-hour (\$/kWh) set forth for the duration of its long-term contract.
- **No Changes Required:** The district will keep this existing PPA structure as-is and simply build upon it to capture savings on the remaining energy spend.

2. New Allocation Terms (~89% Remaining Usage)

To capture savings on the remaining ~89% of the district's electricity usage, Ampion is offering a subscription to a new project in Renville County using a modern, monetary-credit subscription structure instead of a PPA:

- **Monetary Credits (Not a PPA):** Rather than buying energy at fixed kWh rates, the district will receive dollar-for-dollar bill credits on its Xcel Energy utility bill. Ampion will then invoice the district the following month at a flat **5% discount** off the value of those credits.

- **Project Location:** Renville County, MN (scheduled to go live at the end of October).
- **Allocation Volume:** 735,572 kWh per year (designed to cover the remaining ~89% of district load).
- **Estimated Annual Savings:** **\$4,781 / year** in net budget savings based on current utility rates.
- **Contract Term:** **5-Year Term**, then auto-renews every 2 years
- **Exit Flexibility:** Cancel anytime with **6 months' written notice** and **\$0 early termination fees**.
- **Upfront Cost:** **\$0 initial investment** or setup cost.

3. Simple Administrative & Billing Workflow

- **Same Payment Method:** The district can maintain its current manual payment setup for all invoices.
- **Clear Account Visibility:** The district will receive two distinct monthly statements from Ampion—one for each project—making accounting and line-item tracking simple and transparent.

Recommendation & Next Steps

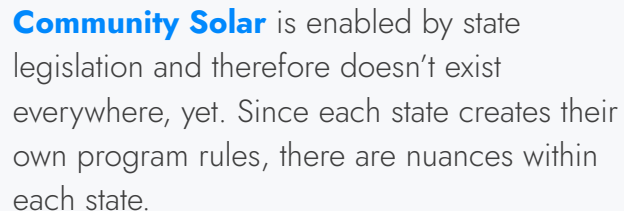
By approving the additional allocation for the Renville County project, the Board can secure an immediate **\$4,781 in projected annual budget relief** while expanding Lester Prairie's commitment to clean energy with zero financial risk.

- **Action Requested:** Board approval to execute the 5-year subscription agreement for the Renville County allocation.



Lester Prairie School District Community Solar with **AMPION**

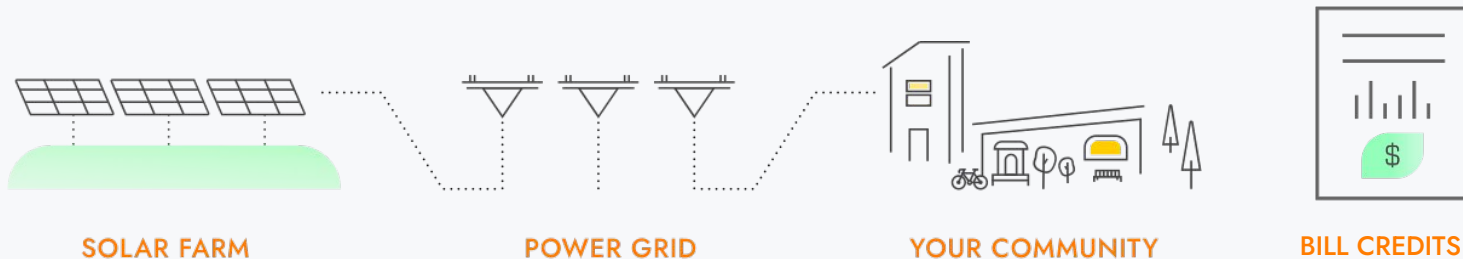
Additional savings opportunity



In Minnesota, the program was designed to encourage the development of solar farms, contributing toward its 2030 renewable energy goals. The legislation incentivises developers, while ensuring that financial benefits are passed on to the participants.

How Community Solar Works

States design programs to encourage renewables



- 1.** Your subscription will be assigned to a regional solar farm. Sunlight is absorbed and electricity is produced.
- 2.** The electricity is delivered right onto the utility grid. The utility measures the value of the electricity that is produced on your behalf.
- 3.** The utility sends you a monthly invoice just as it always has. Only now it will include monetary credits, reducing the amount that you owe.
- 4.** You receive an invoice for the credits, always at a 5% discount. This is where the savings come in!

Savings Report: Lester Prairie School District

ESTIMATED YEAR 1 SAVINGS: \$4,781



Community Solar Savings Report for:

Lester Prairie School District	
Eligible Annual Electric Usage (kWh)	735,572
Estimated Annual Savings	\$4,781
Cost/Investment	\$0
1 - Year Return	\$4,781
5 - Year Return	\$23,905
10 - Year Return	\$47,810
15 - Year Return	\$71,715
20 - Year Return	\$95,620
est. annual Carbon Dioxide (CO2) Offset equivalent*	514 metric tons
est. annual Carbon Dioxide (CO2) Offset equivalent in gasoline*	57,823 gallons
est. annual Carbon Dioxide (CO2) Offset equivalent in coal burned*	566,317 pounds

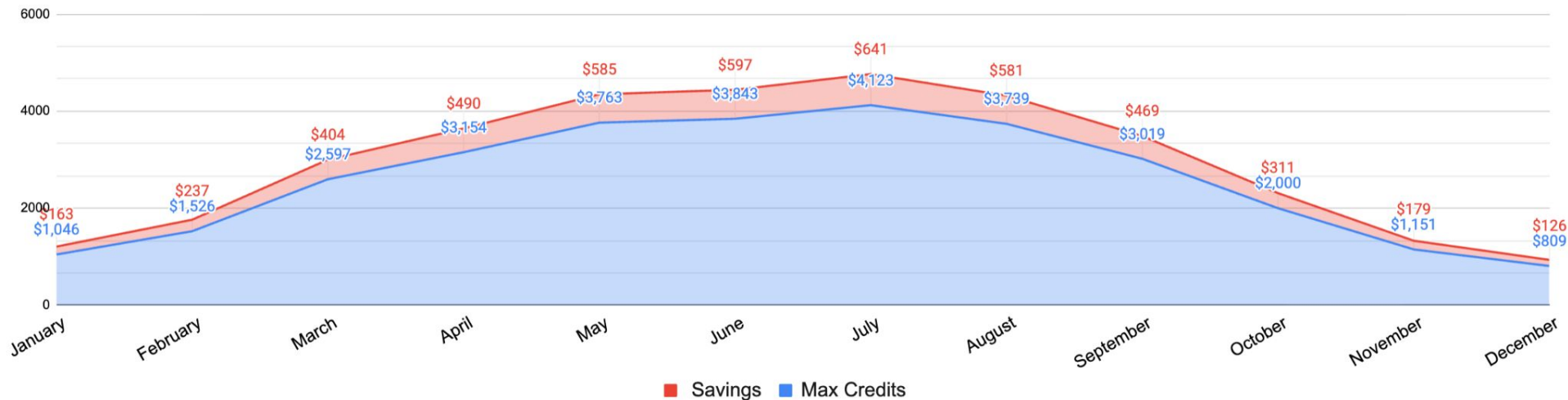


*Source: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

Estimated Monthly Payments and Savings with Community Solar

- In summer, savings will be greater because the solar farm produces more power
- If your credits on your Xcel bill ever exceed your bill total, your credit will be rolled over to the following month(s)
- Ampion determines your allocation based on no more 90% previous 12 months of usage, so you never have an excess of solar credits higher than what you pay annually
- Changes in electricity usage? Our system will red flag automatically, or just let Ampion know if you are making any upgrades that would significantly reduce your overall electricity usage and we will adjust your solar farm allocation

Estimated Solar Curve - Bill Credits Assigned



Agreement & Terms Overview

- **Load:** 735,572 kwh
- **Discount rate:** 5% discount off applied bill credits
- **Term:** 5 year term, then auto-renews every 2 years
- **Cancellation:** 6 month notice to cancel at any point, no fee
- **Billing:** Ampion invoice after corresponding utility invoice, set on autopay

Year 1 Savings Estimate: \$4,781



Summary Offer and Next Steps



Subscription Offer

- Cost to join = \$0
- Total estimated annual savings (year 1): **\$4,781**

Next Steps

- Review proposal and agreement and ask remaining questions
- Sign agreement and enroll in Ampion platform
- Enjoy community solar benefits!

Litix | Lester Prairie Schools

MINNESOTA FOUNDING COHORT

Bringing collective bargaining intelligence to Minnesota

A FOUNDING PARTNERSHIP WITH A SMALL GROUP OF MINNESOTA DISTRICTS



NOW FORMING

A small group of Minnesota districts will shape what comes next.

Founded by school administrators, Litix supports districts across Massachusetts and California with compensation benchmarking, health benefits analysis, proposal modeling, forecasting and decision support. We are now bringing that work to Minnesota, and we are looking for a small founding cohort of districts to build it with us, with Lester Prairie among them.

WHAT WE HAVE LEARNED

01

Proven success

More than 400 districts across Massachusetts and California rely on Litix, and 97% renew. Leaders gain confidence knowing their numbers and position before negotiations begin.

02

No two states bargain alike

Salaries and benefits are universal. Funding formulas, bargaining calendars, unit structures and local practices are not. Minnesota tools should reflect how Minnesota districts actually negotiate.

03

Start with a small cohort

Working closely with a few districts first means local leaders' knowledge shapes the data, benchmarks and tools from the beginning.

FOUNDING PARTNERS WILL

- 01 Help identify the data and analysis that matter most
- 02 Provide feedback on benchmarking, forecasting and bargaining tools
- 03 Receive early access
- 04 Work directly with the Litix team
- 05 Receive preferred founding-partner pricing

~85%

of Massachusetts school districts work with Litix

100+

California partners since 2025, including districts, county offices and regional partners

97%

of districts renew

CONFIDENCE BEFORE COMMITMENTS

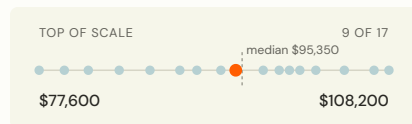
Three questions every district has to answer.

Negotiations, retention, salary pressure, fiscal constraints and board scrutiny all land on the same small team, usually without dedicated analytical support. Litix answers each question with verified data and a clear picture.

01 BENCHMARKING

Where do we stand compared to our peers?

Every measure shows the district against each peer, the median and its rank: starting salary, top of the salary schedule, steps to maximum, health insurance contribution, work year and total compensation.

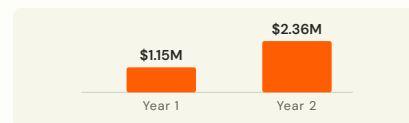


Sample district (orange) against 16 anonymized peers (blue).

02 FISCAL MODELING

What will this settlement cost us over time?

Steps, lane changes, schedule increases, longevity, stipends and payroll costs are modeled together from the staff roster, then carried across both years of the agreement.

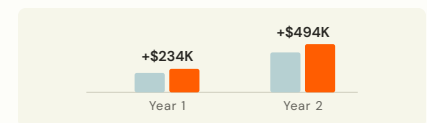


A 4.9% average raise (\$3,538 per FTE) repeated for two years: \$3.51M across the contract.

03 COMMUNICATION

How do we explain the decision clearly?

Side-by-side offers show the board, bargaining teams and community how a gap between proposals compounds, drawn from one set of numbers.



Offer A at 3% (blue) and Offer B at 4% (orange): a \$234K gap in year one becomes \$729K across the two-year contract.

FROM DATA TO DECISION

BUILD

Upload staff roster

BUILD

Add longevity & stipends

MODEL

Run scenarios

EVALUATE

Review peer benchmarks

EVALUATE

Understand employee impact

DECIDE

Compare offers

DECIDE

Present clearly

SEE IT LIVE

Explore the interactive Minnesota edition

Adjust schedule increases, flat-dollar amounts and peer comparisons and watch every figure update.

offers.litix.ai/litix-mn-deck

All figures on this page come from an illustrative sample district and anonymized peers. They show how the tools work and do not describe Lester Prairie.

WHAT FOUNDING PARTNERS RECEIVE

Litix Insights

Data Platform → Insights → Decision Support. Purpose-built decision support for the environment district leaders work in: negotiations, retention pressures, fiscal constraints and board accountability, all at once.

I Benchmarking

Where do we stand compared to our peers?

- **Peer positioning**

Compares teacher salaries, health insurance contributions, per diem rates, work days, instructional days, duty day, class size, stipends and fringe benefits across the districts you select.

- **Verified contract data**

Litix collects, verifies and structures master agreements, salary schedules and benefit documentation, with every figure traceable to its source.

- **Strategy support**

Search across the full contract dataset and see where pressure points sit on the salary schedule: by lane, by step, at entry and at the top.

II Forecasting & Proposal Modeling

Model every cost driver in real time

- **All-in costing**

Build from your staff roster, then model schedule increases, step and lane movement, longevity, stipends and payroll costs together to see the true cost.

- **Three lenses on every offer**

See each proposal through peer benchmarking, employee impact per FTE, and the multi-year financial commitment.

- **Offer comparison**

Compare competing proposals side by side and see how the gap between them compounds across both contract years and beyond.

III AI Decision Support

Purpose-built AI for school leaders

- **Trusted data foundation**

Built on verified source documents, not web scraping, with full traceability to the underlying contracts, salary schedules and financial reports.

- **Ask complex questions**

Query verified data for trends and outliers, and generate customized insights, reports and visuals within minutes.

- **Stakeholder-ready outputs**

Board memos, talking points and executive summaries drawn from one consistent set of data.

Minnesota budget context

Settlement costs are placed alongside general education revenue, referendum and levy revenue, enrollment trends, fund balance and multi-year projections, so a two-year settlement is judged against the budget it has to fit.

FOUNDING-PARTNER TERMS

The Lester Prairie founding partnership

A 3-year founding partnership gives Lester Prairie full access to Litix Insights at preferred founding-partner pricing, while helping shape how collective bargaining intelligence works in Minnesota.

YOUR INVESTMENT · 3-YEAR TERM

FOUNDING PARTNER

Litix Insights K-12

Benchmarking, forecasting and proposal modeling, and AI decision support, plus early access and direct work with the Litix team.

Standard annual subscription \$4,750

Founding member & multi-year discount **-\$2,750**

Your annual price **\$2,000**

3-year term · invoiced annually, net 30 **\$2,000 / year**

READY TO BEGIN

Sign this proposal and order form

Sign the order form on page 6, or sign electronically. Valid through November 5, 2026.

offers.litix.ai/JAEdkv9cAQJ03

WHAT WE ASK OF FOUNDING PARTNERS

Shape the data

Tell us which data and analysis matter most to Lester Prairie and its bargaining table.

Share feedback

Use the benchmarking, forecasting and bargaining tools and tell us what works and what should change.

Work with our team

Partner directly with Litix's founders and team as the Minnesota platform takes shape.

MEET LITIX IN MINNESOTA

We will be at MASA and in Minnesota this year, meeting school leaders, learning about the state, and connecting with districts interested in becoming founding partners.

Join the founding cohort: offers.litix.ai/litix-mn-masa-2026

Michael Mastrullo

CEO & Co-Founder

mike@litix.ai

Jared Stanton

VP of Strategic Growth

js@litix.ai

NEXT STEPS

01

Confirm your interest

Let Michael or Jared know Lester Prairie would like to join the founding cohort.

02

Sign the order form

Sign the order form on page 6 or sign electronically by November 5, 2026.

03

Choose your peers

Select the comparison districts that matter most to Lester Prairie.

04

Get started

Litix collects and verifies the data, and the Lester Prairie team gets early access.

YOUR FINAL PRICE · ALL DISCOUNTS APPLIED

Order Form for Lester Prairie Schools

This is the price Lester Prairie pays each year of the agreement. The standard annual subscription is shown before discounts.

ISSUED October 6, 2026	QUOTE EXPIRES November 5, 2026	TERM · BILLING 3 years · annually
---------------------------	-----------------------------------	--------------------------------------

FROM Litix, Inc. 33 Bradford Street, Concord, MA 01742, USA Sophia Huang · sophia@litix.ai	PREPARED FOR Lester Prairie Schools Melissa Radeke radeke@lp.k12.mn.us · +1 320-395-2521 ext. 1106
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PRODUCTS & SERVICES	BILLING	UNIT PRICE	YOUR PRICE
Litix Insights K12 — Premium Annual subscription, K-12 collective bargaining insights	Annually	\$4,750.00 per year	\$2,000.00 per year for 3 years
DISCOUNTS · APPLIED EVERY YEAR OF THE AGREEMENT	REMAINING ■ · DISCOUNT ■	AMOUNT	

Founding Member & Multi-Year Agreement Discount 57.9% discount		-\$2,750.00
---	------------------------	--------------------

ANNUAL TOTAL Billed annually for 3 years · discount applies every year	\$2,000.00 / year
--	--------------------------

\$2,750 Saved every year vs. the standard rate	58% Below the \$4,750 standard annual rate	3 years Founding-member rate for the full term
--	--	--

TERMS AND CONDITIONS

- The Founding Member & Multi-Year Agreement Discount applies to every year of the agreement, not only the first year.
- Invoices are issued at the start of each contract year, payable net 30.
- By accepting this quote, you agree to Litix's Subscription Terms, incorporated by reference.
- Sign below, or sign electronically at offers.litix.ai/JAEdkv9cAQJ03, by November 5, 2026.

ACCEPTANCE

Melissa Radeke
NAME

SIGNATURE

TITLE

DATE

FORM A

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

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

WHEREAS, the Governing Board of Lester Prairie Schools recognizes the value of student participation in MSHSL athletics and fine arts; and

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

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

10/19/2026

Date

Board Chair/Head of School

10/19/2026

Date

Board Clerk – Treasurer/ Finance Director

FORM B

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

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

WHEREAS, the Governing Board of Lester Prairie Schools recognizes the value of student participation in MSHSL athletics and fine arts; and

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

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

10/19/2026

Date

Board Chair/Head of School

10/19/2026

Date

Board Clerk - Treasurer

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

RESOLUTION FOR COMBINED POLLING PLACE

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

Vote: _____ for and _____ against

Jeff Engen
Clerk

Date: _____



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

Communications Letter

June 30, 2026

Independent School District No. 424
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Report on Matters Identified as a Result of the Audit of the Basic Financial Statements

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

In planning and performing our audit of the basic financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. 424, Lester Prairie, Minnesota, as of and for the year ended June 30, 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 material weakness.

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

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

The material weakness identified is stated within this letter.

The accompanying memorandum also includes financial analysis provided as a basis for discussion. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated September 9, 2026, on such statements.

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

BerganKDV, Ltd.

St. Cloud, Minnesota
September 9, 2026

Independent School District No. 424
Material Weakness

Lack of Segregation of Accounting Duties

The District had a lack of segregation of accounting duties due to a limited number of office employees. The lack of adequate segregation of accounting duties could adversely affect the District's ability to initiate, record, process and report financial data consistent with the assertions of management in the basic financial statements. Segregation of accounting duties relates to four key processes: initiation, authorization, recording and reconciliation of financial data.

During our audit, we tested the internal control over various District financial reporting functions. One such function is the general ledger journal entry process. Not having an adequate process in place could jeopardize the integrity of the basic financial statements.

With the District having the material weakness relating to the lack of segregation of accounting duties, there is the risk that not all significant areas of the District's financial reporting process are protected by adequate internal control. However, this is one area we recommend an additional internal control could be implemented without adding significant cost. While implementing this control will not relieve the District of the material weakness, it is another control that reduces the risk that the basic financial statements are materially misstated. With this information, we recommend the Business Manager implement procedures that would support a journal entry review and approval process. One such procedure would be to require a person not involved with creating the journal entry but versed in understanding basic financial statements to review the documentation and approve the journal entry.

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

**Independent School District No. 424
Required Communication**

We have audited the basic financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 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 financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

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

Our Responsibility in Relation to *Government Auditing Standards*

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

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Independent School District No. 424 Required Communication

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks

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

- **Improper Revenue Recognition** - Revenue recognition is considered a fraud risk on substantially all engagements as it generally has a significant impact on the results of the governments' operations. In addition, complexities exist surrounding the calculation and recording of various revenue sources.
- **Management Override of Controls** - Overall Financial Statements - Management override of internal control is considered a risk in substantially all engagements as management may be incentivized to produce better results. This is tested through review of journal entries.
- **State Aid Valuation** - Revenue and receivable amounts related to General Education Aid and Special Education Aid are generally material to the financial statements and involve significant estimates.
- **Pension Valuation** - Net pension liability, deferred outflows of resources related to pensions and deferred inflows of resources related to pensions are generally material to the financial statements and involve significant estimates.
- **Other Post Employment Benefits (OPEB) Valuation** - Total/Net OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB are generally material to the financial statements and involve significant estimates.
- **Risk of Misappropriation of Assets** - If duties cannot be appropriately segregated within the accounting department, there is a risk of unauthorized disbursements made from the District.
- **Compensated Absences** - Compensated absences are generally material to the financial statements and involve significant estimates.

Qualitative Aspects of the District's Significant Accounting Practices

Significant Accounting Policies

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

**Independent School District No. 424
Required Communication**

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

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the basic financial statements prepared by management and are based on management's current 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 are related to:

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

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

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

Compensated Absences Liability - These balances are related to leave accrued based on employment contracts and estimates based on historical use of leave balances.

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

Financial Statement Disclosures

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

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures and the basic financial statements taken as a whole and each applicable opinion unit.

**Independent School District No. 424
Required Communication**

Uncorrected and Corrected Misstatements (Continued)

Management has corrected all such 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.

Disagreements with Management

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

Representations Requested from Management

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

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings or Issues

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

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the District's annual reports, does not extend beyond the information identified in the audit report and we are not required to perform any procedures to corroborate such other information.

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.

**Independent School District No. 424
Required Communication**

Other Information Included in Annual Reports (Continued)

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

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

**Independent School District No. 424
Financial Analysis**

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

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

Average Daily Membership and Pupil Units

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

Year	General Education Aid	
	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%

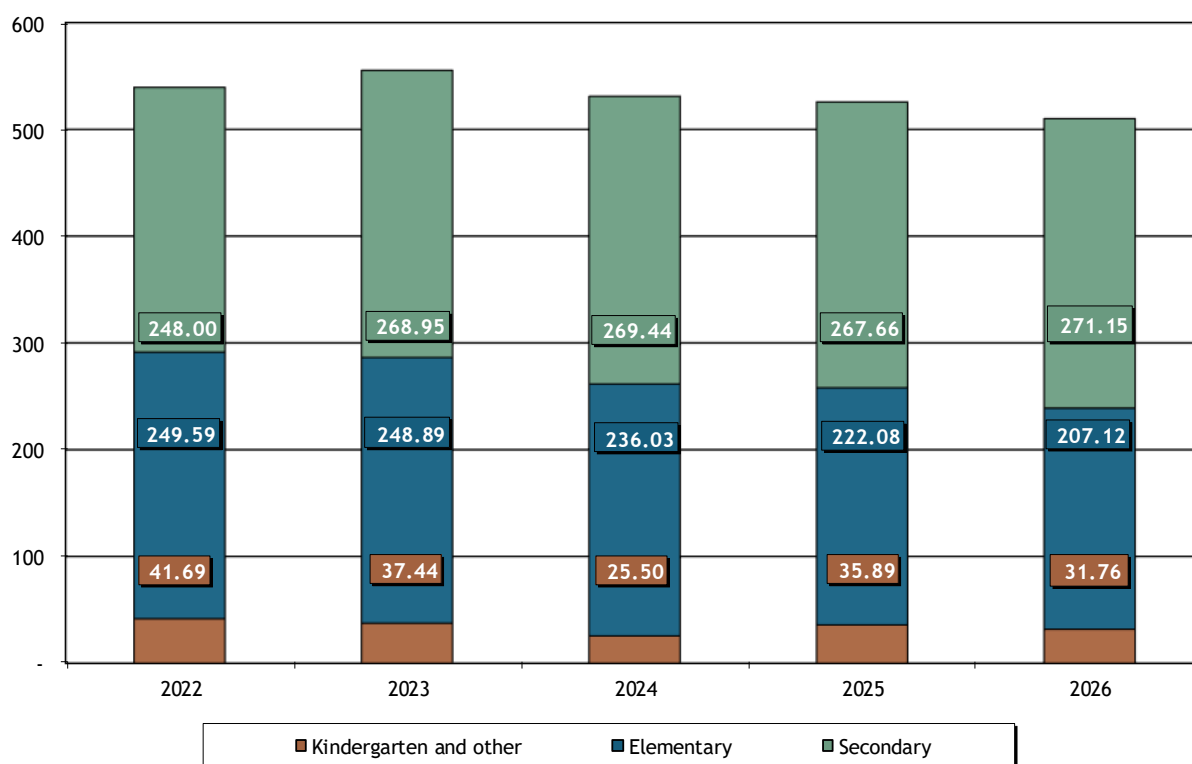
Independent School District No. 424 Financial Analysis

Average Daily Membership and Pupil Units (Continued)

The following summarizes resident ADM of the District over the past five years ended June 30:

Resident ADM	2022	2023	2024	2025	2026
Kindergarten and other	41.69	37.44	25.50	35.89	31.76
Elementary	249.59	248.89	236.03	222.08	207.12
Secondary	248.00	268.95	269.44	267.66	271.15
Total	539.28	555.28	530.97	525.63	510.03

Student (Average Daily Membership)



* Estimate

Resident ADM has decreased by 5.4%, or 29 students, over the last five years. Resident ADM decreased 3.0%, or 16 students, from 2025 and 2026.

To calculate a majority of the District's education aids, the ADM amounts are converted into pupil units by weighting based on the student's grade level. These weighting factors are presented as follows:

	Pre and Disabled Kindergarten	Kindergarten	Elementary (1-3/4-6)	Secondary
2022-2026	1.000	1.000	1.000	1.200

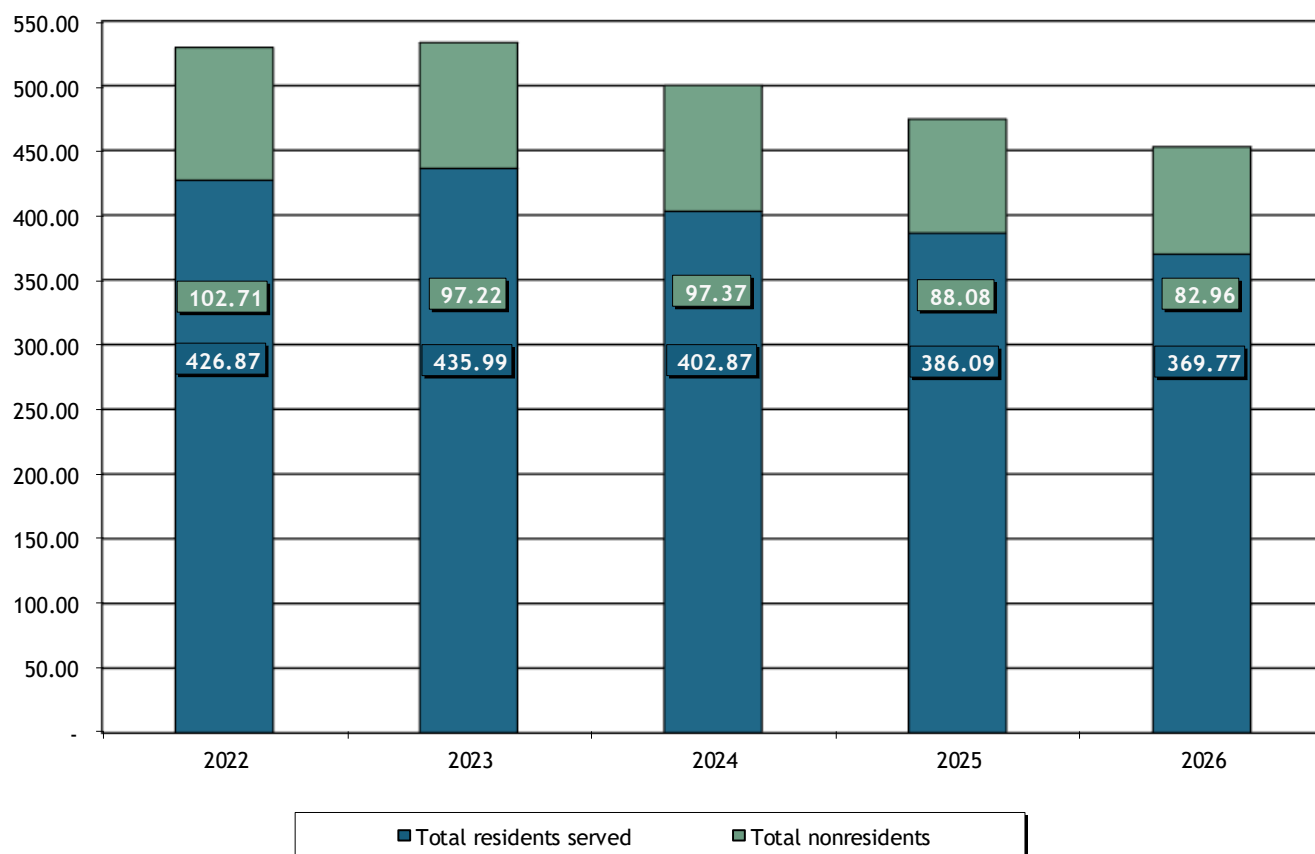
Independent School District No. 424 Financial Analysis

Average Daily Membership and Pupil Units (Continued)

Resident ADM is converted to adjusted (PUN) below for the same five years:

PUN Served	2022	2023	2024	2025	2026
Residents	588.86	609.07	584.85	579.16	564.26
Resident PUN going elsewhere	(161.99)	(173.08)	(181.98)	(193.07)	(194.49)
Total residents served	426.87	435.99	402.87	386.09	369.77
Total nonresidents	102.71	97.22	97.37	88.08	82.96
Total Adjusted PUN	529.58	533.21	500.24	474.17	452.73

Adjusted PUN



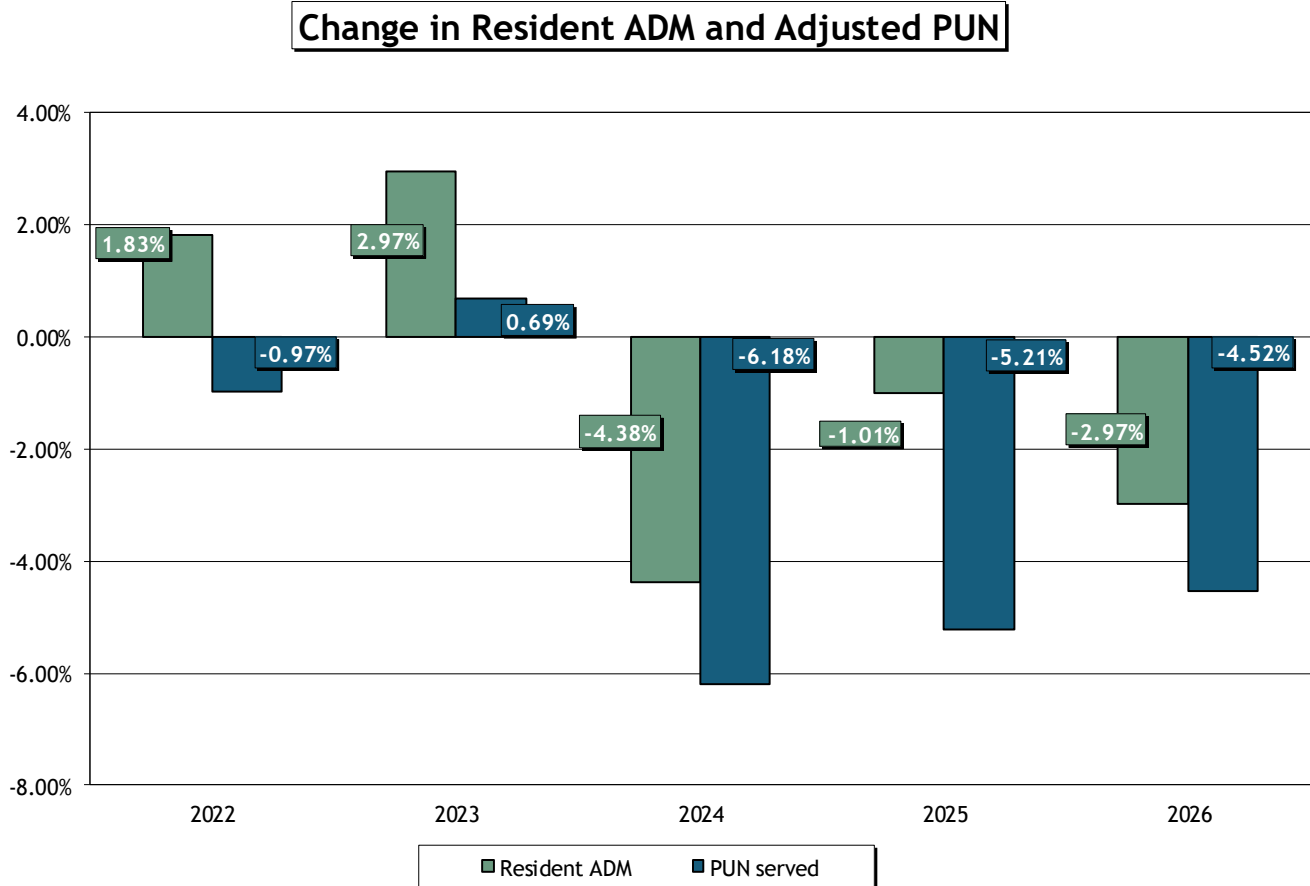
* Estimate

For 2026, PUN decreased 4.5% or 21 students from 2025. Residents decreased 2.6%, or 15 students from 2025. Total nonresidents coming in decreased 5.8%, or 5 students from 2025.

Independent School District No. 424
Financial Analysis

Average Daily Membership and Pupil Units (Continued)

The following chart and graph illustrate the percentage change from year-to-year in resident ADM and adjusted pupil units.



* Estimate

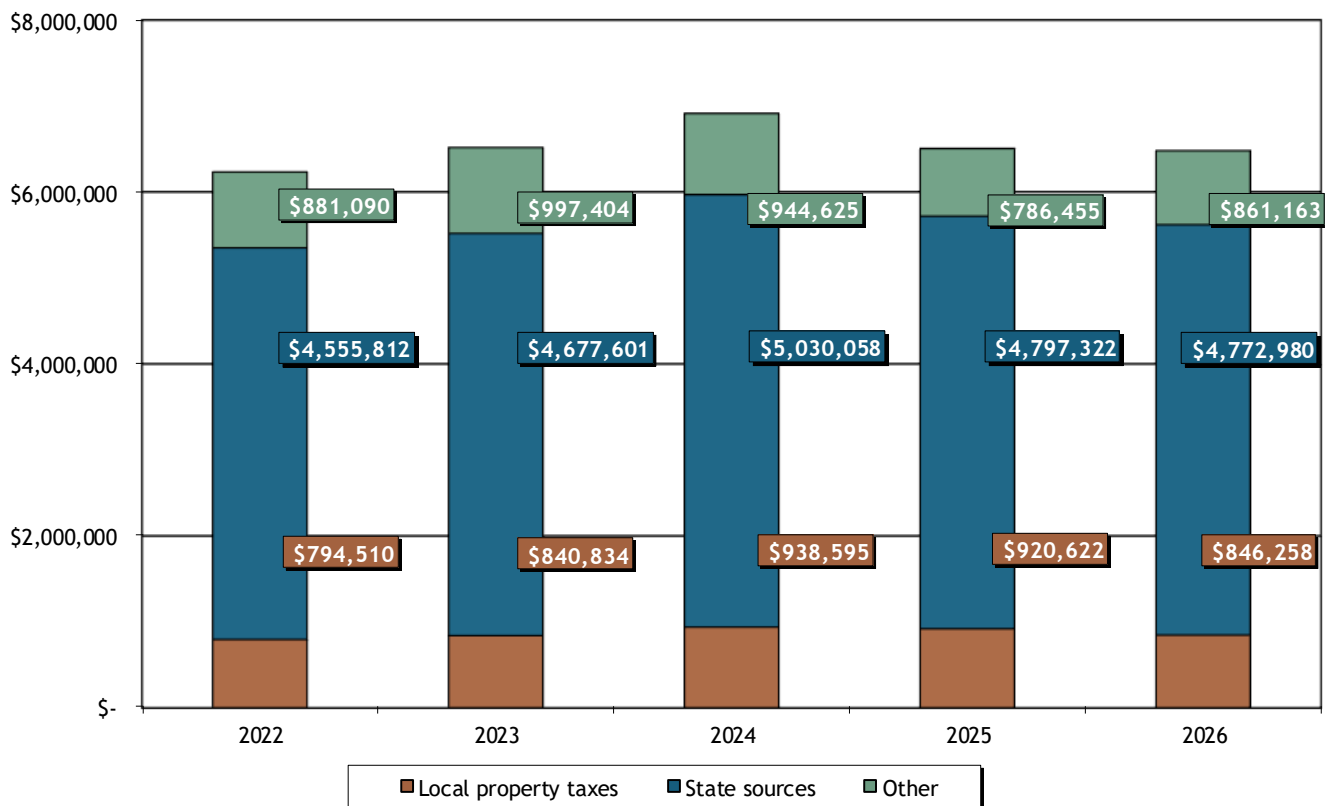
Independent School District No. 424 Financial Analysis

General Fund Sources of Revenue

General Fund sources of revenue are summarized as follows:

	2022	2023	2024	2025	2026
Local property taxes	\$ 794,510	\$ 840,834	\$ 938,595	\$ 920,622	\$ 846,258
State sources	4,555,812	4,677,601	5,030,058	4,797,322	4,772,980
Other	881,090	997,404	944,625	786,455	861,163
Total	\$ 6,231,412	\$ 6,515,839	\$ 6,913,278	\$ 6,504,399	\$ 6,480,401

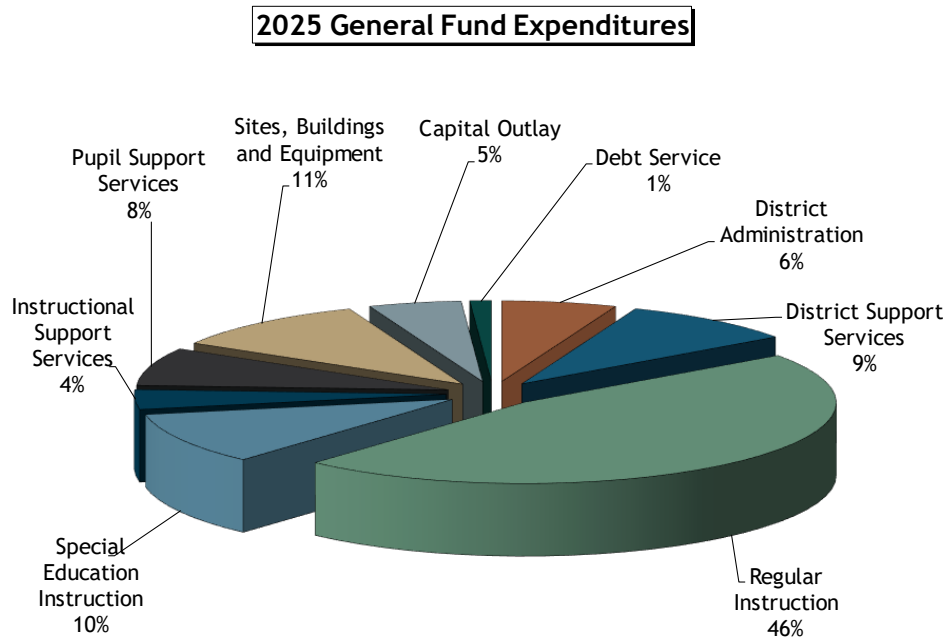
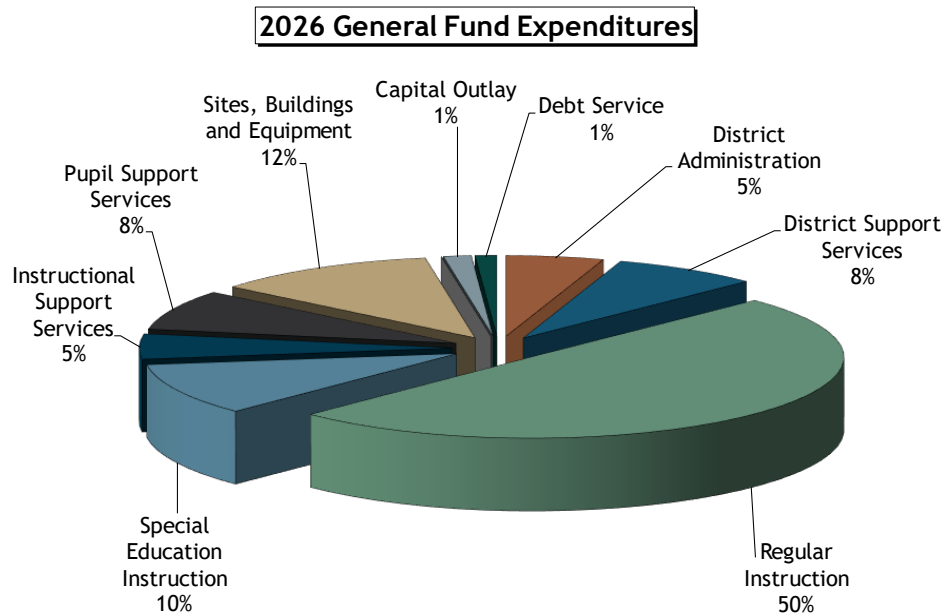
General Fund Sources of Revenue



Total revenue decreased \$23,998, or less than 1%, from 2025 to 2026. The most significant portion of the District's funding came from the state in the form of general education revenue. As previously explained, this funding is determined based on student enrollment. State sources revenue decreased due to the decrease in enrollment noted on the previous pages. Local property taxes revenue decreased due to a decrease in the levy. Other revenue includes federal revenues which increased \$81,795 due to the receipt of the MTSS grant.

Independent School District No. 424 Financial Analysis

General Fund Expenditures



Expenditures in the General Fund increased by \$80,358, or 1.3%, in fiscal year 2026 compared to fiscal year 2025. Capital outlay expenditures decreased following the completion and finalization of the gym sound system project. District support services expenditures decreased due to the elimination of an internal position and the subsequent outsourcing of the finance function, resulting in overall cost savings. Regular instruction expenditures increased due to curriculum purchases made during the current fiscal year. Instructional support services expenditures increased due to positions funded through the MTSS grant. Sites, buildings and equipment expenditures increased due to higher supplies and maintenance costs. Expenditures for all other programs remained generally consistent with the prior year.

Independent School District No. 424 Financial Analysis

Revenues and Expenditures Per ADM Served

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

Revenues per student (ADM served) are summarized in the following table:

ISD No. 424	2022	2023	2024	2025	2026
Property taxes	\$ 1,625	\$ 1,716	\$ 2,023	\$ 2,107	\$ 2,070
State aid	9,407	9,611	11,066	11,105	11,674
Other	1,847	2,133	2,131	1,856	2,106
Total General Fund Revenue	\$ 12,879	\$ 13,460	\$ 15,220	\$ 15,068	\$ 15,851

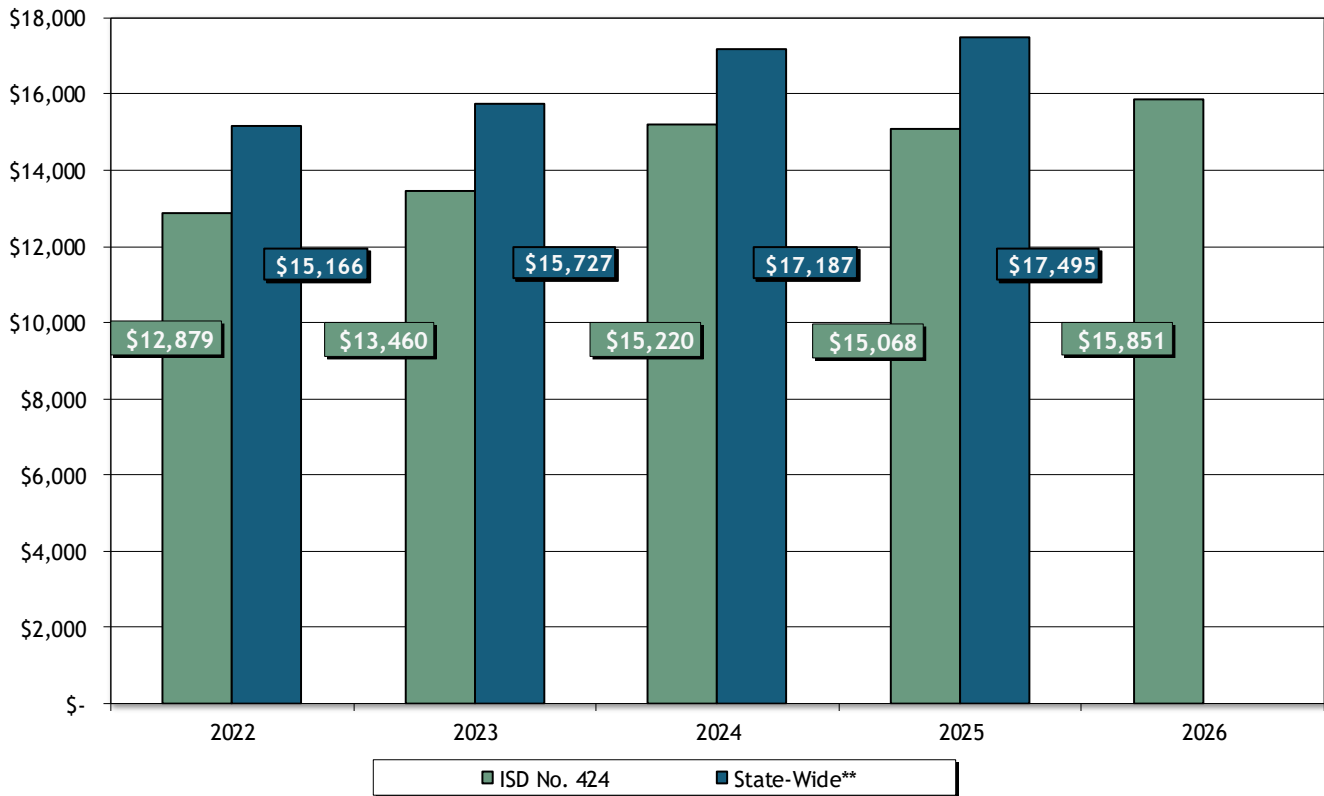
State-Wide**	2022	2023	2024	2025	2026
Property taxes	\$ 2,443	\$ 2,545	\$ 2,728	\$ 2,875	N/A
State aid	10,782	11,073	12,448	13,058	N/A
Other local sources	1,941	2,109	2,011	1,562	N/A
Total General Fund Revenue	\$ 15,166	\$ 15,727	\$ 17,187	\$ 17,495	N/A

Revenues per student for the General Fund increased 5.0% from 2025 to 2026. Revenues decreased 0.4% and ADM Served decreased 5.0% from 2025 to 2026.

Independent School District No. 424 Financial Analysis

Revenues and Expenditures Per ADM Served (Continued)

General Fund Revenues Per ADM Served



Expenditures per student (ADM served) are summarized in the following table:

ISD No. 424	2022	2023	2024	2025	2026
General Fund	\$ 11,804	\$ 12,417	\$ 13,518	\$ 14,216	\$ 15,739
General Fund and Special Revenue Fund	12,934	13,530	14,723	15,461	17,004
State Averages**	2022	2023	2024	2025	2026
General Fund	\$ 15,010	\$ 15,730	\$ 16,649	\$ 17,334	N/A
General Fund and Special Revenue Fund	16,322	17,147	18,215	18,973	N/A

* Estimate

Expenditures per student served for the General Fund increased 10.5% from 2025 to 2026 as students served decreased by 5.0% and expenditures increased 1.3%.

Independent School District No. 424 Financial Analysis

General Fund Budgeted to Actual

The chart below presents final budget and actual for General Fund revenues and expenditures.

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Local property taxes	\$ 846,099	\$ 850,902	\$ 846,258	\$ (4,644)
Other local and county revenues	347,300	409,475	593,806	184,331
Revenue from state sources	4,801,958	4,691,278	4,772,980	81,702
Revenue from federal sources	129,237	234,059	264,262	30,203
Sales and other conversion of assets	500	500	3,095	2,595
Total revenues	6,125,094	6,186,214	6,480,401	294,187
Expenditures				
Administration	396,594	385,976	324,879	(61,097)
District support services	480,977	507,610	489,195	(18,415)
Elementary and secondary regular instruction	3,260,052	3,132,387	3,210,805	78,418
Vocational education instruction	7,404	7,404	12,616	5,212
Special education instruction	792,577	815,503	684,874	(130,629)
Instructional support services	240,730	469,784	374,179	(95,605)
Pupil support services	494,923	508,854	516,211	7,357
Sites and buildings	795,796	731,500	750,115	18,615
Debt service	18,096	19,676	71,683	52,007
Total expenditures	6,487,149	6,578,694	6,434,557	(144,137)
Net change in fund balances	\$ (362,055)	\$ (392,480)	\$ 45,844	\$ 438,324

Revenues were over budget by \$294,187, or 4.8%. The largest variance was in revenue from other local and county revenues. This was a result of conservative budgeting for uncertain revenues such as interest and donations that are included in the group. Revenues from state sources were over budget due to conservative budgeting.

Expenditures were under budget by 2.2%, or \$144,137. The most significant variance was in special education. This and the variance for administration were due to conservative budgeting in employee benefits. Instructional support was under budget \$95,550, due to budgeting conservatively for staff development and literacy. Elementary and secondary regular instruction expenditures were over budget due primarily to student activity supply costs. Because these costs are associated with self-funded student activities and fluctuate based on annual participation and activity needs, the District does not budget these variable expenditures at the individual activity level.

Independent School District No. 424 Financial Analysis

General Fund Operations

The following table presents five years of comparative operating results for the District's General Fund and the components of the District's fund balance:

For the Year Ended June 30,	2022	2023	2024	2025	2026
Revenues	\$ 6,231,412	\$ 6,515,839	\$ 6,913,278	\$ 6,504,399	\$ 6,480,401
Expenditures	5,712,927	6,038,800	6,141,413	6,354,199	6,434,557
Excess of revenues over (under) expenditures	518,485	477,039	771,865	150,200	45,844
Plus other sources	-	29,260	-	216,786	-
Fund balance, July 1	3,366,061	3,884,546	4,390,845	5,162,710	5,529,696
Fund Balance, June 30	\$ 3,884,546	\$ 4,390,845	\$ 5,162,710	\$ 5,529,696	\$ 5,575,540

Components of Fund Balance	2022	2023	2024	2025	2026
Nonspendable	\$ 17,292	\$ 19,876	\$ 19,876	\$ 19,729	\$ 16,104
Restricted/reserved for					
Staff development	43,027	12,294	-	-	-
Learning and Development	27,016	36,563	78,243	74,016	96,996
Gifted and Talented	5,473	9,491	14,554	16,268	14,809
Student activities	52,521	71,569	60,815	69,123	63,819
Operating capital	48,944	-	3,162	1,975	26,128
Long term facilities maintenance	250,005	408,355	516,280	615,727	549,126
Medical assistance	42,960	32,536	30,871	30,508	39,046
Basic skills	1,565	35,135	118,307	265,329	347,142
Safe school crime	57,435	70,079	69,967	81,876	91,244
Lion's Club Donation	-	18,000	18,000	18,000	18,000
EIDL Loans	475	-	-	-	-
Literacy aid	-	-	-	6,818	18,277
Teacher Compensation for READ Act Training	-	-	-	-	2,487
Literacy incentive aid	-	-	15,242	18,506	11,177
Disabled accessibility	-	-	(700)	(700)	-
English learner	-	-	684	-	-
School library aid	-	-	27,524	51,780	61,487
Student support personnel	-	-	18,786	32,708	23,985
Committed	432,755	459,706	501,080	545,211	566,919
Assigned	-	-	400,000	825,000	875,000
Unassigned	2,905,078	3,217,241	3,270,019	2,857,822	2,753,794
Fund Balance, June 30	\$ 3,884,546	\$ 4,390,845	\$ 5,162,710	\$ 5,529,696	\$ 5,575,540

In 2026, the District's revenues decreased \$23,998 and expenditures increased \$80,358 as discussed earlier. The General Fund balance increased \$45,844 as a result of current year activity.

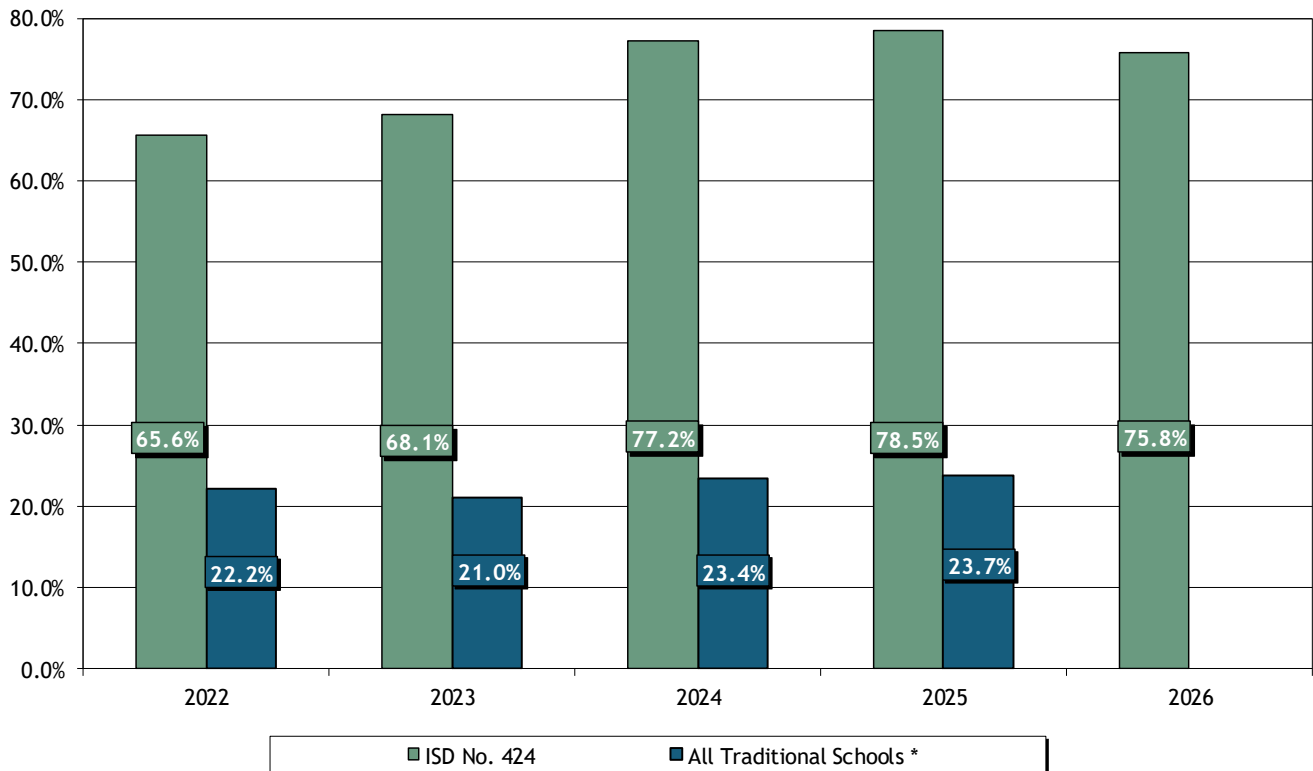
The District's goal is to maintain a minimum unassigned General Fund balance of 18% of the annual operating expenditures for each year. The unassigned fund balance of \$2,753,794 at June 30, 2026, represents 42.8% of current year expenditures.

Independent School District No. 424 Financial Analysis

District Financial Health

One of the most common and comparable statistics used to evaluate school district financial health is the fund balance as a percentage of operating expenditures. The chart below provides unrestricted fund balance as a percentage of unrestricted expenditures for the District, all districts state-wide and the District's peer group.

Unrestricted Fund Balance as a Percent of Unrestricted Expenditures



* Source: *School District Profiles*; 2026 data not yet available.

The graph above details the unrestricted fund balance as a percentage of unrestricted expenditures. The District's unrestricted fund balance as a percent of expenditures has remained above the state-wide average for all years presented.

Independent School District No. 424 Financial Analysis

Food Service Fund

The following table presents five years of comparative operating results for the District's Food Service Fund:

For the Year Ended June 30,	2022	2023	2024	2025	2026
Revenues	\$ 393,811	\$ 318,762	\$ 411,843	\$ 363,177	\$ 366,889
Expenditures	293,317	321,030	344,395	358,689	390,788
Excess of revenues over (under) expenditures	100,494	(2,268)	67,448	4,488	(23,899)
Fund balance, July 1	87,336	187,830	185,562	253,010	257,498
Fund Balance, June 30	\$ 187,830	\$ 185,562	\$ 253,010	\$ 257,498	\$ 233,599

In 2026, expenditures exceeded revenues, resulting in a decrease in fund balance of \$23,899. Revenues increased by \$3,712. The District made additional purchases to support kitchen operations during fiscal year 2026 as part of its effort to appropriately reduce the fund balance.

Community Service Fund

The following table presents five years of comparative operating results for the District's Community Service Fund:

For the Year Ended June 30,	2022	2023	2024	2025	2026
Revenues and transfers in	\$ 258,960	\$ 210,625	\$ 192,407	\$ 163,870	\$ 134,335
Expenditures	252,065	218,575	201,852	177,656	126,705
Excess of revenues over (under) expenditures	6,895	(7,950)	(9,445)	(13,786)	7,630
Fund balance, July 1	(45,967)	(39,072)	(47,022)	(56,467)	(70,253)
Fund Balance, June 30	\$ (39,072)	\$ (47,022)	\$ (56,467)	\$ (70,253)	\$ (62,623)

In 2026, revenues decreased by \$29,535 primarily due to the cancellation of programming with light enrollment including the summer full day childcare program. Expenditures decreased primarily attributable to a shift in early childhood personnel costs, as an early childhood teacher provided substitute coverage in regular education classrooms when not serving early childhood students. The fund saw an increase in fund balance of \$7,630, making it the second year of the five presented with positive operating results.

Restricted fund balance components for Community Education and School Readiness are negative at the end of 2026 with ending balances of \$(101,370) and \$(130,499), respectively. We recommend the District monitor fund balance levels in the Community Service Fund to ensure revenues are adequate to cover expenditures.

Independent School District No. 424 Legislative Summary

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

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 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.

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.

**Independent School District No. 424
Legislative Summary**

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. 424 Emerging Issues

Executive Summary

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

- **Accounting Standard Update - GASB Statement No. 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 summaries of the current updates. As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss these issues with you further and their applicability to your District.

**Independent School District No. 424
Emerging Issues**

Accounting Standard Update - GASB Statement No. 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. 424 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.

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

Basic Financial Statements

June 30, 2026

**Independent School District No. 424
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**Independent School District No. 424
Board of Education and Administration
June 30, 2026**

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

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. 424, Lester Prairie, Minnesota, as of and for the year ended June 30, 2026, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. 424, as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Independent School District No. 424 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

The District has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 103, *Compensated Financial Reporting Model Improvements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BerganKDV, Ltd.

St. Cloud, Minnesota
September 9, 2026

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Independent School District No. 424 Management's Discussion and Analysis

This section of Lester Prairie Public Schools ISD No. 424's annual financial report presents management's discussion and analysis of the District's financial performance during the fiscal year that ended June 30, 2026. Please read it in conjunction with the District's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is required supplementary information under the governmental financial reporting model. The MD&A provides an objective and readable analysis of the District's financial activities based on currently known facts, decisions, or conditions and emphasizes changes in the current year compared with the prior year. The District implemented Governmental Accounting Standards Board (GASB) Statement No. 103, Financial Reporting Model Improvements, during fiscal year 2026. GASB Statement No. 103 revises the MD&A structure and emphasizes explanation of why significant balances and results changed, rather than simply reporting the amount of the change.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's financial statements include government-wide financial statements and fund financial statements, followed by notes to the financial statements and required supplementary and supplementary information. The government-wide statements provide information about the District as a whole using the economic resources measurement focus and accrual basis of accounting. The fund financial statements provide more detailed information about the District's governmental funds using the current financial resources measurement focus and modified accrual basis of accounting.

The government-wide financial statements consist of the Statement of Net Position and Statement of Activities. The Statement of Net Position presents the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The Statement of Activities presents revenues and expenses and shows the change in net position during the year.

The governmental fund financial statements include the Balance Sheet - Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. The District's major governmental funds are the General Fund, Debt Service Fund, and Capital Projects Fund. The Food Service and Community Service Funds are reported as nonmajor governmental funds.

The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements. Required supplementary information includes the General Fund budgetary comparison schedule and schedules related to OPEB and pensions.

FINANCIAL SUMMARY

Key financial results for the 2025-2026 fiscal year include the following:

- Government-wide revenues were \$8,278,999 and expenses were \$7,490,291, resulting in an increase in net position of \$788,708.
- The District's ending government-wide net position was \$7,631,032, compared with \$6,842,324 at June 30, 2025.
- Governmental fund revenues were \$8,285,883 and expenditures were \$8,319,821, resulting in a net decrease in total governmental fund balances of \$33,938.
- The General Fund ended the year with a fund balance of \$5,575,540, an increase of \$45,844 from the prior year.
- The District's cash and investments totaled \$6,896,059 at June 30, 2026.

**Independent School District No. 424
Management's Discussion and Analysis**

FINANCIAL SUMMARY (CONTINUED)

Condensed Statement of Net Position

**Figure A-1
Condensed Statement of Net Position**

	Governmental Activities		
	2026	2025	Change
Assets			
Current assets	\$ 8,643,210	\$ 8,770,084	\$ (126,874)
Capital assets	17,796,812	18,190,087	(393,275)
Total assets	<u>\$ 26,440,022</u>	<u>\$ 26,960,171</u>	<u>\$ (520,149)</u>
Deferred Outflows of Resources	<u>\$ 552,555</u>	<u>\$ 756,114</u>	<u>\$ (203,559)</u>
Liabilities			
Other liabilities	\$ 645,110	\$ 659,967	\$ (14,857)
Long-term liabilities	15,655,982	17,213,800	(1,557,818)
Total liabilities	<u>\$ 16,301,092</u>	<u>\$ 17,873,767</u>	<u>\$ (1,572,675)</u>
Deferred Inflows of Resources	<u>\$ 3,060,453</u>	<u>\$ 3,000,194</u>	<u>\$ 60,259</u>
Net Position			
Net investment in capital assets	\$ 5,158,115	\$ 4,604,026	\$ 554,089
Restricted	1,874,021	1,779,897	94,124
Unrestricted	598,896	458,401	140,495
Total net position	<u>\$ 7,631,032</u>	<u>\$ 6,842,324</u>	<u>\$ 788,708</u>

The District's total net position increased by \$788,708, from \$6,842,324 at June 30, 2025 to \$7,631,032 at June 30, 2026. The increase primarily reflects downward shifts in actuarial pension and compensated liabilities for the FY 2026 year.

**Independent School District No. 424
Management's Discussion and Analysis**

FINANCIAL SUMMARY (CONTINUED)

Condensed Statement of Activities

**Figure A-2
Changes in Net Position from Operating Results**

	Governmental Activities	
	2026	2025
Revenues		
Program revenues		
Charges for services	\$ 366,462	\$ 367,973
Operating grants and contributions	1,809,736	1,709,499
Capital grants and contributions	56,282	90,358
General revenues		
Property taxes	1,847,206	1,933,937
State aid formula grants	3,925,075	4,013,517
Other	274,238	307,744
Total revenues	<u>8,278,999</u>	<u>8,423,028</u>
Expenses		
Administration	317,898	375,155
District support services	486,189	583,430
Elementary and secondary regular instruction	3,010,037	3,051,459
Vocational educational instruction	13,626	4,162
Special education instruction	659,856	660,571
Instructional support services	389,850	287,217
Pupil support services	512,444	482,132
Sites and buildings	1,275,183	1,358,891
Food service	368,639	357,334
Community education services	123,043	176,272
Interest and fiscal charges on long-term debt	333,526	372,782
Total expenses	<u>7,490,291</u>	<u>7,709,405</u>
Increase in net position	<u>788,708</u>	<u>713,623</u>
Net position - beginning	<u>6,842,324</u>	<u>6,587,342</u>
Change in accounting principle	<u>-</u>	<u>(458,641)</u>
Net position - as restated	<u>\$ 7,631,032</u>	<u>\$ 6,842,324</u>

Total revenues decreased by \$144,029, or approximately 1.7%, compared with fiscal year 2025. The most significant changes were a decrease of \$88,442 in state aid-formula grants and a decrease of \$86,731 in property taxes, partially offset by a \$100,237 increase in operating grants and contributions. The district has been experiencing consistent declining enrollment over the past decade leading to decreased aids and levy revenue. Fortunately the district was able to obtain some new grant funding in the form of a MTSS grant which amounted to \$115,000 in new revenue.

**Independent School District No. 424
Management's Discussion and Analysis**

FINANCIAL SUMMARY (CONTINUED)

Condensed Statement of Activities

Total expenses decreased by \$219,114, or approximately 2.8%, compared with fiscal year 2025. The decrease was primarily attributable to position eliminations within the District business office, partial-year vacancies in student support positions, completion of the gym sound system upgrades in the prior year, and lower capital project activity in fiscal year 2026. Community Education expenditures also decreased as an early childhood teacher provided substitute coverage for regular education vacancies, resulting in a shift of her costs from Community Education to regular education.

DETAILED ANALYSES

Financial Position and Results of Operations - Government-Wide Activities

The District's government-wide financial position improved during fiscal year 2026 as total net position increased \$788,708. Unrestricted net position increased from \$458,401 to \$598,896, while restricted net position increased from \$1,779,897 to \$1,874,021. Net investment in capital assets increased from \$4,604,026 to \$5,158,115.

Total assets decreased \$520,149. Net capital assets decreased \$393,275, primarily because depreciation and amortization exceeded additions during the year.

Total liabilities decreased \$1,572,675. Long-term liabilities decreased approximately \$1.5 million, reflecting scheduled debt payments and changes in pension/OPEB and other long-term obligations.

General Fund

The General Fund is the District's primary operating fund and accounts for the financial resources used to provide educational services, including regular and special education, pupil transportation, buildings and grounds, and other general operating activities.

<u>General Fund</u>	<u>2026</u>	<u>2025</u>	<u>Change</u>
Revenues	\$ 6,480,401	\$ 6,504,399	\$ (23,998)
Expenditures	6,434,557	6,354,199	80,358
Net change in fund balance	45,844	150,200	(104,356)
Ending fund balance	\$ 5,575,540	\$ 5,529,696	\$ 45,844

General Fund revenues decreased \$23,998, or 0.4%, from the prior year. The relatively small net change reflects offsetting changes among local, state, federal, and other revenue sources. As noted above revenue in aids and levy decreased due to declining student population. That decrease was partially offset by the new one time MTSS grant.

General Fund expenditures increased \$80,358, or approximately 1.3%, from the prior year. The increase reflects higher costs across several expenditure categories, including purchased services, supplies, and capital outlay. Salary expenditures increased primarily as a result of negotiated staff contract settlements. Benefit costs also increased, in part due to the implementation of Minnesota's Paid Family and Medical Leave (PFML) program in January 2026, which is assessed as a percentage of payroll.

**Independent School District No. 424
Management's Discussion and Analysis**

DETAILED ANALYSES (CONTINUED)

General Fund (Continued)

The General Fund ended fiscal year 2026 with \$5,575,540 of fund balance. This includes \$16,104 of nonspendable fund balance, \$1,363,723 restricted, \$566,919 committed, \$875,000 assigned, and \$2,753,794 unassigned. The District's policy states that it will strive to maintain a minimum unassigned General Fund balance equal to 18% of annual operating expenditures. As of June 30, 2026, the District's unassigned fund balance exceeded this policy target.

Debt Service Fund

The Debt Service Fund reported revenues of \$1,299,625 and expenditures of \$1,292,731, resulting in an increase in fund balance of \$6,894. The ending fund balance was \$261,299, compared with \$254,405 at June 30, 2025.

Capital Projects Fund

The Capital Projects Fund reported revenues of \$4,633 and expenditures of \$75,040, resulting in a decrease in fund balance of \$70,407. The ending fund balance was \$186,193, compared with \$256,600 at June 30, 2025. The decrease primarily reflects the continued spend-down of prior-year bond proceeds on eligible capital projects.

Other Nonmajor Funds

The Food Service Fund ended fiscal year 2026 with a fund balance of \$233,599, a decrease of \$23,899 from the prior year. The decrease was intentional, as the District's fund balance exceeded the level permitted relative to expenditures. The District made additional purchases to support kitchen operations during fiscal year 2026 as part of its effort to appropriately reduce the fund balance.

The Community Service Fund ended the year with a deficit fund balance of \$62,623, compared with a deficit of \$70,253 at June 30, 2025. The fund has operated with a deficit balance for several years. The improvement during fiscal year 2026 was primarily attributable to a shift in early childhood personnel costs, as an early childhood teacher provided substitute coverage in regular education classrooms when not serving early childhood students. This resulted in a modest reduction in the Community Service Fund deficit.

At June 30, 2026, the Community Service Fund had \$39,019 due to the General Fund to address its deficit cash position. The Community Service Fund has historically operated with insufficient funding to fully support its programming. The District continues to evaluate opportunities to improve the fund's financial position, including scheduling efficiencies and adjustments to programming as appropriate. At the same time, the District recognizes the value of Community Education programming and seeks to balance financial sustainability with maintaining accessible programs that serve the community.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Capital Assets

At June 30, 2026, the District had \$17,796,812 invested in capital assets, net of accumulated depreciation and amortization, compared with \$18,190,087 at June 30, 2025. Capital asset activity during the year included \$86,090 of additions to construction in progress, \$126,622 of land improvements, and \$754,620 of equipment additions. Construction in progress of \$549,400 was placed into service or otherwise removed from construction in progress. Total depreciation and amortization expense was \$808,087.

**Independent School District No. 424
Management's Discussion and Analysis**

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY (CONTINUED)

Capital Assets (Continued)

Significant capital asset activity during fiscal year 2026 included a joint project with the City of Lester Prairie to improve the sidewalks, drop-off area, and roads adjacent to the school building. The District also completed the gym sound system project in fall 2025, which was subsequently capitalized. The District had no construction projects in progress at year-end. Roofing projects are anticipated to begin in spring 2027 and continue through the summer.

More detailed information regarding capital assets is presented in Note 3 to the financial statements.

Long-Term Financing

At June 30, 2026, the District reported \$13,333,689 of long-term liabilities related to general obligation bonds, unamortized bond premiums, lease liabilities, and compensated absences, in addition to a net pension liability of \$1,928,203 and total OPEB liability of \$394,090. The government-wide Statement of Net Position reports total long-term liabilities of approximately \$15.7 million.

The District's outstanding general obligation bonds, net of unamortized premium, totaled \$12,729,166 at June 30, 2026. The District made scheduled principal payments during the year, and \$910,000 of bond principal is payable within one year. Lease liabilities totaled \$95,724, with \$66,838 payable within one year. Compensated absences totaled \$508,799, with \$463,007 payable within one year.

The District's net pension liability was \$1,928,203 at June 30, 2026, compared with \$2,378,057 at June 30, 2025. The total OPEB liability was \$394,090, compared with \$480,364 at June 30, 2025. The large driver of the change is related to actuarial assumptions of the outstanding liability for year end.

Additional information concerning the District's long-term liabilities is presented in Note 4 and related pension and OPEB disclosures in the financial statements.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

- **Enrollment and Demographics:** Resident and enrolled student populations in Lester Prairie have declined in recent years. Statewide demographic trends also indicate a smaller population of school-age children relative to older age groups, reflecting declining birth rates across Minnesota. Based on current enrollment trends and available demographic information, the District anticipates continued enrollment pressure in future years.
- **FY2027 Budget:** The FY2027 budget reflects the reduction of three elementary sections in response to declining student enrollment. The budget also reflects anticipated increases in benefits, contracted services, business insurance, supplies, and equipment costs compared with prior years, reflecting continued cost pressures affecting the District's operations.

**Independent School District No. 424
Management's Discussion and Analysis**

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS (CONTINUED)

- **State and Local Revenue:** State and local revenues for fiscal year 2026-27 reflect changes in Minnesota's state funding formulas, enrollment, and local property tax collections. The state's general education formula allowance increased 2.69 percent, from \$7,481 to \$7,683 per adjusted pupil unit, providing an additional \$202 per adjusted pupil unit. For Lester Prairie Schools, the impact of this increase is influenced by the District's enrollment and adjusted pupil units, as well as the various state aid formulas applicable to smaller school districts. In particular, the District continues to receive revenue associated with Minnesota's small schools and declining enrollment formulas, which provide additional state funding based on statutory formulas applicable to smaller and declining-enrollment districts.
- **Labor and Operating Costs:** Increases resulting from teacher and other bargaining group settlements, pension contributions, and employee benefits continue to place pressure on the District's operating budget. These cost increases are occurring in the context of declining enrollment and the resulting pressure on revenue. The District will continue to evaluate staffing levels, operating expenditures, and service delivery in future budget cycles to align expenditures with enrollment and available resources and to support long-term financial sustainability.
- **Capital Needs and Commitments:** Beginning in spring 2027, the District expects to issue approximately \$650,000 of debt to partially fund a roofing project. The total project cost is expected to exceed \$1 million, with the remaining project costs funded through assigned fund balance and Long-Term Facilities Maintenance (LTFM) reserves.
- **Fund Balance and Financial Reserves:** The District has designated portions of its fund balance for specific known or anticipated future expenditures. During FY2027, the District expects to utilize portions of these assigned balances for planned expenditures related to curriculum, technology, and the roofing project. The use of assigned fund balance for these purposes is incorporated into the District's long-term financial planning and is intended to provide funding for identified needs while maintaining appropriate financial reserves.
- **Long-Term Liabilities:** The District has authorized a debt issuance of approximately \$650,000 related to the roofing project, which is expected to be issued in spring 2027. The resulting debt will increase the District's long-term liabilities beginning in FY2027.
- **Legislation and Regulatory Changes:** Minnesota legislative changes affecting school districts include a reduction in the state reimbursement rate for special education transportation from 95 percent in FY2026 to 90 percent beginning in FY2027, which will increase the portion of eligible transportation costs borne by school districts. The District is also required to adopt a policy implementing an anonymous threat reporting system by June 30, 2027, with implementation of a system required by July 1, 2028. Changes to the READ Act and other educational requirements will continue to require the District to monitor implementation, compliance, and associated resource requirements. Looking beyond FY2027, the District will continue to monitor developments related to state education funding and special education finance. A Blue Ribbon Commission on Special Education is required to present an action plan to the Legislature and Governor by October 1, 2026, which may inform future legislative changes affecting special education services and funding. In addition, a proposed constitutional amendment concerning the Minnesota Permanent School Fund is scheduled to be presented to voters at the November 2026 general election. If approved, changes to the fund's distribution policy would become effective July 1, 2027, for aid payable in FY2028. The District will monitor the outcome of the election and any subsequent implementation to determine the potential financial impact on future years.

**Independent School District No. 424
Management's Discussion and Analysis**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or would like additional information, contact the Superintendent, Lester Prairie Public Schools ISD No. 424, 131 Hickory Street North, Lester Prairie, Minnesota 55354.

BASIC FINANCIAL STATEMENTS

Independent School District No. 424
Statement of Net Position
June 30, 2026

	Governmental Activities
Assets	
Cash and investments	\$ 6,896,059
Current property taxes receivable	1,033,223
Delinquent property taxes receivable	5,067
Accounts receivable	1,123
Due from Department of Education	528,355
Due from Federal Government through Department of Education	148,210
Due from other governmental units	10,869
Inventory	4,200
Prepaid items	16,104
Capital assets, not being depreciated	
Land	404,999
Capital assets, net of accumulated depreciation/amortization	
Land improvements	604,803
Buildings	13,989,275
Equipment	2,730,555
Lease equipment	67,180
Total assets	<u>26,440,022</u>
Deferred Outflows of Resources	
Deferred outflows related to OPEB	76,142
Deferred outflows related to pensions	476,413
Total deferred outflows of resources	<u>552,555</u>
 Total assets and deferred outflows of resources	 <u>\$ 26,992,577</u>
Liabilities	
Accounts payable	\$ 15,933
Salaries and benefits payable	382,204
Interest payable	156,764
Due to other Minnesota school districts	76,147
Unearned revenue	14,062
Bond principal payable	
Payable within one year	910,000
Payable after one year	11,819,166
Lease payable	
Payable within one year	66,838
Payable after one year	28,886
Compensated absences payable	
Payable within one year	463,007
Payable after one year	45,792
Total OPEB liability	
Payable within one year	5,397
Payable after one year	388,693
Net pension liability	1,928,203
Total liabilities	<u>16,301,092</u>
Deferred Inflows of Resources	
Property taxes levied for subsequent year's expenditures	1,955,789
Deferred inflows related to OPEB	52,295
Deferred inflows related to pensions	1,052,369
Total deferred inflows of resources	<u>3,060,453</u>
Net Position	
Net investment in capital assets	5,158,115
Restricted	
Debt service	107,346
Other purposes	1,766,675
Unrestricted	598,896
Total net position	<u>7,631,032</u>
 Total liabilities, deferred inflows of resources, and net position	 <u>\$ 26,992,577</u>

See notes to basic financial statements.

Independent School District No. 424
Statement of Activities
Year Ended June 30, 2026

Functions/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Administration	\$ 317,898	\$ 11,791	\$ -	\$ -	\$ (306,107)
District support services	486,189	574	118,464	-	(367,151)
Elementary and secondary regular instruction	3,010,037	268,639	584,556	-	(2,156,842)
Vocational education instruction	13,626	-	188	-	(13,438)
Special education instruction	659,856	9,078	541,531	-	(109,247)
Instructional support services	389,850	-	111,171	-	(278,679)
Pupil support services	512,444	-	62,083	-	(450,361)
Sites and buildings	1,275,183	20	-	56,282	(1,218,881)
Food service	368,639	21,617	345,272	-	(1,750)
Community education and services	123,043	54,743	46,471	-	(21,829)
Interest and fiscal charges on long-term debt	333,526	-	-	-	(333,526)
Total governmental activities	<u>\$ 7,490,291</u>	<u>\$ 366,462</u>	<u>\$ 1,809,736</u>	<u>\$ 56,282</u>	(5,257,811)
General revenues					
Taxes					
Property taxes, levied for general purposes					845,828
Property taxes, levied for community service					32,801
Property taxes, levied for debt service					968,577
State aid-formula grants					3,925,075
Other general revenues					33,726
Investment income					240,512
Total general revenues					<u>6,046,519</u>
Change in net position					788,708
Net position - beginning					<u>6,842,324</u>
Net position - ending					<u>\$ 7,631,032</u>

Independent School District No. 424
Balance Sheet - Governmental Funds
June 30, 2026

	General	Debt Service	Capital Projects	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 5,732,971	\$ 773,174	\$ 186,193	\$ 203,721	\$ 6,896,059
Current property taxes receivable	343,279	674,106	-	15,838	1,033,223
Delinquent property taxes receivable	2,149	2,811	-	107	5,067
Accounts receivable	74	-	-	1,049	1,123
Due from Department of Education	470,788	32,960	-	24,607	528,355
Due from Federal Government through Department of Education	137,997	-	-	10,213	148,210
Due from other governmental units	5,726	-	-	5,143	10,869
Due from other funds	39,091	-	-	-	39,091
Inventory	-	-	-	4,200	4,200
Prepaid items	16,104	-	-	-	16,104
Total assets	\$ 6,748,179	\$ 1,483,051	\$ 186,193	\$ 264,878	\$ 8,682,301
Liabilities					
Accounts payable	\$ 15,883	\$ -	\$ -	\$ 50	\$ 15,933
Salaries and benefits payable	367,397	-	-	14,807	382,204
Due to other funds	-	-	-	39,091	39,091
Due to other Minnesota school districts	76,147	-	-	-	76,147
Unearned revenue	8,500	-	-	5,562	14,062
Total liabilities	467,927	-	-	59,510	527,437
Deferred Inflows of Resources					
Property taxes levied for subsequent year's expenditures	702,563	1,218,941	-	34,285	1,955,789
Unavailable revenue - delinquent property taxes	2,149	2,811	-	107	5,067
Total deferred inflows of resources	704,712	1,221,752	-	34,392	1,960,856
Fund Balances					
Nonspendable	16,104	-	-	4,200	20,304
Restricted	1,363,723	261,299	186,193	398,645	2,209,860
Committed	566,919	-	-	-	566,919
Assigned	875,000	-	-	-	875,000
Unassigned	2,753,794	-	-	(231,869)	2,521,925
Total fund balances	5,575,540	261,299	186,193	170,976	6,194,008
Total liabilities, deferred inflows of resources and fund balances	\$ 6,748,179	\$ 1,483,051	\$ 186,193	\$ 264,878	\$ 8,682,301

Independent School District No. 424
Reconciliation of the Balance Sheet to
the Statement of Net Position - Governmental Funds
June 30, 2026

Total fund balances - governmental funds	\$ 6,194,008
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Cost of capital assets	26,599,177
Less accumulated depreciation/amortization	(8,802,365)

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

Long-term liabilities at year-end consist of:

Bond principal payable	(11,905,000)
Premium on bonds payable	(824,166)
Lease payable	(95,724)
Compensated absences	(508,799)
Total OPEB liability	(394,090)
Net pension liability	(1,928,203)

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

Deferred outflows of resources related to OPEB	76,142
Deferred outflows of resources related to pensions	476,413
Deferred inflows of resources related to OPEB	(52,295)
Deferred inflows of resources related to pensions	(1,052,369)

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

5,067

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

(156,764)

Total net position - governmental activities	<u>\$ 7,631,032</u>
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Independent School District No. 424
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2026

	General	Debt Service	Capital Projects	Nonmajor Funds	Total Governmental Funds
Revenues					
Local property taxes	\$ 846,258	\$ 968,507	\$ -	\$ 32,777	\$ 1,847,542
Other local and county revenues	593,806	2,065	4,633	55,372	655,876
Revenue from state sources	4,772,980	329,053	-	252,358	5,354,391
Revenue from federal sources	264,262	-	-	139,344	403,606
Sales and other conversion of assets	3,095	-	-	21,373	24,468
Total revenues	<u>6,480,401</u>	<u>1,299,625</u>	<u>4,633</u>	<u>501,224</u>	<u>8,285,883</u>
Expenditures					
Current					
Administration	324,879	-	-	-	324,879
District support services	489,195	-	-	-	489,195
Elementary and secondary regular instruction	3,197,968	-	-	-	3,197,968
Vocational education instruction	12,616	-	-	-	12,616
Special education instruction	663,939	-	-	-	663,939
Instructional support services	320,825	-	-	-	320,825
Pupil support services	516,211	-	-	-	516,211
Sites and buildings	745,040	-	-	-	745,040
Food service	-	-	-	374,905	374,905
Community education and services	-	-	-	126,705	126,705
Capital outlay					
Elementary and secondary regular instruction	12,837	-	-	-	12,837
Special education instruction	20,935	-	-	-	20,935
Instructional support services	53,354	-	-	-	53,354
Sites and buildings	5,075	-	75,040	-	80,115
Food service	-	-	-	15,883	15,883
Debt service					
Principal	65,310	880,000	-	-	945,310
Interest and fiscal charges	6,373	412,731	-	-	419,104
Total expenditures	<u>6,434,557</u>	<u>1,292,731</u>	<u>75,040</u>	<u>517,493</u>	<u>8,319,821</u>
Net change in fund balances	45,844	6,894	(70,407)	(16,269)	(33,938)
Fund Balances					
Beginning of year	<u>5,529,696</u>	<u>254,405</u>	<u>256,600</u>	<u>187,245</u>	<u>6,227,946</u>
End of year	<u>\$ 5,575,540</u>	<u>\$ 261,299</u>	<u>\$ 186,193</u>	<u>\$ 170,976</u>	<u>\$ 6,194,008</u>

See notes to basic financial statements.

Independent School District No. 424
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances to the
Statement of Activities - Governmental Funds
Year Ended June 30, 2026

Net change in fund balances - total governmental funds	\$ (33,938)
--	-------------

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

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

Capital outlays	417,932
Depreciation/amortization expense	(808,087)
Disposal of capital assets	(3,120)

Compensated absences are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities.	3,919
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Total OPEB are recognized as paid in the governmental funds, but recognized as the expense is incurred in the Statement of Activities.	36,135
--	--------

Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no effect on net position in the Statement of Activities.	945,310
--	---------

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

Governmental funds recognized pension contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to pensions on a full accrual perspective:	
Pension expense	145,315

Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	(336)
---	-------

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	13,117
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Change in net position - governmental activities	\$ 788,708
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Independent School District No. 424
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

B. Basic Financial Statement Information

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

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

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

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statement Information (Continued)

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

C. Measurement Focus and Basis of Accounting

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

1. Revenue Recognition

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

2. Recording of Expenditures

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

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

Description of Funds:

Major Funds:

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

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

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

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Description of Funds: (Continued)

Nonmajor Funds:

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

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

D. Deposits and Investments

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the individual funds based on the average of month-end cash and investment balances.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments held by investment pools are measured at amortized cost.

Cash and investments at June 30, 2026, were comprised of deposits and shares in MSDLAF.

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

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

In accordance with GASB Statement No. 79, the various MSDLAF are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the MSDLAF. Investments in the MSDLAF MAX must be deposited for a minimum of 14 calendar days with the exception of direct investments of funds distributed by the State of Minnesota. Withdrawals prior to the 14-day restriction period may be subject to a penalty and there is a 24 hour hold on all requests for redemptions.

E. Property Tax Receivable

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

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Property Taxes Levied for Subsequent Year's Expenditures

Property taxes levied for subsequent year's expenditures consist principally of property taxes levied in the current year which will be collected and recognized as revenue in the District's following year to properly match those revenues with the budgeted expenditures for which they were levied. This amount is equal to the amount levied by the School Board in December 2025, less various components, and their related adjustments as mandated by the state. These portions of that levy were recognized as revenue in fiscal year 2026. The remaining portion of the levy will be recognized when measurable and available.

G. Inventories

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

H. Prepaid Items

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

I. Property Taxes

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

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

J. Capital Assets

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

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

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

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

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

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

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

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

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

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

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

L. Deferred Outflows/Inflows of Resources

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

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Financial Position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has four types of items which qualify for reporting in this category. The first item, unavailable revenue from property taxes, arises under a modified accrual basis of accounting and is reported only in the Governmental Funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available. The second item is property taxes levied for subsequent years, which represent property taxes received or reported as a receivable before the period for which the taxes are levied and is reported as a deferred inflow of resources in both the government-wide Statement of Net Position and the Governmental Funds Balance Sheet. Property taxes levied for subsequent years are deferred and recognized as an inflow of resources in the government-wide financial statements in the year for which they are levied and in the governmental fund financial statements during the year for which they are levied, if available. Deferred inflows of resources related to pensions is recorded on the government-wide statements for various estimate differences that will be amortized and recognized over future years. Deferred inflows of resources related to OPEB is recorded on the government-wide statements for various estimate differences that will be amortized and recognized over future years.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

N. Compensated Absences

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

O. Other Postemployment Benefits (OPEB)

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

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Pensions

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

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

Q. Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to employees for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in the District's insurance coverage during the year ending June 30, 2026.

R. Fund Equity

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

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

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Fund Equity (Continued)

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

S. Net Position

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

T. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

U. Budgetary Information

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

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

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 2 - DEPOSITS AND INVESTMENTS

A. Deposits

In accordance with applicable *Minnesota Statutes*, the District maintains deposits at depository banks authorized by the School Board.

Custodial Credit Risk - Deposits: This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2026, none of the District's bank balances were exposed to custodial credit risk.

As of June 30, 2026, the District had the following deposits:

Checking	\$ 428,718
Certificates of Deposit	<u>567,911</u>
 Total Deposits	 <u><u>\$ 996,629</u></u>

B. Investments

As of June 30, 2026, the District had the following investments:

Investment Type	Investment Maturity (In Years)		
	Maturities	Fair Value	Moody's Rating
MSDLAF - Max Class	Various	\$ 5,684,897	AAAm
MSDLAF - Liquid	Various	<u>214,533</u>	AAAm
 Total		 <u><u>\$ 5,899,430</u></u>	

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

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

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

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

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

The following is a summary of total deposits and investments:

Deposits	\$ 996,629
Pooled Investments	5,770,761
Nonpooled Investments	<u>128,669</u>
 Total	 <u><u>\$ 6,896,059</u></u>

Deposits and investments are presented in the June 30, 2026, basic financial statements as follows:

Statement of Net Position	
Cash and investments	<u><u>\$ 6,896,059</u></u>

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2026, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated/amortized				
Land	\$ 404,999	\$ -	\$ -	\$ 404,999
Construction in progress	463,310	86,090	549,400	-
Total capital assets not being depreciated/ amortized	868,309	86,090	549,400	404,999
Other capital assets				
Land improvements	744,023	126,622	-	870,645
Buildings	18,326,375	-	-	18,326,375
Equipment	6,034,065	754,620	19,302	6,769,383
Leased equipment	227,775	-	-	227,775
Total other capital assets	25,332,238	881,242	19,302	26,194,178
Less accumulated depreciation for				
Land improvements	231,121	34,721	-	265,842
Buildings	3,951,766	385,334	-	4,337,100
Equipment	3,732,596	322,414	16,182	4,038,828
Less accumulated amortization for				
Leased equipment	94,977	65,618	-	160,595
Total accumulated depreciation/amortization	8,010,460	808,087	16,182	8,802,365
Total other capital assets, net	17,321,778	73,155	3,120	17,391,813
Governmental activities, capital assets, net	<u>\$ 18,190,087</u>	<u>\$ 159,245</u>	<u>\$ 552,520</u>	<u>\$ 17,796,812</u>

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 3 - CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense for the year ended June 30, 2026, was charged to the following governmental functions:

District Support Services	\$ 540
Elementary and Secondary Regular Instruction	84,919
Vocational Instruction	1,524
Special Education Instruction	254
Instructional Support Services	31,780
Pupil Support Services	1,506
Sites and Buildings	683,570
Food Service	3,519
Community Service	475
Total depreciation/amortization expense	<u><u>\$ 808,087</u></u>

NOTE 4 - LONG-TERM LIABILITIES

A. Components of Long-Term Liabilities

	Issue Date	Interest Rates	Original Issue	Final Maturity	Principal Outstanding	Due Within One Year
Long-term liabilities						
G.O. Bonds						
G.O. School Building Bonds 2019A	11/20/19	2.38%-5.00%	\$ 12,815,000	02/01/40	\$ 10,085,000	\$ 560,000
G.O Refunding Bonds 2020A	12/30/20	1.0%-2.0%	2,425,000	02/01/32	1,220,000	260,000
G.O. School Building Bond 2024A	02/01/24	3.1%	835,000	02/01/32	600,000	90,000
Unamortized premium on bonds					824,166	-
Total G.O. bonds, net of premium					12,729,166	910,000
Lease liability					95,724	66,838
Compensated absences payable					508,799	463,007
Total all long-term liabilities					<u><u>\$ 13,333,689</u></u>	<u><u>\$ 1,439,845</u></u>

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

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 4 - LONG-TERM LIABILITIES (CONTINUED)

B. Minimum Debt Payments for Bonds

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

Year Ended June 30,	G.O. Bonds		
	Principal	Interest	Total
2027	\$ 910,000	\$ 376,231	\$ 1,286,231
2028	870,000	338,531	1,208,531
2029	905,000	300,431	1,205,431
2030	940,000	262,781	1,202,781
2031	975,000	230,081	1,205,081
2032-2036	3,990,000	772,713	4,762,713
2037-2040	3,315,000	242,938	3,557,938
Total	<u>\$ 11,905,000</u>	<u>\$ 2,523,706</u>	<u>\$ 14,428,706</u>

C. Lease Obligations

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

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

Year Ended June 30,	Lease Liability		
	Principal	Interest	Total
2027	\$ 66,838	\$ 1,537	\$ 68,375
2028	20,336	428	20,764
2029	8,550	63	8,613
Total	<u>\$ 95,724</u>	<u>\$ 2,028</u>	<u>\$ 97,752</u>

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 4 - LONG-TERM LIABILITIES (CONTINUED)

D. Changes in Long-Term Liabilities

	Beginning Balance, Restated	Additions	Reductions	Ending Balance
Long-term liabilities				
G.O. school bonds	\$ 12,785,000	\$ -	\$ 880,000	\$ 11,905,000
Premium on bonds	896,627	-	72,461	824,166
Lease liability	161,034	-	65,310	95,724
Compensated absences payable*	512,718	(3,919)	-	508,799
	<u>512,718</u>	<u>(3,919)</u>	<u>-</u>	<u>508,799</u>
Total long-term liabilities	<u>\$ 14,355,379</u>	<u>\$ (3,919)</u>	<u>\$ 1,017,771</u>	<u>\$ 13,333,689</u>

* The change in the compensated absences liability is presented as a net change.

NOTE 5 - FUND BALANCES

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

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 5 - FUND BALANCES (CONTINUED)

Fund Equity

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

	General Fund	Debt Service Fund	Capital Project Fund	Other Nonmajor Funds	Total
Nonspendable					
Inventory	\$ -	\$ -	\$ -	\$ 4,200	\$ 4,200
Prepaid items	16,104	-	-	-	16,104
Total nonspendable	16,104	-	-	4,200	20,304
Restricted/reserved for					
LTFM	549,126	-	-	-	549,126
Operating capital	26,128	-	-	-	26,128
Basic skills	347,142	-	-	-	347,142
Student Activities	63,819	-	-	-	63,819
Medical Assistance	39,046	-	-	-	39,046
Learning and Development	96,996	-	-	-	96,996
Safe Schools Revenue	91,244	-	-	-	91,244
Literacy Incentive Aid	11,177	-	-	-	11,177
Gifted and Talented	14,809	-	-	-	14,809
School Library Aid	61,487	-	-	-	61,487
Teachers Compensation for READ Act Training	2,487	-	-	-	2,487
Student Support Personnel Aid	23,985	-	-	-	23,985
Literacy Aid	18,277	-	-	-	18,277
Lions Club Donations	18,000	-	-	-	18,000
Capital Projects	-	-	186,193	-	186,193
Debt Service	-	261,299	-	-	261,299
Food Service	-	-	-	229,399	229,399
Early Childhood Family Education	-	-	-	80,710	80,710
Adult Basic Education	-	-	-	1,159	1,159
Community Service	-	-	-	87,377	87,377
Total restricted/reserved	1,363,723	261,299	186,193	398,645	2,209,860
Committed for					
Separation benefits	566,919	-	-	-	566,919
Total assigned	566,919	-	-	-	566,919
Assigned for					
Curriculum	200,000	-	-	-	200,000
Future roof project	500,000	-	-	-	500,000
Technology	150,000	-	-	-	150,000
Unemployment costs	25,000	-	-	-	25,000
Total assigned	875,000	-	-	-	875,000
Unassigned					
General purposes	2,753,794	-	-	-	2,753,794
Negative school readiness	-	-	-	(130,499)	(130,499)
Negative community education	-	-	-	(101,370)	(101,370)
Total unassigned	2,753,794	-	-	(231,869)	2,521,925
Total fund balance	<u>\$ 5,575,540</u>	<u>\$ 261,299</u>	<u>\$ 186,193</u>	<u>\$ 170,976</u>	<u>\$ 6,194,008</u>

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 5 - FUND BALANCES (CONTINUED)

Fund Equity (Continued)

Nonspendable for Inventory - This balance represents the portion of fund balance that is not available as amounts have already been spent on inventory.

Nonspendable for Prepaid Items - This balance represents the portion of fund balance that is not available as the amounts have already been spent by the District on items for the next year.

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

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

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

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

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

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

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

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

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

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

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

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

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 5 - FUND BALANCES (CONTINUED)

Fund Equity (Continued)

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

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

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

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

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

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

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

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

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

Assigned for Various Purposes - These balances are assigned for the specific purpose indicated above for each balance.

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

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

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 6 - DEFINED BENEFIT PENSION PLANS - STATE-WIDE

The District participates in various pension plans. Total pension expense for the year ended June 30, 2026, was \$114,625. The components of pension expense are noted in the following plan summaries.

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

Teachers' Retirement Association

A. Plan Description

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

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

B. Benefits Provided

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

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

Tier I Benefits

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

Independent School District No. 424
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

B. Benefits Provided (Continued)

Tier I Benefits (Continued)

With these provisions:

- Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- 3% per year early retirement reduction factor for all years under normal retirement age.
- Unreduced benefits for early retirement under a Rule of 90 (age plus allowable service equals 90 or more).

Or

For years of service prior to July 1, 2006, a level formula of 1.7% per year for coordinated members and 2.7% per year for basic members is applied. For years of service July 1, 2006, and after, a level formula of 1.9% per year for Coordinated members and 2.7% for Basic members applies. An early retirement reduction is applied to members retiring prior to age 65. Beginning June 30, 2025, new reduction factors will apply, including special factors for members retiring at age 60 or later with at least 30 years of service.

Tier II Benefits

Members first employed after June 30, 1989, receive only the Tier II calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 65, effective July 1, 2024. An early retirement reduction is applied to members retiring before age 65. Beginning June 30, 2025, new reduction factors will apply, including special factors for members retiring at age 60 or later with at least 30 years of service.

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

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

C. Contributions

Per *Minnesota Statute* Chapter 354 sets the contribution rates for employees and employers. Rates for the fiscal year 2026 for coordinated were 8.00% for the employee and 9.81% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2026 were \$217,159. The District's contributions were equal to the required contributions for each year as set by the state statute.

Independent School District No. 424
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

D. Actuarial Assumptions

The total pension liability in the July 1, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information

Experience study	August 2, 2023 (Demographic and economic assumptions)*
Actuarial cost method	Entry Age Normal
Actuarial assumptions	
Investment rate of return	7.00%
Price inflation	2.50%
Wage growth rate	2.85% before July 1, 2028, and 3.25% after June 30, 2028.
Projected salary increase	2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028.
Cost of living adjustment	1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.
Pre-retirement	Pub T-2010(A) Employee Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 Scale.
Post-retirement	Pub T-2010(A) Retiree Mortality Table, male rates set forward 1 year
Beneficiaries	Pub-2010(A) Contingent Survivor Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 Scale.

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

Independent School District No. 424
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

D. Actuarial Assumptions (Continued)

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

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

Changes in actuarial assumptions since the previous valuation:

- Liability load for inactive non-vested members changed from 9% to 13% and the liability load for inactive vested members changed from 7% to 6%.

E. Discount Rate

The discount rate used to measure the total pension liability was 7.0%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2025 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined) and contributions from the state will be made at current statutorily required rates. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Independent School District No. 424
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

F. Net Pension Liability

As of June 30, 2026, the District reported a liability of \$1,727,182 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. District proportionate share was 0.0301% at the end of the measurement period and 0.0339% for the beginning of the year.

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

District's proportionate share of net pension liability	\$ 1,727,182
State's proportionate share of the net pension liability associated with the district	<u>107,270</u>
Total	<u><u>\$ 1,834,452</u></u>

For the year ended June 30, 2026, the District recognized pension expense of \$112,849. Included in this amount, the District recognized (\$2,686) as pension expense for the support provided by direct aid.

During the plan year ended June 30, 2025, the State of Minnesota contributed \$28,462,000 to the Fund. The State of Minnesota is not included as a non-employer contributing entity in the plan pension allocation schedules for the \$28,462,000 in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized \$8,578 for the year ended June 30, 2026 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Fund.

Independent School District No. 424
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

F. Net Pension Liability (Continued)

As of June 30, 2026, 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
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 79,644	\$ 16,963
Net difference between projected and actual earnings on plan investment	-	346,805
Changes of assumptions	97,564	182,701
Changes in proportion	18,341	368,155
District's contributions to TRA subsequent to the measurement date	<u>217,159</u>	<u>-</u>
Total	<u><u>\$ 412,708</u></u>	<u><u>\$ 914,624</u></u>

The \$217,159 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2027.

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

Year Ended June 30,	Pension Expense
	<u> </u>
2027	\$ 29,527
2028	(302,511)
2029	(254,637)
2030	(149,757)
2031	<u>(41,697)</u>
Total	<u><u>\$ (719,075)</u></u>

Independent School District No. 424
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

G. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower (6.0%) and 1 percent higher (8.0%) than the current rate.

Sensitivity to Changes in the Discount Rate		
1% Decrease in Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
\$ 3,257,914	\$ 1,727,182	\$ 467,369

H. Pension Plan Fiduciary Net Position

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

Public Employees' Retirement Association

A. Plan Description

The District participates in the following cost-sharing multiple-employer defined benefit pension plan administered by PERA. PERA's defined benefit pension plan is established and administered in accordance with *Minnesota Statutes* Chapters 353, 353D, 353E, 353G and 356. *Minnesota Statute* Chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

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

B. Benefits Provided

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

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

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

Public Employees' Retirement Association (Continued)

B. Benefits Provided (Continued)

General Employees Plan Benefits

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any 5 successive years of allowable service, age and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of the highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or 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 postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.0% and a maximum of 1.5%. The 2025 annual increase was 1.25%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. Contributions

Minnesota Statutes Chapter 353, 353E, 353G and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

General Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2026 and the District was required to contribute 7.5% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2026, were \$37,027. The District's contributions were equal to the required contributions as set by state statute.

Independent School District No. 424
Notes to Basic Financial Statements

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

Public Employees' Retirement Association (Continued)

D. Pension Costs

General Employees Fund Pension Costs

As of June 30, 2026, the District reported a liability of \$201,021 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$4,849.

District's proportionate share of net pension liability	\$ 201,021
State's proportionate share of the net pension liability associated with the District	<u>4,849</u>
Total	<u><u>\$ 205,870</u></u>

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024, through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0061%, at the end of the measurement period and 0.0061% for the beginning of the period.

For the year ended June 30, 2026, the District recognized pension expense of \$1,775 for its proportionate share of the General Employees Plan's pension expense. Included in this amount, the District recognized (\$744) as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

Independent School District No. 424
Notes to Basic Financial Statements

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

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

At June 30, 2026, the District reported its proportionate share of GERS's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ 19,153	\$ -
Changes in actuarial assumptions	4,843	46,254
Difference between projected and actual investments earnings	-	79,987
Change in proportion	2,682	11,504
Contributions paid to PERA subsequent to the measurement date	<u>37,027</u>	<u>-</u>
Total	<u><u>\$ 63,705</u></u>	<u><u>\$ 137,745</u></u>

The \$37,027 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2027. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Expense Amount</u>
2027	\$ (25,850)
2028	(43,486)
2029	(27,443)
2030	<u>(14,288)</u>
Total	<u><u>\$ (111,067)</u></u>

Independent School District No. 424
Notes to Basic Financial Statements

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

Public Employees' Retirement Association (Continued)

E. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

F. Actuarial Methods and Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2025, using the entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0%. The 7.0% assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates considered reasonable by the actuary. An investment return of 7.0% is within that range.

Inflation is assumed to be 2.25% for the General Employees Plan. Benefit increases after retirement are assumed to be 1.5% for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 11.5% after one year of service to 3.0% after 27 years of service

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023, actuarial valuation.

Independent School District No. 424
Notes to Basic Financial Statements

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

Public Employees' Retirement Association (Continued)

F. Actuarial Methods and Assumptions (Continued)

The following changes in actuarial assumptions and plan provisions occurred in 2025:

Changes in Actuarial Assumptions

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.
- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status

G. Discount Rate

The discount rate used to measure the total pension liability in 2025 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in *Minnesota Statutes*. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
District's proportionate share of the PERA net pension liability	\$ 488,248	\$ 201,021	\$ (31,985)

I. Pension Plan Fiduciary Net Position

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

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 7 - POST EMPLOYMENT HEALTH CARE PLAN

A. Plan Description

The District provides a single employer defined benefit OPEB plan which provides medical and dental benefits to eligible retired employees and their dependents in accordance with the terms of the plan. It is the District's policy to periodically review its medical coverage and to obtain requests for proposals in order to provide the most favorable benefits and premiums for District employees and retirees. No assets are accumulated in a trust.

B. Benefits Paid

Various employee groups receive health insurance contributions at varying rates until they are Medicare eligible. The General Fund, Food Service Fund and Community Service Fund typically liquidate the liability related to OPEB.

C. Members

As of July 1, 2025, the following were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	8
Active employees	<u>62</u>
Total	<u><u>70</u></u>

D. Contributions

Retirees contribute to the health care plan at the same rate as District employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the District, based on the contract terms. The required contributions are based on projected pay-as-you-go financing requirements. For the year 2025, the District contributed \$89,335 to the plan.

E. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2025, using the Entry Age actuarial cost method and the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

Discount rate	4.90%
Salary increases	Service graded table
Inflation	2.50%
Healthcare cost trend increases	6.50% decreasing to 5.0% over 6 years and then to 4.0% over the next 48 years.
Mortality Assumption	Pub-2016 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 7 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

E. Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2025, valuation was based on the results of an actuarial experience study for the period July 1, 2025, through June 30, 2026.

The Discount rate was based on the 20-year Municipal Bond yield.

The following changes in actuarial assumptions in 2026:

Assumption Changes

For the fiscal year ending June 30, 2026:

- The health care trend rates and mortality tables were updated.
- The salary increase rates for non-teachers were updated to reflect the latest experience study.
- The percentages of future retirees and their spouses who are assumed to receive post-employment subsidies based on their medical coverage in effect during the last year of employment (e.g. single or family) were reduced from 100% to 75% for employees and from 60% to 40% for spouses.
- The discount rate was changed from 4.10% to 4.90%.

F. Total OPEB Liability

The District's total OPEB liability of \$394,090 was measured as of July 1, 2025, and was determined by an actuarial valuation as of July 1, 2025.

Changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balances at July 1, 2024	\$ 480,364
Changes for the year	
Service cost	25,080
Interest	18,910
Differences between expected and actual economic experience	(6,549)
Changes in assumptions	(34,380)
Benefit payments	(89,335)
Net changes	(86,274)
Balances at July 1, 2025	\$ 394,090

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 7 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

G. OPEB Liability Sensitivity

The following presents the District's total OPEB liability calculated using the discount rate of 4.90% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

	1% Decrease in Discount Rate (3.90%)	Current Discount Rate (4.90%)	1% Increase in Discount Rate (5.90%)
Total OPEB liability	\$ 412,630	\$ 394,090	\$ 376,437

G. OPEB Liability Sensitivity (Continued)

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

	1% Decrease in Trend Rate (5.50% Decreasing to 3.00%)	Current Trend Rate (6.50% Decreasing to 4.00%)	1% Increase in Trend Rate (7.50% Decreasing to 5.00%)
Total Net OPEB liability	\$ 372,811	\$ 394,090	\$ 419,461

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2026, the District recognized OPEB expense of \$36,135. At June 30, 2026, 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
Liability losses/gains	\$ 3,625	\$ 5,613
Changes of assumptions	6,839	46,682
Subsequent contributions	65,678	-
Total	<u>\$ 76,142</u>	<u>\$ 52,295</u>

The \$65,678 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2027.

Independent School District No. 424
Notes to Basic Financial Statements

NOTE 7 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB (Continued)**

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

Year Ended June 30,	Total
2027	\$ (5,397)
2028	(7,480)
2029	(10,846)
2030	(5,930)
2031	(6,337)
Thereafter	(5,841)
Total	<u>\$ (41,831)</u>

NOTE 8 - DUE TO/DUE FROM OTHER FUNDS

As of June 30, 2026, \$39,019 was due to the General Fund from the Community Service Fund to cover a deficit cash balance.

NOTE 9 - GASB STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 105, Subsequent Events. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. This Statement will be effective for the year ending June 30, 2027.

NOTE 10 - CHANGE IN ACCOUNTING PRINCIPLE

During the current fiscal year, the Lester Prairie Schools - ISD No. 424, implemented GASB Statement No. 103, Financial Reporting Model Improvements. This statement enhances the financial reporting model by standardizing presentation structures, expanding communication effectiveness, and refining note disclosures. The adoption of GASB Statement No. 103 had no effect on beginning net position, fund balance or change in net position for the current year. The implementation of GASB Statement No. 103 required the following presentation modifications.

- Reclassification of budgetary comparison schedules from basic financial statements to Required Supplementary Information (RSI). And including additional disclosures in the Notes to the Required Supplementary Information - Budgetary Reporting section explaining significant variances between original and final budget estimates and the corresponding actual revenues and expenditures.

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REQUIRED SUPPLEMENTARY INFORMATION

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Independent School District No. 424
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget - Over (Under) Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final			
Revenues					
Local property taxes	\$ 846,099	\$ 850,902	\$ 4,803	\$ 846,258	\$ (4,644)
Other local and county revenues	347,300	409,475	62,175	593,806	184,331
Revenue from state sources	4,801,958	4,691,278	(110,680)	4,772,980	81,702
Revenue from federal sources	129,237	234,059	104,822	264,262	30,203
Sales and other conversion of assets	500	500	-	3,095	2,595
Total revenues	<u>6,125,094</u>	<u>6,186,214</u>	<u>61,120</u>	<u>6,480,401</u>	<u>294,187</u>
Expenditures					
Current					
Administration	396,594	385,976	(10,618)	324,879	(61,097)
District support services	480,977	507,610	26,633	489,195	(18,415)
Elementary and secondary regular instruction	3,197,705	3,058,197	(139,508)	3,197,968	139,771
Vocational education instruction	7,404	7,404	-	12,616	5,212
Special education instruction	778,340	794,568	16,228	663,939	(130,629)
Instructional support services	210,730	429,784	219,054	320,825	(108,959)
Pupil support services	494,923	508,854	13,931	516,211	7,357
Sites and buildings	743,796	706,500	(37,296)	745,040	38,540
Capital outlay					
Elementary and secondary regular instruction	62,347	74,190	11,843	12,837	(61,353)
Special education instruction	14,237	20,935	6,698	20,935	-
Instructional support services	30,000	40,000	10,000	53,354	13,354
Sites and buildings	52,000	25,000	(27,000)	5,075	(19,925)
Debt service					
Principal	18,096	18,096	-	65,310	47,214
Interest and fiscal charges	-	1,580	1,580	6,373	4,793
Total expenditures	<u>6,487,149</u>	<u>6,578,694</u>	<u>91,545</u>	<u>6,434,557</u>	<u>(144,137)</u>
Net change in fund balance	<u>\$ (362,055)</u>	<u>\$ (392,480)</u>	<u>\$ (30,425)</u>	45,844	<u>\$ 438,324</u>
Fund Balance					
Beginning of year				<u>5,529,696</u>	
End of year				<u>\$ 5,575,540</u>	

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Independent School District No. 424
Notes to the Required Supplementary Information - Budget

Budgetary Comparison Schedules

Final Budget to Actual

Revenues

Revenues from other local and county revenues and from state sources were over budget due to the conservative budgeting approach used by the district.

Expenditures

Special Education and the variance for administration were under budget \$130,629 and \$61,097, respectively, due to conservative budgeting in employee benefits for both programs. Instructional support was under budget \$95,605, due to budgeting conservatively for staff development and literacy. Elementary and secondary regular instruction was over budget \$78,418 due primarily to student activity supply costs. Because these costs are associated with self-funded student activities and fluctuate based on annual participation and activity needs, the District does not budget these variable expenditures at the individual activity level.

Original Budget to Final Budget

Revenues

The increase in other local and county sources is due to the revision done in the spring of '26 for new revenue items recognized: LCTN closeout, additional fundraising revenue extrapolated from YTD revenue collection at that point, and a new grant from CW Fit Research program awarded mid-year. Revenue from state sources was decreased related to the decrease in ADM from prior year and data from revenue projection model reflecting decreases across the board as a result. It was also reduced due to conservative budgeting for special education aid. Revenue from federal sources increased due to new MTSS grant.

Expenditures

Expenditures in elementary and secondary regular instruction decreased due to the Long-Term Disability Insurance expense account that was initially included in the adopted budget as a conservative contingency to account for potential expenditures and uncertainty that existed at the time the original budget was developed. As the fiscal year progressed and more current financial and operational information became available, the District reevaluated the anticipated need for these funds as part of the budget revision process. Based on updated projections and actual experience, it was determined that the full amount originally budgeted was no longer necessary. Therefore, the budget was reduced in the revised budget to more accurately reflect the District's current expectations. Expenditures for instructional support services increased due to the MTSS Grant award that came after initial budget was created and adopted. This Grant award added \$115K in expenses to program 605 which was captured with the budget revision. Purchased services budget was also increased with new information from co-op and other districts.

Independent School District No. 424
Schedule of Changes in Total OPEB Liability
and Related Ratios

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023
Total OPEB Liability				
Service cost	\$ 25,080	\$ 24,059	\$ 24,032	\$ 24,486
Interest	18,910	19,776	20,756	13,107
Differenced between expected and actual experience	(6,549)	-	594	-
Changes of assumptions	(34,380)	(3,423)	2,297	(34,461)
Plan changes	-	-	-	-
Benefit payments	(89,335)	(85,328)	(88,352)	(73,323)
Net change in total OPEB liability	(86,274)	(44,916)	(40,673)	(70,191)
Beginning of year	480,364	525,280	565,953	636,144
End of year	<u>\$ 394,090</u>	<u>\$ 480,364</u>	<u>\$ 525,280</u>	<u>\$ 565,953</u>
Covered payroll	\$ 2,847,331	\$ 2,647,564	\$ 2,570,450	\$ 2,661,693
Total OPEB liability as a percentage of covered-employee payroll	13.84%	18.14%	20.44%	21.26%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
\$ 30,535	\$ 39,353	\$ 34,670	\$ 30,271	\$ 29,389
14,551	18,118	21,323	20,801	20,356
11,516	14,554	(85,895)	-	-
12,100	-	22,503	-	-
15,119	-	-	-	-
(46,592)	(36,143)	(43,733)	(36,540)	(38,526)
37,229	35,882	(51,132)	14,532	11,219
598,915	563,033	614,165	599,633	588,414
\$ 636,144	\$ 598,915	\$ 563,033	\$ 614,165	\$ 599,633
\$ 2,584,168	\$ 2,474,160	\$ 2,402,097	\$ 2,155,164	\$ 2,092,392
24.62%	24.21%	23.44%	28.50%	28.66%

Independent School District No. 424
Notes to the Required Supplementary Information - OPEB

Post Employment Healthcare Plan

2025 Changes

Changes in Actuarial Assumptions

- The health care trend rates and mortality tables were updated.
- The salary increase rates for non-teachers were updated to reflect the latest experience study.
- The percentages of future retirees and their spouses who are assumed to receive post-employment subsidies based on their medical coverage in effect during the last year of employment (e.g. single or family) were reduced from 100% to 75% for employees and from 60% to 40% for spouses.
- The discount rate was changed from 4.10% to 4.90%.

2024 Changes

Changes in Actuarial Assumptions

- The discount rate was changed from 3.90% to 4.10%.

2023 Changes

Changes in Actuarial Assumptions

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

2022 Changes

Changes in Actuarial Assumptions

- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.10% to 3.80%.

2021 Changes

Benefit Changes

- The matching contribution amount increased for Teachers and a subsidized benefit was added for the Business Official.

Changes in Actuarial Assumptions

- The health care trend rates, mortality tables and withdrawal rates were updated.
- The salary scale for non-teachers was updated.
- The inflation rate was changed from 2.50% to 2.00%.
- The discount rate was changed from 2.40% to 2.10%.

2020 Changes

Changes in Actuarial Assumptions

- The discount rate was changed from 3.10% to 2.40%.

2019 Changes

Changes in Actuarial Assumptions

- The discount rate was changed from 3.40% to 3.10%.

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

Independent School District No. 424
Notes to the Required Supplementary Information - OPEB

Post Employment Healthcare Plan (Continued)

2018 Changes

Changes in Actuarial Assumptions

- None

Independent School District No. 424
Schedule of District's and Non-Employer Proportionate Share
of Net Pension Liability - General Employees Retirement Fund
Last Ten Years

For Plan's Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability and District's Share of the State of Minnesota's Share of the Net Pension of Liability	District's Covered - Employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered - Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.0050%	\$ 405,975	\$ 5,339	\$ 411,314	\$ 312,413	129.95%	68.90%
2017	0.0050%	319,197	4,044	323,241	324,547	98.35%	75.90%
2018	0.0053%	294,022	9,514	303,536	353,413	83.19%	79.50%
2019	0.0061%	337,255	10,500	347,755	429,573	78.51%	80.20%
2020	0.0063%	377,714	11,658	389,372	422,027	89.50%	79.10%
2021	0.0056%	239,145	7,213	246,358	400,373	59.73%	87.00%
2022	0.0063%	498,962	14,663	513,625	469,373	106.30%	76.70%
2023	0.0064%	357,881	9,901	367,782	510,773	70.07%	83.10%
2024	0.0061%	223,942	5,791	229,733	512,680	43.68%	89.08%
2025	0.0061%	201,021	4,849	205,870	549,387	36.59%	90.78%

Schedule of District's and Non-Employer Proportionate Share
of Net Pension Liability - TRA Retirement Fund
Last Ten Years

For Plan's Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability and District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered - Employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered - Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.0363%	\$ 8,658,416	\$ 868,131	\$ 9,526,547	\$ 1,905,560	454.4%	44.90%
2017	0.0366%	7,306,024	705,581	8,011,605	1,957,120	373.3%	51.60%
2018	0.0348%	2,188,103	205,523	2,393,626	1,945,080	112.5%	78.10%
2019	0.0359%	2,288,274	202,624	2,490,898	2,059,468	111.1%	78.10%
2020	0.0364%	2,689,281	225,653	2,914,934	2,115,833	127.1%	75.50%
2021	0.0374%	1,636,736	138,196	1,774,932	2,239,840	73.1%	86.60%
2022	0.0362%	2,898,705	214,749	3,113,454	2,235,384	129.7%	76.20%
2023	0.0348%	2,873,166	201,058	3,074,224	2,212,222	129.9%	76.42%
2024	0.0339%	2,154,115	140,848	2,294,963	2,245,291	95.9%	82.07%
2025	0.0301%	1,727,182	107,270	1,834,452	2,096,206	82.4%	84.51%

See notes to required supplementary information - pension.

Independent School District No. 424
Schedule of District Contributions -
General Employees Retirement Fund
Last Ten Years

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered - Employee Payroll	Contributions as a Percentage of Covered - Employee Payroll
2017	\$ 24,341	\$ 24,341	\$ -	\$ 324,547	7.50%
2018	26,506	26,506	-	353,413	7.50%
2019	32,218	32,218	-	429,573	7.50%
2020	31,652	31,652	-	422,027	7.50%
2021	30,028	30,028	-	400,373	7.50%
2022	35,203	35,203	-	469,373	7.50%
2023	38,308	38,308	-	510,773	7.50%
2024	38,451	38,451	-	512,680	7.50%
2025	41,204	41,204	-	549,387	7.50%
2026	37,027	37,027	-	493,693	7.50%

Schedule of District Contributions -
TRA Retirement Fund
Last Ten Years

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered - Employee Payroll	Contributions as a Percentage of Covered - Employee Payroll
2017	\$ 146,784	\$ 146,784	\$ -	\$ 1,957,120	7.50%
2018	145,881	145,881	-	1,945,080	7.50%
2019	158,785	158,785	-	2,059,468	7.71%
2020	167,574	167,574	-	2,115,833	7.92%
2021	182,099	182,099	-	2,239,840	8.13%
2022	186,431	186,431	-	2,235,384	8.34%
2023	189,145	189,145	-	2,212,222	8.55%
2024	196,463	196,463	-	2,245,291	8.75%
2025	183,418	183,418	-	2,096,206	8.75%
2026	217,159	217,159	-	2,213,649	9.81%

Independent School District No. 424
Notes to the Required Supplementary Information - Pension

TRA Retirement Fund

2025 Changes

Changes in Actuarial Assumptions

- Liability load for inactive non-vested members changed from 9% to 13% and the liability load for inactive vested members changed from 7% to 6%.

2024 Changes

Changes in Actuarial Assumptions

- Mortality tables were updated for active employees, retirees, disabled retirees and contingent beneficiaries to recently published tables derived from public plan data known as the Pub-2010 family.
- Retirement rates were increased for some of the Tier II early retirement ages and some of the unreduced retirement rates were modified for both tiers to better align with actual experience.
- Probability that new female retirees elect either the Straight Life Annuity or 100% Joint and Survivor Annuity were refined to reflect the actual experience.
- Termination rates were reduced in the first 10 years of employment and slightly increased in years 16 to 25 to better match the observed experience.
- Disability rates were decreased beyond age 45 by 15% to reflect the continued lower than expected observations.

Changes of Benefit Terms

- The Normal Retirement Age (NRA) for active and eligible deferred Tier II members will be 65 effective July 1, 2024.

2023 Changes

Changes in Actuarial Assumptions

- None

2022 Changes

Changes in Actuarial Assumptions

- None

2021 Changes

Changes in Actuarial Assumptions

- The investment return assumption was changed from 7.5% to 7.0%.

2020 Changes

Changes in Actuarial Assumptions

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP 2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP 2015 scale.
- Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

2019 Changes

Changes in Actuarial Assumptions

- None

Independent School District No. 424
Notes to the Required Supplementary Information - Pension

TRA Retirement Fund (Continued)

2018 Changes

Changes in Actuarial Assumptions

- The discount rate was increased to 7.5% from 5.12%.
- The cost-of-living adjustment (COLA) was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% on January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019, and ending July 1, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers was reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next 6 years (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022 and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

2017 Changes

Changes in Actuarial Assumptions

- The discount rate was increased to 5.12% from 4.66%.
- The cost-of-living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the non-vested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 2.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

2016 Changes

Changes in Actuarial Assumptions

- The discount rate was decreased to 4.66% from 8.0%.
- The COLA was not assumed to increase for funding or the GASB calculation. It remained at 2% for all future years.
- The price inflation assumption was lowered from 3% to 2.75%.

Independent School District No. 424
Notes to the Required Supplementary Information - Pension

TRA Retirement Fund (Continued)

2016 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes as some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP 2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP 2015 scale.
- The post-retirement mortality assumption was changed to the RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP 2015 scale.
- The post-disability mortality assumption was changed to the RP 2014 disabled retiree mortality table, without adjustment.
- Separate retirement assumptions for members hired before or after July 1, 1989, were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional form of annuity payment at retirement were made.

Change in Plan Provisions

There have been no changes since the prior valuation.

Independent School District No. 424
Notes to the Required Supplementary Information - Pension

General Employees Fund

2025 Changes

Changes in Actuarial Assumptions

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75% , beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.
- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2023 Changes

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5% to 7.0%.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes

Changes in Actuarial Assumptions

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

Independent School District No. 424
Notes to the Required Supplementary Information - Pension

General Employees Fund (Continued)

2022 Changes (Continued)

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

2019 Changes

Changes in Actuarial Assumptions

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

Independent School District No. 424
Notes to the Required Supplementary Information - Pension

General Employees Fund (Continued)

2019 Changes (Continued)

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changed prospectively, requiring \$16 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age. This does not apply to Rule of 90 retirees, disability benefit recipients or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

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

2016 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.

Independent School District No. 424
Notes to the Required Supplementary Information - Pension

General Employees Fund (Continued)

2016 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation was decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

SUPPLEMENTARY INFORMATION

Independent School District No. 424
Lester Prairie, Minnesota
Combining Balance Sheet -
Nonmajor Governmental Funds
June 30, 2026

	Special Revenue Funds		
	Food Service	Community Service	Total
Assets			
Cash and investments	\$ 203,721	\$ -	\$ 203,721
Current property taxes receivable	-	15,838	15,838
Delinquent property taxes receivable	-	107	107
Accounts receivable	-	1,049	1,049
Due from Department of Education	20,242	4,365	24,607
Due from Federal Government through Department of Education	10,213	-	10,213
Due from other governmental units	-	5,143	5,143
Inventory	4,200	-	4,200
Total assets	<u>\$ 238,376</u>	<u>\$ 26,502</u>	<u>\$ 264,878</u>
Liabilities			
Accounts payable	\$ 50	\$ -	\$ 50
Salaries and benefits payable	-	14,807	14,807
Due to other funds	-	39,091	39,091
Unearned revenue	4,727	835	5,562
Total liabilities	<u>4,777</u>	<u>54,733</u>	<u>59,510</u>
Deferred Inflows of Resources			
Property taxes levied for subsequent year's expenditures	-	34,285	34,285
Unavailable revenue - delinquent property taxes	-	107	107
Total deferred inflows of resources	<u>-</u>	<u>34,392</u>	<u>34,392</u>
Fund Balances			
Nonspendable	4,200	-	4,200
Restricted	229,399	169,246	398,645
Unassigned	-	(231,869)	(231,869)
Total fund balances	<u>233,599</u>	<u>(62,623)</u>	<u>170,976</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 238,376</u>	<u>\$ 26,502</u>	<u>\$ 264,878</u>

Independent School District No. 424
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances -
Nonmajor Governmental Funds
Year Ended June 30, 2026

	Special Revenue Funds		Total
	Food Service	Community Service	
Revenues			
Local property taxes	\$ -	\$ 32,777	\$ 32,777
Other local and county revenues	244	55,128	55,372
Revenue from state sources	205,928	46,430	252,358
Revenue from federal sources	139,344	-	139,344
Sales and other conversion of assets	21,373	-	21,373
Total revenues	<u>366,889</u>	<u>134,335</u>	<u>501,224</u>
Expenditures			
Current			
Food service	374,905	-	374,905
Community education and services	-	126,705	126,705
Capital outlay			
Food service	<u>15,883</u>	<u>-</u>	<u>15,883</u>
Total expenditures	<u>390,788</u>	<u>126,705</u>	<u>517,493</u>
Net change in fund balances	(23,899)	7,630	(16,269)
Fund Balances			
Beginning of year	<u>257,498</u>	<u>(70,253)</u>	<u>187,245</u>
End of year	<u>\$ 233,599</u>	<u>\$ (62,623)</u>	<u>\$ 170,976</u>

Independent School District No. 424
Uniform Financial Accounting And Reporting Standards
Compliance Table
Year Ended June 30, 2026

	Audit	UFARS	Audit-UFARS		Audit	UFARS	Audit-UFARS
01 GENERAL FUND				06 BUILDING CONSTRUCTION FUND			
Total revenue	\$ 6,480,401	\$ 6,480,400	\$ 1	Total revenue	\$ 4,633	\$ 4,633	\$ -
Total expenditures	6,434,557	6,434,557	-	Total expenditures	75,040	75,040	-
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
4.60 Nonspendable fund balance	16,104	16,104	-	4.60 Nonspendable fund balance	-	-	-
<i>Restricted/reserved:</i>				<i>Restricted/reserved:</i>			
4.01 Student Activities	63,819	63,819	-	4.07 Capital Projects Levy	-	-	-
4.02 Scholarships	-	-	-	4.09 Alternative Facility Program	-	-	-
4.03 Staff Development	-	-	-	4.13 Building Projects Funded by COP/LP	-	-	-
4.07 Capital Projects Levy	-	-	-	<i>Restricted:</i>			
4.08 Cooperative Programs	-	-	-	4.64 Restricted fund balance	186,193	186,193	-
4.12 Literacy Aid	11,177	11,177	-	<i>Unassigned:</i>			
4.13 Building Projects Funded by COP/LP	-	-	-	4.63 Unassigned fund balance	-	-	-
4.14 Operating Debt	-	-	-				
4.16 Levy Reduction	-	-	-	07 DEBT SERVICE FUND			
4.17 Taconite Building Maintenance	-	-	-	Total revenue	\$ 1,299,625	\$ 1,299,626	\$ (1)
4.20 American Indian Education Aid	-	-	-	Total expenditures	1,292,731	1,292,731	-
4.24 Operating Capital	26,128	26,128	-	<i>Nonspendable:</i>			
4.26 \$25 Taconite	-	-	-	4.60 Nonspendable fund balance	-	-	-
4.27 Disabled Accessibility	-	-	-	<i>Restricted/Reserved:</i>			
4.28 Learning and Development	96,996	96,996	-	4.25 Bond refundings	-	-	-
4.34 Area Learning Center	-	-	-	4.33 Maximum effort loan aid	-	-	-
4.35 Contracted Alternative Programs	-	-	-	4.51 QZAB payments	-	-	-
4.36 State Approved Alternative Program	-	-	-	4.67 Long-term Facilities Maintenance	-	-	-
4.37 Quality Compensation	-	-	-	<i>Restricted:</i>			
4.38 Gifted and Talented	14,809	14,809	-	4.64 Restricted fund balance	261,299	261,299	-
4.39 English Learner	-	-	-	<i>Unassigned:</i>			
4.40 Teacher Development and Evaluation	-	-	-	4.63 Unassigned fund balance	-	-	-
4.41 Basic Skills Programs	347,142	347,142	-				
4.43 School Library Aid	61,487	61,487	-	08 TRUST FUND			
4.48 Achievement and Integration	-	-	-	Total revenue	\$ -	\$ -	\$ -
4.49 Safe Schools Revenue	91,244	91,244	-	Total expenditures	-	-	-
4.51 QZAB Payments	-	-	-	<i>Unassigned:</i>			
4.52 OPEB Liabilities not Held in Trust	-	-	-	4.01 Student Activities	-	-	-
4.53 Unfunded Severance and Retirement Levy	-	-	-	4.02 Scholarships	-	-	-
4.56 Literacy Aid	18,277	18,277	-	4.22 Net position	-	-	-
4.57 Teacher Compensation for Read Act Training	2,487	2,487	-				
4.67 Long-term Facilities Maintenance	549,126	549,126	-	18 CUSTODIAL			
4.71 Student Support Personnel Aid	23,985	23,985	-	Total revenue	\$ -	\$ -	\$ -
4.72 Medical Assistance	39,046	39,046	-	Total expenditures	-	-	-
<i>Restricted:</i>				<i>Restricted/Reserved:</i>			
4.64 Restricted fund balance	18,000	18,000	-	4.01 Student Activities	-	-	-
4.72 Medical Assistance	-	-	-	4.02 Scholarships	-	-	-
4.75 Title VII - Impact Aid	-	-	-	4.48 Achievement and Integration	-	-	-
4.76 Payments in Lieu of Taxes	-	-	-	4.64 Restricted	-	-	-
<i>Committed:</i>							
4.18 Committed for separation	566,919	566,919	-	20 INTERNAL SERVICE FUND			
4.61 Committed	-	-	-	Total revenue	\$ -	\$ -	\$ -
<i>Assigned:</i>				Total expenditures	-	-	-
4.62 Assigned fund balance	875,000	875,000	-	<i>Unassigned:</i>			
<i>Unassigned:</i>				4.22 Net position	-	-	-
4.22 Unassigned fund balance	2,753,794	2,753,791	3				
				25 OPEB REVOCABLE TRUST			
02 FOOD SERVICE FUND				Total revenue	\$ -	\$ -	\$ -
Total revenue	\$ 366,889	\$ 366,889	\$ -	Total expenditures	-	-	-
Total expenditures	390,788	390,789	(1)	<i>Unassigned:</i>			
<i>Nonspendable:</i>				4.22 Net position	-	-	-
4.60 Nonspendable fund balance	4,200	4,200	-				
<i>Restricted/reserved:</i>				45 OPEB IRREVOCABLE TRUST			
4.52 OPEB Liabilities not Held in Trust	-	-	-	Total revenue	\$ -	\$ -	\$ -
<i>Restricted:</i>				Total expenditures	-	-	-
4.64 Restricted fund balance	229,399	229,400	(1)	<i>Unassigned:</i>			
<i>Unassigned:</i>				4.22 Net position	-	-	-
4.63 Unassigned fund balance	-	-	-				
				47 OPEB DEBT SERVICE			
04 COMMUNITY SERVICE FUND				Total revenue	\$ -	\$ -	\$ -
Total revenue	\$ 134,335	\$ 134,335	\$ -	Total expenditures	-	-	-
Total expenditures	126,705	126,704	1	<i>Nonspendable:</i>			
<i>Nonspendable:</i>				4.60 Nonspendable fund balance	-	-	-
4.60 Nonspendable fund balance	-	-	-	<i>Restricted:</i>			
<i>Restricted/reserved:</i>				4.25 Bond refundings	-	-	-
4.26 \$25 Taconite	-	-	-	4.64 Restricted fund balance	-	-	-
4.31 Community Education	(101,370)	(101,370)	-	<i>Unassigned:</i>			
4.32 ECFE	80,710	80,710	-	4.63 Unassigned fund balance	-	-	-
4.37 Q Comp	-	-	-				
4.40 Teacher Development and Evaluation	-	-	-				
4.44 School Readiness	(130,499)	(130,499)	-				
4.47 Adult Basic Education	1,159	1,159	-				
4.52 OPEB Liabilities not Held in Trust	-	-	-				
4.56 Literacy Aid	-	-	-				
4.57 Teacher Comp Read Act	-	-	-				
<i>Restricted:</i>							
4.64 Restricted fund balance	87,377	87,377	-				
<i>Unassigned:</i>							
4.63 Unassigned fund balance	-	-	-				



**Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance
With *Government Auditing Standards***

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the basic financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. 424, Lester Prairie, Minnesota, as of and for the year ending June 30, 2026, and the related notes to basic financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 9, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Corrective Action Plans on Internal Control that we consider to be a material weakness as audit finding 2026-001.

Report on Compliance and Other Matters

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

District's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Corrective Action Plans on Internal Control. The District's response was not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

BerganKDV, Ltd.

St. Cloud, Minnesota
September 9, 2026



Minnesota Legal Compliance

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. 424, Lester Prairie, Minnesota, as of and for the year ended June 30, 2026, and the related notes to basic financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 9, 2026.

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

The purpose of this report is 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 communication is not suitable for any other purpose.

BerganKDV, Ltd.

St. Cloud, Minnesota
September 9, 2026

**Independent School District No. 424
Schedule of Findings and Corrective Action Plans
on Internal Control**

CURRENT AND PRIOR YEAR INTERNAL CONTROL FINDING:

Material Weakness:

Audit Finding 2026-001 - Lack of Segregation of Accounting Duties

The District had a lack of segregation of accounting duties due to a limited number of office employees. The lack of adequate segregation of accounting duties could adversely affects the District's ability to initiate, record, process and report financial data consistent with the assertions of management in the basic financial statements. Segregation of accounting duties relates to four key processes: initiation, authorization, recording and reconciliation of financial data.

During our audit, we tested the internal control over various District financial reporting functions. One such function is the general ledger journal entry process. Not having an adequate process in place could jeopardize the integrity of the basic financial statements.

With the District having the material weakness relating to the lack of segregation of accounting duties, there is the risk that not all significant areas of the District's financial reporting process are protected by adequate internal control. However, this is one area we recommend an additional internal control could be implemented without adding significant cost. While implementing this control will not relieve the District of the material weakness, it is another control that reduces the risk that the basic financial statements are materially misstated. With this information, we recommend the Business Manager implement procedures that would support a journal entry review and approval process. One such procedure would be to require a person not involved with creating the journal entry but versed in understanding basic financial statements to review the documentation and approve the journal entry.

Management is aware of this condition and will take certain steps to compensate for the lack of segregation. However, due to the small accounting staff needed to handle all of the accounting duties, the cost of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. Due to this reason, management has determined a complete segregation of accounting duties is impractical to correct.

**Independent School District No. 424
Schedule of Findings and Corrective Action Plans
on Internal Control**

CURRENT AND PRIOR YEAR INTERNAL CONTROL FINDING (CONTINUED)

Material Weakness: (Continued)

Audit Finding 2026-001 - Lack of Segregation of Accounting Duties (Continued)

Views of the Responsible Officials and Planned Corrective Actions:

CORRECTIVE ACTION PLAN (CAP):

1. Explanation of Disagreement with Audit Finding
There is no disagreement with the audit finding.
2. Actions Planned in Response to Finding
Administration will continually review current segregation of accounting duties to determine if further segregation is possible. However, at this time, the District does not consider it cost beneficial to increase staff in order to further segregate accounting functions.
3. Official Responsible for Ensuring CAP
The Superintendent is the official responsible for ensuring corrective action of the deficiency.
4. Planned Completion Date for CAP
The planned completion date for the CAP is ongoing.
5. Plan to Monitor Completion of CAP
The Superintendent will continually monitor the accounting system and improve controls when possible.