ADDENDUM DATED SEPTEMBER 23, 2026
TO PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 18, 2026

New Issue

INDEPENDENT SCHOOL DISTRICT NO. 152
(MOORHEAD AREA PUBLIC SCHOOLS), MINNESOTA
(Clay County)

$12,500,000* GENERAL OBLIGATION FACILITIES MAINTENANCE, CAPITAL FACILITIES, AND TAX ABATEMENT BONDS, SERIES 2026B

Although the par amount of the Bonds remains unchanged, the individual maturities have been revised. The following sections have been updated: the Cover, Estimated Sources and Uses, Schedule of Bonded Indebtedness, Employment/Unemployment Data, Terms of Proposal and Proposal Form. Following is the revised Preliminary Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 18, 2026

In the opinion of Kennedy & Graven, Chartered, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions (which exclude any pending legislation which may have a retroactive effect) and, assuming the accuracy of certain representations and continuing compliance with certain covenants set forth in the resolution approving the issuance of the Bonds, interest to be paid on the Bonds is excludable from gross income for federal income tax purposes and, to the same extent, is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. However, such interest is included in determining the adjusted financial statement income of applicable corporations for purposes of computing the alternative minimum tax imposed on such applicable corporations and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. No opinion will be expressed by Bond Counsel regarding the other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds. See "TAX EXEMPTION" herein.

The District will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

New Issue **Rating Application Made: Moody's Ratings**

INDEPENDENT SCHOOL DISTRICT NO. 152 (MOORHEAD AREA PUBLIC SCHOOLS), MINNESOTA

(Clay County)

$12,500,000* GENERAL OBLIGATION FACILITIES MAINTENANCE, CAPITAL FACILITIES, AND TAX ABATEMENT BONDS, SERIES 2026B

PROPOSAL OPENING: September 28, 2026, 9:30 A.M., C.T. **CONSIDERATION**: September 28, 2026, 6:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The $12,500,000* General Obligation Facilities Maintenance, Capital Facilities, and Tax Abatement Bonds, Series 2026B (the "Bonds") are being issued pursuant to Minnesota Statutes, Sections 123B.595 and 123B.62, and Minnesota Statutes, Chapter 469, including Sections 469.1812 through 469.1815, as amended, and Minnesota Statutes, Chapter 475, as amended, by the Independent School District No. 152 (Moorhead Area Public Schools), Minnesota (the "District"), to finance facilities and site maintenance projects included in the District's ten-year facilities plan approved by the Commissioner of Education and capital facilities projects, including parking lot projects. The Bonds will be general obligations of the District for which its full faith and credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota.

DATE OF BONDS: October 22, 2026

MATURITY: February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2028	$445,000	2033	$1,480,000	2038	$910,000
2029	1,020,000	2034	745,000	2039	875,000
2030	1,205,000	2035	835,000	2040	640,000
2031	1,140,000	2036	920,000		
2032	1,425,000	2037	860,000		

***MATURITY ADJUSTMENTS:** The District reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: August 1, 2027 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2035 and thereafter are subject to call for prior optional redemption on February 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM PROPOSAL: $12,500,000.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $250,000 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL: Kennedy & Graven, Chartered.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Underwriter (Syndicate Manager). Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the District and other sources for which there is reasonable basis for believing the information is accurate and complete. Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the District, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over $1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the District for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the Underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over $1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the District is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the Underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the District nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the District which indicates that the District does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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MOORHEAD AREA PUBLIC SCHOOLS
SCHOOL BOARD

		Term Expires
David Marquardt	Board Chair	January 2027
Cassidy Bjorklund	Vice Chair	January 2029
Melissa Burgard	Clerk	January 2029
Keith Vogt	Treasurer	January 2027
Lorilee Bergin	Member	January 2027
Scott Steffes	Member	January 2029
Matt Valan	Member	January 2029

ADMINISTRATION

Brandon Lunak, Superintendent of Schools

Kam Wingenbach, Director of Business Services

PROFESSIONAL SERVICES

Vogel Law Firm, Attorney to the District, Moorhead, Minnesota

Kennedy & Graven, Chartered, Bond Counsel, Minneapolis, Minnesota

Ehlers and Associates, Inc., Municipal Advisors, Minneapolis, Minnesota
(*Other office located in Waukesha, Wisconsin*)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding Independent School District No. 152 (Moorhead Area Public Schools), Minnesota (the "District") and the issuance of its $12,500,000* General Obligation Facilities Maintenance, Capital Facilities, and Tax Abatement Bonds, Series 2026B (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Award Resolution") to be adopted by the School Board on September 28, 2026.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Minneapolis, Minnesota, (651) 697-8500, the District's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of $5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of October 22, 2026. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2027, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2028 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The District has selected Bond Trust Services Corporation, Minneapolis, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The District will pay the charges for Paying Agent services. The District reserves the right to remove the Paying Agent and to appoint a successor.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the District, the Bonds maturing on or after February 1, 2035 shall be subject to optional redemption prior to maturity on February 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the District. If only part of the Bonds having a common maturity date are called for redemption, then the District or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Minnesota Statutes, Sections 123B.595 and 123B.62, and Minnesota Statutes, Chapter 469, including Sections 469.1812 through 469.1815, as amended, and Minnesota Statutes, Chapter 475, as amended, by the District, to finance facilities and site maintenance projects included in the District's ten-year facilities plan approved by the Commissioner of Education (the "Facilities Maintenance Portion"), and capital facilities projects (the "Capital Facilities Portion"), including parking lot projects (the "Tax Abatement Portion").

ESTIMATED SOURCES AND USES*

Sources	Facilities Maintenance Portion	Capital Facilities Portion	Tax Abatement Portion	Total Bond Issue
Par Amount of Bonds	$3,500,000	$6,000,000	$3,000,000	$12,500,000
Reoffering Premium	145,213	173,377	100,762	419,352
Funds on Hand - Debt Service Funds	-	375,201	-	375,201
Total Sources	**$3,645,213**	**$6,548,577**	**$3,100,762**	**$13,294,553**
Uses				
Total Underwriter's Discount (1.000%)	$35,000	$60,000	$30,000	$125,000
Costs of Issuance	36,400	62,400	31,200	130,000
Capitalized Interest	-	375,201	-	375,201
Deposit to Construction Fund	3,573,813	6,050,977	3,039,562	12,664,352
Total Uses	**$3,645,213**	**$6,548,577**	**$3,100,762**	**$13,294,553**

*Preliminary, subject to change.

Breakdown of Principal Payments*:

Payment Date	Facilities Maintenance Portion	Capital Facilities Portion	Tax Abatement Portion	Total Bond Issue
2/01/2028	$445,000	-	-	$445,000
2/01/2029	500,000	$380,000	$140,000	1,020,000
2/01/2030	580,000	395,000	230,000	1,205,000
2/01/2031	485,000	415,000	240,000	1,140,000
2/01/2032	735,000	440,000	250,000	1,425,000
2/01/2033	755,000	460,000	265,000	1,480,000
2/01/2034	-	480,000	265,000	745,000
2/01/2035	-	505,000	330,000	835,000
2/01/2036	-	530,000	390,000	920,000
2/01/2037	-	560,000	300,000	860,000
2/01/2038	-	585,000	325,000	910,000
2/01/2039	-	610,000	265,000	875,000
2/01/2040	-	640,000	-	640,000
Total	**$3,500,000**	**$6,000,000**	**$3,000,000**	**$12,500,000**

*Preliminary, subject to change

SECURITY

The Bonds will be general obligations of the District to which its full faith and credit and taxing powers are pledged.

The District anticipates the debt service on the Facilities Maintenance and Capital Facilities Portions of the Bonds will be paid from ad valorem property taxes. In accordance with Minnesota Statutes, the District will levy each year an amount not less than 105% of the debt service requirements on the Facilities Maintenance and Capital Facilities Portions of the Bonds, less estimated collections of other revenues pledged for payments on the Facilities Maintenance and Capital Facilities Portions of the Bonds. In the event funds on hand for payment of principal and interest are at any time insufficient, the District is required to levy an ad valorem tax upon all taxable properties within its boundaries without limit as to rate or amount to make up any deficiency.

For Capital Facilities Bonds issued pursuant to Minnesota Statutes, Section 123B.62, the District is required to make an annual debt service levy equal to 105% of the debt service requirements on the Bonds. There will be an offsetting reduction each year in the District's general fund tax levy.

The District anticipates that the debt service on the Tax Abatement Portion of the Bonds will be paid from abating the District's portion of taxes from specific parcels. Receipt of tax abatement revenues will be sufficient to provide not less than 105% of principal and interest on the Tax Abatement Portion of the Bonds as required by Minnesota law.

Should the tax abatement revenues and/or ad valorem property taxes pledged for payment of the Bonds be insufficient to pay the principal and interest as the same shall become due, the District is required to pay maturing principal and interest from moneys on hand in any other fund of the District not pledged for another purpose and/or to levy additional taxes for this purpose upon all the taxable property in the District, without limitation as to rate or amount.

RATING

The District will be participating in the State of Minnesota Credit Enhancement Program ("MNCEP") for this issue and is requesting a credit enhanced rating from Moody's Ratings ("Moody's"). Moody's has a policy which assigns a minimum rating of "Aa1" to issuers participating in the MNCEP. The "Aa1" rating is based on the State of Minnesota's current "Aaa"/Stable outlook rating from Moody's. See "STATE OF MINNESOTA CREDIT ENHANCEMENT PROGRAM FOR SCHOOL DISTRICTS" for further details.

The District currently has an "A1" rating from Moody's and will be requesting an underlying rating on this issue. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the District nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

STATE OF MINNESOTA CREDIT ENHANCEMENT PROGRAM FOR SCHOOL DISTRICTS

By resolution adopted for this issue on July 20, 2026 (the "Resolution"), the District has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55, as amended, which provides for payment by the State of Minnesota in the event of a potential default of a school district obligation (herein referred to as the "State Payment Law" or the "Law"). The provisions of the State Payment Law shall be binding on the District as long as any obligations of the issue remain outstanding.

Under the State Payment Law, if the District believes it may be unable to make a principal or interest payment for this issue on the due date, it must notify the Commissioner of Education as soon as possible, but not less than 15 working days prior to the due date (which notice is to specify certain information) that it intends to exercise the provisions of the Law to guarantee payment of the principal and interest when due. The District also covenants in the Resolution to deposit with the Paying Agent for the issue three business days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner of Education that it will be unable to make all or a portion of the payment.

The Law also requires the Paying Agent for this issue to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal and interest on these obligations, or if, on the day two business days prior to the payment date, there are insufficient funds to make the payment or deposit with the Paying Agent.

The Law also requires, after receipt of a notice which requests a payment pursuant to the Law, after consultation with the Paying Agent and District, and after verifying the accuracy of the information provided, the Commissioner of Education shall notify the Commissioner of Management and Budget of the potential default. The State Payment Law provides that "upon receipt of this notice . . . the commissioner of management and budget shall issue a payment and authorize the commissioner of education to pay to the paying agent for the debt obligation the specified amount on or before the date due. The amounts needed for the purposes of this subdivision are annually appropriated to the [Department of Education] from the state general fund."

The Law requires that all amounts paid by the State on behalf of any school district are required to be repaid by the district to the State with interest, either via a reduction in State aid payable to the district, or through the levy of an ad valorem tax which may be made with the approval of the Commissioner of Education.

In its Official Statement dated September 9, 2026, for General Obligation State Bonds, Series 2026A, 2026B, 2026C, and 2026D, the State disclosed the following information about the State Credit Enhancement Program for School Districts:

> "As of June 30, 2026, the total amount of principal on certificates of indebtedness and capital notes issued for equipment, certificates of participation and bonds, plus the interest on these obligations, through the year 2054, is approximately $20,512,000,000. Based upon these currently outstanding balances now enrolled in the program, during the Current Biennium the total amount of principal and interest outstanding as of June 30, 2025 is currently estimated at $1,677,000,000, with the maximum amount of principal and interest payable in any one month being $1,342,410,000. However, more certificates of indebtedness, capital notes, certificates of participation and bonds are expected to be enrolled in the program and these amounts are expected to increase.
>
> The State has not had to make any debt service payments on behalf of school districts or intermediate school districts under the program and does not expect to make any payments in the future. If such payments are made the State expects to recover all or substantially all of the amounts so paid pursuant to contractual agreements with the school districts and intermediate school districts."

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the District shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

On the date of issue and delivery of the Bonds, the District shall execute and deliver a Continuing Disclosure Certificate, under which the District will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the District are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the District to comply with any Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Prior continuing disclosure undertakings entered into by the District included language stating that an Annual Report including the District's audited financial statements and operating data would be filed "as soon as available." Although the District did not provide financial statements "as soon as available", the Annual Reports were timely filed within the required twelve (12) month timeframe as provided for in each undertaking. Except to the extent the foregoing deficiencies are deemed to be material, the District believes it has complied in all material respects with its prior disclosure undertakings under the Rule in the last five years. The District has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the District.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel to the District ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the District; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

TAX EXEMPTION

On the date of issuance of the Bonds, Bond Counsel will render an opinion that, at the time of issuance and delivery of the Bonds to the original purchaser, based on present federal and State of Minnesota laws, regulations, rulings and decisions (which exclude any pending legislation which may have a retroactive effect), and assuming the accuracy of certain representations and continuing compliance with certain covenants set forth in the Award Resolution, interest on the Bonds is excludable from gross income for federal income tax purposes and, to the same extent, is excludable from the taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. However, interest on the Bonds is included in determining the annual adjusted financial statement income (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternative minimum tax imposed on such applicable corporations and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. Section 59(k) of the Code defines "applicable corporation" as any corporation (other than an S corporation), a regulated investment company, or a real estate investment trust which meets the average annual adjusted financial statement income test set forth in Section 59(k) of the Code in one or more taxable years. No opinion will be expressed by Bond Counsel regarding other federal or State of Minnesota tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds.

Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Award Resolution may result in the inclusion of interest on the Bonds in gross income (for federal tax purposes) and taxable net income (for State of Minnesota tax purposes) of the owners thereof. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to United States or State of Minnesota income taxation.

The Code imposes an alternative minimum tax with respect to individuals on alternative minimum taxable income.

The Code provides that in the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as "losses incurred" under Section 832(b)(5) shall be reduced by an amount equal to the applicable percentage of the interest on the Bonds that is received or accrued during the taxable year.

Interest on the Bonds may be included in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code. Under certain circumstances, interest on the Bonds may be subject to the tax on "excess net passive income" of Subchapter S corporations imposed by Section 1375 of the Code.

The above is not a comprehensive list of all federal tax consequences which may arise from the receipt of interest on the Bonds. The receipt of interest on the Bonds may otherwise affect the federal or State income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

Legislative proposals

Bond Counsel's opinion is given as of its date and Bond Counsel assumes no obligation to update, revise, or supplement such opinion to reflect any changes in facts or circumstances or any changes in law that may hereafter occur. Proposals are regularly introduced in both the United States House of Representatives and the United States Senate that, if enacted, could alter or affect the tax-exempt status on municipal bonds. For example, legislation has been proposed that would, among other things, limit the amount of exclusions (including tax-exempt interest) or deductions that certain higher-income taxpayers could use to reduce their tax liability. The likelihood of adoption of this or any other such legislative proposal relating to tax-exempt bonds cannot be reliably predicted. If enacted into law, current or future proposals may have a prospective or retroactive effect and could affect the value or marketability of tax-exempt bonds (including the Bonds). Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any such change in law.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The District will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code, relating to the ability of certain financial institutions (within the meaning of Section 265(b)(5) of the Code) to deduct from income for federal income tax purposes, 80% of the interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the District in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

BTSC and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the District, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the District under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the District for the fiscal year ended June 30, 2025 have been audited by Eide Bailly, Fargo, North Dakota, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

The following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds are general obligations of the District, the ultimate payment of which rests in the District's ability to levy and collect sufficient taxes to pay debt service should other revenue (tax abatement and state aids) be insufficient. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the District in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State of Minnesota (the "State") may affect the overall financial condition of the District, the taxable value of property within the District, and the ability of the District to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the District and to the Bonds. The District can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the District or the taxing authority of the District.

Ratings; Interest Rates: In the future, the District's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government or the State taxes all or a portion of the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Award Resolution may result in the inclusion of interest on the Bonds in gross income of the recipient for United States income tax purposes or in taxable net income of individuals, estates or trusts for State income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to federal or State income taxation, retroactive to the date of issuance.

Continuing Disclosure: A failure by the District to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Levy Limits: Minnesota school district tax levies for most purposes are subject to statutory limitations. No limit, however, is placed on the debt service levy, and districts are required to levy 105% of actual principal and interest requirements to allow for delinquencies. School districts receive a basic revenue amount per pupil unit from aid and levy proceeds in a variety of categorical state aids. They are also allowed to certify additional levies within limits for certain specified purposes. The State Department of Education and the applicable County Auditors review the levies of each school district to determine compliance with state levy limits.

State Economy; State Aids: State cash flow problems could affect local governments and possibly increase property taxes.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the District to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the District, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the District may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

Cybersecurity: The District is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the District will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement and the Appendices hereto.

VALUATIONS

OVERVIEW

All non-exempt property is subject to taxation by local taxing districts. Exempt real property includes Indian lands, public property, and educational, religious and charitable institutions. Most personal property is exempt from taxation (except investor-owned utility mains, generating plants, etc.).

The valuation of property in Minnesota consists of three elements. (1) The estimated market value is set by city or county assessors. Not less than 20% of all real properties are to be appraised by local assessors each year. (2) The taxable market value is the estimated market value adjusted by all legislative exclusions. (3) The tax capacity (taxable) value of property is determined by class rates set by the State Legislature. The tax capacity rate varies according to the classification of the property. Tax capacity represents a percent of taxable market value.

The property tax rate for a local taxing jurisdiction is determined by dividing the total tax capacity or market value of property within the jurisdiction into the dollars to be raised from the levy. State law determines whether a levy is spread on tax capacity or market value. Major classifications and the percentages by which tax capacity is determined are:

Type of Property	2023/24	2024/25	2025/26
Residential homestead[1]	First $500,000 - 1.00% Over $500,000 - 1.25%	First $500,000 - 1.00% Over $500,000 - 1.25%	First $500,000 - 1.00% Over $500,000 - 1.25%
Agricultural homestead[1]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $2,150,000 - 0.50% [2] Over $2,150,000 - 1.00% [2]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $3,500,000 - 0.50% [2] Over $3,500,000 - 1.00% [2]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $3,500,000 - 0.50% [2] Over $3,500,000 - 1.00% [2]
Agricultural non-homestead	Land - 1.00% [2]	Land - 1.00% [2]	Land - 1.00% [2]
Seasonal recreational residential	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]
Residential non-homestead:	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City[4] - 1.25% Affordable Rental: First $174,000 - 0.75% Over $174,000 - 0.25%	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City [4] - 1.25% Affordable Rental: – 0.25%	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City [4] - 1.25% Affordable Rental – 0.25%
Industrial/Commercial/Utility[5]	First $150,000 - 1.50% Over $150,000 - 2.00%	First $150,000 - 1.50% Over $150,000 - 2.00%	First $150,000 - 1.50% Over $150,000 - 2.00%

1 A residential property qualifies as "homestead" if it is occupied by the owner or a relative of the owner on the assessment date.

2 Applies to land and buildings. Exempt from referendum market value tax.

3 Exempt from referendum market value tax.

4 Cities of 5,000 population or less and located entirely outside the seven-county metropolitan area and the adjacent nine-county area and whose boundaries are 15 miles or more from the boundaries of a Minnesota city with a population of over 5,000.

5 The estimated market value of utility property is determined by the Minnesota Department of Revenue.

CURRENT PROPERTY VALUATIONS

2025/26 Economic Market Value	$6,297,507,816[1]
2025/26 Assessor's Estimated Market Value	
Real Estate	$5,662,092,400
Personal Property	36,782,000
Total Valuation	$5,698,874,400
2025/26 Net Tax Capacity	
Real Estate	$59,351,512
Personal Property	721,041
Net Tax Capacity	$60,072,553
Less:	
Captured Tax Increment Tax Capacity[2]	(1,385,010)
Power Line Adjustment[3]	(7,322)
Taxable Net Tax Capacity	$58,680,221

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1 According to the Minnesota Department of Revenue, the Assessor's Estimated Market Value (the "AEMV") for the District was about 91.92% of the actual selling prices of property sold in the District. The sales ratio was calculated by comparing the selling prices with the AEMV. Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in an Economic Market Value ("EMV") for the District of $6,297,507,816.

2 The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts in the District.

3 Ten percent of the net tax capacity of certain high voltage transmission lines is removed when setting local tax rates. However, taxes are paid on the full value of these lines. The taxes attributable to 10% of value of these lines are used to fund a power line credit. Certain property owners receive a credit when the high voltage transmission line runs over their property.

2025/26 NET TAX CAPACITY BY CLASSIFICATION

	2025/26 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	$26,850,183	44.70%
Agricultural	7,779,518	12.95%
Commercial/industrial	12,190,256	20.29%
Public utility	4,182	0.01%
Railroad operating property	396,226	0.66%
Non-homestead residential	12,027,598	20.02%
Commercial & residential seasonal/rec.	650	0.001%
Other	102,899	0.171%
Personal property	721,041	1.20%
Total	$60,072,553	100.00%

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity[1]	Taxable Net Tax Capacity[2]	Percent Increase/Decrease in Estimated Market Value
2021/22	$4,226,705,000	$3,992,254,800	$45,521,545	$44,602,526	2.14%
2022/23	4,643,709,900	4,418,042,100	49,967,199	49,065,007	9.87%
2023/24	5,140,672,600	4,919,950,100	55,274,325	54,107,244	10.70%
2024/25	5,432,876,600	5,123,567,000	57,192,881	55,966,548	5.68%
2025/26	5,698,874,400	5,394,607,500	60,072,553	58,680,221	4.90%

1 Net Tax Capacity includes tax increment and power line values.

2 Taxable Net Tax Capacity does not include tax increment or power line values.

LARGEST TAXPAYERS

Taxpayer	Type of Property	2025/26 Net Tax Capacity	Percent of District's Total Net Tax Capacity
American Crystal Sugar Co.	Industrial	$487,391	0.81%
Xcel Energy	Utility	407,128	0.68%
Sanford Medical Center Fargo	Commercial	321,516	0.54%
Busch Argi Resources Inc. & Co.[1]	Commercial	319,249	0.53%
Burlington Northern & RR Co.	Railroad	284,828	0.47%
CC Investments, LLC	Residential	284,132	0.47%
Menard Inc.	Commercial	254,652	0.42%
Kassenborg Partners, LLC	Apartments	243,509	0.41%
Proffutt, LLC	Commercial	277,033	0.46%
Skaff Apartments - Moorhead	Apartments	233,551	0.39%
Total		$3,112,989	5.18%

District's Total 2025/26 Net Tax Capacity $60,072,553

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Largest Taxpayers have been furnished by Clay County.

[1] Busch Agri Resources Inc. closed its Moorhead malt plant in 2025.

DEBT

DIRECT DEBT[1]

General Obligation Debt (see schedule following)

Total G.O. debt secured by tax abatement revenues and state aids[2] (includes the Tax Abatement Portion of the Bonds)*	$9,305,000
Total G.O. debt secured by taxes and state aids[2] (includes the Facilities Maintenance and Capital Facilities Portions of the Bonds)*	172,955,000
Total General Obligation Debt*	$182,260,000

*Preliminary, subject to change.

Lease Purchase Obligations (see schedule following)

Total lease purchase obligations paid by annual appropriations[3]	$8,834,914

DEBT PAYMENT HISTORY

The District has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The District has no current plans for additional financing in the next 12 months.

STATE AID FOR DEBT SERVICE

The Minnesota Debt Service Equalization program provides State aid to finance a portion of the principal and interest payments on voter approved school building bonds. Bonds and Certificates that are not eligible for the program include all alternative facilities bonds, facilities maintenance bonds, capital facilities bonds, OPEB bonds, building bonds with relatively short maturities, and Certificates of Participation (COPs).

Under the Debt Service Equalization Formula (the Formula) adopted by the 2001 Minnesota State Legislature, each school district is responsible for the amount of its qualifying annual debt service which is equal to 15.74% of its Adjusted Net Tax Capacity (ANTC). Although the District expects to receive some Debt Service Equalization Aid in its debt service fund, Ehlers has not attempted to estimate the portion of debt service payments that would be financed by State Aid.

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1 Outstanding debt is as of the dated date of the Bonds.

2 Based upon the debt service equalization formula, Long Term Facilities Maintenance Revenue formula, the agricultural land valuation and current statistics, the District anticipates a portion of this debt will be paid by the State of Minnesota.

3 Non-general obligation debt has not been included in the debt ratios.

In addition to debt service equalization aid, some school districts will qualify for State Long Term Facilities Maintenance Aid to finance a portion of the payments on Alternative Facilities Bonds and Facilities Maintenance Bonds, pursuant to the Long Term Facilities Maintenance Revenue program approved by the State in 2015. If any aid is received, it is deposited into the school district's debt service fund and must be used for payments on the bonds; any payment of State aid into the debt service fund causes a reduction in the tax levy for Alternative Facilities Bonds and Facilities Maintenance Bonds. The amount of aid received in the debt service fund will vary each year, depending on a number of factors. Although the District expects to receive some Long Term Facilities Maintenance Aid in its debt service fund, Ehlers has not attempted to estimate the portion of debt service payments that would be financed by State aid.

Some school districts will also receive aid for debt service payments through the State School Building Bond Agricultural Credit, which is paid to school districts to offset a portion of certain bond levies (Minnesota Statutes, Section 273.1387). The reimbursement percentage for each qualifying property is 70% of the property's eligible net tax capacity multiplied by the school debt tax rate determined under Minnesota Statutes, Section 275.08, subdivision 1b. The school building bond agricultural credit applies to farmland, excluding the house, garage and one acre, and to rural vacant land and managed forest land. The amount of agricultural credit received in the debt service fund for taxes payable 2025 is approximately 8.65% of total annual debt service levies, based on the District's 2024/25 qualifying agricultural land valuation.

BONDED DEBT LIMIT

Minnesota Statutes, Section 475.53, subdivision 4, presently limits the "net debt" of a school district to 15% of the estimated market value of all taxable property situated within its corporate limits. The estimated market value of property within a district, on which its debt limit is based, is (a) the value certified by the county auditors, or (b) this value divided by the ratio certified by the commissioner of revenue, whichever results in a higher value. The current debt limit of the District is computed as follows:

2025/26 Economic Market Value	$6,297,507,816
Multiply by 15%	0.15
Statutory Debt Limit	$944,626,172
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes (includes the Facilities Maintenance and Capital Facilities Portions of the Bonds)*	(172,955,000)
Less: Long-Term Debt Outstanding Being Paid Solely from Annual Appropriations	(8,834,914)
Unused Debt Limit*	$762,836,258

*Preliminary, subject to change.

Independent School District No. 152 (Moorhead Area Public Schools), Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Abatement Revenues
(As of 10/22/2026)

	Tax Abatement Bonds Series 2019A		Tax Abatement Bonds Series 2021A		Tax Abatement Portion Series 2026B							
Dated	06/27/2019		12/16/2021		10/22/2026							
Amount	$1,490,000		$6,570,000		$3,000,000*							
Maturity	02/01		02/01		02/01							
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Fiscal Year Ending**
2027	105,000	12,919	425,000	67,200	0	0	530,000	80,119	610,119	8,775,000	5.70%	**2027**
2028	105,000	24,000	440,000	117,400	0	187,266	545,000	328,666	873,666	8,230,000	11.55%	**2028**
2029	110,000	20,850	455,000	99,800	140,000	146,875	705,000	267,525	972,525	7,525,000	19.13%	**2029**
2030	110,000	17,550	475,000	81,600	230,000	139,875	815,000	239,025	1,054,025	6,710,000	27.89%	**2030**
2031	115,000	14,250	485,000	72,100	240,000	128,375	840,000	214,725	1,054,725	5,870,000	36.92%	**2031**
2032	115,000	10,800	495,000	62,400	250,000	116,375	860,000	189,575	1,049,575	5,010,000	46.16%	**2032**
2033	120,000	7,350	505,000	52,500	265,000	103,875	890,000	163,725	1,053,725	4,120,000	55.72%	**2033**
2034	125,000	3,750	515,000	42,400	265,000	90,625	905,000	136,775	1,041,775	3,215,000	65.45%	**2034**
2035			525,000	32,100	330,000	77,375	855,000	109,475	964,475	2,360,000	74.64%	**2035**
2036			535,000	21,600	390,000	60,875	925,000	82,475	1,007,475	1,435,000	84.58%	**2036**
2037			545,000	10,900	300,000	41,375	845,000	52,275	897,275	590,000	93.66%	**2037**
2038					325,000	27,875	325,000	27,875	352,875	265,000	97.15%	**2038**
2039					265,000	13,250	265,000	13,250	278,250	0	100.00%	**2039**
	905,000	111,469	5,400,000	660,000	3,000,000	1,134,016	9,305,000	1,905,484	11,210,484			

* Preliminary, subject to change.

1) This represents the $3,000,000 Tax Abatement Portion of the $12,500,000 General Obligation Facilities Maintenance, Capital Facilities, and Tax Abatement Bonds, Series 2026B.

Independent School District No. 152 (Moorhead Area Public Schools), Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 10/22/2026)

	School Building Bonds Series 2016A		School Building Bonds Series 2020A		School Building Bonds Series 2022A		Facilities Maintenance Bonds Series 2023A		School Building Bonds Series 2026A	
Dated	02/17/2016		02/13/2020		07/21/2022		08/31/2023		01/29/2026	
Amount	$74,560,000		$107,355,000		$2,645,000		$5,450,000		$34,525,000	
Maturity	02/01 & 03/05		02/01		02/01		02/01		02/01	
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2027	0	283,125	1,115,000	1,497,647	110,000	54,300	245,000	94,825	4,370,000	863,125
2028	0	566,250	1,190,000	2,950,694	120,000	103,100	260,000	177,400	4,695,000	1,507,750
2029	0	566,250	1,225,000	2,903,094	130,000	97,100	285,000	164,400	5,230,000	1,273,000
2030	0	566,250	1,675,000	2,854,094	145,000	90,600	285,000	150,150	5,335,000	1,011,500
2031	0	566,250	2,015,000	2,787,094	150,000	83,350	300,000	135,900	4,775,000	744,750
2032	0	566,250	2,110,000	2,706,494	155,000	75,850	330,000	120,900	4,950,000	506,000
2033	0	566,250	2,170,000	2,643,194	165,000	68,100	325,000	104,400	5,170,000	258,500
2034	6,105,000	566,250	2,245,000	2,578,094	165,000	59,850	330,000	91,400		
2035	6,290,000	383,100	2,435,000	2,510,744	170,000	53,250	305,000	78,200		
2036	6,480,000	194,400	2,810,000	2,455,956	180,000	46,875	270,000	66,000		
2037			9,295,000	2,392,731	390,000	40,125	295,000	55,200		
2038			9,780,000	2,160,356	680,000	25,500	290,000	43,400		
2039			10,025,000	1,915,856			275,000	31,800		
2040			10,290,000	1,652,700			255,000	20,800		
2041			10,600,000	1,344,000			265,000	10,600		
2042			10,915,000	1,026,000						
2043			11,465,000	698,550						
2044			11,820,000	354,600						
	18,875,000	4,824,375	103,180,000	37,431,897	2,560,000	798,000	4,315,000	1,345,375	34,525,000	6,164,625

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Independent School District No. 152 (Moorhead Area Public Schools), Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 10/22/2026)

	Fac. Maint. And Cap. Fac. Bonds 1) Series 2026B								
Dated	10/22/2026								
Amount	$9,500,000*								
Maturity	02/01								
Fiscal Year Ending	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Fiscal Year Ending**
2027	0	0	5,840,000	2,793,022	8,633,022	167,115,000	3.38%	**2027**
2028	445,000	598,326	6,710,000	5,903,519	12,613,519	160,405,000	7.26%	**2028**
2029	880,000	447,025	7,750,000	5,450,869	13,200,869	152,655,000	11.74%	**2029**
2030	975,000	403,025	8,415,000	5,075,619	13,490,619	144,240,000	16.60%	**2030**
2031	900,000	354,275	8,140,000	4,671,619	12,811,619	136,100,000	21.31%	**2031**
2032	1,175,000	309,275	8,720,000	4,284,769	13,004,769	127,380,000	26.35%	**2032**
2033	1,215,000	250,525	9,045,000	3,890,969	12,935,969	118,335,000	31.58%	**2033**
2034	480,000	189,775	9,325,000	3,485,369	12,810,369	109,010,000	36.97%	**2034**
2035	505,000	165,775	9,705,000	3,191,069	12,896,069	99,305,000	42.58%	**2035**
2036	530,000	140,525	10,270,000	2,903,756	13,173,756	89,035,000	48.52%	**2036**
2037	560,000	114,025	10,540,000	2,602,081	13,142,081	78,495,000	54.62%	**2037**
2038	585,000	88,825	11,335,000	2,318,081	13,653,081	67,160,000	61.17%	**2038**
2039	610,000	62,500	10,910,000	2,010,156	12,920,156	56,250,000	67.48%	**2039**
2040	640,000	32,000	11,185,000	1,705,500	12,890,500	45,065,000	73.94%	**2040**
2041			10,865,000	1,354,600	12,219,600	34,200,000	80.23%	**2041**
2042			10,915,000	1,026,000	11,941,000	23,285,000	86.54%	**2042**
2043			11,465,000	698,550	12,163,550	11,820,000	93.17%	**2043**
2044			11,820,000	354,600	12,174,600	0	100.00%	**2044**
	9,500,000	3,155,876	172,955,000	53,720,148	226,675,148			

* Preliminary, subject to change.

2) This represents the $9,500,000 Facilities Maintenance and Capital Facilities Portions of the $12,500,000 General Obligation Facilities Maintenance, Capital Facilities, and Tax Abatement Bonds, Series 2026B.

Independent School District No. 152 (Moorhead Area Public Schools), Minnesota
Schedule of Bonded Indebtedness
Non-General Obligation Debt Secured by Annual Appropriation
(As of 10/22/2026)

	Reinertson Elementary School Addition 1) 2011		Probstfield/ Asp Elem. School Additions 2014		Reinertson Elementary School Addition 2015		Land Purchase 2017		Certificates of Participation Series 2019C	
Dated	11/15/2011		04/24/2014		05/28/2015		01/04/2017		09/12/2019	
Amount	$601,565		$4,870,590		$3,410,000		$4,200,000		$4,165,000	
Maturity	05/15 & 11/15		02/01 & 08/01		02/01 & 08/01		02/01 & 08/01		02/01	
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2027	26,604	553	191,250	17,433	124,164	10,813	74,042	41,611	275,000	28,951
2028			392,658	24,709	252,815	17,138	151,318	79,989	290,000	46,903
2029			406,601	10,765	258,919	11,034	155,735	75,572	295,000	41,103
2030					265,171	4,783	160,280	71,026	300,000	35,203
2031							164,959	66,347	305,000	28,753
2032							169,774	61,532	315,000	22,195
2033							174,730	56,576	320,000	14,950
2034							179,830	51,476	330,000	7,590
2035							185,079	46,227		
2036							190,482	40,824		
2037							196,042	35,264		
2038							201,765	29,542		
2039							207,654	23,652		
2040							213,715	17,591		
2041							219,954	11,352		
2042							226,374	4,932		
	26,604	553	990,508	52,907	901,069	43,767	2,871,733	713,514	2,430,000	225,646

1) This issue is not subject to the debt limit.

--Continued on next page

Independent School District No. 152 (Moorhead Area Public Schools), Minnesota
Schedule of Bonded Indebtedness continued
Non-General Obligation Debt Secured by Annual Appropriation
(As of 10/22/2026)

	Certificates of Participation Series 2025A								
Dated	06/18/2025								
Amount	$1,615,000								
Maturity	04/01								
Fiscal Year Ending	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Fiscal Year Ending**
2027	135,000	32,300	826,059	131,662	957,721	8,008,855	9.35%	**2027**
2028	140,000	59,200	1,226,790	227,938	1,454,728	6,782,064	23.24%	**2028**
2029	145,000	53,600	1,261,255	192,074	1,453,328	5,520,810	37.51%	**2029**
2030	150,000	47,800	875,451	158,811	1,034,262	4,645,359	47.42%	**2030**
2031	160,000	41,800	629,959	136,900	766,859	4,015,400	54.55%	**2031**
2032	165,000	35,400	649,774	119,127	768,901	3,365,626	61.91%	**2032**
2033	170,000	28,800	664,730	100,326	765,056	2,700,896	69.43%	**2033**
2034	175,000	22,000	684,830	81,066	765,896	2,016,066	77.18%	**2034**
2035	185,000	15,000	370,079	61,227	431,306	1,645,986	81.37%	**2035**
2036	190,000	7,600	380,482	48,424	428,906	1,265,504	85.68%	**2036**
2037			196,042	35,264	231,306	1,069,462	87.90%	**2037**
2038			201,765	29,542	231,306	867,698	90.18%	**2038**
2039			207,654	23,652	231,306	660,043	92.53%	**2039**
2040			213,715	17,591	231,306	446,328	94.95%	**2040**
2041			219,954	11,352	231,306	226,374	97.44%	**2041**
2042			226,374	4,932	231,306	0	100.00%	**2042**
	1,615,000	343,500	8,834,914	1,379,888	10,214,802			

OVERLAPPING DEBT[1]

Taxing District	2025/26 Taxable Net Tax Capacity	% In District	Total G.O. Debt[2]	District's Proportionate Share
Clay County	$102,815,167	57.0735%	$54,785,000	$31,267,717
Cities of:				
Dilworth	5,921,853	38.0511%	28,590,000	10,878,809
Moorhead	45,256,063	100.0000%	170,185,000	170,185,000
District's Share of Total Overlapping Debt				$212,331,526

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1 Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. It does ***not*** include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

2 Outstanding debt is based on information in Official Statements obtained on EMMA and the Municipal Advisor's records.

DEBT RATIOS

	G.O. Debt	Debt/Economic Market Value $6,297,507,816	Debt/ Per Capita 50,201[1]
Direct G.O. Debt Secured By:			
Tax Abatement Revenues and State Aids*	$9,305,000		
Taxes and State Aids*	172,955,000		
Total General Obligation Debt*	$182,260,000		
Less: Agricultural Credit[2]	(15,765,490)		
Tax Supported General Obligation Debt*	$166,494,510	2.64%	$3,316.56
District's Share of Total Overlapping Debt	$212,331,526	3.37%	$4,229.63
Total*	$378,826,036	6.02%	$7,546.19

*Preliminary, subject to change.

1 Estimated 2025 population.

2 Based on current State law and statistics, the State of Minnesota is estimated to pay approximately 8.65% of the principal and interest of the District's general obligation bonds. Assuming this percentage continues for the life of the issue, the State's proportionate share of principal is $15,765,490.

TAX LEVIES, COLLECTION AND RATES

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy[1]	Total Collected Following Year	Collected to Date	% Collected
2021/22	$18,893,658	$18,716,266	$18,884,466	99.95%
2022/23	19,563,475	19,314,015	19,539,483	99.88%
2023/24	20,750,086	20,417,744	20,698,608	99.75%
2024/25	20,214,364	19,320,140	20,089,452	99.38%
2025/26	26,182,181	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.[2] Mobile home taxes are collectible in full by August 31. Minnesota Statutes require that levies (taxes and special assessments) for debt service be at least 105% of the actual debt service requirements to allow for delinquencies.

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1 This reflects the Final Levy Certification of the District after all adjustments have been made.

2 Second half tax payments on agricultural property are due on November 15 of each year.

TAX CAPACITY RATES[1]

	2021/22	2022/23	2023/24	2024/25	2025/26
I.S.D. No. 152 (Moorhead Area Public Schools)	35.819%	31.962%	31.315%	30.693%	33.405%
Clay County	53.521%	50.292%	45.441%	46.001%	46.238%
City of Dilworth	50.939%	49.575%	50.069%	50.787%	53.206%
City of Georgetown	38.664%	32.351%	28.113%	25.907%	25.617%
City of Moorhead	47.148%	48.454%	50.492%	56.081%	58.758%
City of Sabin	43.216%	39.471%	37.562%	38.360%	41.077%
Town of Georgetown[2]	15.191%	11.546%	8.219%	7.901%	7.976%
Clay County HRA	N/A	N/A	0.266%	0.306%	0.292%
Moorhead EDA	1.399%	1.449%	1.695%	1.727%	1.745%
Watershed-Buffalo	1.905%	1.741%	1.744%	1.640%	1.282%
Watershed-Wild Rice	4.959%	4.476%	3.535%	4.343%	4.551%
Referendum Market Value Rates:					
I.S.D. No. 152 (Moorhead Area Public Schools)	0.17018%	0.17655%	0.16674%	0.14681%	0.22570%

Source: Tax Levies and Collections and Tax Capacity Rates have been furnished by Clay County.

THE ISSUER

EMPLOYEES

The District is governed by an elected school board and employs a staff of 1,234, including 603 non-licensed employees and 631 licensed employees (530 of whom are teachers). The District provides education for 7,423 students in grades kindergarten through twelve.

1 After reduction for State aids. Does not include the statewide general property tax against commercial/industrial, non-homestead resorts and seasonal recreational residential property.

2 Representative town rate.

PENSIONS; UNIONS

Teachers' Retirement Association (TRA)

All teachers employed by the District are covered by defined benefit pension plans administered by the State of Minnesota Teachers Retirement Association (TRA). TRA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security and Basic members are not. All new members must participate in the Coordinated Plan. These plans are established and administered in accordance with Minnesota Statutes, Chapters 354 and 356, as amended.

Public Employees' Retirement Association (PERA)

All full-time and certain part-time employees of the District (other than those covered by TRA) are covered by a defined benefit plan administered by the Public Employees' Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356, as amended.

Recognized and Certified Bargaining Units

Bargaining Unit	Expiration Date of Current Contract
Bus Drivers	June 30, 2026
Technology. Cota. Interpreters (TCI)	June 30, 2026
Paraprofessional	June 30, 2026
Administrative Assistant	June 30, 2026
Food and Nutrition Services	June 30, 2027
Custodian	June 30, 2026
Teacher (Education Moorhead)	June 30, 2027

Status of Contracts

Contracts which expired on June 30, 2026 are currently in negotiations.

POST EMPLOYMENT BENEFITS

The District has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The District's most recent actuarial study shows a total OPEB liability of $6,325,421 as of June 30, 2025. In February of 2009, the District issued $10,300,000 in General Obligation Taxable OPEB Bonds to fund an irrevocable trust. As of June 30, 2025, the net position of the trust was $2,167,680. Future OPEB costs will be paid partially from the trust and partially from operating funds.

Source: The District's most recent Audit.

STUDENT BODY

The number of students enrolled for the past four years and for the current year have been as follows:

Year	Kindergarten	Grades 1-6	Grades 7-12	Total
2022/23	625	3,331	3,376	7,332
2023/24	519	3,424	3,320	7,263
2024/25	553	3,441	3,362	7,356
2025/26	512	3,393	3,473	7,378
2026/27	550	3,432	3,441	7,423

Enrollments for the next three years are projected to be as follows:

Year	Kindergarten	Grades 1-6	Grades 7-12	Total
2027/28	525	3,287	3,483	7,295
2028/29	525	3,224	3,485	7,234
2029/30	525	3,125	3,613	7,263

SCHOOL BUILDINGS

School Building	Year Constructed	Years of Additions/ Remodelings
Career Academy Building	2014	2021
Dodds Elementary	2017	--
Ellen Hopkins Elementary	1958	1989, 1990, 1993. 2017
Horizon Middle School	2005	2017
Moorhead High School	2024	--
Operation Center	1973	2020
Probstfield Elementary	1965	1970, 1993, 2004, 2014
Robert Asp Elementary	1958	1992, 1993, 1999, 2014, 2017
SG Reinertsen Elementary	2004	2012, 2015, 2017
Sports Center	1974	1991, 1992, 1999
Vista Center for Education	2008	2026

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the District or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

Currently there is no statutory authority for Minnesota school districts to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future while the Bonds are outstanding; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the District to file for relief under Chapter 9; or (c) whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. Such action could impact the rights of holders of the Bonds. Such modifications could be adverse to holders of the Bonds and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds.

FUNDS ON HAND (as of July 31, 2026)

Fund	**Total Cash and Investments**
General	$6,313,921
Food Service	2,665,053
Community Service	802,852
Debt Service	4,016,492
Building/Construction	(1,850,767)
Trust & Agency	388,308
Internal Service	5,526,084
OPEB Irrevocable Trust	1,602,935
Fund 18	5,500
Total Funds on Hand	$19,470,378

BUDGET SUMMARIES

FISCAL YEAR ENDING JUNE 30, 2026

Fund	June 30, 2025 Actual Fund Balance	2025-26 Projected Revenues and Transfers In	2025-26 Projected Expenditures and Transfers Out	2025-26 Revenues over (under) expenditures	June 30, 2026 Projected Fund Balance
General	$12,292,852	$118,870,403	($122,329,548)	($3,459,145)	$8,833,707
Food Service	2,054,274	5,567,550	(5,204,581)	362,969	2,417,243
Community Service	856,035	2,635,472	(2,763,030)	(127,558)	728,477
Building/Construction	4,153,791	50,000	(4,203,791)	(4,153,791)	0
Debt Service	2,585,710	12,687,006	(12,082,381)	604,625	3,190,335
Internal Service Fund	5,842,173	0	0	0	5,842,173
OPEB Irrevocable Trust Fund	2,167,681	200,000	(800,000)	(600,000)	1,567,681
Total All Funds	$29,952,516	$140,010,431	($147,383,331)	($7,372,900)	$22,579,616

FISCAL YEAR ENDING JUNE 30, 2027

Fund	June 30, 2026 Actual Fund Balance	2026-27 Projected Revenues and Transfers In	2026-27 Projected Expenditures and Transfers Out	2026-27 Revenues over (under) expenditures	June 30, 2027 Projected Fund Balance
General	$8,833,707	$128,718,127	($123,333,648)	$5,384,479	$14,218,186
Food Service	2,417,243	5,782,741	(5,334,823)	447,918	2,865,161
Community Service	728,477	2,546,374	(2,728,942)	(182,568)	545,909
Debt Service	3,190,335	11,428,713	(6,617,544)	4,811,169	8,001,504
Internal Service Fund	5,842,173	0	0	0	5,842,173
OPEB Irrevocable Trust Fund	1,567,681	200,000	(800,000)	(600,000)	967,681
Total All Funds	$22,579,616	$148,675,955	($138,814,957)	$9,860,998	$32,440,614

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues, expenditures and fund balances for the District's General Fund. These summaries are not purported to be the complete audited financial statements of the District, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the District. Copies of the complete statements are available upon request. Appendix A includes the 2025 audited financial statements.

	FISCAL YEAR ENDING JUNE 30				
COMBINED STATEMENT	**2021 Audited**	**2022 Audited**	**2023 Audited**	**2024 Audited**	**2025 Audited**
Revenues					
Local property taxes	$9,925,176	$11,176,796	$9,997,261	$9,929,421	$11,833,357
Other local and county revenues	1,746,880	2,534,481	3,218,776	4,320,262	4,031,113
Revenue from state sources	76,622,921	78,213,456	83,809,980	92,319,204	98,394,194
Revenue from federal sources	10,138,614	15,757,671	7,257,176	5,851,613	4,800,931
Sale and other conversion of assets	6,508	16,443	2,927	46,765	37,101
Leases (as lessee)	0	0	1,362	3,330	0
Earnings and investments	0	11,722	520,418	592,888	642,532
Total Revenues	$98,440,099	$107,710,569	$104,807,900	$113,063,483	$119,739,228
Expenditures					
Current:					
Administration	$4,417,671	$4,147,553	$4,908,382	$4,897,161	$5,175,187
District support services	1,931,375	1,905,437	2,176,358	2,084,024	2,279,482
Elementary and secondary regular instruction	41,838,362	44,828,387	46,282,234	46,629,853	47,689,606
Vocational education instruction	1,049,118	1,131,692	1,661,002	1,898,252	1,837,419
Special education instruction	21,071,301	22,420,057	23,897,768	24,827,857	26,857,376
Instructional support services	6,711,099	7,878,215	6,541,212	6,334,802	7,990,263
Pupil support services	9,050,561	9,428,655	9,795,858	11,616,030	10,900,713
Sites and buildings	11,146,661	7,821,255	9,700,965	10,785,236	8,985,647
Fiscal and other fixed cost programs	274,076	453,167	447,096	348,328	652,495
Debt service	0	1,310,043	1,432,754	1,903,229	1,450,959
Capital outlay	0	9,294,256	2,325,136	1,831,960	5,694,704
Total Expenditures	$97,490,224	$110,618,717	$109,168,765	$113,156,732	$119,513,851
Excess of revenues over (under) expenditures	$949,875	($2,908,148)	($4,360,865)	($93,249)	$225,377
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	$0	$351,524	$0	$0	$0
Sale of property	0	0	0	140,847	0
Proceeds from capital leases	0	154,046	168,339	63,772	0
Subscription based IT arrangements	0	0	0	585,212	74,626
Direct borrowing proceeds	860	0	0	0	166,317
Insurance recovery	0	208,024	51,876	226,805	0
Leases		0	0	0	83,213
Transfers in	0	0	0	0	454,369
Transfers (out)	0	0	0	0	(1,705,420)
Total Other Financing Sources (Uses)	860	713,594	220,215	1,016,636	(926,895)
Net changes in Fund Balances	$950,735	($2,194,554)	($4,140,650)	$923,387	($701,518)
General Fund Balance July 1	$17,455,453	$18,406,188	$16,211,634	$12,070,984	$12,994,371
Prior Period Adjustment	0	0	0	0	0
General Fund Balance June 30	$18,406,188	$16,211,634	$12,070,984	$12,994,371	$12,292,853
DETAILS OF JUNE 30 FUND BALANCE					
Nonspendable	$248,094	$651,259	$289,757	$103,932	$43,822
Restricted	5,651,181	7,362,356	7,593,187	4,179,997	2,671,550
Committed	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Assigned	3,000,000	3,000,000	1,500,000	5,000,000	5,000,000
Unassigned	8,306,913	3,998,019	1,488,040	2,510,442	3,377,481
Total	$18,406,188	$16,211,634	$12,070,984	$12,994,371	$12,292,853

GENERAL INFORMATION

LOCATION

The District, with a 2020 U.S. Census population of 48,025 and a 2025 population estimate of 50,201, and comprising an area of 203 square miles, is located approximately 230 miles northwest of St. Paul, Minnesota, and is adjacent to the City of Fargo, North Dakota. The City of Moorhead is the county seat of Clay County, Minnesota.

LARGER EMPLOYERS[1]

Larger employers in the District include the following:

Firm	Type of Business/Product	Estimated No. of Employees
I.S.D. No. 152 (Moorhead Area Public Schools)	Elementary and secondary education	1,542
Clay County	County government and services	688
Concordia College	Private university	675
Minnesota State University- Moorhead	Public university	637
City of Moorhead	Municipal government and services	500
Creative Care for Reaching Independence	Disability support services	500
American Crystal Sugar Company	Sugar refiners manufacturers	400
Eventide Senior Living Communities	Assisted living and nursing care facilities	364
Hornbacher's	Grocers-retail	350 [2]
Walmart Supercenter	Discount retail store	240

Source: Data Axle Reference Solutions, written and telephone survey, and the Minnesota Department of Employment and Economic Development.

U.S. CENSUS DATA

Population Trend: The District

2010 U.S. Census population	42,969
2020 U.S. Census population	48,025
Percent of Change 2010 - 2020	11.77%
2025 State Demographer Estimate	50,201

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1 This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

2 Includes two locations within in the City of Moorhead, Minnesota.

Income and Age Statistics

	The District	Clay County	State of Minnesota	United States
2024 per capita income	$38,066	$39,936	$48,237	$44,673
2024 median household income	$75,732	$81,172	$89,062	$80,734
2024 median family income	$104,086	$108,316	$113,993	$99,999
2024 median gross rent	$1,046	$1,019	$1,280	$1,413
2024 median value owner occupied units	$254,600	$265,500	$329,300	$332,700
2024 median age	31.7 yrs.	33.7 yrs.	38.8 yrs.	38.9 yrs.

	State of Minnesota	United States
District % of 2024 per capita income	78.91%	85.21%
District % of 2024 median family income	91.31%	104.09%

Source: 2010 and 2020 Census of Population and Housing, and 2024 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (https://data.census.gov) and Minnesota State Demographer (https://mn.gov/admin/demography/data-by-place/school-district-data.jsp).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

	Average Employment	Average Unemployment	
Year	**Clay County**	**Clay County**	**State of Minnesota**
2022	34,480	2.1%	2.5%
2023	34,662	2.2%	2.8%
2024	34,876	2.6%	3.1%
2025	34,772	3.4%	3.9%
2026, August	33,839	4.3%	4.8%

Source: Minnesota Department of Employment and Economic Development.

APPENDIX A

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the District's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The District has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Preliminary Official Statement, nor has the District requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary Official Statement is not intended to demonstrate the fiscal condition of the District since the date of the financial statements, in connection with the issuance of the Bonds, the District represents that there have been no material adverse change in the financial position or results of operations of the District, nor has the District incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

Financial Statements
June 30, 2025

Independent School District No. 152
Moorhead Area Public Schools

Name	Position	Term Expires
School Board		
Scott Steffes	Chairperson	2029
David Marquardt	Vice Chairperson	2027
Melissa Burgard	Clerk	2029
Matt Valan	Treasurer	2029
Lorilee Bergin	Director	2027
Keith Vogt	Director	2027
Cassidy Bjorklund	Director	2029
Administration		
Brandon Lunak	Superintendent	
Kristin Dehmer	Assist. Superintendent - Business & Admin. Services	
Kam Wingenbach	Director of Business Services	

Independent Auditor's Report

The School Board of
Independent School District No. 152
Moorhead Area Public Schools
Moorhead, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 152 ("the District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 152, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Notes 1 and 15 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences,* for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2024, to restate beginning net position. Our opinion is not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 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, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in supplemental benefits liability; schedule of supplemental benefits liability; schedule of changes in the District's net OPEB liability and related ratios; schedule of District OPEB contributions; schedule of employer's share of net pension liability; and schedule of employer's contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 GAAS, 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 schedule of changes in UFARS fund balances-general fund; combining balancing sheet - nonmajor governmental funds; combining schedule of revenues, expenditures and changes in fund balance - nonmajor governmental funds; and the uniform financial accounting and reporting standards compliance table are presented for purposes of additional analysis and are 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 GAAS. In our opinion, the schedule of changes in UFARS fund balances-general fund; combining balancing sheet - nonmajor governmental funds; combining schedule of revenues, expenditures and changes in fund balance - nonmajor governmental funds; and the uniform financial accounting and reporting standards compliance table are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the Legal Compliance Audit Guide prepared by the Office of the State Auditor pursuant to Minn. Stat. §6.65, we have also issued a report dated December 12, 2025, on our consideration of the District's compliance with aspects of the provisions of the Minnesota Legal Compliance Audit Guide for School Districts. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not directed primarily toward obtaining knowledge of noncompliance. That report is an integral part of procedures performed in accordance with Office of the State Auditor's Minnesota Legal Compliance Audit Guide for School Districts in considering the District's compliance with certain regulatory requirements pursuant to Minn. Stat. §6.65.

Eide Bailly LLP

Fargo, North Dakota
December 12, 2025

This section of Moorhead Area Public Schools – Independent School District No. 152's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

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

- *General Fund 01/21* – The overall revenues were $119,739,228 while the overall expenditures were $119,513,851. These, along with net other financing uses of $926,895, decreased the fund balance by $701,518.
- *Food Service Fund 02* – The overall revenues were $5,623,557 while the overall expenditures were $4,876,114, increasing the fund balance by $747,443.
- *Community Service Fund 04* – The overall revenues were $2,584,643 while the overall expenditures were $2,809,410, decreasing the fund balance by $224,767.
- *Building Construction Fund 06* – The overall revenues were $857,432 while the overall expenditures were $13,762,908. These, along with net other financing sources of $2,803,070, decreased the fund balance by $10,102,406.
- *Debt Service Fund 07* – The overall revenues were $11,855,526 while the overall expenditures were $12,701,580. These, along with net other financing sources of $50,783, decreased the fund balance by $795,271.

Overview of the Financial Statements

Government-Wide Statements

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

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

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

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

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

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

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.

- The District establishes other funds to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using revenues (e.g., federal grants).

The District has two kinds of funds:

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

- *Fiduciary Funds* – The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only by those to whom the assets belong.

- *Proprietary Fund* – The District maintains a proprietary fund to account for the operation of a self-insurance program available to employees.

Financial Analysis of the District as a Whole

Net Position

The District's combined net position was $64,088,048 on June 30, 2025.

Statement of Net Position
June 30, 2025 and 2024

	2025	2024*
Assets		
Current assets	$ 67,768,450	$ 79,438,599
Capital assets	302,154,163	288,635,774
Total assets	369,922,613	368,074,373
Deferred Outflows of Resources	17,561,435	21,702,223
Liabilities		
Other liabilities	19,169,061	19,780,737
Long-term liabilities	260,953,100	280,921,848
Total liabilities	280,122,161	300,702,585
Deferred Inflows of Resources	43,273,839	28,719,314
Net Position		
Net investment in capital assets	112,120,630	294,890,237
Restricted for specific purposes	10,304,269	21,876,892
Unrestricted	(58,336,851)	(256,412,432)
Total net position	$ 64,088,048	$ 60,354,697

* Effective July 1, 2024, the District adopted provisions of GASB Statement No. 101, *Compensated Absences*. As a result of this change in accounting principle, it was not appropriate for the District to restate prior-period information for earlier periods than those presented in the basic financial statements. Therefore, information for the year ended June 30, 2024, was not restated. See Note 15 to the financial statements for further information on the change in accounting principle.

Changes in Net Position – The District's total revenues were approximately $150.4 million for the year ended June 30, 2025. Property taxes and state formula aid accounted for 84.9% of total revenue for the year. Another 12.2% came from program revenues.

The total cost of all programs and services was approximately $139.6 million. The District's expenses are predominantly related to educating and caring for students. The purely administrative activities of the District accounted for just 3.7% of total costs.

The total revenues exceeded expenses, increasing the net position by approximately $10.8 million for fiscal year 2025.

Statement of Activities
Years Ended June 30, 2025 and 2024

	2025	2024*
Revenues		
Program revenues		
Charges for service	$ 11,577,846	$ 10,990,451
Operating grants and contributions	6,698,804	6,434,907
General		
Property taxes	20,720,014	19,620,058
Aids and payments from state and other	106,868,157	101,021,812
Miscellaneous revenues	4,485,978	5,955,166
Total revenues	150,350,799	144,022,394
Expenses		
Administration	5,183,618	4,897,151
District support services	2,279,482	2,084,023
Regular instruction	43,181,720	48,463,208
Vocational instruction	1,837,419	1,898,252
Special education instruction	26,857,487	24,833,625
Community education and services	2,810,898	2,635,924
Instructional support services	8,458,699	7,122,951
Pupil support services	16,446,479	17,999,932
Sites and buildings	17,834,308	14,132,809
Fiscal and other fixed-cost programs	14,705,402	15,749,990
Total expenses	139,595,512	139,817,865
Change in Net Position	10,755,287	4,204,529
Net Position - Beginning, as previously reported	60,354,697	56,150,168
Adjustment (Note 15)	(7,021,936)	-
Net Postion - Beginning, as restated	53,332,761	56,150,168
Net Position - Ending	$ 64,088,048	$ 60,354,697

* Effective July 1, 2024, the District adopted provisions of GASB Statement No. 101, *Compensated Absences*. As a result of this change in accounting principle, it was not appropriate for the District to restate prior-period information for earlier periods than those presented in the basic financial statements. Therefore, information for the year ended June 30, 2024, was not restated. See Note 15 to the financial statements for further information on the change in accounting principle.

General Fund

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

The following schedule presents a summary of General Fund Revenues.

	Year Ended June 30,		Amount of Increase	Percent Increase
	2025	2024	(Decrease)	(Decrease)
Local property taxes	$ 11,833,357	$ 9,929,421	$ 1,903,936	19.2%
Other local sources	4,673,645	4,916,480	(242,835)	-4.9%
State sources	98,394,194	92,319,204	6,074,990	6.6%
Federal sources	4,800,931	5,851,613	(1,050,682)	-18.0%
Miscellaneous	37,101	46,765	(9,664)	-20.7%
Total general fund revenues	$ 119,739,228	$ 113,063,483	$ 6,675,745	5.9%

Total General Fund revenue increased by $6,675,745 or 5.9% from the previous year. Basic general education revenue is determined by a state per student funding formula and consists of an equalized mix of property tax and state aid revenue. The mix of property tax and state aid can change significantly from year to year without any net change on revenue. Federal aid decreased during 2024 as a result of less grant funding received through the CARES Act for the COVID 19 pandemic.

The following schedule presents a summary of General Fund expenditures.

	Year Ended June 30,		Amount of Increase	Percent Increase
	2025	2024	(Decrease)	(Decrease)
Salaries and benefits	$ 89,000,742	$ 86,393,902	$ 2,606,840	3.0%
Purchased services	15,604,829	15,279,975	324,854	2.1%
Supplies and materials	7,474,647	6,963,448	511,199	7.3%
Capital expenditures	5,694,704	1,831,960	3,862,744	210.9%
Other expenditures	1,738,929	2,687,447	(948,518)	-35.3%
Total general fund expenditures	$ 119,513,851	$ 113,156,732	$ 6,357,119	5.6%

Total General Fund expenditures increased by $6,357,119 or 5.6% from the previous year. The majority of the expenditure increase for 2025 was driven by higher salaries and benefits, as well as equipment and other capital improvements made.

General Fund Budgetary Highlights

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

- Actual revenues were $1,923,342 more than budget, mainly because of higher than anticipated general education aid from the state.
- Actual expenditures were $543,667 less than budget primarily due to conservative budgeting by the District.

Other Non-Major Funds

The Food Service Fund incurred a current year surplus of $747,443. The Community Service Fund incurred a current year deficit of $224,767. From the standpoint of maintaining current operating expenditures within the range of annual revenue, the Community Service Fund and Food Service Fund continue to operate on a sound financial basis.

Capital Assets

By the end of fiscal year 2025, the District had invested approximately $371.5 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audit-visual equipment, and school vehicles. Total depreciation/amortization expense for the year was $5,977,295. Note 4 presents the detail of the District's capital assets.

Capital Assets Governmental Activities
June 30, 2025 and 2024

	2025	2024
Land	$ 1,499,572	$ 1,499,572
Construction in Progress	112,803,287	97,652,133
Buildings	243,660,613	242,472,381
Improvements	4,254,942	3,712,011
Equipment	7,949,687	5,825,605
Right to use leased equipment	315,324	232,111
Right to use subscription IT assets	991,284	585,212
Accumulated Depreciation/Amortization	(69,320,546)	(63,343,251)
Total capital assets	$ 302,154,163	$ 288,635,774

Long-Term Liabilities

At year end the District had $201,709,121 of long term debt, excluding pension, OPEB, and supplemental benefits liabilities. This consisted of bonded indebtedness of $179,545,000, unamortized bond premiums of $3,852,558, certificates of participation of $4,310,000, premium on certificates of participation of $94,900, discounts on certificates of participation of $(12,128), direct borrowing payable of $6,133,679, leases payable of $213,575, subscription IT liabilities of $49,810, and compensated absences of $7,521,797. Note 7 presents the detail of the District's long-term debt. Note 5 presents the details of the District's leases. Note 6 presents the details of the District's SBITAs. The District has $183,084 in supplemental benefit liability. See Note 8 for further information on supplemental benefits. The District has $4,157,741 in liabilities for other postemployment benefits. See Note 9 for further information on OPEB obligations. The District has $54,903,154 in net pension liability at June 30, 2025. See Note 10 for further information on pensions.

Factors Bearing on the District's Future

Minnesota school districts are paid based on pupil units served. Increases in enrollment this year over last year has given us increased revenue for operations. We are anticipating the school district's enrollment to increase over the next couple of years.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or would like additional information, contact the Business Office, Independent School District No. 152, Moorhead, Minnesota.

Statement of Net Position
June 30, 2025

Assets	
Cash and cash equivalents	$ 35,681,786
Receivables	
Current property taxes	15,066,091
Delinquent property taxes	447,688
Accounts	101,479
Due from other governmental units	16,322,439
Prepaid items	44,791
Inventories	104,176
	67,768,450
Capital assets	
Capital assets not being depreciated	
Land	1,499,572
Construction in progress	112,803,287
Capital assets, net of accumulated depreciation/amortization	
Buildings and improvements	180,950,739
Land improvements	2,252,420
Equipment	3,818,223
Right-to-use leased assets	208,038
Right-to-use subscription assets	621,884
Total capital assets	302,154,163
Total assets	369,922,613
Deferred Outflows of Resources	
Other postemployment benefits	495,279
Pension plans	17,066,156
Total deferred inflows of resources	17,561,435
Liabilities	
Accounts payable	2,472,347
Due to other governmental units	71,340
Salaries payable	8,983,356
Accrued interest payable	2,382,235
Construction contracts payable	3,199,858
Unearned revenue	1,663,188
Claims incurred but not reported	396,737
Long-term liabilities	
Due within one year - other than pensions, OPEB, and supplemental benefits	11,294,353
Due in more than one year - other than pensions, OPEB, and supplemental benefits	190,414,768
Due in more than one year - supplemental benefits	183,084
Due in more than one year - other postemployment benefits	4,157,741
Due in more than one year - net pension liability	54,903,154
Total liabilities	280,122,161
Deferred Inflows of Resources	
Property taxes levied for subsequent year	22,963,520
Other postemployment benefits	728,935
Pension plans	19,581,384
Total deferred inflows of resources	43,273,839
Net Position	
Net investment in capital assets	112,120,630
Restricted for specific purposes	10,304,269
Unrestricted	(58,336,851)
Total net position	$ 64,088,048

Independent School District No. 152
Moorhead Area Public Schools
Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities					
Administration	$ 5,183,618	$ -	$ -	$ -	$ (5,183,618)
District support services	2,279,482	-	-	-	(2,279,482)
Regular instruction	43,181,720	1,445,174	-	-	(41,736,546)
Vocational instruction	1,837,419	-	-	-	(1,837,419)
Special education instruction	26,857,487	72,658	-	-	(26,784,829)
Community education and services	2,810,898	719,951	1,340,108	-	(750,839)
Instructional support services	8,458,699	108	(1,171)	-	(8,459,762)
Pupil support services	16,446,479	283,293	5,359,867	-	(10,803,319)
Sites and buildings	17,834,308	-	-	-	(17,834,308)
Fiscal and other fixed-cost programs	14,705,402	9,056,662	-	-	(5,648,740)
Total governmental activities	$ 139,595,512	$ 11,577,846	$ 6,698,804	$ -	(121,318,862)
General Revenues					
Property taxes, levied for general purposes					11,890,803
Property taxes, levied for community education and services					82,379
Property taxes, levied for debt service					8,746,832
Aids and payments from state sources					101,942,722
Aids and payments from federal sources					4,814,847
County apportionment					110,588
Unrestricted investment earnings					1,499,964
Miscellaneous revenues					2,986,014
Total general revenues					132,074,149
Change in Net Position					10,755,287
Net Position - Beginning, as previously reported					60,354,697
Adjustment (Note 15)					(7,021,936)
Net Postion - Beginning, as restated					53,332,761
Net Position - Ending					$ 64,088,048

	General	Building Construction	Debt Service	Other Governmental Funds	Totals
Assets					
Cash and cash equivalents	$ 9,716,591	$ 9,110,359	$ 6,275,673	$ 3,022,059	$ 28,124,682
Receivables					
Current property taxes	6,530,871	-	8,327,695	207,525	15,066,091
Delinquent property taxes	231,936	-	209,791	5,961	447,688
Accounts	101,479	-	-	-	101,479
Due from other governmental units	15,748,529	-	310,869	263,041	16,322,439
Prepaid items	43,822	-	-	969	44,791
Inventories	-	-	-	104,176	104,176
Total assets	$ 32,373,228	$ 9,110,359	$ 15,124,028	$ 3,603,731	$ 60,211,346
Liabilities					
Accounts payable	$ 622,635	$ 1,756,710	$ -	$ 9,937	$ 2,389,282
Due to other governmental units	71,340	-	-	-	71,340
Salaries payable	8,772,369	-	-	210,987	8,983,356
Construction contracts payable	-	3,199,858	-	-	3,199,858
Unearned revenue	289,866	-	-	138,193	428,059
Total liabilities	9,756,210	4,956,568	-	359,117	15,071,895
Deferred Inflows of Resources					
Unavailable revenue-property taxes	120,849	-	109,311	3,106	233,266
Property taxes levied for subsequent year	10,203,316	-	12,429,006	331,198	22,963,520
Total deferred inflows of resources	10,324,165	-	12,538,317	334,304	23,196,786
Fund Balance					
Nonspendable	43,822	-	-	105,145	148,967
Restricted	2,671,550	4,153,791	2,585,711	3,059,700	12,470,752
Committed	1,200,000	-	-	-	1,200,000
Assigned	5,000,000	-	-	-	5,000,000
Unassigned	3,377,481	-	-	(254,535)	3,122,946
Total fund balance	12,292,853	4,153,791	2,585,711	2,910,310	21,942,665
Total liabilities, deferred inflows of resources, and fund balance	$ 32,373,228	$ 9,110,359	$ 15,124,028	$ 3,603,731	$ 60,211,346

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

Total Fund Balances - Governmental Funds	$ 21,942,665
Amounts reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported as assets in the governmental funds.	302,154,163
Accrued interest payable for long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(2,382,235)
Delinquent property taxes are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	233,266
Internal service funds are used by the District to charge the costs of the self-insured dental insurance pool. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.	5,842,173
Deferred outflows and inflows of resources related to pension, supplemental benefit, and OPEB plans are applicable to future periods and, therefore, are not reported in the funds.	(2,748,884)
Long-term liabilities, including bonds payable, leases, SBITA's, direct borrowing payable, bond premiums, compensated absences, supplemental benefits, other post-employment benefits, and pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(260,953,100)
Total Net Position - Governmental Activities	$ 64,088,048

	General	Building Construction	Debt Service	Other Governmental Funds	Totals
Revenues					
Local property tax levies	$ 11,833,357	$ -	$ 8,746,832	$ 275,053	$ 20,855,242
Other local and county sources	4,031,113	-	-	611,152	4,642,265
Investment earnings	642,532	857,432	-	-	1,499,964
State sources	98,394,194	-	3,108,694	3,737,223	105,240,111
Federal sources	4,800,931	-	-	3,331,543	8,132,474
Sales and other conversion of assets	37,101	-	-	253,229	290,330
Total revenues	119,739,228	857,432	11,855,526	8,208,200	140,660,386
Expenditures					
Current					
Administration	5,175,187	-	-	-	5,175,187
District support services	2,279,482	-	-	-	2,279,482
Regular instruction	47,689,606	-	-	-	47,689,606
Vocational instruction	1,837,419	-	-	-	1,837,419
Special education instruction	26,857,376	-	-	-	26,857,376
Community education and service	-	-	-	2,808,541	2,808,541
Instructional support services	7,990,263	-	-	-	7,990,263
Pupil support services	10,900,713	-	-	4,859,382	15,760,095
Sites and buildings	8,985,647	-	-	-	8,985,647
Fiscal and other fixed cost programs	652,495	-	2,850	-	655,345
Debt service					
Principal	1,175,504	-	6,985,000	-	8,160,504
Interest	275,455	-	5,713,730	-	5,989,185
Capital outlay	5,694,704	13,762,908	-	17,601	19,475,213
Total expenditures	119,513,851	13,762,908	12,701,580	7,685,524	153,663,863
Excess (Deficiency) of Revenues Over (Under) Expenditures	225,377	(12,905,476)	(846,054)	522,676	(13,003,477)
Other Financing Sources (Uses)					
Transfer in	454,369	1,251,051	-	-	1,705,420
Transfer out	(1,705,420)	-	-	-	(1,705,420)
Bond proceeds	-	1,564,217	50,783	-	1,615,000
Bond discount	-	(12,198)	-	-	(12,198)
Direct borrowing proceeds	166,317	-	-	-	166,317
Leases	83,213	-	-	-	83,213
Subscription-based IT arrangements	74,626	-	-	-	74,626
Total other financing sources (uses)	(926,895)	2,803,070	50,783	-	1,926,958
Net Change in Fund Balance	(701,518)	(10,102,406)	(795,271)	522,676	(11,076,519)
Fund Balance, Beginning of Year	12,994,371	14,256,197	3,380,982	2,387,634	33,019,184
Fund Balance, End of Year	$ 12,292,853	$ 4,153,791	$ 2,585,711	$ 2,910,310	$ 21,942,665

Net Change in Fund Balances - Total Governmental Funds	$ (11,076,519)
Amounts Reported for Governmental Activities in The Statement of Activities Are Different Because:	
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives as depreciation/amortization expense.	
Capital outlay	19,495,684
Depreciation/amortization expense	(5,977,295)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	57,446
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	169,852
In the statement of activities, OPEB liabilities and supplemental benefits liabilities are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	(412,451)
In the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, the contributions are reported as an expense.	1,371,838
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	6,923,593
Internal service funds are used by the District to charge the costs of the self-insured dental insurance pool. The net revenue of the internal service fund is reported in the governmental activities.	203,139
Change in Net Position of Governmental Activities	$ 10,755,287

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

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Local property tax levies	$ 11,998,471	$ 11,740,199	$ 11,833,357	$ 93,158
Other local and county sources	2,699,778	3,569,175	4,031,113	461,938
Investment earnings	400,000	500,000	642,532	142,532
State sources	94,498,250	97,078,070	98,394,194	1,316,124
Federal sources	4,772,706	4,863,442	4,800,931	(62,511)
Sales and other conversion of assets	30,000	65,000	37,101	(27,899)
Total revenues	114,399,205	117,815,886	119,739,228	1,923,342
Expenditures				
Current				
Administration	5,031,172	5,201,406	5,175,187	26,219
District support services	2,245,159	2,375,925	2,279,482	96,443
Regular instruction	48,241,628	49,668,835	47,689,606	1,979,229
Vocational instruction	2,042,423	1,958,899	1,837,419	121,480
Special education instruction	24,900,864	25,080,929	26,857,376	(1,776,447)
Instructional support services	5,754,345	6,636,345	7,990,263	(1,353,918)
Pupil support services	11,525,453	12,119,683	10,900,713	1,218,970
Sites and buildings	9,782,985	9,132,657	8,985,647	147,010
Fiscal and other fixed cost programs	658,030	658,030	652,495	5,535
Debt Service				
Principal	1,050,000	1,050,000	1,175,504	(125,504)
Interest	326,643	326,643	275,455	51,188
Capital outlay	5,484,210	5,848,166	5,694,704	153,462
Total expenditures	117,042,912	120,057,518	119,513,851	543,667
Excess (Deficiency) of Revenues over (under) Expenditures	(2,643,707)	(2,241,632)	225,377	2,467,009
Other Financing Sources (Uses)				
Transfer in	-	-	454,369	454,369
Transfer out	-	-	(1,705,420)	(1,705,420)
Insurance recovery	150,000	150,000	-	(150,000)
Direct borrowing proceeds	-	-	166,317	166,317
Leases	-	-	83,213	83,213
Subscription-based IT arrangements	-	-	74,626	74,626
Total Other Financing Sources (Uses)	150,000	150,000	(926,895)	(1,076,895)
Net Change in Fund Balance	$ (2,493,707)	$ (2,091,632)	(701,518)	$ 1,390,114
Fund Balance, Beginning of Year			12,994,371	
Fund Balance, End of Year			$ 12,292,853	

	Governmental Activities - Internal Service Fund
Assets	
Cash and cash equivalents	$ 7,557,104
Liabilities	
Accounts payable	83,065
Claims incurred but not reported	396,737
Unearned revenue	1,235,129
Total liabilities	1,714,931
Net Position	
Unrestricted	$ 5,842,173

Proprietary Fund
Statement of Changes in Net Position
Year Ended June 30, 2025

	Governmental Activities - Internal Service Fund
Additions	
Health premiums	$ 9,056,663
Deductions	
Health claims	8,853,524
Change in Net Position	203,139
Net Position, Beginning of Year	5,639,034
Net Position, End of Year	$ 5,842,173

	Governmental Activities - Internal Service Fund
Operating Activities	
Receipts from participants	$ 9,186,848
Payments for insurance claims and administration	(9,345,849)
Net cash used for operating activities	(159,001)
Cash and Cash Equivalents, July 1	7,716,105
Cash and Cash Equivalents, June 30	$ 7,557,104
Reconciliation of Operating Income to	
Net Cash Used for Operating Activities	
Operating Activities	
Operating income	$ 203,139
Changes in assets and liabilities	
Accounts payable	(2,758)
Unearned revenue	130,185
Claims incurred but not reported	(489,567)
Net cash used for operating activities	$ (159,001)

	Custodial Fund	OPEB Trust Fund
Assets		
Cash and cash equivalents	$ 9,000	$ 2,167,680
Net Position		
Restricted	$ 9,000	$ 2,167,680

	Custodial Fund	OPEB Trust Fund
Additions		
Interest	$ -	$ 373,282
Deductions		
Unrealized loss on investment	-	11,755
OPEB health insurance	-	783,946
Total deductions	-	795,701
Net Change in Net Position	-	(422,419)
Net Position, Beginning of Year	9,000	2,590,099
Net Position, End of Year	$ 9,000	$ 2,167,680

Note 1 - Summary of Significant Accounting Policies

A. Organization

Independent School District No. 152, Moorhead Area Public Schools, Moorhead, Minnesota ("the District") was formed and operates pursuant to applicable Minnesota laws and statutes. The District is governed by a School Board elected by voters of the District. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial burden or benefit with the potential component unit, or is fiscally depended upon by the potential component unit.

Based on these criteria, there are no organizations considered to be component units of the District.

C. Government-Wide Financial Statement Presentation

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The fiduciary fund is reported in the Statement of Fiduciary Net Position at the fund financial statement level. Generally, the effect of interfund activity has been removed from the government-wide financial statements.

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

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

The District applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available. For capital assets that can be specifically identified with, or allocated to functional areas, depreciation expense is included as a direct expense in the functional areas that utilize the related capital assets. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

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

The fiduciary fund is presented in the fiduciary fund financial statement. The District has two types of fiduciary fund, pension (or other benefit) trust and custodial. Since, by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, this fund is excluded from the government-wide statements.

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

Revenue Recognition - Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to Minnesota Statutes. Federal revenue is recorded in the year in which the related expenditure is made. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Recording of Expenditures - Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, severance, postemployment benefits, and pensions, are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the District the right to use leased assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

The fiduciary fund financial statement is reported using the economic resources measurement focus and the accrual basis of accounting as described earlier in these notes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service fund is receipts from participants. Operating expenses for the internal service fund includes payments for insurance claims and administration. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Description of Funds

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

Major Governmental Funds

General Fund - The general fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the District, as well as the capital related activities such as maintenance of facilities, equipment purchases, and health and safety projects. The District's Student Activity Funds are under board control and are reported in the general fund.

Building Construction Fund - The capital projects fund is used to account for capital projects within the District.

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

Nonmajor Governmental Funds

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

Community Service Fund - The community service fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, adult or early childhood programs, extended day programs, or other similar services.

Proprietary Fund

Internal Service Fund - The Internal Service Fund is used to account for the activities of the District's self-insured health plan.

Fiduciary Funds

OPEB Trust Fund - The Other Postemployments Benefits (OPEB) Trust Fund is used to account for the accumulation of resources to be used for the District's portion of the premium cost for providing health insurance to the District's retired employees.

Custodial Fund - The Custodial fund is used to report resources held by the District in a purely custodial capacity. The custodial fund is used for scholarships in which the District has no administrative involvement.

E. Other Significant Accounting Policies

Budgeting

An operating budget is adopted by July 1 of each fiscal year for all governmental funds on the same modified accrual basis used to reflect actual revenues and expenditures. The superintendent is authorized to transfer budget amounts within line items; however, supplemental appropriations that amend total appropriations of any fund require a board resolution. Reported budgeted amounts are as originally adopted or as amended by board resolution. Unencumbered appropriations lapse at year-end.

Cash and Cash Equivalents

Cash balances for all district funds are pooled and invested to the extent available in various investment instruments as authorized by state statutes. Earnings from such investments are allocated to each of the funds based on the fund's average monthly cash and cash equivalents balance. Funds that incur a deficit balance in pooled cash and cash equivalents during the year are charged interest.

Deposits and investments include bank deposits, monies deposited with the Minnesota School District Liquid Asset Fund (MSDLAF), fixed income securities, mutual funds, and equities, and are stated at fair value. Fair value is the price that would be received to sell the investment in an orderly transaction at year end.

The District has an approved investment policy and OPEB investment policy in place to ensure compliance with state laws relating to investments, and to guarantee that investments meet certain primary criteria.

Receivables

Amounts are shown net of any allowance for uncollectibles. No allowances for uncollectibles have been recorded. The only receivables not expected to be fully collected within one year are property taxes receivable.

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Inventories

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

Property Taxes

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

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

Property tax levies are certified to the County Auditor in December of each year for collection from taxpayers in May and October of the following calendar year. In Minnesota, counties act as collection agents for all property taxes. The county spreads all levies over taxable property. Such taxes become a lien on property on the following January 1. The county general remits taxes to the District at periodic intervals as they are collected. A portion of the property taxes levied is paid by the State of Minnesota through various tax credits, which are included in revenue from state sources in the financial statements.

Current property taxes receivable is the uncollected portion of the taxes levied in 2024 and collectible in 2025. This levy is offset with a deferred inflow of resources for property taxes levied for a subsequent year. Delinquent taxes receivable includes the past six years’ uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for delinquent taxes not received within 60 days after year-end in the fund financial statements.

Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historic cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would have been paid to acquire an asset with equivalent service potential on the date of the donation. The District maintains a threshold level of $5,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. 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 purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 3 to 50 years. Land and construction in progress are not depreciated.

The District does not possess any material amounts of infrastructure capital assets. Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.

Right to use leased assets are recognized at the lease commencement date and represent the District's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, plus any initial direct costs necessary to place the lease assets into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period is 5 years.

Right to use subscription IT assets are recognized at the subscription commencement date and represent the District's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful live of the underlying asset using the straight-line method. The amortization period varies from 2 to 8 years.

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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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

Lease liabilities represents the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the District.

Subscription Liabilities represent the District's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by the District.

Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, four types of leave qualify for liability recognition for compensated absences –sick leave, severance, personal leave, and vacation leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation - The District compensates substantially all full-time noncertified employees for unused vacation upon termination; however, no employee is allowed to accumulate more than a one-year vacation allowance. In the fund financial statements, the expenditure for vacation pay is recognized when payment is made, and a liability is recorded only for amounts payable in the current period. In the district-wide statements, vacation expense is recognized as earned and a liability is recorded for all earned vacation pay.

Sick Leave - The District's policy permits employees to accumulate earned but unused sick leave up to a maximum of 60 days. All sick leave lapses when employees leave employment of the District and, upon separation from service, no monetary obligation exists unless the employee qualifies for severance under the District's supplemental benefits leave. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

Personal Leave - Most contract groups earn two to three personal leave days each year with the ability to accumulate up to five days. Supervisors earn one personal leave day per year with a maximum accumulation of three days. All personal leave lapses when employees leave employment of the District and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of personal leave that will be used by employees as time off is included in the liability for compensated absences.

Supplemental Benefits Liability

Under the provisions of the various employee and union contracts, the District provides certain supplemental pension benefits to eligible retirees. These supplemental benefit obligations are funded on a pay-as-you-go basis. The total supplemental benefit liability, deferred outflows/inflows of resources, and supplemental benefit expense were actuarially determined in accordance with GASB Statement No. 73. Additional information can be found in Note 8.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measure the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. Additional information can be found in Note 9.

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 the 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.

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 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. Additional information can be found in Note 10.

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.

Deferred Outflows 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, *deferred outflows of resources*, 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 then.

The District has two items that qualify for reporting in this category on the government-wide statement of net position. Deferred outflows of resources related to other postemployment benefits consists of various estimate differences and contributions made to the plan subsequent to the measurement date that will be recognized as expenditures in future years. Deferred outflows of resources related to pension plans consists of various estimate differences and contributions made to the plan subsequent to the measurement date that will be recognized as expenses in future years.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, 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 three types of items that 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. The third item is deferred inflows related to pension, OPEB, and supplemental benefit activity as a result of various estimate differences that will be recognized as expenses in future years, reported in the government-wide statement of net position.

Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the District's government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any long-term debt attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The District's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- Nonspendable fund balance 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. They include items that are inherently unspendable, such as, but not limited to, inventories, prepaid items, long-term receivables, non-financial assets held for resale, or the permanent principal of endowment funds.

- Restricted fund balance amounts 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 balance amounts are comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action of the school board and that remain binding unless removed by the school board by subsequent formal action. The formal action to commit a fund balance must occur prior to fiscal year end; however, the specific amounts actually committed can be determined in the subsequent fiscal year. A majority vote of the school board is required to commit a fund balance to a specific purpose and subsequently to remove or change any constraint so adopted by the board. A committed fund balance cannot be a negative number.

- Assigned fund balance amounts are comprised of unrestricted funds constrained by the school district's intent that they be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, the assigned fund balance represents the remaining amount that is not restricted or committed. The assigned fund balance category will cover the portion of a fund balance that reflects the school district's intended use of those resources. The action to assign a fund balance may be taken after the end of the fiscal year. An appropriation of an existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance. The school board, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The board also delegates the power to assign fund balances to the following: the Superintendent and the Assistant Superintendent. Assignments so made shall be reported to the school board on a monthly basis, either separately or as part of ongoing reporting by the assigning party if other than the school board. An assigned fund balance cannot be a negative number.

- Unassigned fund balance amounts are the residual amounts in the general fund not reported in any other classification. Unassigned amounts in the general fund are technically available for expenditure for any purpose. The general fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources of that fund.

If resources from more than one fund balance classification could be spent, the school district will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned, and unassigned. The school district will strive to maintain a minimum unassigned General Fund balance of at least 12 -15% of the district's General Fund operating budget. When the unassigned General Fund balance is projected to decrease below 12% of the General Fund budget, the district shall initiate one or more measures listed in the fund balance policy to ensure that the year-end General Fund unassigned balance for the budget year in question does not fall below 12%.

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 workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage in fiscal year 2025.

Estimates

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

Adoption of New Accounting Standard

As of July 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The accounting change has been retrospectively applied for all periods presented and the effect of the implementation of this standard on beginning net position is disclosed in Note 15.

As of July 1, 2024, the District adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure. There was no effect of the implementation of this standard on disclosures during the year.

Note 2 - Deposits and Investments

Deposits

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the District's School Board. All such depositories are members of the Federal Reserve System.

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

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

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

At June 30, 2025, all deposits were insured or collateralized by securities held by the District's agent in the District's name.

Concentration of Credit Risk - The District maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2025, the District had $796,054 in excess of FDIC insured limits, that were appropriately collateralized.

Investments

The following are considered the most significant risks associated with investments:

Credit Risk - Investments - Minnesota Statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, bankers' acceptances, certain repurchase agreements and commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record.

Custodial Credit Risk - Investments - The investment in the Minnesota School District Liquid Asset Fund is not subject to the credit risk classifications as noted in paragraph 9 of GASB Statement No. 40.

Interest Rate Risk - Investments - The District does not have a formal policy that limits investment maturities.

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.

The following table presents the District's deposit and investment balances at June 30, 2025:

		Investment Maturities (in Years)		
Type	Fair Value	N/A	< 1	1 - 5
Cash and Cash Equivalents				
Minnesota School District Liquid Asset Fund	$ 14,690,734	$ 14,690,734	$ -	$ -
Deposits	15,664,079	15,664,079	-	-
Investments				
Fixed income	5,608,547	-	5,608,547	-
Mutual funds	7,062	7,062	-	-
Equities	1,888,044	1,888,044	-	-
	$ 37,858,466	$ 32,249,919	$ 5,608,547	$ -

The Minnesota School District Liquid Asset Fund is an external investment pool not registered with the Securities and Exchange Commission (SEC) that follows the same regulatory rules of the SEC under rule 2a7. The fair value of the position in the pool is the same as the value of the pool's shares.

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

Cash and Cash Equivalents - Statement of Net Position	$ 35,681,786
Cash and Cash Equivalents - Fiduciary Funds	2,176,680
	$ 37,858,466

Fair Value Measurements

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The District follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 - Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 - Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 - Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

	Level 1	Level 2	Level 3
Corporate bonds	$ 5,608,547	$ -	$ -
Mutual funds	7,062	-	-
Equities	1,888,044	-	-
	$ 7,503,653	$ -	$ -

Note 3 - Due from Other Governmental Units

Amounts receivable from other governments as of June 30, 2025, include:

Fund	Federal	State	Total
Major Funds			
General	$ 3,146,468	$ 12,602,061	$ 15,748,529
Debt service	-	310,869	310,869
Non-Major Funds	106,947	156,094	263,041
	$ 3,253,415	$ 13,069,024	$ 16,322,439

Note 4 - Capital Assets

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

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital Assets Not Being Depreciated				
Land	$ 1,499,572	$ -	$ -	$ 1,499,572
Construction in progress	97,652,133	15,688,443	537,289	112,803,287
Total capital assets, not being depreciated	99,151,705	15,688,443	537,289	114,302,859
Capital Assets Being Depreciated/Amortized:				
Buildings and improvements	242,472,381	1,188,232	-	243,660,613
Equipment	5,825,605	2,124,082	-	7,949,687
Land improvements	3,712,011	542,931	-	4,254,942
Right to use leased equipment	232,111	83,213	-	315,324
Right to use subscription IT assets	585,212	406,072	-	991,284
Total capital assets being depreciated/amortized	252,827,320	4,344,530	-	257,171,850
Less Accumulated Depreciation/Amortization for				
Buildings and improvements	57,740,539	4,969,335	-	62,709,874
Equipment	3,601,570	529,894	-	4,131,464
Land improvements	1,803,475	199,047	-	2,002,522
Right to use leased equipment	51,806	55,480	-	107,286
Right to use subscription IT assets	145,861	223,539	-	369,400
Total accumulated depreciation/amortization	63,343,251	5,977,295	-	69,320,546
Net capital assets, depreciated/amortized	189,484,069	(1,632,765)	-	187,851,304
Total capital assets, net	$ 288,635,774	$ 14,055,678	$ 537,289	$ 302,154,163

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

Administration	$ 8,432
Regular instruction	240,955
Community service	1,489
Instructional support services	112,666
Pupil support services	222,557
Sites and buildings	5,391,196
Total depreciation/amortization expense	$ 5,977,295

Note 5 - Leases

Leases Payable

During the current year, the District entered into various copier lease agreements as lessee for the acquisition and use of copy machines. The District is required to make monthly principal and interest payments of $5,860. Lease payments are made from the general fund. The leases have an interest rate of 4.14%. The equipment has a four to five year estimated useful life. During the year ended June 30, 2025, the District recognized interest expense of $8,271 related to leases.

The future principal and interest lease payments as of June 30, 2025, were as follows:

Years Ending June 30,	Principal	Interest
2026	$ 62,520	$ 7,795
2027	65,044	5,152
2028	56,168	2,386
2029	21,122	791
2030	8,721	107
	$ 213,575	$ 16,231

Note 6 - Subscription-Based Information Technology Arrangements (SBITAs)

During the current year, the District entered into various SBITA contracts for the use of software/subscription licenses. As of June 30, 2025, the value of the subscription liability was $49,810. The District is required to make annual principal and interest payments of $42,597 through August 2027. The subscription has an interest rate of 4.53%.

The future principal and interest SBITA payments as of June 30, 2025, were as follows:

Years Ending June 30,	Principal	Interest
2026	$ 40,341	$ 2,256
2027	9,469	429
	$ 49,810	$ 2,685

Note 7 - Long-Term Liabilities

Changes in long-term liabilities during the year ended June 30, 2025 are as follows:

	Balance July 1, 2024 (as restated)	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Bonds payable	$ 186,530,000	$ -	$ 6,985,000	$ 179,545,000	$ 6,605,000
Unamortized bond premium	4,419,370	-	566,812	3,852,558	566,812
Certificates of participation	2,950,000	1,615,000	255,000	4,310,000	265,000
Unamortized premium on Certificates of participation	104,390	-	9,490	94,900	9,490
Unamortized discount, net on Certificates of participation	-	(12,198)	-	(12,198)	(1,109)
Direct borrowings	6,748,813	166,317	781,451	6,133,679	811,759
Leases	183,395	83,213	53,033	213,575	62,520
Subscription IT liabilities	61,204	74,626	86,020	49,810	40,341
Compensated absences*	7,691,649	-	169,852	7,521,797	2,934,540
	$ 208,688,821	$ 1,926,958	$ 8,906,658	$ 201,709,121	$ 11,294,353

*The roll-forward schedule only reports the net change in the compensated absences liability.

Bonds Payable

Following is a summary of bonds payable as of June 30, 2025:

Bond Description	Final Maturity	Interest Rate	Original Principal	Outstanding Balance
General Obligation School Building Bonds, Series 2016A	2036	3.00-4.00%	74,560,000	$ 61,310,000
General Obligation Tax Abatement Bonds, Series 2019A	2034	1.50-3.00%	1,490,000	1,005,000
General Obligation School Building Bonds, Series 2020A	2044	2.25-4.00%	107,335,000	104,225,000
General Obligation Tax Abatement Bonds, Series 2021A	2037	2.00-4.00%	6,570,000	5,805,000
General Obligation School Building Bonds, Series 2022A	2038	3.75-5.00%	2,645,000	2,645,000
General Obligation School Building Bonds, Series 2023A	2041	4.00 - 5.00%	5,450,000	4,555,000
				$ 179,545,000

Bond principal and interest payments are made by the debt service fund.

Certificates of Participation

Following is a summary of certificates of participation as of June 30, 2025:

Direct Borrowing Description	Final Maturity	Interest Rate	Original Principal	Outstanding Balance
Certificates of Participation, Series 2019C	2034	2.30-4.00%	$ 4,165,000	$ 2,695,000
Certificates of Participation, Series 2025A	2036	4.00%	$ 1,615,000	1,615,000
				$ 4,310,000

During the year ended June 30, 2025, the District issued $1,615,000 of Certificates of Participation, Series 2025A, to finance the construction of and improvements at various District facilities. The Certificates bear an interest rate of 4.00% and call for semiannual interest payments commencing April 2026 and annual principal payments commencing April 2027 through April 2036.

The certificates of participation are evidence of participation in a lease purchase agreement for the acquisition and improvement of district facilities. Certificates of participation are not a general obligation of the District. The lease may be terminated by the District at the end of any fiscal year of the District if the School Board does not appropriate moneys sufficient to continue the lease for the ensuing fiscal year. In the event of default, the trustee has the right to terminate the lease and exclude the District from possession of the facility. Payments are made from the general fund and debt service fund.

Direct Borrowings

Direct borrowing agreements have been entered into to finance certain building construction projects and capital asset purchases. These capital assets include additions to S.G. Reinersen Elementary, Robert Asp Elementary and Probsfield Elementary; the high school track; the Adult Basic Ed and Red River ALC facilities; Dell servers and solar array systems. Total cost of capital assets acquired through direct borrowing arrangements as of June 30, 2025 was $13,894,655 and total accumulated depreciation on these assets as of June 30, 2025 was $2,808,464. The outstanding direct borrowing agreements contain provisions that in the event of default, the energy equipment will be repossessed. Payments are made from the general fund.

Following is a summary of direct borrowing payable as of June 30, 2025:

Direct Borrowing Description	Final Maturity	Interest Rate	Original Principal	Outstanding Balance
S.G. Reinersen Elementary Addition	2026	4.16%	$ 601,565	$ 78,195
Robert Asp Addition, Probsfield Elementary Addition, and High School Track	2029	3.52%	4,870,590	1,544,640
S.G Reinerson Elementary Second Addition	2030	2.40%	3,410,000	1,261,104
Adult Basic Ed and Red River ALC	2042	2.90%	4,200,000	3,087,574
Ideal Energies - Solar	2045	4.14%	166,317	162,166
				$ 6,133,679

Compensated Absences

Compensated absences consist of vested vacation, sick, and personal leave as discussed in Note 1.

Remaining principal and interest payments on long-term debt are as follows:

Years Ending June 30,	Bonds Payable Principal	Bonds Payable Interest	Certificates of Participation Principal	Certificates of Participation Interest
2026	$ 6,605,000	$ 5,473,681	$ 265,000	$ 68,503
2027	6,870,000	5,256,631	410,000	122,503
2028	7,130,000	5,029,344	430,000	106,103
2029	7,375,000	4,791,544	440,000	94,703
2030	8,065,000	4,493,494	450,000	83,003
2031-2035	46,040,000	18,089,269	2,125,000	216,488
2036-2040	52,395,000	11,134,200	190,000	7,600
2041-2045	45,065,000	3,433,750	-	-
	$ 179,545,000	$ 57,701,913	$ 4,310,000	$ 698,903

Years Ending June 30,	Direct Borrowing Payable Principal	Direct Borrowing Payable Interest	Total Principal	Total Interest
2026	$ 811,759	$ 171,711	$ 7,681,759	$ 5,713,895
2027	809,547	146,974	8,089,547	5,526,108
2028	806,449	123,129	8,366,449	5,258,576
2029	830,707	99,090	8,645,707	4,985,337
2030	431,008	77,951	8,946,008	4,654,448
2031-2035	917,733	299,250	49,082,733	18,605,007
2036-2040	1,048,569	174,664	53,633,569	11,316,464
2041-2045	477,907	50,577	45,542,907	3,484,327
	$ 6,133,679	$ 1,143,346	$ 189,988,679	$ 59,544,162

Note 8 - Supplemental Benefit Plan

A. Plan Description

The District provides a defined contribution supplemental pension benefit to certain eligible employees and reports them following the guidance of GASB Statement No. 73. All of the pension benefits are based on contractual agreements with employee groups. Contract groups receive other supplement benefits as follows:

Supervisors - For retirees hired before July 1, 1996, those who have elected the severance plan reaching age 55 with 10 years of service are eligible for a lump sum contribution to a 403(b) account equal to a percentage of the highest annual salary of the last five years as follows:

Years of Service	Percent of Pay
15	75%
13-14	60%
12	50%
11	40%
10	30%
9	20%

Secretarial and Clerical Employees and Custodians - For retirees hired before July 1, 2000, those who have elected the severance plan reaching age 55 with 10 years of service are eligible for a lump sum contribution to a 403(b) account equal to a percentage of the highest annual salary of the last five years as follows:

Years of Service	Percent of Pay
15	60%
14	50%
13	40%
12	30%
11	20%
10	10%

Paraprofessionals and TCI Employees - For retirees hired before July 1, 2002, those who have elected the severance plan reaching age 55 with 10 years of service are eligible for a lump sum contribution to a 403(b) account equal to a percentage of the highest annual salary of the last five years as follows:

Years of Service	Percent of Pay
15	60%
14	50%
13	40%
12	30%
11	20%
10	10%

Teachers - For retirees hired before September 1, 1999, those who have elected the severance plan reaching age 55 with 8 years of service are eligible for a lump sum contribution to a 403(b) account equal to the greater of 100 days' pay less the number of sick leave days used in the last 2 years of employment or 80 days' pay times a percentage based on years of service as follows:

Years of Service	Percent of Pay
26+	121%
21-25	114%
16-20	107%
15	100%
14	93%
13	86%
12	79%
11	72%
10	65%
9	58%
8	50%

B. Employees Covered by Benefit Terms

At the July 1, 2024 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	22
	22

C. Supplemental Benefits Liability

The District's supplemental benefits liability of $183,084 was measured as of June 30, 2025, and was based on an actuarial valuation as of July 1, 2024.

D. Actuarial Assumptions

The supplemental benefits liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary Increases	Service graded table
Discount Rate	4.90 percent
20-Year Municipal Bond Yield	4.90 percent

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

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study as of July 1, 2024.

The following changes in actuarial assumptions and plan provisions occurred during the year ended June 30, 2025:

Actuarial Assumptions:

- The discount rate was changed from 4.10% to 4.90%.

Plan Provisions:

- An Early Retirement Incentive was offered to Teachers in varying amounts based on different levels of eligibility and FTE status payable as a lump sum to a Special Pay Plan. Fourteen teachers elected the Early Retirement Incentive for 2024-2025.

E. Discount Rate

The discount rate used to measure the supplemental benefits liability was 4.90%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates.

F. Changes in the Supplemental Benefits Liability

Service Cost	$ 3,191
Interest Cost	6,280
Assumption Changes	(2,955)
Difference Between Expected and Actual Experience	(16,047)
Plan Changes	227,886
Supplemental benefits cost	218,355
Benefit Payments	(366,825)
Change in supplemental benefits obligation	(148,470)
Supplemental benefits liability, beginning of year	331,554
Supplemental benefits liability, end of year	$ 183,084

G. Sensitivity of the Supplemental Benefits Liability to Changes in Discount Rate

The following presents the supplemental benefits liability of the District, as well as what the District's supplemental benefits liability would be if it were calculated using a discount rate one percentage point lower and one percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Discount rate	3.90%	4.90%	5.90%
Supplemental benefits liability	$ 185,680	$ 183,084	$ 180,419

H. Supplemental Benefits and Deferred Outflows and Inflows of Resources Related

For the year ended June 30, 2025, the District recognized supplemental benefits expense of $218,374. At June 30, 2025, the District reported no deferred outflows or inflows of resources related to supplemental benefits.

Note 9 - Other Post-Employment Benefits

A. Plan Description

All employees are allowed upon meeting the eligibility requirements under Minn. Stat. 471.61 subd, 2b, to participate in the District's health insurance plan after retirement. This plan covers active and retired employees. Benefit provisions are established through negotiations between the District and the union representing District employees and are renegotiated at the end of each contract period. A separately issued report is not available.

B. Benefits Provided

The contract groups have access to other post-retirement benefits of blended monthly medical premiums of $602 for single and $1,630 for family coverage and blended life insurance premiums of $0.10 per thousand per month of life insurance face amount. The implicit rate subsidy is only until Medicare eligibility. Contract groups are eligible for subsidized benefits as follows:

Principals - For retirees reaching age 55 with 10 years of service, the District will pay the premium on a $100,000 life insurance policy until age 65 that reduce to 80% at age 61, 60% at age 62, and 40% at age 63. For one grandfathered principal, those reaching age 55 with 10 years of service, the District will contribute $9,300 per year towards medical premium with the excess, if applicable, to an HSA or VEBA until the earlier of seven years or Medicare eligibility.

Teachers - For retirees reaching age 55 with 10 years of service hired before July 1, 2010, and retiring before July 1 2015, the District will pay $653 per month towards medical insurance with the excess, if applicable, to an HSA or VEBA deductible until Medicare eligibility. For retirees reaching age 55 with 10 years of service hired before July 1, 2010, and retiring on or after July 1 2015, the District will pay $750 per month towards medical insurance with the excess, if applicable, to an HSA or VEBA deductible until Medicare eligibility. For retirees reaching age 55 with 3 years of service, the District will pay the premium on a $25,000 life insurance policy until age 65.

Administrators - For retirees reaching age 55, the District will pay the premium on a $100,000 life insurance policy until age 65 that reduce to 80% at age 61, 60% at age 62, and 40% at age 63.

Supervisors - For retirees reaching age 55 with 10 years of service, the District will pay the premium on a $100,000 life insurance policy until age 65 that reduce to 80% at age 61, 60% at age 62, and 40% at age 63. For those hired on or before July 1, 2001 with 9 years of service before by July 1, 2010, and retiring on or after July 1 2013, the District contribute $9,300 per year towards medical premium with the excess, if applicable, to an HSA or VEBA until the earlier of seven years or Medicare eligibility.

C. Employees Covered by Benefit Terms

At the valuation date of July 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	68
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	968
	1,036

D. Net OPEB Liability

The District's net OPEB liability of $4,157,741 was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2024.

E. Actuarial Assumptions

The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary Increases	Service graded table
Discount Rate	4.90 percent
Investment Rate of Return	6.00 percent, net of OPEB plan investment expenses
Healthcare Cost Trend Rates	6.25 percent, grading to 5.00 percent over 5 years, then to 4.00 percent over the next 48 years
Retiree Plan Participation	
Pre-65 subsidy available	100%
Pre-65 subsidy not available	20%
Percent of Married Retirees Electing Spouse Coverage	
Spouse subsidy available	N/A
Spouse subsidy not available	10%

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

The actuarial assumptions used in the July 1, 2024 valuation were based on inputs from a variety of published sources of historical and projected future financial data.

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

Plan Provisions:

- There were no changes in plan provisions.

Assumptions:

- The health care trend rates were updated.
- The discount rate was changed from 4.20% to 4.90%.

The long-term expected rate of return on OPEB 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 OPEB 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 arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
Fixed income	50%	4.70%
Domestic equity	33%	7.50%
International equity	17%	7.10%
Cash	0%	0.00%
	100%	

F. Discount Rate

The discount rate used to measure the total OPEB liability was 4.90%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

G. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2024	$ 6,522,867	$ 2,590,099	$ 3,932,768
Changes From the Prior Year			
Service Cost	226,976	-	226,976
Interest Cost	267,200	-	267,200
Assumption Changes	(104,295)	-	(104,295)
Plan Changes	501,185	-	501,185
Projected Investment Return	-	155,406	(155,406)
Difference between Expected and Actual Experience	(304,566)	213,984	(518,550)
Benefit Payments	(783,946)	(783,946)	-
Administrative Expenses	-	(7,863)	7,863
Total Net Changes	(197,446)	(422,419)	224,973
Balances at June 30, 2025	$ 6,325,421	$ 2,167,680	$ 4,157,741

The measurement date of the net OPEB liability was June 30, 2025; the date of the actuarial valuation on which the total OPEB liability is based was July 1, 2024.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of changes in the District’s net OPEB liability and related ratios, presented as required supplementary information following the notes to the financial statements, presents multiple year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits will be displayed.

H. Sensitivity of the Net OPEB Liability to Changes in Discount Rate and the Healthcare Cost Trend Rates

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Discount Rate	3.90%	4.90%	5.90%
Net OPEB Liability	$ 4,441,824	$ 4,157,741	$ 3,879,891

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

	1% Decrease in Healthcare Trend Rate	Selected Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
Medical Trend Rate	5.25%, decreasing to 4.00% over 5 years then to 3.00% over the next 48 years	6.25%, decreasing to 5.00% over 5 years then to 4.00% over the next 48 years	7.25%, decreasing to 6.00% over 5 years then to 5.00% over the next 48 years
Net OPEB Liability	$ 3,756,905	$ 4,157,741	$ 4,613,396

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

For the year ended June 30, 2025, the District recognized OPEB expense of $560,902. At June 30, 2025, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability gains/losses	$ 414,106	$ 263,656
Assumption changes	81,173	332,030
Investment losses	-	133,249
	$ 495,279	$ 728,935

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ended June 30,	OPEB Expense Amount
2026	$ 87,742
2027	(127,110)
2028	(78,566)
2029	8,364
2030	(65,685)
Thereafter	(58,401)

J. OPEB Plan Fiduciary Plan

Detailed information about the OPEB plan's fiduciary net position is available in a separately issued OPEB financial report.

Note 10 - Defined Benefit Pension Plans

Substantially all employees of the District are required by state law to belong to defined benefit, multi-employer, cost-sharing pension plans administered by the Public Employees' Retirement Association (PERA) or the Teachers' Retirement Association (TRA), both of which are administered on a state-wide basis.

For the year ended June 30, 2025, the District reported its proportionate share of deferred outflows of resources, net pension liabilities, deferred inflows of resources, and pension expense for each of the plans as follows:

	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources	Pension Expense
PERA	$ 2,279,648	$ 7,347,416	$ 5,772,492	$ 138,594
TRA	14,786,508	47,555,738	13,808,892	3,107,700
Total all plans	$ 17,066,156	$ 54,903,154	$ 19,581,384	$ 3,246,294

Disclosures relating to these plans are as follows:

Public Employees Retirement Association (PERA)

A. Plan Descriptions

The District participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to *Minnesota Statutes* chapters 353, 353D, 353E, 353G, and 356. *Minnesota Statutes* chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

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.

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of 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 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. The 2024 annual increase was 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. 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 prorated increase.

C. Contribution Rate

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

General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2025 and the District was required to contribute 7.50 percent for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2025, were $1,233,571. The District's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

At June 30, 2025, the District reported a liability of $7,347,416 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 $189,989.

District's proportionate share of net pension liability	$ 7,347,416
State of Minnesota's proportionate share of the net pension liability associated with the district	189,989
Total	$ 7,537,405

The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.1987 percent at the end of the measurement period and 0.0216 percent for the beginning of the period.

For the year ended June 30, 2025, the District recognized pension expense of $138,594 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized $5,093 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the annual $16 million contribution.

During the plan year ended June 30, 2024, the State of Minnesota contributed $170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the $170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized $338,049 for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

At June 30, 2025 the District reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 708,950	$ -
Changes in actuarial assumptions	37,778	2,954,134
Net collective difference between projected and actual Investment Earnings	-	2,107,228
Change in proportion	299,349	711,130
Contributions paid to PERA subsequent to the measurement date	1,233,571	-
Total	$ 2,279,648	$ 5,772,492

The $1,233,571 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30,	Pension Expense Amount
2026	$ (2,471,766)
2027	(533,680)
2028	(1,157,833)
2029	(563,136)

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:

Asset Class	Target Allocations	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%
	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, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7.0 percent. The 7.0 percent assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.0 percent is within that range.

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

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent 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 most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023, actuarial valuation.

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

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

G. Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund 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 presents the District's proportionate share of the net pension liability for the plan 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 one percentage point lower or one percentage point higher than the current discount rate:

Sensitivity Analysis
Net Pension Liability (Asset) at Different Discount Rates

	General Employees Fund	
1% Lower	6.00%	$ 16,047,939
Current Discount Rate	7.00%	$ 7,347,416
1% Higher	8.00%	$ 190,442

I. Pension Plan Fiduciary Net Position

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

Teachers Retirement Association (TRA)

A. Plan Descriptions

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, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those employed by St. Paul schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect either TRA coverage or coverage through the Defined Contribution Plan (DCR) administered by Minnesota State. A teacher employed by Minnesota State and electing 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 five consecutive years of allowable service, age, and a formula multiplier based on years of credit at termination of service. TRA members belong to either the Basic or Coordinated Plan.

Two methods are used to compute benefits for 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 1	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

With these provisions:

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

Or

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

Tier II Benefits

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

Six different types of annuities are available to members upon retirement. The No Refund 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. Contribution Rate

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for the fiscal year 2025 for coordinated were 7.75% for the employee and 8.75% for the employer. Basic rates were 11.25% for the employee and 12.75% for the employer. The District’s contributions to TRA for the plan’s fiscal year ended June 30, 2025, were $3,971,187. The District’s contributions were equal to the required contributions for each year as set by state statute.

D. Actuarial Assumptions

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

Key Methods and Assumptions Used in Valuation of Total Pension Liability	
Actuarial Information	
Experience Study	August 2, 2023 (demographic and economic assumptions)*
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment rate of return	7.00%
Price inflation	2.50%
Wage growth rate	2.85% before July 1, 2028, and 3.25% after June 30, 2028
Projected salary increase	2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% after June 30, 2028
Cost of living adjustment	1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually
Mortality Assumptions	
Pre-retirement	PubT-2010(A) Employee Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.
Helathy Retirees	PubT-2010 (A) Retiree Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.
Beneficiaries	Pub-2010 (A) Contingent Survivor Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.
Disabled Retirees	PubNS-2010 Disabled Retiree Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.

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

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

Changes in actuarial assumptions since the 2023 valuation

- Mortality tables were updated for active employees, retirees, disabled retirees, and contingent beneficiaries to recently published tables derived from public plan data known as the Pub2010 family.
- Retirement rates were increased for some of the Tier II early retirement ages and some of the unreduced retirement rates were modified for both tiers to better align with actual experience.
- Probability that new female retirees elect either the Straight Life Annuity or 100% Joint & Survivor Annuity were refined to reflect the actual experience.
- Termination rates were reduced in the first 10 years of employment and slightly increased in years 16 to 25 to better match the observed experience.
- Disability rates were decreased beyond age 45 by 15% to reflect the continued lower than expected observations.

E. Discount Rate

The discount rate used to measure the total pension liability was 7%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2024 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

F. Net Pension Liability

On June 30, 2025, the District reported a liability of $47,555,738 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 0.7484 percent at the end of the measurement period and 0.7622 percent 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	$ 47,555,738
State's proportionate share of the net pension liability associated with the district	$ 3,110,264

For the year ended June 30, 2025, the District recognized pension expense of $3,107,700. It also recognized $38,048 as a decrease to pension expense for the support provided by direct aid.

During the plan year ended June 30, 2024, the State of Minnesota contributed $176 million to the Fund. The State of Minnesota is not included as a non-employer contributing entity in the plan pension allocation schedules for the $176 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized $1,318,431 for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Fund.

At June 30, 2025, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,245,932	$ 621,135
Net difference between projected and actual investment Earnings on Pension Plan Investments	-	6,669,814
Changes of assumptions	4,692,863	5,671,151
Changes in proportion	3,876,526	846,792
District's contributions to TRA subsequent to the measurement date	3,971,187	-
Total	$ 14,786,508	$ 13,808,892

The $3,971,187 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

Years Ended June 30,	Pension Expense Amount
2026	$ (1,374,976)
2027	5,393,793
2028	(3,272,480)
2029	(2,820,043)
2030	(919,865)

G. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent as well what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

Sensitivity of Net Pension Liability (NPL) to Changes in the Discount Rate

1% decrease (6.00%)	Current (7.00%)	1% increase (8.00%)
$ 83,748,437	$ 47,555,738	$ 17,768,288

H. Pension Plan Fiduciary Net Position

Detailed information about TRA's fiduciary net position is available in a separately issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org, 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.

Note 11 - Health Self-Insurance

The District is self-insured with respect to health insurance costs. The District implemented the self-insurance medical plan on January 1, 2014. Terms of the plan include a stop-loss provision of $150,000, which limits the District's liability. The following is the activity for the year ended June 30, 2025:

Claims incurred but not reported at beginning of year	$ 886,304
Claims incurred	7,838,901
Claims paid	(8,328,468)
Claims incurred but not reported at end of year	$ 396,737

Note 12 - Fund Balance

Certain portions of fund balances 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.

The following is a summary of fund balances as of June 30, 2025:

	General	Capital Projects	Debt Service	Other Government Funds	Totals
Nonspendable					
Inventories	$ -	$ -	$ -	$ 104,176	$ 104,176
Prepaid items	43,822	-	-	969	44,791
Total nonspendable	43,822	-	-	105,145	148,967
Restricted					
Student activities	631,693	-	-	-	631,693
Staff development	214,437	-	-	-	214,437
Project funded by COP	-	1,488,219	-	-	1,488,219
Early childhood and family education	-	-	-	722,009	722,009
School readiness	-	-	-	98,443	98,443
READ Act - teacher training comp	107,801	-	-	-	107,801
Food service	-	-	-	1,950,098	1,950,098
Community service	-	-	-	289,150	289,150
Capital projects	-	2,665,572	-	-	2,665,572
Debt service	-	-	2,585,711	-	2,585,711
Long-term facilities maintenance	1,717,619	-	-	-	1,717,619
Total restricted	2,671,550	4,153,791	2,585,711	3,059,700	12,470,752
Committed					
Severance obligation	1,200,000	-	-	-	1,200,000
Assigned					
Capital projects	5,000,000	-	-	-	5,000,000
Unassigned	3,377,481	-	-	(254,535)	3,122,946
Total fund balance	$ 12,292,853	$ 4,153,791	$ 2,585,711	$ 2,910,310	$ 21,942,665

The UFARS fund balance reporting standards are slightly different than the reporting standards under GSAB State No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Below is a reconciliation between the fund balance reporting under GASB 54 and UFARS reporting standards:

	GASB Balance	Reconciling Items	UFARS Balance
Nonspendable			
Inventories	$ 104,176	$ -	$ 104,176
Prepaid items	44,791	-	44,791
Total nonspendable	148,967	-	148,967
Restricted			
Student activities	631,693	-	631,693
Staff development	214,437	-	214,437
Project funded by COP			
Capital projects fund	1,488,219	-	1,488,219
Community education	-	(254,535)	(254,535)
Early childhood and family education	722,009	-	722,009
School readiness	98,443	-	98,443
READ Act - teacher training comp	107,801	-	107,801
Food service	1,950,098	-	1,950,098
Community service	289,150	-	289,150
Capital projects	2,665,572	-	2,665,572
Debt service	2,585,711	-	2,585,711
Long-term facilities maintenance			
General fund	1,717,619	-	1,717,619
Total restricted	12,470,752	(254,535)	12,216,217
Committed			
Severance obligation	1,200,000	-	1,200,000
Assigned			
Capital projects	5,000,000	-	5,000,000
Unassigned	3,122,946	254,535	3,377,481
Total fund balance	$ 21,942,665	$ -	$ 21,942,665

Note 13 - Employee Benefit Plan 403(b)

All teachers having completed their fifth year of teaching in the District are eligible to participate in the matching 403(b) program. The District will match each employee's deferral up to a maximum of $1,000 per year for those with 6 to 10 years of service and $1,500 per year for those with 11 or more years of service. The maximum career matching contribution by the District will not exceed $20,000 per teacher. Contributions are invested in tax deferred annuities selected and owned by Plan participants. The District contributions for the years ended June 30, 2025, 2024, and 2023 were $1,327,556, $1,245,991, and $1,295,507, respectively.

Note 14 - Commitments and Contingencies

Federal and State Revenue

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

Construction Commitments

The District has active construction projects as of June 30, 2025. The projects include the new high school and athletic fields with construction costs of $112,803,287 reported as construction in progress with remaining commitments of $17,219,933 as of June 30, 2025.

Litigation and Potential Exposure

In the ordinary course of its operations, the District is party to legal proceedings as a plaintiff or defendant. The financial impact of remaining actions is not determinable at June 30, 2025, but, in the opinion of management and legal counsel, the ultimate disposition of any or all of these proceedings will not have a material effect on the District's financial position.

Note 15 - Change in Accounting Principle

As of July 1, 2024, the District adopted GASB Statement No. 101, Compensated Absences. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, compensated absences liability was increased by $7,021,936 as of July 1, 2024. The effect of this change in accounting principle is described in the table below.

	July 1, 2024, As Previously Report	Change in Accounting Principle	July 1, 2024, As Restated
Government-Wide			
Governmental Activities Net Position	$ 60,354,697	$ (7,021,936)	$ 53,332,761

Note 16 - Interfund Transfers

A transfer from the General Fund to the Building Construction fund was made during the year totaling $1,251,051. The transfer was made to use Long-Term Facility Maintenance approved funding on construction costs of the high school.

Note 17 - Subsequent Events

The District has evaluated subsequent events through December 12, 2025, the date which the financial statements were available to be issued.

Required Supplementary Information
June 30, 2025

Independent School District No. 152
Moorhead Area Public Schools

Schedule of Changes in Supplemental Benefits Liability
Last 10 Fiscal Years *

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Service cost	$ 3,191	$ 6,921	$ 7,053	$ 13,468	$ 16,285	$ 27,194	$ 23,623	$ 32,650	$ 34,826
Interest	6,280	14,385	6,140	7,979	6,533	17,169	20,634	22,744	29,552
Assumption changes	(2,955)	39	25,834	(5,518)	(3,107)	5,585	4,637	(8,221)	-
Differences between expected and actual experience	(16,047)	-	162,963	-	260,740	-	171,016	-	-
Plan changes	227,886	-	-	82,954	-	-	-	-	-
Adjustment	-	202,980	-	-	-	-	-	-	-
Benefit payments	(366,825)	(102,470)	(290,912)	(166,674)	(337,937)	(303,102)	(215,718)	(250,087)	(343,143)
Net change in supplemental benefits liability	(148,470)	121,855	(88,922)	(67,791)	(57,486)	(253,154)	4,192	(202,914)	(278,765)
Supplemental benefits liability - beginning	331,554	209,699	298,621	366,412	423,898	677,052	672,860	875,774	1,154,539
Supplemental benefits liability - ending	$ 183,084	$ 331,554	$ 209,699	$ 298,621	$ 366,412	$ 423,898	$ 677,052	$ 672,860	$ 875,774

* GASB Statement No. 73 requires ten years of information to be presented in this table. However, until a full 10- year trend is compiled, the District will present information for those years for which information is available.

Schedule of Supplemental Benefits Liability
Last 10 Fiscal Years *

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Supplemental benefits liability	$ 183,084	$ 331,554	$ 209,699	$ 298,621	$ 366,412	$ 423,898	$ 677,052	$ 672,860	$ 875,774
Covered payroll	$ 1,649,600	$ 867,680	$ 842,408	$ 1,398,964	$ 1,358,218	$ 1,803,077	$ 1,750,560	$ 2,615,394	$ 2,539,218
Supplemental benefits liability as a percentage of covered payroll	11.10%	38.21%	24.89%	21.35%	26.98%	23.51%	38.68%	25.73%	34.49%

There are no assets accumulated in an irrevocable trust to pay plan benefits.

* GASB Statement No. 73 requires ten years of information to be presented in this table. However, until a full 10- year trend is compiled, the District will present information for those years for which information is available.

2025 Changes

Changes in Actuarial Assumptions

- The discount rate was changed from 4.10% to 4.90%.

Changes in Plan Provisions

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

2024 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2023 Changes

Changes in Actuarial Assumptions

- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The salary increase rates for non-teachers were updated to reflect the latest experience study.
- The withdrawal rates were updated to reflect the latest experience study.
- Teachers are now assumed to use none of their annual accrual sick leave in each of the last two years of service ,rather than half.
- These changes increased the liability $25,834.

Changes in Plan Provisions

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

2022 Changes

Changes in Actuarial Assumptions

- The mortality tables were updated to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The discount rate was changed from 2.10% to 3.80%.

Changes in Plan Provisions

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

2021 Changes

Changes in Actuarial Assumptions

- The mortality tables were updated to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 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.

Changes in Plan Provisions

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

2020 Changes
Changes in Actuarial Assumptions
- The discount rate was changed from 3.10% to 2.40%.

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

2019 Changes
Changes in Actuarial Assumptions
- The mortality tables were updated to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The discount rate was changed from 3.50% to 3.10%.

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

2018 Changes
Changes in Actuarial Assumptions
- The discount rate was changed from 2.90% to 3.50%.

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

Schedule of Changes in the District’s Net OPEB Liability and Related Ratios, Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Service Cost	$ 226,976	$ 290,677	$ 290,936	$ 288,484	$ 336,862	$ 317,787	$ 275,059	$ 329,430	$ 358,297
Interest	267,200	269,236	247,895	186,701	182,649	223,849	308,682	260,595	263,235
Assumption Changes	(104,295)	(50,961)	93,288	(294,678)	(279,811)	195,068	201,623	(241,552)	-
Plan Changes	501,185	-	-	-	-	-	(22,247)	-	-
Differences Between Expected and Actual Experien	(304,566)	-	724,687	-	(9,115)	-	(1,654,234)	-	-
Benefit Payments	(783,946)	(844,361)	(802,083)	(509,231)	(569,188)	(458,978)	(522,904)	(631,492)	(723,495)
Net Change in Total OPEB liability	(197,446)	(335,409)	554,723	(328,724)	(338,603)	277,726	(1,414,021)	(283,019)	(101,963)
Total OPEB Liability - Beginning	6,522,867	6,858,276	6,303,553	6,632,277	6,970,880	6,693,154	8,107,175	8,390,194	8,492,157
Total OPEB Liability - Ending (a)	$ 6,325,421	$ 6,522,867	$ 6,858,276	$ 6,303,553	$ 6,632,277	$ 6,970,880	$ 6,693,154	$ 8,107,175	$ 8,390,194
Plan Fiduciary Net Position									
Contributions-Employer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Projected Investment Return	155,406	406,035	218,434	282,209	256,714	178,481	199,881	251,490	245,456
Differences Between Expected and Actual Experien	213,984	-	36,381	(934,984)	835,729	98,590	139,960	196,157	309,008
Benefit Payments	(783,946)	(844,361)	(802,083)	(509,231)	(569,188)	(458,978)	(522,904)	(631,492)	(723,495)
Administrative Expense	(7,863)	(2,494)	(2,695)	(40,314)	(18,617)	(1,554)	(3,297)	(4,122)	(3,923)
Net Change in Plan Fiduciary Net Position	(422,419)	(440,820)	(549,963)	(1,202,320)	504,638	(183,461)	(186,360)	(187,967)	(172,954)
Total Fiduciary Net Position - Beginning	2,590,099	3,030,919	3,580,882	4,783,202	4,278,564	4,462,025	4,648,385	4,836,352	5,009,306
Total Fiduciary Net Position - Ending (b)	$ 2,167,680	$ 2,590,099	$ 3,030,919	$ 3,580,882	$ 4,783,202	$ 4,278,564	$ 4,462,025	$ 4,648,385	$ 4,836,352
District's Net OPEB Liability - Ending (a) - (b)	$ 4,157,741	$ 3,932,768	$ 3,827,357	$ 2,722,671	$ 1,849,075	$ 2,692,316	$ 2,231,129	$ 3,458,790	$ 3,553,842
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	34.27%	39.71%	44.19%	56.81%	72.12%	61.38%	66.67%	57.34%	57.64%
Covered Payroll	$ 60,538,526	$ 56,996,430	$ 55,336,340	$ 51,315,193	$ 49,820,576	$ 43,010,927	$ 41,758,182	$ 38,132,627	$ 37,021,968
District's Net OPEB Liability as a Percentage of Covered Payroll	6.87%	6.90%	6.92%	5.31%	3.71%	6.26%	5.34%	9.07%	9.60%

*GASB Statements No. 74/75 require ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Schedule of District OPEB Contributions
Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in Relation to The Actuarially Determined Contribution	-	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 60,538,526	$ 56,996,430	$ 55,336,340	$ 51,315,193	$ 49,820,576	$ 43,010,927	$ 41,758,182	$ 38,132,627	$ 37,021,968
Contributions as A Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*GASB Statements No. 74/75 require ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Valuation Date	July 1, 2024
Inflation	2.50 percent
Investment Rate of Return	6.00 percent, net of investment expenses
Discount Rate	4.90 percent
Healthcare Cost Trend Rates	6.50% in 2024 grading to 5.00% over 6 years and then to 4.00% over the next 48 years
Mortality	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale
Actuarial Cost Method	Entry Age, level percentage of pay
Amortization Method	Average of expected remaining service on a closed basis for differences between expected and actual experience and assumption changes. Closed five-year period for differences between expected and actual asset returns.

2025 Changes

Changes in Actuarial Assumptions

- The health care trend rates were updated.
- The discount rate was changed from 4.20% to 4.90%.

Changes in Plan Provisions

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

2024 Changes

Changes in Actuarial Assumptions

- The discount rate was changed from 4.00% to 4.20%.
- The expected long-term investment return assumption was changed from 6.10% to 6.00%.

Changes in Plan Provisions

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

2023 Changes

Changes in Actuarial Assumptions

- The health care trend rates, mortality tables, salary increase rates for non-teachers, and withdrawal rates were updated.
- The long-term investment return was changed from 5.90% to 6.10%.

Changes in Plan Provisions

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

2022 Changes

Changes in Actuarial Assumptions

- The expected long-term investment return was changed from 6.00% to 5.90%.
- The discount rate was changed from 2.80% to 4.00%.

Changes in Plan Provisions

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

2021 Changes

Changes in Actuarial Assumptions

- 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-2019 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.
- The expected long-term investment return was changed from 4.00% to 6.00%.
- The discount rate was changed from 2.60% to 2.80%.

Changes in Plan Provisions

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

2020 Changes

Changes in Actuarial Assumptions

- The expected long-term investment return was changed from 4.30% to 4.00%.
- The discount rate was changed from 3.30% to 2.60%.

Changes in Plan Provisions

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

2019 Changes

Changes in Actuarial Assumptions

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The expected long-term investment return was changed from 5.20% to 4.30%.
- The discount rate was changed from 3.80% to 3.30%.

Changes in Plan Provisions

- The new superintendent does not have a subsidized post-employment benefit.

2018 Changes

Changes in Actuarial Assumptions

- The expected long-term investment return was changed from 4.90% to 5.20%.
- The discount rate was changed from 3.10% to 3.80%.

Changes in Plan Provisions

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

Schedule of Employer's Share of Net Pension Liability
Last 10 Fiscal Years

Pension Plan	Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated With District (b)	Total (d) (a+b)	Employer's Covered Payroll (e)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/e)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
PERA	6/30/2015	0.1669%	8,649,624	N/A	8,649,624	9,261,707	93.4%	78.2%
PERA	6/30/2016	0.1677%	13,616,408	177,846	13,794,254	9,682,508	140.6%	68.9%
PERA	6/30/2017	0.1762%	11,248,492	141,438	11,389,930	10,848,608	103.7%	75.9%
PERA	6/30/2018	0.1821%	10,102,161	331,240	10,433,401	11,470,142	88.1%	79.5%
PERA	6/30/2019	0.1872%	10,349,869	321,653	10,671,522	12,212,467	84.7%	80.2%
PERA	6/30/2020	0.2001%	11,996,909	369,995	12,366,904	13,404,207	89.5%	79.1%
PERA	6/30/2021	0.2050%	8,754,418	267,392	9,021,810	13,860,776	63.2%	87.0%
PERA	6/30/2022	0.2093%	16,576,629	485,896	17,062,525	15,768,880	105.1%	76.7%
PERA	6/30/2023	0.0216%	12,061,702	332,580	12,394,282	16,855,000	71.6%	83.1%
PERA	6/30/2024	0.1987%	7,347,416	189,989	7,537,405	17,156,093	42.8%	89.1%
TRA	6/30/2015	0.5651%	34,957,024	4,287,712	39,244,736	28,679,867	121.9%	76.8%
TRA	6/30/2016	0.5811%	138,606,215	13,911,854	152,518,069	30,228,507	458.5%	44.9%
TRA	6/30/2017	0.5965%	119,072,221	11,511,003	130,583,224	32,111,933	370.8%	51.6%
TRA	6/30/2018	0.6305%	39,601,301	3,720,462	43,321,763	34,834,640	113.7%	78.1%
TRA	6/30/2019	0.6572%	41,890,066	3,707,351	45,597,417	37,309,961	112.3%	78.2%
TRA	6/30/2020	0.6792%	50,180,206	4,205,138	54,385,344	39,468,801	127.1%	75.5%
TRA	6/30/2021	0.7324%	32,052,014	2,703,331	34,755,345	43,830,480	73.1%	86.6%
TRA	6/30/2022	0.7442%	59,591,599	4,419,305	64,010,904	46,273,657	128.8%	76.2%
TRA	6/30/2023	0.7622%	62,928,939	4,408,132	67,337,071	48,610,947	129.5%	76.4%
TRA	6/30/2024	0.7484%	47,555,738	3,110,264	50,666,002	47,085,375	101.0%	82.1%

Schedule of Employer's Contributions
Last 10 Fiscal Years

Pension Plan	Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
PERA	6/30/2016	726,188	726,188	-	9,682,508	7.5%
PERA	6/30/2017	813,646	813,646	-	10,848,608	7.5%
PERA	6/30/2018	860,261	860,261	-	11,470,142	7.5%
PERA	6/30/2019	915,935	915,935	-	12,212,467	7.5%
PERA	6/30/2020	1,005,316	1,005,316	-	13,404,207	7.5%
PERA	6/30/2021	1,039,558	1,039,558	-	13,860,776	7.5%
PERA	6/30/2022	1,182,666	1,182,666	-	15,768,880	7.5%
PERA	6/30/2023	1,264,125	1,264,125	-	16,855,000	7.5%
PERA	6/30/2024	1,286,707	1,286,707	-	17,156,093	7.5%
PERA	6/30/2025	1,233,571	1,233,571	-	16,447,613	7.5%
TRA	6/30/2016	2,267,138	2,267,138	-	30,228,507	7.5%
TRA	6/30/2017	2,408,395	2,408,395	-	32,111,933	7.5%
TRA	6/30/2018	2,612,598	2,612,598	-	34,834,640	7.5%
TRA	6/30/2019	2,876,598	2,876,598	-	37,309,961	7.7%
TRA	6/30/2020	3,125,929	3,125,929	-	39,468,801	7.9%
TRA	6/30/2021	3,563,418	3,563,418	-	43,830,480	8.1%
TRA	6/30/2022	3,859,223	3,859,223	-	46,273,657	8.3%
TRA	6/30/2023	4,156,236	4,156,236	-	48,610,947	8.6%
TRA	6/30/2024	4,143,513	4,143,513	-	47,085,375	8.8%
TRA	6/30/2025	3,971,187	3,971,187	-	45,384,994	8.8%

Notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions

PERA

2024 Changes
Changes in Actuarial Assumptions
The following changes in assumptions are effective with the July 1, 2024, valuation, as recommended in the most recent experience study (dated June 29, 2023):

- 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 90 retirements rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rates 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 percent to 7.0 percent.

Changes in Plan Provisions

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

2022 Changes
Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2021 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- 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 & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & 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% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

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 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent 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 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and non-vested deferred members. The revised CSA load are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.
- The assumed postretirement benefit increase rate was changed for 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent 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 postretirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by $1.1 billion and increase the fiduciary plan net position by $892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of $6.0 million, which meets the special funding situation definition, was due September 2015.

TRA

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 Pub2010 family of tables.
- Retirement rates were increased for some of the tier 2 early retirement ages and some of the unreduced retirement rates were modified for both tiers to better align with actual experience.
- Probability that new female retirees elect either the Straight Life Annuity or 100% Joint & Survivor Annuity were refined to reflect the actual experience.
- Termination rates were reduced in the first ten 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 in Plan Provisions
The 2024 Omnibus Pensions and Retirement Bill (HF 5040/SF 4643) lowered the normal retirement age for Tier 2 members from 66 to 65 effective July 1, 2024, and provided for a one-time State appropriation of $28.46 million to cover the cost. HF 3100, appropriated $176,166,838 to TRA, payable on October 1, 2023:

- $28,735,816 for the difference between the statutory 1.1% compounded COLA payable on January 1, 2024, and a one-time 2.5% lump-sum COLA for coordinated plan members.
- $2,384,222 for the difference between the statutory 1.1% compounded COLA payable on January 1, 2024, and a one-time 4.0% lump-sum COLA for basic plan members; and
- $145,046,800 to pay down the unfunded actuarial accrued liability.

2023 Changes
Changes in Actuarial Assumptions

- The investment return assumption was changed from 7.50% to 7.00%. This does not affect the GASB valuation which was already using the 7.00% assumption.

Changes in Plan Provisions

- Effective July 1, 2025, the normal retirement age for Tier 2 members will decrease from 66 to 65.
- The employer contribution rate will increase from 8.75% to 9.50% on July 1, 2025.
- The employee contribution rate will increase from 7.75% to 8.0015 on July 1, 2025.

2022 Changes
Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2021 Changes
Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes
Changes in Actuarial Assumptions

- The 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% in 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 June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.

- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is 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.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

- The 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% in 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.
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- 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.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

- The discount rate was decreased to 4.66% from 8.0%.
- 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% 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 six 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.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2017 Changes

Changes in Actuarial Assumptions

- The discount rate was decreased 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.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

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%.
- 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.
- Augmentation in the early retirement reduction factors is phased out o 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.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes of benefit terms

- The DTRFA was merged into TRA on June 30, 2015.

Changes in Actuarial Assumptions

- The annual COLA for the June 30, 2015, valuation assumed 2%. The prior year valuation used 2% with an increase to 2.5% commencing in 2034. The discount rate used to measure the total pension liability was 8.0%. This is a decrease from the discount rate at the prior measurement date of 8.25%. Details, if necessary, can be obtained from the TRA Comprehensive Annual Financial Report.

PERA's Comprehensive Annual Financial Report may be obtained on the PERA's website at www.mnpera.org for notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions.

Additional financial and actuarial information can be found in TRA's GASB 67-68 report. Both reports can be obtained at https://minnesotatra.org.

Combining and Individual Fund Schedules
June 30, 2025

Independent School District No. 152
Moorhead Area Public Schools

	Fund Balance Beginning of Year	Net Change in Fund Balance	Fund Balance End of Year
Nonspendable	$ 103,932	$ (60,110)	$ 43,822
Restricted for Student Activities	658,581	(26,888)	631,693
Restricted for Staff Development	222,328	(7,891)	214,437
Restricted for READ Act - Teacher Training Comp	-	107,801	107,801
Restricted for Long Term Facilities Maintenance	3,299,088	(1,581,469)	1,717,619
Committed for Severance	1,200,000	-	1,200,000
Assigned for Capital Projects	5,000,000	-	5,000,000
Unassigned	2,510,442	867,039	3,377,481
	$ 12,994,371	$ (701,518)	$ 12,292,853

Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025

	Food Service	Community Service	Totals
Assets			
Cash and cash equivalents	$ 2,062,444	$ 959,615	$ 3,022,059
Receivables			
Current property taxes	-	207,525	207,525
Delinquent property taxes	-	5,961	5,961
Due from other governmental units	106,947	156,094	263,041
Prepaid items	-	969	969
Inventories	104,176	-	104,176
Total assets	$ 2,273,567	$ 1,330,164	$ 3,603,731
Liabilities			
Accounts payable	$ 2,506	$ 7,431	$ 9,937
Salaries payable	95,757	115,230	210,987
Unearned revenue	121,030	17,163	138,193
Total liabilities	219,293	139,824	359,117
Deferred Inflows of Resources			
Unavailable revenue-property taxes	-	3,106	3,106
Property taxes levied for subsequent year	-	331,198	331,198
Total deferred inflows of resources	-	334,304	334,304
Fund Balance			
Nonspendable	104,176	969	105,145
Restricted	1,950,098	1,109,602	3,059,700
Unassigned	-	(254,535)	(254,535)
Total fund balance	2,054,274	856,036	2,910,310
Total liabilities, deferred inflows of resources, and fund balance	$ 2,273,567	$ 1,330,164	$ 3,603,731

Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 2025

	Food Service	Community Service	Totals
Revenues			
Local property tax levies	$ -	$ 275,053	$ 275,053
Other local and county sources	88	611,064	611,152
State sources	2,064,861	1,672,362	3,737,223
Federal sources	3,305,379	26,164	3,331,543
Sales and other conversion of assets	253,229	-	253,229
Total revenues	5,623,557	2,584,643	8,208,200
Expenditures			
Current			
Community education and service	-	2,808,541	2,808,541
Pupil support services	4,859,382	-	4,859,382
Capital outlay	16,732	869	17,601
Total expenditures	4,876,114	2,809,410	7,685,524
Net Change in Fund Balance	747,443	(224,767)	522,676
Fund Balance, Beginning of Year	1,306,831	1,080,803	2,387,634
Fund Balance, End of Year	$ 2,054,274	$ 856,036	$ 2,910,310

Other Supplementary Information
June 30, 2025

Independent School District No. 152
Moorhead Area Public Schools

	Audit	UFARS	Audit - UFARS
01 GENERAL FUND			
Total Revenue	$119,739,228	$119,739,230	($2)
Total Expenditures	$119,513,851	$119,513,856	($5)
Non Spendable:			
4.60 Non Spendable Fund Balance	$43,822	$43,822	$0
Restricted / Reserved:			
4.01 Student Activities	$631,693	$631,693	$0
4.02 Scholarships	$0	$0	$0
4.03 Staff Development	$214,437	$214,437	$0
4.07 Capital Projects Levy	$0	$0	$0
4.08 Cooperative Revenue	$0	$0	$0
4.12 Literacy Incentive Aid	$0	$0	$0
4.14 Operating Debt	$0	$0	$0
4.16 Levy Reduction	$0	$0	$0
4.17 Taconite Building Maint	$0	$0	$0
4.20 American Indian Education Aid	$0	$0	$0
4.24 Operating Capital	$0	$0	$0
4.26 $25 Taconite	$0	$0	$0
4.27 Disabled Accessibility	$0	$0	$0
4.28 Learning & Development	$0	$0	$0
4.34 Area Learning Center	$0	$0	$0
4.35 Contracted Alt. Programs	$0	$0	$0
4.36 State Approved Alt. Program	$0	$0	$0
4.37 Q Comp	$0	$0	$0
4.38 Gifted & Talented	$0	$0	$0
4.39 English Learner	$0	$0	$0
4.40 Teacher Development and Evaluation	$0	$0	$0
4.41 Basic Skills Programs	$0	$0	$0
4.43 School Library Aid	$0	$0	$0
4.48 Achievement and Integration	$0	$0	$0
4.49 Safe Schools Levy	$0	$0	$0
4.51 QZAB Payments	$0	$0	$0
4.52 OPEB Liab Not In Trust	$0	$0	$0
4.53 Unfunded Sev & Retiremt Levy	$0	$0	$0
4.56 READ Act - Literacy Aid	$0	$0	$0
4.57 READ Act - Tchr Training Compensation	$107,801	$107,801	$0
4.59 Basic Skills Extended Time	$0	$0	$0
4.67 LTFM	$1,717,619	$1,717,619	$0
4.71 Student Support Personnel Aid	$0	$0	$0
4.72 Medical Assistance	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$0	$0	$0
4.75 Title VII Impact Aid	$0	$0	$0
4.76 Payments in Lieu of Taxes	$0	$0	$0
Committed:			
4.18 Committed for Separation	$1,200,000	$1,200,000	$0
4.61 Committed Fund Balance	$0	$0	$0
Assigned:			
4.62 Assigned Fund Balance	$5,000,000	$5,000,000	$0
Unassigned:			
4.22 Unassigned Fund Balance	$3,377,481	$3,377,479	$2

	Audit	UFARS	Audit - UFARS
06 BUILDING CONSTRUCTION			
Total Revenue	$857,432	$857,432	$0
Total Expenditures	$13,762,908	$13,762,908	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.07 Capital Projects Levy	$0	$0	$0
4.13 Funded by COP/FP	$1,488,219	$1,488,219	$0
4.67 LTFM	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$2,665,572	$2,665,572	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0
07 DEBT SERVICE			
Total Revenue	$11,855,526	$11,855,527	($1)
Total Expenditures	$12,701,580	$12,701,581	($1)
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.25 Bond Refundings	$0	$0	$0
4.33 Maximum Effort Loan Aid	$0	$0	$0
4.51 QZAB Payments	$0	$0	$0
4.67 LTFM	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$2,585,711	$2,585,710	$1
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0
08 TRUST			
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Restricted / Reserved:			
4.01 Student Activities	$0	$0	$0
4.02 Scholarships	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0
18 CUSTODIAL			
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Restricted / Reserved:			
4.01 Student Activities	$0	$0	$0
4.02 Scholarships	$9,000	$9,000	$0
4.48 Achievement and Integration	$0	$0	$0
4.64 Restricted Fund Balance	$0	$0	$0
20 INTERNAL SERVICE			
Total Revenue	$9,056,663	$9,056,662	$1
Total Expenditures	$8,853,524	$8,853,523	$1
4.22 Unassigned Fund Balance (Net Assets)	$5,842,173	$5,842,173	$0

02 FOOD SERVICES

Total Revenue	$5,623,557	$5,623,559	($2)
Total Expenditures	$4,876,114	$4,876,116	($2)
Non Spendable:			
4.60 Non Spendable Fund Balance	$104,176	$104,176	$0
Restricted / Reserved:			
4.52 OPEB Liab Not In Trust	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$1,950,098	$1,950,098	$0
Unassigned:			
4.63 Unassigned Fund Balancee	$0	$0	$0

04 COMMUNITY SERVICE

Total Revenue	$2,584,643	$2,584,643	$0
Total Expenditures	$2,809,410	$2,809,410	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$969	$969	$0
Restricted / Reserved:			
4.26 $25 Taconite	$0	$0	$0
4.31 Community Education	($254,535)	($254,535)	$0
4.32 E.C.F.E	$722,009	$722,009	$0
4.37 Q Comp	$0	$0	$0
4.40 Teacher Development and Evaluation	$0	$0	$0
4.44 School Readiness	$98,443	$98,443	$0
4.47 Adult Basic Education	$0	$0	$0
4.52 OPEB Liab Not In Trust	$0	$0	$0
4.56 READ Act - Literacy Aid	$0	$0	$0
4.57 READ Act - Tchr Training Compensation	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$289,150	$289,149	$1
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0

25 OPEB REVOCABLE TRUST

Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0

45 OPEB IRREVOCABLE TRUST

Total Revenue	$373,282	$373,282	$0
Total Expenditures	$795,701	$795,701	$0
4.22 Unassigned Fund Balance (Net Assets)	$2,167,680	$2,167,681	($1)

47 OPEB DEBT SERVICE

Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted:			
4.25 Bond Refundings	$0	$0	$0
4.64 Restricted Fund Balance	$0	$0	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0

Additional Reports
June 30, 2025

Independent School District No. 152
Moorhead Area Public Schools

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The School Board of
Independent School District No. 152
Moorhead Area Public Schools
Moorhead, 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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 152 Independent School District No. 152, Moorhead Area Public Schools ("the District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 12, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2025-001, 2025-002, and 2025-003 that we consider to be material weaknesses.

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Report on Compliance and Other Matters

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

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The District's response was not subjected to the other auditing procedures applied in the audit of the 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.

Eide Bailly LLP

Fargo, North Dakota
December 12, 2025

Independent Auditor's Report on *Minnesota Legal Compliance*

The School Board of
Independent School District No. 152
Moorhead Area Public Schools
Moorhead, 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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 152 Moorhead Area Public Schools (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 12, 2025.

In connection with our audit, we noted that the District failed to comply with provisions of the uniform financial accounting and reporting standards section of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters as described in the Schedule of Findings and Questioned Costs as item 2025-004. Also, 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, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, 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.

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

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.

Eide Bailly LLP

Fargo, North Dakota
December 12, 2025

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Section I - Financial Statement Findings

2025-001 Preparation of Financial Statements and Schedule of Expenditures of Federal Awards
Material Weakness

Criteria - A good system of internal accounting control contemplates an adequate system for internally preparing the District's financial statements and schedule of expenditures of federal awards (SEFA).

Condition - The District does not have an internal control system designed to provide for the preparation of the financial statements and SEFA being audited. The auditors were requested to, and did, draft the financial statements, accompanying notes to the financial statements, and SEFA.

Cause - The District does not have an internal control system designed to provide for the preparation of the financial statements and SEFA being audited.

Effect - The disclosures in the financial statements could be incomplete.

Recommendation - It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Views of Responsible Officials - There is no disagreement with the audit finding.

2025-002 Material Journal Entries
Material Weakness

Criteria - A good system of internal accounting control contemplates an adequate system for recording and processing entries material to the financial statements.

Condition - During the course of our engagement, we proposed material audit adjustments that were not identified as a result of the District's existing internal controls, and therefore could have resulted in a material misstatement of the District's financial statements.

Cause - The District does not have an internal control system designed to identify all necessary adjustments.

Effect - This deficiency could result in a misstatement to the financial statements that would not be prevented or detected.

Recommendation - A thorough review and reconciliation of accounts in each fund should take place prior to the beginning of the audit. This review should be done at both the accounting staff and accounting supervisor levels.

Views of Responsible Officials - There is no disagreement with the audit finding.

2025-003 Segregation of Duties
Material Weakness

Criteria - A good system of internal control requires an adequate segregation of duties so that no one individual has incompatible responsibilities. No one person should have more than one duty relating to the authorization (approval), custody of assets (check signers), record keeping, and reconciliation functions.

Condition - The District does not have enough staff to adequately separate duties in cash receipts, cash disbursements, accounts payable and purchasing, payroll and related liabilities, and general ledger maintenance and reconciliation.

Cause - Journal entries are prepared and posted by the same individual with no review of these entries.

Effect - Inadequate segregation of duties could adversely affect the District's ability to detect misstatement in amounts that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned functions.

Recommendation - The accounting functions should be reviewed to determine if additional segregation of duties is feasible and to improve the efficiency and effectiveness of financial management and financial statement accuracy for the District. Segregation of authorization, custody of assets, record keeping, and reconciliation functions would assist in mitigating the risk of fraud or misstatements to the financial statements.

Views of Responsible Officials - There is no disagreement with the audit finding.

Section II - Minnesota Legal Compliance Findings

2025-004 Inactive Student Activity Account
Uniform Financial Accounting and Reporting

Criteria – A good system of internal control contemplates an adequate system for compliance with the Manual for Activity Fund Accounting (MAFA) guidelines. Per the MAFA, any student activity funds that have been inactive for one fiscal year must be disposed of in accordance with the termination instructions on the Activity Purpose Summary or equivalent, unless the advisor has submitted a plan to the board indicating why the activity has been inactive and why it should not be terminated.

Condition – During the course of our engagement, we noted student activity funds that had no activity during the year where the advisor had not submitted the required plan to the board.

Cause – The District does not have an internal control system designed to ensure that inactive student activity accounts are properly disposed, or the required plan is submitted to document the inactivity.

Effect – The District is not in compliance with the MAFA. This finding could result in the misuse of student activity dollars.

Recommendation – Student activity fund balances should be reviewed annually to ensure that they remain active or the required plan is submitted to document the inactivity.

View of Responsible Officials – There are no disagreements with this finding.

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

Kennedy & Graven
CHARTERED

150 South Fifth Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300 telephone
(612) 337-9310 fax
www.kennedy-graven.com
Affirmative Action, Equal Opportunity Employer

$________
INDEPENDENT SCHOOL DISTRICT NO. 152
(MOORHEAD AREA PUBLIC SCHOOLS)
CLAY COUNTY, MINNESOTA
GENERAL OBLIGATION FACILITIES MAINTENANCE, CAPITAL FACILITIES AND
TAX ABATEMENT BONDS
SERIES 2026B

We have acted as bond counsel to Independent School District No. 152 (Moorhead Area Public Schools), Clay County, Minnesota (the "Issuer"), in connection with the issuance by the Issuer of its General Obligation Facilities Maintenance, Capital Facilities and Tax Abatement Bonds, Series 2026B (the "Bonds"), originally dated ________, 2026, and issued in the original aggregate principal amount of $________. In such capacity and for the purpose of rendering this opinion we have examined certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings, and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Bonds have been duly authorized and executed and are valid and binding general obligations of the Issuer, enforceable in accordance with their terms.

2. The principal of and interest on the Bonds are payable in part from tax abatement revenues and in part from ad valorem taxes levied by the Issuer on all taxable property of the Issuer, but if necessary for the payment thereof, additional ad valorem taxes are required by law to be levied on all taxable property of the Issuer, which taxes are not subject to any limitation as to rate or amount.

3. Interest on the Bonds is excludable from gross income of the recipient for federal income tax purposes and, to the same extent, is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the federal alternative minimum tax, or the computation of the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. However, such interest is included in determining the annual adjusted financial statement income (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternative minimum tax imposed on such applicable corporations, and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. The opinion set forth in this paragraph is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes and from taxable net income for Minnesota income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes and taxable net income for Minnesota income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

5. The resolution adopted by the School Board of the Issuer on July 20, 2026, obligates the Issuer to be bound by the provisions of Minnesota Statutes, Section 126C.55. We express no opinion as to the enforceability of the provisions of that law against the State of Minnesota (the "State") in the absence of appropriated and available funds to pay the obligations of the State thereunder.

We have not been asked and have not undertaken to review the accuracy, completeness, or sufficiency of the Official Statement or other offering material relating to the Bonds, and accordingly we express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated _______________, 2026, at Minneapolis, Minnesota.

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the District or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

$_________
INDEPENDENT SCHOOL DISTRICT NO. 152
(MOORHEAD AREA PUBLIC SCHOOLS)
CLAY COUNTY, MINNESOTA
GENERAL OBLIGATION FACILILTIES MAINTENANCE,
CAPITAL FACILITIES AND TAX ABATEMENT BONDS
SERIES 2026B

CONTINUING DISCLOSURE CERTIFICATE

__________, 2026

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Independent School District No. 152 (Moorhead Area Public Schools), Clay County, Minnesota (the "District"), in connection with the issuance of its General Obligation Facilities Maintenance, Capital Facilities and Tax Abatement Bonds, Series 2026B (the "Bonds"), in the original aggregate principal amount of $_________. The Bonds are being issued pursuant to a resolution adopted by the School Board of the District (the "Resolution"). The Bonds are being delivered to _____________[, as syndicate manager] (the "Purchaser"), on the date hereof. Pursuant to the Resolution, the District has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. The District hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders (as defined herein) of the Bonds in order to provide for the public availability of such information and assist the Participating Underwriter(s) (as defined herein) in complying with the Rule (as defined herein). This Disclosure Certificate, together with the Resolution, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means annual financial statements of the District, prepared in accordance with GAAP as prescribed by GASB.

"Bonds" means the General Obligation Facilities Maintenance, Capital Facilities and Tax Abatement Bonds, Series 2026B, issued by the District in the original aggregate principal amount of $_______.

"Disclosure Certificate" means this Continuing Disclosure Certificate.

"District" means Independent School District No. 152 (Moorhead Area Public Schools), Clay County, Minnesota, which is the obligated person with respect to the Bonds.

"EMMA" means the Electronic Municipal Market Access system operated by the MSRB and designated as a nationally-recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule.

"Final Official Statement" means the Final Official Statement, dated _________, 2026, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the District.

"GAAP" means generally accepted accounting principles for governmental units as prescribed by GASB.

"GASB" means the Governmental Accounting Standards Board.

"Holder" means the person in whose name a Bond is registered or a beneficial owner of such a Bond.

"Material Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

"Purchaser" means _____________[, as syndicate manager].

"Repository" means EMMA, or any successor thereto designated by the SEC.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

"SEC" means Securities and Exchange Commission, and any successor thereto.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The District shall provide to the Repository not later than twelve (12) months after the end of the Fiscal Year commencing with the year that ends June 30, 2026, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate, provided that the Audited Financial Statements of the District may be submitted separately from the balance of the Annual Report.

(b) If the District is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a notice of that fact to the Repository and the MSRB.

(c) The District shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. Current Property Valuations
2. Direct Debt
3. Tax Levies and Collections
4. Student Body
5. Employment/Unemployment Data

In addition to the items listed above, the Annual Report shall include the most recent Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The District shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events ("Material Events") with respect to the Bonds:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the obligated person;

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The District shall file a notice of such occurrence with the Repository or with the MSRB within ten (10) business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the District shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the District's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally-recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the District shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The District's obligations under the Resolution and this Disclosure Certificate shall terminate upon the redemption in full of all Bonds or payment in full of all Bonds.

Section 8. Agent. The District may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally-recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolution requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the District delivers to the Repository an opinion of nationally-recognized bond counsel to the effect that those portions of the Rule which impose the continuing disclosure requirements of the Resolution and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolution requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the District to the

Repository of the proposed amendment and an opinion of nationally-recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first written above.

INDEPENDENT SCHOOL DISTRICT NO. 152 (MOORHEAD AREA PUBLIC SCHOOLS), CLAY COUNTY, MINNESOTA

____
Board Chair

____
Clerk

APPENDIX E

TERMS OF PROPOSAL

$12,500,000* GENERAL OBLIGATION FACILITIES MAINTENANCE, CAPITAL FACILITIES, AND TAX ABATEMENT BONDS, SERIES 2026B INDEPENDENT SCHOOL DISTRICT NO. 152 (MOORHEAD AREA PUBLIC SCHOOLS), MINNESOTA

Proposals for the purchase of $12,500,000* General Obligation Facilities Maintenance, Capital Facilities, and Tax Abatement Bonds, Series 2026B (the "Bonds") of Independent School District No. 152 (Moorhead Area Public Schools), Minnesota (the "District") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, municipal advisors to the District, until 9:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 9:30 A.M., Central Time, on September 28, 2026, at which time they will be opened, read and tabulated. The proposals will be presented to the School Board for consideration for award by resolution at a meeting to be held at 6:00 P.M., Central Time, on the same date. The proposal offering to purchase the Bonds upon the terms specified herein and most favorable to the District will be accepted unless all proposals are rejected.

AUTHORITY; PURPOSE; SECURITY

The Bonds are being issued pursuant to Minnesota Statutes, Sections 123B.595 and 123B.62, and Minnesota Statutes, Chapter 469, including Sections 469.1812 through 469.1815, as amended, and Minnesota Statutes, Chapter 475, as amended, by the District, to finance facilities and site maintenance projects included in the District's ten-year facilities plan approved by the Commissioner of Education and capital facilities projects, including parking lot projects. The Bonds will be general obligations of the District for which its full faith and credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated October 22, 2026, will be issued as fully registered Bonds in the denomination of $5,000 each, or any integral multiple thereof, and will mature on February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2028	$445,000	2033	$1,480,000	2038	$910,000
2029	1,020,000	2034	745,000	2039	875,000
2030	1,205,000	2035	835,000	2040	640,000
2031	1,140,000	2036	920,000		
2032	1,425,000	2037	860,000		

ADJUSTMENT OPTION

The District reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BOND OPTION

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2027, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2027 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The District has selected Bond Trust Services Corporation, Minneapolis, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The District will pay the charges for Paying Agent services. The District reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the District, the Bonds maturing on or after February 1, 2035 shall be subject to optional redemption prior to maturity on February 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the District. If only part of the Bonds having a common maturity date are called for redemption, then the District or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about October 22, 2026, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the District will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the District, threatened. Payment for the Bonds must be received by the District at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel to the District ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the District; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

SUBMISSION OF PROPOSALS

Proposals must not be for less than $12,500,000 plus accrued interest on the principal sum of $12,500,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of proposals, interested parties may submit a proposal as follows:

1) Electronically to bondsale@ehlers-inc.com; or

2) Electronically via **PARITY** in accordance with this Terms of Proposal until 9:30 A.M., Central Time, but no proposal will be received after the time for receiving proposals specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Terms of Proposal, the terms of this Terms of Proposal shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at https://ihsmarkit.com/products/municipal-issuance.html or via telephone (844) 301-7334.

Proposals must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of proposals. Each proposal must be unconditional except as to legality. Neither the District nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of $250,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The District reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the District may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the District as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. The Deposit will be deducted from the purchase price at the closing for the Bonds.

The District and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the proposal is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the proposal is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to $250,000 per bidder.

No proposal can be withdrawn after the time set for receiving proposals unless the meeting of the District scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The District's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The District reserves the right to reject any and all proposals and to waive any informality in any proposal.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the District requested and received a rating on the Bonds from a rating agency, the District will pay that rating fee. Any rating agency fees not requested by the District are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The District will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds shall not be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the District will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the District under this Terms of Proposal to establish the issue price of the Bonds may be taken on behalf of the District by the District's municipal advisor identified herein and any notice or report to be provided to the District may be provided to the District's municipal advisor.

(b) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

(1) The District shall disseminate this Terms of Proposal to potential underwriters in a manner that is reasonably designed to reach potential investors;

(2) all bidders shall have an equal opportunity to bid;

(3) the District may receive proposals from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the District anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Terms of Proposal.

Any proposal submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, as specified in this proposal.

(c) If all of the requirements of a "competitive sale" are not satisfied, the District shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the District agrees to use the rule selected by the winning bidder on its proposal form to determine the issue price for the Bonds. On its proposal form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) <u>If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule</u>, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the proposal submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the District promptly after the close of the fifth (5^{th}) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The District acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the District, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the District or bond counsel.

(f) By submitting a proposal, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the District or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Terms of Proposal. Further, for purposes of this Terms of Proposal:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Bonds are awarded by the District to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the proposal opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Underwriter (Syndicate Manager) will be provided with an electronic copy of the Final Official Statement within seven business days of the proposal acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of $10.00 per copy.

Information for bidders and proposal forms may be obtained from Ehlers at 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, Telephone (651) 697-8500.

By Order of the School Board

Independent School District No. 152
(Moorhead Area Public Schools), Minnesota

PROPOSAL FORM

The School Board **September 28, 2026**
Independent School District No. 152 (Moorhead Area Public Schools), Minnesota (the "District")

RE: $12,500,000* General Obligation Facilities Maintenance, Capital Facilities, and Tax Abatement Bonds, Series 2026B (the "Bonds")
DATED: October 22, 2026

For all or none of the above Bonds, in accordance with the Terms of Proposal and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you $__________________ (not less than $12,500,000) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

________	% due	2028	________	% due	2033	________	% due	2038
________	% due	2029	________	% due	2034	________	% due	2039
________	% due	2030	________	% due	2035	________	% due	2040
________	% due	2031	________	% due	2036			
________	% due	2032	________	% due	2037			

The District reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2027 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of $250,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The District reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the District may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the District as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Terms of Proposal. This proposal is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about October 22, 2026.

This proposal is subject to the District's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Underwriter (Syndicate Manager), we agree to provide the District with the reoffering price of the Bonds within 24 hours of the proposal acceptance.

This proposal is a firm offer for the purchase of the Bonds identified in the Terms of Proposal, on the terms set forth in this proposal form and the Terms of Proposal, and is not subject to any conditions, except as permitted by the Terms of Proposal.

By submitting this proposal, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: _____10% test, or the _____hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: ______________________ By: ______________________
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from October 22, 2026 of the above proposal is $_______________and the true interest cost (TIC) is __________%.

The foregoing offer is hereby accepted by and on behalf of the School Board of Independent School District No. 152 (Moorhead Area Public Schools), Minnesota, on September 28, 2026.

By: ______________________ By: ______________________

Title: ______________________ Title: ______________________