

INDEPENDENT SCHOOL DISTRICT NO. 659
SPECIAL SCHOOL BOARD MEETING

Monday, December 15, 2025 ~ 5:00 p.m. ~ Special Board Meeting
Northfield District Office Boardroom

[Meeting Link](#)

AGENDA

1. Call to Order
2. Items for Individual Action
 - a. Proposed 2025-2027 Agreement with the Northfield Education Association (NEA)
 - b. FY2025 Audit Approval
3. Adjournment

NORTHFIELD PUBLIC SCHOOLS

MEMORANDUM

Monday, December 15, 2025 ~ 5:00 p.m. ~ Special Board Meeting
Northfield District Office Boardroom
[Meeting Link](#)

TO: Members of the Board of Education
FROM: Matthew Hillmann, Ed.D., Superintendent
RE: Explanation of Agenda Items for the Monday, December 15, 2025, Special School Board Meeting

1. Call to Order

2. Items for Individual Action

- a. Proposed 2025-2027 Agreement with the Northfield Education Association (NEA). The district has reached a tentative agreement with the Northfield Education Association for a two-year agreement covering July 1, 2025 through June 30, 2027. The contract includes a two percent (2%) base salary increase in both 2025-26 and 2026-27. It includes a ten percent (10%) increase to the district's health insurance contribution in each year of the agreement. The NEA membership is expected to vote on ratification by Dec. 16, 2025.

Superintendent's Recommendation: Motion to approve the 2025-2027 Agreement with the Northfield Education Association as negotiated.

- b. FY2025 Audit Approval. The board is asked to approve the 2024-2025 audit report as presented. The draft audit was presented at the Dec. 8, 2025, regular meeting.

Superintendent's Recommendation: Motion to approve the 2024-2025 audit report as presented.

3. Adjournment

Reaching Out, Reaching Up:

THE 2027 STRATEGIC PLAN



VISION

We prepare every student for lifelong success by developing critical thinkers who are curious and ready to engage in our society.

BENCHMARKS

1
All children are ready for **kindergarten**.

2
All students are connected to the **community**.

3
All students are at grade level in **reading and mathematics** by the end of third and sixth grades.

4
All students exhibit physical, social and emotional **well-being**.

5
All students have a **connection** with a caring adult beyond their parents as they transition to middle school.

6
All students have interests, goals and a **vision** for the future by the end of eighth grade.

7
All students **graduate** from high school with a plan to reach their full potential.

8
All **employees** report satisfaction in the workplace.

9
All **parents** report satisfaction with their children's educational experience.

10
The district maintains 14% of its annual expenditures in its unassigned fund balance to ensure **financial stability**.

11
Community education provides relevant and accessible learning opportunities for all residents.

Note: The first seven benchmarks are aligned with the language identified by Northfield Promise, a collective impact consortium of 20 community organizations committed to helping Northfield's youth thrive "from cradle to career."

STRATEGIC COMMITMENTS



People

We prioritize the engagement, satisfaction, and support of every student, staff member, and family.



Learner Outcomes

We prepare every student to be academically and socially ready to choose their preferred pathway after high school graduation.



Equity

We ensure that every child has a fair opportunity to reach their full potential.



Communication

We communicate effectively and transparently with all stakeholders.



Stewardship

We responsibly manage our personnel, finances, property, time and environmental impact.



Partnerships

We seek community partnerships that accelerate student achievement of district benchmarks.



2025-2027 AGREEMENT

**Independent School District No. 659
Northfield, Minnesota**

and the

Northfield Education Association

**AGREEMENT EXTENDS FROM
July 1, 2025 to June 30, 2027**

**2025-2027 AGREEMENT
INDEPENDENT SCHOOL DISTRICT No. 659
and the
NORTHFIELD EDUCATION ASSOCIATION**

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**Independent School District No. 659
Northfield, Minnesota
and the
Northfield Education Association
2025-2027**

**ARTICLE I
PURPOSE**

1. THIS AGREEMENT, entered into between the School Board of Independent School District No. 659, Northfield, Minnesota, hereinafter referred to as the School Board, District, or Employer, and the Northfield Education Association, hereinafter referred to as the NEA, pursuant to and in compliance with the Public Employment Labor Relations Act of 1971, as amended, hereinafter referred to as the PELRA, to provide the terms and conditions of employment for teachers during the duration of this Agreement. Any term used in this Agreement that is also defined in the PELRA is intended to have the same definition as used in the PELRA.

Statutory references in the Agreement are for informational purposes only and do not bring any statutes within the scope of the grievance process.

**ARTICLE II
RECOGNITION OF EXCLUSIVE REPRESENTATIVE**

1. In accordance with the PELRA, the School Board recognizes the Northfield Education Association as the exclusive representative of teachers employed by the School Board. The NEA, as exclusive representative, shall have those rights and duties as prescribed by the PELRA and as described in the provisions of this Agreement.
2. **Appropriate Unit.** The exclusive representative shall represent all the teachers of the District including those on approved leave of absence as defined in this Agreement and the PELRA.
3. **Teacher.** The word “teacher” shall mean all persons employed by the District in a position for which the person must be licensed or certified by PELSB, including in a position providing instruction to children in a prekindergarten or early learning program pursuant to [M.S.179A.03](#), or are otherwise defined as teachers in [M.S.179A.03](#).
4. **Notification.** The word “notification” or “notify” shall mean in writing via email or US Mail unless otherwise noted.

ARTICLE III
RIGHTS AND OBLIGATIONS OF THE SCHOOL BOARD

1. The School Board is not required to meet and negotiate on matters of inherent managerial policy, which include, but are not limited to, such areas of discretion or policy as the functions, educational policies, and programs of the School Board, its overall budget, utilization of technology, the organizational structure and selection and direction and number of personnel.
2. The School Board has an obligation to meet and negotiate in good faith with the exclusive representative of the teachers in an appropriate unit regarding grievance procedures and the terms and conditions of employment, but such obligation does not compel the School Board or its representative to agree to a proposal or require the making of a concession.
3. The School Board has the obligation to meet and confer with teachers to discuss policies and those matters relating to their employment not included under the PELRA.
4. The School Board shall not meet and negotiate or meet and confer with any teacher or group of teachers who are at the time designated as a member or part of an appropriate teacher unit except through the exclusive representative if one is certified for that unit or as provided for in the PELRA.
5. The School Board shall have the right to petition the director for arbitration under the PELRA; provided the exclusive representative or the School Board has first petitioned the director for mediation services as are available under the PELRA.
6. The School Board may hire and pay for arbitrators desired by the provisions of the PELRA.
7. All provisions of this Agreement are subject to the laws of the State of Minnesota, Federal laws, and rules, regulations and orders of State and Federal governmental agencies. Any provisions of this Agreement herein found to be in violation of any such laws, rules, regulations or orders shall be null and void and without force and effect. This section does not incorporate federal and Minnesota law or applicable federal and state agency rules by reference into this Agreement.
8. The School Board has the duty to efficiently manage the District. The primary obligation of the District is to provide students with the opportunity for an education. The enumeration of rights and duties in this Article do not exclude the inherent managerial rights and functions not expressly reserved herein.

ARTICLE IV RIGHTS AND OBLIGATIONS OF TEACHERS

1. Nothing contained in the PELRA shall be construed to limit, impair or affect the right of any teacher or their representative to the expression or communication of a view, grievance, complaint or opinion on any matter related to the conditions or compensation of teachers or their betterment, so long as the same is not designed to and does not interfere with the full faithful and proper performance of the duties of employment or circumvent the rights of the exclusive representative if there be one; nor shall it be construed to require any teacher to perform labor or services against their will.
2. Teachers shall have the right to form and join labor or teacher organizations, and shall have the right not to form and join such organizations. Teachers in an appropriate unit shall have the right by secret ballot to designate an exclusive representative for the purpose of negotiating grievance procedures and the terms and conditions of employment for such teachers with the School Board of such unit.
3. Teachers who are professional employees as defined by the PELRA have the right to meet and confer with the School Board regarding policies and matters not included under the PELRA.
4. Teachers through their certified exclusive representative have the right and obligation to meet and negotiate in good faith with their School Board regarding grievance procedures and the terms and conditions of employment, but such obligation does not compel the exclusive representative to agree to a proposal or require the making of a concession.
5. Teachers shall have the right to request and be allowed dues check off for the exclusive representative, provided that dues check off and the proceeds thereof shall not be allowed any teacher organization that has lost its right to dues check off pursuant to the PELRA.
6. An exclusive representative shall have the right to petition the director for arbitration under the PELRA; provided the exclusive representative has first petitioned the director for mediation services as are available under the PELRA.
7. **Personnel Files.** Every teacher has a permanent file in the District Office. Pursuant to [M.S. 122A.40, subd. 19](#), as amended, all evaluations and official files, wherever generated, relating to each individual teacher shall be available during regular school business hours to each individual teacher upon the teacher's written request. The teacher shall have the right to reproduce any of the contents of the files and may include in the file written information in response to any material contained therein. When material involving evaluation or any performance related material or notice of reprimand or deficiency is to be placed in a teacher's file, a copy will be provided to the teacher. The school district may destroy such files as provided by law, after first giving the teacher the opportunity to keep any items scheduled to be destroyed. Any teacher may submit items to their immediate supervisor for inclusion in the file.

8. **Association Release Time.** During the term of this Agreement, the exclusive representative will have available 480 hours of release time. This time shall include all time spent away from teaching duties on behalf of the exclusive representative as designated by the Northfield Education Association President including any negotiation or grievance activities. Association leave shall not be used for activities in support of any other exclusive representative of employees, nor to run for elective office of any kind.
9. **Full-Time Teachers.** Teachers regularly scheduled to work the full teacher duty day as described in Section 1, Article IX, shall be deemed to be “full-time” teachers.
10. **Association Member List.** The District shall provide in electronic form to the NEA the names, work email address, full-time equivalency (FTE) status, worksite location and assignment of all bargaining unit members employed, upon request. Such requests shall be filled within five business days.
11. **Reasonable Access.** Representatives of the NEA shall have reasonable access to worksites and school facilities to communicate with members, hold meetings, and conduct other business. Upon arrival at the worksite, NEA representatives shall make their presence known to the worksite supervisor or their designee. Such visits shall not interrupt normal work responsibilities.

ARTICLE V

BASIC SCHEDULES AND RATES OF PAY

1. **Salary Schedules.** The salary schedules of teachers covered by this Agreement are set forth in Schedule A and B attached herewith, and are hereby incorporated as part of this Agreement.
 - 1.1. **Eligibility for Increments.**
 - 1.1.1. Each teacher who worked more than one-half of the teacher duty days for the 2024-2025 school year will be advanced one step on the salary schedule for the 2025-2026 school year. Increments contained in the 2026-2027 salary schedule will not be paid in the 2027-2028 school year in the absence of an agreement between the parties covering the period from July 1, 2027 to June 30, 2029.
 - 1.2. **Recognition of Prior Experience.** Full credit for teaching experience in other school systems shall be given for up to six years when placing newly hired teachers on the salary schedule. At the discretion of the School Board, more than six years of teaching experience may be credited at the time of hire for salary schedule placement, especially in difficult to fill licensure areas.
 - 1.3. **National Certification.** Any teacher who has achieved one of the following national certifications shall be paid an annual stipend of five hundred (\$500) dollars. This stipend shall not be considered part of the teacher’s annual salary. The teacher shall

provide a copy of current certification to the Human Resources Office prior to September 15 of each school year.

1.3.1. The following certifications shall apply:

- 1.3.1.1. Board Certified Behavior Analyst (BCBA)
- 1.3.1.2. National Board of Professional Teaching
- 1.3.1.3. Guidance Counselors: LPC (Minnesota Board of Behavioral Health and Therapy-Licensed Professional Counselor).
- 1.3.1.4. Occupational Therapists: NBCOT (National Board for Certification in Occupational Therapy).
- 1.3.1.5. Physical Therapists: ABPTS-PCS (American Board of Physical Therapy Specialties-Pediatric Certified Specialist).
- 1.3.1.6. Psychologists: NASP-NCSP (National Association of School Psychologists-National Certified School Psychologist).
- 1.3.1.7. Social Workers: LSW, LGSW, LISW, or LICSW (Minnesota Board of Social Work-Licensed Social Worker, Licensed Graduate Social Worker, Licensed Independent Social Worker, or Licensed Independent Clinical Social Worker).
- 1.3.1.8. Speech Language Pathologists: ASHA-CCC-SLP (American Speech-Language-Hearing Association Certificate of Clinical Competence in Speech-Language Pathology).

1.4. **Recognition of outstanding performance or extraordinary contribution to the School District.** Any teacher who achieves the following recognition may receive a one-time stipend not to exceed the amounts identified below:

- 1.4.1. State Teacher of the Year Finalist (\$500.00)
- 1.4.2. State Teacher of the Year (\$1,000)
- 1.4.3. National Teacher of the Year (\$1,000)

2. **Lane Freezing.**

2.1. The following lanes will have steps frozen as listed:

<u>Lane</u>	
B.A.	9
All other lanes	10

No teacher may advance beyond the maximum step on a lane set forth above.

- 2.2. Negotiated raises in steps during subsequent years shall, however, be paid.
- 2.3. A teacher changing lanes from a frozen step shall receive credit toward step increments in the new lane for service while on the frozen step, up to the maximum step on the new lane set forth above.

3. **Rehired Retired Teachers.** The District may rehire retired teachers for positions, including long-term substitute positions according to the following provisions:

- 3.1. The exclusive representative recognizes voluntary waiver of continuing contract rights by retirees who want to return to teaching.
- 3.2. The salary placement shall be on the teacher's proper lane and step at the time of retirement. No longevity payments will be made.
- 3.3. All benefits and leave time will be provided according to the Agreement, except 403b contributions, accumulation of leave time, and retirement provisions. Retirees receiving retirement insurance benefits from the District when rehired will continue with those benefits as if retired.
- 3.4. Insurance benefits may be waived by mutual consent.

ARTICLE VI EXTRA COMPENSATION

1. Individual teachers may enter into separate contracts with the School Board for the performance of assignments in addition to or differing from the performance of basic teaching duties. Such separate extra assignment contracts shall not be part of a teacher's continuing contract. Non-bargaining unit individuals hired for Schedule C or D assignments are not subject to this Agreement.

ARTICLE VII INSURANCE

1. **Group Insurance.**
 - 1.1. **Governance.** During the term of this Contract, the Employer will purchase group insurance policies described in this Article as provided by law. The eligibility of an enrolled teacher for benefits shall be governed by the terms of the insurance contracts in force between the Employer and the insurers providing such coverage. It is further agreed that the Employer's only obligation under this Article is to make the premium payments as provided in this Contract, and no claim shall be made against the Employer in the event of a denial of insurance benefits by an insurance carrier.

1.2. **Prorated Premium Contributions.** Teachers regularly scheduled to work 20 or more hours per week shall be eligible for benefits described in this insurance article. Teachers regularly scheduled to work less than 20 hours per week shall not be eligible for benefits described in this article. The employer shall contribute toward the premiums for health and hospitalization and dental insurances on a pro-rata basis of the amounts listed in Sections 2 and 3 of Article VII for teachers regularly scheduled to work 20 to less than 30 hours per week (0.5 FTE to less than 0.75 FTE). The contribution shall be prorated commensurate with the amount of time the teacher is regularly scheduled to work.

1.3. **Benefit Duration.** All insurance benefits shall commence on the first day of scheduled service and continue through the following August unless modified by a leave of absence or severance of employment prior to the close of the school year. The District shall continue its contribution toward the premium for health and hospitalization insurance for dependents of a deceased teacher for a period of six (6) months after the teacher's death or until the contribution would have otherwise ceased, whichever is sooner, provided the deceased teacher was enrolled in family coverage at the time of death.

1.4. **Substitute Teachers.** Substitute teachers working less than sixty (60) consecutive working days shall not be eligible for benefits described in this Article. When it is known in advance that a substitute teacher will be employed for sixty (60) consecutive working days or more, the teacher will receive a substitute contract and shall be eligible for insurance benefits as provided in this Agreement. Participation in the district's insurance benefits plans will cease effective on the last day of the month in which the last day was worked.

2. **Health and Hospitalization Insurance.** During the term of this agreement, the Employer will contribute for single or family coverage toward the monthly premium for each teacher regularly scheduled to work 30 or more hours per week (0.75 FTE or more) who qualifies for and is enrolled in coverage under the district medical and hospitalization insurance plan. The contribution amounts are as follows:

	<u>Single Coverage</u>	<u>Family Coverage</u>
January 1, 2026 through December 31, 2026	\$714.19/month	\$2,171.84/month
January 1, 2027 through December 31, 2027	\$785.61/month	\$2,389.02/month

Participation in the insurance program will be voluntary. Coverage shall be effective only upon enrollment of the individual teacher and the teacher's family. Each teacher enrolled under the plan shall contribute, through payroll deduction, any excess of the monthly premium under the plan over the maximum School Board contribution toward the type of coverage for which such teacher is enrolled.

3. **Dental Insurance.** During the term of this agreement, the Employer will contribute the following toward the monthly premium for each full-time teacher who qualifies for and is enrolled in coverage under the district dental insurance plan:

	<u>Single Coverage</u>	<u>Family Coverage</u>
January 1, 2026 through December 31, 2026	\$28.20/month	\$64.34/month
January 1, 2027 through December 31, 2027	\$28.20/month	\$64.34/month

4. **Income Protection.** The Employer will pay the full premium for each teacher who qualifies for and is enrolled in coverage under the district's long-term disability insurance plan. Benefits shall be payable after sixty (60) consecutive days of total disability at 66 2/3% of the basic monthly earnings, including longevity.

Up to thirty (30) accumulated sick leave days may be used on a pro-rata basis while receiving disability income; however, the total income generated from using sick leave with disability benefits may not exceed the teacher's basic earnings. The District shall continue its contribution for health and hospitalization insurance for up to six (6) months (180 consecutive days) after the last day worked for absence due to total disability. Thereafter, teachers receiving long-term disability insurance benefits may continue in the district's group insurance plans at the teacher's expense. Benefit payments shall continue in accordance with federal regulations.

5. **Life Insurance.** The Employer will provide group term life insurance coverage for each teacher who enrolls in the insurance plan in the amount of \$50,000.00. Each teacher may purchase additional group term life insurance in increments of \$25,000 up to a maximum of \$100,000 at the group rate upon evidence of insurability and acceptance by the carrier. The cost of such additional coverage shall be paid fully by the teacher through payroll deduction.
6. **Tax Deferred Accounts.** All eligible teachers may participate in an IRS approved tax-deferred plan established pursuant to Section 403(b) of the Internal Revenue Code (as amended by Public Law No. 98-370).
7. **Retirement Insurance.** Teachers shall notify the District of their intent to retire by February

7.1. **A teacher whose seniority date is prior July 1, 2009.**

- 7.1.1. Any teacher whose seniority date is prior to July 1, 2009 and has at least ten (10) years experience in Independent School District No. 659 and retires upon attaining age fifty-five (55) or thereafter may elect to be covered under the group health and hospitalization, dental plans and life insurance plans provided by the District as provided by law.
- 7.1.2. Once a retired employee becomes eligible for Medicare the retired employee's coverage will convert to a Medicare supplement policy. Such policy (when combined with Medicare) will at a minimum be equivalent

coverage to the group health and hospitalization plan offered to active employees and retired employees who are not eligible for Medicare.

- 7.1.3. In the event a retired employee and their dependent(s) become eligible for Medicare at different times, the individual insured will be converted to the Medicare supplement policy upon becoming eligible. At such time as there is only one other insured remaining on the family group health plan, they will be converted to a single policy under the group health plan until they become eligible for Medicare. If dependent children are covered under the group health plan they will be eligible to continue coverage until such time that the last parent covered on the group health plan becomes eligible for Medicare.
- 7.1.4. District Contribution. The teacher may continue participation in the district's group term life insurance plan according to provisions of Section 5 above at the teacher's own expense until the teacher is eligible for Medicare.
- 7.1.5. Prior to becoming Medicare eligible, the District shall contribute toward the premium for health and hospitalization and dental coverage under the same conditions as an employed teacher but not more than eighty percent (80%) of the health and hospitalization insurance premium as follows:
 - 7.1.5.1. Nine (9) years for those teachers whose most recent date of hire was on or before September 1, 1987.
 - 7.1.5.2. Six (6) years for those teachers who were employed September 1, 1987 through June 30, 2009.

Once the retired employee or their dependent(s) obtain Medicare eligibility, the District shall contribute up to \$350.00 toward the monthly premium of the Medicare supplement plan for the remainder of the contribution period as defined above.

When the retiree becomes eligible for Medicare, the retiree must be in compliance with [M.S. 471.611](#).

7.2. A teacher whose seniority date is on or after July 1, 2009.

- 7.2.1. The benefits outlined in this section shall be available to teachers that work 0.50 FTE or more whose seniority date is on or after July 1, 2009 for the full school year. These teachers are not eligible for other benefits provided under Article VII, Section 7.1: Retirement Insurance.
- 7.2.2. Teachers must be actively working for the full school year to be eligible for the Health Reimbursement Arrangement (HRA) contribution.

- 7.2.3. Teachers on leave of absence during a school year will not be eligible for HRA contributions for that school year.
- 7.2.4. The HRA contribution will not be prorated for partial school years worked with the following exception: teachers who retire prior to the end of the school year will receive a prorated contribution based on the number of days worked divided by the total number of teacher duty days in the school year during which they retire.
- 7.2.5. The district will set aside \$1,000.00 annually for all newly hired full-time teachers.
- 7.2.6. Regular part-time teachers that work 0.50 FTE or more will receive a prorated portion of the contribution.
- 7.2.7. The district contribution will be made in July following the preceding full school year of service.
- 7.2.8. The district contribution will be deposited into a district reserved account on behalf of all eligible employees as outlined in this article; however, all district contributions will remain district assets until eligible employees meet the district's vesting requirements.
- 7.2.9. Teachers will become vested when they have at least ten (10) years of continuous service to the District, including District-approved leaves of absence.
- 7.2.10. For each year of service thereafter, the District will continue to deposit \$1,000.00 annually in the HRA account of all eligible full-time employees as outlined in this article.
- 7.2.11. The deposit for part-time teachers will be prorated to the FTE for which they are contracted. The district contributions will be made in July following the preceding full school year of service. The vested teacher will have access to their HRA account balance upon separation of employment.
- 7.3. **Other Employer Insurance.** Coverage will be available to a retired teacher who has group medical insurance available to them from another employer; however, such other employer's coverage shall be considered primary.

ARTICLE VIII LEAVES

1. **Leave Allowance.**

- 1.1. **Eligibility.** At the beginning of each school year each teacher employed half time or more will be granted a leave allowance the hourly equivalent of ten (10) days, prorated to the FTE portion of the teacher's individual contract, for absences without deduction from pay during such school year. Such leave allowance may only be used under the terms and conditions set forth in this Article. All sick leave, bereavement leave, emergency leave, school conference and activity leave, and personal leave will be charged against the teacher's leave allowance. All leave allowance shall be based on a teacher's current workday.
- 1.2. **Accumulated Leave.** Unused portions of a teacher's leave allowance may accumulate from one basic school year to the next to a maximum of two hundred (200) days. The number of days accumulated shall be available to all teachers via the employee self-serve system. Leave allowance will not apply, nor may it be earned or accumulated during any leave of absence, paid or unpaid, except as expressly provided in this Agreement.

2. **Sick and Safe Leave.**

- 2.1. **Eligibility.** Leave allowance may be used by a teacher for a necessary absence on a work day during the school year because of illness or injury of the employee or the employee's dependent child. Leave allowances are available for other individuals to the extent provided by [MS. 181.9445](#) or FMLA, and are not subject to the grievance procedure. This includes medically necessary appointments.
- 2.2. **Verification.** An individual teacher may be notified in writing that, in order to qualify for future sick leave pay, a statement from a physician of the teacher's choice may be required.
- 2.3. **Worker's Compensation Act.** A teacher receiving compensation under the Worker's Compensation Act may elect to use accumulated leave allowance to make up the difference between the worker's compensation payments and the teacher's regular basic salary. Deductions from leave allowance will be made on a prorated basis according to the additional payments to the teacher. In no event shall the additional compensation paid to the teacher result in the payment of total daily, weekly or monthly compensation in excess of such teacher's basic salary.
- 2.4. **Sick Leave for Part-time Teachers.** Leave allowances for teachers working less than 0.50 FTE are available to the extent provided by Minnesota law, are not eligible to be used for personal leave, and are not subject to the grievance procedure.

3. **Bereavement Leave.**

- 3.1. Up to a total of ten (10) days leave allowance per year may be used in case of bereavement leave.

Bereavement leave may be used in the case of a death of family members or friends.

Exceptions to the above restrictions may be granted at the discretion of the Superintendent, or their designee, depending upon the circumstances surrounding the leave.

4. **Emergency Leave.**

- 4.1. Up to two (2) days of leave allowance may be used in the event of emergencies after a teacher's personal leave account has been exhausted. Teachers are eligible to use emergency leave when there are daycare closings that result in a teacher's dependent child not being cared for as planned, damage to a teacher's property, assisting another in an emergency, or to provide information about an emergency to law enforcement or other public safety personnel. Emergency leave will be deducted from an individual's sick leave allowance. The Leave Allowance Bank will not cover the use of Emergency Leave.

5. **School Conference and Activities Leave.**

- 5.1. In accordance with the provisions of [MS.181.9412](#), the District will provide each teacher with up to sixteen (16) hours of school conference and activities leave during any twelve (12) month period to attend school conferences or school-related activities related to the employee's child, provided the conference, activity or observation cannot be scheduled during non-work hours. In addition to the statutory definition of school conference and activity leave, employees may also use school conference and activity leave for post-secondary college visits for high school-age students. Such leave will be deducted from the teacher's leave allowance.
- 5.2. One school day advance written notice shall be provided via the District's substitute/leave reporting system. The Human Resources Director can waive the advanced written notice requirement in emergency situations under exceptional or unusual circumstances.

6. **Personal Leave and Short-term Leave of Absence.**

- 6.1. **Personal Leave.** Teachers will be allowed five (5) days per year of personal leave, non-accumulative, without the necessity of prior administrative approval, but with at least three (3) days written notice via the District's substitute/leave reporting system except for emergencies. These five (5) days will be deducted from the leave allowance. No more than three (3) consecutive personal leave days can be used for

the same absence.

With the exception of teacher preparation days where no cap will be in effect, personal leave for a particular day will be granted on the basis of the order such requests are received. The following chart indicates the number of teachers eligible for personal leave by building for each eligible workday:

Northfield High School	5
Northfield Middle School	4
Bridgewater Elementary	3
Greenvale Park Elementary	3
Spring Creek Elementary	3
Northfield Community Education Center	2
ALC	1

Personal leave will not be granted during the first week or the last week of instructional days, or on an open house as referred to on the school calendar, staff development, or conference days, except in exceptional and unusual cases at the discretion of the Director of Human Resources. Requests need not include reasons for the leave day except when the teacher is requesting an exception to the above regulations. Any unused personal leave will remain in the employee's sick leave account.

- 6.2. **Short Term Leave of Absence.** The Director of Human Resources may approve a short term leave of absence beyond that specified herein for exceptional and unusual circumstances, which shall result in the withholding of pay as computed against the total number of teacher duty days in the contract year.

7. **General Leave of Absence.**

- 7.1. **Eligibility.** The District, at its discretion, can grant a request for partial or full unpaid leaves of absence up to one year in duration for those who taught at least two (2) years in the District.
- 7.2. **Requests.** Leave requests are required to be submitted to Human Resources by February 1. Requests received after February 1 may be considered on an individual basis. Requests shall be subject to District approval, whose decision is binding. The School Board's decision may not be grieved.
- 7.3. **Reinstatement.** A teacher has a right to be reinstated to a position for which the teacher is licensed (the teacher is not reinstated to a specific position or a specific site) at the beginning of any school year immediately following a year of general leave, if the teacher notifies the District of their intent to return by February 1 preceding the school year in which the teacher is scheduled to return. Written notification of intent to return shall be delivered in person or by mail (US Mail or Interschool) or as an attachment to an electronic mail message to the Director of

Human Resources.

- 7.4. **Benefits.** While on a general leave of absence, or while on an extended leave of absence granted pursuant to [M.S. 122A.46](#), a teacher may continue participation in the insurance plans of the school district at the teacher's own expense.
- 7.5. **Seniority.** Any teacher who is reinstated to a teaching position in the District shall retain seniority and continuing contract rights as though the teacher had been teaching in the District during the period of general leave of absence. The teacher is not reinstated to a specific position or a specific site and the time spent on leave does not determine steps taken on the matrix for the teacher's salary upon return.
8. **Child Care Leaves.** Child care leaves under this section include maternity leave, parental leave and adoption leave. Child care leaves shall be processed under the [Federal Family and Medical Leave Act \(FMLA\)](#) for those teachers that meet the current eligibility requirements of FMLA as outlined in [Policy 410](#) and [Policy 448](#). Child care leaves for those teachers that do not meet the current eligibility requirements of FMLA shall be processed under the District Disability After Childbirth Policy – [Policy 411](#).
 - 8.1. **Eligibility.** A child care leave shall be granted by the school district subject to the provisions of this Section. Child care leave may be granted because of the need to prepare and/or provide parental care for a child or children of the teacher for an extended period of time.
 - 8.2. **Notification.** A teacher making application for child care leave shall inform the Director of Human Resources in writing with intention to take the leave as soon as possible and at least one (1) calendar month before commencement of the intended leave, except in unusual circumstances. The district and the teacher will attempt to work out a satisfactory plan for the leave.
 - 8.3. **Certification.** If the reason for the child care leave is occasioned by pregnancy, the teacher shall also provide at the time of the leave application, a medical certification indicating the expected date of the delivery.
 - 8.4. **Sick Leave and Long-Term Disability Insurance.** Sick leave under Article VIII, Section 2 and long-term disability insurance under Article VII, Section 4, is available for the disabilities of pregnancy prior to the commencement of the child care leave. Such use of sick leave days shall run concurrently with parental leave days under Article VIII, Section 8.12.
 - 8.5. **Calendar Alignment.** The school district, upon meeting in person and discussing the teacher's return date preferences, may make moderate adjustments in the proposed beginning or ending date of a child care leave so that the dates of the leave coincide with some natural break in the school year - e.g., winter vacation, spring vacation, semester break or quarter break, end of reporting period, end of the school year, or the

like.

- 8.6. **Duration.** In making a determination concerning the commencement and duration of a child care leave, the School Board shall not, unless otherwise agreed, be required to:
- 8.6.1. Grant any leave more than six (6) months in length or to the beginning of the school year following such six (6) month period.
 - 8.6.2. Permit the teacher to return to their employment prior to the date designated in the request for child care leave.
- 8.7. **Return Rights.** A teacher returning from child care leave shall have a right to return to the teacher's original position as specified in the teacher's child care leave plan if the teacher's leave is commenced and concluded within the same school year or concluded prior to the first teacher duty day of the following school year. If a teacher's child care leave plan does not call for the teacher's return within the year it is commenced, a teacher shall have the right to be returned to an equivalent contractual position, subject to the unrequested leave of absence procedure of Article XIV and transfer procedures in Article XV.
- 8.8. **Failure to Return.** Failure of the teacher to return pursuant to the date determined under this Section shall constitute the failure to teach without first securing a release which is a ground for immediate discharge unless the school district and the teacher mutually agree to an extension in the leave.
- 8.9. **Experience Credit.** A teacher who returns from child care leave within the provisions of this Section shall retain all previous experience credit and any unused leave time accumulated under the provisions of this Agreement at the commencement of the leave. The teacher shall accrue additional experience credit or leave time during the period of absence for child care leave, if the leave commences and ends within the same school year. Experience credit for any subsequent leaves for the same child shall be in accordance with Article V, Section 1.1.
- 8.10. **Insurance Contribution.** The school district shall continue its contribution for group insurance as specified in Article VII for a teacher on child care leave through the following August. Thereafter, a teacher may continue participation for the remainder of the leave, or subsequent child care leaves for the same child, in the insurance plans of the District at the teacher's own expense.
- 8.11. **Adoption.** Up to twenty (20) days leave allowance may be used for adoption purposes such as preparation and legal reasons, necessary travel, and initial adjustment.
- 8.12. **Parental Leave.** Up to ten (10) days parental leave may be used within thirty (30) days of the birth of a child, the days used to be deducted from sick leave. Employees

that qualify for maternity leave are not eligible for these parental leave days.

9. **Judicial Duty.** For any teacher who is required to serve as a juror or is subpoenaed to appear as a witness (not as a defendant) in a criminal court case, Northfield Public Schools will make up the difference between such teacher's basic salary and the fees (but not reimbursed expenses) received by the employee. In order to be eligible for this supplement, the employee must submit to the finance office an itemized certification of fees and expenses for judicial duty. Advance notice to the building administrator is required to permit the scheduling of a substitute, if required. An employee is also required to notify the building administrator upon being excused from judicial duty.

ARTICLE IX HOURS OF SERVICE

1. Basic Day.

- 1.1. Except as modified pursuant to Article X, Section 2, the basic teacher's day, inclusive of a twenty-five (25) minute "duty free" lunch, shall be eight hours.
- 1.2. Part-time teachers shall have responsibilities in proportion to their contracts: e.g., a teacher with a 3/5 contract is responsible for up to twenty-four (24) hours of service per week. Part-time teachers working half-time or more will receive a twenty-five (25) minute duty free lunch period. All part-time teachers will receive prorated prep time and non-instruction time within their duty time calculation.

2. Building Hours.

- 2.1. **Regular Hours.** Under normal circumstances, the building hours for the basic day shall be from 7:30 a.m. to 3:30 p.m. with a duty free lunch and a preparation period. The specific hours at any individual building may vary according to the needs of the educational program of the school district.
- 2.2. **Changing Building Hours.** The School Board retains the right to set different hours for each building after conferring with the exclusive representative, and has, after such a conference, specifically retained the ability to alter the starting and ending times of the basic work day by up to sixty (60) minutes, not to exceed eight (8) hours per day. Any change to building hours greater than thirty (30) minutes will require a ninety (90) day notice to the exclusive representative.
- 2.3. **Flex Time.** Teacher requests for flex time of up to sixty (60) minutes may be approved at the discretion of the building principal.
- 2.4. **Fridays.** Teachers may leave the building on Friday afternoon after the students have left the buildings. The building principal may extend dismissal of staff on Friday for good and sufficient reason after conferring with the NEA building representative and

consistent with the provisions of Article IX, Section 3.3.

- 2.5. **Non-Student Contact Days.** On scheduled non-student contact days, all buildings will have common building hours and lunch periods in order to facilitate collaborative activities between buildings and maximize effective use of presenters and consultants.

3. **Preparation Time.**

- 3.1. The School Board recognizes that the teachers use part of their time at home as additional preparation time.
- 3.2. Each full-time secondary teacher shall have one uninterrupted period during the school day for preparation. Each full-time elementary teacher shall have sixty (60) minutes for preparation time during the school day. Such preparation time shall be scheduled in one or two uninterrupted time blocks during the student contact day, except when scheduled differently by mutual agreement between the individual teacher and school administration. The District continues its strong commitment to provide full-time elementary teachers with one uninterrupted time block for preparation. Preparation time for part-time teachers shall be prorated. The word “uninterrupted” shall not prevent ordinary professional communications.
- 3.3. In addition to Section 3.2 above, any unscheduled time between the hours of 7:30 a.m. and 3:30 p.m. shall be considered preparation time.
 - 3.3.1. Principals, building administrators, or district administrators may require teachers to attend one meeting each week. Additionally, teachers may also be required to attend Individualized Education Program (IEP) meetings.
 - 3.3.2. If no such meeting is scheduled during a given week, teachers may use the time between the start of their duty day and the beginning of the student day, as well as the time between the end of the student day and the conclusion of their duty day, to complete their professional responsibilities.
- 3.4. A teacher who attends an IEP meeting during scheduled prep time will be paid at the rate in Schedule D, prorated at fifteen (15) minute intervals, for the length of their attendance at the meeting.
- 3.5. District procedures for attendance in the classroom while a special teacher has charge of the class shall be clearly defined in District policies. In the absence of such a policy, classroom attendance shall be up to the discretion of the classroom teacher. This policy shall be subject to the grievance procedure.

4. **Specialists Schedules.** The maximum number of thirty (30) minute sections that a 1.0 FTE elementary specialist teacher shall teach per week is fifty (50) sections unless mutually agreed upon by administration and representative of the NEA.

5. **Supervisory Duties Equitable Distribution.** Any required supervisory duties shall be distributed equitably among available staff members at each building, to the extent possible. Assignments may be rotated in a reasonable and transparent basis in consultation with the staff at each building.

ARTICLE X LENGTH OF THE SCHOOL YEAR

1. Teacher Duty Days.

- 1.1. **Determination.** Pursuant to [M.S. 120A.40](#), the School Board shall, prior to April 1 of each school year, determine the number of school days and teacher duty days for the next school year. Each teacher shall perform services on those days as determined by the School Board, including those legal holidays on which the school district is authorized to conduct school.
- 1.2. **Total Days.** The school year shall include not more than 187 teacher duty days (exclusive of holidays and Education Minnesota Professional Conference Days). The School Board shall consider the recommendation of the Meet and Confer committee concerning the placement of student days and additional teacher duty days, including parent teacher conferences, and/or family engagement events, and shall adopt the school calendar for the succeeding school year indicating the placement of the above days prior to April 1.
- 1.3. **Calendar Variations.** Recognition is given to the difference in ECFE/PreK/School Readiness, elementary and secondary school operations. Calendar variations may occur between education levels that may not be mandated for all teachers in the district. Any calendar variations would be adopted in consultation with the Meet and Confer committee.
- 1.4. **Teacher Preparation Days.** When scheduled by the District, a teacher preparation day is intended to allow teachers to complete necessary work away from the presence of students. Teacher preparation days may be worked on campus or remotely. Required building-wide and district-wide meetings will not be scheduled during this time. Teacher preparation days cannot be converted to staff development days or student contact days. A total of seven (7) teacher preparation days will be included in each school calendar. The Meet and Confer committee will recommend placement of teacher preparation days on the calendar that correlate to teacher preparation time needed for such tasks as preparing for conferences, family engagement events, grading or changing courses. The placement of the remaining teacher preparation day on the calendar will be at the discretion of the School Board with input from the Meet and Confer committee.

2. **Emergency Closings and Rescheduling of Teacher Duty Days and Hours.** In the event of any emergency, school may be closed at the discretion of the Superintendent. Upon the recommendation of the Superintendent, and approval by the School Board, teacher duty days and school days may be rescheduled, building hours may be changed, the length of the basic teacher's day may be adjusted, and instructional days may be conducted remotely per the District's e-Learning Day Program; provided, however, that the School Board shall not increase the total duty time per week required of a teacher. Such changes shall be discussed with the exclusive representative prior to final action by the School Board. For the purpose of this section an "emergency" shall include, but shall not be limited to, unusually severe weather, mechanical failure of essential equipment affecting the comfort and safety of pupils and teachers, epidemic or widespread illness, severe energy shortages, or damage to building by fire or water, etc., work stoppages by other employee groups. The first student day lost because of emergency closings will not be rescheduled. After the first student day closure, the District may implement an e-Learning day in accordance with the e-Learning day plan instead of rescheduling the student day or, reschedule student day closures, with the approval of the School Board. Staff development days can be shifted to a remote format at the discretion of the Superintendent or may be made up upon recommendation by the Superintendent and approval by the School Board. All leaves scheduled for a day cancelled by the District will be returned to the employee's corresponding leave account.

ARTICLE XI DUES DEDUCTIONS

1. **Dues Deductions.** The School Board agrees to deduct dues for membership in the Association and such other deductions as are mutually agreed by the NEA and the District for any individual teacher who has authorized such deductions.
 - 1.1. Dues deductions will be made in equal amounts from each regular salary check of the teacher for eight months, or sixteen (16) paychecks, beginning in October and ending with May.
 - 1.2. The dues deductions authorization shall continue in effect until revoked in writing as specified therein.
 - 1.3. One week prior to the October payroll cut-off, the NEA shall furnish the finance office with a list of the appropriate deductions for each member. Deductions for teachers employed after the commencement of the school year shall be appropriately prorated to complete payments by the following May.
2. **Deduction Transmittal.** The School Board shall remit to the NEA, within ten (10) calendar days following each pay period, the total amount deducted for membership dues. The School Board will provide the NEA with an alphabetical list of teachers for whom deductions have been made from the first paycheck in October, and will notify the NEA of any changes to this list for subsequent paychecks.

ARTICLE XII EVALUATION AND IMPROVEMENT OF INSTRUCTION

1. **Evaluation.** The School Board and the NEA mutually agree that timely evaluation of all professional staff for the improvement of instruction is a major responsibility of the teaching profession. The District policy regarding the evaluation of professional staff shall be used for evaluation purposes. Any changes in the District policy regarding the evaluation of the professional staff shall be subject to either party placing the topic on an agenda for discussions through the Meet and Confer procedures.
2. **Improvement of Instruction.** The NEA and the District agree that a program of incentives for excellence will be cooperatively developed. Any recommended changes in existing compensation arrangements would be implemented through amendment to this Agreement, ratified by the NEA and the School Board.

ARTICLE XIII TRAVEL

1. **Mileage.** Necessary and approved transportation required of any teacher in the performance of school duties shall be at the expense of the District. The mileage reimbursement rate for affected employees shall be the rate established by the IRS, and any change in rate will be effective the first of the month following the announcement of the new rate.
2. **Attendance at Meetings Outside the District.** Attendance of teachers at national and state meetings outside the district will be subject to the availability of funds in the teacher travel budget as may be set by the School Board, which shall be separately stated from the travel budget for administrators. Such travel must be approved in advance by the appropriate building principal. Priority for the use of such funds should go to teachers who are officers in their respective professional groups or who must participate actively in a meeting.

ARTICLE XIV UNREQUESTED LEAVE OF ABSENCE

1. **Purpose.** The purpose of this Article is to set forth a procedure for unrequested leave of absence without pay or benefits for as many non-probationary teachers as defined in [M.S. 122A.40](#) as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. This Article has been agreed upon by the School Board and the NEA pursuant to the provisions of [M.S. 122A.40, Subd. 10](#). Case law stemming from [M.S. 122A.40, subd. 10](#) shall not be applicable to any teacher included in the appropriate unit. Nothing in this Article shall be construed to limit or impair the rights of any individual who is not included in the appropriate unit represented by the NEA.

2. **Definitions.** For purposes of this Article, the following terms shall be defined as follows:
 - 2.1. **Teacher:** means a non-probationary "teacher" as defined in [M.S. 122A.40](#) who has a valid license to teach in Minnesota and is a member of the appropriate unit as defined in this agreement.
 - 2.2. **Subject matter or field:** "Subject matter or field" means a specific subject area and grade level licensed by the State of Minnesota for which specific licensing criteria have been set.
 - 2.3. **License:** When used in this Article "license" means a regular license issued by the State of Minnesota, and shall include only licenses actually on file in the District Office as of November 1. The term "license" does not include a Tier 1, Tier 2, provisional, limited or temporary license.
 - 2.4. **Qualified:** To be "qualified," a teacher must hold a license from the State of Minnesota for the position in question and must have taught in the District within the past ten (10) years in an assignment requiring the specific license supporting the teacher's seniority claim.
 - 2.5. **Days:** When used in this Article, "days" means calendar days.
3. **Seniority Date.** Seniority shall be based upon continuous and unbroken employment with the District from the most recent date of contracted service, including periods of employment with the District outside the appropriate unit and periods of authorized leave of absence. Upon completion of the probationary period, each teacher employed will be assigned a seniority date retroactive to the first day of actual service for the District during the regular school year pursuant to such individual contract. Services performed outside the regular school year for additional compensation (except for regular teaching service performed for extra weeks) shall not be considered in the establishment of a teacher's seniority date. The original seniority date shall be retained by any teacher whose employment has been legally terminated by resignation or termination, but whose employment was subsequently reinstated without actual interruption of regular service.
4. **Seniority List.**
 - 4.1. **Bargaining unit members covered under M.S. 122A.40.** On or before November 15 of each year, the district shall prepare from its records a seniority list, in order of seniority date, which shall contain the seniority date, name and area(s) of licensing for each teacher as shown by licenses on file in the district office as of November 1 of said year, and current employment status (i.e., whether on leave, including specification of type and length of leave). Teachers with identical seniority dates will be listed in the order of their lane placement approved by the School Board as of the date of preparation of the seniority list: the teacher approved for the highest lane placement as of the date of preparation of the seniority list, will be listed first. In the event of a continuing tie, the teacher with the lower license number will be senior.

The School Board will provide one (1) copy of the seniority list to the NEA and will post one (1) copy of the seniority list in each school building on or before November 15 of each year. Any teacher may challenge the correctness of the information contained in the posted seniority list. The teacher should first try to resolve the issue informally with the Director of Human Resources or their designee. If it is not resolved, the teacher must file a written grievance with the Superintendent. In the absence of a grievance filed within twenty (20) calendar days from the date of posting, the posted seniority list will be conclusively deemed to be correct.

5. **Unrequested Leave of Absence.** The School Board may place on unrequested leave of absence as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts.
6. **Placement on Unrequested Leave.** Teachers shall be placed on unrequested leave in inverse order of seniority in the field and subject matter currently employed or taught within the past ten (10) years. Teachers shall not be permitted to apply or exercise their seniority in any other subject matter or field than the one in which they are currently employed or have taught within the past ten (10) years with the exception of teachers on special assignments such as a coordinator, instructional or behavior coach, dean or other special assignments within the bargaining unit. The teachers on special assignment shall also have the right to apply or exercise seniority rights to the subject matter or field held immediately prior to taking the special assignment. Any teacher placed on unrequested leave of absence pursuant to this Section shall be notified in writing of such unrequested leave of absence. When completing the process of proposing teachers for unrequested leave, the District will automatically apply bumping rights subject to the following conditions:
 - 6.1. The teacher exercising bumping rights must be higher on the seniority list than a teacher being displaced.
 - 6.2. Prior to exercising bumping rights in any department or grade level, the district may remove any probationary or less senior teacher who had been part of the Northfield Teaching Fellows (Grow Your Own) grant program and meets performance standards. Teachers who are removed from the process by the district for that reason will not be subject to unrequested leave of absence/non-renewal as outlined in this Article for the affected fiscal year.
 - 6.3. A teacher with a temporary, limited or provisional license may not bump into a position held by any teacher who holds a Tier 3 or Tier 4 license for the position.
 - 6.4. A full-time teacher who has been placed on unrequested leave shall have recall rights to a lesser position but acceptance of a lesser position shall not jeopardize rights to a full-time position equivalent to that previously held.

7. **Notification.** The District will notify teachers of their placement on unrequested leave of absence before July 1 of the school year in which the unrequested leave will begin. The notice must state the grounds for the unrequested leave of absence and must inform the teacher of the right to request a hearing within fourteen (14) calendar days after receiving the notice. If a hearing is requested within fourteen (14) calendar days, which requires that the District receive the notice within the fourteen (14) calendar day period, the hearing will be held before an independent hearing officer selected by the District. The scope of the hearing will be limited to determining whether the teacher's placement on unrequested leave was in the inverse order of seniority, as required by this Article. The District may consolidate hearings if more than one teacher requests a hearing. If the teacher does not request a hearing within fourteen (14) calendar days after receiving the notice of placement on an unrequested leave of absence, the teacher will be deemed to have acquiesced to unrequested leave of absence.
8. **Status While on Leave.** An unrequested leave of absence shall be effective as of the last duty day of the regular school year as per the school calendar, or at such earlier time as mutually agreed between the School Board and the individual teacher even though the date for final notice of placement on unrequested leave of absence is June 30. A teacher on such leave may engage in teaching or any other occupation during the period of such leave, and may be eligible for unemployment compensation pursuant to the criteria for eligibility under the Unemployment Compensation Act.
9. **Recall.**
 - 9.1. **Notice.** The School Board may send out multiple letters of recall for a single vacancy, inquiring whether the teachers notified are willing to accept recall to the vacant position if those teachers with superior recall rights do not accept recall to a position. Notice of recall by the School Board shall be complete upon mailing such notice by certified mail addressed to the last known address provided by the teacher or by personal delivery by an administrator if the teacher is in a district building.
 - 9.2. **Recall Before New Hires.** No new teacher shall be employed by the School Board in any position while there is available, on unrequested leave of absence, a teacher who is properly qualified to fill the vacant position. A teacher placed on unrequested leave of absence shall be recalled, as positions become available, to the position from which such teacher was placed on leave, or if not available, to any other position for which such teacher is qualified.
 - 9.3. **Recall Order.** Recall shall be in the inverse order of placement on leave: the last teacher placed on unrequested leave of absence who is qualified for the position shall be the first recalled.
 - 9.4. **Recall to Lesser Positions.** If a teacher is offered recall to a vacant position that is less than the teacher's unrequested leave of absence FTE, the employee shall not be required to accept the position and refusal shall not jeopardize the teacher's right of recall to the teacher's original FTE status. The teacher will not be offered the position

again unless, after being filled, it again becomes vacant, or if it remains vacant and its FTE amount changes. A teacher accepting a recall to a lesser position retains recall rights to the original unrequested leave of absence FTE.

9.5. Required Response.

9.5.1. Prior to August 1. A teacher accepting or rejecting recall shall respond, in writing to the Human Resources Director, within ten (10) calendar days of notice. Failure to give written notification of willingness to accept recall to a position equivalent to that which the teacher is on unrequested leave of absence within a ten (10) calendar day period shall constitute a waiver on the part of such teacher regarding the position(s) offered and shall constitute waiver on the part of that teacher to any further rights of employment or recall and shall forfeit any further recall or reemployment rights under this Article. However, in the event that a teacher has signed a teaching contract with another school district prior to recall, and the school board of that district notifies the Northfield School District in writing of its refusal to release the teacher from the contract, the teacher will be allowed to defer recall for the next school year or the remainder of the school year without termination of rights under this section.

Likewise, failure to reply within a ten (10) calendar day period to accept or decline a recall to lesser positions shall constitute a waiver on the part of such teacher regarding the position(s) offered and shall constitute waiver on the part of that teacher to any further rights of employment or recall and shall forfeit any further recall or reemployment rights under this article.

9.5.2. Beginning August 1. If notice of any available position is given to any teacher on or after August 1 of any school year, a teacher accepting or rejecting recall shall respond in writing to the Human Resources Director within seven (7) calendar days and may decline the recall without waiving recall rights to further employment or reinstatement and shall maintain their seniority date without interruption. Failure to reply within such seven (7) calendar day period shall constitute a waiver on the part of such teacher regarding the position(s) offered and shall constitute waiver on the part of that teacher to any further rights of employment or recall and shall forfeit any further recall or reemployment rights under this Article.

10. Termination of Rights. A teacher's seniority rights, unrequested leave of absence, and recall rights, if any, shall terminate upon the earliest of the following events:

10.1. Resignation;

10.2. Retirement;

- 10.3. Discharge or termination of contract;
 - 10.4. Failure to return at the expiration of a leave of absence;
 - 10.5. Failure to give written notification within the time limits established under Section 9. In the event that a teacher has signed a teaching contract with another school district prior to recall and the School Board of that district notifies the Northfield School District in writing of its refusal to release the teacher from the contract, the teacher will be allowed to defer recall for the next school year or the remainder of the school year without termination of rights under this section.
 - 10.6. The expiration of five (5) years from the effective date of an unrequested leave of absence without recall.
11. **Doctrine of Strand.** The holding of the Strand case, and other case law stemming from [M.S. 122A.40, subd. 10](#), as enunciated by the Minnesota Court of Appeals and the Minnesota Supreme Court shall not be applied in the administration of this Article. The District shall not be required to perform any type of realignment or to transfer a senior teacher to a different assignment involving another area of licensure in order to accommodate the seniority claim of a less senior teacher during the process of layoff or recall.
 12. **Continuation of Insurance.** The District shall continue to make health insurance premium contributions as provided in Article VII until the following August 31 for all teachers who are placed on unrequested leave of absence according to the provisions of this Article. A teacher shall not be eligible for benefits while on unrequested leave of absence except as provided by law.
 13. **Concurrent Leaves.** An unrequested leave of absence may run concurrently with any other leave granted in accordance with this contract or in accordance with Minnesota Law.

ARTICLE XV VACANCIES AND TRANSFERS

1. **Requests for Transfer.** On an annual basis, the School Board will provide an opportunity for teachers to formally request a transfer to any teaching position(s) in the District for which they are properly licensed. The School Board reserves its management right of selection and direction of employees, but shall give written notice to each teacher whose request for transfer is denied.
2. **Vacancies.** The School Board will post notices for vacant teaching positions. Any teacher may apply for transfer to any posted position for which such teacher is licensed by completing the District's internal application process within five (5) working days from the date of posting. The School Board shall consider all timely applications for voluntary transfer before permanently filling any vacant teaching position. The School Board reserves its management right of selection and direction of employees, but shall give written notice to

each teacher whose application for voluntary transfer to a posted position is denied.

3. **Involuntary Transfers.** The School Board shall give written notice to a teacher being involuntarily transferred to another school building.
4. **Assignments.** The School District will make an effort to post all teaching assignments for the following school year ten (10) working days before the last teacher duty day. When reassignments involving moving are initiated by the District, the teacher shall be paid a moving reimbursement as outlined in Schedule D of this agreement.
5. **Grievances.** A teacher who desires a written statement of reasons for their involuntary transfer or denial of their application for voluntary transfer to a posted position shall make a written request for such statement of reasons to the Director of Human Resources within five (5) working days after receiving notice of the denial or transfer. Such written statement of reasons shall be given to the teacher within five (5) working days following a timely request. Any teacher may file a formal policy grievance over the statement of reasons given to such teacher for an involuntary transfer or denial of a voluntary transfer within twenty (20) working days after receipt of the statement of reasons, but such grievance shall not be subject to arbitration.

ARTICLE XVI LONGEVITY

1. **20 Years.** After twenty (20) years of employment as a teacher, ten (10) of which must be in the Northfield School District, a teacher shall receive a career increment totaling \$3,000.00 for the 2025-2026 school year and \$3,000.00 beginning with the 2026-2027 school year.
2. **25 Years.** After twenty-five (25) years of employment as a teacher, ten (10) of which must be in the Northfield School District, a teacher shall receive a career increment totaling \$6,000.00 for the 2025-2026 school year and \$6,000.00 beginning with the 2026-2027 school year.
3. **30 Years.** After thirty (30) years of employment as a teacher, ten (10) of which must be in the Northfield School District, a teacher shall receive a career increment totaling \$8,000 for the 2025-2026 school year and \$8,000 beginning with the 2026-2027 school year.
4. **Determination.** School years during which a teacher has been on any type of leave of absence for which step increments are not granted shall not be counted as a year of employment for the purposes of determining longevity eligibility. Longevity amounts shall be prorated to the FTE portion of the teacher's individual contract.

ARTICLE XVII SEVERANCE

1. **Eligibility.** Teachers shall notify the District of their intent to retire by February 1. Teachers must have been employed prior to July 1, 2002, in order to receive severance pay. Teachers hired between March 1, 1997 and June 30, 2002 had the opportunity to make an irrevocable decision to forfeit severance pay and thereafter be eligible to receive matching contributions in accordance with Article XVIII. Provisions for severance pay are listed in 1.1 through 1.5 below.

- 1.1. Teachers who meet the conditions of either paragraph 1.1.1 or 1.1.2 below shall be eligible for severance pay pursuant to the provisions of this Article upon retirement.

- 1.1.1. **30 years as a licensed teacher, 25 years in Northfield.**

2011-12 and Beyond		
30 Year Provision		Proration
Total Years	Years in Northfield	Percentage
30	25	100%
29	24	90%
28	23	80%
27	22	70%

- 1.1.2. **25 years as a licensed teacher, 15 years in Northfield, and age 59.** Beginning with the 2012-13 school year, the requirement of this section reverts eligibility for the full severance package under paragraph 1.2 to those who have worked twenty-five (25) years as a licensed teacher and served fifteen (15) of those years in Northfield. No additional proration will be made for paragraph 1.2.

2012-13 and Beyond		
Age 59 Provision		
Total Years	Years in Northfield	Percentage
25	15	100%

- 1.2. School years during which a teacher has been on a leave of absence shall not be counted as a year of employment for the purposes of determining the number of years of service.
- 1.3. A teacher shall be eligible to receive severance pay upon their retirement in the amount of 100 days, times the teacher's daily rate at the time of retirement.
- 1.4. The teacher's daily rate of pay shall be based on the basic annual salary at the time of retirement, as provided in the basic salary scheduled for the basic school year and shall include longevity. The rate shall not include an additional compensation for co-curricular activities, extended employment or other extra compensation.
- 1.5. Severance pay shall be paid by the District in one lump sum within a month after the effective date of retirement and shall not be granted to any teacher who is discharged from the district.

ARTICLE XVIII MATCHING 403(b) TAX DEFERRED PLAN

1. **Eligibility.** Teachers hired on or after July 1, 2002, and those teachers making an irrevocable severance forfeiture decision as provided for in Article XVII, shall be eligible for a matching contribution by the District to a 403(b) tax-deferred plan and in accordance with applicable state and federal laws, rules and regulations.
 - 1.1. **Authorized Changes.** Each year by October 1, eligible teachers who wish to participate in the plan shall be responsible to complete and file a salary deduction authorization for their annual contribution to a matching 403(b) tax-deferred plan. In a year in which a teacher makes no contribution, the District shall likewise make no contribution to that teacher's account.
 - 1.2. **District Match.** The District will match a teacher's contribution to a 403(b) tax-deferred plan according to and up to the maximum amounts on the following schedule. For teachers who work less than full time, the district matching contribution will be prorated accordingly.

Years of Completed Teaching Experience in Northfield	Maximum Annual School District Matching Contribution
1- 6 years	\$1,000.00
7-17 years	\$1,500.00
18 years or more	\$2,500.00

- 1.3. **Total Matching Contribution.** Tax deferred accounts shall be opened with an approved vendor. The District approved vendor list is available in the Human Resources Office, the Finance Office or on the District website. Matching contributions made by the District will continue until the total matching contribution made by the District for the eligible teacher reaches \$35,000.
- 1.4. **Leave of Absence.** Teachers on a leave of absence for one (1) or more years may not participate in the District's matching 403(b) tax-deferred plan while on leave.

ARTICLE XIX SPECIAL PAY DEFERRAL AND HEALTH CARE SAVINGS PLAN

1. Teachers who retire and are eligible for severance pay shall participate in an IRS approved 401(a), 403(b) or 457 based Special Pay Deferral Plan and a trust-based Health Care Savings Plan made available through the District. Of the severance amount, 0% shall be designated to the Special Pay Deferral Plan, and 100% shall be designated to the Health Care Savings Plan.

ARTICLE XX PROFESSIONAL GROWTH PROGRAM

1. **Premises for Professional Growth Program.** In a society that is rapidly expanding in its social, technological, and educational needs, it becomes imperative that the District should recognize and provide leadership in areas which will lead to a quality education for all our students.
 - 1.1. Though excellent facilities and materials are very important, the parties believe that the primary factor for a quality education is a progressive, well-trained, experienced, and dedicated faculty.
 - 1.2. To attract and retain quality teachers, the District must provide a variety of ways in which they may maintain and enhance their high standards. This continuous growth process should include avenues for growth in skills, for gaining new insights into the needs of our students, for providing a broad base of experience and information, and for exploring new methods and patterns most conducive to efficient learning.
 - 1.3. The District recognizes the worth of these highly trained teachers by providing a salary schedule that includes several lanes.
 - 1.4. The District provides the procedures that will most efficiently and fairly evaluate each individual's professional growth before accepting their credits for lane change.
 - 1.5. The District attempts to recognize past credits earned by teachers and encourages the teaching staff to prepare for the present and future needs of our students.

2. Establishment and Operation of the Professional Growth Committee.

2.1. All matters pertaining to Professional Growth will be submitted to the Professional Growth Committee in the following manner:

2.1.1. Each teacher should review their plan for professional growth with the building committee representative(s).

2.1.1.1. This Building Committee will include the building principal (or their appointee), and two full-time certified teaching staff members (one of which will represent the Building Professional Growth Committee on the District Professional Growth Committee).

2.1.1.2. The Building Committee will review the candidate's "Intent Form" and suggest improvements or deletions if necessary. These Intent Forms are due prior to the Professional Growth Committee meeting date. To be certain that the credits will be acceptable, it is the staff members' responsibility to consult with their Professional Growth Building Representatives prior to beginning any course.

2.1.1.3. When Intent Forms are completed and approved by the Building Committee, they will be forwarded to the Professional Growth Committee. The Professional Growth Committee will review the Intent Forms and recommend action to the Human Resources Department or the Superintendent's designee.

2.1.1.4. Minutes and lane change recommendations of the Professional Growth Committee will be submitted to the Director of Human Resources for appropriate action. Each staff member will receive a copy of the minutes of the Professional Growth meeting and it is the staff member's obligation to review these minutes to determine their lane change status. When necessary, teachers should consult with their building committee in regard to their professional growth records.

2.1.1.5. All approved credits shall remain a part of each staff member's professional growth file and shall not be subject to revocation as long as the staff member is employed by the Northfield School District.

2.2. Professional Growth and the Professional Growth Committee shall relate to NEW TEACHERS as follows:

- 2.2.1. When new teachers are hired, the academic credentials of these staff members will be submitted to the Human Resources Department for recommended lane placement. The chair of the Professional Growth Committee will review the placement before action by the School Board in all cases where it is possible or applicable.
- 2.2.2. New teachers are bound by the step and lane agreement upon which they were hired as indicated on the Declared Credits by New Teachers Form. Review of a teacher's step or lane placement would be made only when there is a claim that credentials are misrepresented by a teacher or claim that the Board or its representative has misrepresented its offer.
- 2.2.3. The Professional Growth Committee shall provide information about professional growth procedures in the "New Teacher Packets" distributed by the Human Resources Office. New teachers should contact their Building Professional Growth Committee if procedure clarification is required.
- 2.2.4. Graduate credits earned before the date of a new teacher's licensure may be considered for initial lane placement at the discretion of the Director of Human Resources or the Superintendent's designee if the graduate credits are germane to the teachers assigned subject matter.
- 2.3. The Professional Growth Committee:
 - 2.3.1. The Professional Growth Committee will include two (2) teachers and one (1) alternate from each building of the District, one (1) elementary administrator, one (1) secondary administrator, and the Director of Human Resources.
 - 2.3.2. Professional Growth Representatives in each school building shall determine the members of their Building Professional Growth Committee. It is recommended that there should be at least one (1) experienced member on the building committee.
- 2.4. **Forms.** The following forms are in use by the Professional Growth Committee and should be available in the office of the Principal of each building. These forms are periodically revised to meet changing needs.
 - 2.4.1. Application for Lane Change Form
 - 2.4.2. Declared Credits by New Teacher Form

3. **Lane Change Procedures.**

- 3.1. A teacher who qualifies for a higher salary education classification will be placed upon the higher schedule based on recommendations by the Director of Human Resources and the Professional Growth Committee. Individual contracts will be

modified prospectively to reflect qualified lane changes in accordance with the following procedures. The salary for the higher lane placement will become effective on the first of the month following the Professional Growth Committee's action. Undeclared credits earned prior to initial employment may not be used to attain subsequent lane advancement. To ensure that the applicant is informed that undeclared graduate credits earned prior to initial employment may not be used to attain subsequent lane advancement, both applicant and Director of Human Resources shall sign the Declared Credits by New Teacher Form. Copies of the Declared Credits by New Teacher Form shall then be placed in the applicant's professional growth folder and personnel file.

A teacher applying for a lane change shall submit a completed copy of the Application for Lane Change Form to the Professional Growth Committee.

- 3.2. **Transcripts.** When the Professional Growth Committee recommends a lane change for a teacher, an official transcript of college credits and a list of approved local credits in semester hours shall be submitted (credits which apply to the particular lane change) to the Director of Human Resources at the next District Professional Growth meeting. When the teacher is moving to the MA lane, the official transcript must show the terminal degree and the date the degree was conferred.
- 3.3. **Cut Off Dates.** The cut-off dates when teachers must submit intentions to change lanes for the upcoming semester are published yearly in the Guidelines for Professional Growth Procedures.
- 3.4. **Written Statements.** Teachers who intend to make any kind of changes in professional status should be sure they secure the proper forms from their building representatives and submit them before the published deadlines.

4. **Guidelines for the Continuing Professional Growth Program.**

4.1. **General Policies**

- 4.1.1. Credit may be earned by staff members through study initiated for one or more of the following purposes:
 - 4.1.1.1. Increasing the depth of preparation in areas of specialization.
 - 4.1.1.2. Broadening of liberal arts education in areas related to their field of specialization.
 - 4.1.1.3. Acquiring new skills and/or knowledge related to current developments and scholarship in their field of specialization.

- 4.1.1.4. Increasing knowledge of educational methods, philosophy, child development, and psychology.
 - 4.1.1.5. Preparation for new responsibilities in the District that have been or will be assigned.
- 4.1.2. All graduate credits earned after a bachelor's degree has been granted, and that are in education, in the particular teacher's field, or in a related field will be evaluated by a committee.
- 4.1.3. All local credits will also be evaluated by this committee.
- 4.1.4. Only those graduate and/or local credits earned after a terminal degree has been granted shall be applicable to the next lane. After the B.A. or M.A. has been granted and validated by the college, future graduate and/or local credits earned are applied to the next lane change. Teachers who earn a Tier 3 or Tier 4 license while employed by the District will be eligible to apply all relevant graduate level credits earned in pursuit of that license to the next lane change upon issuance of the Tier 3 or Tier 4 license.
- 4.1.5. The building level evaluation committee will include the building principal or assistant principal and one or more Professional Growth Committee building representatives.
- 4.2. **Kinds of credits to be considered for evaluation.**
 - 4.2.1. **Local Credits.** Local credits might include in-service training, travel, technical workshops, approved customized professional development experiences, approved micro-credentials or conferences.
 - 4.2.2. **College/University graduate-level credits.** These credits should be clearly identified as graduate-level credits that are offered through a college or university that can be used towards a graduate-level degree, and not correspondence professional development credits. The Professional Growth committee will establish criteria and procedures for evaluating the validity of graduate credits.
 - 4.2.3. **Technical College Credits.** Technical College credits must meet the same criteria as college or local credit. It is the intent that these credits be granted for increasing skills that improve an instructor's technical competencies in the areas of their teaching assignment and relevance to current workforce needs.
 - 4.2.4. **Undergraduate Credits.** Undergraduate credits in the following areas with prior approval from the Superintendent or designee:

- 4.2.4.1. Spanish as a second language
- 4.2.4.2. American Sign Language
- 4.2.4.3. Somali as a second language
- 4.2.4.4. Swahili as a second language
- 4.2.4.5. English as a second language

4.3. The requirements for local credit would be as follows:

- 4.3.1. In-service courses or workshops must have the approval of the Professional Growth committee prior to offering the course to insure that credit will be granted.
 - 4.3.1.1. This includes instructors (leaders) and participants attending courses or workshops outside the school day who do not receive a stipend or are not otherwise compensated by the District for their time.
 - 4.3.1.2. Instructors will receive local credits only once for the same course and then only if not paid for service.
- 4.3.2. The instructor of the course must certify the proficiency of the applicant for the records to be eligible. The instructor may earn credits by declaring the amount of time spent instructing during the workshops as well as their preparation time. A minimum of twenty (20) hours combined class and out-of-class work as an instructor or leader is deemed sufficient to equal one local credit.
- 4.3.3. Persons wishing to take local credits should receive the approval of their building committee.
- 4.3.4. The norm for course credits or technical workshop credits is as follows:
 - 4.3.4.1. 1 credit: A minimum of twenty (20) hours combined class and out-of-class work.
 - 4.3.4.2. 2 credits: A minimum of forty (40) hours combined class and out-of-class work.
- 4.3.5. Allowances for special projects or other course-related activities will be evaluated individually. These would include evaluation for activities not specified or of a shorter duration such as travel, conferences, etc. No more than a career total of six (6) credits for travel shall be allowed for any individual teacher.
- 4.3.6. No more than four (4) local credits shall be applied within any given lane, except for technical workshop credits, where all credits approved by the

Professional Growth Committee shall apply.

- 4.3.7. A certificate will be issued by the instructor or administrator at the completion of workshop or coursework for local credit. Members are required to retain these certificates in their professional growth files.

ARTICLE XXI PROTECTIVE CLOTHING

1. **Payments.** The District shall provide protective clothing and protective eyewear for teachers in classes that require other than the ordinary clothing. This would include such classes as industrial technology, family and consumer science, art, and science. The maximum annual amount per eligible employee is \$250.00.

ARTICLE XXII SALARY CHECKS

1. **Salary Payments and Deductions.** Salary payments will be electronically deposited twice per month on or before the 15th and 30th of each month commencing each contract year in the month of September. In most instances electronic payments will be deposited on the Friday prior to those dates if they fall on a weekend. The Finance Office will annually electronically publish a list of payroll dates for the ensuing contract year.

Teachers will be paid on a 24 payment basis with equal amounts paid beginning September 15 and ending August 30 of the subsequent year. Payment for additional work will be made as reported by principals. Pay for co-curricular activities will be made according to the statement of the assignment.

ARTICLE XXIII MEET AND CONFER PROCEDURES

1. **Meet and Confer Items.** The School Board and the NEA mutually recognize that the PELRA provides for the establishment of procedures whereby the parties may meet and confer on educational policies of the district and on matters relating to the terms and conditions of employment in addition to the terms and conditions specifically set forth in this Agreement.
2. **Meet and Confer Committee.** In order to comply with the spirit and intent of the PELRA, the parties hereby establish a Meet and Confer committee to which all matters subject to the meet and confer process shall be referred; provided, however, that matters appropriate for consideration by the Staff Advisory Council should be deferred to the Council. The Meet and Confer committee shall be composed of four (4) members appointed by the School Board, at least one of whom shall be a School Board member, and four (4) members appointed by the NEA. The Meet and Confer committee shall meet at the request of either party, but no less often than once every four (4) months. The Meet and Confer committee shall be given advance notice and reasonable opportunity to meet prior to the adoption of

changes to any of the following policies: [102 - Educational and Employment Opportunity](#); [436 – Professional Staff Performance Evaluation](#); [403 – Dismissal of Employees](#); [652 – Instructional Materials Selection and Production](#).

Any grievances with respect to such policies shall be policy grievances and shall not be subject to arbitration. The teacher handbook for each building shall be reviewed with the NEA building representative prior to its presentation to the staff during workshop.

3. **Other District Committees.** The Co-Curricular committee shall continue to function in accordance with policies adopted by the School Board. Proposed changes in the functions or purposes of the Co-Curricular committee will be discussed with the Meet and Confer committee prior to implementation, unless the Superintendent and the NEA have already reached agreement on the proposed changes.

ARTICLE XXIV GRIEVANCE PROCEDURE

1. **Definitions.**

- 1.1. **Contract Grievance:** A claim by a teacher, group of teachers, or the exclusive representative that there has been a violation, misinterpretation, or misapplication of any provision of this Contract.
- 1.2. **Policy Grievance:** Any dispute or disagreement as to the interpretation or application of any term or terms of other established policies, rules, or regulations of the Employer. A policy grievance may be processed through the grievance procedure to the level of the School Board, but shall not be subject to arbitration.
- 1.3. **Days:** “Days” mean calendar days excluding Saturday, Sunday, and legal holidays as defined by Minnesota Statutes.
- 1.4. **Service and Filing:** The filing or service of any notice or document herein shall be timely if it is personally served or if it is sent by certified mail postmarked by the United States Postal Service within the time period.
- 1.5. **Reduced to Writing:** “Reduced to writing” means a concise statement outlining the nature of the grievance, the provision(s) of the contract in dispute, and the relief requested. The District has a grievance form for this purpose (see Exhibit D), copies of which are available in the office of each building principal. The grievance form must be signed by the grieving teacher (or one of a group of grieving teachers) and by a duly authorized representative of the NEA (even if the teacher does not wish to be represented by the NEA). All subsequent processing of the grievance should ordinarily use the original grievance form.

- 1.6. **Answer:** “Answer” means a concise response outlining the School Board’s position on the grievance.
- 1.7. **Computation of Time:** In computing any period of time prescribed or allowed by procedures herein, the day on which the act, event or default for which the designated time period begins to run shall not be counted. If the last day of the period so computed falls on a day within the regular school year which is not a teacher duty day, that day shall not be counted and the period shall run until the end of the next teacher duty day. If the last day of the period so computed falls outside the regular school year on a Saturday, a Sunday, or a legal holiday, that day shall not be counted and the period shall run until the end of the next day which is not a Saturday, a Sunday, or a legal holiday.
2. **Level I.** Before filing a formal grievance, the teacher shall first discuss the alleged grievance with their building principal or other immediate supervisor in an attempt to resolve the grievance on an informal basis within the same conference.
 - 2.1. A formal grievance is initiated at Level I when it is reduced to writing on the grievance form (Exhibit D) and served on the building principal or other immediate supervisor. The building principal or other immediate supervisor must be served within twenty (20) days after the grievance occurred or twenty (20) days after the teacher knew, or through the exercise of reasonable diligence should have known, of the occurrence giving rise to the grievance. The teacher filing a formal grievance shall also serve a copy on the NEA.
 - 2.2. The building principal or other representative of the Employer shall, within five (5) days after receipt of the written grievance, meet with and serve on the grievant and the NEA a written statement of the disposition of the grievance.
3. **Level II.** If a grievance is not satisfactorily resolved at Level I, it may be appealed to Level II by serving a notice of appeal on the Superintendent within five (5) days after receipt of the written disposition of the grievance at Level I. A formal grievance involving teachers in more than one (1) building may also be initiated by the NEA at Level II by reducing it to writing on the grievance form (Exhibit D) and serving it on the Superintendent within twenty (20) days after the grievance occurred or twenty (20) days after the NEA knew, or through the exercise of reasonable diligence should have known of the occurrence giving rise to the grievance.
 - 3.1. The Superintendent or their designee shall meet with the grievant and/or NEA within ten (10) days after receipt of an appeal of a grievance from Level I or a grievance initiated at Level II. The Superintendent or their designee shall, within five (5) days of such meeting, serve on the grievant and the NEA a written statement of the disposition of the grievance at Level II.

4. **Level III.** If a grievance is not satisfactorily resolved at Level II, it may be appealed to Level III by serving a notice of appeal on the Clerk of the School Board within five (5) days after receipt of the written disposition of the grievance at Level II. Such notice of appeal shall include a copy of the written statement of the grievance and the answers at Level I and Level II.
 - 4.1. The School Board shall meet with the grievant and the NEA within ten (10) days after receipt of the notice of appeal, or by the date of its next regular board meeting, whichever is later. In the case of a grievance involving a group of teachers, such meeting need include only the NEA and the School Board.
 - 4.2. The School Board shall, within ten (10) days of such meeting, serve on the grievant and the NEA a written statement of the disposition of the grievance at Level III.
5. **Level IV.** The NEA may submit to arbitration any contract grievance that has been properly processed through Level III of the grievance procedure. The NEA must file with the Superintendent and Bureau of Mediation Services a written notice of intention to arbitrate not more than fifteen (15) days after the written disposition of the grievance at Level III.
 - 5.1. The parties shall endeavor to select a mutually acceptable arbitrator to hear and decide the grievance. If no agreement is reached, either party may request from the Bureau of Mediation Services, a list of arbitrators selected by the Commissioner, providing such request is made within fifteen (15) days after request for arbitration. Upon receipt of the list of arbitrators, the District and the exclusive representative shall alternately strike names from the list of arbitrators selected by the Commissioner until only one (1) name remains. If the parties are unable to agree on who shall strike the first name, the question shall be decided by a flip of the coin.
 - 5.2. Upon appointment of the arbitrator, the teacher(s) or the exclusive representative shall within five (5) days after the notice of appointment forward to the arbitrator, with a copy to the School Board, the substance of the grievance that shall include the following:
 - 5.2.1. The issues involved.
 - 5.2.2. Statement of the facts.
 - 5.2.3. Position of the grievant.
 - 5.2.4. The written documents developed in the first three levels of the grievance procedure.
 - 5.3. The School Board is to make a similar submission of information; it shall also be done within five (5) days after the notice of appointment of the arbitrator, with copies to the teacher(s) or the exclusive representative.

- 5.4. The Board and the exclusive representative shall not be permitted to assert in such arbitration procedure any grievance or to rely on any evidence not previously disclosed to either party.
- 5.5. The arbitrator shall not have the power to add, to subtract from, or to modify in any way the terms of the existing contract.
- 5.6. The decision of the arbitrator shall be final and binding on all parties to the dispute unless the decision violates any provision of the laws of Minnesota or rules or regulations promulgated thereunder, or municipal charters or ordinances or resolutions enacted pursuant thereto, or which cause a penalty to be incurred thereunder. The decision shall be issued to the parties by the arbitrator, and a copy shall be filed with the Bureau of Mediation Services, State of Minnesota.
- 5.7. Each party shall bear its own expenses in connection with arbitration including expenses relating to the parties' representatives, witnesses, and any other expenses that the party incurs in connection with presenting its case in arbitration. A transcript or recording shall be made of the hearing at the request of either party. The parties shall share equally the fees of the arbitrator, but the cost of the transcript or recording will be paid by the party requesting the same (or shared if mutually agreeable) any other expenses which the parties mutually agree are necessary for the conduct of the arbitration.
- 5.8. Processing of all grievances shall occur after the close of the student contact portion of the teacher's workday whenever possible. If this is not possible, teachers shall not lose wages, subject to the limitation in Article IV, Section 8, during their necessary participation in the grievance proceeding on the following basis:
 - 5.8.1. The number of teachers participating may equal the number of administrative representatives participating in the grievance proceeding on behalf of the School Board; or
 - 5.8.2. If the number of said administrative representatives participating on behalf of the School Board is less than three (3), three (3) teachers may participate in the proceedings without loss of wages.
- 5.9. The parties, by mutual written agreement, may waive any step and/or extend any time limits in the grievance procedure. Provided, however, that failure to adhere to the time limits shall result in a forfeit of the grievance or, in the case of the School Board or its designees, shall require mandatory alleviation of the grievance as outlined in the last statement by the exclusive representative or teacher.
- 5.10. The provisions of this grievance procedure shall be severable, and if any provision or paragraph thereof or application of any such provision or paragraph under any circumstance is held invalid, it shall not affect any other provision or paragraph of this grievance procedure or the application of any provision or paragraph thereof

under different circumstances.

6. **Time Limits.** In the event a grievance is filed after May 15 of any year and strict adherence to the time limits may result in hardship to any party, the parties shall use their best efforts to process such grievance prior to the end of the school term or as soon thereafter as possible.
7. **Contract Expiration.** Notwithstanding the expiration of this contract, any claim or grievance arising hereunder may be processed through the grievance procedure until resolution.
8. **No Reprisals.** No reprisals of any kind shall be taken by the Board or the School Administration against any teacher because of their participation or refusal to participate in this grievance procedure.
9. **Representation.** Any teacher or the Employer may be represented at any stage of this grievance procedure by any person(s) or agent(s) designated by such party to act on their behalf. The NEA shall have the right to have a representative present and to express its position at any meeting for the adjustment of grievances under this Contract.

ARTICLE XXV DISCIPLINE AND DISCHARGE

1. **Discipline and Discharge.** No teacher shall be disciplined without just cause. District actions regarding discharge shall be governed by [MN Stat. 122A.40](#).
2. **Corrective Discipline.**
 - 2.1. **Objective.** A step in just cause disciplinary situations is a teacher/supervisor conference where the teacher has the opportunity to provide the teacher's side of the situation.
 - 2.2. **Representation.** Both the teacher and the District are entitled to be represented at all levels of this disciplinary process.
 - 2.3. **Written Reprimand.** If the supervisor believes that a written reprimand is necessary, and having provided the teacher with the opportunity for the teacher to provide an explanation regarding the circumstances, the supervisor will provide a copy of the reprimand to the teacher.
 - 2.4. **Suspension.** If the District decides that a suspension is appropriate, the length of the suspension will be appropriate to the infraction or misconduct under the circumstances of the situation.
 - 2.5. **Progressive Discipline.** The District intends to follow a policy of progressive discipline with its employees, but reserves its right to decide the level of discipline it

deems appropriate. The normal sequence of discipline would be:

- 2.5.1. Oral reprimand (in a formal, private setting);
- 2.5.2. Written reprimand;
- 2.5.3. Suspension without pay.

The relative seriousness of the matter will determine at what level disciplinary action is commenced. The District may, in its discretion, suspend a teacher with pay pending an investigation.

- 2.6. **Appeal.** The employee may request review of the District's decision through the grievance procedure. At the employee's option, the matter may be submitted directly to arbitration pursuant to Section 5 of the grievance procedure.

ARTICLE XXVI JOB SHARING

- 1. Teachers may volunteer and the District may, in its sole discretion, agree that two (2) or more teachers may share a position. A teacher's status in a shared position may be renewed on a year-to-year basis.
- 2. Teachers sharing a position shall be entitled to the leave benefits of Article VIII on a pro-rata basis.
- 3. Salaries for teachers sharing positions shall be prorated to reflect the fraction of the position shared. Increments and lane changes for teachers sharing a position shall be administered as if such teachers were teaching full-time, appropriately prorated for time worked.
- 4. Teachers sharing positions shall be treated in accordance with their former status, if any, as full-time or part-time teachers for purposes of Article XIV.
- 5. Teachers who formerly taught full time and are eligible for protection under the unrequested leave of absence article (Article XIV), shall be entitled to revert to full time status in any future school year, (unless, pursuant to Article XIV, this would result in the placement on unrequested leave of a more senior qualified teacher), by giving written notice of this intention to the Superintendent before February 1 prior to the school year of the intended return.
- 6. Insurance benefits are as provided in Article VII for part-time teachers.

ARTICLE XXVII DURATION

1. **Term and Reopening Negotiations.** This Agreement shall remain in full force and effect for a period commencing on July 1, 2025, through June 30, 2027, and thereafter until modifications are made pursuant to the PELRA. If either party desires to modify or amend this Agreement commencing on July 1, it shall give written notice of such intent no later than May 1, 2027. Unless otherwise mutually agreed, the parties shall not commence negotiations more than 90 days prior to the expiration of this Agreement.
2. **Effect.** This Agreement constitutes the full and complete Agreement between the School Board and the Northfield Education Association representing the teachers of the District. The provisions herein relating to terms and conditions of employment supersede any and all prior Agreements, resolutions, practices, School District policies, rules or regulations concerning terms and conditions of employment inconsistent with these provisions.
3. **Finality.** Any matters relating to the current contract terms, whether or not referred to in this Agreement, shall not be open for negotiation during the term of this Agreement unless mutually agreed upon by both parties.
4. **Severability.** The provisions of this Agreement shall be severable, and if any provision under any circumstances is held invalid, it shall not affect any other provisions of this Agreement or the application of any provision thereof.
5. **Individual Contracts.** All probationary teachers except occasional substitutes will be initially employed by written individual contracts. Any individual contract between the District and an individual teacher, heretofore executed, will be subject to and consistent with the terms and conditions of this Agreement. If an individual contract contains any language inconsistent with the Agreement, this Agreement during its duration shall be controlling. Any individual contract hereafter executed will be in the form provided in Exhibit E. Extensions or renewals of individual contracts may be by written notice of assignment.

ARTICLE XXVIII TEACHER RETIREMENT

Teachers planning on retiring from Northfield Public Schools shall notify the District by February 1 of the year in which they plan on retiring.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth under the signatures of their respective representatives.

NORTHFIELD EDUCATION ASSOCIATION

INDEPENDENT SCHOOL DIST. NO 659

Amanda Miller, President

Claudia Gonzalez-George, Chairperson

Paula Baragary, Chief Negotiator

Amy Goerwitz, Clerk

Dated this ____ day of December, 2025.

Dated this ____ day of December, 2025.

SCHEDULE A
SALARY SCHEDULE 2025-2026

	BA	BA10	BA20	BA30	BA40	MA	MA10	MA20	MA30	MA40
1	56,550	58,227	60,376	62,554	64,716	66,560	68,000	69,449	70,891	72,333
2	58,007	59,741	62,058	64,408	66,743	68,638	70,081	71,534	72,979	74,422
3	59,501	61,292	63,782	66,316	68,831	70,781	72,227	73,680	75,126	76,571
4	61,033	62,887	65,556	68,281	70,984	72,992	74,438	75,890	77,336	78,782
5	62,606	64,521	67,381	70,301	73,208	75,273	76,716	78,166	79,613	81,056
6	64,217	66,198	69,255	72,385	75,499	77,623	79,062	80,514	81,956	83,398
7	65,871	67,917	71,179	74,529	77,862	80,047	81,483	82,929	84,365	85,804
8	67,568	69,683	73,161	76,735	80,298	82,548	83,976	85,415	86,847	88,281
9	69,307	71,492	75,195	79,006	82,812	85,125	86,546	87,980	89,404	90,829
10	69,307	73,352	77,287	81,347	85,404	87,784	89,195	90,619	92,035	93,451

Teachers that hold an Ed.D. or Ph.D. are eligible for a \$2,500 annual stipend. Transcripts outlining the Ed.D. or Ph.D. must be on file with the Human Resources Office.

Employees that hold a Ph.D. or Ed.D. in a field of study germane to their subject matter will receive an additional \$1,000 annual stipend.

Teachers holding a Principal license and an Education Specialist degree will automatically be placed at MA+40. Transcripts outlining the Education Specialist degree must be on file with the Human Resources Office.

Lane Freezing (from Article V, Section 2).

A. The following lanes will have steps frozen as listed:

Lane

B.A. 9

All other lanes 10

No teacher may advance beyond the maximum step on a lane set forth above.

B. Negotiated raises in steps during subsequent years shall, however, be paid.

C. A teacher changing lanes from a frozen step shall receive credit toward step increments in the new lane for service while on the frozen step, up to the maximum step on the new lane set forth above.

**SCHEDULE B
SALARY SCHEDULE 2026-27**

Step	BA	BA10	BA20	BA30	BA40	MA	MA10	MA20	MA30	MA40
1	57,681	59,391	61,583	63,805	66,010	67,891	69,360	70,838	72,309	73,780
2	59,168	60,936	63,299	65,696	68,078	70,011	71,483	72,964	74,439	75,911
3	60,691	62,518	65,057	67,643	70,207	72,196	73,672	75,153	76,629	78,103
4	62,253	64,145	66,868	69,646	72,404	74,452	75,926	77,408	78,883	80,357
5	63,858	65,812	68,729	71,707	74,673	76,778	78,251	79,729	81,205	82,677
6	65,502	67,522	70,640	73,833	77,009	79,175	80,643	82,124	83,595	85,068
7	67,188	69,275	72,602	76,020	79,419	81,647	83,112	84,588	86,053	87,521
8	68,919	71,077	74,624	78,269	81,904	84,199	85,655	87,123	88,584	90,047
9	70,693	72,922	76,699	80,586	84,468	86,828	88,277	89,740	91,192	92,646
10	70,693	74,819	78,833	82,974	87,112	89,540	90,979	92,431	93,875	95,320

Teachers that hold an Ed.D. or Ph.D. are eligible for a \$2,500 annual stipend. Transcripts outlining the Ed.D. or Ph.D. must be on file with the Human Resources Office.

Employees that hold a Ph.D. or Ed.D. in a field of study germane to their subject matter will receive an additional \$1,000 annual stipend.

Teachers holding a Principal license and an Education Specialist degree will automatically be placed at MA+40. Transcripts outlining the Education Specialist degree must be on file with the Human Resources Office.

Lane Freezing (from Article V, Section 2).

A. The following lanes will have steps frozen as listed:

Lane

B.A. 9

All other lanes 10

No teacher may advance beyond the maximum step on a lane set forth above.

B. Negotiated raises in steps during subsequent years shall, however, be paid.

C. A teacher changing lanes from a frozen step shall receive credit toward step increments in the new lane for service while on the frozen step, up to the maximum step on the new lane set forth above.

SCHEDULE C
Co-Curricular Pay Schedule

I. DETERMINATION OF SUPPLEMENTS

The rate of pay for activities included in this section shall be determined through negotiations between the School Board and the NEA.

Coaches and Advisors of athletic and activities programs will be placed on the Schedule C pay schedule based on 4 criteria:

1. Number of Participants
2. Length of Season
3. Liability/Safety
4. Program Supervision

A review of participation in each activity will be conducted every four (4) years to determine approximate placement of positions on Schedule C. Pay is based on a percentage of BA, Step 1 of the teacher salary schedule in each year of the contract.

SCHEDULE C 2025-2026

<u>MINNESOTA STATE HIGH SCHOOL LEAGUE (MSHSL) SPONSORED ACTIVITIES</u>									
<u>HEAD COACHES</u>			<u>ASSISTANTS AND OTHER</u>			<u>9TH GRADE</u>	<u>MS HEAD</u>	<u>MS ASST</u>	<u>MS 6TH GR</u>
14%	13%	12%	10%	9%	8%	8%	6%	5%	4%
\$7,917	\$7,352	\$6,786	\$5,655	\$5,090	\$4,524	\$4,524	\$3,393	\$2,828	\$2,262

<u>NON-MSHSL SPONSORED ACTIVITIES</u>			
1	2	3	4
12%	9%	6%	4%
\$6,786	\$5,090	\$3,393	\$2,262

SCHEDULE C 2026-2027

<u>MINNESOTA STATE HIGH SCHOOL LEAGUE (MSHSL) SPONSORED ACTIVITIES</u>									
<u>HEAD COACHES</u>			<u>ASSISTANTS AND OTHER</u>			<u>9TH GRADE</u>	<u>MS HEAD</u>	<u>MS ASST</u>	<u>MS 6TH GR</u>
14%	13%	12%	10%	9%	8%	8%	6%	5%	4%
\$8,075	\$7,499	\$6,922	\$5,768	\$5,191	\$4,614	\$4,614	\$3,461	\$2,884	\$2,307

<u>NON-MSHSL SPONSORED ACTIVITIES</u>			
1	2	3	4
12%	9%	6%	4%
\$6,922	\$5,191	\$3,461	\$2,307

Coaches and advisors that were paid in accordance with Schedule C during the 2020-2021 school year will have their compensation held harmless beginning July 1, 2021 until they resign their position on Schedule C.

A. Experience Increment for Activities

New Coaches and advisors will be placed on the following table based on the prior experience as determined by the Director of Student Activities, or other designee.

Completed Years of Experience	Stipend
1	\$0.00
2	\$0.00
3	\$125.00
4	\$125.00
5	\$175.00
6	\$175.00
7	\$250.00
8	\$250.00
9	\$250.00
10	\$350.00

SCHEDULE D | 2025-2027
All Schedule D rates begin July 1 of each year

Miscellaneous Rates	2025-2026	2026-2027
Hourly rate of pay outside of contract time unless stated otherwise. Examples include but are not limited to: <ul style="list-style-type: none"> • Attending training • Providing training • Supervision of non-athletic events • After school instruction • Targeted Services instruction • Bridges to Kindergarten • Building and District Level Work Teams • Curriculum Writing • IEP meetings held during prep 	\$40.00/hr	\$40.00/hr
Substituting for another teacher	\$40.00/hr	\$40.00/hr
Homebound Instruction	Lane/Step	Lane/Step
Chair of the Continuing Education Committee <i>Note: This stipend constitutes 50% of the continuing education committee chair stipend. The NEA will pay the other 50% directly to the chair.</i>	\$750.00	\$750.00
Professional Growth Committee Chair <i>Note: This stipend constitutes 50% of the professional growth committee chair stipend. The NEA will pay the other 50% directly to the chair.</i>	\$125.00	\$125.00
District Initiated Room Move Stipend	\$100.00	\$100.00
Elementary Teachers who are assigned additional students because a substitute for the students' regular teacher cannot be secured will receive additional compensation as indicated below: <ul style="list-style-type: none"> • Less than or equal to two hours • More than two hours • Entire class for the full day 	<ul style="list-style-type: none"> • \$75.00 • \$150.00 • \$200.00 	<ul style="list-style-type: none"> • \$75.00 • \$150.00 • \$200.00
Summer School/Credit Recovery/Extended School Year	Lane/Step	Lane/Step
Overload Calculation		
A secondary teacher who contracts to teach a sixth class or a second supervision assignment will be compensated at the rates indicated below. A homeroom or activity period that is implemented by a seventy percent (70%) affirmative vote of a building teaching staff who cast ballots and whose activities, topics and utilization is determined by the building teaching staff and not assigned by the building principal or administration shall not constitute a sixth class or second supervision period as		

described in this paragraph. Any vote associated with this section will be jointly counted by the exclusive representative and an assigned representative from the District.

<u>Schedule</u>	<u>Classes</u>	<u>Supervision</u>	<u>Rate</u>
7 period day	6	1	$\frac{1}{2}$ Pro-rata
6 period day	6	0	$\frac{1}{2}$ Pro-rata
7 period day	6	0	$\frac{1}{2}$ Pro-rata
6 period day	5	1	$\frac{1}{2}$ Pro-rata
7 period day	5	2	<input type="checkbox"/> Pro-rata
6 period day	N/A	N/A	

Proration shall be based on the teacher's lane and step placement on the salary schedule, excluding longevity and other compensation.

Ancillary Rates	2025-2026	2026-2027
High School Band	\$6,361	\$6,488
Middle School Band	\$3,862	\$3,939
Pep Band	\$1,000	\$1,020
Elementary Band	\$2,499	\$2,549
High School & Middle School Jazz Band	\$1,590	\$1,622
High School Orchestra	\$6,361	\$6,488
Middle School Orchestra	\$3,862	\$3,939
Elementary Orchestra	\$2,499	\$2,549
High School Vocal	\$6,361	\$6,488
Middle School Vocal	\$3,862	\$3,939
Elementary Vocal (split)	\$1,079	\$1,101
Junior and Senior Class Advisors	\$2,499	\$2,549
Rock and Roll Revival - Director	\$7,724	\$7,879
Rock and Roll Revival - Choreographer	\$5,112	\$5,214
Rock and Roll Revival - Band Leader	\$4,430	\$4,519
Rock and Roll Revival - Vocal Coach	\$4,430	\$4,519
Rock and Roll Revival - Production Coordinator	\$4,430	\$4,519
Middle School Spelling Bee	\$613	\$626
DECA Advisor	\$3,408	\$3,476
FFA Advisor	\$4,000	\$4,080

The stipends above will be tied to the increase on Schedule A and B, respectively.

Step 1	EXHIBIT D		GRIEVANCE FORM		<u>Distribution of Form</u> • Board of Education • Superintendent • Human Resources Director • Building Principal • Northfield Education Association • Grievant
	Grievance # _____ (District Completes)				
	Name of Grievant _____				
	Date Filed _____				
	Home Phone _____				
	Teaching Assignment _____				
	Association Representative _____				
	Date Grievance Occurred _____				
	Statement of the grievance (including events/conditions of the grievance/persons responsible)				
	_____ _____ _____				
Step 1	Contract provision allegedly violated: _____				
	Redress Sought: _____ _____				
	Grievant Signature _____ (signed before submitting grievance)				
	LEVEL I - FORMAL -- DATE ISSUED: _____				
	<u>Disposition by Principal and Reasons Therefore:</u>				
Step 2	Disposition: _____ _____				
	Reasons: _____ _____ _____				
	_____ Principal's Signature				
	Initial Applicable Statements:				
	_____ I hereby accept the above disposition. _____ I hereby decline the above disposition. _____ I intend to process the grievance to the next step.				
Step 3	_____ Grievant's Signature (after principal's disposition)				
	Date: _____				

LEVEL II - FORMAL -- DATE ISSUED: _____

Disposition by Superintendent and Reasons Therefor:

Disposition: _____

Reasons: _____

Signature

Initial Applicable Statements:

_____ I hereby accept the above disposition.
_____ I hereby decline the above disposition.
_____ I intend to process the grievance to the next step.

Grievant's Signature

Date: _____

LEVEL III - FORMAL -- DATE ISSUED: _____

Disposition by Board of Education and Reasons Therefor:

Disposition: _____

Reasons: _____

Signature

Initial Applicable Statements:

_____ I hereby accept the above disposition.
_____ I hereby decline the above disposition.
_____ I intend to process the grievance to the next step.

Grievant's Signature

Date: _____

LEVEL IV - FORMAL -- DATE ISSUED

Disposition and Award of Arbitrator: _____

Signature of Arbitrator



INDEPENDENT SCHOOL DISTRICT #659 PROBATIONARY TEACHER CONTRACT

The School Board of Independent School District No. 659 of the State of Minnesota, enters into this agreement, pursuant to M.S. 122A.40, as amended, with **TEACHER NAME**, a legally qualified and licensed teacher who agrees to perform the teaching services prescribed by the School Board or its designated representative as **TEACHER ASSIGNMENT** for the **XXXX-XXXX** school year.

1. **Basic Services:** Said teacher also agrees to perform related professional services prescribed by the School Board or its designated representative during the school day as defined in the Agreement. This contract incorporates and is subject to the provisions of M.S. 122A.40, as amended, and the provisions of the Agreement for teachers of this District now or hereafter adopted for the said school year pursuant to the provisions of PELRA, as amended.
2. **Duration:** This contract covers the time period of **DATE** through **DATE**.
3. **Duty Year:** Teacher duty days and school days shall be those named on the school calendar as adopted by the School Board in accordance with the provisions of the Agreement for teachers of this District and the teacher agrees to teach on those legal holidays which the calendar may specify as a teacher duty day or school day.
4. **Additional Assignments:** The teacher may undertake, by separate agreement, the performance of additional work days or other additional assignments beyond the normal service prescribed for the teaching position, for the additional compensation established for such services. Any such additional assignment, and the additional compensation therefore, shall terminate at the end of the school year, and shall not be subject to the provisions of Minnesota Statutes 122A.40, unless otherwise expressly provided herein.
5. **Salary:** In consideration thereof, the School Board agrees to pay said teacher a salary based on the following information:

FTE:

Lane:

Step:

Days/Year:

Base Salary:

Employee Signature:

Board Chair Signature of Receipt:

Board Clerk Signature:

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2025



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
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INTRODUCTORY SECTION

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
BOARD OF EDUCATION AND ADMINISTRATION
YEAR ENDED JUNE 30, 2025**

BOARD OF EDUCATION

Claudia Gonzalez-George	Chair
Corey Butler	Vice Chair
Amy Goerwitz	Clerk
Ben Miller	Treasurer
Maggie Epstein	Director
Jenny Nelson	Director
Jeff Quinnell	Director

* * * * *

ADMINISTRATION

Dr. Matthew Hillmann	Superintendent
Val Mertesdorf	Director of Finance

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Education
Independent School District No. 659
Northfield, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northfield Public Schools Independent School District No. 659 (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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.

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.

Auditors' 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 auditors' 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, the budgetary comparison information, the schedule of changes in the district's total OPEB liability and related ratios, the schedule of the district's proportionate share of the net pension liability and the schedule of district pension contributions 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 statement of revenues, expenditures, and changes in fund balance – budget and actual – debt service fund, the schedule of changes in fund equities, the nonmajor governmental funds combining balance sheet and combining statement of revenues, expenditures and changes in fund balances, the food service fund budgetary comparison information, the community service fund budgetary comparison information, the uniform financial accounting and reporting standards compliance table, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 statement of revenues, expenditures, and changes in fund balance – budget and actual – debt service fund, the schedule of changes in fund equities, the nonmajor governmental funds combining balance sheet and combining statement of revenues, expenditures and changes in fund balances, the food service fund budgetary comparison information, the community service fund budgetary comparison information, the uniform financial accounting and reporting standards compliance table, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Rochester, Minnesota
December 11, 2025

REQUIRED SUPPLEMENTARY INFORMATION

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

This section of Independent School District No. 659'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 follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2024-25 include the following:

- The net position of governmental activities increased by \$5,376,308 to \$25,367,170. The change in net position is primarily related to changes in net pension related deferred inflows, deferred outflows and long-term liabilities in the state pension plans the district participates in.
- The District's governmental funds reported a combined fund balance of \$59,123,139, a net increase of \$41,247,387 in comparison with the prior year. This increase is primarily due to a \$39,000,000 building bond issuance. Seventeen percent (17%) of the total fund balance is unassigned.
- Total General Fund revenues and other financing sources were \$70,573,967 and total General Fund expenditures and other financing uses were \$67,961,634 for the fiscal year ended June 30, 2025. Total governmental fund revenues and other financing sources were \$122,731,227 total governmental fund expenditures and other financing uses were \$81,483,840.
- The General Fund Unassigned fund balance increased by \$1,933,647 to \$10,299,378 or 15% of general fund expenditures. In the spring of 2022 and 2023 the District used a priority-based budget process to reduce \$6.5 million of expenditures over a two year period. The increase in fund balance was intentional to support the anticipated budget shortfalls as a result of declining enrollment. The District continues to be in a strong financial position to be able to serve the Northfield Community.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of the following:

- Management's Discussion and Analysis;
- Basic financial statements, including the government-wide financial statements, fund financial statements, and the notes to the financial statements;
- Required supplementary information; and
- Supplementary information

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The basic financial statements include two kinds of statements that present different views of the District:

- **Government-Wide Financial Statements** – The government-wide financial statements, including the Statement of Net Position and Statement of Activities, are designed to provide short-term and long-term information about the District's overall financial status, using accounting methods similar to those used by private sector companies.
- **Fund Financial Statements** – The fund financial statements focus on individual parts of the District, reporting the District's operation in more detail than the government-wide financial statements. The District maintains three groups of fund financial statements:

Governmental Funds Statements – Governmental funds statements review how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.

Proprietary Funds Statements – Proprietary funds statements offer short-term and long-term financial information about the activities the District operates like a business.

Fiduciary Funds Statements – Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

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 liabilities and deferred inflows of resources, is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are 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 nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

GOVERNMENT-WIDE STATEMENTS (CONTINUED)

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.

The District maintains three kinds of funds:

- **Governmental Funds** – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps 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 district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- **Proprietary Funds** – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
- The District uses proprietary funds to report activities that provide supplies and services for the District's other programs and activities. The District currently has one proprietary fund; an internal service fund for health and dental insurance benefits.
- **Fiduciary Funds** – *Fiduciary funds* – The District is the trustee, or *fiduciary*, for assets that belong to others, such as the custodial funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's combined net position from Governmental activities was a positive \$25,367,170 on June 30, 2025. (See Table A-1) This represents an increase in net position of \$5,376,308.

**Table A-1
The District's Net Position**

	Governmental Activities as of June 30,		Percentage Change
	2025	2024	
Assets:			
Current and Other Assets	\$ 99,309,397	\$ 50,466,629	96.78 %
Capital Assets	92,038,782	93,381,430	(1.44)
Total Assets	191,348,179	143,848,059	33.02
Deferred Outflows of Resources	13,999,423	15,534,364	(9.88)
Liabilities:			
Current Liabilities	16,743,405	11,609,767	44.22
Long-Term Liabilities	122,111,597	98,677,547	23.75
Total Liabilities	138,855,002	110,287,314	25.90
Deferred Inflows of Resources	41,125,430	29,104,247	41.30
Net Position:			
Net Investment in Capital Assets	46,988,244	47,596,467	(1.28)
Restricted	6,455,283	5,001,124	29.08
Unrestricted	(28,076,357)	(32,606,729)	(13.89)
Total Net Position	\$ 25,367,170	\$ 19,990,862	26.89

The District's net position reflects its net investment in capital assets (e.g. land, buildings and furniture, and equipment) which decreased to \$46,988,244. The restricted category of the District's net position represents those resources that are restricted as to how they may be used, such as state mandated reserves, capital assets acquisition and debt service payments.

You will note that our unrestricted net position decreased to a negative \$28,076,357 in 2024-25. The decrease in the unrestricted net position is primarily due to the changes in actuarial assumptions of the Minnesota Teachers Retirement Association (TRA) pension liability.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Total revenues surpassed expenses, increasing net position \$5,376,308 over the prior year.

**Table A-2
Change in Net Position**

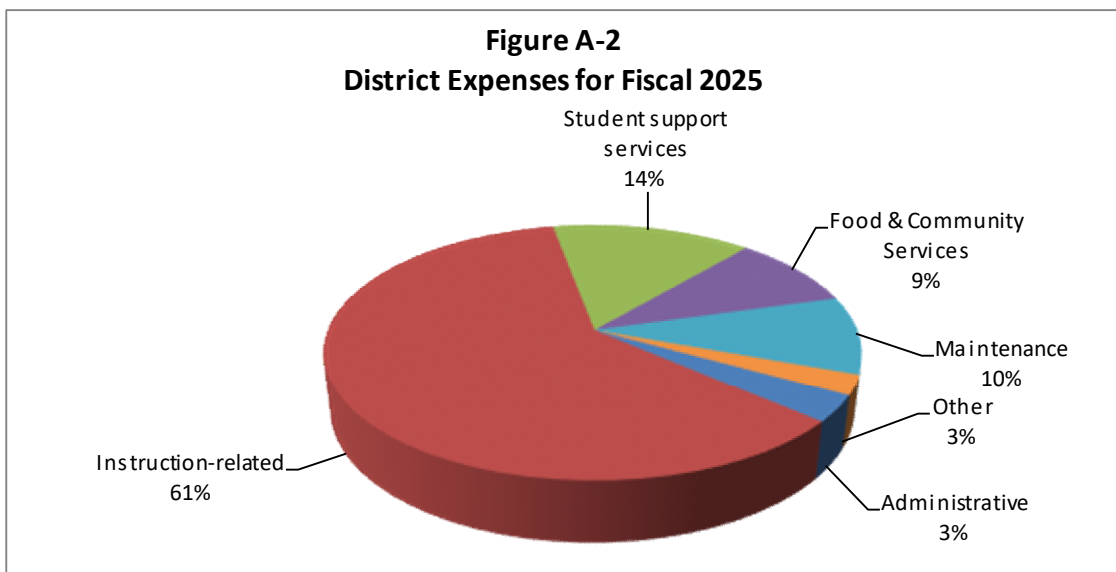
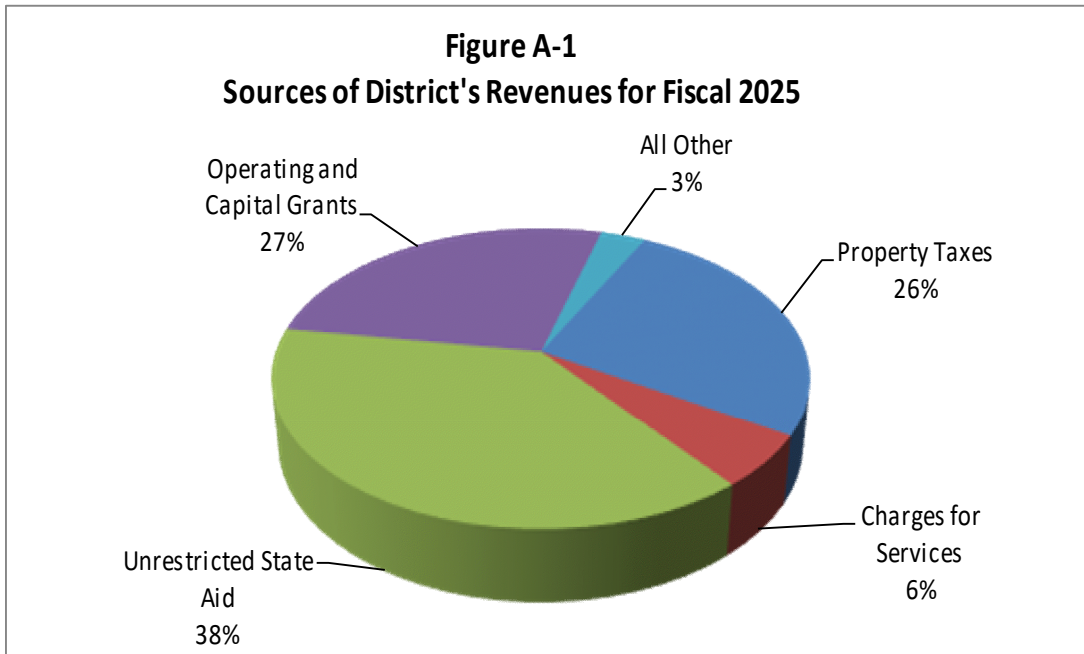
	Governmental Activities for the Fiscal Year Ended June 30,		Percentage Change
	2025	2024	
Revenues			
Program Revenues:			
Charges for Services	\$ 4,646,153	\$ 4,499,214	3.27 %
Operating Grants and Contributions	21,621,760	18,418,722	17.39
Capital Grants and Contributions	491,122	571,511	(14.07)
General Revenues:			
Property Taxes	21,740,301	20,983,596	3.61
Unrestricted State Aid	31,500,764	31,610,030	(0.35)
Investment Earnings	1,095,961	1,081,576	1.33
Other	1,536,907	613,708	150.43
Total Revenues	82,632,968	77,778,357	6.24
Expenses			
Administration	2,598,710	2,244,926	15.76
District Support Services	1,956,395	1,569,206	24.67
Regular Instruction	32,734,785	30,016,780	9.05
Vocational Education Instruction	657,781	503,324	30.69
Special Education Instruction	13,443,956	12,446,321	8.02
Instructional Support Services	3,326,967	2,659,991	25.07
Pupil Support Services	5,756,042	5,463,753	5.35
Sites and Buildings	7,671,118	7,100,547	8.04
Fiscal and Other Fixed Cost Programs	357,148	301,313	18.53
Food Service	2,966,191	2,828,131	4.88
Community Service	4,221,898	4,004,632	5.43
Interest and Fiscal Charges on			
Long-Term Liabilities	1,565,669	1,171,080	33.69
Total Expenses	77,256,660	70,310,004	9.88
Change in Net Position	5,376,308	7,468,353	
Net Position - Beginning of Year	19,990,862	575,971	
Net Position - End of Year	<u>\$ 25,367,170</u>	<u>\$ 19,990,862</u>	

Changes in net position. The District's total revenues were \$82,632,968 for the year ended June 30, 2025. Property taxes and state formula aid accounted for 64% of total revenue for the year. (See Figure A-1). Another 33% came from program revenues. Investment earnings and other general revenues accounted for 3% of total revenue for the year.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

The total cost of all programs and services was \$77,256,660. The District's total expenses are predominantly related to educating and supporting students (75%) (See Figure A-2.) The administrative activities of the District accounted for 3% of total expenses.



**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

- The cost of all governmental activities this year was \$77,256,660 which is \$6,946,656 or 9.88% more than the prior year.
- Some of the expenses were paid by the patrons of the District's programs \$4,646,153.
- The federal and state governments subsidized certain programs with grants and contributions \$22,112,882.
- Local property taxes financed \$21,740,301, state aid based on legislatively authorized formulas funded \$31,500,764, and investment earnings and other general revenues provided \$2,632,869 in revenue.

**Table A-3
Program Expenses and Net Cost of Services**

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2025	2024		2025	2024	
Administration	\$ 2,598,710	\$ 2,244,926	15.76 %	\$ 2,596,932	\$ 2,251,814	15.33 %
District Support Services	1,956,395	1,569,206	24.67	1,955,233	1,568,116	24.69
Regular Instruction	32,734,785	30,016,780	9.05	27,292,989	25,059,818	8.91
Vocational Education Instruction	657,781	503,324	30.69	652,317	502,253	29.88
Special Education Instruction	13,443,956	12,446,321	8.02	577,985	1,842,511	(68.63)
Instructional Support Services	3,326,967	2,659,991	25.07	2,720,973	2,060,654	32.04
Pupil Support Services	5,756,042	5,463,753	5.35	5,352,075	5,154,324	3.84
Sites and Buildings	7,671,118	7,100,547	8.04	6,735,173	6,191,859	8.77
Fiscal and Other Fixed Cost Programs	357,148	301,313	18.53	357,148	301,313	18.53
Food Service	2,966,191	2,828,131	4.88	127,601	(4,190)	(3145.37)
Community Service	4,221,898	4,004,632	5.43	563,530	721,005	(21.84)
Interest and Fiscal Charges on Long-Term Liabilities	1,565,669	1,171,080	33.69	1,565,669	1,171,080	33.69
Total	<u>\$ 77,256,660</u>	<u>\$ 70,310,004</u>	9.88	<u>\$ 50,497,625</u>	<u>\$ 46,820,557</u>	7.85

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds, reported a combined fund balance of \$59,123,139 which is an increase of \$41,247,387 from the prior year ending fund balance of \$17,875,752.

Revenues and other financing sources for the District's governmental funds were \$122,731,227 while total expenditures and other financing uses were \$81,483,840, resulting in revenue exceeding expenditures by \$41,247,387. This is primarily due to the issuance of the 2025A General Obligation Building Bonds.

GENERAL FUND

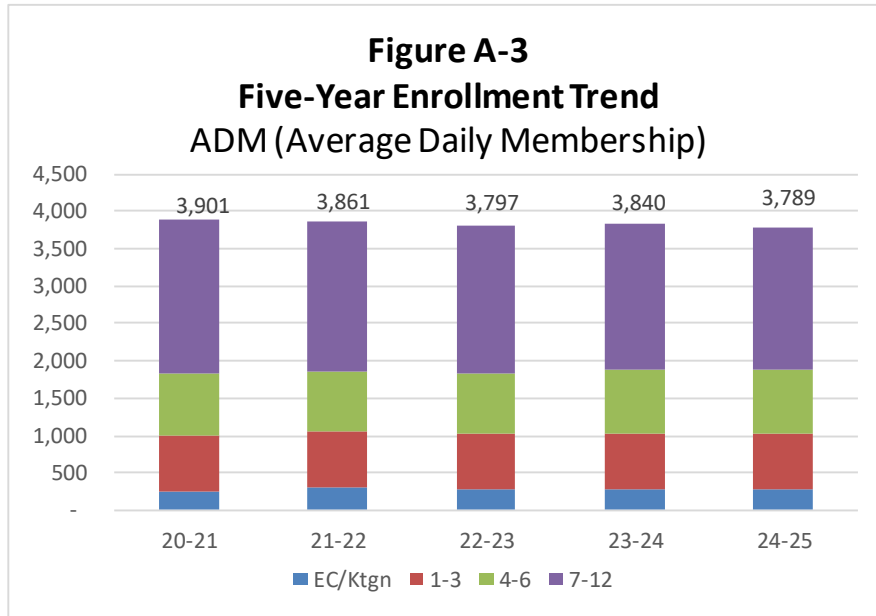
The General Fund includes the primary operations of the District in providing educational services to students from Kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

Funding for Minnesota school districts is largely driven by enrollment. Over the last five years, the District's enrollment has declined slightly in the number of students. Based on past historical trends and using a traditional cohort survival technique, the District anticipates that the total number of students will continue to decline slightly.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

GENERAL FUND (CONTINUED)

The following graph shows that the number of students has been decreasing slightly over the last few years.



The following schedule presents a summary of General Fund Revenues.

**Table A-4
General Fund Revenues**

	Year Ended		Change	
	June 30, 2025	June 30, 2024	Increase (Decrease)	Percent Change
Local Sources:				
Property Taxes	\$ 18,285,682	\$ 15,579,902	\$ 2,705,780	17.4 %
Earnings on Investments	778,114	807,244	(29,130)	(3.6)
Other	2,122,126	2,401,639	(279,513)	(11.6)
State Sources	48,158,297	45,025,813	3,132,484	7.0
Federal Sources	1,037,586	1,284,792	(247,206)	(19.2)
Total General Fund Revenue	<u>\$ 70,381,805</u>	<u>\$ 65,099,390</u>	<u>\$ 5,282,415</u>	8.1

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

GENERAL FUND (CONTINUED)

Total General Fund Revenues increased by \$5,282,415 or 8.1% from the previous year. This increase is primarily related to additional special education state revenue and a voter approved capital project levy increase. Basic general education revenue is determined by multiple state formulas, largely enrollment driven, and consists of an equalized mix of property tax and state aid revenue.

The following schedule presents a summary of General Fund expenditures.

**Table A-5
General Fund Expenditures**

	Year Ended		Amount of	Percent
	June 30, 2025	June 30, 2024	Increase (Decrease)	Increase (Decrease)
Salaries	\$ 38,817,070	\$ 36,572,866	\$ 2,244,204	6.1 %
Employee Benefits	15,313,395	14,705,858	607,537	4.1
Purchased Services	7,876,569	7,503,754	372,815	5.0
Supplies and Materials	2,778,387	2,473,045	305,342	12.3
Capital Expenditures	2,143,340	1,569,928	573,412	36.5
Other Expenditures	1,032,873	963,555	69,318	7.2
Total Expenditures	<u>\$ 67,961,634</u>	<u>\$ 63,789,006</u>	<u>\$ 4,172,628</u>	6.5

Total General Fund expenditures increased \$4,172,628 or (6.5%). The District facilitated a budget prioritization process during the 2021-22 and 2022-23 school year that will reduce approximately \$6.5 million over two years. The primary reason for increased expenditures was cost of living wage increases and associated benefits.

In 2024-25, General Fund revenues and other financing sources were more than expenditures and other financing uses by \$2,612,333 or 4.0% of total expenditures. After deducting statutory restrictions, the unassigned fund balance increased from \$8,365,731 at June 30, 2024 to \$10,299,378 at June 30, 2025, an increase of \$1,933,647. The unassigned fund balance represents 15.3% of general fund expenditures less student activity, scholarship, operating capital and long-term facility maintenance expenditures. The Board of Education designated a minimum of 14%. Revenues were higher than budgeted resulting in the unassigned fund balance percentage increase.

General Fund Budgetary Highlights

The District is required to adopt an operating budget prior to the beginning of its fiscal year (July 1), referred to as the preliminary budget. Over the course of the year, the District chose to revise the preliminary budget to account for changes in estimates that were used in planning the preliminary budget.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

GENERAL FUND (CONTINUED)

General Fund Budgetary Highlights (Continued)

The District's final budget for the General Fund anticipated that revenues and other financing sources would be more than expenditures and other financing uses by \$592,544. The actual results show revenues and other financing sources being more than expenditures and other financing uses by \$2,612,333.

- Actual revenues and other financing sources were \$2,824,845 more than expected. State aid for special education was approximately \$1,400,000 more than anticipated, interest earnings were \$278,000 more than anticipated, and Medicaid revenue was \$280,000 more than anticipated.
- Actual expenditures and other financing uses were \$380,032 less than expected. There were not significant variances among categories.

**Table A-6
General Fund Budget to Actual**

	Final Budget	Actual	Over (Under) Final Budget	Percent Over (Under)
Revenue and Other Financing Sources	\$ 67,749,122	\$ 70,573,967	\$ 2,824,845	4.0 %
Expenditures and Other Financing Uses	68,341,666	67,961,634	(380,032)	(0.6)
Total	<u>\$ (592,544)</u>	<u>\$ 2,612,333</u>	<u>\$ 3,204,877</u>	

FOOD SERVICE FUND

The Food Service Fund accounts for the activities related to providing nutrition services to the Pre-K-12 academic program. The fund operates on the principle of revenues exceeding expenditures on day-to-day operations so that the excess can be used to systematically replace and upgrade kitchen equipment around the district. By operating in this manner, the Child Nutrition Services program is self-contained and does not pull resources away from direct Pre-K-12 instruction. The District served 424,006 lunches and 124,293 breakfasts to students, in addition to a la carte sales and summer programming meals during the 2024-25 school year.

The fund balance decreased by \$52,318 to \$961,078 during 2024-25. This was the second year of the universal free meal program in the state of Minnesota. Our goal is to have a strong fund balance under the federal maximum while trying to provide a balanced budget.

Food Service Fund Revenues for 2024-25 totaled \$2,913,873. This was an increase of \$9,808 or approximately 0.34% from 2023-24. We had stable participation and very limited reimbursement rate increases which kept revenue steady.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

FOOD SERVICE FUND (CONTINUED)

Food Service Fund Expenditures for 2024-25 totaled \$2,966,191. This was an increase of \$138,060 or 4.88% from 2023-24. The Child Nutrition department increase was primarily related to cost of living increases for staff and food price increases.

COMMUNITY SERVICE FUND

The Community Service Fund accounts for the activities related to providing lifelong learning, recreation, and community involvement. They provide programming for all ages. The fund is self-sustaining and helps support many District programs and initiatives.

Community Service Fund Revenues for 2024-25 totaled \$4,277,767. This was an increase of \$332,647 or 8% from 2023-24. The increase is primarily related to expanded programming options and program grants.

Community Service Fund Expenditures for 2024-25 totaled \$4,316,592. This was an increase of \$331,308 or 8% from 2023-24. The Community Education department increases were related to cost of living increases for staff and additional expenditures associated with expanded programming options along with an increase in participation.

The fund balance decreased from \$737,424 on June 30, 2024 to \$698,599 on June 30, 2025. The majority of the fund balance is reserved for specific purposes based on state requirements.

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for revenues and expenditures related to the school district's long-term capital and facility projects that are funded by the sale of bonds or capital loans. The Capital Project Fund includes activity related to our 2025A School Building Bonds that encompass additions and renovations at Northfield High School. Construction is scheduled to begin in June 2025.

Capital Projects Fund Revenues and other financing sources for 2024-25 totaled \$41,021,638. This was an increase of \$41,021,638 or 100% from 2023-24.

Capital Projects Fund Expenditures and other financing uses for 2024-25 totaled \$2,213,501. This was an increase of \$2,213,501 or 100% from 2023-24.

The fund balance increased from \$0 on June 30, 2024 to \$38,808,137 on June 30, 2025. The initial bond was sold in March 2025.

DEBT SERVICE FUND

The Debt Service Fund exists to service the principal and interest payments on long-term debt issued by the district to construct school facilities or acquire school equipment. Annual levies will provide revenue at a rate of 105% of pending debt service payments for a fiscal year. This rate is specified in statute to ensure that principal and interest payments can be made as scheduled even if there are late property tax payments or delinquencies that may arise.

The Debt Service Fund Balance decreased by \$81,940 in 2024-25. The Minnesota Department of Education monitors fund balances in the Debt Service Fund and limits the amount of funds that can be carried forward. If the fund balance gets too high, future levy authority will be reduced in order to reduce the debt service fund balance to a reasonable level. The June 30, 2025, fund balance of \$1,466,061

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

DEBT SERVICE FUND (CONTINUED)

plus future levies that include an additional 5% levy to cover late or delinquent property tax payments will provide adequate cash flow for timely payment of principal and interest.

The District's current general obligation bond rating from Standard and Poor's is AA. There are only three school districts in the state of Minnesota with a higher rating.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2025, the District had invested \$158,559,777 in a broad range of capital assets, including school buildings; land, technology equipment, and other equipment for various instructional programs (see Table A-7). The capital assets for Right-to-Use Equipment assets and accumulated amortization relates to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* in fiscal year 2021-22. The change in capital assets for Right-to-Use Software assets and accumulated amortization relates to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* in fiscal year 2022-23. Total accumulated depreciation and amortization as of June 30, 2024 was \$68,156,100. The current year depreciation and amortization expense for Governmental Activities totaled \$4,792,168. More detailed information about capital assets can be found in Note 3 to the financial statements.

**Table A-7
Capital Assets**

	2025	2024	Percentage Change
Land	\$ 1,147,910	\$ 1,147,910	-
Construction in Progress	1,635,105	-	N/A
Land Improvements	5,121,611	4,978,636	2.9
Buildings and Improvements	141,610,138	141,160,762	0.3
Equipment	8,530,604	7,975,783	7.0
Less: Accumulated Depreciation	(67,100,350)	(63,565,346)	5.6
Right-to-Use Equipment	1,807,902	1,986,990	(9.0)
Right-to-Use Software	341,612	603,028	(43.4)
Less: Accumulated Amortization	(1,055,750)	(906,333)	16.5
Total District Capital Assets	<u>\$ 92,038,782</u>	<u>\$ 93,381,430</u>	(1.4)

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Liabilities

For the fiscal year ended June 30, 2025, the District had \$84,202,296 in long-term liabilities outstanding. This is a increase of 81.10% from the prior year (see Table A-8). The increase is primarily related to the issuance of the 2025A General Obligation Building Bond in the amount of \$39,000,000. More detailed information about the District's long-term liabilities is presented in Note 4 of the financial statements.

**Table A-8
The District's Long-Term Liabilities**

	<u>2025</u>	<u>2024</u>	<u>Percentage Change</u>
General Obligation Bonds	\$ 78,955,000	\$ 42,400,000	86.2 %
Net Bond Premium and Discount	2,133,334	1,657,953	28.7
Certificates of Participation Payable	261,163	391,561	(33.3)
Leases Payable	969,607	1,328,288	(27.0)
Severance Payable	320,802	505,841	(36.6)
Compensated Absences Payable	1,562,390	220,724	607.8
Total Long-Term Liabilities	<u>\$ 84,202,296</u>	<u>\$ 46,504,367</u>	81.1
Long-Term Liabilities:			
Due Within One Year	\$ 7,242,464	\$ 3,315,967	
Due in More Than One Year	76,959,832	43,188,400	
Total	<u>\$ 84,202,296</u>	<u>\$ 46,504,367</u>	

OTHER SELECTED INFORMATION

The government-wide financial statements now recognize liabilities for severance pay, compensated absences, pensions and other postemployment benefits. This liability does include an amount for future health benefit costs to employees who have not retired as of June 30, 2025. The District has an assigned fund balance available of \$4,000,000 to meet future obligations.

Under the pay-as-you-go method, the recent annual cost of severance, compensated absences, and retiree health benefits for retired employees remains consistently at approximately 2.0% of the General Fund expenditures. The costs are budgeted and funded out of current revenues of the General Fund.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information please visit our website at www.northfieldschools.org or contact the Finance Department, Independent School District No. 659, 201 Orchard Street South, Northfield, Minnesota 55057.

BASIC FINANCIAL STATEMENTS

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Governmental Activities 2025
ASSETS	
Cash and Investments	\$ 78,034,516
Receivables:	
Property Taxes	13,778,632
Other Governments	7,122,631
Other	276,828
Prepaid Items	26,186
Inventories	70,604
Capital Assets:	
Land and Construction in Progress	2,783,015
Other Capital Assets, Net of Depreciation	88,162,003
Other Capital Assets, Net of Amortization	1,093,764
Total Assets	<u>191,348,179</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related	11,062,132
Other Postemployment Benefits Related	2,937,291
Total Deferred Outflows	<u>13,999,423</u>
LIABILITIES	
Salaries Payable	6,032,369
Accounts Payable	2,000,323
Accrued Interest	1,044,282
Due to Other Governmental Units	93,537
Unearned Revenue	330,430
Long-Term Liabilities:	
Long-Term Liabilities - Due Within One Year	7,242,464
Long-Term Liabilities - Due in More Than One Year	76,959,832
Net Pension Liability	31,739,384
Other Postemployment Benefits Liability - Due Within One Year	1,730,746
Other Postemployment Benefits Liability - Due in More Than One Year	11,681,635
Total Liabilities	<u>138,855,002</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied for Subsequent Year	27,270,920
Pension Related	12,853,437
Other Postemployment Benefits Related	1,001,073
Total Deferred Inflows of Resources	<u>41,125,430</u>
NET POSITION	
Net Investment in Capital Assets	46,988,244
Restricted for:	
Operating Capital Purposes	111,444
State-Mandated Reserves	2,697,717
Food Service	961,078
Community Service	700,871
Capital Projects - Building Construction	1,539,571
Debt Service	444,602
Unrestricted	<u>(28,076,357)</u>
Total Net Position	<u><u>\$ 25,367,170</u></u>

See accompanying Notes to Basic Financial Statements.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

					Net (Expense) Revenue and Change in Net Position
Functions/Programs	Expenses	Program Revenues			Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
GOVERNMENTAL ACTIVITIES					
Administration	\$ 2,598,710	\$ 1,768	\$ 10	\$ -	\$ (2,596,932)
District Support Services	1,956,395	-	1,162	-	(1,955,233)
Regular Instruction	32,734,785	778,974	4,555,757	107,065	(27,292,989)
Vocational Education Instruction	657,781	-	5,464	-	(652,317)
Special Education Instruction	13,443,956	682,753	12,183,218	-	(577,985)
Instructional Support Services	3,326,967	-	605,994	-	(2,720,973)
Pupil Support Services	5,756,042	600	403,367	-	(5,352,075)
Sites and Buildings	7,671,118	31,308	520,580	384,057	(6,735,173)
Fiscal and Other Fixed Cost Programs	357,148	-	-	-	(357,148)
Food Service	2,966,191	327,391	2,511,199	-	(127,601)
Community Service	4,221,898	2,823,359	835,009	-	(563,530)
Interest and Fiscal Charges on Long-Term Liabilities	1,565,669	-	-	-	(1,565,669)
Total School District	<u>\$ 77,256,660</u>	<u>\$ 4,646,153</u>	<u>\$ 21,621,760</u>	<u>\$ 491,122</u>	(50,497,625)
GENERAL REVENUES					
Property Taxes Levied for:					
General Purposes					18,321,195
Community Service					381,605
Debt Service					3,037,501
State Aid Not Restricted to Specific Purposes					31,500,764
Earnings on Investments					1,095,961
Miscellaneous					1,536,907
Total General Revenues					<u>55,873,933</u>
CHANGE IN NET POSITION					5,376,308
Net Position - Beginning of Year					<u>19,990,862</u>
NET POSITION - END OF YEAR					<u>\$ 25,367,170</u>

See accompanying Notes to Basic Financial Statements.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Major Funds			Other	Total
	General	Capital Projects	Debt Service	Governmental Funds	Governmental Funds
ASSETS					
Cash and Investments	\$ 26,061,069	\$ 39,246,679	\$ 5,745,793	\$ 1,874,457	\$ 72,927,998
Receivables:					
Current Property Taxes	8,705,011	-	4,757,227	198,259	13,660,497
Delinquent Property Taxes	93,040	-	22,823	2,272	118,135
Accounts Receivable	62,721	-	-	212,393	275,114
Due from Other Minnesota School Districts	325,165	-	-	80,291	405,456
Due from Minnesota Department of Education	5,478,872	-	76,008	86,033	5,640,913
Due from Federal through Minnesota Department of Education	902,535	-	-	32,008	934,543
Due from Other Governmental Units	39,633	-	-	102,086	141,719
Inventory	37,712	-	-	32,892	70,604
Prepays	25,186	-	-	1,000	26,186
Total Assets	<u>\$ 41,730,944</u>	<u>\$ 39,246,679</u>	<u>\$ 10,601,851</u>	<u>\$ 2,621,691</u>	<u>\$ 94,201,165</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Salaries and Payroll Deductions Payable	\$ 5,831,783	\$ -	\$ -	\$ 200,586	\$ 6,032,369
Accounts and Contracts Payable	680,191	438,542	-	113,902	1,232,635
Due to Other Governmental Units	93,537	-	-	-	93,537
Unearned Revenue	97,938	-	-	232,492	330,430
Total Liabilities	<u>6,703,449</u>	<u>438,542</u>	<u>-</u>	<u>546,980</u>	<u>7,688,971</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes Levied for Subsequent Year	17,745,191	-	9,112,967	412,762	27,270,920
Unavailable Revenue - Delinquent Property Taxes	93,040	-	22,823	2,272	118,135
Total Deferred Inflows of Resources	<u>17,838,231</u>	<u>-</u>	<u>9,135,790</u>	<u>415,034</u>	<u>27,389,055</u>
FUND BALANCES					
Nonspendable:					
Inventory	37,712	-	-	32,892	70,604
Prepays	25,186	-	-	1,000	26,186
Restricted for:					
Student Activity	239,340	-	-	-	239,340
Scholarships	258,800	-	-	-	258,800
Operating Capital	111,444	-	-	-	111,444
Community Education	-	-	-	169,584	169,584
Early Childhood and Family Education	-	-	-	429,980	429,980
Area Learning Center	559,624	-	-	-	559,624
Teacher Development and Evaluation	2,562	-	-	-	2,562
School Readiness	-	-	-	74,521	74,521
School Library Aid	10,157	-	-	-	10,157
READ Act - Literacy Aid	154,768	-	-	-	154,768
Long-Term Facilities Maintenance	1,422,666	-	-	-	1,422,666
Medical Assistance	49,800	-	-	-	49,800
Restricted for Other Purposes	-	38,808,137	1,466,061	951,700	41,225,898
Assigned for:					
Tobacco Settlement	17,827	-	-	-	17,827
Severance - Insurance Premiums	4,000,000	-	-	-	4,000,000
Unassigned	10,299,378	-	-	-	10,299,378
Total Fund Balances	<u>17,189,264</u>	<u>38,808,137</u>	<u>1,466,061</u>	<u>1,659,677</u>	<u>59,123,139</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 41,730,944</u>	<u>\$ 39,246,679</u>	<u>\$ 10,601,851</u>	<u>\$ 2,621,691</u>	<u>\$ 94,201,165</u>

See accompanying Notes to Basic Financial Statements.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Total Fund Balance for Governmental Funds \$ 59,123,139

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	1,147,910
Construction in Progress	1,635,105
Land Improvements, Net of Accumulated Depreciation	1,648,203
Buildings and Improvements, Net of Accumulated Depreciation	82,766,719
Equipment, Net of Accumulated Depreciation	3,747,081
Right-to-Use Asset, Net of Accumulated Amortization	1,093,764

Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unearned revenue in the funds.

118,135

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

(1,044,282)

The District's Net Pension Liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:

Net Pension Liability	(31,739,384)
Deferred Outflows of Resources - Pensions	11,062,132
Deferred Inflows of Resources - Pensions	(12,853,437)

The District's Other Postemployment Benefits Liability and related Deferred Outflows and Inflows of Resources are recorded only on the Statement of Net Position. Balances at year-end are:

Other Postemployment Benefits Liability	(13,412,381)
Deferred Outflows of Resources - Other Postemployment Benefits	2,937,291
Deferred Inflows of Resources - Other Postemployment Benefits	(1,001,073)

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year-end are:

Bonds Payable	(78,955,000)
Unamortized Premiums	(2,133,334)
Certificates of Participation Payable	(261,163)
Lease Liability	(969,607)
Compensated Absences Payable	(1,562,390)

Internal service funds are used by management to charge the costs of health and dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position at year-end are:

4,340,544

Total Net Position of Governmental Activities

\$ 25,367,170

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025**

	General	Food Service	Major Funds Community Service	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES							
Local Sources:							
Property Taxes	\$ 18,285,682	\$ -	\$ -	\$ -	\$ 3,038,227	\$ 381,313	\$ 21,705,222
Investment Income	778,114	-	-	101,029	145,686	71,131	1,095,960
Other	2,122,126	-	-	1,000,000	-	3,464,656	6,586,782
State Sources	48,158,297	-	-	-	760,069	2,135,730	51,054,096
Federal Sources	1,037,586	-	-	-	-	1,138,810	2,176,396
Total Revenues	70,381,805	-	-	1,101,029	3,943,982	7,191,640	82,618,456
EXPENDITURES							
Current:							
Administration	2,525,211	-	-	-	-	-	2,525,211
District Support Services	1,659,890	-	-	-	-	-	1,659,890
Elementary and Secondary Regular Instruction	31,511,425	-	-	-	-	-	31,511,425
Vocational Education Instruction	691,093	-	-	-	-	-	691,093
Special Education Instruction	14,258,015	-	-	-	-	-	14,258,015
Instructional Support Services	3,226,591	-	-	-	-	-	3,226,591
Pupil Support Services	5,989,706	-	-	-	-	-	5,989,706
Sites and Buildings	4,868,866	-	-	-	-	-	4,868,866
Fiscal and Other Fixed Cost Programs	357,148	-	-	-	-	-	357,148
Food Service	-	-	-	-	-	2,918,787	2,918,787
Community Service	-	-	-	-	-	4,306,715	4,306,715
Capital Outlay	2,143,340	-	-	2,213,501	-	57,281	4,414,122
Debt Service:							-
Principal	681,241	-	-	-	2,445,000	-	3,126,241
Interest and Fiscal Charges	49,108	-	-	-	1,580,922	-	1,630,030
Total Expenditures	67,961,634	-	-	2,213,501	4,025,922	7,282,783	81,483,840
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES							
	2,420,171	-	-	(1,112,472)	(81,940)	(91,143)	1,134,616
OTHER FINANCING SOURCES (USES)							
Issuance of Bonds	-	-	-	39,000,000	-	-	39,000,000
Bond Premium	-	-	-	920,609	-	-	920,609
Right-to-Use Lease Proceeds	192,162	-	-	-	-	-	192,162
Total Other Financing Sources (Uses)	192,162	-	-	39,920,609	-	-	40,112,771
NET CHANGE IN FUND BALANCES							
	2,612,333	-	-	38,808,137	(81,940)	(91,143)	41,247,387
Fund Balances - Beginning of Year, as Originally Reported	14,576,931	1,013,396	737,424	-	1,548,001	-	17,875,752
Change Within the Financial Reporting Entity	-	(1,013,396)	(737,424)	-	-	1,750,820	-
Fund Balances - Beginning of Year, as Adjusted	14,576,931	-	-	-	1,548,001	1,750,820	17,875,752
FUND BALANCES - END OF YEAR							
	\$ 17,189,264	\$ -	\$ -	\$ 38,808,137	\$ 1,466,061	\$ 1,659,677	\$ 59,123,139

See accompanying Notes to Basic Financial Statements.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balance - Total Governmental Funds \$ 41,247,387

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

Governmental funds report capital outlays and acquisition of right-to-use assets as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation or amortization expense.

Capital Outlays	3,449,520
Depreciation Expense	(4,010,085)
Amortization Expense	(782,083)

Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are unearned in the governmental funds.	35,079
--	--------

The use of some capital assets are structured as leases. In governmental funds, a lease arrangement is considered a source of financing, and in the statement of net position, the lease liability is reported. Repayment of lease principal is an expenditure in the government funds, but repayment reduces the lease liability in the statement of net position.

Other Financing Sources - Lease	(192,162)
Repayment of Lease Principal	550,843

Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expenses on the statement of activities are measured by the change in the net pension liability and the related deferred inflows and outflows of resources.	1,711,024
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Other postemployment benefits expenditures in the governmental funds are measured by current year benefit payments. Other postemployment benefits expense on the statement of activities is measured by the change in the total OPEB liability and the related deferred inflows and outflows of resources.	930,014
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In the statement of activities, certain operating expenses - severance benefits, and compensated absences - are measured by amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid).	(1,156,627)
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The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

General Obligation Bond Proceeds	(39,000,000)
Bond Premium or Discount	(920,609)
Repayment of Bond Principal	2,445,000
Change in Accrued Interest Liability	(388,028)
Repayment of Certificates of Participation Payable	130,398
Amortization of Bond Premium	445,228
Amortization of Deferred Charges on Refunding Bonds	7,161

Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	874,248
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Change in Net Position of Governmental Activities	\$ 5,376,308
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**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025**

	Governmental Activities - Internal Service Funds
ASSETS	
Cash and Investments	\$ 5,106,518
Accounts Receivable	1,714
Total Assets	<u>5,108,232</u>
LIABILITIES	
Accounts Payable	<u>767,688</u>
NET POSITION	
Unrestricted	<u><u>\$ 4,340,544</u></u>

See accompanying Notes to Basic Financial Statements.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025**

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for Services:	
Health Insurance Premiums	\$ 10,304,042
Dental Insurance Premiums	654,441
Total Operating Revenues	<u>10,958,483</u>
OPERATING EXPENSES	
Health Insurance Claims	8,273,953
Dental Insurance Claims	645,229
General Administration Fees	1,356,072
Total Operating Expenses	<u>10,275,254</u>
OPERATING INCOME	683,229
NONOPERATING INCOME	
Earnings on Investments	<u>191,019</u>
CHANGE IN NET POSITION	874,248
Net Position - Beginning of Year	<u>3,466,296</u>
NET POSITION - END OF YEAR	<u><u>\$ 4,340,544</u></u>

See accompanying Notes to Basic Financial Statements.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025**

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Interfund Services Provided	\$ 10,958,721
Payments for Health and Dental Insurance Claims	(8,716,497)
Payments for Administrative Fees	(1,356,072)
Net Cash Provided by Operating Activities	<u>886,152</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>191,019</u>
Net Cash Provided by Investing Activities	<u>191,019</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,077,171
Cash and Cash Equivalents - Beginning of Year	<u>4,029,347</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 5,106,518</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 683,229
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Decrease in Accounts Receivable	238
Increase in Accounts Payable	<u>202,685</u>
Total Adjustments	<u>202,923</u>
Net Cash Provided by Operating Activities	<u><u>\$ 886,152</u></u>

See accompanying Notes to Basic Financial Statements.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025**

ASSETS

Cash and Investments

\$ -

NET POSITION

Held In Trust

\$ -

See accompanying Notes to Basic Financial Statements.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2025**

ADDITIONS

Miscellaneous Local Revenue	\$ 5,250
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DEDUCTIONS

Other Expenses	<u>5,250</u>
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CHANGE IN NET POSITION

-

Net Position - Beginning of Year

-

NET POSITION - END OF YEAR

\$ -

See accompanying Notes to Basic Financial Statements.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Independent School District No. 659 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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. The GASB pronouncements are recognized as accounting principles generally accepted in the United States of America for state and local governments.

B. Financial Reporting Entity

The District is an instrumentality of the State of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the board and is responsible for administrative control of the District.

GAAP require that the District's financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separate from the District. In addition, the District's financial statements are to include all component units - entities for which the District is financially accountable.

Financial accountability includes such aspects as appointing a voting majority of the organization's governing body, significantly influencing the programs, projects, activities, or level of services performed or provided by the organization or receiving specific financial benefits from, or imposing specific financial burden on, the organization. Based on these criteria, there are no organizations considered to be component units of the District.

The Board establishes broad policies and ensures that appropriate financial records are maintained for student activities, as well as controls and is financially accountable for these activities. Accordingly, the accounts and transactions are included in the financial statements within the General Fund.

C. Basic Financial Statement Presentation

The Government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The Fiduciary Funds are only reported in the statement of fiduciary net position and statement of changes in fiduciary net position at the Fund Financial Statement level.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statement Presentation (Continued)

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

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities. Generally, the effect of material interfund activity has been removed from the Government-wide financial statements.

Separate Fund financial statements are provided for governmental, proprietary funds, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The fiduciary funds are presented in the fiduciary fund financial statements by type (trust). Since by definition these assets are being held for the benefit of a third-party and cannot be used to address activities or obligations of the District, these funds are not incorporated into the Government-wide statements. The District has one fiduciary fund that is considered a custodial fund.

The Internal Service Fund is presented in the proprietary fund financial statements. Because the principal user of the internal services is the District's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

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

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

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

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

1. **Revenue Recognition** – Revenue is recognized when it becomes measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes and accounting principles generally accepted in the United States of America. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related eligible expenditures are made. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.
2. **Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates. Expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Description of Funds

The existence of the various District funds has been established by the state of Minnesota, Department of Education. The accounts of the district are organized on the basis of funds, each of which is considered a separate accounting entity. A description of the funds included in this report is as follows:

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Description of Funds (Continued)

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, health and safety projects, and disabled accessibility projects.

Capital Projects Fund

The Capital Projects Fund is used to accounts for financial resources related to debt issued for the school building projects.

Debt Service Fund

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

Nonmajor Governmental Funds

Food Service Special Revenue Fund

The Food Service Fund is used to account for food service revenues and expenditures. Revenues for the Food Service Fund come from user fees, and reimbursements from the federal and state governments.

Community Service Special Revenue Fund

The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs or other similar services. Revenues for the Community Service Special Revenue Fund are composed of user fees, local levy dollars, and state credits.

Proprietary Funds

Internal Service Funds

The Internal Service Fund accounts for the financing of a self-insured health and dental plan provided for the District's employees on a cost reimbursement basis.

Fiduciary Funds

Custodial Fund

The Custodial Fund is established to account for cash and other assets held by the District as the agent for others.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, and Debt Service Funds. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board.

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line-item levels.

Budget provisions for the Debt Service Fund are set by state law governing required debt service levels.

F. Cash and Investments

Cash of the individual funds is combined for investment purposes. Investments consist primarily of certificates of deposit, and money market funds. Investments with an original maturity of less than one year are recorded at amortized cost, which approximates fair value. Investments with an original maturity of more than one year are recorded at fair value based on quoted market prices. Interest earned as a result of these investments and the combined deposit account is distributed to the appropriate funds based on average cash and investment balances of each fund.

G. Cash and Cash Equivalents

For purposes of reporting cash flows, the District considers all demand accounts, savings accounts, certificates of deposits, and money market funds, to be cash and cash equivalents while all deposits in the MN Trust and Minnesota School District Liquid Asset Fund (MSDLAF) are considered investments.

H. Receivables

Represents amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary. The only receivables not expected to be collected within one year are current property taxes receivable.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Inventories

Inventories are recorded using the consumption method of accounting and consist of fuel, food, and other supplies on hand at year end, 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, and surplus commodities are stated at standardized cost, as determined by the Department of Agriculture.

J. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are expensed during the periods benefited.

K. Property Taxes

Property tax levies are established by the School Board in December each year and are certified to the County for collection 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 January 1. Taxes are due on May 15 and October 15. The county generally remits taxes to the District at periodic intervals as they are collected. A portion of property taxes levied is paid through various state tax credits which are included in revenue from state sources in the financial statements.

Generally, tax revenue is recognized in the fiscal year ending June 30, following the calendar year in which the tax levy is collectible, while the current calendar year tax levy is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

The majority of District revenue in the General (and to a lesser extent the Community Service Special Revenue Fund) is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between taxes and state aids by the Legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the tax shift.

In accordance with state law, the current tax shift consists of an amount equal to 31% of the District's 2000 Pay 2001 operating referendum levy which is frozen at \$374,466. Starting in fiscal year 2011, the shift was expanded to include all other general and community service fund levies. State aids are then reduced by this expanded shift amount, making this portion of the tax shift revenue neutral to school districts. Certain other portions of the District's 2024 pay 2025 levy, normally revenue for the 2025-26 fiscal year, are also advance recognized at June 30, 2025, as required by State Statute to match revenue with the same fiscal year as the related expenditures.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Taxes (Continued)

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is classified as a deferred inflow of resources because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material. Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the State which will be recognized as revenue in the next fiscal year beginning July 1, 2025, are included in the Property Taxes Levied for Subsequent Year account to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

L. Capital Assets

Capital assets are capitalized at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of 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 statement 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 purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment and furnishings.

Right-to-use assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Capital assets not being depreciated include land and construction in progress.

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 lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets (Continued)

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract mad to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalized implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT asset.

M. Deferred Outflows of Resources

In addition to assets, the financial statements reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense) until that time. The District has two types of items that qualify as this reporting element, pension related, and other postemployment benefit related.

N. Long-Term Liabilities

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 amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

O. Accrued Employee Benefits

Compensated Absences and Sick Leave Payable

The District has employee and union contracts with several different employee groups. Employee benefits under the contracts are different, but generally include provisions for sick leave, vacation leave, and termination benefits. The District accounts for the employee benefits as follows:

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Accrued Employee Benefits (Continued)

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

Severance

Severance pay is available for certain eligible employees. The maximum benefit is based on years of service. The total amounts cannot exceed certain contract limits.

Other Postemployment Benefits Payable

Under the provisions of the various employee and union contracts the District provides Health and Dental Care coverage until age 65 if certain age and minimum years of service requirements are met. The amount to be incurred is limited as specified by contract. All premiums are funded on a pay-as-you-go basis. This amount was actuarially determined, in accordance with GASB 75, at June 30, 2025.

P. Pensions

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

TRA has a special funding situation created by direct aid contributions made by the state of Minnesota, City of Minneapolis, and Minneapolis School District. This direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association 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 in 2015.

PERA has a special funding situation created by direct aid contributions made by the state of Minnesota for the merger of the Minneapolis Employees Retirement Fund into GERF in fiscal year 2006.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Deferred Inflows of Resources

In addition to liabilities, the financial statements reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow or resources (revenue) until that time. The District has five types of deferred inflows. Two types occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's year-end) under the modified accrual basis of accounting. The third type of deferred inflow is related to refunding of debt. The fourth type of deferred inflow is pension related. The fifth type of deferred inflow is other postemployment benefit related.

R. Unearned Revenue

Unearned revenues are those in which resources are received by the District before it has a legal claim to them. The District has reported unearned revenues for General, Food and Community Service accounts, grants, and 2025-2026 school year deposits.

S. Fund Balance

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable portions of fund balance relate to prepaids and inventories. Restricted funds are constrained by outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the board of education. The board of education passed a resolution authorizing the Director of Finance the ability to assign fund balances and their intended uses. Unassigned fund balances are considered the remaining amounts, usually in the General Fund only.

In accordance with the District's fund balance policy, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available; it is the District's policy to use restricted first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned and unassigned fund balance is available, it is the District's policy to use committed first, then assigned and finally unassigned fund balance.

The District's liabilities for pension, and OPEB are generally liquidated by the General Fund.

T. Self-Insurance Claims

This liability represents an estimate of health and dental claims incurred but not reported as of June 30, 2025. These claims are included in accounts payable in the statement of net position.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Net Position

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

V. Adoption of New Accounting Standards

In June 2022, the Government Accounting Standards Board (GASB) issued GASB statement No. 101, Compensated Absences. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures.

The District adopted the requirements of the guidance effective July 1, 2024, and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard did not result in any material adjustments.

NOTE 2 DEPOSITS AND INVESTMENTS

A. Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits will not be returned in full. The District does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits.

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as Cash and Investments. In accordance with Minnesota Statutes, the District maintains deposits at financial institutions which are authorized by the District's Board.

Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds.

The District's deposits in banks at June 30, 2025 were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments

The District may also invest idle funds as authorized by Minnesota Statutes, as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and receives the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less
- General obligations rated "A" or better; revenue obligations rated "AA" or better
- General obligations of the Minnesota Housing Finance Agency rated "A" or better
- Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less
- Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories
- Repurchase or reverse purchase agreements and securities lending agreements financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

At June 30, 2025, the District's investments carried at amortized costs were as follows:

Class	Amount
MSDLAF Liquid Class	\$ 17,074,143
MSDLAF Max Class	237
MN Trust CDs	26,168,600
Total Measured at Amortized Cost	<u>\$ 43,242,980</u>

At June 30, 2025, the District's investments carried at net asset value (NAV) were as follows:

	Net Asset Value
MN Trust Investment Shares	\$ 10,946,687
MN Trust Term Series	11,313,737
Total Measured at NAV	<u>\$ 22,260,424</u>

The Minnesota Municipal Money Market Fund Trust (MN Trust) is a common law trust organized in accordance with the Minnesota Joint Powers Act, which invests only in investment instruments allowable under Minnesota Statutes as described above.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

The Investment Shares Portfolio and Term Series are external investment pools. Investments in these external investment pools are valued at amortized cost. The amortized cost method of valuation values a security at its cost on the date of purchase and thereafter assumes a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of investments. Redemption prior to the maturity date of the Term Series may result in a penalty.

The MSDLAF+ is an external investment pool that is managed to maintain a dollar-weighted average portfolio maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1.00. The MSDLAF+ elects to measure its investments at amortized cost.

The Liquid Class has no redemption requirements. The Max Class may not be redeemed for at least 14 days, and a 24-hour hold is placed on redemption requests. Redemptions prior to 14 days may be subject to penalty.

Interest Rate Risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District's investment policies do not limit the maturities of investments. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities to meet cash requirements for ongoing operations.

The following table summarizes interest rate risk of the District's investments at June 30, 2025:

Type	Total	Maturity Duration in Years				No Maturities	Credit Rating	Rating Agency
		Less Than 1	1 to 2	2 to 5	5 to 10			
Minnesota School District								
Liquid Asset Fund Plus (MSDLAF+)	\$ 17,074,380	\$ 17,074,380	\$ -	\$ -	\$ -	-	AAAm	S&P
MN Trust Investment Shares	10,946,687	10,946,687	-	-	-	-	Not rated	n/a
MN Trust Term Series	11,313,737	11,313,737	-	-	-	-	Not rated	n/a
MN Trust Certificates of Deposit	26,168,600	18,447,900	7,495,500	225,200	-	-	AAA	S&P
MN Trust - Corporate Obligations	5,674,384	3,381,273	2,293,111	-	-	-	BBB- to AA-	S&P
MN Trust - Government Agencies	5,677,615	-	5,677,615	-	-	-	AAA	S&P
Negotiable Certificates of Deposit	489,615	-	-	489,615	-	-	Not rated	n/a
Total	<u>\$ 77,345,018</u>	<u>\$ 61,163,977</u>	<u>\$ 15,466,226</u>	<u>\$ 714,815</u>	<u>\$ -</u>	<u>\$ -</u>		

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Custodial Credit Risk.

For an investment, custodial risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's investment policy requires insurance of all balances held with each investment account. As of June 30, 2025, the investment balances were fully covered by insurance for each brokerage firm.

Credit Risk.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment policies do not limit the amount that the District may invest in any one issuer. The following chart summarizes year-end ratings for the District's investments:

Concentration of Credit Risk.

The District's investment policies place no limit on the amount the District may invest in any one issuer. The District had no investments at June 30, 2025 which individually comprised more than 5% of total investments.

C. Balance Sheet Presentation

The deposits and investments are presented in the basic financial statements as follows:

Deposits	\$ 688,548
Cash on Hand	950
Minnesota School District Liquid Asset Fund Plus (MSDLAF+)	17,074,380
MN Trust - Investment Shares Portfolio	10,946,687
MN Trust - Negotiable Certificates of Deposit	489,615
MN Trust - Term Series	11,313,737
MN Trust - CDs	26,168,600
MN Trust - Corporate Obligations	5,674,384
MN Trust - Government Agencies	5,677,615
Total Cash and Investments	<u>\$ 78,034,516</u>
 Cash and Investments - Statement of Net Position	 \$ 78,034,516
Total Cash and Investments	<u>\$ 78,034,516</u>

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

D. 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 would use in pricing the asset.

Investment	Level 1	Level 2	Level 3	Total
Negotiable Certificates of Deposit	\$ -	\$ 489,615	\$ -	\$ 489,615
MN Trust - Corporate Obligations	5,674,384	-	-	5,674,384
MN Trust - Government Agencies	5,677,615	-	-	5,677,615
	<u>\$ 11,351,999</u>	<u>\$ 489,615</u>	<u>\$ -</u>	11,841,614
Investments Measured at Net Asset Value				22,260,424
Investments Measured at Amortized Cost				43,242,980
				<u>\$ 77,345,018</u>

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,147,910	\$ -	\$ -	\$ 1,147,910
Construction in Progress	-	1,635,105	-	1,635,105
Total Capital Assets, Not Being Depreciated	1,147,910	1,635,105	-	2,783,015
Capital Assets, Being Depreciated:				
Land Improvements	4,978,636	142,975	-	5,121,611
Buildings and Improvements	141,160,762	449,376	-	141,610,138
Equipment	7,975,783	1,029,902	(475,081)	8,530,604
Total Capital Assets, Being Depreciated	154,115,181	1,622,253	(475,081)	155,262,353
Accumulated Depreciation for:				
Land Improvements	(3,312,232)	(161,176)	-	(3,473,408)
Buildings and Improvements	(55,506,657)	(3,336,762)	-	(58,843,419)
Equipment	(4,746,457)	(512,147)	475,081	(4,783,523)
Total Accumulated Depreciation	(63,565,346)	(4,010,085)	475,081	(67,100,350)
Total Capital Assets, Being Depreciated, Net	90,549,835	(2,387,832)	-	88,162,003
Capital Assets, Being Amortized:				
Intangible Asset: Right-to-Use Equipment Lease Asset	1,986,990	192,162	(371,250)	1,807,902
Intangible Asset: Software Asset	603,028	-	(261,416)	341,612
Total Capital Assets, Being Amortized	2,590,018	192,162	(632,666)	2,149,514
Accumulated Amortization for:				
Intangible Asset: Equipment Lease Asset	(775,185)	(442,367)	371,250	(846,302)
Intangible Asset: Software Asset	(131,148)	(339,716)	261,416	(209,448)
Total Accumulated Amortization	(906,333)	(782,083)	632,666	(1,055,750)
Total Capital Assets, Being Amortized, Net	1,683,685	(589,921)	-	1,093,764
Governmental Activities Capital Assets, Net	<u>\$ 93,381,430</u>	<u>\$ (1,342,648)</u>	<u>\$ -</u>	<u>\$ 92,038,782</u>

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense was charged to functions of the District as follows:

Governmental Activities:	
Administration	\$ 137
District Support Services	59,685
Regular Instruction	3,184,190
Special Education Instruction	1,255
Instructional Support Services	73,365
Pupil Support Services	15,401
Sites and Buildings	1,356,008
Food Service	24,265
Community Service	77,862
Total Depreciation and Amortization Expense, Governmental Activities	<u>\$ 4,792,168</u>

NOTE 4 LONG-TERM LIABILITIES

A. Components of Long-Term Liabilities

The District has issued general obligation school building bonds to finance the construction of capital facilities or refinance previous bond issues. Assets of the Debt Service Fund, together with scheduled future tax levies, are dedicated for the retirement of these bonds. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

Issue Date	Interest Rate	Series Number	Original Issue	Maturities	Principal Outstanding	
					Due Within One Year	Total
3/23/2017	3.0%	2017A	1,325,000	2/1/2027	\$ 145,000	\$ 295,000
1/31/2019	3.0 - 5.0%	2019A	39,255,000	2/1/2039	1,940,000	36,540,000
2/17/2022	2.0 - 4.0%	2022A	3,120,000	2/1/2030	-	3,120,000
3/17/2025	4.0 - 5.0%	2025A	39,000,000	2/1/2048	3,885,000	39,000,000
Total General Obligation Bonds					<u>5,970,000</u>	<u>78,955,000</u>
Bond Premiums					-	2,133,334
Certificates of Participation Payable					62,518	261,163
Lease Payable					435,549	969,607
Severance and Health Benefits Payable					-	320,802
Compensated Absences Payable					774,397	1,562,390
Total					<u>\$ 7,242,464</u>	<u>\$ 84,202,296</u>

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

B. Minimum Debt Payments

Minimum annual principal and interest payments necessary to retire long-term debt, not including certificate of participation, compensated absences payable and severance and health benefits payable are as follows:

<u>Year Ending June 30.</u>	General Obligation Bonds Payable		Lease Liability	
	Principal	Interest	Principal	Interest
2026	\$ 5,970,000	\$ 2,913,604	\$ 435,549	\$ 26,674
2027	6,195,000	2,847,209	445,264	16,958
2028	3,125,000	2,540,459	42,129	6,754
2029	2,725,000	2,385,959	46,665	2,218
2030	2,865,000	2,251,509	-	-
2031-2035	16,570,000	9,601,919	-	-
2036-2040	17,910,000	6,561,294	-	-
2041-2045	14,350,000	3,579,130	-	-
2046-2048	9,245,000	729,400	-	-
Total	<u>\$ 78,955,000</u>	<u>\$ 33,410,483</u>	<u>\$ 969,607</u>	<u>\$ 52,604</u>

C. Description of Long-Term Liabilities

General Obligation Bonds

On March 23, 2017, the District issued \$1,325,000 of General Obligation Facilities Maintenance Bonds, Series 2017A. The proceeds of this issue were used to finance the roof replacement project at Bridgewater Elementary School.

On January 31, 2019, the District issued \$39,255,000 of General Obligation School Building Bonds, Series 2019A. The proceeds of this issue were used to finance the acquisition and betterment of school sites and facilities, including construction and equipping of a new elementary school and improvements and additions at the Bridgewater and Sibley Elementary Schools sites, construction and renovations and improvements to the Longfellow School, and the construction of renovations and improvements to the Greenvale Park Elementary School to convert the facility for use as an early childhood center.

On February 14, 2022, the District issued \$3,120,000 of General Obligation Facilities Maintenance Bonds, Series 2022A. The proceeds of this issue were used to finance the roof replacement project at Northfield Middle School.

On March 17, 2025, the District issued \$39,000,000 of General Obligation School Building Bonds, Series 2025A. The processed of this issue were used to finance the acquisition and betterment of school sites and facilities.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Liabilities (Continued)

Severance Payable

Severance payable is available for certain eligible employees. The maximum benefit is based on years of service. The amount of the estimated obligation at June 30, 2025 is \$320,802. The District's General Fund finances severance benefits on a pay-as-you-go basis.

Certificate of Participation

On December 1, 2009, the District raised funds through the issuance of a loan payable. The maximum amount that could be drawn on the loan was \$1,495,000 and was used to finance capital improvements made to an elementary school. The loan was structured as a lease purchase agreement.

On July 23, 2019, the District raised funds through the issuance of a loan payable. The maximum amount that could be drawn on the loan was \$606,403 and was used to purchase an existing property used for storage of building and grounds equipment and supplies. The loan was structured as a lease purchase agreement.

Leases

The District entered into leases for the use of copy machines and iPads.

D. Changes in Long-Term Liabilities

	June 30, 2024	Additions	Retirements	June 30, 2025
General Obligation Bonds	\$ 42,400,000	\$ 39,000,000	\$ 2,445,000	\$ 78,955,000
Bond Premiums	1,657,953	920,609	445,228	2,133,334
Certificates of Participation				
Payable	391,561	-	130,398	261,163
Lease Payable	1,328,288	192,162	550,843	969,607
Severance Payable	505,841	54,149	239,188	320,802
Compensated Absences				
Payable	220,724	1,341,666	-	1,562,390
Total	<u>\$ 46,504,367</u>	<u>\$ 41,508,586</u>	<u>\$ 3,810,657</u>	<u>\$ 84,202,296</u>

*Compensated Absences Payable is being presented as a net change.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 RESTRICTED FUND BALANCES

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties. The following is a summary of the restricted fund balances for the governmental funds:

A. Student Activities

In accordance with state statute, the fund balance represents available resources dedicated exclusively for student activities.

B. Scholarships

In accordance with state statute, the fund balance represents available resources dedicated exclusively for scholarships.

C. Operating Capital

The fund balance restriction represents available resources in the General Fund to be used to purchase equipment and facilities.

D. Area Learning Center

The fund balance restriction represents available resources to be expended for area learning center programs.

E. Teacher Development and Evaluation

The fund balance restriction represents available resources to be expended for teacher development and evaluation programs.

F. Long-Term Facilities Maintenance (LTFM)

The fund balance restriction represents accumulated resources available to be used for LTFM projects in accordance with the District's 10-year plan.

G. Early Childhood and Family Education Programs

The fund balance restriction represents accumulated resources available to provide services for early childhood family education programming.

H. Community Education Programs

The fund balance restriction represents accumulated resources available to provide services for community education programming.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 RESTRICTED FUND BALANCES (CONTINUED)

I. School Readiness

The fund balance restriction represents accumulated resources available to provide school readiness programming in accordance with funding made available for that purpose.

J. School Library Aid

The fund balance restriction represents accumulated resources available to provide school library programming in accordance with funding made available for that purpose.

K. READ Act – Literacy Aid

The fund balance restriction represents accumulated resources available to provide literacy programming in accordance with funding made available for that purpose.

L. Medical Assistance

The fund balance restriction represents resources to be used for Medical Assistance expenditures.

M. Restricted for Other Purposes

The fund balance restriction represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

	Restricted Fund Balances
Food Service	\$ 928,186
Community Service	23,514
Capital Projects	38,808,137
Debt Service	1,466,061
Total	<u>\$ 41,225,898</u>

NOTE 6 DEFINED BENEFIT PENSION PLANS

A. Plan Description

The District participates in the following cost-sharing multiemployer defined benefit pension plans administered by the Public Employees Retirement Association (PERA) and Teachers Retirement Fund (TRA). PERA and TRA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353, 354 and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA and TRA's defined benefit pension plans are tax-qualified plans under Section 401(a) of the Internal Revenue Code.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. Plan Description (Continued)

1. General Employees Retirement Plan (General Plan)

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

2. Teachers Retirement Fund (TRA)

The Teachers Retirement Association (TRA) is an administrator of a multiemployer, 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 school, 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 within one year of eligible employment or elect coverage through the Defined Contribution Retirement 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

PERA and TRA provide 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.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

1. General Employees Benefits

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

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

2. TRA Benefits

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

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

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

Tier I Benefits

Tier I	Step Rate Formula	Percentage
Basic	First 10 Years of Service	2.2% per Year
	All Years After	2.7% per Year
Coordinated	First 10 Years if Service Years Are Up to July 1, 2006	1.2% per Year
	First 10 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) 3.0% 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.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

Tier II Benefits (Continued)

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. Contributions

1. General Employees Contributions

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2025 and the District was required to contribute 7.50% for General Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2025, were \$779,016. The District's contributions were equal to the required contributions as set by state statute.

2. TRA Contributions

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for the fiscal year 2025 for coordinated were 7.75% for the employee and 8.75% for the employer. Basic rates were 11.25% for the employee and 12.75% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2025 were \$2,691,522. The District's contributions were equal to the required contributions for each year as set by state statute.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs

1. General Employees Pension Costs

At June 30, 2025, the District reported a liability of \$4,307,780 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. The state of Minnesota is considered a nonemployer contributing entity and the 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 \$111,390.

District's Proportionate Share of the Net	
Pension Liability	\$ 4,307,780
State of Minnesota's Proportionate Share of the	
Net Liability Associated with the District	111,390
Total	<u><u>\$ 4,419,170</u></u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by 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 .1165% at the end of the measurement period and .1216% for the beginning of the period.

For the year ended June 30, 2025, the District recognized pension expense of \$247,408 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized \$1,380 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 nonemployer 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 \$198,198 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.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Pension Costs (Continued)

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 405,044	\$ -
Changes in Actuarial Assumptions	21,032	1,630,424
Net Difference Between Projected and Actual		
Earnings on Plan Investments	-	1,250,944
Changes in Proportion	101,475	369,123
District Contributions Subsequent to the Measurement Date	799,016	-
Total	<u>\$ 1,326,567</u>	<u>\$ 3,250,491</u>

The \$799,016 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:

<u>Year Ending June 30,</u>	Pension Expense Amount
2026	\$ (1,406,222)
2027	(379,005)
2028	(607,546)
2029	(330,167)

2. TRA Pension Costs

At June 30, 2025, the District reported a liability of \$27,431,604 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. the District's proportion of the net pension liability was based on the District's contributions to 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 .4317% at the end of the measurement period and .4355% for the beginning of the year.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

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:

Description	Amount
District's Proportionate Share of the TRA Net Pension Liability	\$ 27,431,604
State's Proportionate Share of the Net Pension Liability Associated with the District	1,794,003
Total	<u>\$ 29,225,607</u>

For the year ended June 30, 2025, the District recognized pension expense of \$2,479,860. It also recognized \$(21,946) as grant revenue 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 nonemployer 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 \$760,511 for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the Fund.

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 1,307,762	\$ 355,504
Changes in Actuarial Assumptions	2,766,472	3,271,293
Net Difference Between Projected and Actual Earnings on Plan Investments	-	3,882,608
Changes in Proportion	2,969,809	2,093,541
District Contributions Subsequent to the Measurement Date	2,691,522	-
Total	<u>\$ 9,735,565</u>	<u>\$ 9,602,946</u>

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

Of the resources related to pensions resulting from the District contributions to TRA subsequent to the measure date, \$2,691,522 is reported as deferred outflows and will be recognized as a reduction in the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to TRA will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2026	\$ (1,703,485)
2027	3,563,166
2028	(2,025,310)
2029	(1,913,725)
2030	(479,549)

3. Aggregate Pension Costs

At June 30, 2025, the District reported the following aggregate amounts related to pensions for all plans to which it contributes:

	<u>TRA</u>	<u>GERF</u>	<u>Total</u>
Net Pension Liability	\$ 27,431,604	\$ 4,307,780	\$ 31,739,384
Deferred Outflows of Resources	9,735,565	1,326,567	11,062,132
Deferred Inflows of Resources	9,602,946	3,250,491	12,853,437
Pension Expense	2,457,914	248,788	2,706,702

E. Actuarial Assumptions

The total pension liability in the June 30, 2024, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

<u>Assumptions</u>	<u>GERF</u>	<u>TRA</u>
Inflation	2.25% per year	2.50%
Active Member Payroll Growth	10.25% after one year of service to 3.00 after 27 years of service	2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028
Investment Rate of Return	7.00% per year	7.00%

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

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%. The 7% 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% is within that range.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3% after 27 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table.

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

TRA pre-retirement mortality rates were based on the PubT-2010(A) Employee Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.

TRA healthy retiree mortality rates were based on the PubT-2010 (A) Retiree Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.

TRA beneficiary mortality rates were based on the Pub-2010 (A) Contingent Survivor Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.

TRA disabled retiree mortality rates were based on the PubNS-2010 Disabled Retiree Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.

TRA cost of living benefit increases 1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

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

- 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.

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

- 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.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

F. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA and TRA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of 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	PERA Target Allocation	TRA Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5 %	33.5 %	5.10%
International Equity	16.5	16.5	5.30%
Private Markets	25.0	25.0	5.90%
Fixed Income	25.0	25.0	0.75%
Total	<u>100.0 %</u>	<u>100.0 %</u>	

G. Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees, Police and Fire, and Correctional Plans were 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.

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.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

H. Pension Liability Sensitivity

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

Description	1% Decrease	Current Discount Rate	1% Increase
GERF Discount Rate:	6.00%	7.00%	8.00%
District's Proportionate Share of the GERF Net Pension Liability	\$ 9,408,885	\$ 4,307,780	\$ 111,656
TRA Discount Rate:	6.00%	7.00%	8.00%
District's Proportionate Share of the TRA Net Pension Liability	\$ 48,308,659	\$ 27,431,604	\$ 10,249,292

I. Pension Plan Fiduciary Net Position

Detailed information about each 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.

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, Minnesota, 55103-2088; or by calling 651-296-2409 or 1-800-657-3669.

NOTE 7 DEFINED CONTRIBUTION BENEFIT PLAN

The District has a retirement plan qualifying under the Internal Revenue Code 403(b) for the benefit of employees hired on or after July 1, 2002. For qualifying employees, the District's annual maximum contribution is based contractual requirements for the employee class. Maximum career contribution limits range from \$35,000 to no limit depending on the employee class.

The District contributions for the year ended June 30, 2025 were \$568,538. The related employee contributions were \$1,346,092 for the year ended June 30, 2025.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN

A. Plan Description

The District operates a single-employer retiree defined benefit plan (the Plan) that provides health insurance to eligible employees and their spouses through the District's health insurance plan. There are 560 active participants and 83 retired participants. Benefit and eligibility provisions are established through negotiations between the District and various unions representing the District's employees and are renegotiated each bargaining period. There are no assets accumulated in a trust and the Plan is currently being funded on a pay as you go basis.

B. Benefits Provided

Teachers hired before July 1, 2009, who are at least 55 years of age upon retirement and have been employed by the District for a minimum of 10 years are also eligible, along with their spouses, to remain on the District's dental insurance for six years (nine years if hired before September 1, 1987). The District will pay dental insurance at the same rate as active employees.

Certain other nonteaching staff who are at least 55 years of age upon retirement and have been employed by the District for a minimum of 10 years are eligible to remain on the District's health and dental insurance for three to nine years, depending on their contract group. The District will pay the health insurance premiums up to 80% of \$1,000 CMM health plan premium rate, limited to \$400 per month toward the Medicare supplement after age 65. The District will pay dental insurance at the same rate as active employees.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

C. Actuarial Methods and Assumptions

The District's total OPEB liability was measured as of July 1, 2024, and the total OPEB liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to periods included in the measurement date, unless specified otherwise.

Inflation	2.50 % The salary scales used to value GASB 75 liabilities are similar to the tables used to value pension liabilities for Minnesota school district employees. The rates for teachers, principals and the superintendent are based on the Teacher Retirement Association of Minnesota actuarial experience study for the period July 1, 2014 through June 30, 2018 and a study of economic assumptions dated November 2017. The rates for other employees are based on the Public Employees Retirement Association of Minnesota most recent four-year experience study for the General Employees Plan completed in 2019 and a review of the inflation assumption.
Salary Increases	6.25% Decreasing to 5.00% over 5 years and then to 4.00% over the next 48 years (6.5% Decreasing to 5.00% over 6 years and then to 4.00% over the next 48 years at the prior measurement date)
Healthcare Cost Trend Rates	

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

Discount Rate

The discount rate used to measure the total OPEB liability was 4.10% (3.90% at the prior measurement date). The discount rate is based on the estimated yield of 20-Year AA-rated municipal bonds.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

D. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at July 1, 2024	\$ 12,733,555
Changes for the Year:	
Service Cost	519,850
Interest on the Total OPEB Liability	486,875
Differences Between Expected and Actual Experience	1,182,149
Changes of Assumptions	43,680
Benefit Payments	<u>(1,553,728)</u>
Net Changes	<u>678,826</u>
Balances at July 1, 2025	<u>\$ 13,412,381</u>

E. Total OPEB Liability Sensitivity

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

	1% Decrease 3.10 %	Discount Rate 4.10 %	1% Increase 5.10 %
Total OPEB Liability	\$ 14,073,451	\$ 13,412,381	\$ 12,773,234

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 health care cost trend rate that is one percentage point lower or one percentage point higher than the current health care cost trend rate:

	1% Decrease	Selected Trend Rates	1% Increase
		Healthcare Cost Trend Rate	
	5.25% Decreasing to 4.00% then 3.00%	6.25% Decreasing to 5.00% then 4.00%	7.25% Decreasing to 6.00% then 5.00%
	Dental Trend Rate	Dental Trend Rate	Dental Trend Rate
	3%	4%	5%
Total OPEB Liability	\$ 12,727,464	\$ 13,412,381	\$ 14,186,474

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

F. OPEB Expense

For the year ended June 30, 2025, the District recognized OPEB expense of \$800,732. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,045,225	\$ 409,031
Changes of Assumptions	161,320	592,042
District Payment of Benefits Subsequent to the Measurement Date	1,730,746	-
Total	<u>\$ 2,937,291</u>	<u>\$ 1,001,073</u>

District payment of benefits of \$1,730,746 were made subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as a reduction of OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (96,766)
2027	(139,401)
2028	62,268
2029	37,084
2030	167,169
2031	175,118

NOTE 9 FLEXIBLE BENEFIT PLAN

The District has a flexible benefit plan that is classified as a “cafeteria plan” under Section 125 of the Internal Revenue Code. All employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing pre-tax dollars withheld from payroll checks to the plan for health care and dependent care benefits.

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

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 FLEXIBLE BENEFIT PLAN (CONTINUED)

Payments of health insurance premiums are made by the District directly to the designated insurance companies. These payments are made on a monthly basis and are accounted for in the General, Food Service, and Community Service Funds.

Payments for amounts withheld for medical reimbursement and dependent care are made to participating employees upon submitting a request for reimbursement of eligible expenses.

NOTE 10 SELF-INSURED HEALTH AND DENTAL PLAN

The District has elected to self-insure their employee dental insurance program and their health insurance program. The District established an internal service fund to account for contributions from other funds for health and dental insurance. Contributions during the year were based on claims history. The amounts charged to expenses include administrative fees, claims paid, and accruals for claims incurred but not paid at year-end. The District recorded total expenses of \$10,275,254 for the year ended June 30, 2025.

The liability for unpaid claims is included in the Internal Service Fund as accounts payable.

	2025	2024
Beginning Liability - July 1	\$ 565,003	\$ 779,419
Incurred Claims	8,919,182	9,534,871
Claims Payments	8,716,497	9,749,287
Ending Liability - June 30	<u>\$ 767,688</u>	<u>\$ 565,003</u>

NOTE 11 COMMITMENTS AND CONTINGENCIES

Federal and State Programs

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. 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.

NOTE 12 JOINTLY GOVERNED ORGANIZATIONS

The Cannon Valley Special Education Cooperative (CVSEC) was established by a joint powers agreement pursuant to Minnesota Statutes section 471.59. The purpose of the agreement was to optimize resources and increase efficiencies by creating a special education cooperative to serve children with low incidence disabilities. CVSEC is comprised of four member districts. Each member district shares in the costs of providing all off-site special education programs.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 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; injuries to employees; natural disasters and workers' compensation. The District purchases commercial insurance coverage for such risks. There has been no significant reduction in insurance coverage from the previous year in any of the District's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

The District self-insures for health and dental insurance offered to its employees. The District is covered by a specific stop-loss policy for health claims in excess of \$125,000 and dental claims in excess of \$1,500.

NOTE 14 STEWARDSHIP

Excess of Expenditures Over Budget

Expenditures exceeded budgeted amounts in the following funds:

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Special Revenue Funds:			
Community Service Fund	\$ 4,267,822	\$ 4,316,592	\$ 48,770
Capital Projects Fund	578,306	2,213,501	1,635,195

These excess in the Capital Projects Fund and Community Funds' expenditures were funded with higher than anticipated revenues and existing fund balances.

NOTE 15 RESTATEMENT OF BEGINNING FUND BALANCE

Changes to or within Financial Reporting Entity

Change in Fund Presentation from Major to Nonmajor

The Food Service Special Revenue Fund and Community Service Special Revenue Fund previously met the criteria to be reported as a major governmental funds. However, effective July 1, 2024, the funds no longer met the criteria to be reported as major funds and are reported as nonmajor governmental funds for the fiscal year ended June 30, 2025. The effect of that change within the financial reporting entity is shown in the table below:

	Food Service	Community Service	Nonmajor Governmental Funds
6/30/24, as Previously Presented	\$ 1,013,396	\$ 737,424	\$ -
Change from Major to Nonmajor Fund	(1,013,396)	(737,424)	1,750,820
6/30/24, as Restated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,750,820</u>

REQUIRED SUPPLEMENTARY INFORMATION

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	\$ 18,429,798	\$ 18,386,381	\$ 18,285,682	\$ (100,699)
Investment Income	350,000	500,000	778,114	278,114
Other	1,490,191	1,462,684	2,122,126	659,442
State Sources	46,103,824	46,452,052	48,158,297	1,706,245
Federal Sources	1,371,005	948,005	1,037,586	89,581
Total Revenues	67,744,818	67,749,122	70,381,805	2,632,683
EXPENDITURES				
Current:				
Administration	2,454,868	2,539,727	2,525,211	(14,516)
District Support Services	1,662,018	1,669,437	1,659,890	(9,547)
Elementary and Secondary Regular Instruction	31,592,506	31,910,766	31,511,425	(399,341)
Vocational Education Instruction	541,554	695,778	691,093	(4,685)
Special Education Instruction	13,743,762	14,340,306	14,258,015	(82,291)
Instructional Support Services	3,058,945	3,128,026	3,226,591	98,565
Pupil Support Services	5,542,069	6,115,047	5,989,706	(125,341)
Sites and Buildings	4,823,212	4,896,878	4,868,866	(28,012)
Fiscal and Other Fixed Cost Programs	285,002	359,205	357,148	(2,057)
Capital Outlay	2,146,847	1,683,375	2,143,340	459,965
Debt Service:				
Principal	953,731	953,731	681,241	(272,490)
Interest and Fiscal Charges	49,390	49,390	49,108	(282)
Total Expenditures	66,853,904	68,341,666	67,961,634	(380,032)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>890,914</u>	<u>(592,544)</u>	2,420,171	<u>3,012,715</u>
OTHER FINANCING SOURCES				
Right-to-Use Lease Proceeds	-	-	192,162	192,162
Total Other Financing Sources	-	-	192,162	192,162
NET CHANGE IN FUND BALANCE	<u>\$ 890,914</u>	<u>\$ (592,544)</u>	2,612,333	<u>\$ 3,204,877</u>
Fund Balance - Beginning of Year			<u>14,576,931</u>	
FUND BALANCE - END OF YEAR			<u>\$ 17,189,264</u>	

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST EIGHT MEASUREMENT PERIODS**

Measurement Date	<u>July 1, 2024</u>	<u>July 1, 2023</u>	<u>July 1, 2022</u>	<u>July 1, 2021</u>	<u>July 1, 2020</u>	<u>July 1, 2019</u>	<u>July 1, 2018</u>	<u>July 1, 2017</u>
Total OPEB Liability:								
Service Cost	\$ 519,850	\$ 556,783	\$ 548,922	\$ 824,321	\$ 766,224	\$ 730,675	\$ 666,600	\$ 718,218
Interest	486,875	494,884	301,047	344,127	477,609	516,743	515,935	503,567
Changes of Benefit Terms	-	-	-	-	-	-	-	(845,157)
Difference Between Expected and Actual Experience	1,182,149	-	55,920	-	(1,431,607)	298,446	(718,209)	-
Changes of Assumptions	43,680	(55,648)	(966,514)	176,287	19,928	-	(46,383)	-
Benefit Payments	(1,553,728)	(1,444,431)	(1,082,447)	(1,061,683)	(854,835)	(1,020,426)	(766,961)	-
Net Change in Total OPEB Liability	<u>678,826</u>	<u>(448,412)</u>	<u>(1,143,072)</u>	<u>283,052</u>	<u>(1,022,681)</u>	<u>525,438</u>	<u>(349,018)</u>	<u>376,628</u>
Total OPEB Liability - Beginning	<u>12,733,555</u>	<u>13,181,967</u>	<u>14,325,039</u>	<u>14,041,987</u>	<u>15,064,668</u>	<u>14,539,230</u>	<u>14,888,248</u>	<u>14,511,620</u>
Total OPEB Liability - Ending	<u>\$ 13,412,381</u>	<u>\$ 12,733,555</u>	<u>\$ 13,181,967</u>	<u>\$ 14,325,039</u>	<u>\$ 14,041,987</u>	<u>\$ 15,064,668</u>	<u>\$ 14,539,230</u>	<u>\$ 14,888,248</u>
Covered-Employee Payroll	\$ 39,343,239	\$ 35,618,905	\$ 34,581,461	\$ 35,292,327	\$ 34,264,395	\$ 32,658,560	\$ 31,707,340	\$ 28,953,340
District's Net OPEB Liability as a Percentage of the Covered-Employee Payroll	34.09%	35.75%	38.12%	40.59%	40.98%	46.13%	45.85%	51.42%

Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

No assets are accumulated in a trust.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN MEASUREMENT PERIODS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
PERA										
District's Proportion of the Net Pension Liability	0.1165%	0.1216%	0.1259%	0.1186%	0.1245%	0.1204%	0.1211%	0.1306%	0.1171%	0.1188%
District's Proportionate Share of the Net Pension Liability	\$ 4,307,780	\$ 6,799,736	\$ 9,971,322	\$ 5,064,751	\$ 7,464,344	\$ 6,656,646	\$ 6,718,131	\$ 8,337,418	\$ 9,507,939	\$ 6,156,833
State's Proportionate Share of the Net Pension Liability Associated with District	111,390	187,367	292,124	230,104	230,104	206,991	220,416	104,856	124,147	-
Total	<u>\$ 4,419,170</u>	<u>\$ 6,987,103</u>	<u>\$ 10,263,446</u>	<u>\$ 5,294,855</u>	<u>\$ 7,694,448</u>	<u>\$ 6,863,637</u>	<u>\$ 6,938,547</u>	<u>\$ 8,442,274</u>	<u>\$ 9,632,086</u>	<u>\$ 6,156,833</u>
District's Covered Payroll	\$ 9,861,963	\$ 9,666,573	\$ 9,427,509	\$ 8,534,878	\$ 8,875,532	\$ 8,521,586	\$ 8,076,280	\$ 8,479,931	\$ 7,264,732	\$ 6,969,875
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	44.81%	72.28%	108.87%	62.04%	86.69%	80.54%	85.91%	99.56%	132.59%	88.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.08%	83.10%	76.67%	87.00%	79.10%	79.50%	79.50%	75.90%	68.90%	78.20%
TRA										
District's Proportion of the Net Pension Liability	0.4317%	0.4355%	0.4501%	0.4351%	0.3742%	0.4373%	0.4314%	0.4442%	0.4014%	0.3928%
District's Proportionate Share of the Net Pension Liability	\$ 27,431,604	\$ 35,955,856	\$ 36,041,627	\$ 19,041,277	\$ 27,646,397	\$ 27,873,594	\$ 27,093,120	\$ 88,670,378	\$ 95,743,477	\$ 24,298,565
State's Proportionate Share of the Net Pension Liability Associated with District	1,794,003	2,518,657	2,672,806	1,605,932	2,317,082	2,466,730	2,545,572	8,570,788	9,610,363	2,980,581
Total	<u>\$ 29,225,607</u>	<u>\$ 38,474,513</u>	<u>\$ 38,714,433</u>	<u>\$ 20,647,209</u>	<u>\$ 29,963,479</u>	<u>\$ 30,340,324</u>	<u>\$ 29,638,692</u>	<u>\$ 97,241,166</u>	<u>\$ 105,353,840</u>	<u>\$ 27,279,146</u>
District's Covered Payroll	\$ 28,592,918	\$ 27,686,453	\$ 27,979,220	\$ 26,108,674	\$ 25,295,798	\$ 24,810,810	\$ 23,651,122	\$ 23,885,558	\$ 20,803,603	\$ 19,836,024
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	95.94%	129.87%	128.82%	72.93%	109.29%	112.34%	114.55%	371.23%	460.23%	122.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.07%	76.42%	76.17%	86.63%	75.48%	78.07%	78.07%	51.57%	44.88%	76.80%

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
PERA										
Statutorily Required Contribution	\$ 799,015	\$ 739,649	\$ 724,994	\$ 707,018	\$ 640,117	\$ 665,666	\$ 639,117	\$ 605,674	\$ 635,996	\$ 544,855
Contributions in Relation to the Statutorily Required Contribution	<u>(799,015)</u>	<u>(739,649)</u>	<u>(724,994)</u>	<u>(707,018)</u>	<u>(640,117)</u>	<u>(665,666)</u>	<u>(639,117)</u>	<u>(605,674)</u>	<u>(635,996)</u>	<u>(544,855)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 10,653,533	\$ 9,861,963	\$ 9,666,573	\$ 9,427,509	\$ 8,534,878	\$ 8,875,532	\$ 8,521,586	\$ 8,076,280	\$ 8,479,931	\$ 7,264,732
Contributions as a Percentage of Covered-Employee Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
TRA										
Statutorily Required Contribution	\$ 2,691,522	\$ 2,516,861	\$ 2,374,819	\$ 2,341,434	\$ 2,130,249	\$ 2,010,880	\$ 1,912,879	\$ 1,773,835	\$ 1,791,417	\$ 1,560,272
Contributions in Relation to the Statutorily Required Contribution	<u>(2,691,522)</u>	<u>(2,516,861)</u>	<u>(2,374,819)</u>	<u>(2,341,434)</u>	<u>(2,130,249)</u>	<u>(1,773,835)</u>	<u>(1,791,417)</u>	<u>(1,560,272)</u>	<u>(1,487,706)</u>	<u>(1,487,706)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 237,045</u>	<u>\$ 121,462</u>	<u>\$ 213,563</u>	<u>\$ 303,711</u>	<u>\$ 72,566</u>
District's Covered Payroll	\$ 30,253,245	\$ 28,592,918	\$ 27,686,453	\$ 27,979,220	\$ 26,108,674	\$ 25,295,798	\$ 24,810,810	\$ 23,651,122	\$ 23,885,558	\$ 20,803,603
Contributions as a Percentage of Covered-Employee Payroll	8.90%	8.80%	8.58%	8.37%	8.16%	7.95%	7.71%	7.50%	7.50%	7.50%

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended June 30:

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.

2023

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 6.50% to 7.00%, for financial reporting purposes.

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.
- The one-time, noncompounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022

Changes in Actuarial Assumptions

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

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2021

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5 % to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020

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.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2020 (Continued)

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 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, decreased 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 in Actuarial Assumption

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed postretirement benefit increase was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, 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% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50% 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.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2017

Changes in Actuarial Assumption

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and nonvested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability, and 3.0% for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

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

2016

Changes in Actuarial Assumptions

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

2015

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 7.50%.
- 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% to 3.25% for payroll growth and 2.50% for inflation.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2015 (Continued)

Changes in Plan Provisions

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

The following changes were reflected in the valuation performed on behalf of the Teachers Retirement Association for the year ended June 30:

2024

Changes in Actuarial Assumptions

- Mortality tables were updated for active employees, retirees, disabled retirees, and contingent beneficiaries to recently published tables derived from public plan data known as the Pub2010 family.
- 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.

2023

Changes in Actuarial Assumptions

- There were no changes in actuarial assumptions for financial reporting purposes.

2022

Changes in Actuarial Assumptions

- There were no changes in actuarial assumptions for financial reporting purposes.

2021

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 7.00%, for financial reporting purposes.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2020

Changes in Actuarial Assumptions

- The COLA was reduced from 2.0% each January to 1.0, effective January 2019. Beginning January 1, 2024, the COLA will increase .01% each year until reaching the ultimate rate of 1.5% on January 1, 2028.
- Beginning July 1, 2024, eligibility for first COLA changes to normal retirement age (age 65 to 66, 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 2 years (8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.5% to 7.75% on July 1, 2023. The State provides funding for the contribution rate through an adjustment in the school aid formula.

2019

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

2018

Changes in Actuarial Assumptions

- The investment return assumption was changed from 8.5% to 7.5%.
- The price inflation assumption was lowered from 3.0% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The wage inflation assumption (above price inflation) was reduced from 0.75% to 0.35% for the next 10 years, and 0.75% thereafter.
- The total salary increase assumption was adjusted by the wage inflation change.
- The amortization date for the funding of the Unfunded Actuarial Accrual Liability (UAAL) was reset to June 30, 2048 (30 years).
- The mechanism in the law that provided the TRA Board with some authority is set contribution rates was eliminated.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2018 (Continued)

Changes in Plan Provisions

- 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 0% 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 4 years, (7.92% in 2019, 8.13% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The State provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

2017

Changes in Actuarial Assumptions

- The cost-of-living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- 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 nonvested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for 10 years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2016

Changes in Actuarial Assumptions

- The cost-of-living adjustment was not assumed to increase (it remained at 2.0% for all future years).
- The price inflation assumption was lowered from 3.0% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes at 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 6 years, and female rates set back five years. Generational projection uses the MP-2015 scale.
- The postretirement mortality assumption was changed to the RP-2014 white collar annuitant table, male rates set back 3 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 adjustments.
- 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 forms of payment at retirement were made.

2015

Changes in Actuarial Assumptions

- The cost-of-living adjustment was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2037.
- The investment return assumption was changed from 8.25% to 8.0%.

Changes in Plan Provisions

- The Duluth Teachers Retirement Fund Association was merged into TRA on June 30, 2015. This also resulted in a state-provided contribution stream of \$14.377 million until the System becomes fully funded.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2014

Changes in Actuarial Assumptions

- The cost-of-living adjustment was assumed to increase from 2.0% annually to 2.5% annually once the legally specified criteria was met. This was estimated to occur July 1, 2031.

Changes in Plan Provisions

- The increase in the postretirement benefit adjustment (COLA) will be made once the System is 90% funded (on a market value basis) in two consecutive years, rather than just one year.

The following changes were reflected in the valuation performed on behalf of the District's other postemployment benefits plan for the year ended June 30:

2024

Changes in Actuarial Assumptions

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

2023

Changes in Actuarial Assumptions

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

2022

Changes in Plan Provisions

- There were no changes in plan provisions.

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 discount rate was changed from 2.10% to 3.80%.

2021

Changes in Plan Provisions

- There were no changes in plan provisions.

Changes in Actuarial Assumptions

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

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2020

Changes in Plan Provisions

- There were no changes in plan provisions.
- Mortality rates were updated from MP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Headcount-Weighted Mortality Tables (General Teachers) with MP-2019 Generational Improvement Scales.

Changes in Actuarial Assumptions

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

2019

Changes in Actuarial Assumptions

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

2018

Changes in Plan Provisions

- Postemployment subsidized payments for all head custodians are now paid for three years.

Changes in Actuarial Assumptions

- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The discount rate was changed from 3.40% to 3.50%.

2017

Changes in Actuarial Assumptions

- The discount rate was changed from 3.00% to 3.40%.

SUPPLEMENTARY INFORMATION

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	\$ 3,346,396	\$ 3,346,396	\$ 3,038,227	\$ (308,169)
Earnings and Investments	50,000	50,000	145,686	95,686
State Sources	926,304	926,304	760,069	(166,235)
Total Revenues	4,322,700	4,322,700	3,943,982	(378,718)
EXPENDITURES				
Debt Service:				
Bond Principal	2,445,000	2,445,000	2,445,000	-
Bond Interest	1,575,009	1,575,009	1,575,009	-
Paying Agent Fees and Other	7,000	7,000	5,913	(1,087)
Total Expenditures	4,027,009	4,027,009	4,025,922	(1,087)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>\$ 295,691</u>	<u>\$ 295,691</u>	(81,940)	<u>\$ (377,631)</u>
Fund Balance - Beginning of Year			1,548,001	
FUND BALANCE - END OF YEAR			<u>\$ 1,466,061</u>	

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
SCHEDULE OF CHANGES IN FUND EQUITIES
YEAR ENDED JUNE 30, 2025**

	Fund Equities June 30, 2024	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	Transfers	Fund Equities June 30, 2025
GOVERNMENTAL FUNDS					
General Fund:					
Nonspendable	\$ 110,344	\$ -	\$ -	\$ (47,446)	\$ 62,898
Restricted for Student Activities	245,422	197,433	203,519	4	239,340
Restricted for Scholarships	237,354	88,436	66,990	-	258,800
Restricted for Staff Development	-	606,734	606,734	-	-
Restricted for Capital Project Levy	(13,682)	1,906,488	1,906,488	-	(13,682)
Restricted for English Learner	-	1,137,415	1,137,415	-	-
Reserved for READ Act - Literacy Aid	-	154,768	-	-	154,768
Restricted for READ Act - Teacher Comp Aid	-	139,733	139,733	-	-
Restricted for Operating Capital	160,338	1,179,358	1,228,252	-	111,444
Reserved for Literacy Incentive Aid	-	188,999	188,999	-	-
Restricted for Learning and Development	-	794,867	794,867	-	-
Restricted for Area Learning Center	734,337	1,266,077	1,440,790	-	559,624
Reserved for American Indian Ed Aid	-	36,227	42,399	6,172	-
Restricted for Gifted and Talented	-	54,241	54,241	-	-
Restricted for Teacher Development and Evaluation	2,562	-	-	-	2,562
Restricted for Basic Skills	-	1,543,954	2,320,969	777,015	-
Restricted for School Library Aid	5,960	66,773	62,576	-	10,157
Reserved for Achievement and Integration	-	243,719	227,968	(15,751)	-
Restricted for Safe Schools	-	146,489	146,489	-	-
Restricted for LTFM	947,055	1,398,332	922,721	-	1,422,666
Student Support Personnel Aid	-	70,667	113,938	43,271	-
Restricted for Medical Assistance	-	680,165	630,365	-	49,800
Assigned for Severance	3,750,000	-	-	250,000	4,000,000
Assigned for Tobacco Settlement	17,827	59,030	49,577	(9,453)	17,827
Assigned for Carry-Over Funds	31,213	142,154	222,235	118,564	69,696
Unassigned	8,348,203	59,168,693	56,151,156	(1,122,376)	10,243,364
Total General Fund	14,576,933	71,270,752	68,658,421	-	17,189,264
Food Service Fund:					
Nonspendable	23,816	-	-	9,076	32,892
Restricted for Other Purposes	989,580	2,913,873	2,966,191	(9,076)	928,186
Total Food Service Fund	1,013,396	2,913,873	2,966,191	-	961,078
Community Service Fund:					
Nonspendable	3,693	-	-	(2,693)	1,000
Restricted for Community Education	273,618	3,370,151	3,476,878	2,693	169,584
Restricted for E.C.F.E.	406,444	296,753	273,217	-	429,980
Restricted for School Readiness	35,159	449,898	410,536	-	74,521
Reserved for Adult Basic Education	-	5,485	5,485	-	-
Reserved for Achievement and Integration	-	111,340	111,340	-	-
Restricted for Other Purposes	18,510	44,140	39,136	-	23,514
Unassigned	-	-	-	-	-
Total Community Service Fund	737,424	4,277,767	4,316,592	-	698,599
Capital Projects Fund					
Restricted for Other Purposes	-	41,021,638	2,213,501	-	38,808,137
Total Capital Projects Fund	-	41,021,638	2,213,501	-	38,808,137
Debt Service Fund:					
Restricted for Other Purposes	1,548,001	3,943,982	4,025,922	-	1,466,061
Total Debt Service Fund	1,548,001	3,943,982	4,025,922	-	1,466,061
TOTAL GOVERNMENTAL FUNDS	17,875,754	123,428,012	82,180,627	-	59,123,139
FIDUCIARY FUNDS					
Custodial Fund:					
Unassigned	-	5,250	5,250	-	-
Total Trust Fund	-	5,250	5,250	-	-
TOTAL FIDUCIARY FUNDS	-	5,250	5,250	-	-
PROPRIETARY FUNDS					
Internal Service Fund:					
Unassigned	3,466,296	11,149,502	10,275,254	-	4,340,544
Total Internal Service Fund	3,466,296	11,149,502	10,275,254	-	4,340,544
TOTAL PROPRIETARY FUNDS	3,466,296	11,149,502	10,275,254	-	4,340,544
GRAND TOTAL	\$ 21,342,050	\$ 134,582,764	\$ 92,461,131	\$ -	\$ 63,463,683

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET
YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds		Total Governmental Funds
	Food Service	Community Service	
ASSETS			
Cash and Investments	\$ 978,655	\$ 895,802	\$ 1,874,457
Receivables:			
Current Property Taxes	-	198,259	198,259
Delinquent Property Taxes	-	2,272	2,272
Accounts Receivable	345	212,048	212,393
Due from Other Minnesota School Districts	-	80,291	80,291
Due from Minnesota Department of Education	34,166	51,867	86,033
Due from Federal through Minnesota Department of Education	32,008	-	32,008
Due from Other Governmental Units	-	102,086	102,086
Inventory	32,892	-	32,892
Prepays	-	1,000	1,000
Total Assets	<u>\$ 1,078,066</u>	<u>\$ 1,543,625</u>	<u>\$ 2,621,691</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Salaries and Payroll Deductions Payable	\$ 4,625	\$ 195,961	\$ 200,586
Accounts and Contracts Payable	24,437	89,465	113,902
Unearned Revenue	87,926	144,566	232,492
Total Liabilities	<u>116,988</u>	<u>429,992</u>	<u>546,980</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes Levied for Subsequent Year	-	412,762	412,762
Unavailable Revenue - Delinquent Property Taxes	-	2,272	2,272
Total Deferred Inflows of Resources	<u>-</u>	<u>415,034</u>	<u>415,034</u>
FUND BALANCES			
Nonspendable:			
Inventory	32,892	-	32,892
Prepays	-	1,000	1,000
Restricted for:			
Community Education	-	169,584	169,584
Early Childhood and Family Education	-	429,980	429,980
School Readiness	-	74,521	74,521
Restricted for Other Purposes	928,186	23,514	951,700
Total Fund Balances	<u>961,078</u>	<u>698,599</u>	<u>1,659,677</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,078,066</u>	<u>\$ 1,543,625</u>	<u>\$ 2,621,691</u>

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds		
	Food Service	Community Service	Total
REVENUES			
Local Sources:			
Property Taxes	\$ -	\$ 381,313	\$ 381,313
Investment Income	40,933	30,198	71,131
Other	331,597	3,133,059	3,464,656
State Sources	1,416,538	719,192	2,135,730
Federal Sources	1,124,805	14,005	1,138,810
Total Revenues	<u>2,913,873</u>	<u>4,277,767</u>	<u>7,191,640</u>
EXPENDITURES			
Current:			
Food Service	2,918,787	-	2,918,787
Community Service	-	4,306,715	4,306,715
Capital Outlay	47,404	9,877	57,281
Total Expenditures	<u>2,966,191</u>	<u>4,316,592</u>	<u>7,282,783</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(52,318)	(38,825)	(91,143)
Fund Balances - Beginning of Year, as Originally Reported	-	-	-
Change Within the Financial Reporting Entity	<u>1,013,396</u>	<u>737,424</u>	<u>1,750,820</u>
Fund Balances - Beginning of Year, as Adjusted	<u>1,013,396</u>	<u>737,424</u>	<u>1,750,820</u>
FUND BALANCES - END OF YEAR	<u>\$ 961,078</u>	<u>\$ 698,599</u>	<u>\$ 1,659,677</u>

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2025**

	Child Nutrition Fund			
	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Investment Income	\$ 5,000	\$ 45,000	\$ 40,933	\$ (4,067)
Other - Primarily Meal Sales	317,000	299,700	331,597	31,897
State Sources	1,174,000	1,424,000	1,416,538	(7,462)
Federal Sources	1,054,906	1,095,920	1,124,805	28,885
Total Revenues	2,550,906	2,864,620	2,913,873	49,253
EXPENDITURES				
Current:				
Food Service	2,678,877	3,046,321	2,918,787	(127,534)
Capital Outlay	68,000	50,000	47,404	(2,596)
Total Expenditures	2,746,877	3,096,321	2,966,191	(130,130)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>\$ (195,971)</u>	<u>\$ (231,701)</u>	(52,318)	<u>\$ 179,383</u>
Fund Balance - Beginning of Year			1,013,396	
FUND BALANCE - END OF YEAR			<u>\$ 961,078</u>	

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – COMMUNITY SERVICE FUND
YEAR ENDED JUNE 30, 2025**

	Community Education Fund			
	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	\$ 396,647	\$ 396,647	\$ 381,313	\$ (15,334)
Investment Income	25,000	25,000	30,198	5,198
Other - Primarily Tuition and Fees	2,719,908	3,041,818	3,133,059	91,241
State Sources	491,529	641,016	719,192	78,176
Federal Sources	-	-	14,005	14,005
Total Revenues	3,633,084	4,104,481	4,277,767	173,286
EXPENDITURES				
Current:				
Community Service	3,960,304	4,263,922	4,306,715	42,793
Capital Outlay	3,900	3,900	9,877	5,977
Total Expenditures	3,964,204	4,267,822	4,316,592	48,770
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	\$ (331,120)	\$ (163,341)	(38,825)	\$ 124,516
Fund Balance - Beginning of Year			737,424	
FUND BALANCE - END OF YEAR			\$ 698,599	

SINGLE AUDIT AND OTHER REQUIRED REPORTS

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Pass-Through Minnesota Department of Education				
Child Nutrition Cluster:				
Noncash Assistance (Commodities):				
National School Lunch Program	10.555	1-0659-000	\$ 183,594	
Cash Assistance:				
National School Lunch Program	10.555	1-0659-000	744,739	
After School Snack	10.555	1-0659-000	9,987	
Subtotal Assistance Listing No. 10.555			\$ 938,320	\$ -
School Breakfast Program	10.553	1-0659-000	141,658	-
Summer Program	10.559	1-0659-000	44,827	-
Total Child Nutrition Cluster			1,124,805	-
Total U.S. Department of Agriculture			1,124,805	-
U.S. Department of Education				
Pass-Through Minnesota Department of Education				
Title I, Part A - Grants to Local Educational Agencies	84.010	S010A210024	352,599	-
Title II, Part A - Supporting Effective Instruction State Grant	84.367	S367A210022	110,737	-
Title III, Part A - English Language Acquisition Grants	84.365	S365A210024	29,025	-
Individuals with Disabilities Education Act (IDEA) Part C	84.181	H181A210029	18,287	-
Title IV, Part B - Twenty-First Century Community Learning Centers	84.287	S287C190023	200,207	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund 3	84.425U	**	70,222	-
Special Education Cluster:				
Special Education - Grants to States	84.027	H027A210087	247,364	
Special Education - Preschool Grants	84.173	H173A210086	17,634	
Total Special Education Cluster			264,998	-
Pass-Through Independent School District #917				
Carl Perkins Vocational Education Basic Grants to States	84.048	V048A190023A	5,516	-
Total U.S. Department of Education			1,051,591	-
Total Federal Awards Expended			\$ 2,176,396	\$ -

** Not available

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2025**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Northfield Public Schools (the District) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COST RATE

The District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



**INDEPENDENT AUDITORS' 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***

Board of Education
Independent School District No. 659
Northfield, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 659 (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 11, 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.

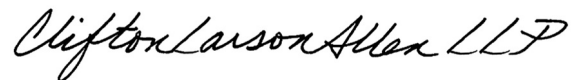
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Rochester, Minnesota
December 11, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education
Independent School District No. 659
Northfield, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Northfield Public Schools Independent School District No. 659's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

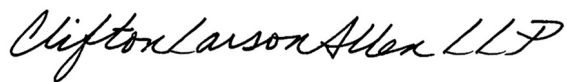
Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Rochester, Minnesota
December 11, 2025



INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Education
Independent School District No. 659
Northfield, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 659 (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 11, 2025.

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

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

Rochester, Minnesota
December 11, 2025

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

**Federal Assistance
Listing Number(s)**

Name of Federal Program or Cluster

10.553, 10.555, 10.559

Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 x yes _____ no

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Section II – Findings Related to Basic Financial Statements

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Awards Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Findings and Questioned Costs – Minnesota Legal Compliance

None

**NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
UNIFORM FINANCIAL ACCOUNTING AND REPORTING
STANDARDS COMPLIANCE TABLE
YEAR ENDED JUNE 30, 2025**

	Audit	UFARS	Difference		Audit	UFARS	Difference
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenue	\$ 70,381,805	\$ 70,381,794	\$ 11	Total Revenue	\$ 1,101,029	\$ 1,101,031	\$ (2)
Total Expenditures	67,961,634	67,961,623	11	Total Expenditures	2,213,501	2,213,501	-
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	62,898	62,897	1	460 Nonspendable Fund Balance	-	-	-
<i>Restricted/Reserved:</i>				<i>Restricted/Reserved:</i>			
401 Student Activity	239,340	239,336	4	407 Capital Projects Levy	-	-	-
402 Scholarships	258,800	258,799	1	413 Projects Funded by COP	-	-	-
403 Staff Development	-	-	-	467 LTFM	-	-	-
406 Health and Safety	-	-	-	<i>Restricted:</i>			
407 Capital Project Levy	(13,682)	(13,682)	-	464 Restricted Fund Balance	38,808,137	38,808,138	(1)
408 Cooperative Programs	-	-	-	<i>Unassigned:</i>			
413 Projects Funded by COP	-	-	-	463 Unassigned Fund Balance	-	-	-
414 Operating Debt	-	-	-				
416 Levy Reduction	-	-	-	07 DEBT SERVICE			
417 Taconite Building Maintenance	-	-	-	Total Revenue	3,943,982	3,943,981	1
424 Operating Capital	111,444	111,444	-	Total Expenditures	4,025,922	4,025,921	1
426 \$25 Taconite	-	-	-	<i>Nonspendable:</i>			
427 Disabled Accessibility	-	-	-	460 Nonspendable Fund Balance	-	-	-
428 Learning and Development	-	-	-	<i>Restricted/Reserved:</i>			
434 Area Learning Center	559,624	559,623	1	425 Bond Refunding	-	-	-
435 Contracted Alternative Programs	-	-	-	451 QZAB and QSCB Payments	-	-	-
436 State Approved Alternative Programs	-	-	-	<i>Restricted:</i>			
438 Gifted and Talented	-	-	-	464 Restricted Fund Balance	1,466,061	1,466,061	-
440 Teacher Development and Evaluations	2,562	2,562	-	<i>Unassigned:</i>			
441 Basic Skills Programs	-	-	-	463 Unassigned Fund Balance	-	-	-
443 School Library Aid	10,157	10,157	-				
448 Achievement and Integration	-	-	-	08 TRUST			
449 Safe Schools Crime Levy	-	-	-	Total Revenue	-	-	-
450 Pre-Kindergarten	-	-	-	Total Expenditures	-	-	-
451 QZAB Payments	-	-	-	<i>Net Position:</i>			
452 OPEB Liability Not Held in Trust	-	-	-	422 Net Position	-	-	-
456 READ Act - Literacy Aid	154,768	154,768	-				
459 Basic Skills Extended Time	-	-	-	18 CUSTODIAL			
467 LTFM	1,422,666	1,422,666	-	Total Revenue	5,250	5,250	-
472 Medical Assistance	49,800	49,800	-	Total Expenditures	5,250	5,250	-
<i>Restricted:</i>				<i>Net Position:</i>			
464 Restricted Fund Balance	-	-	-	422 Net Position	-	-	-
<i>Committed:</i>							
418 Committed for Separation	-	-	-	20 INTERNAL SERVICE			
461 Committed Fund Balance	-	-	-	Total Revenue	11,149,502	11,149,502	-
<i>Assigned:</i>				Total Expenditures	10,275,254	10,275,254	-
462 Assigned Fund Balance	4,087,523	4,087,523	-	<i>Net Position:</i>			
<i>Unassigned:</i>				422 Net Position	4,340,544	4,340,544	-
422 Unassigned Fund Balance	10,243,364	10,243,370	(6)				
02 FOOD SERVICE				25 OPEB REVOCABLE TRUST			
Total Revenue	2,913,873	2,913,871	2	Total Revenue	-	-	-
Total Expenditures	2,966,191	2,966,188	3	Total Expenditures	-	-	-
<i>Nonspendable:</i>				<i>Net Position:</i>			
460 Nonspendable Fund Balance	32,892	32,892	-	422 Net Position	-	-	-
<i>Restricted/Reserved:</i>							
452 OPEB Liability Not Held in Trust	-	-	-	45 OPEB IRREVOCABLE TRUST			
<i>Restricted:</i>				Total Revenue	-	-	-
464 Restricted Fund Balance	928,186	928,186	-	Total Expenditures	-	-	-
<i>Unassigned:</i>				<i>Net Position:</i>			
463 Unassigned Fund Balance	-	-	-	422 Net Position	-	-	-
04 COMMUNITY SERVICE							
Total Revenue	4,277,767	4,277,770	(3)	47 OPEB DEBT SERVICE			
Total Expenditures	4,316,592	4,316,596	(4)	Total Revenue	-	-	-
<i>Nonspendable:</i>				Total Expenditures	-	-	-
460 Nonspendable Fund Balance	1,000	1,000	-	<i>Nonspendable:</i>			
<i>Restricted/Reserved:</i>				460 Nonspendable Fund Balance	-	-	-
426 \$25 Taconite	-	-	-	<i>Restricted:</i>			
431 Community Education	169,584	169,585	(1)	425 Bond Refunding	-	-	-
432 E.C.F.E.	429,980	429,980	-	464 Restricted Fund Balance	-	-	-
440 Teacher Development and Evaluations	-	-	-	<i>Unassigned:</i>			
444 School Readiness	74,521	74,521	-	463 Unassigned Fund Balance	-	-	-
447 Adult Basic Education	-	-	-				
452 OPEB Liability Not Held in Trust	-	-	-				
<i>Restricted:</i>							
464 Restricted Fund Balance	23,514	23,512	2				

