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February 6, 2026

School Board
Independent School District No. 112
Eastern Carver County Schools
Chaska, Minnesota

This Executive Audit Summary and Management Report presents information which we believe is important to you as members of the school board. We encourage you to review the sections of this report, the audited financial statements, and the auditors' reports.

We would be pleased to furnish additional information with respect to these suggestions and discuss this memorandum with you at your convenience. We wish to express our appreciation to the District for the courtesies, cooperation, and assistance extended to us during the course of our work.

CliftonLarsonAllen LLP



Christopher G. Knopik, CPA, CFE
Principal

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INDEPENDENT SCHOOL DISTRICT NO. 112
EASTERN CARVER COUNTY SCHOOLS

EXECUTIVE AUDIT SUMMARY (EAS)

JUNE 30, 2025



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EASTERN CARVER COUNTY SCHOOLS
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EXECUTIVE AUDIT SUMMARY (EAS)
FOR
EASTERN CARVER COUNTY SCHOOLS
YEAR ENDED JUNE 30, 2025

AUDIT FINDINGS AND RESULTS

We prepared this Executive Audit Summary and Management Report in conjunction with our audit of the District's financial records for the year ended June 30, 2025.

Audit Opinion – The financial statements are fairly stated. We issued what is known as a "clean" or "unmodified" audit opinion.

Yellow Book Compliance Findings – No compliance issues were reported in our review of laws, regulations, contracts, and grants that could have significant financial implications to the District.

Internal Controls – No material weaknesses in internal controls over financial reporting were noted .

Single Audit – We noted two material weaknesses with regards to direct and material compliance requirements of the major federal programs, which was related to suspension and debarment requirements in the Child Nutrition Cluster and Special Education Cluster.

Legal Compliance – No noncompliance items were noted with respect to Minnesota Statutes.

Enrollment – For fiscal 2024-2025, Eastern Carver County Schools had an estimated total adjusted average daily membership of 9,098.22. For fiscal 2023-2024, Eastern Carver County Schools had an estimated total adjusted average daily membership of 9,097.25.

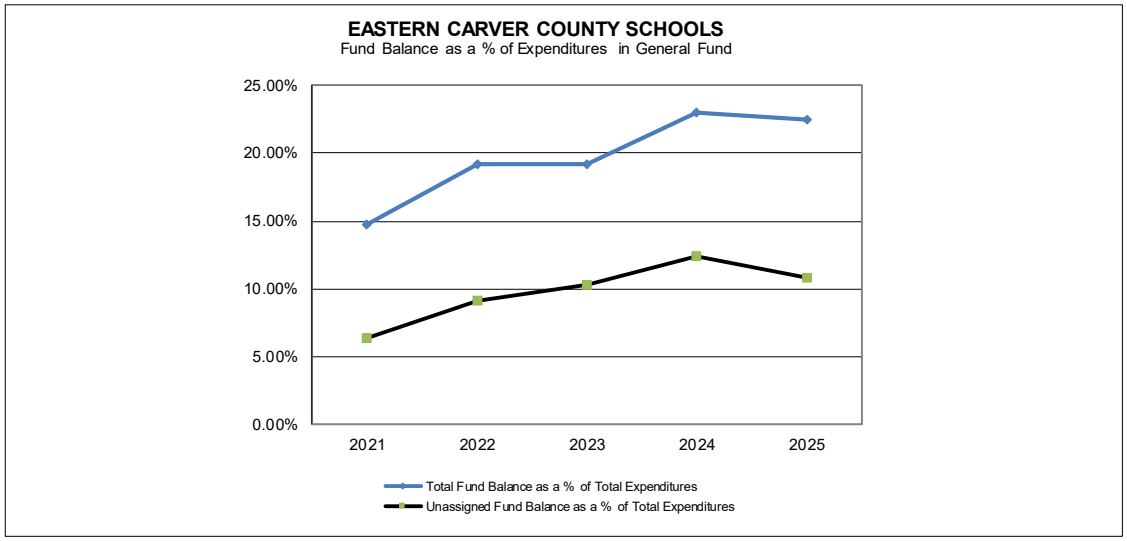
Fund Balance – The School's General Fund unassigned fund balance for financial statement reporting purposes decreased by $1,358,149 during fiscal year 2025, decreasing from $17,950,757 to $16,592,608. Total fund balance of the General Fund increased by $1,176,765, ending at $34,462,944 as of June 30, 2025. The total ending unassigned fund balance represents 10.79% of General Fund expenditures. A District's fund balance is an important aspect in considering the School's financial wellbeing since a healthy fund balance represents things such as cash flow, as a cushion against unanticipated expenditures, enrollment changes, funding deficiencies, and aid prorations at the state level and similar problems. The District has continued to do a good job of financial planning and reacting to enrollment changes.

Budget to Actual – Total revenues on a net basis in the General Fund were $4.09 million (or 2.71%) higher than the budgeted amount and total expenditures were $4,792,341 (or 3.02%) lower than had been budgeted. The net effect, including other financing sources, was an increase in total fund balance that was $8,877,913 more than had been reflected in the District's final amended budget, which is commendable given the District's General Fund expenditures exceeded $150 million.

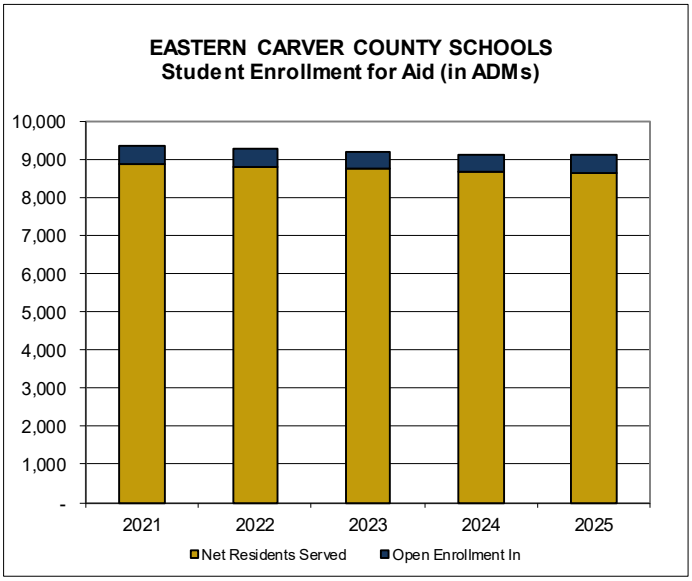
Fund Balances of the General Fund

Unless otherwise noted, all graphs and charts reflect the combined activity of the District's General Fund.

	2021	2022	2023	2024	2025
Unassigned Fund Balance	$ 8,394,545	$ 12,367,832	$ 14,195,134	$ 17,950,757	$ 16,592,608
Assigned Fund Balance	8,816,082	11,482,022	10,516,262	12,289,245	11,828,449
Restricted Fund Balance	2,150,287	2,015,748	1,633,176	2,743,773	5,653,117
Nonspendable Fund Balance	58,542	260,905	96,263	302,404	388,770
Total Fund Balance	$ 19,419,456	$ 26,126,507	$ 26,440,835	$ 33,286,179	$ 34,462,944
Total Expenditures	$ 132,237,551	$ 136,021,361	$ 137,819,843	$ 145,036,451	$ 153,708,464
Total Fund Balance as a % of Total Expenditures	14.69%	19.21%	19.19%	22.95%	22.42%
Unassigned Fund Balance as a % of Total Expenditures	6.35%	9.09%	10.30%	12.38%	10.79%



Students Served for Aid



	2021	2022	2023	2024	2025
Total Residents	10,681.27	10,678.89	10,667.62	10,626.31	10,691.70
Open Enrollment Out*	(1,812.02)	(1,883.26)	(1,915.63)	(1,962.86)	(2,054.92)
Net Residents Served	8,869.25	8,795.63	8,751.99	8,663.45	8,636.78
Open Enrollment In	485.85	448.62	414.67	433.80	461.44
Net ADM Served	9,355.10	9,244.25	9,166.66	9,097.25	9,098.22
* including charter schools					
Net Pupil Units Served	10,262.88	10,132.18	10,035.43	9,962.95	9,959.88
% of Net Served to Total Residents	88%	87%	86%	86%	85%

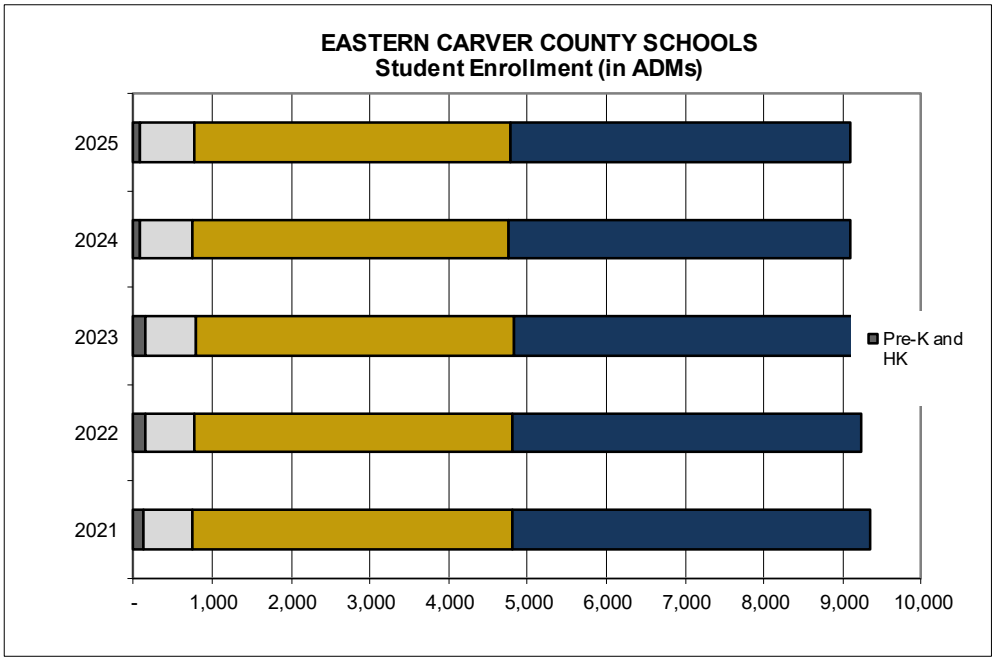
As reflected in the above chart and graph, the net impact of open enrollment out continues to be significant for the District.

APPENDIX A

FINANCIAL TRENDS OF YOUR DISTRICT

Within this report there are a number of areas where condensed financial statement data has been presented.

Student Enrollment (Average Daily Membership-ADM)

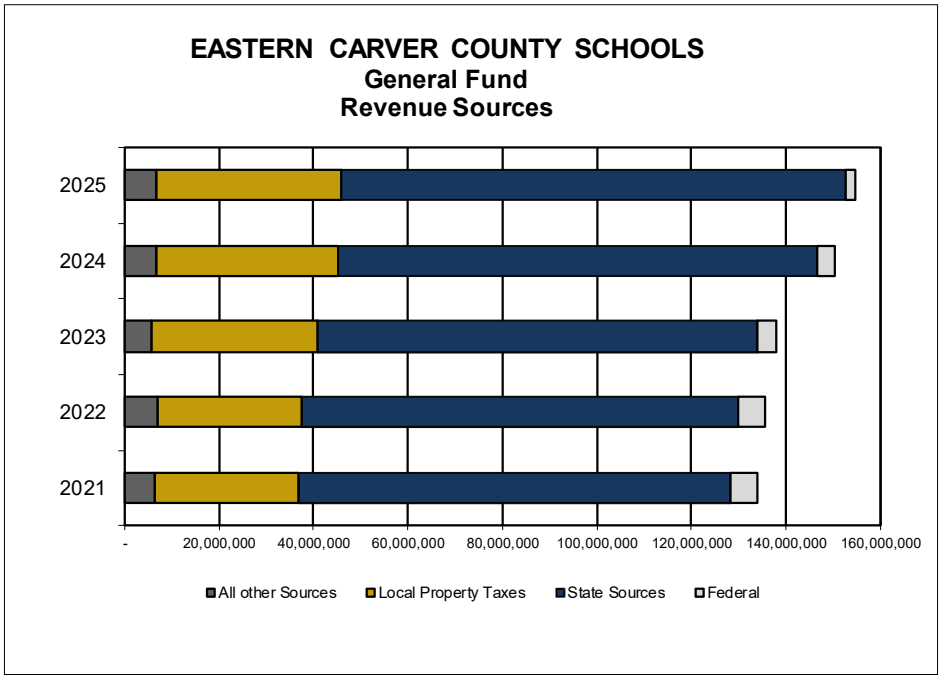


	2021	2022	2023	2024	2025
Pre-K and HK	133.28	161.06	153.10	88.56	86.59
Reg Kindergarten	627.19	614.60	646.54	651.34	686.92
Elementary	4,055.92	4,029.02	4,023.20	4,028.85	4,016.44
Secondary	4,538.71	4,439.57	4,343.82	4,328.50	4,308.27
Net ADM Served	9,355.10	9,244.25	9,166.66	9,097.25	9,098.22
Percent Change	-3.04%	-1.18%	-0.84%	-0.76%	0.01%

As noted in the above chart, the District's student ADMs for fiscal 2024-2025 was 0.97 ADMs (or 0.01%) higher than the prior year.

General Fund Revenue

The following table and graph summarizes the District's General Fund revenue sources for the last five years.



The table below illustrates the fluctuation that occurs between the taxes and state aid categories based on legislative activity. The Legislature determines what portion of the general education funding formula will be paid by local taxpayers.

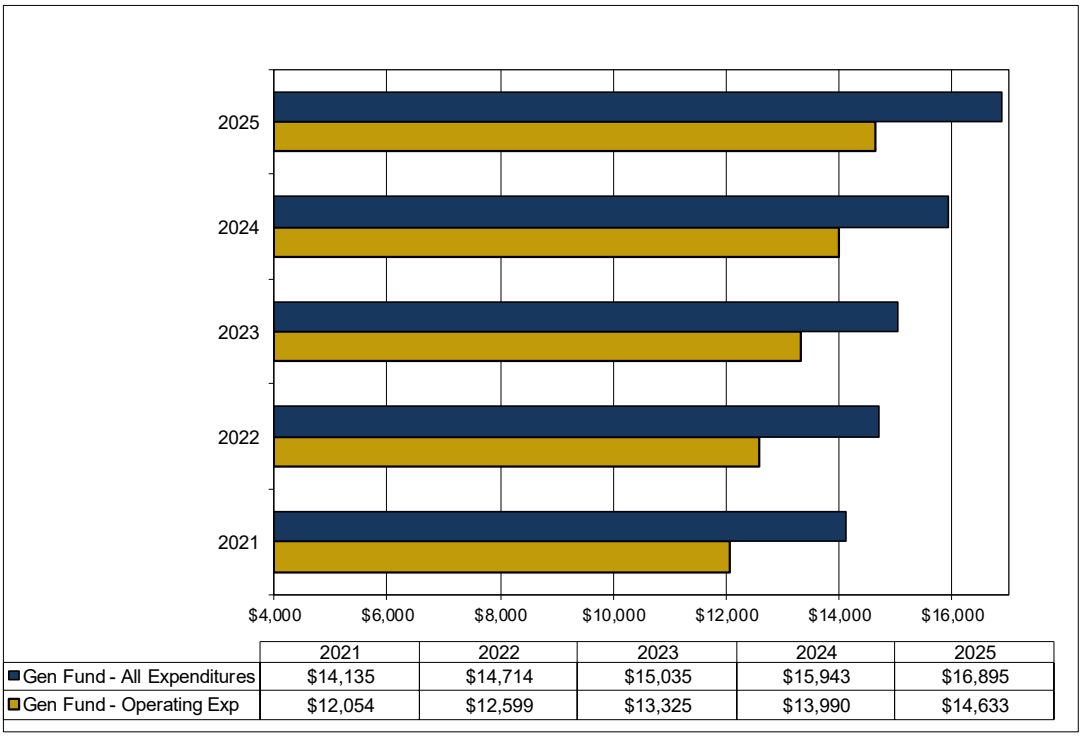
	2021	2022	2023	2024	2025
Local Property Taxes	$ 30,492,311	$ 30,523,562	$ 35,227,141	$ 38,618,570	$ 39,201,610
State Sources	91,176,434	92,390,036	92,882,880	101,281,621	106,647,106
Federal Sources	5,854,359	5,717,833	4,061,303	3,571,839	2,098,273
All Other Sources	6,446,021	7,070,162	5,821,021	6,686,549	6,725,937
Total Revenues	$ 133,969,125	$ 135,701,593	$ 137,992,345	$ 150,158,579	$ 154,672,926

	2021	2022	2023	2024	2025
Local Property Taxes	23%	22%	26%	26%	25%
State Sources	68%	68%	67%	67%	69%
Federal Sources	4%	4%	3%	2%	1%
All Other Sources	5%	5%	4%	4%	4%
Total Revenues	100%	100%	100%	100%	100%

General Fund Expenditures

EXPENDITURES PER ADM

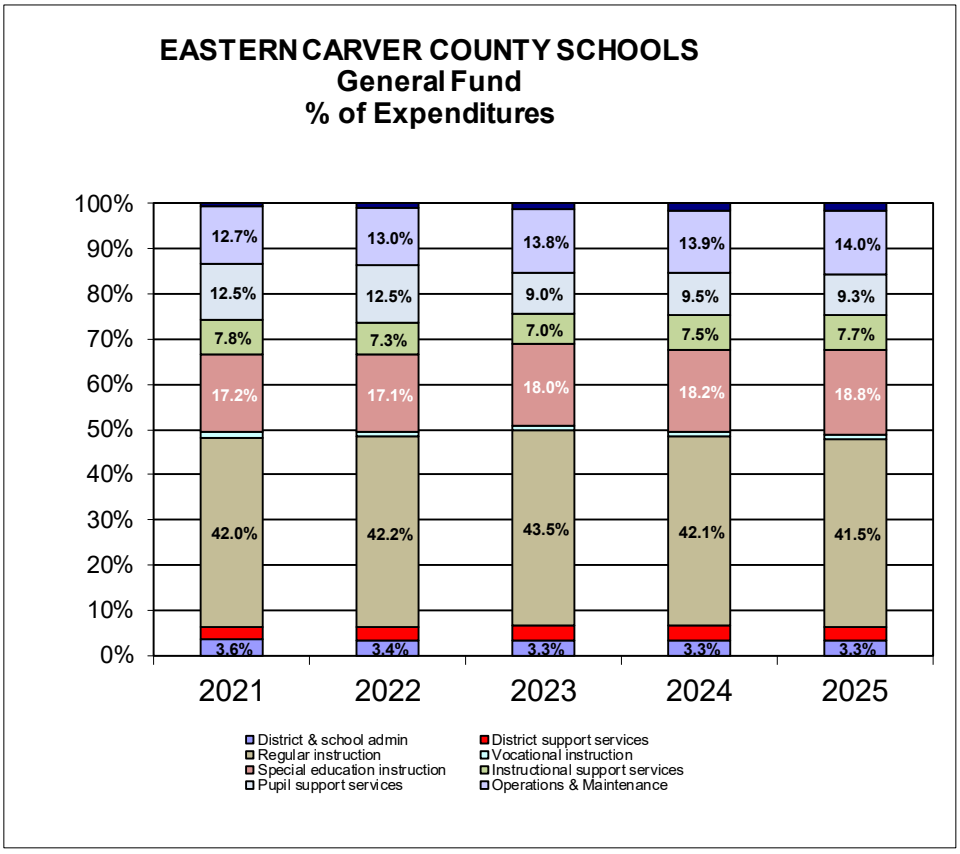
Expenditures per ADM (average daily membership) are summarized in the following graph.



	2021	2022	2023	2024	2025
Gen Fund - All Expenditures	$14,135	$14,714	$15,035	$15,943	$16,895
Gen Fund - Operating Exp	$12,054	$12,599	$13,325	$13,990	$14,633

In fiscal 2025, General Fund expenditures per student increased by 5.97% while total ADMs served increased 0.01%. Operating expenditures exclude the costs for transportation and for capital outlay.

General Fund Expenditures (Continued)



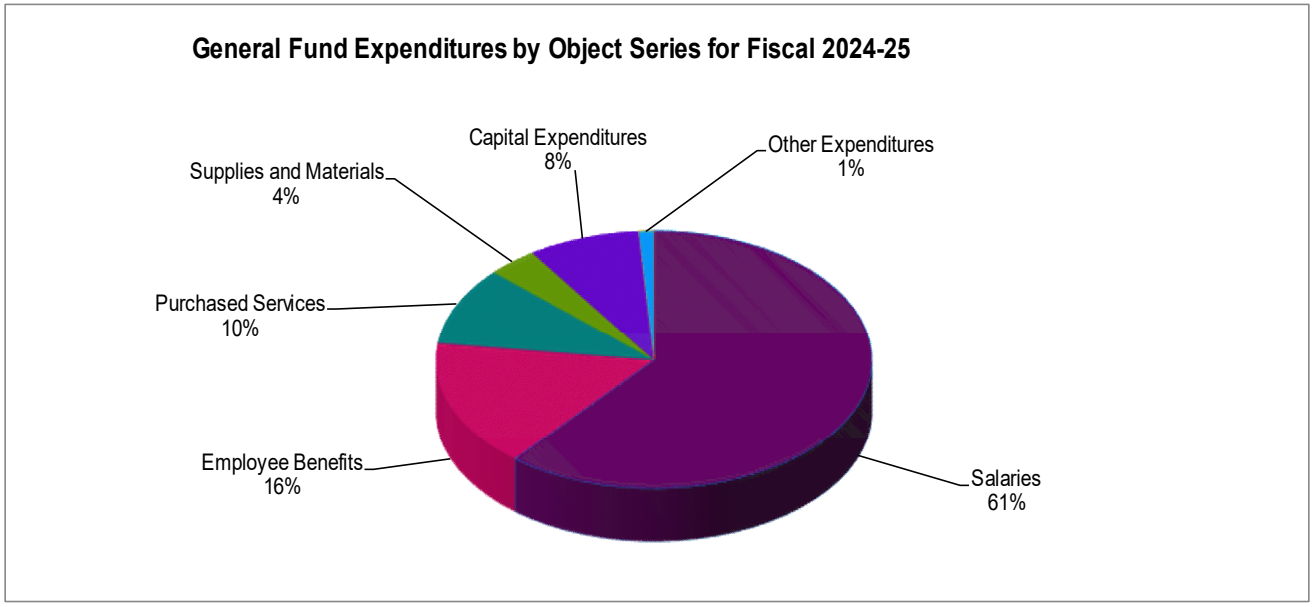
	2021	2022	2023	2024	2025
District and School Admin	$ 4,780,109	$ 4,562,359	$ 4,488,647	$ 4,798,968	$ 5,040,902
District Support Services	3,562,358	3,807,722	4,370,107	4,743,893	4,692,120
Regular Instruction	55,479,602	57,415,695	60,012,153	60,990,316	63,811,889
Vocational Instruction	1,429,151	1,431,874	1,123,202	1,291,587	1,446,868
Special Education Instruction	22,799,560	23,208,620	24,844,767	26,370,221	28,854,003
Instructional Support Services	10,282,644	9,872,803	9,627,307	10,861,220	11,779,593
Pupil Support Services	16,558,021	17,036,768	12,444,698	13,722,037	14,244,876
Operations and Maintenance	16,739,257	17,623,648	19,066,188	20,161,520	21,481,763
Community Service	-	-	-	23,514	32,220
Fixed Cost and Debt Service	606,849	1,061,872	1,842,774	2,073,175	2,324,230
Total Expenditures	$ 132,237,551	$ 136,021,361	$ 137,819,843	$ 145,036,451	$ 153,708,464

General Fund Expenditures (Continued)

The following chart summarizes District General Fund budget to actual expenditures by program dimension with capital outlay broken out and two years of comparative actual expenditures.

	2025				2024	2023
	Final Amended Budget	Actual	Over (Under) Budget	%	Actual	Actual
District and School Admin	$ 5,015,553	$ 5,038,585	$ 23,032	0.5%	$ 4,798,968	$ 4,488,465
District Support Services	4,617,308	4,161,566	(455,742)	-9.9%	4,341,172	3,968,011
Regular Instruction	62,412,849	61,644,798	(768,051)	-1.2%	59,756,968	58,050,289
Vocational Instruction	1,406,075	1,446,868	40,793	2.9%	1,291,587	1,121,135
Special Education Instruction	29,898,405	28,817,990	(1,080,415)	-3.6%	26,362,550	24,681,532
Community Education	32,220	32,220	-	0.0%	23,514	-
Instructional Support Services	10,294,177	10,522,572	228,395	2.2%	9,899,474	8,570,222
Pupil Support Services	14,635,606	14,006,989	(628,617)	-4.3%	13,516,178	12,257,336
Operations and Maintenance	15,922,848	12,965,329	(2,957,519)	-18.6%	13,156,555	14,295,689
Capital Outlay	11,449,777	12,747,317	1,297,540	11.3%	9,816,310	8,544,390
Fixed Cost and Debt Service	2,815,987	2,324,230	(491,757)	-17.5%	2,073,175	1,842,774
Total Expenditures	$ 158,500,805	$ 153,708,464	$ (4,792,341)	-3.0%	$ 145,036,451	$ 137,819,843

The following graph and chart summarizes District General Fund budget to actual expenditures by object type with two years of comparative actual expenditures.



	2025				2024	2023
	Final Amended Budget	Actual	Over (Under) Budget	%		
Salaries	$ 95,871,821	$ 93,712,681	$ (2,159,140)	-2.3%	$ 89,324,178	$ 85,162,916
Employee Benefits	25,094,840	24,796,595	(298,245)	-1.2%	23,006,649	21,649,263
Purchased Services	18,254,816	15,068,050	(3,186,766)	-17.5%	15,720,049	15,906,215
Supplies and Materials	6,034,360	5,655,812	(378,548)	-6.3%	5,872,435	4,823,933
Capital Expenditures	11,449,777	12,747,317	1,297,540	11.3%	9,816,310	8,544,390
Other Expenditures	1,795,191	1,728,009	(67,182)	-3.7%	1,296,830	1,733,126
Total Expenditures	$ 158,500,805	$ 153,708,464	$ (4,792,341)	-3.0%	$ 145,036,451	$ 137,819,843

On a net basis, total expenditures were 3.02% lower than reflected in the final amended budget.

General Fund Operations and Financial Position

The following table presents five years of comparative operating results for the District's General Fund.

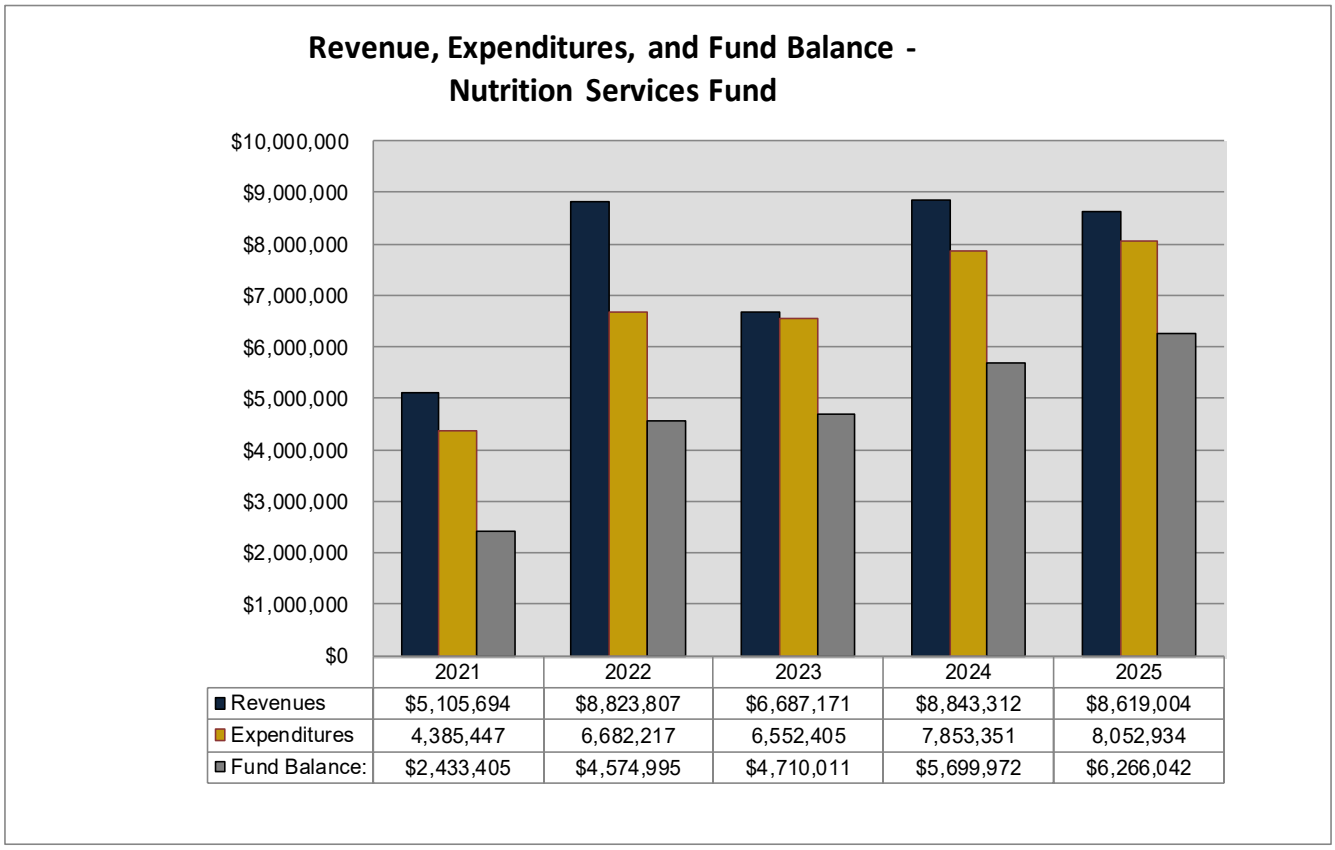
	Year Ended June 30,				
	2021	2022	2023	2024	2025
Revenues	$ 133,969,125	$ 135,701,593	$ 137,992,345	$ 150,158,579	$ 154,672,926
Expenditures	132,237,551	136,021,361	137,819,843	145,036,451	153,708,464
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,731,574	(319,768)	172,502	5,122,128	964,462
Other Financing Sources:					
Insurance Recovery	297,640	9,422	114,223	204,166	60,236
Sale of Capital Assets	2,121,137	7,105	-	1,519,050	152,067
Long-Term Lease Proceeds	1,867,591	171,292	27,603	-	-
Issuance of Equipment Certificates	-	6,839,000	-	-	-
Total Other Financing Sources	4,286,368	7,026,819	141,826	1,723,216	212,303
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	6,017,942	6,707,051	314,328	6,845,344	1,176,765
FUND BALANCE					
Beginning of Year	13,401,514	19,419,456	26,126,507	26,440,835	33,286,179
End of Year	$ 19,419,456	$ 26,126,507	$ 26,440,835	$ 33,286,179	$ 34,462,944
Restricted Fund Balance	$ 2,150,287	$ 2,015,748	$ 1,633,176	$ 2,743,773	$ 5,653,117
Assigned Fund Balance	8,816,082	11,482,022	10,516,262	12,289,245	11,828,449
Nonspendable Fund Balance	58,542	260,905	96,263	302,404	388,770
Unassigned Fund Balance	8,394,545	12,367,832	14,195,134	17,950,757	16,592,608
Total Fund Balance	$ 19,419,456	$ 26,126,507	$ 26,440,835	$ 33,286,179	$ 34,462,944
Unassigned Fund Balance as a Percentage of Expenditures	6.35%	9.09%	10.30%	12.38%	10.79%

The District's General Fund revenues and other financing sources exceeded expenditures by $1,176,765 for fiscal 2025, increasing total fund balance to $34,462,944 at June 30, 2025. Total fund balance (financial statement presentation basis) includes a net of $5,653,117 in restricted accounts as prescribed by state statute, $11,828,449 in board-assigned accounts, and $388,770 in nonspendable fund balance. That leaves an unassigned fund balance of $16,592,608 at year-end, which is 10.79% of General Fund expenditures.

General Fund expenditures for fiscal 2025 were $153,708,464, which represents an increase of $8,672,013 or 6.29% from fiscal 2024.

Nutrition Services Fund

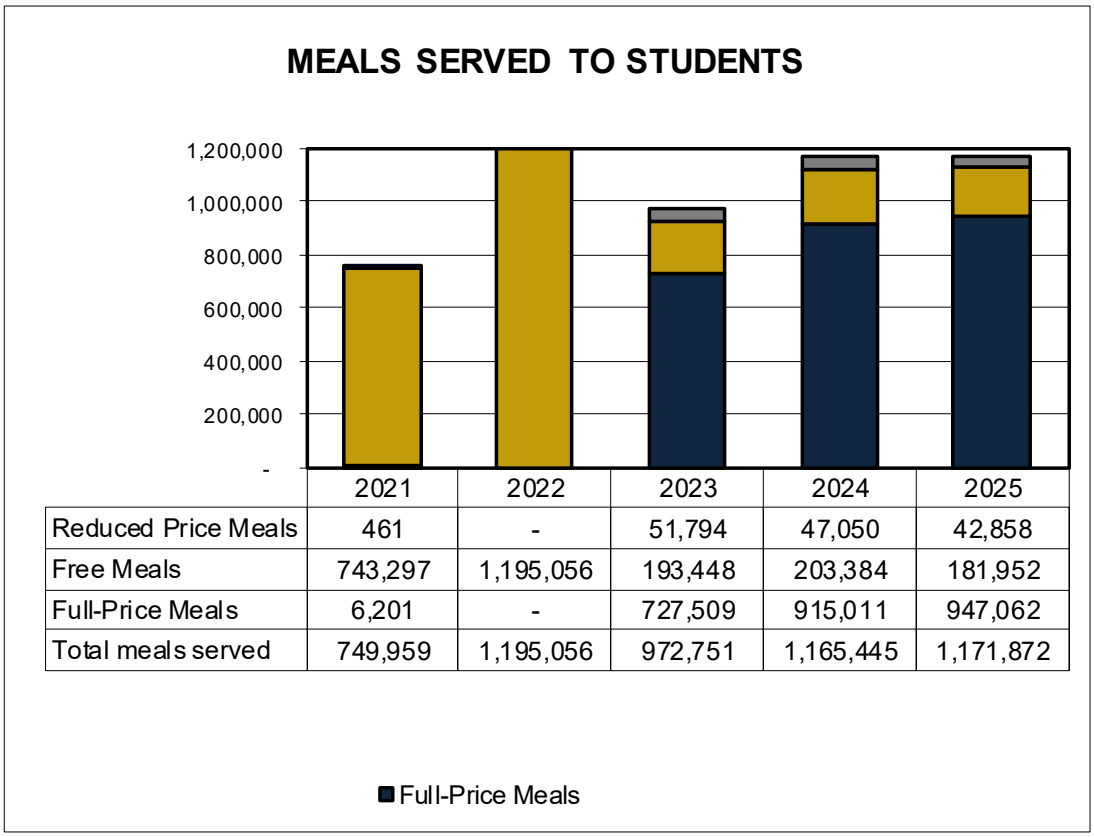
The following chart reflects the financial results of the nutrition services program over the past five years:



	2021	2022	2023	2024	2025
Revenues	$5,105,694	$8,823,807	$6,687,171	$8,843,312	$8,619,004
Expenditures	4,385,447	6,682,217	6,552,405	7,853,351	8,052,934
Fund Balance:	$2,433,405	$4,574,995	$4,710,011	$5,699,972	$6,266,042

Total revenues exceeded total expenditures by $566,070 in the District's Nutrition Services Fund for 2025, increasing fund balance to $6,266,042 at June 30, 2025. The ending fund balance represents 77.8% of expenditures and provides for cash flow and can serve as a source for capital improvements to the nutrition services program as needs warrant. During 2025, the District incurred $385,256 of capital outlay invested back into the nutrition services program. Total revenue was more than the final budgeted amount by $337,028 (or 4%) while total expenditures were $553,207 (or 6.4%) less than the budgeted amount. The net impact of these variances was a net increase in the fund balance of the Nutrition Services Fund which was $890,235 more than had been reflected in the budget.

Nutrition Services Fund (Continued)

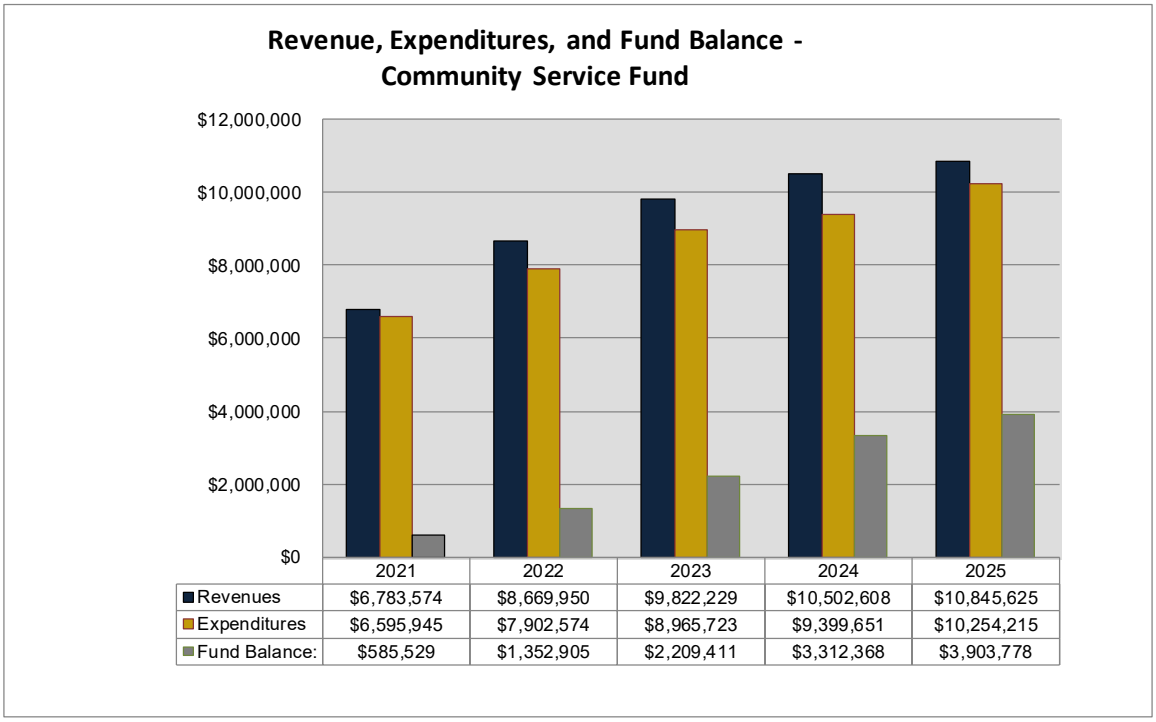


	2021	2022	2023	2024	2025
Reduced Price Meals	461	-	51,794	47,050	42,858
Free Meals	743,297	1,195,056	193,448	203,384	181,952
Full-Price Meals	6,201	-	727,509	915,011	947,062
Total meals served	749,959	1,195,056	972,751	1,165,445	1,171,872

	Year Ended June 30,				
	2021	2022	2023	2024	2025
Percentage of Total Meals Served by Type (excluding Breakfast):					
Full Price Meals	0.8 %	- %	74.8 %	78.5 %	80.8 %
Reduced Price Meals	0.1	-	5.3	4.0	3.7
Free Meals	99.1	100.0	19.9	17.5	15.5
Total	100.0 %	100.0 %	100.0 %	100.0 %	17.5 %

Community Service Fund

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



	2021	2022	2023	2024	2025
Revenues	$6,783,574	$8,669,950	$9,822,229	$10,502,608	$10,845,625
Expenditures	$6,595,945	$7,902,574	$8,965,723	$9,399,651	$10,254,215
Fund Balance:	$585,529	$1,352,905	$2,209,411	$3,312,368	$3,903,778

The District's Community Service Fund had an excess of revenues over expenditures of $591,410 for fiscal 2025, bringing the combined fund balance to $3,903,778, or 38.07% of total expenditures at June 30, 2025. Total revenue was higher than the final budgeted amount by $418,480 (or 4.0%) while total expenditures were $127,535 (or 1.2%) more than the budgeted amount. The net impact of these variances was a net increase in the fund balance of the Community Service Fund which was $290,945 more than had been reflected in the budget.

APPENDIX B

Expenditures Per Student (ADM) Served

	Statewide			ISD No. 112 Eastern Carver County Schools		
	All Districts	Seven County Metro Area	Enrollment > than 4,000			
	2024	2024	2024	2023	2024	2025
District and School Admin and Support Services	$ 1,372	$ 1,375	$ 1,363	$ 915	$ 997	$ 1,002
Regular Instruction (including Co- & Extra-Curricular)	7,034	7,351	7,240	6,282	6,516	6,715
Vocational Instruction (Career & Technical)	243	220	227	121	141	158
Special Education Instruction	3,158	3,297	3,410	2,671	2,875	3,139
Instructional Support Services	874	1,016	998	927	1,079	1,146
Pupil Support Services (excluding Transportation)	641	827	721	555	544	587
Pupil Transportation	1,065	1,042	1,127	771	929	939
Operations and Maintenance and Other	1,192	1,153	1,140	1,635	1,554	1,553
General Fund Subtotal	15,579	16,281	16,226	13,878	14,635	15,240
Nutrition Services	801	776	777	686	805	835
Community Service	818	1,608	886	967	1,025	1,116
Capital Expenditure (excluding Building Constr Fund)	996	1,028	1,015	951	1,125	1,435
Debt Service	1,795	1,691	1,716	2,044	2,105	2,121
Total Pre-K - 12 Operating Expenditures	$ 19,989	$ 21,384	$ 20,620	$ 18,525	$ 19,694	$ 20,748
Percent Change from Prior Year				1.55%	6.31%	5.35%

Source of Statewide Data: School District Profiles published by the Minnesota Department of Education

District and school admin and support services - all costs related to providing administration to the District (school board, superintendent, principals, assistant superintendents, directors of instructional areas, etc.) and all central office administration (business services, human resources, legal, data processing, other district-wide support activities)

Regular instruction - includes all activities dealing directly with the teaching of pupils including co-curricular and extra-curricular activities and the interaction between teachers and pupils in the classroom (excluding exceptional, vocational and community education instruction) and includes activities of aides or assistants of any type (paraprofessionals, clerks, graders, etc.) who assist in the educational process, except spec ed aides

Vocational instruction - consists of costs related to courses and activities which develop knowledge, skills, attitudes and behavioral characteristics for students seeking career exploration and employability

Special education instruction - consists of activities providing learning experiences for pupils of any age, who because of certain atypical characteristics or conditions, have been identified as requiring, or who would benefit by, educational programs differentiated from those provided pupils in regular or vocational instruction

Instructional support services - activities for assisting instructional staff with content and process of providing learning experiences for pupils in K-12 (curriculum, staff dev, educ media, libraries and media centers, etc.)

Pupil support services - all services to pupils not classified as instructional (counseling & guidance, health services, psychological services, social work, and safety, etc.)

Transportation - all costs for pupil transportation

Operations and maintenance - activities related to the operation, maintenance, repair and remodeling of all physical plant, facilities and grounds of the District

Nutrition services - all costs of the Nutrition Services Fund

Community service - all costs of the Community Service Fund

Capital expenditures - all capital expenditures charged to operating funds (which excludes the Building Construction Fund)

Debt service - all Debt Service Fund costs (principal, interest and fiscal agent costs)

APPENDIX C

ACCOUNTING UPDATE

GASB Statement No. 103 – Financial Reporting Model Improvements

The primary objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Areas impacted include the MD&A, Proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position, and Budgetary Comparison Information. This Statement is effective for fiscal periods beginning after June 15, 2025.

GASB Statement No. 104 – Disclosure of Certain Capital Assets

The primary objective of this Statement is to enhance the disclosure requirements related to capital assets held by governments, particularly infrastructure assets reported using the modified approach. GASB 104 clarifies and expands disclosures intended to improve transparency about asset condition, maintenance, and preservation methods. This Statement is effective for fiscal periods beginning after June 15, 2025.

GASB Statement No. 105 – Subsequent Events

The primary objective of this Statement is to address practice issues and clarify application guidance across multiple previously issued GASB Statements. GASB 105 includes targeted amendments intended to improve consistency and reduce diversity in practice without significantly changing financial reporting requirements. This Statement is effective for fiscal periods beginning after June 15, 2026.

APPENDIX D

FORMAL REQUIRED COMMUNICATIONS

School Board
Independent School District No. 112
Eastern Carver County Schools
Chaska, Minnesota

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 112 (the District) as of and for the year ended June 30, 2025, and have issued our report thereon dated February 6, 2026. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our Audit Services Statement of Work dated July 14, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

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

As described in Note 1, the District changed accounting policies related to compensated absences by adopting Statement of Government Accounting Standards Board (GASB Statement) No. 101, *Compensated Absences*, in 2025.

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

Accounting estimates

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

- Management's estimate of the OPEB Liability, Deferred Inflows, and Deferred Outflows which is based on actuarial calculations that use various assumptions and data. We evaluated the methods, assumptions, and data used to develop the OPEB Liability, Deferred Inflows, and Deferred Outflows and related disclosures in determining that it is reasonable in relation to the financial statements taken as a whole.

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Qualitative aspects of accounting practices (continued)

We reviewed and tested management's procedures and underlying supporting documentation in the areas discussed above and evaluated the methods, assumptions, and data used to develop the estimates noted above in determining that they are reasonable in relation to the financial statements taken as a whole. We concluded that the accounting estimates, related disclosures, and management judgments appeared to consider all significant factors and resulted in appropriate accounting recognition.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

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

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

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

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following summarizes uncorrected misstatements of the financial statements:

- There was an immaterial difference in the beginning balance for compensated absences after implementing GASB 101. The difference is $2,575,890 and is corrected through current year activity.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

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

Management representations

We have requested certain representations from management that are included in the management representation letter dated February 6, 2026.

Management consultations with other independent accountants

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

Significant issues discussed with management prior to engagement

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

Other audit findings or issues

We have provided a separate communication to you dated February 6, 2026, communicating internal control related matters identified during the audit.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information in relation to the financial statements as a whole

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated February 6, 2026.

With respect to the individual fund financial statements and the Uniform Financial Accounting and Reporting Standards Compliance Table (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated February 6, 2026.

Other information included in annual reports

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of the introductory and statistical sections. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. 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. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

* * *

This communication is intended solely for the information and use of the School Board and management of the District, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
February 6, 2026



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