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Minn. R. Civ. App. P. 136.01, subd. 1(c).

STATE OF MINNESOTA
IN COURT OF APPEALS
A24-1998

In the Marriage of:

Justin Benjamin Merritt, petitioner,
Appellant,

vs.

Virginia Witherspoon Merritt,
Respondent.

Filed October 20, 2025
Affirmed; motion to dismiss issue granted and motion to supplement denied
Ede, Judge

Olmsted County District Court
File No. 55-FA-23-5645

Andrew J. Haugen, Courtney Latcham, Heimerl & Lammers, LLC, Minnetonka, Minnesota (for appellant)

Jill I. Frieders, Frieders & Kuhn, L.L.P., Rochester, Minnesota (for respondent)

Considered and decided by Smith, Tracy M., Presiding Judge; Ede, Judge; and Reilly, Judge.[*]

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[*] Retired judge of the Minnesota Court of Appeals, serving by appointment pursuant to Minn. Const. art. VI, § 10.

NONPRECEDENTIAL OPINION

EDE, Judge

In this family law appeal from the district court's supplemental findings of fact, conclusions of law, order for judgment, and judgment and decree, appellant husband argues that the district court abused its discretion by (A) using a valuation date for the parties' homestead that differed from their agreed-upon date, (B) assigning negative equity to the homestead, (C) considering home equity line of credit (HELOC) expenditures that were made after the valuation date as marital debt, (D) relying on respondent wife's testimony in deeming credit card balances to be marital debt, (E) not awarding husband his claimed nonmarital interest in his retirement account, (F) reserving spousal maintenance, (G) imputing income to husband for child support while declining to impute income to determine spousal maintenance, and (H) including non-work or education-related childcare costs within husband's childcare support obligation. Wife moves this court to dismiss one issue raised in husband's appeal—whether the district court abused its discretion by awarding wife half of the sale proceeds from a rental property—asserting that it is now moot. Husband moves this court to supplement the record. Because we conclude that the district court did not prejudicially abuse its discretion, we affirm. We also grant wife's motion to dismiss the rental-property-proceeds issue, and we deny husband's motion to supplement the record.

FACTS

Appellant Justin Benjamin Merritt (husband) and respondent Virginia Witherspoon Merritt (wife) were married in January 2010. The parties share two minor children. In

August 2023, husband petitioned for dissolution of the marriage. The parties subsequently negotiated a temporary agreement in which they stipulated to parenting time, the use of their jointly owned homestead and rental property, and child support. Several months later, the parties filed a document entitled "Binding Agreements Reached During Moderated Settlement." That document set forth the parties' agreement that they would share legal custody and that wife would have sole physical custody, and it described a parenting-time schedule that the parties created.

The matter proceeded to trial on the remaining disputed issues, which included the value and disposition of the homestead, the disposition of the rental property, the allocation of the HELOC debt, husband's nonmarital claim to his Roth IRA account, and childcare. During the trial, the district court heard testimony from husband, wife, wife's mother, two property appraisers, and the children's nanny. After the trial, the district court filed supplemental findings of fact, conclusions of law, and an order for judgment. We summarize the district court's factual findings and legal conclusions below. And because husband challenges some of the district court's findings of fact as clearly erroneous, we also describe relevant portions of the trial evidence.

Homestead

The parties owned a homestead that they had renovated. According to husband, the homestead was on the National Historic Register of Houses. The neighborhood includes homes that are unique and mostly custom-built.

A.H., a certified residential appraiser, testified that she was hired to appraise the parties' homestead during and after the property renovation. During A.H.'s testimony, the district court admitted an appraisal report by A.H. that was dated December 30, 2022; in the report, A.H. wrote that she valued the homestead at $1.4 million. A.H. testified that, based on her professional experience, not much had changed in the relevant real estate market between January 1, 2023 and the summer of 2023—it had remained consistent.

Another appraiser, T.P., was hired by wife and testified about his written appraisal of the homestead, which was dated November 8, 2023. T.P. said that, based on his evaluation of market data, the market was stable. He also provided the following median home prices for properties within a one-mile radius of the parties' homestead during certain periods preceding the November 8 appraisal: $612,000 (seven to twelve months before the appraisal); $697,000 (four to six months before the appraisal); and $469,000 (three months before the appraisal). T.P. opined that houses on top of the hill in the neighborhood were much larger and generally sold for more money than properties that were not. Noting that the parties' homestead was not on top of the hill, T.P. valued the property at $970,000. He explained that part of the reason he valued the homestead differently than A.H. could be the difference in square footage that each appraiser assigned to the home. But T.P. ultimately attributed the difference in value to the homes that each appraiser picked as comparators to the parties' homestead. He testified, however, that his personal knowledge did not support a determination that the market had decreased 30% in the seven-to-eight-month period before his appraisal.

In her testimony, wife's mother told the district court that she would assume the homestead mortgage and that wife would pay her back just as wife would remunerate "any other mortgage company" for a loan with interest "of no less than 4 percent." Wife's mother was adamant that her assumption of the mortgage was not a gift and that wife would repay her. Before assuming the mortgage, however, wife's mother stated that she wanted to confer with her financial consultants and that she would do what they advised. At the time of trial, wife's mother had yet to speak with an attorney about this potential assumption of the mortgage.

HELOC

The parties had a HELOC on their rental property. Before July 2023, the HELOC balance was zero. From July 1, 2023 to March 14, 2024, the parties borrowed $95,000 through the HELOC. In his testimony, husband maintained that there was a portion of the HELOC debt that was marital and a nonmarital portion. He explained that the nonmarital portion was directly related to wife's HELOC expenditures and to his use of HELOC funds to reimburse himself for wife's spending on his personal accounts after the parties' agreed-upon valuation date of August 1, 2023. Husband requested that the district court attribute five of nineteen HELOC transactions to wife. Wife, on the other hand, testified that all the HELOC withdrawals were marital debt.

Roth IRA

Husband testified that he has a Roth IRA account, which he first opened in 2009 or 2010. He explained that, when he and wife married, he maintained the Roth IRA through a financial services company. After he transferred or "rolled it over" from one company to another, husband eventually had his financial planner manage the Roth IRA. This account "was also consolidated with other funds from other IRAs."

Husband's Employment

Husband testified that, before he was terminated on April 10, 2024, he was employed by a company called Planful and had a total annual compensation target of $300,000. At the time of trial, husband was seeking new employment and working with recruiters to assist him in the process. He had been directly recruited by a large public company but had not received an offer. According to husband, it could take eight to twelve months for him to secure an executive position. In the meantime, husband was receiving weekly unemployment and worked as an adjunct professor at a university, where he was scheduled to teach one class in the next semester.

Childcare

The parties' minor children were enrolled in daycare. Through a school-age childcare (SACC) program administered by the public school system, both children had upcoming daycare contracts. SACC is available during the school year and the summer months, from 6:30 a.m. to 6:00 p.m. on most days.

After the parties' separation, wife continued to use the services of the family's nanny. The nanny testified about the care she provided the children. She picked the children up from SACC between 4:30 p.m. and 5:45 p.m. Wife asked the nanny to do so to provide the children more time after school to decompress from their day and to start their homework. If the children were picked up later, they had a harder time completing their assigned tasks. In addition to providing transportation and childcare, the nanny prepared dinner. The nanny also testified that, after the parties' separation, she had seen a change in the children.

District Court's Orders

On November 5, 2024, the district court filed supplemental findings of fact, conclusions of law, and an order for judgment. A judgment and decree was also entered.

The district court awarded the homestead and the negative equity it carried to wife. Although the district court awarded the rental property to husband, it ordered husband to refinance any encumbrance on the property within 90 days so that the debt was solely in his name. The district court also ordered husband to sell the rental property if he could not refinance the existing mortgage on that property within 90 days after the court's entry of the judgment and decree. And the district court ordered that the parties equally split any proceeds generated from the rental-property sale.

The district court determined that a $95,000 balance on the HELOC for post-valuation-debt expenses was marital property, reasoning that it could not determine with certainty "that one party or the other [had] rashly [spent] HELOC funds for personal, nonmarital needs." The district court also allocated certain portions of the parties' credit card balances to husband.

As to husband's Roth IRA, the district court deemed the full amount of the account to be a marital asset. Although husband claimed a nonmarital interest in the Roth IRA, the district court determined that husband had failed to provide "sufficient evidence to trace the asset after it began appreciating during the marriage and was then additionally co-mingled with marital retirement accounts in 2015." The district court reasoned that, while an account statement that had been admitted as an exhibit "implie[d] the existence of an IRA account prior to the parties' marriage, it d[id] not provide the value of the asset at the time the parties were married in January of 2010." Because it found that the value of the Roth IRA at the start of the parties' marriage was unknown, the district court determined that it could not trace that marital asset.

For purposes of child support, the district court imputed income to husband. The district court determined that husband had not provided the court with sufficient documentation to establish his efforts to find comparable employment and his claimed eight-to-twelve-month unemployment timeframe. And the district court found that husband had not provided evidence of his efforts to seek interim employment while working with recruiters. The district court imputed a monthly income to husband based on his education, employment history, range of skills, abilities, and his average earnings over the past three years from Planful. And the district court added an amount based on husband's average income from his work as an adjunct professor.

Wife sought spousal maintenance for three to five years based on her assertion that her monthly income would not cover her monthly budget. But the district court reserved the issue of spousal maintenance because it determined that husband had not secured employment and that his ability to contribute was unknown. The district court ordered that, as soon as husband notified wife that he found employment, wife could renew her spousal maintenance request.

As for childcare, the district court determined that it was in the best interest of the children to continue receiving nanny services so that they could leave SACC prior to 5:30 p.m. The district court ordered that husband's childcare obligation would include the costs of SACC, plus $300 per month for additional care.

On November 12, 2024, the district court filed the marital termination agreement, findings of fact, conclusions of law, and order for bifurcated judgment. A bifurcated judgment and decree was also entered. The November 12, 2024 judgment outlines the parties' stipulated agreement, including that the parties agreed to a valuation date of August 1, 2023.

Husband appeals.

DECISION

In challenging the district court's November 5, 2024 judgment, husband argues that the court abused its discretion by (A) using a valuation date for the parties' homestead that differed from their agreed-upon date, (B) assigning negative equity to the homestead, (C) considering HELOC expenditures after the valuation date as marital debt, (D) relying on wife's testimony in deeming credit card balances to be marital debt, (E) denying husband's claim that a portion of his Roth IRA account was nonmarital, (F) reserving spousal maintenance, (G) imputing income to husband for child support while declining to impute income to determine spousal maintenance, and (H) including non-work or non-education-related childcare costs within his childcare support obligation. Wife moves this court to dismiss the issue of whether the district court abused its discretion by awarding her half of the sale proceeds from the rental property, asserting that it is now moot. Husband moves this court to supplement the record with a letter that he recently filed in district court.

After addressing each argument below, we conclude that the district court did not prejudicially abuse its discretion in rendering the November 5, 2024 judgment.

A. Homestead Valuation Date

Husband argues that the district court abused its discretion by departing from the agreed-upon valuation date for the homestead without making specific findings that a different date would be fair and equitable.

Upon dissolution of a marriage, the district court "shall make a just and equitable division of the marital property of the parties without regard to marital misconduct, after making findings regarding the division of the property." Minn. Stat. § 518.58, subd. 1 (2024). And the district court "shall value marital assets for purposes of division between the parties as of the day of the initially scheduled prehearing settlement conference, unless a different date is agreed upon by the parties, or unless the court makes specific findings that another date of valuation is fair and equitable." *Id.* "The district court has broad discretion in setting the marital property valuation date." *Grigsby v. Grigsby*, 648 N.W.2d 716, 720 (Minn. App. 2002), *rev. denied* (Minn. Oct. 15, 2002). "A district court abuses its discretion by making findings of fact that are unsupported by the evidence, misapplying the law, or delivering a decision that is against logic and the facts on record." *Woolsey v. Woolsey*, 975 N.W.2d 502, 506 (Minn. 2022) (quotation omitted).

Here, the district court made detailed findings supporting its determination that November 8, 2023—rather than the parties' agreed-upon valuation date of August 1, 2023—was a fair and equitable date of valuation. Before deciding that T.P.'s appraisal of the homestead was "overall, a more accurate valuation of the property," the district court carefully compared the appraisals presented at trial.

The district court found that A.H. had performed two appraisals of the home and that she had testified to her familiarity with the neighborhood. And the district court considered that A.H.'s report set forth detailed floorplans and measurements of the home, including the assertion that the square footage of the residence was 3,514. The district court also discussed T.P.'s stated familiarity with the neighborhood and his testimony that "the median house value in the neighborhood over the 12 months prior to his appraisal was $612,000.00, $697,000.00 and $469,000.00."

As to the comparator homes that the appraisers used to estimate the homestead's value, the district court found that two of the homes that the appraisers included were the same; those two homes had sale prices of $1.6 million and $1.175 million, respectively. The district court noted that A.H. chose two other comparator homes—one valued at nearly $2 million and one at more than $2 million—but found that those homes "were much larger than the parties' home and included a sport court and inground pool, respectively." And the district court contrasted A.H.'s appraisal with T.P.'s decision to choose comparator homes closer in size to the homestead and had prices between $875,000 and $990,000. The district court cited T.P.'s testimony that he had also appraised a more-than-two-million-dollar home that A.H. had chosen as a comparator but had determined that the property "was not an apples-to-apples comparison" with the homestead. Moreover, the district court discussed T.P.'s testimony that the homestead faced two apartment buildings, which T.P. said diminishes property values.

Although it also considered the homestead's history, the district court found that "those aspects d[id] not appear to have influenced the appraisers' opinions with regards to market value of the homestead." The district court determined that T.P. "was not aware of the historic registry, and neither appraiser testified that these items influenced the valuation." After reviewing witness testimony, the appraiser reports, and comparable property sales, the district court found that T.P.'s November 8 appraisal was "a more accurate valuation of the property," despite noting that A.H. had correctly measured the homestead's square footage.[1] The district court decided that it was "appropriate to add $87,000 to [T.P.]'s valuation to correct for the inaccurate calculation of square footage" in the November 8 appraisal. Ultimately, the district court determined that the market value of the homestead was $1,057,000.

In short, the district court's November 5, 2024 judgment included specific findings of fact "that explained its rationale for using" November 8, 2023 as the valuation date. *See Grigsby*, 648 N.W.2d at 720. These findings of fact are supported by the evidence. Because the district court made detailed findings and those findings are reasonably supported by the record, we conclude that the court acted within its discretion when it selected a valuation date for the homestead that differed from the parties' agreed-upon date. *See id.*; *see also Woolsey*, 975 N.W.2d at 506.

B. Negative Homestead Equity

Husband challenges the district court's assignment of negative equity to the homestead, contending that the court's decision was against the logic and facts in the

[1] The district court observed that the November 8 appraisal measured the homestead's square footage as 3,225 square feet and that the appraisal included diagrams and square footage that were identical to those used by the county, which the court found to be undisputedly inaccurate.

record. In particular, husband asserts that the district court abused its discretion in relying on the November 8, 2023 appraisal and that he would be the only party harmed by the assignment because wife's mother planned to pay off the mortgage and all plans for wife's repayment of that loan were speculative.[2]

A district court "has broad discretion in evaluating and dividing property in a marital dissolution and will not be overturned except for abuse of discretion." *Antone v. Antone*, 645 N.W.2d 96, 100 (Minn. 2002). An appellate court "must affirm the trial court's division of property if it had an acceptable basis in fact and principle even though this court may have taken a different approach." *Servin v. Servin*, 345 N.W.2d 754, 758 (Minn. 1984).

"Determining the specific value of an asset is a finding of fact." *Maurer v. Maurer*, 623 N.W.2d 604, 606 (Minn. 2001). The district court need not be exact in its valuation of assets. *Johnson v. Johnson*, 277 N.W.2d 208, 211 (Minn. 1979). "[V]aluation is necessarily

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[2] Husband also maintains that the district court abused its discretion by awarding wife half of the sale proceeds from the rental property because the court treated the rental property differently than the homestead. In an appellate motion seeking dismissal of this issue as moot, wife asserts that husband has refinanced the rental property and thus the district court's November 5, 2024 judgment no longer alternatively requires that he sell it and pay wife any proceeds. We "must dismiss an issue on appeal as moot when a decision on the merits is no longer necessary or an award of effective relief is no longer possible." *In re Welfare of Child of K.O.*, 4 N.W.3d 359, 364 (Minn. App. 2024) (quotation omitted). "Appellate courts decide de novo whether" an issue is moot. *Id.* The district court alternatively ordered that husband refinance the rental property within 90 days of the court's entry of the judgment and decree or, if he could not do so, that he sell the property and share the proceeds with wife. It is undisputed that husband refinanced the property. And during oral argument before this court, husband's counsel conceded that an award of relief is no longer possible. Based on the record, we agree and therefore grant wife's motion. We nonetheless consider this argument to the extent that it is relevant to our review of the district court's assignment of negative equity to the homestead.

an approximation in many cases, and it is only necessary that the value arrived at lies within a reasonable range of figures." *Hertz v. Hertz*, 229 N.W.2d 42, 44 (Minn. 1975).

The district court found that, as of the November 8, 2023 valuation date that the court used, the homestead's mortgage balance was $1,336,966. Based on additional principal payments that the parties made after that valuation date, the district court determined that the mortgage balance had been reduced by $15,959.64. The district court found that this left the homestead with negative equity in the amount of $264,036.36, which the court awarded to wife, conditioned on payment by wife's mother of the mortgage to satisfy the parties' obligation to their existing lender. And the district court alternatively ordered that, if wife's mother could not satisfy the mortgage, the parties had to notify the court so that the court could order a different disposition of the homestead. In the meantime, the district court ordered that wife was solely responsible for the ongoing mortgage payments to the parties' existing lender.

In arguing that the negative equity assigned to the homestead would not affect wife in light of the anticipated satisfaction of the mortgage by wife's mother, husband cites our decision in *Nolan v. Nolan*, 354 N.W.2d 509 (Minn. App. 1984), *rev. denied* (Minn. Dec. 20, 1984). In *Nolan*, the main subject of the parties' dispute in their dissolution proceeding was a $500,000 personal obligation claimed by the husband, which he owed to the First Bank of St. Paul as a guarantee on a construction loan made to Shepard Park Development Corporation (SPDC). *Nolan*, 354 N.W.2d at 511. The husband had a 25% shareholder interest in SPDC and the loan was "part of a financing arrangement which was intended to reduce the indebtedness of SPDC." *Id.* During the dissolution trial, the husband testified that he considered the loan to be a personal obligation and that it was due on demand, but he also acknowledged that he did not know when payment would be required. *Id.* In declining to consider the $500,000 personal obligation in dividing the marital property, the district court "indicated that the personal liability of [the husband] on the note was 'speculative at best.'" *Id.* at 513. We affirmed, concluding that the district court's "responsibility to equitably divide the marital assets did not allow it to mathematically factor the $500,000 liability into the distribution." *Id.* In reaching that conclusion, we reasoned that the liability "was inextricably tied to the speculative, and income-generating, character, of the assets awarded to [the husband]." *Id.*

Unlike *Nolan*, the value of the parties' homestead and the amount left to pay on their mortgage were not speculative. Both parties testified that they bought the homestead for $500,000. Wife stated that they secured a loan of about $1.3 million dollars—more than what the homestead was worth—to cover the costs of upgrades and furniture. After considering the trial evidence, the district court found that the homestead's value was $1,057,000 and that, even with the parties' additional payments toward the mortgage, the value did not exceed the mortgage balance. And the district court awarded the homestead and its negative equity to wife, thereby making her solely responsible for the mortgage payments. Even if wife's mother paid the mortgage, as she testified was her intention, wife's mother also consistently stated that she considered this a loan that wife would pay off, plus interest, rather than the amount the homestead was worth. In addition, applicable law required that the district court value the homestead at the time of the valuation date that the court determined was fair and equitable. *See Aaron v. Aaron*, 281 N.W.2d 150, 153

(Minn. 1979) ("Generally, courts base the distribution of property on the value of the property at the time of distribution . . . ."). In this case, the homestead had negative equity as of the November 8, 2023 valuation date. As explained above, the district court's homestead valuation date is reasonably supported by the record.

Husband nonetheless maintains that the district court's disparate treatment of the homestead and rental property resulted in an arbitrary decision. The record defeats this claim. The district court awarded the homestead to wife and the rental property to husband. The November 5, 2024 judgment required that wife execute a quitclaim deed conveying her interest in the rental property to husband and that husband likewise convey his interest in the homestead to wife. And both parties were solely responsible for any costs on their awarded property, including the mortgage on the homestead.

We therefore conclude that the district court acted within its discretion in assigning negative equity to the homestead.

C. Post-Valuation Date HELOC Expenditures

Husband argues that the district court abused its discretion by considering HELOC expenditures that were made after the parties' agreed-upon valuation date as marital debt. He claims that the district court failed to analyze whether the expenditures were attributable to a particular party, despite evidence supporting allocation of the debt between the parties.

"In dissolution proceedings, debts are apportioned as part of the property settlement and are treated in the same manner as the division of assets." *Korf v. Korf*, 553 N.W.2d 706, 712 (Minn. App. 1996). In general, marital property is what was acquired during the marriage and before the valuation date. *See* Minn. Stat. § 518.003, subd. 3b (2024). Nonmarital property includes what was acquired after the valuation date. *Id.*

As to the HELOC expenditures, the district court found as follows:

> Both parties provided testimony that debt from the HELOC was mainly generated by the other party, and that at least some portion of HELOC spending must be treated as nonmarital and assigned to the other party. Both parties have accused the other of imprudent personal spending out of the HELOC. From the information and testimony provided, the court cannot determine with any certainty that one party or the other was rashly spending HELOC funds for personal, nonmarital needs. Consequently, the court finds that the entirety of the $95,000 HELOC shall be allocated as marital debt. Neither party shall reimburse the other for nonmarital spending from the HELOC.

We are mindful that, under subdivision 3b of section 518.003, debt incurred after the valuation date is generally considered nonmarital. *See id.* But here, each party essentially argued to the district court that part or all of the HELOC debt resulted from the other party's nonmarital spending. When parties to a dissolution disagree about whether property is marital property or is the nonmarital property of one of them, the burden is on the party asserting the existence of a nonmarital interest to prove the existence of that nonmarital interest. *See Grigsby*, 648 N.W.2d at 723. And the record reasonably supports the district court's decision that neither party adequately proved the relevant HELOC expenditures were attributable to the other. Thus, we conclude that the district court acted within its discretion in treating the post-valuation date HELOC expenditures as generating marital debt.

Prior to the valuation date, the balance of the HELOC was zero. From July 1, 2023 to March 14, 2024, the parties incurred $95,000 in debt through HELOC expenditures.

Both parties testified that there was a portion of the HELOC that was marital, notwithstanding that the debt was incurred after the valuation date and that the expenditures might otherwise qualify as nonmarital personal spending by either of the individual parties. The parties disputed five specific HELOC expenditures. Husband sought allocation of the debt associated with those expenditures to wife.

According to husband, the first HELOC expenditure arose from five $1,000 withdrawals that wife made from the parties' joint checking account, which left that account with insufficient funds to cover the homestead mortgage. Husband transferred $5,000 from the HELOC to the checking account to "replenish the balance." But wife testified that she made the five $1,000 withdrawals to pay a contractor who was doing work on the homestead.

Husband testified that the second HELOC expenditure was for costs that wife charged on his personal American Express credit card. He explained that, although his name was on the American Express account, wife was an authorized user with her own card. Although she agreed in her testimony that she did not have her own credit card and that she was a joint user of husband's card, wife also stated that she had not engaged in overspending and that there was a "dramatic increase in [husband's] credit card spending as soon as [the parties] separated."

The third HELOC expenditure, per husband's testimony, went into the parties' joint checking account. Husband said that he used those funds to make payments toward the HELOC and toward the parties' joint loan on wife's car. But wife disputed this claim. She testified that, while the parties had used marital funds to make payments on the car loan before November 2023, she had since made the payments with her own money.

Husband stated that the fourth HELOC expenditure was to replenish the parties' joint checking account so that they had sufficient funds to make mortgage payments. Wife, however, testified that husband had stopped contributing to the joint checking account in October 2023. She also reported that, aside from paying some utility bills, husband was neither contributing to the marital home nor making childcare payments. And wife claimed that she was still contributing to the parties' joint checking account and was using those funds.

The last expenditure husband discussed in his testimony was one that "essentially max[ed] out the . . . account, removing all remaining balance from the HELOC." Nevertheless, wife testified that she used this money to make mortgage payments on the homestead because she could not afford that expense on her own.

Because this record reasonably supports the district court's decision that it could not determine whether the parties had made nonmarital, post-valuation date HELOC expenditures, we conclude that the court acted within its discretion by assigning the challenged HELOC expenditures as marital debt.

D. Credit Card Debt

Husband asserts that the district court abused its discretion in allocating the debt associated with his Chase and Apple credit cards. He contends that the district court should have disregarded wife's testimony about this debt in favor of other evidence about the credit card balances.

As mentioned above, "debts are apportioned as part of the property settlement and are treated in the same manner as the division of assets." *Korf*, 553 N.W.2d at 712. And the district court has broad discretion in dividing property in a marital dissolution. *Antone*, 645 N.W.2d at 100. We conclude that the district court acted within its broad discretion in allocating the credit card debt because its findings are reasonably supported by the record.

As to the Chase credit card debt, the district court found as follows:

> The total charges between July 4, 2023 and August 2, 2023 . . . [were] $5,194.65. [Wife] testified that she reviewed the charges and the reimbursements from Planful . . . and found that charges totaling $3,981.37 were not reimbursed and therefore were personal travel and other expenses of [husband]. The court finds that [husband] shall be solely responsible for this charge. The remaining amount of $1,213.28 is marital debt.

The relevant Chase credit card statement was admitted at trial and establishes that the card balance was $5,194.65. Wife testified that, shortly after the parties' separation, she believed husband was traveling for work because that was what he had told her. But she also said that these purported business travel expenses were not reimbursed by husband's employer. In connection with this testimony, wife introduced into evidence an exhibit showing, for each of husband's credit cards, the amount that husband spent on travel versus the amount that Planful reimbursed him. Wife expressed her belief "that, if [husband's] company didn't reimburse him for the travel, . . . it was personal." She also described her efforts to review husband's credit card statements and to examine "what was reimbursed and what was personal." Thus, in wife's estimation, the $3,981.37 expenditure on the Chase credit card that was not reimbursed by Planful was husband's personal spending.

Husband introduced into evidence an exhibit listing all his expenses that Planful reimbursed. But not all the travel expenses reported in the relevant Chase credit card statement appear on husband's list. The district court also found credible wife's testimony about the lack of reimbursement for husband's travel expenses, and we defer to those credibility determinations. *Sefkow v. Sefkow*, 427 N.W.2d 203, 210 (Minn. 1988).

The district court also relied on wife's testimony about the Apple credit card, finding that this

> was a credit card held only by [husband]. The statement balance on July 31, 2023 was $11,201.51. [Wife] testified that $10,205.40 was spending by [husband] on personal (non-reimbursed) travel and other personal expenses for trips to Toronto and Germany, which did not benefit the marital estate, and that these amounts should be [husband]'s sole responsibility. The [district] court [found] that $996.11 of this statement is marital debt and $10,205.40 [was husband]'s nonmarital debt.

These findings are likewise reasonably supported by the record.

The relevant Apple credit card statement was admitted into evidence and shows that the balance was $11,201.51. Wife testified that about $10,200 of this was either husband's personal spending, furnishings for another property, or travel that was not reimbursed by Planful. There were also charges reflected in the Apple credit card statement that did not appear on the reimbursement list that husband introduced into evidence. And wife testified that one of husband's trips on the Apple credit card was not reimbursed by Planful.

Because the district court's findings of fact about the allocation of the challenged credit card balances are reasonably supported by the record, and because we defer to the court's credibility determinations, we conclude that the court acted within its discretion in distributing this debt to husband.

E. Roth IRA

Husband maintains that the district court abused its discretion by classifying his entire Roth IRA as marital despite evidence that a portion of the account was accumulated before the parties' marriage in January 2010. He argues that one of his exhibits provides reliable evidence that no marital funds were contributed to the account since the date of marriage. Wife counters that husband failed to prove his nonmarital claim.

Appellate courts "independently review the issue of whether property is marital or nonmarital, giving deference to the district court's findings of fact." *Baker v. Baker*, 753 N.W.2d 644, 649 (Minn. 2008). "A spouse claiming that property is nonmarital must prove the necessary underlying facts by a preponderance of the evidence." *Wiegers v. Wiegers*, 467 N.W.2d 342, 344 (Minn. App. 1991). "When nonmarital property and marital property are commingled, the nonmarital investment may lose that character unless it can be readily traced." *Id.*

Because the district court found that husband had not proved that the Roth IRA was traceable after the parties were married in 2010, the court determined that the full balance of the account was a marital asset. And although husband's exhibit implied that the Roth IRA existed before the parties' marriage, the exhibit did not set forth the value of the account at the time the parties were married. The district court determined that attempting to trace any nonmarital property invested in the Roth IRA was impossible because the value of the account at the time the parties were married was unknown.

Because the district court did not clearly err in finding that husband failed to trace a nonmarital interest in the Roth IRA account, we discern no error in the district court's determination that the Roth IRA was a marital asset. Husband introduced into evidence a Roth IRA account statement for the period of November 1, 2011 to November 30, 2011. The statement established the starting value of the account as of October 31, 2011, and the account's value as of November 30, 2011. A graph included in the statement appears to show that, in November 2010, the account was valued at or just above $8,000. While we can infer from this statement that husband had the Roth IRA in November 2010, there is no evidence in the record establishing the value of the account before the parties were married in January 2010. Husband asserts that the statement shows he made no contribution in 2010, which he claims is reliable evidence that no marital funds were deposited in the account. Despite this assertion, the statement fails to show the value of the Roth IRA before the parties were married. Husband also testified that the Roth IRA had been consolidated with other accounts. Again, however, because of the lack of evidence reflecting the Roth IRA's starting balance and growth over time, the district court could not trace nonmarital funds.

Because husband did not meet his burden of proving that funds in the account were nonmarital, the district court acted within its discretion by deeming the Roth IRA to be a marital asset. *See Prahl v. Prahl*, 627 N.W.2d 698, 705–06 (Minn. App. 2001) (concluding that, because the documentary evidence did not support respondent's contention that nonmarital funds were applied to the homestead mortgage, respondent "failed to prove, by a preponderance of the evidence, that she had a nonmarital interest in the homestead").

F. Spousal Maintenance

Husband asserts that the district court abused its discretion by reserving spousal maintenance without analyzing wife's maintenance claim. He contends that Minnesota Statutes section 518.552, subdivision 2 (2024), required the district court to make findings on the statutory factors before reserving the issue of spousal maintenance. Wife maintains that the district court properly reserved this issue.

"A district court generally has broad discretion in its decisions regarding spousal maintenance[,]" *Melius v. Melius*, 765 N.W.2d 411, 414 (Minn. App. 2009), including whether to reserve maintenance, *Haefele v. Haefele*, 621 N.W.2d 758, 766 (Minn. App. 2001), *rev. denied* (Minn. Feb. 21, 2001). "The standard of review in spousal-maintenance determinations is whether the district court abused its discretion by improperly applying the law or making findings unsupported by the evidence." *Melius*, 765 N.W.2d at 414.

In the November 5, 2024 judgment, the district court found that wife was seeking spousal maintenance and noted her testimony that, "even with the reduced mortgage amount to pay to [wife's mother] for the homestead, . . . [wife would] need assistance for a period of time." And the district court cited husband's opposition to wife's spousal-maintenance request, acknowledging his claim that wife was capable of self-support and that he did not have the means to provide temporary spousal maintenance. The district court ultimately reserved the issue of spousal maintenance based on its findings that husband had not secured employment and that his ability to contribute to wife was unknown.

Husband argues that, "[e]ven where the [district] court elects to reserve maintenance, it must base that reservation on a proper record and analysis of the statutory factors." He relies on *Maiers v. Maiers*, which concerned spousal maintenance. 775 N.W.2d 666, 667–68 (Minn. App. 2009).

In *Maiers*, the husband was the primary income earner and the wife was mainly a homemaker. *Id.* at 667. Although the wife worked part-time during most of the parties' marriage, she was laid off shortly after the dissolution proceedings began. *Id.* Before trial, the wife started working as a flight attendant, but it remained undisputed that she was "not self-supporting." *Id.* At trial, the only issue for determination was spousal maintenance. *Id.* The wife sought permanent spousal maintenance of $3,500 per month, while the husband proposed a 5-year temporary maintenance obligation of $1,600 per month, with the issue of future maintenance reserved.[3] *Maiers*, 775 N.W.2d at 667. The district court ordered temporary maintenance for five years in the amount of $1,956 and "reserved the issue of maintenance for further determination at the expiration of the five-year period." *Id.* at 667–68. On appeal, we reviewed whether the district court had abused its discretion by awarding temporary spousal maintenance rather than permanent maintenance. *Id.* at 668. And we affirmed the district court's award of temporary maintenance because the court had "found that [the wife would] become self-supporting at some point in the future" and had noted uncertainty only about "*when* [the wife would] become self-supporting, not *whether* she [would] become self-supporting." *Id.* at 669.

[3] "An award of temporary maintenance issued before August 1, 2024, is deemed transitional maintenance." Minn. Stat. § 518.552, subd. 3 (2024). "An award of permanent maintenance issued before August 1, 2024, is deemed indefinite maintenance." *Id.*

Husband contends that our decision in *Maiers* upheld the "award of temporary maintenance and reservation of the issue of maintenance for further consideration in five years' time when appropriate findings and analysis [were] made." But our analysis in *Maiers* discusses the district court's findings in support of its decision to award temporary maintenance, and the issue on appeal was whether the court abused its discretion in making *that* award—not whether the court needed to make certain findings before reserving the maintenance for later determination. *Id.* at 668–69.

We have also explained that, "[w]hen reserved in the decree, the maintenance issue is governed by standards for an initial award based upon the facts and circumstances existing at the time the application is made, as if the entire action had been brought at the later date." *Magnussen v. Magnussen*, 387 N.W.2d 471, 473 (Minn. App. 1986) (quotation omitted). And Minnesota Statutes section 518A.27, subdivision 1 (2024), provides that, in a dissolution judgment, a district "court may determine, as one of the issues of the case, whether or not either spouse is entitled to an award of maintenance notwithstanding that no award is then made, or it may reserve jurisdiction of the issue of maintenance for determination at a later date." Taken together, *Magnussen* and section 518A.27 undermine husband's contention that the district court needed to make findings of fact on the statutory factors set forth in subdivision 2 of section 518.552 before reserving spousal maintenance.

We therefore conclude that the district court did not abuse its discretion in reserving spousal maintenance.

G. Imputed Income

Husband argues that the district court abused its discretion by imputing income to him for purposes of determining child support but not for purposes of determining spousal maintenance, which the court instead reserved based on its finding that husband's ability to contribute was unknown, as just discussed. Wife responds that the district court's decisions in determining child support and reserving spousal maintenance were proper.

Under Minnesota Statutes section 518A.34(a) and (b) (2024), the district court is required to "determine the gross income of each parent" in order "[t]o determine the presumptive child support obligation of a parent." Gross income includes "potential income under section 518A.32." Minn. Stat. § 518A.29(a) (2024). If a parent is voluntarily underemployed, "child support must be calculated based on a determination of potential income." Minn. Stat. § 518A.32, subd. 1 (2024). A determination of potential income can be grounded in "the parent's probable earnings level based on employment potential, recent work history, and occupational qualifications in light of prevailing job opportunities and earning levels in the community." *Id.*, subd. (2) (2024).

A district court's determination of income for child support purposes "must be based in fact and will stand unless clearly erroneous." *Newstrand v. Arend*, 869 N.W.2d 681, 685 (Minn. App. 2015) (quotation omitted), *rev. denied* (Minn. Dec. 15, 2015). Whether a parent is voluntarily underemployed is a finding of fact, which appellate courts review for clear error. *Id.* "A finding is clearly erroneous if the reviewing court is left with the definite and firm conviction that a mistake has been made." *Id.* And, as noted earlier, we review a district court's exercise of its broad discretion in determining spousal maintenance by examining whether the court improperly applied the law or made findings of fact unsupported by the evidence. *See Melius*, 765 N.W.2d at 414.

In determining child support, the district court found that husband was voluntarily underemployed and imputed monthly income to him based on his education, employment history, range of skills and abilities, and his average earnings over the preceding three years of his employment with Planful. The district court also imputed an additional amount based on husband's average teaching income. And the district court reserved the issue of spousal maintenance until husband secured employment.

Husband does not challenge the district court's imputation of income for child-support purposes. Instead, he asserts that the district court abused its discretion in failing to apply the same imputed income to determine spousal maintenance rather than reserve it. But "errors require reversal only if they resulted in prejudice." *Sinda v. Sinda*, 949 N.W.2d 170, 176 (Minn. App. 2020); *see also* Minn. R. Civ. P. 61 (requiring a reviewing court to disregard harmless error); *Katz v. Katz*, 408 N.W.2d 835, 839 (Minn. 1987) (stating that a district court will not be reversed if it reached a correct result for the wrong reason). As the appellant, husband bears the "burden to demonstrate prejudice." *Sinda*, 949 N.W.2d at 176; *see also Melius*, 765 N.W.2d at 418 (requiring appellant to demonstrate both abuse of discretion and prejudice to warrant reversal). Husband has not carried that burden here.

Because the district court reserved the issue of spousal maintenance until husband secured employment, the November 5, 2024 judgment does not require that husband pay spousal maintenance to wife. Husband has failed to show how he is prejudiced by not having a spousal maintenance obligation, and we cannot discern such prejudice from the record. Thus, even assuming without deciding that the district court abused its discretion in deciding to reserve the issue of spousal maintenance until husband secured employment, we conclude that such assumed error is harmless and disregard it. *Cf. Sinda*, 949 N.W.2d at 176–77.

H. Childcare

Husband challenges the district court's inclusion of certain expenses—i.e., costs that were unrelated to wife's employment, education, or job search activities—in its calculation of husband's childcare support obligation. In particular, husband disputes the district court's award of $300 per month to wife for childcare expenses during non-work hours. He asserts that, under Minnesota Statutes section 518A.40 (2024), the district court could not award wife non-work-related childcare costs.

"Unless otherwise agreed to by the parties and approved by the court, the court must order that work-related child care costs of joint children be divided between the obligor and obligee based on their proportionate share of the parties' combined monthly PICS."[4] Minn. Stat. § 518A.40, subd. 1 (2024). The district court has broad discretion in ordering support for the parties' children. *Rutten v. Rutten*, 347 N.W.2d 47, 50 (Minn. 1984).

In the November 5, 2024 judgment, the district court explained its determination that it was in the best interest of the children "to continue utilizing nanny care so that [they were] able to leave SACC prior to 5:30 p.m." In addition, the district court found that the parties' nanny was hired to pick the children up from SACC, to "bring them home to begin

[4] PICS is an acronym for "Parental income for determining child support." Minn. Stat. § 518A.26, subd. 15 (2024).

homework and reading, and to get dinner in the oven so that these tasks [were] mostly completed by the time [wife] arrive[d] at home around 5:30 p.m." And the district court discussed the children's difficulty adjusting and noted that an earlier pick up time relieved stress for the children and wife.

Husband contends that there is no authority for the district court to have considered non-work or non-education related childcare costs. But "[c]hild care support must be based on the actual child care expenses." Minnesota Statutes section 518A.39, subd. 7 (2024). "The statute's use of the term 'must' creates a mandate that child-care support be based on actual child-care expenses." *Jones v. Jarvinen*, 814 N.W.2d 45, 47 (Minn. App. 2012). The district court's inclusion of the $300 for additional childcare reflects the actual childcare expenses that wife was incurring and would continue to incur for the benefit of the children. Wife testified that she would use the nanny about ten days a month and that each day would cost $30.

Because the district court's findings are reasonably supported by the record, we conclude that the court did not abuse its discretion in awarding these childcare costs to wife.

I. Husband's Motion to Supplement

In July 2025, husband moved this court to supplement the record with a letter that his counsel had recently filed with the district court. In his motion to supplement, husband contends that the letter concerns "a significant undisclosed conflict of interest in the case" relating to the district court judge who presided over the underlying proceedings. Husband cites Minnesota Rule of Civil Appellate Procedure 110.05 in arguing that the letter contains materially important information and should therefore be part of the record.

"The documents filed in the trial court, the exhibits, and the transcript of the proceedings, if any, shall constitute the record on appeal in all cases." Minn. R. Civ. App. P. 110.01. "An appellate court ordinarily may not consider matters outside the record." *Thomas A. Foster & Assocs., Ltd. v. Paulson*, 699 N.W.2d 1, 9 (Minn. App. 2005) (citing *Thiele v. Stich*, 425 N.W.2d 580, 582–83 (Minn. 1988)). But "[i]f the record on appeal is inaccurate or incomplete, a party may move to correct or modify the record." *K.S.A. v. Alyea*, 983 N.W.2d 455, 465 (Minn. App. 2022) (citing Minn. R. Civ. App. P. 110.05). "Rule 110.05 is limited to correction of the record so that it accurately reflects anything of material value that was omitted from the record by error or accident or is misstated in it." *W. World Ins. v. Anothen, Inc.*, 391 N.W.2d 70, 72 (Minn. App. 1986).

Because husband filed the letter with the district court after the court issued the November 5, 2024 judgment, it is not part of the record that we are reviewing, unless we grant his motion to supplement. *See In re Nelson*, 495 N.W.2d 200, 204 (Minn. 1993) (concluding this court erred in considering a letter part of the record on review because the letter was filed with the district court one month after the case was decided). Husband fails to assert how this information is of material value in this appeal and has not carried his burden of showing that the information establishes error by the district court. *See W. World Ins.*, 391 N.W.2d at 72; *see also Potter v. Potter*, 27 N.W.2d 784, 786 (Minn. 1947) (explaining that "on appeal[,] error is never presumed," that "[i]t must be made to appear affirmatively before there can be reversal[,]" and that "the burden of showing error rests upon the one who relies upon it" (quotation omitted)). Indeed, husband does not connect the alleged conflict of interest to any of his arguments on appeal. And he does not allege—nor do we discern—that the information set forth in the letter relates to an abuse of discretion by the district court as to the determinations that he is challenging.

Thus, we deny husband's motion to supplement under rule 110.05 because the letter was not part of the record before the district court when it issued the November 5, 2024 judgment and because husband has failed to establish that the letter provides something of material value to our analysis of the issues he raises in this appeal.[5] *See W. World Ins.*, 391 N.W.2d at 72; *Potter*, 27 N.W.2d at 786.

Affirmed; motion to dismiss issue granted and motion to supplement denied.

[5] We reject wife's argument that husband has forfeited this issue by failing to raise it in the district court. *See Thiele*, 425 N.W.2d at 582 ("A reviewing court must generally consider only those issues that the record shows were presented and considered by the [district] court in deciding the matter before it." (quotation omitted)). In his motion to supplement, husband maintains that he did not learn of the information until after his notice of appeal was filed and therefore could not have raised the issue in the underlying proceedings.