This opinion is nonprecedential except as provided by Minn. R. Civ. App. P. 136.01, subd. 1(c).

STATE OF MINNESOTA
IN COURT OF APPEALS
A25-1727

In the Marriage of:

Steven John Engman, petitioner,
Appellant,

vs.

Kristine Elisabeth Engman,
Respondent.

Filed August 3, 2026
Affirmed in part, reversed in part, and remanded
Ross, Judge

Olmsted County District Court
File No. 55-FA-23-6989

Amber Lamers, Dittrich & Lamers, LLP, Rochester, Minnesota (for appellant)

Lori L. Nelson, Klampe Law Firm, LLC, Rochester, Minnesota (for respondent)

Considered and decided by Cochran, Presiding Judge; Ross, Judge; and Bentley, Judge.

NONPRECEDENTIAL OPINION

ROSS, Judge

The district court's judgment and decree dissolving Kristine and Steven Engman's marriage ordered Steven to pay spousal maintenance and directed the parties to jointly file their 2024 income taxes and split any refund evenly. On appeal, Steven challenges the spousal-maintenance award and the requirement to treat the tax refund as marital property.

We reverse in part and remand for additional proceedings because we conclude that the district court's spousal-maintenance calculation may have improperly included expenses for an adult child, failed to include necessary findings on Steven's expenses, and erroneously treated the anticipated tax refund as marital property.

FACTS

Kristine and Steven Engman married in 1996 and had four children. Steven petitioned the district court to dissolve the marriage in 2023. Two of the children, M.E., a minor, and E.E., an adult, lived with Kristine at the time of the divorce. The parties agreed to a valuation date of November 9, 2023, and the district court tried the dissolution issues in December 2024. At trial, both parties testified to their current and future expenses.

After the close of evidence, the parties stipulated to some matters but left the issues of spousal maintenance and the division of any future income-tax refund to the district court's consideration. They stipulated that Kristine is entitled to an equalizer payment in the division of property and that Steven would make a prejudgment payment of $542,549.95 of the amount due so Kristine could secure housing during the proceedings. After deducting that anticipated prepayment and making other adjustments, the parties agreed that Kristine would owe Steven $4,652.17, which Steven agreed to waive.

The district court issued its judgment and decree dissolving the marriage and ordering Steven to pay monthly spousal maintenance of $3,610. The decree also ordered the parties to jointly file their 2024 income taxes and divide any refund equally. Steven moved the district court to amend the findings or order a new trial.

The district court issued an amended judgment and decree but did not change its spousal-maintenance award or tax-refund requirements. It based the maintenance calculation in part on an accountant's report estimating Kristine's monthly expenses to be $9,142, consisting of $8,352 for Kristine individually and $790 for expenses for E.E. and M.E. The district court found that Kristine's gross monthly income was $4,290 from working 24 hours weekly as a nurse and that her position at only 60% full time was not the result of voluntary underemployment. It so found in part on a report by Dr. Justin King, a vocational evaluator who opined that Kristine needed to include part-time positions in her job search and on Kristine's testimony that a position at 60% full time was currently the closest to full-time work available in her field. The district court found Steven's monthly income to be $61,398 and concluded that he can meet his own "budgetary needs while also meeting" Kristine's deficit with spousal maintenance. It also ordered Steven and Kristine to file their 2024 income-tax return jointly and to divide any tax refund equally.

Steven appeals.

DECISION

Steven challenges the district court's spousal-maintenance award and requirement to divide the 2024 tax refund. He raises six arguments challenging spousal maintenance. He argues that the district court erroneously included Kristine's expenses for their adult child in her budget. He maintains that the district court improperly found Kristine's budget credible, wrongly found that she is not voluntarily underemployed, failed to reduce the spousal-maintenance amount based on Kristine's marital-property award, failed to make necessary findings on Steven's budget, and awarded retroactive maintenance during a period when he had already covered her expenses. He argues against the requirement to divide the 2024 tax refund equally because the refund includes only his nonmarital property. We discuss each argument in turn.

I

Steven contests the amount and length of his spousal-maintenance obligation. District courts must conduct a two-step analysis when a party to a dissolution proceeding requests spousal maintenance. *Madden v. Madden*, 923 N.W.2d 688, 695 (Minn. App. 2019). The party requesting maintenance must first make a "showing of need" by demonstrating that her employment and investment income do not cover her reasonable expenses under her marital standard of living. *Id.* (quoting *Curtis v. Curtis*, 887 N.W.2d 249, 252 (Minn. 2016)). The district court may award spousal maintenance in the amount and for the duration that it "deems just . . . after considering all relevant factors." Minn. Stat. § 518.552, subd. 2 (2024). We review the district court's decisions on the award and length for abuse of its broad discretion. *Erlandson v. Erlandson*, 318 N.W.2d 36, 38 (Minn. 1982). It abuses this discretion if its decision rests on fact findings that lack record support, it erroneously applies the law, or its legal conclusions fail logic and the record. *Dobrin v. Dobrin*, 569 N.W.2d 199, 202 (Minn. 1997). Under this standard, we conclude that two of Steven's arguments warrant reversal in part.

The district court abused its discretion by calculating spousal maintenance based in part on Kristine's expenses for an adult child without explanation.

Steven argues that the district court misinterpreted the statutory requirement to consider the "reasonable needs of the spouse" by including living and travel expenses for an adult child, E.E. *See* Minn. Stat. § 518.552, subd. 1(a) (2024). Although Steven presents the issue as a question of statutory interpretation affording *de novo* review, the issue instead leads us to determine whether the district court abused its discretion in its spousal-maintenance award by considering an inappropriate factor—the "needs of the adult children"—in its calculations. *See Musielewicz v. Musielewicz*, 400 N.W.2d 100, 103 (Minn. App. 1987), *rev. denied* (Minn. Mar. 25, 1987). When the record is unclear as to "what extent, if any," of a spouse's proposed expenses are made up of contributions to adult children, remand is appropriate. *Reif v. Reif*, 410 N.W.2d 414, 416 (Minn. App. 1987).

We must reverse the district court's spousal-maintenance order because it rests in part on expenses for E.E., an adult, as reflected in Kristine's stated budget. The district court credited Kristine's estimated expenses of "an additional $790 to support [E.E.] residing with her full-time, and [M.E.] halftime." But it did not distinguish between what portion of the $790 supports the adult E.E. and what portion supports the minor M.E. And while the district court's order recites Kristine's opinion testimony that E.E. cannot support herself because of mental-health challenges, it does not credit this testimony or otherwise find that E.E. is incapable of self-support. *See* Minn. Stat. § 518A.26, subd. 5 (2024) (defining "child" to include "an individual who, by reason of physical or mental condition, is incapable of self-support" and one who is younger than 20 years old and still attending secondary school); *see also id.*, subd. 1 (2024) (applying this definition to chapter 518). Kristine's counsel conceded at oral argument that she is not contending on appeal that E.E. qualifies as a child. We conclude that the district court abused its discretion by including expenses for the adult child in its spousal-maintenance award.

Kristine asks for a different conclusion on two theories. The first is that cases faulting the district court for including adult expenses, like *Musielewicz*, 400 N.W.2d at 103, and *Reif*, 410 N.W.2d at 416, involved adult expenses in the calculation of expenses of the spousal-maintenance obligor, not the obligee. The distinction is not meaningful, as the controlling statute requires the district court to consider both parties' budgets, not just the obligor's. *See* Minn. Stat. § 518.552, subds. 1, 2(a) (2024). Kristine's second theory is that any error here is merely "*de minimis*" under *Wibbens v. Wibbens*, 379 N.W.2d 225, 227 (Minn. App. 1985). We decline to treat an indefinite monthly obligation of up to $790 as too insignificant for correction. On remand, the district court must make specific factual findings as to which portions of the parties' proposed budgets constitute expenses for an adult child and, unless it identifies a legal justification to include those expenses, calculate spousal maintenance without them.

The district court did not abuse its discretion by crediting Kristine's budget over other record materials or by awarding her any speculative expenses.

We are not convinced by Steven's contention that the district court erroneously credited Kristine's stated budget as her actual budget. A district court must calculate spousal living expenses based on evidence rather than on speculative amounts that a spouse may incur in the future. *Rask v. Rask*, 445 N.W.2d 849, 854 (Minn. App. 1989). Steven contests the particulars of Kristine's budget. He asks us essentially to credit his proposed budget, not Kristine's, as it regards her cellphone, waste removal, groceries, clothing, shoes, doctors, counseling, gasoline, oil, car washes, licensure, car maintenance, vacations, entertainment, art, sports, and gifts. But we do not reweigh or reconcile conflicting evidence on appeal. *In re Civ. Commitment of Kenney*, 963 N.W.2d 214, 221–22 (Minn. 2021). We only determine whether the district court's findings as to expenses have support in the record and are not clearly erroneous. *Gessner v. Gessner*, 487 N.W.2d 921, 923 (Minn. App. 1992). The district court received competing testimonial or documentary evidence sufficient to support its findings, and we will not disturb those findings in this appeal.

The district court did not abuse its discretion by awarding Kristine indefinite maintenance because its finding that she is not currently voluntarily underemployed is supported by the record.

Steven maintains too that the district court abused its discretion by awarding indefinite spousal maintenance because the purportedly "unrefuted expert testimony" of Dr. King proves that Kristine is voluntarily underemployed. A district court may reduce a spousal-maintenance obligation to account for an obligee's voluntary underemployment. Minn. Stat. § 518.552, subd. 2(b); *Passolt v. Passolt*, 804 N.W.2d 18, 25 (Minn. App. 2011), *rev. denied* (Minn. Nov. 15, 2011). But the district court's finding that Kristine is not voluntarily underemployed is supported by the record and therefore not clearly erroneous. The record includes evidence showing that Kristine's securing of part-time employment in her field could position her to apply for full-time opportunities that were not available at the time she was seeking employment. Dr. King, for example, encouraged her to apply for part-time positions to set herself up for an internal promotion to full time. And the district court credited Kristine's trial testimony that she broadened her search in reaction to Dr. King's report and that her only offer was the one she accepted. We understand the district court's maintenance amount and duration to rest on the current circumstances at the time of the decision, including the expectation that full-time employment opportunities would become available. And for that reason, we see no abuse of discretion in basing maintenance on the income Kristine receives from her part-time employment.

The district court acted within its discretion by refusing to factor Kristine's marital-property award into its spousal-maintenance calculations.

We are not persuaded by Steven's argument that the district court abused its discretion by failing to explicitly consider how Kristine's marital-property award should affect her spousal-maintenance award. District courts must consider "marital property apportioned to the party" when determining the amount and duration of a spousal-maintenance award. Minn. Stat. § 518.552, subd. 2(a). Failing to consider how a prudently invested, sizeable marital-property award affects a spouse's income can constitute an abuse of discretion. *Rask*, 445 N.W.2d at 853–54. But the district court's decree acknowledged the parties' marital-property stipulation and credited a cash-flow projection for Kristine, which includes an estimation of her "[n]et investment income," prepared after she was apportioned her share of the marital property. Because the district court considered how she would reasonably invest her marital-property award, it did not abuse its discretion. It remains within the district court's discretion to determine how its consideration of the property award factors into its maintenance decision.

The district court abused its discretion by failing to make findings on Steven's expenses.

We are persuaded by Steven's assertion that the district court abused its discretion by failing to make a specific finding as to his budget that incorporates the totality of the evidence on his expenses. The district court must consider the obligor spouse's ability to meet his and the obligee spouse's needs when determining the amount and duration of spousal maintenance. Minn. Stat. § 518.552, subd. 2(f). If a district court fails to make findings as to either spouse's expenses, effective appellate review is precluded and remand for further findings is necessary. *Stich v. Stich*, 435 N.W.2d 52, 53 (Minn. 1989). This is so even if the record would support the district court's decision. *Stevens v. Stevens*, 501 N.W.2d 634, 637 (Minn. App. 1993). On this standard, the district court's findings are inadequate. It discussed Steven's monthly expenses and made a finding on his monthly earnings, but it never made the required finding of his expenses. It is true, as Kristine argues, that the district court need not make a precise finding as to each item in a party's budget. *See id.*; *Stich*, 435 N.W.2d at 53. But a bottom-line finding as to expenses and the ability to pay maintenance remains necessary. *See Sinda v. Sinda*, 949 N.W.2d 170, 177 (Minn. App. 2020) (observing the importance of identifying baseline circumstances regarding spousal maintenance). On remand, the district court must make the proper findings and base any spousal-maintenance award on them.

The district court permissibly acted within its discretion to credit Kristine's budget as it applied to possible retroactive maintenance.

Steven unconvincingly maintains that the district court abused its discretion by allowing Kristine to claim expenses on her budget that he testified to covering during the dissolution proceedings and failing to factor in a period of employment training where she worked at 80% full time rather than 60% full time. The district court's award reflects its decision to credit Kristine's proposed budget over Steven's testimony. It is true, as Steven asserts, that the district court's original judgment and decree recognized that he paid these expenses. But Steven moved for amended findings, after which the district court found facts differently from its prior decree and implicitly drew different inferences from them. The district court need not limit its amendments to those requested by the party who moved for amended findings. *McCauley v. Michael*, 256 N.W.2d 491, 499–500 (Minn. 1977). We will not reweigh the evidence leading to the district court's amended findings.

II

The district court misapplied Minnesota Statutes section 518.003, subdivision 3b (2024), by ordering the parties to jointly file their 2024 taxes and equally divide any consequent refund. Based on our review of the record, we reject Kristine's contention that Steven failed to preserve the issue on appeal. And we review this legal issue *de novo*. *Gill v. Gill*, 919 N.W.2d 297, 301 (Minn. 2018). Steven bases his argument on his assertion that a refund would not be marital property subject to division. He is correct. Tax refunds are property, not income, in the dissolution context. *Fitzgerald v. Fitzgerald*, 629 N.W.2d 115, 120–21 (Minn. App. 2001). And property acquired by a spouse after a dissolution proceeding's valuation date is nonmarital property. Minn. Stat. § 518.003, subd. 3b. The parties' November 9, 2023 valuation date preceded any income that would have been withheld and the subject of a tax refund on the 2024 tax return. The record does not suggest that the district court applied an alternate valuation date or intended to invade Steven's nonmarital property. *See* Minn. Stat. § 518.58, subds. 1, 2 (2024). Kristine's counterargument that the district court's property division was equitable misses the point that "[a] court must first classify property as 'marital property' before valuing and dividing [it] between spouses." *Gill*, 919 N.W.2d at 302. If the tax refund included nonmarital property, it cannot be divided as marital property. We reverse the district court's order requiring division of nonmarital property.

Affirmed in part, reversed in part, and remanded.